

**DEPARTMENT OF TREASURY
PROVINCE OF LIMPOPO
VOTE NO. 05
ANNUAL REPORT
2015/2016 FINANCIAL YEAR**

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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
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
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



Hon RWN Tooley
MEC for Finance

It is my pleasure to present the 2015/16 Annual Report for Provincial Treasury. The Annual Report includes the financial performance of the Provincial Treasury and the outcomes and outputs of the Provincial Treasury against targets set in the Annual Performance Plan for the year ended 31 March 2016.

During the year under review the Provincial Treasury continued to build on the successes during 2014/15 and further improved its capacity to deliver on its obligations and responsibilities, which are mainly to oversee provincial finances and ensure adherence to the financial prescripts by all provincial departments, public entities and municipalities, as contained in section 18 of the Public Finance Management Act and section 5 of the Municipal Finance Management Act.

In an attempt to improve governance, financial management and performance in the Department of Education the Provincial Treasury, in consultation with the Executive Council, has placed the Department of Education under intervention in terms of s18 of the PFMA and this process is yielding positive results. Provincial Treasury has also, together with the Department of Co-Operative Governance, Human Settlements and Traditional Affairs, seconded a number of Treasury officials to municipalities in an effort to improve financial management in poorly performing municipalities with the view of improving their audit outcomes.

The Provincial Treasury will continue to strengthen its capacity in the next five years to support Limpopo departments, public entities and municipalities to ensure sound financial management for effective and efficient service delivery. In this regard five specialists have been appointed to strengthen the capacity of Provincial Treasury.

In view of the current economic environment, the Provincial Treasury will also continue to monitor expenditure within departments, public entities and municipalities to ensure there is economic, effective and efficient utilization of resources and that resources are allocated and spent in line with government priorities. We will continue to cut costs on goods and services that are not essential.

May I also take this opportunity to thank the Head of Department and the staff in the Provincial Treasury for their concerted effort in improving the Provincial Treasury, the Audit Committee and the Portfolio Committee on Treasury and other oversight bodies for their valued input and guidance during the year under review.



Hon RWN Tooley
MEC for Finance
Date

4 REPORT OF THE ACCOUNTING OFFICER



Mr G C Pratt
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, exercise its mandate by:

- (a) Preparing the provincial budget
- (b) Exercising control over the implementation of the provincial budget
- (c) Promoting and enforcing transparency and effective management in respect of revenue, expenditure, assets and liabilities of provincial departments and provincial public entities; and
- (d) Ensuring 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 and 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 the Provincial Treasury continued to build on the successes during 2014/15 and further improved its capacity to deliver on its obligations and responsibilities, as entrusted above.

Provincial Treasury, in consultation with the Executive Council, has during the year under review placed the Department of Education under intervention in terms of s18 of the PFMA and this process is starting to yield improved governance, financial management and performance in the Department of Education. Provincial Treasury has also seconded an official to Gateway Airports Authority Limited (GAAL) to act as the CFO for two months. The officials seconded to Education and GAAL are on a cost recovery basis. Provincial Treasury has also seconded a number of Treasury officials to Mopani, Vhembe District and Thabazimbi municipalities in an endeavour to improve financial management in these municipalities. It has been agreed that Provincial Treasury will be responsible for the seconded official's current Provincial Treasury salary cost and that the municipality will only be liable for any differential between their current salary and that of the municipal post seconded to.

The Provincial Treasury maintained an unqualified report and through the efforts of the Provincial Treasury the province improved the audit outcomes in 2014/15 and I trust that this upward swing will continue in the 2015/16 financial year.

While there has been this improvement Provincial Treasury will continue with bilateral meetings with departments, public entities and municipalities in order to quarterly assess progress made and challenges faced in achieving government objectives. We commit to continue strengthening our capacity to deliver in line with our mandate.

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.

Provincial Treasury implemented the National Treasury LOGIS accounting system in four departments namely, 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 will go live on LOGIS on 1 April 2016. The LOGIS system will be rolled out to all provincial departments in a phased approach and is planned to be completed in 2017/18.

Provincial Treasury, in 2015/16, continued to intensively implement the Provincial Revenue Enhancement Strategy by embarking on and financing sustainable revenue enhancement projects within departments and public entities and this has yielded increases in provincial own revenue collections to above R1 billion. With the assistance of the provincial departments and public entities, Provincial Treasury will continue to identify new revenue sources during the 2016/17 financial year.

4.2 Overview of the Financial Results of the Department

4.2.1 Departmental Receipts

Departmental receipts	2015/2016			2014/2015		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts	-	-	-	-	-	-
Sale of goods and services other than capital assets	493	583	(90)	517	501	16
Transfers received	-	124	(124)	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-
Interest, dividends and rent on land	236 056	300 356	(64 300)	213 792	295 378	(81 586)
Sale of capital assets	-	-	-	-	-	-
Financial transactions in assets and liabilities	266	1 907	(1 641)	267	3 352	(3 085)
Total	236 815	302 970	(66 155)	214 576	299 231	(84 655)

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

During the 2015/16, Provincial Treasury exceeded its revenue collection target by R66.1 million, the department collected R302.9 million against a target of R 236.8 million. The over collection was mainly attributable to the improved cash management controls and positive cash position of the province which resulted in additional interest being earned during the financial year. The department received R124 000.00 from Standard Bank of South Africa.

Provincial Treasury does not render any free services that if charged would yield significant revenue other than the related party transaction disclosed in Note 25 to the financial statements.

The department wrote off irrecoverable debts amounting R0.359 million during the year under review. These debts were uneconomical to recover or would have caused undue hardship to the families of the debtors. The write offs were in line with applicable legislation and frameworks.

4.2.2 Programme Expenditure

Programme Name	2015/16			2014/15		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	155 229	150 278	4 951	139 560	133 925	5 635
Sustainable Resource Management	51 447	50 127	1 320	47 811	45 972	1 839
Assets, Liabilities & SCM	84 664	83 051	1 613	72 650	69 360	3 290
Financial Governance	81 086	78 390	2 696	102 372	95 203	7 169
Sub Total	372 426	361 846	10 580	362 393	344 460	17 933
Statutory	1 902	1 876	26	1 822	1 845	(23)
Total	374 328	363 722	10 606	364 125	346 305	17 910

The detailed expenditure breakdown per programme and economic classification is contained in the Appropriation Statements in the Annual Financial Statements.

Programme 1 – Administration

In 2015/16 Programme 1 spent a total amount of R152.2 million or 97% of its final appropriated budget of R157.1, including the statutory amounts. (R2014/15: R135.8 million or 96% of R141.4 million budget). The major contributing factor to underspending was not timeously filling all funded vacant posts during the 2015/16 financial year as well security scanners installations that were not completed before year end.

Programme 2 – Sustainable Resource Management

In 2015/16 Programme 2 spent a total of R50.1 million or 97% of its final appropriated budget of R51.4 million. (2014/15: R46 million or 96% of R47.8 million budget) The underspending in 2015/16 was mainly due to better management of the travelling and subsistence claims and departmental catering.

Programme 3 – Assets, Liabilities and Supply Chain Management

In 2015/16 Programme 3 spent R83.1 million or 98% of its final appropriated budget of R84.7 million (2014/15: R69.4 million or 95% of R72.7 million budget) and this spending is within the acceptable norm.

Programme 4 – Financial Governance

In 2015/16 Programme 4 spent R78.4 million or 97% of its final appropriated budget of R81.1 million (2014/15: R95.2 million or 93% of R102.4 million budget). The underspending in 2015/16 was mainly due to late filling of funded vacant posts in the programme.

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

- **Compensation of Employees (COE)**

During 2015/16 financial year, the department spent R235.9 million or 99% of its final appropriated COE budget of R238.1 million (2014/15: R218.5 million or 96% of R227.2 million budget). While the Department had not filled all funded vacant posts timeously the percentage of the budget spent has improved in 2015/16 from 96% to 99%.

- **Goods & Services**

The department spent R111 million or 95% of its final appropriated Good and Services budget of R117.4 million during 2015/16 financial year (2014/15: R116.5 million or 93% of R124.8 million budget). There has been a marginal improvement in the percentage of the budget spent in 2015/16 from 93% to 95%. The underspending was due to late submission of invoices by service providers and cost saving measures which were instituted during the year. The Department has accruals as at 31 March 2016 of R3.9 million.

- **Transfers & Subsidies**

An amount of R8.7 million or 93% of a final appropriated budget of R9.3 million was spent during 2015/16 financial year. In 2014/15 the department spent 100% of the R5.1 million budget. The underspending in 2015/16 was mainly due to bursaries not paid at year end as bursary invoices were not received from institutions of higher learning prior to year end.

- **Capital Payments**

The department spent R7.8 million or 83% on the final capital payments budget of R9.5 million during 2015/16 financial year. In the financial year 2014/15, the department had spent R6.1 million or 87% of its final appropriation budget of R7 million. The 2015/16 underspending can largely be attributed to security scanners installations that were not completed before year end.

4.2.3 Virements and Rollover

- **Virements**

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 R2.2 million and R1.5 million was moved from Programme 2: Sustainable Resources and Programme 4: Financial Governance respectively to Programme 1: Administration and Programme 3: Assets, Liabilities and SCM to address budget pressures in Goods and Services in the respective programmes.

- **Rollovers**

A rollover request for an amount of R2.6 million has been made and this will assist the department in finalising the security scanner installation contract which could not be finalised prior to the end of the 2015/16 financial year.

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

Provincial Treasury will strengthen its ability to deliver on its mandate to improve financial management in departments, municipalities and public entities in the province. To improve accountability and in an effort to improve the provincial audit outcomes, Provincial Treasury will continue to roll out the implementation of the LOGIS financial system in the remaining departments in the province and strengthen supply chain and asset management support and monitoring in departments and municipalities.

4.2.6 Public Private Partnership

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

4.2.7 Discontinued Activities/ Activities to be Discontinued

No activity was discontinued during the year under review

4.2.8 New or Proposed Activities

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

4.2.9 Supply Chain Management (SCM)

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.

4.2.10 Gifts and Donations Received

Provincial Treasury, during 2015/16, received donations from the provincial banker, Standard Bank of South Africa as disclosed in Annexure 1B to the financial statements.

4.2.11 Exemptions and Deviations Received from 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.

4.2.12 Events after Reporting Date

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

4.2.13 Other

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

4.2.14 Acknowledgement

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.

4.2.15 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 outline in my executive summary.

4.2.16 Approval

The Annual Financial Statements set out on pages 100 to141 have been approved by the Accounting Officer.



Mr. GC Pratt
Accounting Officer
Department of 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 2016.

Yours faithfully



Accounting Officer
Mr GC Pratt

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 AND 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 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

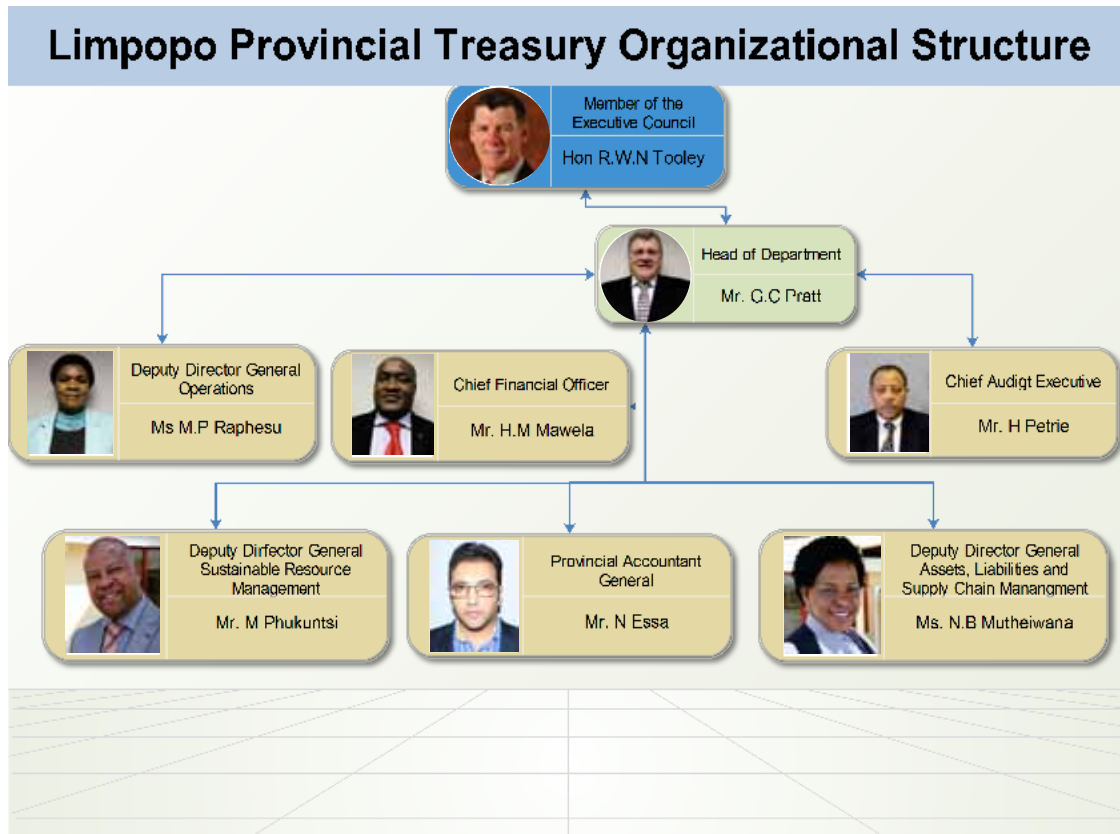
The functions and powers of the provincial treasury as provided by the PFMA are as follows:

Section	Function and powers
18 (1) (a) (b) (c) (d)	A Provincial treasury must: Prepare the provincial budget Exercise control over the implementation of the provincial budget Promote and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities of provincial departments and provincial public entities; and Ensure its fiscal policies do not materially and unreasonably prejudice national economic policies.
18 (2) (a) (b) (c) (d) (e) (f) (g) (h) (i)	A provincial treasury must issue provincial instructions not inconsistent with the Act; 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 must comply with annual DORA and monitor and assess the implementation of that Act in public entities; must monitor and assess implementation in provincial public entities of national and provincial national norms and standards may assist provincial departments and provincial public entities in building their capacity for efficient, effective and transparent financial management; may investigate any system of financial management and internal control applied by a provincial department or public entity 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 Must promptly provide National Treasury with any information required in terms of the PFMA May do anything further that is necessary to fulfil its responsibilities effectively

The Provincial Treasury is also mandate 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)	<p>Must monitor:</p> <ul style="list-style-type: none"> (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



9 ENTITIES REPORTING TO THE MEC

The department does not have 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 95 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 and facilitated supplier registrations on the National Treasury new Central Supplier Database (CSD).

Municipalities have been monitored and provided with hands on support on implementation of Municipal Budget Reporting Regulations, debt management as well as other corporate governance matters.

In order to migrate from manual asset register to LOGIS, the departments were required to utilize the BAUD asset management system to prepare for a smooth transition of assets into the LOGIS system. The LOGIS system has been implemented in four departments namely Treasury, Office of the Premier, COGHSTA and Safety Security and Liaison and they will go live on the 1 April 2016, the rest of the departments will follow in a phased approach and we have started with the environment assessments in the next four departments of Education, Health, Sport, Arts and Culture and Economic Development, Environment and Tourism.

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
Management of 30 days payment turnaround time	13 Provincial departments and 5 public entities	Non-compliance to payment of invoices within 30 days	100% compliance to payment of invoices	90.09 % compliance of invoice payment by departments and public entities
Support municipalities to improve audit outcomes	30 Municipalities	Compliance to financial regulations	100% compliance to financial regulations	30 municipalities were monitored and supported on compliance to financial regulations and guidelines
Support departments to improve audit outcomes	13Votes	Compliance to financial regulations	100% compliance to financial regulations	13 votes and 5 entities supported and adhere to financial regulations

Batho Pele arrangements with beneficiaries (Consultation access etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
Meetings and reports	Reports, workshops & trainings	Reports, workshops & trainings
Feedback done in departments	Feedback through reports	Public entities not done
Meetings and workshops	Meetings ,reports & workshops	Meetings & workshop every 33 weeks

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
Service Standards document	Service Standards document	Compliance to the set standards quarterly
SDIP document	SDIP document	Partial achievement to the set service targets
Service Charter document	Service Charter document	Approved Service Charter
Citizen`s Report document	Citizen`s Report document	Achievement of set targets

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Suggestion boxes	Suggestion boxes	No complaints received
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 relate to support and monitoring of public entities and votes with regard to resolving prior year Auditor General findings. Key vacant posts were 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. In order to limit the impact of the capacity challenges on the effectiveness of the internal audit service, the Provincial Treasury appointed forty internal audit learners during 2014/15 on a 24 month learnership programme. The internal audit learnership programme offers opportunities to unemployed graduates to gain valuable internal audit experience and increase the pool of experienced internal auditors in Limpopo Province.

In order to further strengthen Provincial Treasury interviews and appointments of five specialists support staff were finalized, and they will assume their responsibilities in the first quarter of 2016. In addition the Department appointed additional staff on contract to strengthen Provincial Treasury's support to municipalities in the province.

2.4 Key policy developments and legislative changes

There were no key policy development and legislative changes during the period under review.

3 STRATEGIC OUTCOME ORIENTED GOALS

Provincial Treasury's progress on the set strategic outcomes oriented goals in 2015/16 as the first year of implementation of the 2015/16 to 2019/20 Strategic Plan is as follows:

STRATEGIC OUTCOME ORIENTED GOAL 1: STRATEGIC PARTNERSHIP THAT ENABLES EFFECTIVE EXECUTION OF THE DEPARTMENT'S LEGISLATIVE MANDATE BY THE 4 DEPARTMENTAL PROGRAMMES.

This goal contributed to National Outcome 12 of building an effective, efficient and development oriented public service as well as NDP objective 13 of building a capable and developmental state.

Provincial Treasury received an unqualified audit report in 2014/15 financial year. The Department set aside R2.5 million for staff development and R2 million was spent during 2015/16 financial year for this purpose. This is part of building capacity in an effort to contribute towards the professionalization of the Public Service.

Provincial Treasury has also provided and coordinated various financial management training courses to improve financial management skills and knowledge and also trained employees from all departments on the use of the financial systems throughout the year.

STRATEGIC OUTCOME ORIENTED GOAL 2: RESPONSIVE, ACCOUNTABLE, EFFECTIVE AND EFFICIENT PROVINCIAL AND LOCAL GOVERNMENT SYSTEM.

This goal also contributes towards National Outcome 12 of an efficient, effective and development oriented public service (and an empowered, fair and inclusive citizenship) and National Outcome 9 of a responsive, accountable, effective & efficient local government system.

Provincial Treasury has developed and implemented the Municipal Finance Support Strategy as an intervention to address poor financial management and governance in municipalities.

The Provincial Treasury organisational structure was reviewed and aligned to the National Treasury's generic structure for provincial treasuries. The organisational structure is now in its final stages of consultation with the DPSA before final approval. Key Senior Management positions were filled in an effort to strengthen the Department to deliver on its mandate.

Provincial Treasury also continued to closely manage the provincial cash flows and maintained a healthy provincial cash balance.

4 PERFORMANCE INFORMATION BY PROGRAMME

4.1 Programme 1: Administration

4.1.1 Purpose:

The purpose of the programme is to provide effective and efficient Strategic management, administrative support and sound financial management to Provincial Treasury.

The programme has the following sub-programmes namely:

- MEC Support Services (Office of the MEC)
- Management Services (Office of the HOD)
- Corporate Services
- Financial Management (Office of the CFO)

4.1.2 Strategic Objectives:

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 2018/19.

Programme Name					
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
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 2018/19.	MPAT 1.4 departmental average score of 2.5 attained	MPAT 1.5 departmental average of level 3 attained	MPAT 1.5 departmental average of level 3.1 was attained	0.1	Improvement in most standard realised for MPAT 1.5.
	Level 3 financial management capability attained	Level 3+ financial management capability attained	Level 2.9 financial management capability was attained	0.2	Limpopo Provincial Treasury is experiencing challenges on Human Resource Management related issues, for example, shortage of skills and vacancy rate.

4.1.3 Performance indicators

Programme:Administration					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of programmes monitored for compliance to institutional arrangements	4	4	4	0	N/A
Number of programmes monitored and supported on compliance to PMDS policies	4	4	4	0	N/A
Number of programmes supported on development/review of business processes	-	4	4	0	N/A
Number of key services monitored in implementation of SDIP	3	3	3	0	N/A
Number of facilities monitored on the implementation of Risk Assessment recommendations	9	9	9	0	N/A
Number of programmes supported and monitored in the mitigation of the prioritised risks to provide reasonable assurance on the achievement of set objectives	4	4	4	0	N/A
Number of programmes monitored and supported on the implementation of Records Management Systems	4	4	4	0	N/A
Number of buildings provided with auxiliary services in line with User Asset Management plan	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	0	N/A
Number of prioritized ICT projects implemented in line with ICT plan	2	4	3	Adjudication for the outstanding tender (backup solution for the department) was concluded,	Tender to be re-advertised in the first quarter of 2016/17.

Programme: Administration					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
				however as the only responsive bidder's price exceeded the planned budgeted amount the tender was cancelled.	
Number of programmes supported in the implementation of MISS and Investigation Strategy to ensure compliance with National Security Prescripts	4	4	4	0	N/A
Number of IYM reports compiled in line with National Treasury prescripts	12	12	12	0	N/A
Number of budget documents compiled and submitted	-	4	4	0	N/A
Number of financial statement compiled and submitted for review by Provincial Treasury in line with the reporting framework	-	4	4	0	N/A
% of supplier's valid invoices paid within 30 days	100%	100%	100%	0	N/A
Number of departmental plans and performance reports developed and analysed in line with National Treasury Framework	8	8	8	0	N/A
Number of strategic sourcing, maintenance and disposal plans implemented in line with applicable SCM prescripts	5	5	5	0	N/A

4.1.4 Strategy to overcome areas of under performance

Area of under performance	Strategies to address under performance
1. One (1) prioritised ICT projects not implemented in line with ICT Plan	Tender to be re-advertised in 2016/17 financial year

4.1.5 Changes to planned targets

There were no changes to planned targets in Programme 1

4.1.6 Linking performance with budgets

Sub-programme expenditure

Sub-Programme Name	2015/16			2014/15		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the MEC	5 485	5 407	78	4 524	4 533	(9)
Management Services	5 572	5 280	292	5 721	4 559	1 162
Corporate Services	108 338	103 751	4 587	93 173	89 480	3 693
Financial Management	37 736	37 716	20	37 964	37 198	766
Total	157 131	152 154	4 977	141 382	135 770	5 612

In 2015/16 Programme 1 spent a total amount of R152.2 million or 97% of its final appropriated budget of R157.1, including the statutory amounts. (R2014/15: R135.8 million or 96% of R141.4 million budget). The major contributing factor to underspending was not timeously filling all funded vacant posts during the 2015/16 financial year as well security scanners installations that were not completed before year end.

The programme spent 1% more of its final budget in 2015/16 when compared with the spending in 2014/15 financial year.

4.2 Programme 2: Sustainable Resource Management

4.2.1 Purpose:

The programme purpose is to inform financial resource allocation, manage the provincial budget and to support and monitor provincial departments, municipalities and public entities for efficient and effective use of the province's fiscal resources.

The programme has the following sub-programmes:

- Economic Analysis
- Fiscal Policy
- Budget Management
- Public Finance
- Intergovernmental Fiscal Relations (Municipal Finance)
-

4.2.2 Strategic Objectives:

- i. To achieve 98 percent provincial annual expenditure during 2015/16 to 2019/20
- ii. To achieve annual improvements in audit outcomes in 30 municipalities and 3 municipal entities by 2019/20

Programme Name					
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
To achieve 98 percent provincial annual expenditure during 2015/16 to 2019/20	R1. 422 billion collected as compared to the original budget of R869 million and the adjusted budget of R1.389 billion.	Real growth in revenue collection through review and implementation of Provincial Revenue Enhancement Strategy	R1. 258 billion collected as compared to the original budget of R976.7 million and the adjusted budget of R1.202 billion. The actual revenue collection exceeded the original budget of R976.7 million by 23%	0	N/A
	Achieved R50.9 billion expenditure or 97.5 percent of the total adjusted budget of R52.2 billion as compared to R46.8 billion or 94.2 percent of the adjusted budget of R48.4 billion of the 2013/14 year representing 3.6 percent improvement.	Improved spending by 13 votes, 30 municipalities and 8 public entities in line with allocated budgets for improved service delivery	Achieved R52.967 billion expenditure or 98.3 percent of the total adjusted budget of R53.889 billion as compared to R50.9 billion or 97.5 percent of the adjusted budget of R52.2 billion of 2014/15 representing 0.8 percent improvement.	0	N/A
To achieve annual improvements in audit outcomes in 30 municipalities and 3 municipal entities by 2019/20	12 municipalities received unqualified audit opinion	21 municipalities and 3 municipal entities receive unqualified audit opinion	10 municipalities and 2 municipal entities received unqualified audit opinion	11 municipalities and 1 municipal entity received unqualified audit opinion	The common challenges across municipalities that received qualified, disclaimed or adverse audit opinions relate to findings on Property, Plant & Equipment (PPE), Revenue and

Programme Name					
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
					Receivables (water transactions) and Cash flow matters

4.2.3 Performance indicators

Programme / Sub-programme:					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of Research documents produced to align the Provincial Fiscal Policy	7	7	7	0	N/A
Number of Departments and Public Entities supported and monitored in provincial own revenue enhancement to ensure achievement of set targets	18	17	17	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	0	N/A
Number of consolidated provincial in year monitoring reports produced in line section 32 of PFMA.	12	12	12	0	N/A
Number of infrastructure departments monitored and supported in the implementation of the infrastructure delivery management system	9	9	9	0	N/A
Number of departments monitored on infrastructure expenditure to improve infrastructure service delivery	9	9	9	0	N/A

Programme / Sub-programme:					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of Municipalities monitored and Municipal Entities supported on financial management governance	30	33	33	0	N/A

4.2.4 Strategy to overcome areas of under performance

There were no areas of underperformance in Programme 2

4.2.5 Changes to planned targets

There were no changes to planned targets in Programme 2

4.2.6 Linking performance with budgets

Sub-programme expenditure

Sub-Programme Name	2015/16			2014/15		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Support	1 771	1 752	19	3 481	3 427	54
Economic Analysis	1 856	1 593	263	2 213	1 994	219
Fiscal Policy	14 983	15 136	(153)	13 310	13 054	256
Budget Management	4 356	4 111	245	4 068	3 829	239
Public Finance	8 428	8 374	54	8 512	7 953	559
Intergovernmental Relations	20 053	19 161	892	16 227	15 715	512
Total	51 447	50 127	1 320	47 811	45 972	1 839

In 2015/16 Programme 2 spent a total of R50.1 million or 97% of its final appropriated budget of R51.4 million. (2014/15: R46 million or 96% of R47.8 million budget) The underspending in 2015/16 was mainly due to better management of the travelling and subsistence claims and departmental catering.

The programme spent 1% more of its allocated budget in 2015/16 financial year as compared to the spending in 2014/15.

4.3 Programme 3: Asset, Liabilities and Supply Chain Management

4.3.1 Purpose:

This programme's purpose is to provide policy direction, facilitating the effective and efficient management of Assets, Liabilities, Financial Systems and Supply Chain Management.

The programme consists of the following sub-programmes:

- Programme Support
- Asset and Liabilities Management
- Provincial Supply Chain Management
- Support & Interlinked Financial Systems

4.3.2 Strategic Objectives:

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.

Programme Name					
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
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.	Not measured	13 votes and 5 public entities comply with Assets and Inventory management prescripts	13 votes and 5 public entities complied with Assets and Inventory management prescripts	0	N/A
	Not measured	13 votes and 5 public entities comply with Banking, Cash and liabilities Management prescripts	13 votes and 5 public entities complied with Banking, Cash and liabilities Management Prescripts	0	N/A
	55% compliance to SCM prescripts to ensure transparent, equitable, fair, competitive and cost-effective procurement system in the	12 votes and 5 public entities comply with SCM prescripts	Three (3) votes (CoGHSTA, Treasury and LEDET) and one (1) public entity (Gambling Board) were found to be above 90% acceptable compliance	Nine (9) votes and Four (4) public Entities did not meet the 90% compliance with SCM prescripts threshold.	There are still areas of none compliance in nine (9) votes (Education, Social Development., Premier, Public Works, Sport, Arts and Culture, Health, Security Safety Liaison, Transport and Agriculture) and four (4) Public Entities (LTA, LEDA,

Programme Name					
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
	province.		level		RAL and GAAL). All the above institutions performed below the 90% acceptable compliance threshold.

4.3.3 Performance indicators

Programme / Sub-programme:					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of Votes and Public Entities monitored and supported on Asset Management to improve the effectiveness, efficiency and economical Asset Management	13	18	18	0	N/A
Number of Votes and Public Entities monitored and supported on Inventory Management to improve the effectiveness, efficiency and economical Inventory Management	13	18	18	0	N/A
Number of Votes and Public Entities monitored and supported on cash, banking and liabilities management	18	18	18	0	N/A
Number of Votes and Public Entities monitored and supported on SCM processes	17	17	17	0	N/A
Number of strategic procurement/transversal bids facilitated for adjudication in the province	1	3	3	0	N/A
Number of votes monitored and supported on transversal contracts	12	12	12	0	N/A

Programme / Sub-programme:					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of votes and public entities supported on SCM supplier development	-	17	17	0	N/A
Number of votes supported and monitored on financial system utilization	13	13	13	0	N/A
Number of LOGIS sites implemented	1	3	3	0	N/A

4.3.4 Strategy to overcome areas of under performance

There were no areas of underperformance in Programme 3

4.3.5 Changes to planned targets

There were no changes to planned targets in Programme 3

4.3.6 Linking performance with budgets

Sub-programme expenditure

Sub-Programme Name	2015/16			2014/15		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Support	1 957	1 364	593	1 095	1 147	(52)
Assets Management	14 440	15 852	(1 412)	11 276	10 205	1 071
Liabilities Management	7 453	6 537	916	7 615	7 791	(176)
Supply Chain Management	24 995	24 545	450	25 329	23 889	1 440
Support & Interlinked Financial Systems	35 819	34 753	1 066	27 335	26 328	1 007
Total	84 664	83 051	1 613	72 650	69 360	3 290

In 2015/16 Programme 3 spent R83.1 million or 98% of its final appropriated budget of R84.7 million (2014/15: R69.4 million or 95% of R72 7 million budget) and this spending is within the acceptable norm.

The programme spent 3% more of its final budget in 2015/16 financial year as compared to the spending in 2014/15.

4.4 Programme 4: Financial Governance

4.4.1 Purpose:

- i. To ensure sound financial management and financial accountability in the province through capacity building, financial reporting, financial management policies development and support of oversight structures/bodies.
- ii. To ensure that all Departments and public entities have implemented an effective risk management and internal control processes.
- iii. To provide internal audit services to all Limpopo provincial departments in compliance with the approved internal audit plan.

The programme consists of the following sub-programmes:

- Programme Support
- Accounting Services
- Internal Control and Risk Management
- Internal Audit Services

4.4.2 Strategic Objectives:

To achieve annual improvements in audit outcomes in 12 votes and 5 public entities by 2019/20.

Programme Name					
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
To achieve annual improvements in audit outcomes in 12 votes and 5 public entities by 2019/20.	-	Annual improvements in financial management from level 2 to level 3 of Financial Management Capability Maturity Model (FMCMM)	Annual improvement in financial management from level 2 to level 2.7 of FMCMM was attained	0.3	The following are common challenges across all Provincial Departments and Public Entities: <ul style="list-style-type: none"> ○ Asset Management (Immovable and movable assets) ○ Revenue Management ○ Human Resource Management (Management of Service benefits, Skills and vacancy rate) ○ Expenditure Management ○ Failure to resolve / implement Internal Audit and AG findings

4.4.3 Performance indicators

Programme / Sub-programme:					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of courses conducted on transversal systems in line with National Treasury standards	86	78	104	26	Twenty – six (26) additional courses conducted were on LOGIS which is a new system under implementation
Number of financial management short courses coordinated in line with SAQA.	11	9	6	5	Two courses of the six (6) financial management short courses coordinated were not planned - they were special requests by National Treasury. The planned five (5) courses could not be coordinated due to lack of suitable accredited service providers that could be appointed.
Number of long-term financial management qualification programmes coordinated in Provincial Departments	2	2	2	0	N/A
Number of votes and Public Entities monitored and supported in resolving AG audit findings to improve audit outcomes	8	17	18	1	Corridor Mining (Subsidiary of LEDA) was also supported in resolving AG audit findings to improve audit outcomes
Number of audit committee meetings supported to improve governance in departments	66	65	97	32	AC Strategic Planning, Extra Audit Committee for Education and Audit Committee meetings of Public Entities were also supported.
Number of votes monitored and supported with regards to SCOPA matters	13	12	12	0	N/A

Programme / Sub-programme:					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of Votes and Public Entities supported in preparing annual financial statements in line with the PFMA.	18	17	17	0	N/A
Number of consolidated Annual financial statements for Votes and for Public Entities prepared in line with PFMA and submitted to the Auditor	1	4	0	4	Awaiting Consolidated Annual Financial Statements (CAFS) audit for 2010/11 for votes and the 2012/13 audit for public entities was finalised in February 2016
Number of Votes and Public Entities assessed on Risk Management	14	17	17	0	N/A
Number of Votes and Public Entities monitored on their risk within the Provincial Risk Profile	14	17	17	0	N/A
Number of transversal risk management IT system Implemented	-	1	0	1	Delays in SCM processes for acquiring the system
Number of three year strategic rolling and annual audit plans prepared by Provincial Internal Audit and approved by the Audit committee for the year financial year 2015/16	12	12	12	0	N/A
Number of votes audit as per approved annual audit plans to improve the internal control environment	12	12	12	0	N/A
Number of annual	1	1	1	0	N/A

Programme / Sub-programme:					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
internal Quality Assurance Improvement Programmes (QAIP) implementation reports prepared to improve the quality of client services					

4.4.1. Strategy to overcome areas of under performance

Area of under performance	Strategies to address under performance
Six (6) planned financial management short courses could not be coordinated in line with SAQA, due to delays in appointment of Service Providers	To finalise appointment of Service Providers in the first quarter of 2016/17
Four (4) Consolidated Annual Financial Statements (CAFS) for Votes and for Public Entities were not prepared in line with PFMA and submitted to the Auditor because the department is awaiting Consolidated Annual Financial Statements (CAFS) audit for 2010/11 for votes and the 2012/13 audit for public entities was finalised in February 2016	The Department will submit 2012 - 15 CAFS for votes and 2014 - 2015 CAFS for public entities in the first quarter of 2016/17 after finalisation of CAFS audit for 2010/11 for the votes and the Audit for 2012/13 CAFS for public entities.
Three (3) public entities and Department of Social Development were not assessed on Risk Management Performance because they did not submit their 3rd quarter reports to LPT for analysis.	Institutions who did not comply to receive letter of non-compliance from the PAG's office
Three (3) public entities, Department of Social Development and Limpopo Provincial Treasury were not monitored on their risks within the Provincial Risk Profile because they did not timeously submit their 2016-17 risk profiles to LPT for analysis.	Institutions who did not comply to receive letter of non-compliance from the PAG's office

4.4.2. Changes to planned targets

There were no changes to planned targets in Programme 4

4.4.3. Linking performance with budgets

Sub-programme expenditure

Sub-Programme Name	2015/16			2014/15		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Support	9 741	11 921	(2 180)	30 931	29 481	1 450
Accounting Services	13 256	11 281	1 975	64 121	58 491	5 630
Norms & Standards	14 579	13 275	1 304	0	0	0
Provincial Internal Audit	35 432	34 417	1 015	0	0	0
Risk Management	8 078	7 496	582	7 320	7 231	89
Total	81 086	78 390	2 696	102 372	95 203	7 169

In 2015/16 Programme 4 spent R78.4 million or 97% of its final appropriated budget of R81.1 million (2014/15: R95.2 million or 93% of R102.4 million budget). The underspending in 2015/16 was mainly due to late filling of funded vacant posts in the programme.

The programme spent 4% more of its final appropriation in 2015/16 as compared to 2014/15.

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 2015 to 31 March 2016.

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
University & technikons	Institutions of higher learning	Bursaries	N/A	5313	5313	N/A
Polokwane municipality	Municipality	Vehicle license	N/A	20	20	N/A

6 CONDITIONAL GRANTS

6.1 Conditional grants and earmarked funds paid

The department does not have conditional grants.

7 DONOR FUNDS

7.1 Donor Funds Received and in Kind

	CASH	IN KIND		
Name of donor	Standard Bank of South Africa - Cash	Standard Bank of South Africa – In kind	Standard Bank of South Africa – In kind	Standard Bank of South Africa – In kind
Full amount of the funding (R'000)	R124	R83	R10	R104
Period of the commitment	2015 - 2017	2015/16	2015/16	2015/16
Purpose of the funding	Training of Bid Committees	Women's day Celebration	Heritage day Celebration	Post Budget Breakfast
Expected outputs	Improved skill level of bid committee members	Women's day celebrated	Heritage day Celebrated	Post Budget Breakfast hosted
Actual outputs achieved	Not yet achieved	Women's day celebrated	Heritage day Celebrated	Post Budget Breakfast hosted
Amount received in current period (R'000)	R124	In kind	In kind	In kind
Amount spent by the department (R'000)	0	In Kind	In Kind	In Kind
Reasons for the funds unspent	Received late in financial year	N/A	N/A	N/A
Monitoring mechanism by the donor	Reporting by Department on progress	N/A	N/A	N/A

8 CAPITAL INVESTMENT

8.1 Capital investment, maintenance and asset management plan

The department does not have capital investments.

PART C: GOVERNANCE

1 INTRODUCTION

The department is committed to high standard of governance in managing public finance and resources. The department utilizes 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. 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 had been appointed to ensure that procurement processes were fair, competitive, equitable, transparent and cost effective.
- All senior managers made full financial disclosures to the Executive Council
- Financial, human resource and other operational policies were in place and implemented during the year. These policies were also 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 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 coordinating and managing the Cluster Audit Committees. The province has two tier audit committee structure consisting of four clusters and a central audit committee. The Audit Committee 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.

2 RISK MANAGEMENT

Provincial Treasury has a risk management policy and strategy in place which was aligned to the 2015/16 Annual Performance Plan. A risk management committee is in place to monitor implementation of the mitigation for the identified risks.

The Risk Management Committee of Provincial Treasury is functioning and the top risks were identified and their mitigating monitored. Operational risks were also identified and monitored. Best practice models of Risk Management are being adhered to. Risks registers are developed, updated and the progress with regards to the implementation of the mitigations to address prioritized risks are being monitored

on an ongoing basis. The governance structures are also in place and they are functioning well.

Risk management support is extended to the Public Entities, however capacity still remains a challenge in some of the entities. The department identified and assessed the strategic risks during departmental strategic planning session. The department's strategies to identify and mitigate risk are based on departmental policies which are in line with Public Sector Risk Management Framework.

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.

The Security and Investigation Service unit conducts quarterly fraud and corruption awareness workshops, in the department. Staff members are trained on how to report fraud and corrupt activities in their work environment and how they will be protected in terms of Protected Disclosure Act 26 of 2000 or Whistle Blowing Policy. During the workshop staff members are advised on how and to whom they must report fraud and corruption and the availability of the National Anti-corruption Hotline of Public Service Commission on 0800701701.

The role of the Security and Investigation Services unit is to oversee the department's approach to fraud prevention, fraud detection strategies and response to fraud and corruption incidents reported internally by employees or other external parties through the National Anti-Corruption Hotline, the Premiers Hotline or any other manner.

Limpopo Provincial Treasury is committed towards the highest possible standards of openness, probity and accountability. In line with this commitment the department expects and encourage employees and public members to come forward and voice their concerns about any impropriety related to the departments work environment. In turn, these officials will be protected against any occupational detriment.

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 MEC. All supply chain officials also declare that they have no conflict of interest prior to any bid being evaluated or adjudicated.

Where any 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 departments disciplinary processes.

5 CODE OF CONDUCT

All employees of Provincial Treasury are inducted and part of the induction is the advocacy of the Public Service Code of Conduct and each employee's, responsibility to adhere to the code. The Provincial Treasury at all times strives to adhere to the Public Service Code of Conduct.

6 HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The department has a dedicated unit to assess and monitor the occupational health, safety and environment in the department. The unit is a sub-programme of the Employee Health and Wellness Programme, a sub-directorate of Transformation services. The unit coordinates hazard identification and risk assessment and liaises with relevant stakeholders to mitigate the hazard/ risk identified.

Hazard identification in departmental building was done and reports with recommendations to mitigate the hazards were compiled and submitted to relevant stakeholders for implementation.

Four Occupational Health and Safety awareness sessions were conducted. The sessions were on cleaning detergents, office thermal comfort, and office ergonomics as well as on emergency plan and procedures.

Occupational Health and Safety Committee meeting were held quarterly. 20 fire marshals were appointed in writing by the Head of the Department.

Injury on duty management: 7 injuries on duty were reported and medical costs amounting to R2858.34 were paid. A total of R3561.57 annual administrative cost was paid to the Compensation Fund.

Nine (9) Departmental workplaces were monitored on a quarterly base to check if the recommendations of the occupational health and safety risk assessment report were implemented. The monitoring was done at Sekhukhune district office, Waterberg district office, Mopani district office, Vhembe district office, Treasury Storeroom, Ismini Towers, Internal Audit, Finance House and Lebowakgomo SITA & Training Centre.

Key findings:

- **Firefighting measures:** Annual servicing of fire extinguishers, fire hoses & fire hydrants done in all workplaces.
- **Hygiene and housekeeping:** Provision of adequate cleaners to ensure that offices are kept clean and hygienic at all times was done. A service provider was appointed to provide sanitary services (provision of sanitary bins, collection and safe disposal of bio hazardous wastes) in all departmental facilities. Another service provider was appointed for the provision and installation of liquid hand soap dispenser, hand drier and hand towel dispenser, toilet seat sanitizer dispenser, condo-tainers, air freshener dispenser.
- **Ventilation:** Servicing and maintenance of centralized ventilation and some split air conditioner units was a challenge in the main building. The Department had work

on acquiring an air conditioner maintenance contract at the main building to address the challenge.

- **Lighting:** The appointment of a handyman has assisted in addressing small maintenance issues.
- **Ergonomics:** Provision of office furniture meeting the ergonomics standard has improved, for example all employees at the district offices were provided with new office furniture meeting the above standards, dilapidated office chairs in open floor offices and board rooms in Finance House were replaced.
- **Emergency preparedness.** The Department had an approved emergency plan and procedures. One evacuation drill was conducted at the main building to test the plan and procedures.
- **Building maintenance:** Cracks were observed in the main building. Most workplaces did not have occupancy certificates. The handy man attended to minor repairs like fixing broken door handles, etc.

7 PORTFOLIO COMMITTEES

The Provincial Treasury had numerous meeting with the Portfolio Committee on the following dates

- 17 April 2016
- 02 June 2016
- 04 September 2016
- 05 November 2016
- 10 March 2016

Matters raised by the Portfolio Committee and how has the department addressed these matters

	RESOLUTIONS	PROGRESS
1	Implementation of ICT plan for backup solution.	The tender was cancelled due to budget constraints and will be re-advertised in the first quarter of the 2016/17 financial year.
2	Filling of remaining posts.	Some of the posts have been filled e.g. Director HR, Director Strategic Operation.
3	Support on infrastructure delivery and capacity enhancement to the relevant departments.	<p>IDIP Phase IV support which will assist with the roll-out of the revised IDMS – processes of IDMS logical framework was signed off and Technical Advisor was appointed in 2nd quarter of 2015/16 financial year.</p> <p>34 Professionals appointed in built environment for Infrastructure Strategic Planning Hub during July & Sept 2015. 5 specialists posts have been concluded, one started the 1st of May 2016 and the others will commence on the 1st of June 2016</p> <p>Discussions going on i.r.o 4 DoRA funded professionals on whether to include them</p>

	RESOLUTIONS	PROGRESS
		<p>in the Infrastructure Strategic Planning Hub.</p> <p>There are other 60 envisaged appointments (47 for IDIP Phase II and 13 Cuban technical professional)</p> <p>Phase III recruitment of 113 positions to be filled in 2016/17</p>
4	Implementation of recommendations of section 100 team in line with the exit strategy.	Progress report submitted to the Select Committee on Finance and the Portfolio Committee. S100 withdrawn with effect from 31 March 2016.
5	Support to municipalities, trends on financial management, expenditure and value for money.	<p>Areas identified for support include planning and spending on conditional grants; compliance with SCM; revenue management; asset management; accuracy and completeness of financial and non- financial information. The strategy on the aforementioned areas was approved and submitted to Minister of Finance during Sept 2015 (2nd quarter). An additional 11 officials were appointed on contract in Municipal Finance and assumed their duties during Nov 2015 and Jan 2016.</p> <p>Value for money assessment still to be assessed</p>
6	Implementation of LOGIS.	<p>LOGIS to be implemented in a phased approach.</p> <p>Implemented LOGIS in 4 departments, viz CoGHSTA, Office of the Premier, Provincial Treasury & Department of Safety, Security and Liaison and these departments will go live on the system with effect from 1 April 2016. Started with the IT environment assessment in the next four departments, namely Health, Education, Economic Development, Environment and Tourism and Sport, Arts and Culture.</p>
7	Effective plan to assist the Departments of Education and Health to develop comprehensive, credible and reliable asset registers.	BAUD asset management system currently being implemented to maintain credible and reliable asset registers in Education and Health. Envisaged credible register by end of 2016/17.
8	Capacitation of financial governance programme to ensure effective support in dealing with AG's findings and compliance	15 posts within financial governance have been advertised (3 filled and 12 on interviewing state). 5 financial specialists have been appointed.

	RESOLUTIONS	PROGRESS
	levels in the Departments of Education, Health, Public Works Roads and Infrastructure.	Donor funding applied to National Treasury to source accounting and auditing firms to assist Provincial Treasury to offer adequate support to depts., entities and municipalities
9	Tribal levies and trust account.	Receiving attention. AG and Provincial Treasury agreed on reporting framework. The income and expenditure report for 2003/04 has been submitted to AG for auditing. Subsequent years' reports are prepared and ready for audit.
10	Management of the provincial risk profile.	Provincial risk profile planned to be in place by end of September 2016. Delays in appointment of risk management committee chairperson experienced in most departments. Provincial Treasury to procure integrated risk management software by 2 nd quarter of 2016/17 financial year. Process of filling posts in Transversal Risk Management Unit to be finalised in first quarter of 2016/17.
11	Consolidation of outstanding Annual Financial Statements for depts., entities and Provincial Revenue Fund	PRF Annual Financial Statements and Departmental consolidated financial statements for 31 Mar 2011 have been submitted to AG for auditing. Expecting audit outcome in June 2016. Public Entities Annual Financial Statements have been audited up to 31 Mar 2012. The 2013/14 financial statements have been submitted to AG for audit and audit report expected in June 2016.

8 SCOPA RESOLUTIONS

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
1. Progress report on the tribal levies and Trust Account	Trust Accounts	Non submission of AFS	Financial statements for 2003/04 were submitted to Auditor General in July 2014	Pending the audit for 2003/04
2. Progress report on the consolidated annual financial statements for public entities and departments	Consolidated AFS	Non submission of Consolidated AFS	<p>Departments: Consolidated AFS for departments for the 2010/11 are currently being audited, and the department is in the process of finalising the consolidated AFS for 2011/12 for submission to the audit team once the final 2010/11 audit report has been received and any adjustments incorporated in the 2011/15 AFS</p> <p>Public Entities: Public Entity consolidated AFS for the financial year 2012/13 were submitted to the AG to be audited. 2013/14 consolidated AFS prepared and will be submitted to AG in the first quarter of 2016/17. 2014/15 consolidated AFS are in the process of been compiled and will also be submitted in first quarter of 2016/17</p>	No
3. Progress on PRF Financial Statements	PRF Statements	Non of PRF Statements	The PRF Financial statements for the 2010/11 financial year have been submitted to the AG and are currently being audited. The PRF statements for 2011/12 have been completed and will be submitted to AG in the first quarter of 2016/17. The 2013/14 and 2014/15 AFS are in the process of being compiled and will be submitted to the AG	No
4. Steps to recover fruitless and wasteful expenditure	Expenditure management	Fruitless and wasteful expenditure	An investigation was conducted by the security and investigations and the results indicated that none of the officials in the department can be held responsible. A further investigation	No

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			was conducted by the s100(1)(b) Chief Administrator and the results of the investigation indicated that neither the Chairperson of the Audit Committee or the then HOD can be held liable for the costs of the meeting and thus these cost have been written off.	

9 PRIOR MODIFICATIONS TO AUDIT REPORTS

Nature of qualification, disclaimer, adverse opinion and 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	2014/15	Matter addressed

10 INTERNAL CONTROL UNIT

The unit prepared the audit action plan for both 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 coordinated by the unit during the year.

11 INTERNAL AUDIT AND AUDIT COMMITTEES

The objectives of 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 institutions resources been acquired in an economic, efficient and effective manner.

List of internal audits performed in 2015/16

- Management Performance Assessment Tool (MPAT)
- In-Year Monitoring
- Records Management
- Leave Management
- Debt Management
- Compensation of employees
- Supply Chain Management
- Subsistence and Travel Allowance
- Inventory Management
- Interim Financial statement
- Security Management
- Reliability and Integrity of Information
- Intergovernmental Fiscal relation
- Provincial Asset Management
- Provincial Revenue Fund
- Provincial Training
- Public Entity Support

Key activities

Audit Committee (AC) has satisfactorily performed its mandate as enshrined in Sections 76 (4) (d) and 77 of the Public Finance Management Act (Act No. 1 of 1999) & 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 2015/2016, the AC has met at least six (6) times (excluding special meetings) to perform its roles and responsibilities as stipulated in the AC Charter. In addition, the AC held its AC Annual Strategic Planning Workshop from 04 – 05 February 2016 to review its 2015/2016 performance and plan for the 2016/2017 financial year. The Central Audit Committee (CAC) structure assumed the

responsibilities of ensuring that all the Resolutions taken during the Annual Strategic Planning for the AC are implemented. However, from the total of 34 Resolutions taken, only 28 were successfully implemented and one of the unresolved resolutions was overtaken by events while five (5) were carried to the financial year 2016/2017. The one resolution overtaken by events relate to the induction and orientation of the AC members about the mandate of the departments they are serving.

Both the AC Charter and the Accounting Officer's Reporting Framework to the AC were reviewed and adopted during the Annual AC Strategic Planning. National Treasury 360 Degree Evaluation model was used to evaluate the work and performance of the AC. The final evaluation score yielded an average score of 4.14 (from rating of 1 – 5) when combining the average scores of all the AC Stakeholders.

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 2015	Review of Fourth Quarterly Performance Review 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 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.	June 2015	Approval of the Three Year Internal Audit Plans plus Annual Plans	a. Three Year Internal Audit Plans plus Annual Plans.
3.	July 2015	Review of Draft Audit and Management Reports	a. Draft Management Reports, b. Draft Audit Reports.
4.	September 2015	Review of First Quarter Performance Reports (Financial and Non-Financial)	a. All information under No. 2 except point a & b, and b. Procurement Plans of the departments.
5.	November 2015	Review of Second Quarter Performance Reports (Financial & Non-Financial)	a. All information under No. 2 except point a & b.
6.	February 2016	AC Annual Strategic Planning Workshop	a. Audit Committee Charter, b. Internal Audit Charter, c. Accounting Officer's Reporting Framework to the AC, d. Value adding of the AC to the Client Departments, e. Reflection on the Status of the Previous Year AC Resolutions, f. 360 Degree Evaluation Feedback.

NO.	PERIOD	NATURE OF THE AC MEETING	INFORMATION / DOCUMENTS REVIEWED
7.	March 2016	Approval of the Three Year Internal Audit Plan plus Annual Plan and Auditor General Audit Coverage Strategy	<ul style="list-style-type: none"> b. All information under No. 2 except point a & b, c. Three Year Internal Audit Plans plus Annual Plans for 2016/2017, and d. Auditor General Audit Coverage Strategy.

The table below discloses relevant information on the audit committee members and their attendance of audit committee meetings during the year.

CLUSTER 03 (01 APRIL 2015 – 31 MARCH 2016)

NAME	QUALIFICATIONS	INTERNAL OR EXTERNAL MEMBER	IF INTERNAL, POSITION IN THE DEPARTMENT	DATE APPOINTED	DATE RESIGNED / TERMINATED	NO. OF MEETINGS ATTENDED (PROVINCIAL TREASURY)
K.V MAJA	<ul style="list-style-type: none"> 1. CIA (SA) 2. SAIPA 3. IRM (SA) 4. B.Com 5. B.Com (Hons) 6. MBL 	EXTERNAL	N/A	01 January 2014	To Date	06
T BOLTMAN	<ul style="list-style-type: none"> 1. CIA 2. CGAP 3. CCSA 4. B TECH: Internal Auditing 5. Certificate in Forensic Examination 	EXTERNAL	N/A	01 January 2014	To Date	06
Adv. J.C WEAPOND	<ul style="list-style-type: none"> 1. MTECH: IT & Forensic Investigation 2. B COM Honours – Information Technology 3. LLB 4. Diploma in Compliance Management 	EXTERNAL	N/A	01 January 2014	TO Date	06
M McKENZIE	<ul style="list-style-type: none"> 1. CA (SA) 2. MCOM (Cum Laude) 3. B COM: Honours 4. B COM: Accounting 5. Advanced Certificate in Auditing 	EXTERNAL	N/A	01 January 2014	To Date	06

Objectives of the Audit Committee

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

- a. the availability of a well-resourced, functional and sustained internal audit function;
- b. sound relationship with all assurance providers, oversight structures and other stakeholders;
- c. effective and efficient Internal and External Audit processes
- d. promotion of sound functional interaction between the internal audit and other assurance providers;
- e. that there is adequate and effective corporate governance, encompassing fraud and risk management, information technology, internal control, financial management and reporting systems;
- f. Accounting Officers are fully supported in fulfilling their responsibilities in terms of the PFMA;
- g. accountability in terms of financial management and performance information for effective service delivery; and
- h. Compliance with relevant laws and regulations.

12 AUDIT COMMITTEE REPORT



LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

REPORT OF THE AUDIT COMMITTEE ON PROVINCIAL TREASURY

We are pleased to present our report for the year ended 31 March 2016

1. Audit Committee Structure

Limpopo has an Audit Committee which is two tiered consisting of 4 Cluster Audit Committees, dealing with specific departments, and a shared Central Audit Committee. Limpopo Provincial Treasury belongs to cluster 3.

2. 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 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, except that we have not reviewed changes in accounting policies and practices.

Legend:

Status	
Controls are good	
Controls are partially effective	
Controls are ineffective	

Summary of main AC coverage for the year as per TOR requirements:

TOR focus area	Considered	Rating (Q1)	Rating (Q2)	Rating (Q3)	Rating (Q4)	Comments
Governance Structures	Yes					Employment equity percentages for women and people with disabilities at senior

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Tel: (015) 298 7000, Fax: (015) 295 7010 Website: <http://www.limpopo.gov.za>

The heartland of southern Africa - development is about people!

TOR focus area	Considered	Rating (Q1)	Rating (Q2)	Rating (Q3)	Rating (Q4)	Comments
						management service remained a challenge during the year. The department experienced delays in the filling of posts which is contrary to Public Service Regulations Act.
Internal Controls and Internal Audit	Yes					Internal audit reports during the year indicated that internal controls were adequate but ineffective except for the second quarter audits where controls were effective.
Information Communication Technology	Yes					LPT did not have the business continuity plan throughout the year under review.
Risk Management	Yes					Residual risk exposure remains high in the department due to delays in filling vacant positions. This resulted in inadequate support to other departments, public entities and municipalities.
Pre-determined Objectives	Yes					Department had challenges in meeting all its targets throughout the year.
Budget and Expenditure Management	Yes					The department had challenges in spending its budget throughout the year. The department under spent its budget by 3% which is below the acceptable of 2%.
Assets Management	Yes					Asset Management controls were in place throughout the year under review.
Revenue Management	Yes					Revenue management

TOR focus area	Considered	Rating (Q1)	Rating (Q2)	Rating (Q3)	Rating (Q4)	Comments
						controls were in place throughout the year under review.

3. Assessment of the Effectiveness of Internal Controls

Our review of the findings of the Internal Audit work, which was based on the risk assessment conducted in the department revealed certain weaknesses, which were then raised with the Department.

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

No	Audit Project	Adequacy of internal controls	Effectiveness of Internal Controls
1	PPP Infrastructure	Inadequate	N/A
2	In year Monitoring	Adequate	Ineffective
3	Human Resource Records	Adequate	Ineffective
4	Inventory Management	Adequate	Ineffective
5	Debt Management	Adequate	Ineffective
6	Compensation of Employees	Adequate	Effective
7	Supply chain Management	Adequate	Effective
8	Subsistence and Travel Allowance	Adequate	Effective
9	Leave Management	Adequate	Effective
10	Interim Financial Statements	Adequate	Ineffective
11	Security Management	Adequate	Ineffective
12	Reliability and Integrity of Information	Adequate	Ineffective
13	Intergovernmental Fiscal Relations	Adequate	Ineffective
14	Provincial Assets Management	Inadequate	N/A
15	Provincial Revenue Fund	Adequate	Effective
16	Provincial Training	Inadequate	N/A
17	Public Entity Support	Inadequate	N/A
18	Enterprise Risk Management	Adequate	Ineffective

The following areas of concern were noted as raised by Internal Audit:

- Lack of approved procedure manual for Public Private Partnership
- Lack of provincial assets management policy.

- Lack of Public Entity Support policy and procedures
- Employees not familiar with fire drills
- Financial Training manual not approved
- Support provided to municipalities are not evaluated
- Internal audit findings are not satisfactorily resolved

4. In-Year Management and Monthly/Quarterly Report

The department has reported quarterly to Provincial Treasury and the Audit Committee as required by the PFMA.

The department has achieved 86% of its annual targets, hence under achieved by 14%.

The department has spent 97% of their final appropriation for the year under review.

The department did well to prevent unauthorised, irregular, fruitless and wasteful expenditure during the year under review.

5. Review of Annual Financial Statements and Annual Report

We have reviewed the annual financial statements prepared by the department, however the review was high level and limited to the correctness of the face of the annual financial statements. Our review excluded accounting records and vouching to supporting documents.

6. Auditor General's Report

We have reviewed the department's implementation plan for audit issues in the previous year and we are satisfied that the matters have been adequately resolved except for the following:

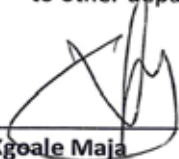
- Commitments register
- Tribal Levies and Trust Accounts Annual Financial Statements
- Provincial Revenue Fund
- Consolidated Annual Financial Statements

7. Conclusion

The audit committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General with the following exception:

Throughout the year the audit committee was concerned with the status of risk management in the department, however the Auditor General's conclusion is that the risk management processes in the department are satisfactory. The audit committee's view is not only limited to financial matters but to service delivery challenges as well. Our concerns are around the delays in the filling of vacant posts

by the department which resulted in inadequate support by the Provincial Treasury to other departments, public entities and municipalities.



Mr Kgoale Maja
Chairperson of the Audit Committee
(Provincial Treasury)
(12 August 2016)

PART D: HUMAN RESOURCE MANAGEMENT

1 INTRODUCTION

The information provided herein is governed by the section 92(3)(b) or 133(3)(b) of the Constitution, Chapter 1, Part III J.3 and J.4 of the Public Service Regulations as contemplated in section 40(1)(d)(i) and (3) and 65(1)(a) and (2) of the Public Finance Management Act and paragraph 18.3.1 of the Treasury Regulations.

2 OVERVIEW OF HUMAN RESOURCES

Status of Human Resources:

- The department has a structure of 610 posts of which 410 are filled. The vacancy rate stands at 33% constituting 200 vacant posts
- Critical vacant SMS posts were filled and other critical vacant posts have been identified for filling in the current financial year.
- All employees signed performance agreements and performance reviews are done every quarter.
- Wellness programmes are taking place in the department, for example sporting codes, HCT, eye testing, financial advice, blood donation, etc.

Challenges faced:

- Failing to attract the right skills
- Delays in the filling of vacant posts.

3 HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 *Personnel related expenditure*

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

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

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2015 and 31 March 2016

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	152 154	81 942	0	0	53.8	155
Sustainable resource manage	50 127	44 640	0	0	89.1	83
Assets, liabilities management	83 051	50 348	0	0	60.6	93
Financial governance	78 390	57 121	0	0	72.9	106
Total	363 722	234 051	0	0	64.3	437

Table 3.1.2 Personnel costs by salary band for the period 1 April 2015 and 31 March 2016

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)	1 040	61.4	13	1 695
Skilled (Levels 3-5)	3 803	67.2	28	5 663
Highly skilled production (Levels 6-8)	30 129	73.6	124	40 923
Highly skilled supervision (Levels 9-12)	94 121	73.5	190	128 098
Senior management (Levels 13-16)	40 278	77.5	45	51 942
Contract (Levels 1-2)	1 287	99.8	80	1 289
Contract (Levels 3-5)	21	80.8	0	26
Contract (Levels 6-8)	5 363	99.2	43	5 407
Contract (Levels 9-12)	4 730	78.9	15	5 993
Contract (Levels 13-16)	2 039	80.6	2	2 530
Periodical Remuneration	0	0	12	6 016
Total	182 811	73.2	552	249 582

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2015 and 31 March 2016

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
Programme 1: Administration	62 626	74.1	29	0	2 471	2.9	2 530	3
Programme 2: Sustainable resource management	35 601	75.8	0	0	1 412	3	674	1.4
Programme 3: Assets & liabilities management	39 829	75	9	0	1 051	2	1 095	2.1
Programme 4: Financial governance	44 757	68.9	0	0	1 472	2.3	1 201	1.8
Total	182 813	73.2	38	0	6 406	2.6	5 500	2.2

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2015 and 31 March 2016

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Lower skilled (Levels 1-2)	1 040	61.4	0	0	167	9.9	239	1 040
Skilled (Levels 3-5)	3 803	67.2	8	0.1	344	6.1	347	3 803
Highly skilled production (Levels 6-8)	30 129	73.6	14	0	1 465	3.6	1 673	30 129
Highly skilled supervision (Levels 9-12)	94 121	73.5	15	0	2 780	2.2	2 639	94 121
Senior management (Levels 13-16)	40 278	77.5	0	0	1 331	2.6	545	40 278
Contract (Levels 1-2)	1 287	99.8	0	0	0	0	0	1 287
Contract (Levels 3-5)	21	80.8	0	0	0	0	0	21
Contract (Levels 6-8)	5 363	99.2	0	0	0	0	0	5 363
Contract (Levels 9-12)	4 730	78.9	0	0	258	4.3	0	4 730
Contract (Levels 13-16)	2 039	80.6	0	0	60	2.4	56	2 039
Periodical Remuneration	0	0	0	0	0	0	0	0
Total	182 811	73.2	37	0	6 405	2.6	5 499	182 811

3.2 Employment and Vacancies

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

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

This information is presented in terms of three key variables:

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

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

Table 3.2.1 Employment and vacancies by programme as on 31 March 2016

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Programme 1: Administration, Permanent	307	275	10.4	120
Programme 2: Sustainable resource management, Permanent	74	68	8.1	13
Programme 3: Assets & liabilities management, Permanent	95	85	10.5	3
Programme 4: Financial governance, Permanent	134	112	16.4	0
Total	610	540	11.5	136

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2016

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	19	13	31.6	0
Skilled (Levels 3-5), Permanent	32	28	12.5	0
Highly skilled production (Levels 6-8), Permanent	137	124	9.5	0
Highly skilled supervision (Levels 9-12), Permanent	223	190	14.8	0
Senior management (Levels 13-16), Permanent	59	45	23.7	0

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Contract (Levels 1-2), Permanent	80	80	0	80
Contract (Levels 6-8), Permanent	43	43	0	42
Contract (Levels 9-12), Permanent	15	15	0	13
Contract (Levels 13-16), Permanent	2	2	0	1
TOTAL	610	540	11.5	136

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2016

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative related, Permanent	99	88	11.1	3
Archivists curators and related professionals, Permanent	1	1	0	0
Cashiers tellers and related clerks, Permanent	3	3	0	0
Cleaners in offices workshops hospitals etc., Permanent	26	22	15.4	0
Client inform clerks (switch b receipt inform clerks), Permanent	7	6	14.3	0
Finance and economics related, Permanent	40	39	2.5	0
Financial and related professionals, Permanent	147	116	21.1	10
Financial clerks and credit controllers, Permanent	27	25	7.4	0
Head of department/chief executive officer, Permanent	2	1	50	0
Human resources & organisational development & relate prof, Permanent	18	16	11.1	0
Human resources clerks, Permanent	6	5	16.7	0
Human resources related, Permanent	7	6	14.3	0
Language practitioners interpreters & other commun, Permanent	1	1	0	0

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Library mail and related clerks, Permanent	1	1	0	0
Logistical support personnel, Permanent	11	11	0	0
Messengers porters and deliverers, Permanent	8	5	37.5	0
Other administrat & related clerks and organisers, Permanent	126	122	3.2	116
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	31	31	0	3
Security officers, Permanent	1	1	0	0
Senior managers, Permanent	37	29	21.6	1
Social work and related professionals, Permanent	2	2	0	0
Trade/industry advisers & other related profession, Permanent	3	3	0	3
Total	610	540	11.5	136

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 2016

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100%	0	0
Salary Level 16	0	0	0%	0	0
Salary Level 15	5	5	100%	0	0
Salary Level 14	10	8	80%	2	20
Salary Level 13	36	34	94%	2	6
Total	52	48	92%	4	10

Table 3.3.2 SMS post information as on 30 September 2015

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100%	0	0%
Salary Level 16	0	0	0%	0	0%
Salary Level 15	5	5	100%	0	0%
Salary Level 14	13	9	69%	4	31%
Salary Level 13	34	31	91%	3	7%
Total	53	46	74%	7	13%

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2015 and 31 March 2016

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in six months of becoming vacan	Number of vacancies per level filled in six months of becoming vacant	Number of vacancies per level not filled in six months but filled in twelve months
Director-General/ Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	1	0	0
Salary Level 13	1	1	1
Total	2	1	1

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2015 and 31 March 2016

Reasons for vacancies not advertised within six months
N/A

Reasons for vacancies not filled within twelve months
Suitable candidates could not be found

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 2015 and 31 March 2016

Reasons for vacancies not advertised within six months
N/A

Reasons for vacancies not filled within twelve months
N/A

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 2015 and 31 March 2016

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	23	0	0	0	0	0	0
Skilled (Levels 3-5)	47	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	230	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	311	27	8.6%	12	3.8%	0	0
Senior Management Service Band A	43	43	100%	0	0	0	0
Senior Management Service Band B	13	13	100%	0	0	0	0
Senior Management Service Band C	5	5	100%	0	0	0	0
Senior Management Service Band D	1	1	100%	0	0	0	0
Total	673	89	11.44	12	3.8%	0	0

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

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2015 and 31 March 2016

Gender	African	Asian	Coloured	White	Total
Female	5	0	0	0	5
Male	11	0	0	0	11
Total	16	0	0	0	16

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

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2015 and 31 March 2016

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
Other administration and Related	6	8	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 2015 and 31 March 2016

Gender	African	Asian	Coloured	White	Total
Female	12	0	0	0	12
Male	8	0	0	0	8
Total	20	0	0	0	20

Employees with a disability	0	0	0	0	0
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3.5 Employment Changes

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

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2015 and 31 March 2016

Salary band	Number of employees at beginning of period-1 April 2015	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	13	0	0	0
Skilled (Levels3-5)	31	0	1	3.2
Highly skilled production (Levels 6-8)	116	5	6	5.2
Highly skilled supervision (Levels 9-12)	203	3	18	8.9
Senior Management Service Bands A	34	0	3	8.8
Senior Management Service Bands B	9	0	0	0
Senior Management Service Bands C	5	1	0	0
Senior Management Service Bands D	1	0	0	0
Contract (Levels 1-2), Permanent	0	92	11	0
Contract (Levels 3-5), Permanent	1	0	1	100
Contract (Levels 6-8), Permanent	4	40	0	0
Contract (Levels 9-12), Permanent	4	12	2	50
Contract (Band D), Permanent	1	0	0	0
Total	422	153	42	10

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2015 and 31 March 2016

Critical occupation	Number of employees at beginning of period-April 2015	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related, Permanent	85	3	5	5.9
Archivists curators and related professionals, Permanent	1	0	0	0
Cashiers tellers and related clerks, Permanent	3	0	0	0
Cleaners in offices workshops hospitals etc., Permanent	23	0	0	0
Client inform clerks (switch b reception inform clerks), Permanent	5	0	0	0
Finance and economics related, Permanent	45	1	7	15.6

Critical occupation	Number of employees at beginning of period-April 2015	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Financial and related professionals, Permanent	110	13	8	7.3
Financial clerks and credit controllers, Permanent	24	1	1	4.2
Cashiers tellers and related clerks, Permanent	3	0	0	0
Cleaners in offices workshops hospitals etc., Permanent	23	0	0	0
Client inform clerks (switch b receipt inform clerks), Permanent	5	0	0	0
Finance and economics related, Permanent	45	1	7	15.6
Financial and related professionals, Permanent	110	13	8	7.3
Financial clerks and credit controllers, Permanent	24	1	1	4.2
Library mail and related clerks, Permanent	1	0	0	0
Logistical support personnel, Permanent	11	0	0	0
Messengers porters and deliverers, Permanent	5	0	1	20
Other administrative & related clerks and organisers, Permanent	7	128	11	157.1
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	26	6	2	7.7
Security officers, Permanent	1	0	0	0
Senior managers, Permanent	32	1	3	9.4
Social work and related professionals, Permanent	2	0	0	0
Trade/industry advisers & other related profession, Permanent	3	0	0	0
TOTAL	422	153	42	10

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

Table 3.5.3 Reasons why staff left the department for the period 1 April 2015 and 31 March 2016

Termination Type	Number	% of Total Resignations
Death	2	4.8
Resignation	16	38.1
Expiry of contract	10	23.8
Dismissal – operational changes	0	0
Dismissal – misconduct	3	7.1
Dismissal – inefficiency	0	0
Discharged due to ill-health	1	2.4
Retirement	9	21.4

Termination Type	Number	% of Total Resignations
Transfer to other Public Service Departments		
Other	1	2.4
Total	41	
Total number of employees who left as a % of total employment		

Table 3.5.4 Promotions by critical occupation for the period 1 April 2015 and 31 March 2016

Occupation	Employees 1 April 20YY	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	85	1	1.2	66	77.6
Archivists curators and related professionals	1	0	0	1	100
Cashiers tellers and related clerks	3	0	0	3	100
Cleaners in offices workshops hospitals etc.	23	0	0	12	52.2
Client inform clerks (switch board receipt inform clerks)	5	0	0	5	100
Economists	0	1	0	0	0
Finance and economics related	45	0	0	34	75.6
Financial and related professionals	110	3	2.7	66	60
Financial clerks and credit controllers	24	1	4.2	22	91.7
Head of department/ chief executive officer	1	0	0	1	100
Human resources & organisational development & relate prof	17	1	5.9	16	94.1
Human resources clerks	6	0	0	4	66.7
Human resources related	7	0	0	7	100
Language practitioners interpreters & other commun	1	0	0	1	100
Library mail and related clerks	1	0	0	1	100
Logistical support personnel	11	0	0	2	18.2
Messengers porters and deliverers	5	1	20	5	100
Other administrat & related clerks and organisers	7	0	0	6	85.7

Occupation	Employees 1 April 20YY	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
Other information technology personnel.	2	0	0	2	100
Other occupations	1	1	100	0	0
Risk management and security services	3	1	33.3	2	66.7
Secretaries & other keyboard operating clerks	26	0	0	22	84.6
Security officers	1	0	0	1	100
Senior managers	32	2	6.3	22	68.8
Social work and related professionals	2	0	0	2	100
Trade/industry advisers & other related profession	3	0	0	3	100
TOTAL	422	12	2.8	306	72.5

Table 3.5.5 Promotions by salary band for the period 1 April 2015 and 31 March 2016

Salary Band	Employees 1 April 2015	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2)	13	0	0	2	15.4
Skilled (Levels 3- 5)	31	0	0	30	96.8
Highly skilled production (Levels 6-8)	116	2	1.7	93	80.2
Highly skilled supervision (Levels 9-12)	203	7	3.4	142	70
Senior Management (Level 13-16)	49	3	6.1	35	71.4
Total	412	12		302	

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 2016

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	16	1	1	2	11	0	0	0	31
Professionals	108	0	1	3	70	2	0	2	186

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Technicians and associate professionals	48	0	0	0	50	0	0	1	99
Clerks	64	0	0	0	126	1	0	2	193
Service and sales workers	1	0	0	1	2	0	0	0	4
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	5	0	0	0	22	0	0	0	27
Total	242	1	2	6	281	3	0	5	540
Employees with disabilities	2	0	0	0	3	0	0	0	5

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2016

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	1	1	1	2	0	0	0	6
Senior Management	21	0	0	1	17	0	0	0	39
Professionally qualified and experienced specialists and mid-management	121	0	1	3	61	2	0	2	190
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	41	0	0	0	79	1	0	3	124
Semi-skilled and discretionary decision making	10	0	0	0	18	0	0	0	28
Unskilled and defined decision making	1	0	0	0	12	0	0	0	13
Total	195	1	2	5	189	3		5	400

Table 3.6.3 Recruitment for the period 1 April 2015 to 31 March 2016

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	1	0	0	0	0	0	1
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	2	0	0	0	1	0	0	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	0	0	0	3	0	0	0	5
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
CONTRACT (Professionally qualified) Permanent	5	0	0	0	7	0	0	0	12
CONTRACT (Unskilled Permanent)	33	0	0	0	59	0	0	0	92
CONTRACT (Skilled technical) permanent	13	0	0	0	27	0	0	0	40
Total	55	0	1	0	97	0	0	0	153
Employees with disabilities	01	0	0	0	0	0	0	0	1

Table 3.6.4 Promotions for the period 1 April 2015 to 31 March 2016

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	1	1	0	0	0	3
Senior Management	20	0	0	1	14	0	0	0	35
Professionally qualified and experienced specialists and mid-management	90	0	1	2	52	2	0	2	149
Skilled technical and academically	30	0	0	0	61	1	0	3	95

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
qualified workers, junior management, supervisors, foreman and superintendents									
Semi-skilled and discretionary decision making	8	0	0	0	22	0	0	0	30
Unskilled and defined decision making	0	0	0	0	2	0	0	0	2
Total	149		1	4	152	3		5	314
Employees with disabilities	0	0	0	0	2	0	0	0	2

Table 3.6.5 Terminations for the period 1 April 2015 to 31 March 2016

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	1	0	0	0	2	0	0	0	3
Professionally qualified and experienced specialists and mid-management	14	0	0	0	4	0	0	0	18
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	0	0	0	4	0	0	0	6
Semi-skilled and discretionary decision making	0	0	0	0	1	0	0	0	1
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	23	0	0	1	18	0	0	0	42
Employees with Disabilities	1	0	0	0	0	0	0	0	1

Table 3.6.6 Disciplinary action for the period 1 April 2015 to 31 March 2016

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Table 3.6.7 Skills development for the period 1 April 2015 to 31 March 2016

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials	14	1	0	1	16	0	0	0	32

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
and managers									
Professionals	38	0	0	1	35	1	0	0	75
Technicians and associate professionals	11	0	0	0	12	0	0	0	23
Clerks	7	0	0	0	13	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	1	0	0	0	16	0	0	0	17
Total	71	0	0	0	92	0	0	0	167
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 2015

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	01	01	01	100%
Salary Level 16	0	0	0	0
Salary Level 15	05	04	04	100%
Salary Level 14	10	09	09	100%
Salary Level 13	36	31	31	100%
Total	52	45	45	100%

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 May 2015

Reasons
N/A

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 May 2015

Reasons
N/A

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 2015 to 31 March 2016

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	67	240	27.9	1 983	29 596
Female	73	278	26.3	1 512	20 716
Asian					
Male	0	2	0	0	0
Female	0	0	0	0	0
Coloured					
Male	0	1	0	0	0
Female	1	3	33.3	28	27 857
White					
Male	1	6	16.7	45	44 585
Female	4	5	80	104	26 098
Total	146	535		3672	

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2015 to 31 March 2016

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	2	13	15.4	13	6 500	0.38%
Skilled (level 3-5)	19	28	67.9	169	8 895	5%
Highly skilled	50	124	40.3	901	18 020	26.4 %

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
production (level 6-8)						
Highly skilled supervision (level 9-12)	69	190	36.3	2 329	33 754	68.25 %
Total	140	355		3 412		

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2015 to 31 March 2016

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	31	88	35.2	703	22 677
Archivists curators and related professionals	0	1	0	0	0
Cashiers tellers and related clerks	2	3	66.7	20	10 000
Cleaners in offices workshops hospitals etc.	11	22	50	86	7 818
Client inform clerks (switchboard reception inform clerks)	3	6	50	29	9 667
Finance and economics related	11	39	28.2	364	33 091
Financial and related professionals	29	116	25	1 070	36 897
Financial clerks and credit controllers	11	25	44	263	23 909
Head of department/ chief executive officer	0	1	0	0	0
Human resources & organisational development & related professions	14	16	87.5	414	29 571
Human resources clerks	3	5	60	58	19 333
Human resources related	6	6	100	207	34 500
Language practitioners interpreters & other communication	0	1	0	0	0
Library mail and related clerks	1	1	100	35	35 000
Logistical support personnel	2	11	18.2	46	23 000
Messengers porters and deliverers	4	5	80	38	9 500
Other administrative & related clerks and organisers	4	122	3.3	51	12 750
Other information technology personnel.	0	2	0	0	0
Other occupations	0	1	0	0	0
Risk management and security services	0	3	0	0	0
Secretaries & other keyboard operating clerks	11	31	35.5	178	16 182
Security officers	0	1	0	0	0

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Senior managers	2	29	6.9	83	41 500
Social work and related professionals	1	2	50	29	29 000
Trade/industry advisers & other related profession	0	3	0	0	0
TOTAL	146	540	27	3674	25164

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2015 to 31 March 2016

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	5	31	16.1	210	42 000	0.008%
Band B	1	9	11.1	49	49 000	19%
Band C	0	5	0	0	0	0
Band D	0	2	0	0	0	0
Total	6	47	12.8	259	43166.7	100%

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 2015 and 31 March 2016

Salary band	01 April 2015		31 March 2016		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0%
Highly skilled production (Lev. 6-8)	0	0	0	0	0	0%
Highly skilled supervision (Lev. 9-12)	2	0.49%	2	0.49%	2	0%
Contract (level 9-12)	0	0	0	0	0	0%
Contract (level 13-16)	0	0	0	0	0	0%
Total	2	0.49%	0	0.49%	2	0%

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2015 and 31 March 2016

Major occupation	01 April 2015		31 March 2016		Change	
	Number	% of total	Number	% of total	Number	% Change
Professionals and managers	2	100%	2	100%	0	0%
Total	2	100%	2	100%	0	0%

3.10 Leave utilisation

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

Table 3.10.1 Sick leave for the period 1 January 2015 to 31 December 2015

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)	48	87.5	10	3	5	21
Skilled (levels 3-5)	140	93.6	19	5.7	7	88
Highly skilled production (levels 6-8)	685	73.3	97	29	7	850
Highly skilled supervision (levels 9 -12)	937	83.7	139	41.6	7	2 097
Top and Senior management (levels 13-16)	154	77.3	33	9.9	5	548
Total	1954		298		6	

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2015 to 31 December 2015

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	42	100	1	5.3	42	29
Skilled (Levels 3-5)	80	100	5	26.3	16	100
Highly skilled production (Levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	182	100	13	68.4	14	376
Senior management (Levels 13-16)	0	0	0	0	0	0
Total	304	100	19	100	16	505

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 2015 to 31 December 2015

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	212	13	16
Skilled Levels 3-5)	822	29	28
Highly skilled production (Levels 6-8)	3 143	139	23
Highly skilled supervision(Levels 9-12)	5 588	207	27
Senior management (Levels 13-16)	1130	48	24
Total	10 895	436	118

Table 3.10.4 Capped leave for the period 1 January 2015 to 31 December 2015

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 20ZZ
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	1	1	1	111
Highly skilled production (Levels 6-8)	51	3	17	104
Highly skilled supervision(Levels 9-12)	107	10	11	131
Senior management (Levels 13-16)	0	0	0	0
Total	159	14	11	124

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

Table 3.10.5 Leave payouts for the period 1 April 2015 and 31 March 2016

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2015/16 due to non-utilisation of leave for the previous cycle	18	1	18 000
Capped leave payouts on termination of service for 2015/16	3 302	22	150 091
Current leave payout on termination of service for 2015/16	271	10	27 100
Total	3 591	33	108 818

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
Women in the Department	An awareness session on Gender-based violence and HIV & AIDS was conducted

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

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Ms Anna 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.	X		A dedicated EHW sub-directorate has a Deputy Director who co-ordinates the following units: Three Assistant Directors: no-coordinator(vacant) and filled position Assistant Director (EAP) and Assistant Director (SHERQ) R230 000.00
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	X		a. Organize information sessions on mainstreaming of HIV, TB and its gender-based dimensions into the core mandates of directorates in the department b. Conduct information sessions on substance abuse and life skills in the department c. Coordinate HIV Counselling and Testing (HCT) and TB screening onsite d. Conduct information session on medical male circumcision in the department e. Conduct capacity building workshop on gender based violence to male and female employees 3.6. Conduct information sessions on human rights and access to justice to male and female employees.
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	X		4.1. The HIV & AIDS Committee is as follows: <ul style="list-style-type: none">▪ Mr Mangoale MJ-Labour union-PSA▪ Ms Moloi RB-Youth forum▪ Mr Mabunda KS-Peer educator

Question	Yes	No	Details, if yes
stakeholder(s) that they represent.			<ul style="list-style-type: none"> ▪ Ms Ndou FD-Men's forum
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		HIV & AIDS, STI and TB management policies. Operational plan and procurement plan
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		<p>6.1. Employees are capacitated on the human rights and access to justice in regard to HIV and AIDS stigma and discrimination in a workplace</p> <p>6.2. HIV and AIDS policy also caters for discrimination.</p>
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	X		<p>7.1. Integrated Wellness Days are co-ordinated quarterly where diversified services are provided.</p> <ul style="list-style-type: none"> ▪ Employees counselled and tested for HIV are 155 (Males=50; Females=105) ▪ Employees tested negative are 152 (Males=48; Females=104) ▪ Employees tested positive are 3 (Males=2; Female=1)
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X		<p>8.1. Number of information sessions on mainstreaming of HIV, TB and its gender-based dimensions into the core mandates of directorates in the department organized</p> <p>8.2. Number of information sessions on substance abuse and life skills provided in the department.</p> <p>8.3. HIV Counselling and Testing (HCT) and TB screening coordinated onsite</p> <p>8.4. Number of information sessions on medical male circumcision conducted.</p> <p>8.5. Number of capacity building workshop on gender based violence conducted to male and female employees.</p> <p>8.6. Number of information sessions on human rights and access to justice conducted to male and female employees.</p> <p>8.7. Annual Costed EHW operational as per DPSA guidelines</p> <p>8.8. System Monitoring Tool</p> <p>8.9. Progress on Provincial Strategic Plan on HIV & AIDS programme</p>

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2015 and 31 March 2016

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 2015 and 31 March 2016

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

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2015 and 31 March 2016

Type of misconduct	Number	% of total
None	0	0
Total	0	0

Table 3.12.4 Grievances logged for the period 1 April 2015 and 31 March 2016

Grievances	Number	% of Total
Number of grievances resolved	6	67%
Number of grievances not resolved	3	33%
Total number of grievances lodged	9	100%

Table 3.12.5 Disputes logged with Councils for the period 1 April 2015 and 31 March 2016

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

Table 3.12.6 Strike actions for the period 1 April 2015 and 31 March 2016

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)	Nil

Table 3.12.7 Precautionary suspensions for the period 1 April 2015 and 31 March 2016

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)	Nil

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 2015 and 31 March 2016

Occupational category	Gender	Number of employees as at 1 April 20YY	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	31	0	21	0	52
	Male	22	0	16	0	38
Professionals	Female	90	0	41	10	141
	Male	116	0	28	10	154
Technicians and associate professionals	Female	29	0	16	14	59
	Male	27	0	10	11	48
Clerks	Female	53	0	32	11	96
	Male	29	0	17	10	56
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	18	6	10	0	28
	Male	1	0	1	0	2
Sub Total	Female	221	6	120	0	376
	Male	195	0	72	35	298
Total		416	6	192	31	674

Table 3.13.2 Training provided for the period 1 April 2015 and 31 March 2016

Occupational category	Gender	Number of employees as at 1 April 20YY	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	31	0	20	0	51
	Male	22	0	19	0	41
Professionals	Female	90	0	28	0	118
	Male	116	0	33	0	149
Technicians and associate professionals	Female	29	0	12	0	41
	Male	27	0	2	0	29
Clerks	Female	53	0	13	0	66
	Male	29	0	6	0	35
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0

Occupational category	Gender	Number of employees as at 1 April 20YY	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
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	18	5	10	0	17
	Male	1	0	1	0	1
Sub Total	Female	221	5	83	0	293
	Male	195	0	61	0	255
Total		416	5	144	0	548

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 2015 and 31 March 2016

Nature of injury on duty	Number	% of total
Required basic medical attention only	04	80%
Temporary Total Disablement	01	20%
Permanent Disablement	0	0%
Fatal	0	0%
Total	05	100%

3.15 Utilisation of Consultants

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

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

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2015 and 31 March 2016

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
BAUD	1	12 Months	R151,000.00
Contract management	4	4 Months	R9,234,000.00

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
2	5	12 Months	R9,385,000.00

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2015 and 31 March 2016

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

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2015 and 31 March 2016

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

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
N/A			

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2015 and 31 March 2016

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

3.16 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2015 and 31 March 2016

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

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

Report on the financial statements

Introduction

1. I have audited the financial statements of the Limpopo Provincial Treasury set out on pages 100 to 141 which comprise the appropriation statement, the statement of financial position as at 31 March 2016, 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, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with Modified Cash Standards prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2004 (Act No. 1 of 2015) (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.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to support my opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Limpopo Provincial Treasury as at 31 March 2016 and its financial performance and cash flows for the year then ended, in accordance with the Modified Cash Standards and the requirements of the PFMA.

Emphasis of matters

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

Significant uncertainties

8. With reference to note 19 to the financial statements, the department is the defendant in a lawsuit for a claim regarding financial systems. The department is opposing the claim as it believes the claim to be 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

Restatement of corresponding figures

9. As disclosed in note 29 to the financial statements, the corresponding figures for 31 March 2015 have been restated as a result of an error discovered during 2016 in the financial statements of the department at, and for the year ended, 31 March 2015

Additional matter

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

Unaudited supplementary schedule

11. The supplementary information set out on pages 63 to 93 does not form part of the financial statements and is presented as additional information. I have not audited this schedule and, accordingly, I do not express an opinion thereon

Report on other legal and regulatory requirements

12. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives of selected programmes presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather

evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

13. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information of the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2016:
 - Programme 2: Sustainable resource management on pages 32 to 35
 - Programme 3: Assets, liabilities and supply chain management on pages 36 to 38
 - Programme 4: Financial governance on pages 39 to 43
14. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information (FMPP)*.
15. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
16. I did not identify any material findings on the usefulness and reliability of the selected programmes.

Additional matters

17. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected programmes, I draw attention to the following matters:

Achievement of planned targets

18. Refer to the annual performance report on pages 24-43 ; 24-43 for information on the achievement of the planned targets for the year. This information should be considered in the context of the material finding on the usefulness of the reported performance information in paragraph 16 of this report.

Adjustment of material misstatements

19. We identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of programme 4: financial governance. As management subsequently corrected the misstatements, we did not raise any material findings on the usefulness and reliability of the reported performance

information.

Unaudited supplementary schedules

20. The supplementary information set out on pages 63 to 93 does not form part of the annual performance report and is presented as additional information. I have not audited these schedules and, accordingly, I do not report on them.

Compliance with legislation

21. I performed procedures to obtain evidence that the department had complied with applicable legislation regarding financial matters, financial management and other related matters. My material findings on compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Financial statements, performance and annual report

22. Financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1)(b) of the PFMA.

Material misstatements identified in commitments, contingent assets, key management personnel, employee benefit and movable assets identified by the auditor in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Procurement and contract management

23. Goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by Treasury Regulation 16A6.1

Internal control

24. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control, the findings on the annual performance report and the findings on compliance with legislation included in this report.

Leadership

25. The oversight responsibilities regarding financial reporting, compliance with laws and regulations and related internal controls was not adequately exercised.

Financial and performance management

26. The financial statements to be included in the annual report were not adequately reviewed for accuracy and completeness by the accounting officer

Auditor General
Polokwane
31 July 2016



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNUAL FINANCIAL STATEMENTS FOR LIMPOPO PROVINCIAL TREASURY

For the year ended
31 March 2016

LIMPOPO PROVINCIAL TREASURY

VOTE 5

**ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016**

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LIMPOPO PROVINCIAL TREASURY

VOTE 5

APPROPRIATION STATEMENT

for the year ended 31 March 2016

Appropriation per programme	2015/16					2014/15			
	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. <u>ADMINISTRATION</u>	152 360	(80)	2 949	155 229	150 278	4 951	96.8%	139 560	133 925
2. <u>SUSTAINABLE RESOURCE MANAGEMENT</u>	53 675	-	(2 228)	51 447	50 127	1 320	97.4%	47 811	45 972
3. <u>ASSETS, LIABILITIES & SCM</u>	83 899	-	765	84 664	83 051	1 613	98.1%	72 650	69 360
4. <u>FINANCIAL GOVERNANCE</u>	82 572	-	(1 486)	81 086	78 390	2 696	96.7%	102 372	95 203
Programme sub total	372 506	(80)	-	372 426	361 846	10 580	97.2%	362 393	344 460
Statutory Appropriation	1 822	80	-	1 902	1 876	26	98.6%	1 822	1 845
Statutory Appropriation	1 822	80	-	1 902	1 876	26	98.6%	1 822	1 845
TOTAL	374 328	-	-	374 328	363 722	10 606	97.2%	364 215	346 305
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts				66 155				84 655	
Actual amounts per Statement of Financial Performance (Total Revenue)				440 483				448 870	

LIMPOPO PROVINCIAL TREASURY

VOTE 5

APPROPRIATION STATEMENT

for the year ended 31 March 2016

Appropriation per economic classification	2015/16					2014/15			
	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	359 579	(6 160)	-	353 419	346 850	6 569	98.1%	352 046	335 046
Compensation of employees	253 227	(11 471)	(3 658)	238 098	235 895	2 203	99.1%	227 247	218 544
Salaries and wages	227 095	(14 399)	(3 658)	209 038	208 449	589	99.7%	199 581	191 550
Social contributions	26 132	2 928	-	29 060	27 446	1 614	94.4%	27 666	26 994
Goods and services	106 352	5 311	3 658	115 321	110 955	4 366	96.2%	124 799	116 497
Administrative fees	5 523	(1 339)	(35)	4 149	3 748	401	90.3%	3 801	3 605
Advertising	761	476	-	1 237	702	535	56.8%	1 503	1 413
Minor assets	1 283	(159)	-	1 124	999	125	88.9%	1 515	1 369
Audit costs: External	4 992	(1 092)	-	3 900	3 891	9	99.8%	4 726	4 545
Catering: Departmental activities	1 431	48	(107)	1 372	809	563	59.0%	1 247	981
Communication (G&S)	3 938	(2 585)	-	1 353	3 094	(1 741)	228.7%	3 102	2 531
Computer services	27 987	(438)	-	27 549	26 530	1 019	96.3%	19 787	18 509
Consultants: Business and advisory services	7 678	7 125	765	15 568	16 232	(664)	104.3%	35 513	34 546
Legal services	1 766	2 799	2 949	7 514	8 171	(657)	108.7%	1 861	1 860
Contractors	717	179	-	896	721	175	80.5%	250	196
Agency and support / outsourced services	4 674	259	-	4 933	4 909	24	99.5%	4 759	4 720
Entertainment	-	-	-	-	-	-	-	15	-
Fleet services (including government motor transport)	1 935	(32)	-	1 903	1 749	154	91.9%	2 135	1 654
Inventory: Food and food supplies	-	-	-	-	-	-	-	2	-
Inventory: Other supplies	5	(5)	-	-	-	-	-	-	-
Consumable supplies	936	142	-	1 078	628	450	58.3%	627	532
Consumable: Stationery, printing and office supplies	3 182	1 098	-	4 280	3 533	747	82.5%	4 499	3 772
Operating leases	1 203	(1 124)	-	79	79	-	-	1 350	1 157
Property payments	17 308	(921)	-	16 387	16 173	214	98.7%	17 442	17 217
Transport provided: Departmental activity	88	(8)	-	80	50	30	62.5%	90	71
Travel and subsistence	16 143	(846)	33	15 330	12 844	2 486	83.8%	14 792	12 718
Training and development	2 885	(613)	-	2 272	2 257	15	99.3%	3 118	2 873
Operating payments	745	1 910	-	2 655	2 419	236	91.1%	724	616
Venues and facilities	1 172	437	53	1 662	1 279	383	77.0%	1 941	1 612
Rental and hiring	-	-	-	-	217	(217)	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	5
Interest (Incl. interest on unitary payments (PPP))	-	-	-	-	-	-	-	-	5
Transfers and subsidies	6 479	2 821	-	9 300	8 668	632	93.2%	5 199	5 154
Provinces and municipalities	-	21	-	21	20	1	95.2%	-	7
Municipalities	-	21	-	21	20	1	95.2%	-	7
Municipal bank accounts	-	-	-	-	-	-	-	-	7
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Households	6 479	2 800	-	9 279	8 648	631	93.2%	5 199	5 147
Social benefits	1 699	1 628	-	3 327	3 322	5	99.8%	2 229	2 215
Other transfers to households	4 780	1 172	-	5 952	5 326	626	89.5%	2 970	2 932
Payments for capital assets	8 270	3 197	-	11 467	7 845	3 622	68.4%	6 970	6 097
Buildings and other fixed structures	10	(7)	-	3	3	-	-	-	-
Other fixed structures	10	(7)	-	3	3	-	-	-	-
Machinery and equipment	8 260	3 204	-	11 464	7 845	3 619	68.4%	6 970	6 097
Transport equipment	2 000	784	-	2 784	2 761	23	99.2%	2 003	1 933
Other machinery and equipment	6 260	2 420	-	8 680	5 084	3 596	58.6%	4 967	4 164
Payment for financial assets	-	142	-	142	359	(217)	252.8%	-	8
	374 328	-	-	374 328	363 722	10 606	97.2%	364 215	346 305

LIMPOPO PROVINCIAL TREASURY

VOTE 5

APPROPRIATION STATEMENT

for the year ended 31 March 2016

	2015/16				2014/15				
	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	3 243	340	-	3 583	3 531	52	98.5%	2 702	2 688
2. MANAGEMENT SERVICES	6 566	(994)	-	5 572	5 280	292	94.8%	5 721	4 559
3. CORPORATE SERVICES	103 812	1 577	2 949	108 338	103 751	4 587	95.8%	93 173	89 480
4. FINANCIAL MANAGEMENT (OFFICE OF THE CFO)	38 739	(1 003)	-	37 736	37 716	20	99.9%	37 964	37 198
	152 360	(80)	2 949	155 229	150 278	4 951	96.8%	139 560	133 925
Economic classification									
Current payments	139 728	(4 399)	2 949	138 278	136 900	1 378	99.0%	130 820	124 808
Compensation of employees	87 484	(4 542)	-	82 942	81 910	1 032	98.8%	78 194	75 352
Salaries and wages	77 719	(4 602)	-	73 117	72 210	907	98.8%	69 657	66 705
Social contributions	9 765	60	-	9 825	9 700	125	98.7%	8 537	8 647
Goods and services	52 244	143	2 949	55 336	54 990	346	99.4%	52 626	49 455
Administrative fees	918	(145)	-	773	678	95	87.7%	700	664
Advertising	761	(24)	-	737	634	103	86.0%	1 454	1 413
Minor assets	1 243	(139)	-	1 104	999	105	90.5%	1 327	1 436
Audit costs: External	4 992	(1 092)	-	3 900	3 891	9	99.8%	4 726	4 545
Catering: Departmental activities	171	41	-	212	181	31	85.4%	197	185
Communication (G&S)	3 938	(2 585)	-	1 353	3 094	(1 741)	226.7%	3 102	2 531
Computer services	3 101	281	-	3 382	2 968	414	87.8%	3 883	3 638
Consultants: Business and advisory services	202	140	-	342	337	5	98.5%	134	6
Legal services	1 766	2 799	2 949	7 514	8 171	(657)	108.7%	1 861	1 860
Contractors	717	179	-	896	721	175	80.5%	250	196
Agency and support / outsourced services	4 674	259	-	4 933	4 909	24	99.5%	4 759	4 720
Entertainment	1 935	(32)	-	1 903	1 749	154	91.9%	2 135	1 654
Fleet services (including government motor transport)	859	179	-	1 038	604	434	58.2%	574	490
Inventory: Food and food supplies	1 941	659	-	2 600	2 378	222	91.5%	1 980	1 917
Consumable supplies	1 203	(1 124)	-	79	79	-	-	1 350	1 157
Operating leases	17 308	(921)	-	16 387	16 173	214	98.7%	17 442	17 217
Property payments	88	(8)	-	80	50	30	62.5%	90	71
Transport provided: Departmental activity	3 111	471	-	3 582	3 158	424	88.2%	3 382	2 821
Travel and subsistence	2 885	(1 047)	-	1 838	1 823	15	99.2%	2 125	2 075
Training and development	110	1 997	-	2 107	2 013	94	95.5%	454	400
Operating payments	321	255	-	576	459	117	79.7%	575	568
Venues and facilities	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest (incl. interest on unitary payments (PPP))	-	-	-	-	-	-	-	-	-
Transfers and subsidies	4 362	2 316	-	6 678	6 671	7	99.9%	3 061	3 020
Provinces and municipalities	-	21	-	21	20	1	95.2%	-	7
Municipalities	-	21	-	21	20	1	-	-	7
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	21	-	21	20	1	-	-	7
Households	4 362	2 295	-	6 657	6 651	6	95.2%	3 061	3 013
Other transfers to households	699	606	-	1 305	1 338	(33)	99.9%	91	81
Payments for capital assets	8 270	2 003	-	10 273	6 632	3 641	64.6%	5 679	6 097
Buildings and other fixed structures	10	(7)	-	3	3	-	-	-	-
Other fixed structures	(7)	(7)	-	3	3	-	-	-	-
Machinery and equipment	8 260	2 010	-	10 270	6 632	3 638	64.6%	5 679	6 097
Transport equipment	2 000	784	-	2 784	2 761	23	99.2%	2 003	1 933
Other machinery and equipment	6 260	1 226	-	7 486	3 871	3 615	51.7%	3 676	4 164
Payment for financial assets	-	(80)	2 949	155 229	150 278	4 951	96.8%	139 560	133 925

LIMPOPO PROVINCIAL TREASURY

VOTE 5

APPROPRIATION STATEMENT

for the year ended 31 March 2016

Programme 2: SUSTAINABLE RESOURCE MANAGEMENT

	2015/16				2014/15				
	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	1 694	77	-	1 771	1 752	19	98.9%	3 481	3 427
2. ECONOMIC ANALYSIS	2 755	150	(1 049)	1 856	1 593	263	85.8%	2 213	1 994
3. FISCAL POLICY	15 203	-	(220)	14 983	15 136	(153)	101.0%	13 310	13 054
4. BUDGET MANAGEMENT	4 216	140	-	4 356	4 111	245	94.4%	4 068	3 829
5. PUBLIC FINANCE	8 728	-	(300)	8 428	8 374	54	99.4%	8 512	7 953
6. INTERGOVERNMENTAL RELATIONS	21 079	(367)	(659)	20 053	19 161	892	95.6%	16 227	15 715
	53 675	-	(2 228)	51 447	50 127	1 320	97.4%	47 811	45 972
Economic classification									
Current payments	53 258	(411)	(2 228)	50 619	49 277	1 342	97.3%	47 811	45 972
Compensation of employees	47 763	(764)	(2 172)	44 827	44 640	187	99.6%	42 840	42 122
Salaries and wages	43 387	(971)	(2 172)	40 244	39 827	417	99.0%	36 097	35 773
Social contributions	4 376	207	-	4 583	4 813	(230)	105.0%	6 743	6 349
Goods and services	5 495	353	(56)	5 792	4 637	1 155	80.1%	4 971	3 846
Administrative fees	389	(252)	(35)	102	113	(11)	110.8%	389	200
Minor assets	-	-	-	-	-	-	-	6	2
Catering: Departmental activities	454	(42)	(107)	305	79	226	25.9%	144	61
Computer services	150	16	-	16	-	16	-	-	-
Consultants: Business and advisory services	5	(90)	-	60	115	(55)	191.7%	150	113
Inventory: Other supplies	391	(5)	-	10	-	-	-	-	-
Consumable supplies	3 562	544	-	935	885	50	94.7%	727	395
Consumable: Stationery, printing and office supplies	50	(105)	33	3 490	2 768	722	79.3%	3 182	2 720
Travel and subsistence	494	127	-	177	108	69	61.0%	7	3
Operating payments	-	150	53	697	569	128	81.6%	366	352
Venues and facilities	-	-	-	-	-	-	-	-	4
Interest and rent on land	-	-	-	-	-	-	-	-	4
Interest (incl. interest on unitary payments (PPP))	417	269	-	686	686	-	100.0%	-	-
Transfers and subsidies	417	269	-	686	686	-	100.0%	-	-
Households	200	486	-	686	686	-	100.0%	-	-
Social benefits	217	(217)	-	-	-	-	-	-	-
Other transfers to households	-	142	-	142	164	(22)	115.5%	-	-
Payment for financial assets	-	-	(2 228)	51 447	50 127	1 320	97.4%	47 811	45 972

LIMPOPO PROVINCIAL TREASURY

VOTE 5

APPROPRIATION STATEMENT

for the year ended 31 March 2016

	2015/16					2014/15			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme 3: ASSETS, LIABILITIES & SCM									
Sub programme									
1. PROGRAMME SUPPORT	1 683	274	-	1 957	1 364	593	69.7%	1 095	1 147
2. ASSET MANAGEMENT	10 170	3 505	765	14 440	15 852	(1 412)	109.8%	11 276	10 205
3. LIABILITIES MANAGEMENT	8 103	(650)	-	7 453	6 537	916	87.7%	7 615	7 791
4. PROVINCIAL SUPPLY CHAIN MANAGEMENT	24 887	108	-	24 995	24 545	450	98.2%	25 329	23 889
5. SUPPORT & INTERLINKED FINANCIAL SYSTEMS	39 056	(3 237)	-	35 819	34 753	1 066	97.0%	27 335	26 328
	83 899	-	765	84 664	83 051	1 613	98.1%	72 650	69 360
Economic classification									
Current payments	83 299	(1 144)	765	82 920	81 273	1 647	98.0%	69 699	67 695
Compensation of employees	51 576	(1 403)	-	50 173	50 348	(175)	100.3%	46 440	45 808
Salaries and wages	45 590	(1 428)	-	44 162	44 606	(444)	101.0%	41 028	40 551
Social contributions	5 986	25	-	6 011	5 742	269	95.5%	5 412	5 257
Goods and services	31 723	259	765	32 747	30 925	1 822	94.4%	23 259	21 887
Administrative fees	2 752	(570)	-	2 182	2 038	144	93.4%	1 933	2 040
Minor assets	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	454	(66)	-	388	208	180	53.6%	461	402
Computer services	24 412	(642)	-	23 770	23 182	588	97.5%	15 574	14 554
Consultants: Business and advisory services	-	887	765	1 652	1 999	(347)	121.0%	-	-
Consumable supplies	690	(20)	-	670	242	428	36.1%	1 469	1 446
Consumable: Stationery, printing and office supplies	3 219	462	-	3 681	2 803	878	76.1%	3 000	2 799
Travel and subsistence	-	-	-	-	-	-	-	582	456
Training and development	43	122	-	165	110	55	66.7%	68	67
Operating payments	153	86	-	239	126	113	52.7%	143	117
Venues and facilities	-	-	-	-	217	(217)	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Transfers and subsidies	600	(50)	-	550	524	26	95.3%	1 660	1 657
Households	600	(50)	-	550	524	26	95.3%	1 660	1 657
Social benefits	300	250	-	550	524	26	95.3%	1 660	1 657
Other transfers to households	300	(300)	-	-	-	-	-	-	-
Payments for capital assets	-	1 194	-	1 194	1 193	1	99.9%	1 291	-
Machinery and equipment	-	1 194	-	1 194	1 193	1	99.9%	1 291	-
Other machinery and equipment	-	1 194	-	1 194	1 193	1	99.9%	1 291	-
Payment for financial assets	-	-	765	84 664	83 051	1 613	98.1%	72 650	69 360

LIMPOPO PROVINCIAL TREASURY

VOTE 5

APPROPRIATION STATEMENT

for the year ended 31 March 2016

	2015/16						2014/15		
	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	82 572	-	(1 486)	81 086	78 390	2 696	96.7%	102 372	95 203
Sub programme									
1. PROGRAMME SUPPORT	4 001	5 740	-	9 741	11 921	(2 180)	122.4%	30 931	29 481
2. ACCOUNTING SERVICES	13 969	(713)	-	13 256	11 281	1 975	85.1%	64 121	58 491
3. RISK MANAGEMENT	11 157	(1 593)	(1 486)	8 078	7 496	582	92.8%	7 320	7 231
4. INTERNAL AUDIT	37 949	(2 517)	-	35 432	34 417	1 015	97.1%	-	-
5. NORMS AND STANDARDS	15 496	(917)	-	14 579	13 275	1 304	91.1%	-	-
	82 572	-	(1 486)	81 086	78 390	2 696	96.7%	102 372	95 203
Economic classification									
Current payments	81 472	(286)	(1 486)	79 700	77 524	2 176	97.3%	101 894	94 726
Compensation of employees	64 582	(4 842)	(1 486)	58 254	57 121	1 133	98.1%	57 951	53 417
Salaries and wages	58 819	(7 478)	(1 486)	49 855	50 188	(333)	100.7%	51 219	46 945
Social contributions	5 763	2 636	-	8 399	6 933	1 466	82.5%	6 732	6 472
Goods and services	16 890	4 556	-	21 446	20 403	1 043	95.1%	43 943	41 309
Administrative fees	1 464	(372)	-	1 092	919	173	84.2%	779	701
Advertising	-	500	-	500	68	432	13.6%	49	-
Minor assets	40	(20)	-	20	-	20	-	55	40
Catering: Departmental activities	352	115	-	467	341	126	73.0%	445	333
Computer services	474	(93)	-	381	380	1	99.7%	330	317
Consultants: Business and advisory services	7 326	6 188	-	13 514	13 781	(267)	102.0%	35 229	34 427
Consumable supplies	77	(47)	-	30	24	6	80.0%	42	36
Travel and subsistence	160	(85)	-	75	28	47	37.3%	323	14
Consumable: Stationery, printing and office supplies	6 251	(1 674)	-	4 577	4 115	462	89.9%	5 228	4 378
Training and development	-	434	-	434	434	-	100.0%	411	342
Operating payments	542	(336)	-	206	188	18	91.3%	195	146
Venues and facilities	204	(54)	-	150	125	25	83.3%	857	575
Transfers and subsidies	1 100	286	-	1 386	787	599	56.8%	478	477
Households	1 100	286	-	1 386	787	599	56.8%	478	477
Social benefits	500	286	-	786	774	12	98.5%	478	477
Other transfers to households	600	-	-	600	13	587	2.2%	-	-
Payments for capital assets	-	-	-	-	20	(20)	-	-	-
Machinery and equipment	-	-	-	-	20	(20)	-	-	-
Other machinery and equipment	-	-	-	-	20	(20)	-	-	-
Payment for financial assets	-	-	-	-	59	(59)	-	-	-
	82 572	-	(1 486)	81 086	78 390	2 696	96.7%	102 372	95 203

LIMPOPO PROVINCIAL TREASURY

VOTE 5

APPROPRIATION STATEMENT

for the year ended 31 March 2016

	2015/16						2014/15		
	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. Statutory Appropriation	1 822	80	-	1 902	1 876	26	1	1 822	1 845
	1 822	80	-	1 902	1 876	26	98.6%	1 822	1 845
Economic classification									
Current payments	1 822	80	-	1 902	1 876	26	98.6%	1 822	1 845
Compensation of employees	1 822	80	-	1 902	1 876	26	98.6%	1 822	1 845
Salaries and wages	1 580	80	-	1 660	1 618	42	97.5%	1 580	1 576
Social contributions	242	-	-	242	258	(16)	106.6%	242	269
	1 822	80	-	1 902	1 876	26	98.6%	1 822	1 845

LIMPOPO PROVINCIAL TREASURY**VOTE 5****NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2016**

- 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 (A) 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	155 229	150 278	4 951	3%
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Programme 1 spent R152 million (97%), including statutory payments, of its final appropriated budget of R157 million. The reason for underspending was mainly due to the delay in the filling of funded vacant posts, late appointment of service provider to install security- scanning machines.

Sustainable Resource Management	51 447	50 127	1 320	3%
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Programme 2 spent R50 million (97%) from a budget of R51 million and the underspending was due to the delay in the appointment of officials in municipal capacity building program which influenced spending negatively on items such as travel and subsistence.

Assets, Liabilities and PSCM	84 664	83 051	1 613	2%
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Programme 3 spent R83 million (98%) from a budget of R84 million and the underspending was due to non-core items such as catering, venue and facilities travel and subsistence.

Financial Governance	81 086	78 390	2 696	3%
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Programme 4 spent R78 million (97%) of its allocated budget of R81 million and the reason for underspending was due to the staff turnover for internal audit which affected spending negatively on items such as subsistence and travel.

LIMPOPO PROVINCIAL TREASURY**VOTE 5****NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2016****4.2 Per economic classification:**

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

Current expenditure

Compensation of employees	238 098	235 895	2 203	1%
Goods and services	115 321	110 955	4 366	4%

Transfers and subsidies

Provinces and municipalities	21	20	1	5%
Households	9 279	8 648	631	7%

Payments for capital assets

Buildings and other fixed structures	3	0	3	100%
Machinery and equipment	11 464	7 845	3 619	32%

Payments for financial assets	142	359	-217	-153%
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• Compensation of Employees

During 2015/16 financial year, the department spent R235.9 million or 99% of its final appropriated budget of R238 million and this is more than R218.5 million (96%) spent in 2014/15 financial year on a budget of R227.2 million. The reason for underspending is due to late filling of vacant posts.

• Goods & Services

The department spent R111 million or 95% of its final appropriation of R117.4 million during 2015/16 financial year whilst R116.5 million or 93% was spent in the 2014/15 financial year and the underspending was due to late submission of invoices by service providers as well as cost saving measures which were undertaken.

• Transfers & Subsidies

An amount of R8.7 million or 93% was spent during 2015/16 financial year out of a budget of R9.3 million whereas during 2014/15 financial year, the department had spent R5.1 million or 100% of its allocated budget of R5.1 million and the underspending was mainly caused by late invoices received from institutions of higher learning.

• Capital Payments

The department spent R7.8 million or 83% on a budget of R11.4 million during 2015/16 financial year and in the financial year 2014/15, the department had spent R6.1 million or 87% of its adjusted appropriation budget of R7 million. The underspending can be attributed to late finalisation of security scanners contract.

LIMPOPO PROVINCIAL TREASURY**VOTE 5****STATEMENT OF FINANCIAL PERFORMANCE***for the year ended 31 March 2016*

	<i>Note</i>	2015/16 R'000	2014/15 R'000
REVENUE			
Annual appropriation	<u>1</u>	372 426	362 393
Statutory appropriation	<u>2</u>	1 902	1 822
Departmental revenue	<u>3</u>	66 155	84 655
TOTAL REVENUE		440 483	448 870
EXPENDITURE			
Current expenditure			
Compensation of employees	<u>4</u>	235 895	218 549
Goods and services	<u>5</u>	110 955	116 492
Interest and rent on land	<u>6</u>	-	5
Total current expenditure		346 850	335 046
Transfers and subsidies			
Transfers and subsidies	<u>8</u>	8 668	5 153
Total transfers and subsidies		8 668	5 153
Expenditure for capital assets			
Tangible assets	<u>9</u>	7 845	6 097
Total expenditure for capital assets		7 845	6 097
Payments for financial assets	<u>7</u>	359	9
TOTAL EXPENDITURE		363 722	346 305
SURPLUS/(DEFICIT) FOR THE YEAR		76 761	102 565
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds		10 606	17 910
Annual appropriation		10 606	17 910
Departmental revenue and NRF Receipts	<u>14</u>	66 155	84 655
SURPLUS/(DEFICIT) FOR THE YEAR		76 761	102 565

LIMPOPO PROVINCIAL TREASURY**VOTE 5****STATEMENT OF FINANCIAL POSITION****as at 31 March 2016**

	<i>Note</i>	2015/16 R'000	2014/15 R'000
ASSETS			
Current Assets		42 176	44 786
Cash an cash equivalents	<u>10</u>	41 504	44 725
Prepayments and advances	<u>11</u>	10	-
Receivables	<u>12</u>	662	61
Non-Current Assets		15	821
Receivables	<u>12</u>	15	821
TOTAL ASSETS		42 191	45 607
LIABILITIES			
Current Liabilities		41 915	45 403
Voted funds to be surrendered to the Revenue Fund	<u>13</u>	10 606	17 910
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>14</u>	30 834	27 492
Payables	<u>15</u>	475	1
TOTAL LIABILITIES		41 915	45 403
NET ASSETS		276	204
Represented by:			
Recoverable revenue		276	204
TOTAL		276	204

**LIMPOPO PROVINCIAL TREASURY
VOTE 5**

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2016

NET ASSETS	Note	2015/16 R'000	2014/15 R'000
Recoverable revenue			
Opening balance		204	201
Transfers		72	3
Irrecoverable amounts written off	<u>7.1</u>	-193	-3
Debts recovered (included in departmental receipts)		-113	-67
Debts raised		378	73
Closing balance		276	204
TOTAL		276	204

LIMPOPO PROVINCIAL TREASURY**VOTE 5****CASH FLOW STATEMENT****for the year ended 31 March 2016**

	Note	2015/16 R'000	2014/15 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		677 298	663 446
Annual appropriated funds received	<u>1.1</u>	372 426	362 393
Statutory appropriated funds received	<u>2</u>	1 902	1 822
Departmental revenue received	<u>3</u>	2 614	3 853
Interest received	<u>3.2</u>	300 356	295 378
Net (increase)/ decrease in working capital		669	55
Surrendered to Revenue Fund		(317 538)	(315 984)
Current payments		(346 850)	(335 041)
Interest paid	<u>6</u>	-	(5)
Payments for financial assets		(359)	(9)
Transfers and subsidies paid		(8 668)	(5 153)
Net cash flow available from operating activities	<u>16</u>	4 552	7 309
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	<u>9</u>	(7 845)	(6 097)
Net cash flows from investing activities		(7 845)	(6 097)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/ (decrease) in net assets		72	3
Net cash flows from financing activities		72	3
Net increase/ (decrease) in cash and cash equivalents		(3 221)	1 215
Cash and cash equivalents at beginning of period		44 725	43 510
Cash and cash equivalents at end of period	<u>17</u>	41 504	44 725

LIMPOPO PROVINCIAL TREASURY**VOTE 5****ACCOUNTING POLICIES****for the year ended 31 March 2016****Summary of significant accounting policies**

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

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

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

1	Basis of preparation The financial statements have been prepared in accordance with the Modified Cash Standard.
2	Going concern The financial statements have been prepared on a going concern basis.
3	Presentation currency Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.
4	Rounding Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5	Comparative information
5.1	Prior period comparative information Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.
5.2	Current year comparison with budget A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

LIMPOPO PROVINCIAL TREASURY**VOTE 5****ACCOUNTING POLICIES****for the year ended 31 March 2016**

6	Revenue
6.1	<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>
6.2	<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>
6.3	<p>Accrued departmental revenue</p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> • it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and • the amount of revenue can be measured reliably. <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p>
7	Expenditure
7.1	Compensation of employees
7.1.1	<p>Salaries and wages</p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
7.1.2	<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>

LIMPOPO PROVINCIAL TREASURY**VOTE 5****ACCOUNTING POLICIES****for the year ended 31 March 2016**

7.2	<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>
7.3	<p>Accrued expenditure payable</p> <p>Accrued expenditure payable is recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department or in the case of transfers and subsidies when they are due and payable.</p> <p>Accrued expenditure payable is measured at cost.</p>
7.4	<p>Leases</p>
7.4.1	<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>
7.4.2	<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.
8	<p>Cash and cash equivalents</p> <p>Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</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>
9	<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 2016**

10	<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>
11	<p>Financial assets</p>
11.1	<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>
11.2	<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>
12	<p>Payables</p> <p>Loans and payables are recognised in the statement of financial position at cost.</p>
13	<p>Capital Assets</p>
13.1	<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>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>

LIMPOPO PROVINCIAL TREASURY**VOTE 5****ACCOUNTING POLICIES***for the year ended 31 March 2016*

14	Provisions and Contingents
14.1	<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>
14.2	<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>
14.3	<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>
14.4	<p>Commitments</p> <p>Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.</p>
15	<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>

LIMPOPO PROVINCIAL TREASURY**VOTE 5****ACCOUNTING POLICIES***for the year ended 31 March 2016*

16	Fruitless and wasteful expenditure
	<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>
17	Irregular expenditure
	<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>
18	Changes in accounting policies, accounting estimates and errors
	<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>
19	Events after the reporting date
	<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>

LIMPOPO PROVINCIAL TREASURY

VOTE 5

ACCOUNTING POLICIES

for the year ended 31 March 2016

20	Recoverable revenue
	<p>Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>
21	Related party transactions
	<p>A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.</p>

LIMPOPO PROVINCIAL TREASURY

VOTE 5

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1 for the year ended 31 March 2016

1.1 Annual Appropriation	2015/16			2014/15	
	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	155 229	155 229	-	139 560	139 560
SUSTAINABLE RESOURCE MANAGEMENT	51 447	51 447	-	47 811	47 811
ASSETS, LIABILITIES & SCM	84 664	84 664	-	72 650	72 650
FINANCIAL GOVERNANCE	81 086	81 086	-	102 372	102 372
Total	372 426	372 426	-	362 393	362 393

2 Statutory Appropriation	2015/16		2014/15	
	R'000		R'000	
MEMBERS' REMUNERATION		1 902		1 822
		1 902		1 822
Actual Statutory Appropriation received		1 902		1 822

3 Departmental Revenue	Note	2015/16		2014/15	
		R'000		R'000	
Sales of goods and services other than capital assets	3.1	583	501		
Interest, dividends and rent on land	3.2	300 356	295 378		
Transactions in financial assets and liabilities	3.3	1 907	3 352		
Transfer received	3.4	124	-		
Total revenue collected		302 970	299 231		
Less: Own revenue included in appropriation	14	236 815	214 576		
Departmental revenue collected		66 155	84 655		

3.1 Sales of goods and services other than capital assets	Note	2015/16		2014/15	
		R'000		R'000	
Sales of goods and services produced by the department	3	582	488		
Sales by market establishment		88	89		
Other sales		494	399		
Sales of scrap, waste and other used current goods		1	13		
Total		583	501		

3.2 Interest, dividends and rent on land	Note	2015/16		2014/15	
		R'000		R'000	
Interest	3	300 356	295 378		
Total		300 356	295 378		

3.3 Transactions in financial assets and liabilities	Note	2015/16		2014/15	
		R'000		R'000	
Other Receipts including Recoverable Revenue	3	1 907	3 352		
Total		1 907	3 352		

3.4 Transfers received	Note	2015/16		2014/15	
		R'000		R'000	
Public corporations and private enterprises	3	124	-		
Total		124	-		

LIMPOPO PROVINCIAL TREASURY**VOTE 5****NOTES TO THE ANNUAL FINANCIAL STATEMENTS****for the year ended 31 March 2016**

4 Compensation of Employees			
4.1 Salaries and wages			
Basic salary		166 693	154 737
Performance award		3 672	2 548
Service Based		12 118	11 490
Compensative/circumstantial		2 238	1 701
Periodic payments		18	-
Other non-pensionable allowances		23 709	21 078
Total		208 448	191 554
		2015/16	2014/15
	Note	R'000	R'000
4.2 Social Contributions			
Employer contributions			
Pension		20 777	21 319
Medical		6 639	5 648
Bargaining council		31	28
Total		27 447	26 995
Total compensation of employees		235 895	218 549
Average number of employees		590	452
		2015/16	2014/15
	Note	R'000	R'000
5 Goods and services			
Administrative fees		3 745	3 604
Advertising		701	1 412
Minor assets	<u>5.1</u>	999	1 368
Catering		814	979
Communication		3 094	2 532
Computer services	<u>5.2</u>	26 530	18 510
Consultants: Business and advisory services		16 231	34 548
Legal services		8 170	1 860
Contractors		721	197
Agency and support / outsourced services		4 909	4 720
Audit cost – external	<u>5.3</u>	3 891	4 545
Fleet services		1 747	1 654
Consumables	<u>5.4</u>	4 164	4 303
Operating leases		-	1 157
Property payments	<u>5.5</u>	16 173	17 216
Transport provided as part of the departmental activities		50	71
Travel and subsistence	<u>5.6</u>	12 841	12 714
Venues and facilities		1 372	1 611
Training and development		2 257	2 873
Other operating expenditure	<u>5.7</u>	2 546	618
Total		110 955	116 492

LIMPOPO PROVINCIAL TREASURY

VOTE 5

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
5.1 Minor assets	<u>5</u>		
Tangible assets		999	1 350
Machinery and equipment		999	1 350
Intangible assets		-	18
Recipes, formulae, prototypes, designs, models		-	18
Total		999	1 368
		2015/16 R'000	2014/15 R'000
5.2 Computer services	<u>5</u>		
SITA computer services		10 997	11 434
External computer service providers		15 533	7 076
Total		26 530	18 510
		2015/16 R'000	2014/15 R'000
5.3 Audit cost – external	<u>5</u>		
Regularity audits		3 891	4 545
Total		3 891	4 545
		2015/16 R'000	2014/15 R'000
5.4 Consumables	<u>5</u>		
Consumable supplies		631	531
Uniform and clothing		128	26
Household supplies		421	428
Building material and supplies		17	6
IT consumables		16	35
Other consumables		49	36
Stationery, printing and office supplies		3 533	3 772
Total		4 164	4 303
		2015/16 R'000	2014/15 R'000
5.5 Property payments	<u>5</u>		
Municipal services		1 628	1 720
Property management fees		14 001	14 643
Property maintenance and repairs		432	836
Other		112	17
Total		16 173	17 216
		2015/16 R'000	2014/15 R'000
5.6 Travel and subsistence	<u>5</u>		
Local		12 645	12 566
Foreign		196	148
Total		12 841	12 714

LIMPOPO PROVINCIAL TREASURY

VOTE 5

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

		2015/16 R'000	2014/15 R'000
5.7 Other operating expenditure	Note 5		
Professional bodies, membership and subscription fees		262	227
Resettlement costs		312	137
Other		1 972	254
Total		2 546	618
6 Interest and Rent on Land	Note	2015/16 R'000	2014/15 R'000
Interest paid		-	5
Total		-	5
7 Payments for financial assets	Note	2015/16 R'000	2014/15 R'000
Debts written off	7.1	359	9
Total		359	9
7.1 Debts written off	Note 7.1		
Nature of debts written off			
Recoverable revenue written off			
Overpayment on Salary			3
Fruitless and Wasteful Expenditure		73	-
Subsized Vehicle		120	-
Total		193	3
Other debt written off			
Ex- Employee		166	6
Total		166	6
Total debt written off		359	9
8 Transfers and Subsidies	Note	2015/16 R'000	2014/15 R'000
Provinces and municipalities	28	20	7
Households	ANNEXURE 1A	8 648	5 146
Total		8 668	5 153
9 Expenditure for capital assets	Note	2015/16 R'000	2014/15 R'000
Tangible assets		7 845	6 097
Machinery and equipment	27	7 845	6 097
Total		7 845	6 097

LIMPOPO PROVINCIAL TREASURY

VOTE 5

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

9.1	Analysis of funds utilised to acquire capital assets - 2015/16							
		Voted Funds	Aid assistance		TOTAL			
		R'000	R'000		R'000			
	Tangible assets	7 845	-		7 845			
	Machinery and equipment	7 845			7 845			
	Total	7 845	-		7 845			
9.2	Analysis of funds utilised to acquire capital assets - 2014/15							
		Voted Funds	Aid assistance		TOTAL			
		R'000	R'000		R'000			
	Tangible assets	6 097	-		6 097			
	Machinery and equipment	6 097			6 097			
	Total	6 097	-		6 097			
9.3	Finance lease expenditure included in Expenditure for capital assets		2015/16	2014/15				
			R'000	R'000				
	Tangible assets							
	Machinery and equipment		1 991	1 193				
	Total		1 991	1 193				
10	Cash and Cash Equivalents		2015/16	2014/15				
		Note	R'000	R'000				
	Consolidated Paymaster General Account		41 504	44 726				
	Disbursements		-	(1)				
	Total		41 504	44 725				
11	Prepayments and Advances		2015/16	2014/15				
		Note	R'000	R'000				
	Staff advances		10	-				
	Total		10	-				
12	Receivables		2015/16		2014/15			
		Note	Current	Non-current	Total	Current	Non-current	Total
			R'000	R'000	R'000	R'000	R'000	R'000
	Staff debt	12.1	316	15	330	6	101	107
	Other debtors	12.2	346		347	55	720	775
	Total		662	15	677	61	821	882

LIMPOPO PROVINCIAL TREASURY**VOTE 5****NOTES TO THE ANNUAL FINANCIAL STATEMENTS****for the year ended 31 March 2016**

	Note	2015/16 R'000	2014/15 R'000
12.1 Staff debt	<u>12</u>		
(Group major categories, but list material items)			
Loss of Official Laptop		186	54
Over Payment on Salary		126	24
Other		18	29
Total		<u>330</u>	<u>107</u>
		2015/16 R'000	2014/15 R'000
12.2 Other debtors	<u>12</u>		
(Group major categories, but list material items)			
Income Tax			373
Over Payment on Salary		293	245
Other		38	157
Loss of Official Laptop		16	-
Total		<u>347</u>	<u>775</u>
		2015/16 R'000	2014/15 R'000
12.3 Fruitless and wasteful expenditure	<u>12</u>		
Opening balance		-	-
Less amounts recovered		-	-
Less amounts written off		(73)	-
Transfers from note 32 Fruitless and Wasteful expenditure		73	-
Interest		-	-
Total		<u>-</u>	<u>-</u>
		2015/16 R'000	2014/15 R'000
12.4 Impairment of receivables	Note		
Estimate of impairment of receivables		50	356
Total		<u>50</u>	<u>356</u>
		2015/16 R'000	2014/15 R'000
13 Voted Funds to be Surrendered to the Revenue Fund	Note		
Opening balance		17 910	26 174
Transfer from statement of financial performance (as restated)		10 606	17 910
Paid during the year		(17 910)	(26 174)
Closing balance		<u>10 606</u>	<u>17 910</u>
		2015/16 R'000	2014/15 R'000
14 Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	Note		
Opening balance		27 492	18 071
Transfer from Statement of Financial Performance (as restated)		66 155	84 655
Own revenue included in appropriation		236 815	214 576
Paid during the year		(299 628)	(289 810)
Closing balance		<u>30 834</u>	<u>27 492</u>

LIMPOPO PROVINCIAL TREASURY

VOTE 5

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
15 Payables - current			
Other payables	15.1	475	1
Total		475	1
	Note	2015/16 R'000	2014/15 R'000
15.1 Other payables	15		
(Identify major categories, but list material amounts)			
Sal: Income Tax: CL		411	-
Sal Pension Fund:CL		64	1
Total		475	1
	Note	2015/16 R'000	2014/15 R'000
16 Net cash flow available from operating activities			
Net surplus/(deficit) as per Statement of Financial Performance		76 761	102 565
Add back non cash/cash movements not deemed operating activities		(72 209)	(95 256)
(Increase)/decrease in receivables – current		205	55
(Increase)/decrease in prepayments and advances		(10)	-
Increase/(decrease) in payables – current		474	-
Expenditure on capital assets		7 845	6 097
Surrenders to Revenue Fund		(317 538)	(315 984)
Own revenue included in appropriation		236 815	214 576
Net cash flow generated by operating activities		4 552	7 309
	Note	2015/16 R'000	2014/15 R'000
17 Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster General account		41 504	44 726
Disbursements		-	(1)
Total		41 504	44 725
	Note	2015/16 R'000	2014/15 R'000
18 Contingent liabilities and contingent assets			
18.1 Contingent liabilities			
Liable to	Nature		
Housing loan guarantees	Employees	Annex 2A	795
Claims against the department		Annex 2B	71 495
Total			72 290
18.2 Contingent assets		2015/16 R'000	2014/15 R'000
Nature of contingent asset	Note		
Claims against a supplier		98 000	98 000
Total		98 000	98 000

The supplier has logged a counter claim against the department amounting to R64.4million as disclosed in Annexure 2B. Prior year was also restated as disclosed in Note 29.

LIMPOPO PROVINCIAL TREASURY

VOTE 5

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
19 Commitments			
Current expenditure			
Approved and contracted		60 908	22 568
		60 908	22 568
Capital Expenditure			
Approved and contracted		2 170	1 474
		2 170	1 474
Total Commitments		63 078	24 042

The Department will continue with the BAUD project until the 31 of December 2016 and various SITA contracts until March 2018

The department has restated the prior year approved and contracted amount as explained in Note 29.

		2015/16 R'000	2014/15 R'000
20 Accruals and payables not recognised			
20.1 Accruals			
Listed by economic classification	30 days	30+ days	Total
Goods and services	3 040	855	3 895
Capital assets			-
Other			-
Total	3 040	855	3 895

	Note	2015/16 R'000	2014/15 R'000
Listed by programme level			
Administration		2 949	1 642
Sustainable Resource management		179	206
Assets, Liabilities and Supply Chain Management		607	125
Financial Governance		160	2 450
Total		3 895	4 423

	Note	2015/16 R'000	2014/15 R'000
21 Employee benefits			
Leave entitlement		9 027	8 888
Service bonus (Thirteenth cheque)		6 005	5 884
Performance awards		3 542	3 409
Capped leave commitments		32 801	34 044
Accelerated pay progression provision		15 828	11 110
Other		419	393
Total		67 622	63 728

The 2015/16 leave entitlement amount is net of negative leave amounting to R274 thousand due to some employees utilising their new leave cycle (Jan2016 -Dec2016)credits in excess of the days that had accrued to them as at 31 March 2016

The 2014/15 leave entitlement amount is net of negative leave amounting to R304 thousand due to some employees utilising their new leave cycle (Jan2015 -Dec2015)credits in excess of the days that had accrued to them as at 31 March 2015

Accelerated pay progression provision for the prior year has been re-stated as disclosed in Note 29

LIMPOPO PROVINCIAL TREASURY

VOTE 5

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

22 Lease commitments

22.1 Operating leases expenditure

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

2014/15	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	-	-	8 245	-	8 245
Later than 1 year and not later than 5 years	-	-	-	-	-
Later than five years	-	-	-	-	-
Total lease commitments	-	-	8 245	-	8 245

22.2 Finance leases expenditure

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

2014/15	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	-	-	-	838	838
Later than 1 year and not later than 5 years	-	-	-	314	314
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	1 152	1 152

23 Accrued departmental revenue

	Note	2015/16 R'000	2014/15 R'000
Sales of goods and services other than capital assets			45
Sale of capital assets			212
Total		-	257

23.1 Analysis of accrued departmental revenue

	Note	2015/16 R'000	2014/15 R'000
Opening balance		257	-
Less: Amounts received		257	-
Add: Amounts recognised			257
Closing balance		-	257

LIMPOPO PROVINCIAL TREASURY

VOTE 5

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
24 Irregular expenditure			
24.1 Reconciliation of irregular expenditure			
Opening balance		-	-
Add: Irregular expenditure - relating to prior year		-	-
Add: Irregular expenditure - relating to current year		618	-
Less: Prior year amounts condoned		-	-
Less: Current year amounts condoned		-	-
Less: Amounts not condoned and recoverable		-	-
Less: Amounts not condoned and not recoverable		-	-
Irregular expenditure awaiting condonation		618	-
Analysis of awaiting condonation per age classification			
Current year		618	-
Prior years		-	-
Total		618	-
24.2 Details of irregular expenditure - current year		2015/16 R'000	
Incident	Disciplinary steps taken/criminal proceedings		
Recruitment services	None	131	
Purchase of Laptop bags and Network cables	None	63	
Purchase of Computers	None	424	
Total		618	
25 Fruitless and wasteful expenditure		2015/16 R'000	2014/15 R'000
25.1 Reconciliation of fruitless and wasteful expenditure			
Opening balance		119	96
As restated		119	96
Fruitless and wasteful expenditure – relating to prior year		(2)	-
Fruitless and wasteful expenditure – relating to current year			23
Less: Amounts transferred to receivables for recovery	15.6	(73)	-
Closing balance		44	119
25.2 Analysis of awaiting resolution per economic classification			
Current		44	97
Total		44	97
25.3 Prior period error	Note		2014/15 R'000
Relating to 2014/15			(2)
Overstatement of 2014/2015 fruitless and wasteful expenditure			(2)
Total			(2)

LIMPOPO PROVINCIAL TREASURY**VOTE 5****NOTES TO THE ANNUAL FINANCIAL STATEMENTS****for the year ended 31 March 2016**

	<i>Note</i>	2015/16 R'000	2014/15 R'000
26 Related party transactions			
In kind goods and services provided/received			
Provincial Treasury has paid for the cost of the Audit Assistance and BAUD asset scanning projects that were instituted through the s100 (1)(b) of the constitution of South Africa. The Audit Assistance projects was for the five departments under s100 administration and the Department of Sports, Arts & Culture and Department of Social Development. The BAUD project was for all departments in the province			
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 Agriculture		443	430
COGHSTA		414	390
Department of Transport		301	228
Department of Social Development		350	340
Department of Economic Development, Environment and Tourism		301	228
Department of Education		690	656
Department of Health		610	729
Office of the Premier		350	340
Department of Public Works		574	642
Department of Sports, Arts and Culture		414	390
Department of Safety, Security and Liaison		425	396
Gateway Airport Authority Limited		195	-
The department renders transversal function in relation to Internal Audit to all provincial departments, excluding the Provincial Legislature.			
Department Of Agriculture		2 696	2 699
COGHSTA		2 754	2 007
Department of Transport		2 744	1 489
Department of Social Development		1 534	1 242
Department of Economic Development, Environment and Tourism		2 259	1 796
Department of Education		5 511	4 167
Department of Health		3 870	4 917
Office of the Premier		1 283	1 685
Department of Public Works		2 438	2 674
Department of Sports, Arts and Culture		1 899	2 116
Department of Safety, Security and Liaison		1 465	1 171
The department has paid service providers for the provision of contract management services on behalf of:			
Department of Health (Realyst Contract Management and Matthew Francis Inc)		151	2 818
Department of Education (Cool Ideas)			3 906
Total		33 671	37 456

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 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.

List of related party relationships

1 Provincial Treasury is related to all the government departments in Limpopo because we are under common control of the Legislature.

LIMPOPO PROVINCIAL TREASURY

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

	No. of Individuals	2015/16 R'000	2014/15 R'000
27 Key management personnel			
Political office bearers	1	1 923	1 845
Officials:			
Level 15 to 16	6	8 393	5 351
(incl CFO)	9	10 076	8 189
Family members of key management personnel	1	280	250
Total		20 672	15 635

The key management personnel amount disclosed includes a claim recoverable amount of R54 thousand from the Limpopo Provincial Legislature in respect of Political Office bearers.

28 Movable Tangible Capital Assets

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

	Opening balance R'000	Value adjustments 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

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	325	7 380

These assets could not be verified and are under investigation. The Department has identified all these assets and will conduct an asset verification to ascertain the reasons for non availability thereof and take appropriate action to resolve these assets during 2016/17.

Additions

28.1 ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	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, lease received prior year) R'000	Total R'000
MACHINERY AND EQUIPMENT	7 845	628	(1 991)	-	6 482
Transport assets	2 761	628			3 389
Computer equipment	1 644				1 644
Furniture and office equipment	1 374				1 374
Other machinery and equipment	2 066		(1 991)		75
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	7 845	628	(1 991)	-	6 482

LIMPOPO PROVINCIAL TREASURY

VOTE 5

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

Disposals

28.2 DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Sold for cash	Non-cash disposal	Total disposals	Cash received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	-	784	784	-
Transport assets		760	760	
Computer equipment		24	24	
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	784	784	-

28.3 Movement for 2014/15

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	37 234	-	4 904	2 661	39 477
Transport assets	7 500		1 932	856	8 576
Computer equipment	22 412		1 802	1 585	22 629
Furniture and office equipment	4 727		539	177	5 089
Other machinery and equipment	2 595		631	43	3 183
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	37 234	-	4 904	2 661	39 477

28.4 Minor assets

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

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	9 293	-	9 293
Additions				288		288
TOTAL MINOR ASSETS	-	-	-	9 581	-	9 581

	Specialised 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

28.5 Minor Capital Assets under investigation

	Number	Value
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		R'000
Machinery and equipment	1 434	1 818

These assets could not be verified and are under investigation. The Department has identified all these assets and will conduct an asset verification to ascertain the reasons for non availability thereof and take appropriate action to resolve these assets during 2016/17.

LIMPOPO PROVINCIAL TREASURY

VOTE 5

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	-	9 309	-	9 309
Additions	-	-	-	1 168	-	1 168
Disposals	-	-	-	1 184	-	1 184
TOTAL MINOR ASSETS	-	-	-	9 293	-	9 293

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

29 Prior period errors

29.1 Correction of prior period errors

2014/15

Assets:

Contingent assets disclosure relating to 2014/15

Corrected amount to be disclosed in the 2015/16 annual financial

98 000

Less: Amount disclosed in 2014/15 Annual financial Statements

-

Net effect**98 000**

The Department omitted to include contingent assets in the previous financial year due to misinterpretation of the Modified Cash Standards.

Liabilities: Commitments

Amount disclosure relating to 2014/15

Corrected amount to be disclosed in the 2015/16 annual financial statements as the prior year amount

24 042

Less: Amount disclosed in 2014/15 Annual financial Statements

(18 898)

Net effect**5 144**

The Department omitted to include one SITA contract and the inflationary impact on three SITA contracts in the amount disclosed as commitments.

Liabilities: Employee Benefits

Amount disclosure relating to 2012/13

2 682

Amount disclosure relating to 2013/14

4 057

Amount disclosure relating to 2014/15

4 371

Net effect**11 110**

The Department did not implement the accelerated pay progression provision in the Incentive Framework Policy due to the uncertainties relating to the implementation thereof and has subsequently made 2% provision of the Cost of Employees for the respective years.

LIMPOPO PROVINCIAL TREASURY**VOTE 5****NOTES TO THE ANNUAL FINANCIAL STATEMENTS****for the year ended 31 March 2016****30. Statement of Conditional Grants and Other Transfers to Municipalities**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Polokwane Municipality				-	20		
	-	-	-	-	20	-	-

LIMPOPO PROVINCIAL TREASURY

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

ANNEXURE 1A
STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION			EXPENDITURE		2014/15 Appropriation Act R'000
	Adjusted appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	
HOUSEHOLDS						
Transfers						
H/H EMPL S/BEN: INJURY ON DUTY	8	-	-	8	6	75%
H/H EMPL S/BEN: LEAVE GRATUITY	3 919	-	-	3 919	3 329	85%
H/H: BURSARIES (NON-EMPLOYEE)	5 352	-	-	5 352	5 313	99%
Total	9 279	-	-	9 279	8 648	5 199

LIMPOPO PROVINCIAL TREASURY

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

ANNEXURE 1B
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2015/16	2014/15
		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	Provincial Corporate Governance Conference & Gala Dinner	-	337
Standard Bank South Africa	Budget Breakfast	-	103
Standard Bank South Africa	Employee Financial Wellness: Training on Debt Counselling: University of Pretoria	-	360
Standard Bank South Africa	Financial Capacity Building: Public Revenue Management: Research Methodology: Montage Communications	-	193
Standard Bank South Africa	Financial Capacity Building: Supply Chain Management: Contract Management: Montage Communications	-	117
Standard Bank South Africa	Financial Capacity building: Cashflow and Budget Management: Pro- Active Public Sector College (Pty) Ltd	-	134
Enabling ICT Solutions	Budget Speech activities	-	50
Edusolutions Bookshop	Budget Speech activities	-	30
Palesa Tech (PTY) Ltd	Budget Speech activities	-	11
Standard Bank South Africa	Heritage day celebration	10	-
Standard Bank South Africa	Provincial Treasury Women's day celebration Musina	50	-
Standard Bank South Africa	Provincial Treasury Women's day celebration	33	-
Standard Bank South Africa	Post Budget Breakfast	104	-
Subtotal		197	1 335
TOTAL		321	1 335

LIMPOPO PROVINCIAL TREASURY

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

ANNEXURE 2A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2016 – LOCAL

GUARANTOR INSTITUTION	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2015	Guarantees draw downs during the year	Guaranteed repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2016	Guaranteed interest for year ended 31 March 2016	Realised losses not recoverable i.e. claims paid out
	Housing								
Risima Housing Finance Corporation	Housing		393	492	90		795		
Total		-	393	492	90	-	795	-	-

LIMPOPO PROVINCIAL TREASURY

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

ANNEXURE 2B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2016

NATURE OF LIABILITY	Opening balance 1 April 2015	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2016
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Contractual dispute by Supplier	62 432	2 063			64 495
Salary grading arrears	162		162		-
Labour dispute by employee		7 000			7 000
Subtotal	62 594	9 063	162	-	71 495
TOTAL	62 594	9 063	162	-	71 495

LIMPOPO PROVINCIAL TREASURY

VOTE 5

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

ANNEXURE 3
CLAIMS RECOVERABLE

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2016 R'000	31/03/2015 R'000	31/03/2016 R'000	31/03/2015 R'000	31/03/2016 R'000	31/03/2015 R'000
DEPARTMENTS						
Department of Health Limpopo	-	-	-	20	-	20
Department of Agriculture Limpopo	-	-	-	20	-	20
Limpopo Legislature	13		57		70	-
Department of Mineral Resources	54				54	-
Department of Education Limpopo	3 007		-		3 007	-
Department of Human Settlement	6				6	-
Northern Cape Provincial Treasury			14		14	-
Department of Sports Arts and Culture Limpopo	54		-		54	-
Gateway Airports Authority Limited			183		183	-
	3 134	-	254	40	3 388	40
	3 134	-	254	40	3 388	40