



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

VOTE NO. 05

ANNUAL REPORT

2023/2024 FINANCIAL YEAR

CONTENTS

PART A: GENERAL INFORMATION	7
1 DEPARTMENT GENERAL INFORMATION	8
1 LIST OF ABBREVIATIONS/ACRONYMS	9
2 FOREWORD BY THE MEC	12
3.1 Overview Of The Operations Of The Department:	14
3.2 Overview Of The Financial Results Of The Department:	16
3.3 Virements/ Roll-Over Of Funds	20
3.4 Unauthorised, Fruitless, And Wasteful Expenditure:	20
3.5 Future Plans	20
3.6 Public-Private Partnerships (PPP)	20
3.7 Discontinued Activities/Activities To Be Discontinued	20
3.8 New Or Proposed Activities	20
3.9 Supply Chain Management	21
3.10 Gifts And Donations Received From Non-Related Parties:	21
3.11 Exemptions And Deviations Received From National Treasury	21
3.12 Events After The Reporting Date	21
3.13 Acknowledgements And Appreciation	22
4. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT	23
5 STRATEGIC OVERVIEW	24
6 LEGISLATIVE AND OTHER MANDATES	24
6.1 Constitutional Mandates	25
6.2 Legislative and Policy Mandates	25
6.3 Policy Mandates	26
7 ORGANISATIONAL STRUCTURE	27
PART B: PERFORMANCE INFORMATION	28
1 AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES	29
2 OVERVIEW OF DEPARTMENTAL PERFORMANCE	29
2.1 Service Delivery Environment	29
2.2 Service Delivery Improvement Plan	30

2.3	Organisational environment	32
2.4	Key policy developments and legislative changes	34
3	ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES.....	34
4	INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION.....	35
4.1	Programme 1: Administration.....	35
4.2	Programme 2: Sustainable Resource Management.....	40
4.3	Programme 3: Asset, Liabilities and Supply Chain Management.....	45
4.4	Programme 4: Financial Governance.....	48
4.5	Programme 5: Shared Internal Audit Services	52
5	TRANSFER PAYMENTS.....	55
5.1	Transfer payments to public entities.....	55
5.2	Transfer payments to all organisations other than public entities.....	55
6	CONDITIONAL GRANTS	56
6.1	Conditional grants and earmarked funds paid.....	56
6.2	Conditional grants and earmarked funds received	56
7	DONOR FUNDS	56
7.1	Donor Funds Received	56
8	CAPITAL INVESTMENT.....	56
8.1	Capital investment, maintenance and asset management plan	56
	PART C: GOVERNANCE	57
1	INTRODUCTION.....	58
2	RISK MANAGEMENT.....	59
3	FRAUD AND CORRUPTION.....	60
4	MINIMISING CONFLICT OF INTEREST	60
5	CODE OF CONDUCT.....	61
6	HEALTH SAFETY AND ENVIRONMENTAL ISSUES.....	61
7	PORTFOLIO COMMITTEES	62
8	SCOPA RESOLUTIONS.....	63
9	PRIOR MODIFICATIONS TO AUDIT REPORTS	70

10	INTERNAL CONTROL UNIT	70
10.1	Coordination of Auditor General Findings	70
10.2	Coordination of Internal Audits by Internal Control	71
10.3	Departmental Audit Steering Committee meetings	72
10.4	House (SCoPA) Resolutions	72
10.5	Management of Unwanted Expenditures	73
11	INTERNAL AUDIT AND AUDIT COMMITTEES	73
11.1	Internal Audit	73
11.2	Audit Committee	74
12	AUDIT COMMITTEE REPORT	82
	<i>Audit Committee Structure</i>	82
	<i>Audit Committee Responsibility</i>	82
	<i>Stakeholder Engagement/s</i>	82
	<i>Audit Committee Skills Development</i>	82
	<i>The Effectiveness of Internal Control</i>	82
	<i>In-Year Management and Monthly/Quarterly Report</i>	83
	<i>Internal Audit</i>	83
	<i>Combined assurance</i>	83
	<i>Compliance with the relevant laws and regulations</i>	84
	<i>Consideration of the Final Audit report</i>	84
	<i>Conclusion</i>	84
13	B-BBEE COMPLIANCE PERFORMANCE INFORMATION	86
	PART D: HUMAN RESOURCE MANAGEMENT	87
1	INTRODUCTION	88
2	OVERVIEW OF HUMAN RESOURCES	88
2.1	State of human resources in the department	88
2.2	Human Resource priorities for the year under review and the impact of these	89
2.3	Workforce planning and key strategies to attract and recruit a skilled and capable workforce	90

2.4	Employee performance management	90
2.5	Employee wellness programmes	90
2.6	Highlight achievements and challenges faced by the department, as well as future human resource plans and goals.	91
3	HUMAN RESOURCES OVERSIGHT STATISTICS	91
3.1	Personnel related expenditure	91
3.2	Employment and Vacancies.....	94
3.3	Filling of SMS Posts	97
3.4	Job Evaluation.....	99
3.5	Employment Changes	101
3.6	Employment Equity	106
3.7	Signing of Performance Agreements by SMS Members.....	110
3.8	Performance Rewards	112
3.9	Foreign Workers.....	115
3.10	Leave utilisation	116
3.11	HIV/AIDS & Health Promotion Programmes	119
3.12	Labour Relations	121
3.13	Skills development	122
3.14	Injury on duty.....	124
3.15	Utilisation of Consultants.....	125
3.16	Severance Packages	126
	PART E: PFMA COMPLIANCE REPORT	128
	1. IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES.....	129
2.	LATE AND OR NON-PAYMENT OF SUPPLIERS.....	138
3.	SUPPLY CHAIN MANAGEMENT	139
3.1.	Procurement by other means	139
3.2.	Contract variations and expansions	141
	PART F: FINANCIAL INFORMATION	142
1	REPORT OF THE AUDITOR-GENERAL	143
	Report of the auditor-general to Limpopo Provincial Legislature on vote no. 05: Limpopo Provincial Treasury	143
	Report on the audit of the financial statements.....	143

Report on the audit of the annual performance report	145
Report on compliance with legislation	148
Other information in the annual report	148
Internal control deficiencies	149
Annexure to the auditor's report.....	150
2 ANNUAL FINANCIAL STATEMENTS.....	155

PART A

GENERAL INFORMATION



1 DEPARTMENT GENERAL INFORMATION



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1 LIST OF ABBREVIATIONS/ACRONYMS



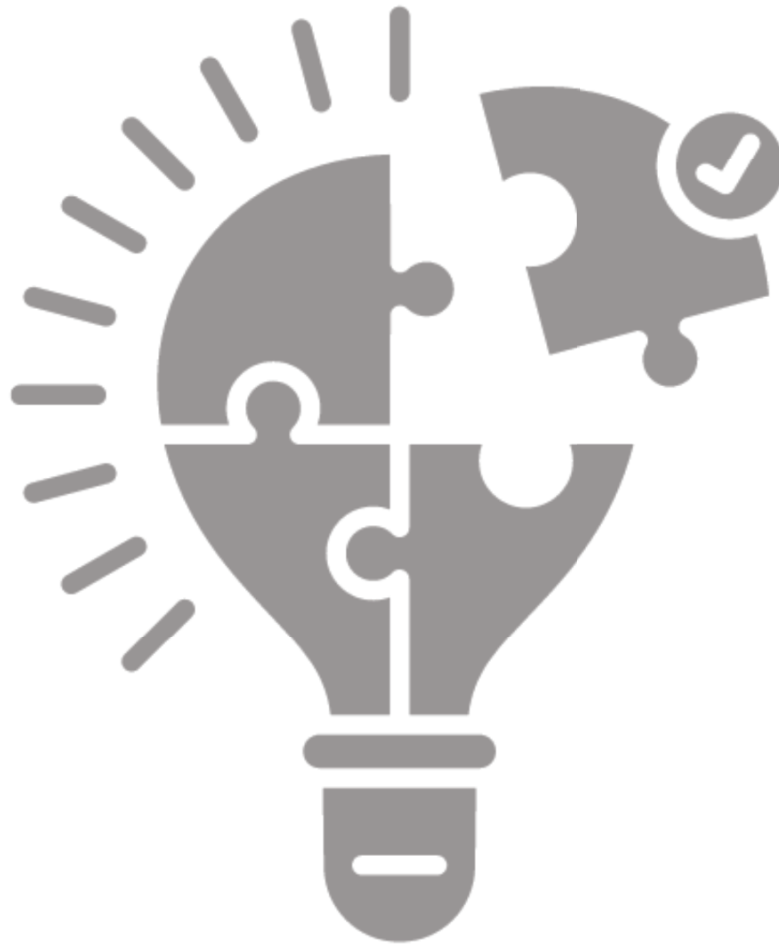
AA	Accounting Authority
AC	Audit Committee
AFS	Annual Financial Statements
AG	Auditor General
AGSA	Auditor General South Africa
AO	Accounting Officer
BAS	Basic Accounting System
BBBEE	Broad Based Black Economic Empowerment
BCM	Business Continuity Management
CA	Chartered Accountant
CAC	Central Audit Committee
CFO	Chief Financial Officer
CAPEX	Capital Expenditure
COGHSTA	Co-operative Governance, Human Settlements and Traditional Affairs
CoE	Compensation of Employees
COVID-19	Coronavirus disease-19
DDG	Deputy Director General
EH&W	Employee Health and Wellness
DPSA	Department of Public Service and Administration
DSAC	Department of Sport, Arts and Culture
EE	Employment Equity
EU	European Union
EXCOM	Executive Management Committee
GAAL	Gateway Airports Authority Limited
GBV	Gender based Violence.
GITO	Government Information Technology Office
GNT	Great North Transport
HCT	Hematocrit
HOD	Head of Department



IECC	Irregular Expenditure Condonement Committee
IT	Information Technology
KPA	Key Performance Area
LEDA	Limpopo Economic Development Agency
LPT	Limpopo Provincial Treasury
LOGIS	Logistical Information System
MEC	Member of Executive Council
MFMA	Municipal Finance Management Act
MMS	Middle Management Service
MTEF	Medium Term Expenditure Framework
NACH	National Anti-Corruption Hotline
NCOP	National Council of Province
NEHAWU	National Education, Health and Allied Workers' Union
OTP	Office of the Premier
OHS	Occupational Health and Safety
PAG	The Provincial Accountant General
PERSAL	Personal and Salary System
PFMA	Public Finance Management Act
PPMC	Provincial Personnel Management Committee
PPP	Public Private Partnership
PSA	Public Servants Association
PSCBC	Public Service Co-ordinating Bargaining Council
PSC	Public Service Commission
PVC	Polyvinyl chloride
QAR	Quality Assurance Review
RFB	Request for Bids
SBD4	Standard Bid Document No 4
SCOPA	Standing Committee on Public Accounts
SCM	Supply Chain Management
SDIP	Service Delivery Improvement Plan
SHERQM	Safety, Health, Environment, Risk and Quality Management



SIAS	Shared Internal Audit Services
SITA	State Information Technology Agency
SMME	Small Medium and Micro Enterprises
SMS	Senior Management Service
STI	Sexually transmitted Infections
TB	Tuberculosis
TR	Treasury Regulations
TVET	Technical & Vocational Education and Training
UIFWE	Unwanted, Irregular, Fruitless & Wasteful Expenditure
WIL	Work Integrated Learner



2 FOREWORD BY THE MEC



Hon. S.C. Sekoati
MEC for Finance

“Looking back on the journey of recent years, the Limpopo Provincial Treasury has demonstrated remarkable resilience, dedication, and steadfast commitment to realizing the objectives outlined in the 2019-24 Medium Term Strategic Framework. Throughout this period, government has faced significant financial challenges stemming from international conflicts, the global COVID-19 pandemic, and economic downturns. Despite these formidable obstacles, our ability to adapt and our unwavering resolve have enabled us to navigate turbulent times, emerging stronger and more determined to fulfil our mandate.

Aligned with the overarching vision of establishing "A Competent, Ethical, and Progressive State," our department has diligently worked towards significantly contributing to the growth and prosperity of our province. By promoting consistency in intergovernmental planning, effectively managing financial responsibilities, and providing the necessary support to government institutions amidst economic adversities, we have achieved notable milestones that underscore our pursuit of excellence.

Our strategic focus for the medium to long term remains steadfast. We are committed to enhancing support for departments, entities, and municipalities, with a particular emphasis on tailored approaches to meet their specific needs. Central to our vision is the ongoing implementation of measures aimed at reducing Unauthorized, Irregular, Fruitless, and Wasteful Expenditure, while strengthening frameworks for consequence management and accountability.

While the previous financial year under review saw a setback in our audit outcomes, it served as a reminder of the work ahead. We are committed to addressing these challenges in the 2023/24 financial year and beyond, striving for consistent attainment of clean audits.

None of our achievements would have been possible without the unwavering dedication and collaborative efforts of our capable staff members. As we stand on the brink of the future, we are filled with optimism and resolve. With a clear strategic direction, a dedicated team, and the ongoing cooperation of our stakeholders, we are confident in our ability to overcome any challenges that may arise.

”



Hon. S.C Sekoati
MEC for Finance
31 May 2024



3. REPORT OF THE ACCOUNTING OFFICER



Mr G. C Pratt CA(SA)
Accounting Officer

“ 3.1 OVERVIEW OF THE OPERATIONS OF THE DEPARTMENT:

The Provincial Treasury, in alignment with Section 18 of the Public Finance Management Act (PFMA), Act 1 of 1999 and its amendments, is mandated to:

- Develop the provincial budget.
- Control the implementation of the provincial budget.
- Promote and enforce transparency and effective management of revenue, expenditure, assets, and liabilities within provincial departments and entities.
- Ensure fiscal policies support, rather than undermine, national economic policies.

Similarly, under Section 5 of the Municipal Finance Management Act (MFMA), Act 56 of 2003 and its amendments, the Provincial Treasury is tasked with:

- Supporting the objectives of the MFMA.
- Assisting the National Treasury in ensuring compliance with measures outlined in Section 216 of the Constitution of the Republic of South Africa and the MFMA.
- Monitoring
 - compliance with the MFMA.
 - preparation of municipal budgets and providing assistance as needed.
 - monthly budget outcomes.
 - submission of required reports under the MFMA.
- Exercising delegated powers and duties from the National Treasury.

- Taking appropriate action if a provincial municipality or municipal entity breaches the MFMA.
- Exercising delegated powers and duties from the National Treasury.
- Taking appropriate action if a provincial municipality or municipal entity breaches the MFMA.

3.1.1. KEY ACHIEVEMENTS

During the reporting period, the Provincial Treasury successfully managed and monitored the provincial budget, achieving a 98.6% expenditure rate by year-end. Notable improvements include the reduction of Compensation of Employees (COE) expenditure to 64.5% of total expenditure, down from 66.1% in the previous financial year. Continuous efforts, in collaboration with the Office of the Premier, aim to further reduce COE expenditure in the upcoming financial year.

3.1.2 PAYMENTS COMPLIANCE

The Provincial Treasury achieved a 30-day payment compliance rate of 99.71% for verified invoices, with 3 136 out of 3 145 invoices processed on time. The consolidated provincial average 30-day payment compliance rate across all departments was 99.41%.

3.1.3 MUNICIPAL SUPPORT

To bolster financial management in municipalities, a service provider was appointed to assist five municipalities: Bela-Bela, Musina, Letaba, Fetakgomo-Tubatse, and Molemole. This initiative aims to address financial management challenges and improve overall municipal performance.

3.1.4 LABOUR RELATIONS

The Labour Consultative Forum has facilitated a constructive working relationship between the Employer and Employees, fostering a harmonious and positive labour relations environment within the Department.

3.1.5 CAPACITY BUILDING

Capacity-building programs were conducted consistently throughout the year. These programs offered officials in all departments opportunities to enhance their skills and knowledge in financial management, governance, and supply chain management through short courses and on-the-job training.

3.1.6 GOVERNANCE AND RISK MANAGEMENT

To support our mandates and stakeholders, the Provincial Treasury has adopted virtual tools to enhance governance structures. The Audit Committee meets regularly to evaluate departmental performance, while the Risk Management Committee, chaired by an Independent Risk Committee Chairperson, convenes quarterly or as needed. This committee oversees the Enterprise Risk Management unit and monitors the effectiveness of risk management processes within the department.

3.2 OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT:

Departmental receipts

Departmental receipts	2023/2024			2022/2023		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	271	401	(130)	255	260	(5)
Interest, dividends and rent on land	459, 821	702, 085	(242, 264)	292, 286	447, 067	(154, 781)
Sale of capital assets	-	503	(503)	-	-	-
Financial transactions in assets and liabilities	122	110	12	117	1, 522	(1, 405)
Total	460, 214	703, 099	(242, 885)	292, 658	448, 849	(156, 191)

The primary revenue sources for the Provincial Treasury includes interest received, parking fees, and commission earned from insurance. As of March 31, 2024, the department had projected revenue collections of R460.2 million; however, the actual collection amounted to R703.1 million, an over-collection of R242.8 million which primarily stems from the interest earned on the favorable provincial bank balances. It is important to note that the department does not have its own revenue tariff structure but utilizes the globally approved tariff structure determined by the Provincial Treasury.

Apart from the disclosed related party transactions as outlined in Note 24 of the Annual Financial Statements, Provincial Treasury does not provide any free services that, if charged for, would generate significant revenue.

3.2.1 PROGRAMME EXPENDITURE

Programme Name	2023/2024			2022/2023		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration (Statutory Included)	196, 244	184, 018	12, 226	179, 367	172, 307	7, 060
Sustainable Resource Management	66, 037	63, 059	2, 978	61, 781	58, 749	3, 032
Assets, Liabilities & SCM	45, 662	45, 281	381	46, 344	44, 704	1, 640
Financial Governance	63, 227	59 554	3,673	74, 250	67, 519	6, 731
Shared Internal Audit Services	39, 688	39, 439	249	41, 453	40, 015	1, 438
Total	410, 858	391,351	19,507	403, 195	383, 294	19, 901

Administration

In the fiscal year 2023/24, the Administration Programme of the Provincial Treasury spent R184.0 million, which accounted for 93.7% of its allocated budget of R196.2 million. This reflects a decline on spending as compared to 96% in the previous year. The underspending in the current year is attributed to non-core items in auxiliary services, ordered IT equipment that was not delivered before year end and delay in receipt of invoices from service providers.

Sustainable Resource Management

The Sustainable Resource Management Programme utilised R63.1 million, which accounted for 95.5% of the budget of R66.0 million. The Programme spent 95.1% in the previous financial year. The underspending in this programme was primarily due to late receipt of invoices by the service provider appointed by the Department to assist with municipal support services.

Assets, Liabilities & Supply Chain Management

The Assets, Liabilities and SCM Programme spent R45.3 million, which accounted for 99.2% of the final budget of R45.7 million. The programme's spending improved from 96.5% in the previous financial year.

Financial Governance

The Financial Governance Programme utilised R59.5 million, which accounted for 94.2% of its final budget of R63.2 million in the 2023/24 financial year. The programme reported a slight increase on its spending as compared to 90.9% in the previous year. The underspending in this programme is primarily due to the late receipt of State Information Technology Agency (SITA)

invoices and forensic audit services that were not yet completed at year end. The rescheduling of Business Continuity Management (BCM) training to May 2024 also contributed to the underspending in the programme.

Shared Internal Audit Services

The Shared Internal Audit Services Programme spent R39.4 million, which accounted for 99.4% of the final budget of R39.7 million in the 2023/24 financial year. In comparison, the programme spent 96.5% in the previous year.

3.2.2 ECONOMIC CLASSIFICATION EXPENDITURE

Compensation of Employees (COE)

The department spent R274.9 million, which accounted for 99.5% of its final Compensation of Employees budget of R276.4 million during the 2023/24 fiscal year. The spending improved as compared to 98.9% in the previous financial year.

Goods and Services

The department spent R92.4 million, which accounted for 85.5% of the final budget of R108.1 million during the 2023/24 fiscal year. The department's spending declined as compared to the 86.3% in the previous fiscal year. The underspending is due to late receipt of SITA invoices, municipal support services invoices, forensic audits that were not yet completed by year end and late receipt of invoices from other non-core service providers.

Transfers and Subsidies

The department spent R4.5 million of R4.7 million budget during the 2023/24 fiscal year, which represents 95.9%. The underspending was mainly on municipal agency payments.

Payment for Capital Assets

The department spent R15.2 million, which accounted for 87.8% of the final budget R17.3 million during the 2023/24 financial year. The spending for the department on CAPEX improved as compared to the 83.9% in the previous year. The underspending in this category is due to ordered IT equipment that was not delivered before the financial year end.

Payments for Financial Assets

The department spent R4.3 million which accounted for 99.9% of the final budget R4.3 million during 2023/24. Included in this amount is R1.945 million loss suffered by the department due unauthorized access to our financial system LOGIS, during the December shut-down period, which resulted in two fraudulent payments being made from our bank account to two companies that did not render services to the department. The matter has been handed over the South African Police Services Serious Commercial Crime Investigation Unit (HAWKS) for investigation and to trace the flow of funds. The Department has also requested the State Information Technology Agency to assist in identifying how the criminals gained access to the financial systems to process the transactions. The prospect of recovering this amount is slim and has thus been disclosed as theft and losses in the performance statement and should it be determined that any amount is recoverable, debts will be created to recover the amount.



3.3 VIREMENTS/ ROLL-OVER OF FUNDS

A roll-over request of R2.2 million to 2023/24 was approved for the underspending that occurred in 2022/23 to pay for the ICT equipment procured in 2022/23 that was not yet delivered and paid for before 2022/23 year-end.

The Department processed virements amounting to R3.461 million from Administration to fund compensation of employees (COE) in the following three programmes, Assets, Liabilities and Supply Chain (R843 thousand), Financial Governance (R928 thousand) and Shared Internal Audit Services (R1.648 million) as well as leave gratuities in Financial Governance (R31 thousand) and Shared Internal Audit Services (R11 thousand).

3.4 UNAUTHORISED, FRUITLESS, AND WASTEFUL EXPENDITURE:

During the reviewed year, the Provincial Treasury did not incur any unauthorised expenditure, or fruitless and wasteful expenditure.

3.5 FUTURE PLANS

The Provincial Treasury remains committed to fulfilling its mandates and supporting provincial departments, public entities and municipalities through robust financial management, compliance, and governance practices. We look forward to further strengthening our efforts and achieving greater efficiencies and improved audit outcomes in the coming year.

3.6 PUBLIC-PRIVATE PARTNERSHIPS (PPP)

No PPP agreements were established or entered by the Provincial Treasury during the reviewed year.

3.7 DISCONTINUED ACTIVITIES/ACTIVITIES TO BE DISCONTINUED

No activities were discontinued during the reviewed year.

3.8 NEW OR PROPOSED ACTIVITIES

No new or proposed activities were identified during the reviewed year.

3.9 SUPPLY CHAIN MANAGEMENT

The Provincial Treasury did not encounter any significant challenges or conclude unsolicited bids in its supply chain management during the reviewed year. The department had appropriate systems and processes in place to prevent irregular expenditure.

3.10 GIFTS AND DONATIONS RECEIVED FROM NON-RELATED PARTIES:

The Provincial Treasury received donations from Standard Bank South Africa and Makro in the 2023/24 fiscal year, as disclosed in Annexure 1D.

3.11 EXEMPTIONS AND DEVIATIONS RECEIVED FROM NATIONAL TREASURY

No exemptions from the Public Finance Management Act (PFMA) or Treasury Regulations, nor any deviation from financial reporting requirements, were applied for or received from National Treasury during the current financial year.

3.12 EVENTS AFTER THE REPORTING DATE

The 2024 South African general elections were held on the 29 May 2024, but there was no material impact on the department's annual report as presented.

As at 31 May 2024, the Accounting Officer authorized the issue of financial statements and the following contingent liabilities were reported in the books of the department: The department was a defendant in a dispute on the supply of financial systems brought by the appellant as disclosed in the contingent liability note due to contract dispute. The matter was heard by the Gauteng North High Court on the 08 February 2023 and judgement was reserved. On the 21st June 2024 judgement was handed down in favour of the Appellant (service provider). LPT has petitioned the Supreme Court of Appeal for leave to appeal and await the outcome. It is impractical to disclose any possibility of reimbursement as the Supreme Court of Appeal has been petitioned for an appeal against the judgement issued and its decision is awaited.

3.13 ACKNOWLEDGEMENTS AND APPRECIATION

This report serves as a testament to our commitment to excellence and our strategic vision for the future. Looking ahead, we remain committed to driving sustainable improvement in governance and financial management to enhance value. We are confident that with our strategic direction and dedicated team, Provincial Treasury will continue to deliver value to our stakeholders.

Provincial Treasury extends its gratitude to the Audit Committee and Portfolio Committee on Treasury for their invaluable oversight. Furthermore, the Treasury expresses profound gratitude for the unwavering commitment and diligence exhibited by its staff members in effectively fulfilling their respective responsibilities to advance the Treasury's overarching mandate.

CONCLUSION

Provincial Treasury has continued to improve delivery in terms of its mandate and remains committed to improved monitoring and support. Please refer to the Annual Report herewith for more details.



Mr G. C Pratt CA(SA)

Accounting Officer

Limpopo Provincial Treasury

31 May 2024

4. 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 F) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

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

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

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

In my opinion, 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 2024.

Yours faithfully



Mr G. C Pratt CA(SA)

Accounting Officer

Limpopo Provincial Treasury

31 May 2024



5 STRATEGIC OVERVIEW



VISION

Excellence in public resource management for sustainable socio-economic development.

MISSION

Strengthening good governance and sound public resource management in provincial and local government for sustainable service delivery.

VALUES

- Integrity
- Accountability
- Fairness
- Transparency
- Professionalism

6 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

6.1 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.

6.2 LEGISLATIVE AND POLICY MANDATES

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

Section	Function and powers
18 (1)	A Provincial Treasury must:
(a)	Prepare the Provincial budget
(b)	Exercise control over the implementation of the provincial budget
(c)	Promote and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities of provincial departments and
(d)	Ensure its fiscal policies do not materially and unreasonably prejudice national economic policies.
18 (2)	A provincial treasury
(a)	Must issue provincial instructions not inconsistent with the Act;
(b)	Must enforce the PFMA and any prescribed national and provincial norms and standards, including any prescribed standards of generally recognized accounting practice and uniform classification systems, in provincial departments.
(c)	Must comply with annual DORA and monitor and assess the implementation of that Act in public entities;
(d)	Must monitor and assess implementation in provincial public entities of national and provincial national norms and standards
(e)	May assist provincial departments and provincial public entities in building their capacity for efficient, effective and transparent financial management;
(f)	May investigate any system of financial management and internal control applied by a provincial department or public entity
(g)	Must intervene by taking appropriate steps to address a serious and persistent material breach of the PFMA by a provincial department or a provincial public entity, including withholding of funds.

- (h) Must promptly provide National Treasury with any information required in terms
- (i) May do anything further that is necessary to fulfil its responsibilities effectively

The Provincial Treasury is also mandated by section 5 of **the Municipal Finance Management Act** 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:
(a)	Assist the National Treasury in enforcing compliance with the measures established in terms of section 216(1) of the Constitution, including those established in terms of this Act.
4	To the extent necessary to comply with subsection (3), a Provincial Treasury
(a)	Must monitor: <ul style="list-style-type: none">(i) compliance with the MFMA by municipalities and municipal entities in the(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.

6.3 POLICY MANDATES

The following broad policy mandates are key to the department in its endeavour to achieve its legislative mandate:

- National Development Plan
- Medium Term Strategic Framework (2019 – 2024)
- National Spatial Development Perspective
- National Industrial Policy Framework
- Broad Based Black Economic Empowerment



7 ORGANISATIONAL STRUCTURE



8. ENTITIES REPORTING TO THE MEC



Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
N/A	N/A	N/A	N/A

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 143 of the Report of the Auditor-General, published as Part E: Financial Information.

2 OVERVIEW OF DEPARTMENTAL PERFORMANCE



2.1 SERVICE DELIVERY ENVIRONMENT

The period under review marks the last financial year in the implementation of the 2020/2025 strategic plan and the last term of the 6th administration of the provincial government. The 6th administration had seven priorities for implementation across all sector departments which were Economic Transformation and Job Creation, Education, Skills and Health, Consolidating the Social Wage through Reliable and Quality Basic Services, Spatial Integration, Human Settlements and Local Government, Social Cohesion and Safe Communities, A Capable, Ethical and Developmental State and A better Africa and World.

The department contributed towards the priority of "A Capable, Ethical and Developmental State" by implementing Section 18 and 31 of Public Finance Management Act (PFMA), Act 1 of 1999 that entrusts Provincial Treasury with the responsibility of monitoring and supporting departments and entities to ensure that spending is in line with set targets. The Public Finance unit conducts Budget and Revenue Forums bi-monthly with Departments and Public Entities to determine areas of focus which requires close monitoring and support for institutions to improve service delivery.

The Provincial Treasury continued to provide support to all institutions in the province, being departments, municipalities and entities to achieve better & improved audit outcomes. The department has a clean audit plan in place which is aligned to the provincial clean audit strategy and is reviewed annually to align with other plans of the department. Since the introduction of the clean audit strategy, many institutions have improved in the delivery of services by achieving the set targets and further improving audit comes. The support is provided to the departments,

public entities and municipalities through various data reviews and site visits to the institutions. Regular monthly or quarterly forum meetings are held with the institutions to monitor budget and spending trends and identify any pressures and challenges. Governance meetings are also held to assess the governance in the institutions.

In the preceding financial year Provincial Departments achieved the following audit outcomes for the financial year 2022/2023: Two (2) Clean Audits, Seven (7) Unqualified Audits, and three (3) Qualified Audits. Two departments have regressed from a Clean audit to Unqualified and one department has regressed from Unqualified to Qualified audit opinion. In the public entities the province achieved one (1) Clean Audit, two (2) Unqualified Audit and two (2) Qualified Audits.

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 service	Desired standard service	Actual achievement
Provide monitoring and support services on Infrastructure budgets and spending	Provincial Departments			
	Public Works Roads & Infrastructure (Provincial Roads Maintenance Grant)	80%	98%	97.1 % Spent R1.67 billion or 97.1 % percent of R1.72 billion. The 36 roads reserves projects with a budget of R62.0 million were still delayed at Bid Evaluation process and the unspent funds will be surrendered to Treasury.
	Coghsta (Integrated Housing Settlements Development Grant)	80%	98%	100 %

Main services	Beneficiaries	Current/actual standard service of	Desired standard service of	Actual achievement
				R1.2 billion budget spent
	Education (Education Infrastructure Grant)	80%	98%	Spent R1,171 billion (98,5 %) of the education infrastructure grant budget of R1,189 billion
Provide support services on budget management	22 delegated municipalities	25% reduction on UIFW expenditure in 22 delegated municipalities	75% reduction on UIFW expenditure in 22 delegated municipalities	64% reduction on UIFW expenditure in 22 delegated municipalities

Batho Pele arrangements with beneficiaries

Current/actual arrangements	Desired arrangements	Actual achievements
Expenditure Bilateral and monitoring sessions	Quarterly Bilateral meetings with all provincial departments to monitor expenditure	4 Quarterly Bilateral meetings with all provincial departments held to monitor expenditure
Budget engagements and Expenditure monitoring sessions	Bi-annual bilateral meetings with all delegated municipalities on budget and expenditure monitoring	2 bilateral meetings with all delegated municipalities on budget and expenditure monitoring
Coordination of Audit Committees and Provincial Technical Committee on Finance	Quarterly engagements on governance and Provincial Finance matters	Audit Committee meetings held with provincial departments as per Audit Committee Charter and 4 Provincial Technical Committee Finance Meetings were held.

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
Service Delivery Model	Approved Service Delivery Model	Approved and implemented Service Delivery Model
Service Standards	Approved Service Standards	Approved Service Standards implemented
Service Charter	Approved Service Charter	Approved Service Charter implemented
Service Delivery Improvement Plan	Approved three-year Service Delivery Improvement Plan	Approved three-year Service Delivery Improvement Plan implemented

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Premier's Hotline	Premier's Hotline complaints investigated and responded to	No complaints received
Presidential Hotline	Presidential Hotline complaints investigated and responded to	No complaints received
Departmental Suggestion Boxes	Investigate and respond to suggestions and complaints received through Departmental suggestion boxes	No suggestions and complaints received

2.3 ORGANISATIONAL ENVIRONMENT

Provincial Treasury had in 2018 reviewed its organizational structure and the Department of Public Service and Administration has concurred with the structure. The reviewed Provincial Treasury organizational structure was reduced to 537 posts. Focused areas of support are in Municipal Finance, Transversal Risk Management, Asset Management, CFO's office and support to public entities, however, there is still an urgent need to increase our support capacity to municipalities to improve audit outcomes. The Department is currently in the final stages of reviewing the structure whereby consultations with various stakeholders were held and a comprehensively reviewed structure has been submitted to the Accounting Officer for consideration.

The 2023/2024 recruitment plan identified a total of 121 posts to be filled and the department embarked on a process to fill the posts with the intention of lowering the vacancy rate and improving services. As of 31st March 2024, a total of 28 posts were filled and 27 posts awaited assumption of duty. The remaining vacancies together with the resignations / terminations amounted to 95 posts and the overall vacancy rate being 21.73%. One of the major contributors for the department's stagnant vacancy rate was the cost containment measures implemented by the National Treasury and protracted recruitment process since the establishment of Provincial Personnel Management Committee that must grant approval before any job offers can be issued.

Regular communication has been maintained with employees regarding the Provincial Performance Management and Development Policies and SMS Handbook to ensure compliance with performance instrument templates. Regular assessment and monitoring of employee performance have been conducted and moderated based on the signed performance instruments and outcomes implemented.

The workforce representation within the department reflects the demographics of the province in terms of race and gender. With respect to equity, as of 31 March 2024, the employee composition consisted of 166 males (45%) and 208 females (56%), with 6 employees (1.6%) reporting disabilities. Notably, the disability equity target of 2% has been successfully achieved within the Senior Management Service (SMS) level, where out of a total of 52 SMS members, 26 (50%) are female and 26 (50%) are male. The department remains committed to intensifying efforts to recruit individuals with disabilities, particularly at the SMS level, to enhance inclusivity.

In an endeavor to improve efficiency and effectiveness to achieve institutional goals and objectives, the department has an approved institutional arrangement framework in place to guide the establishment and functionality of governance structures. The management of committees provides effective administrative support and efficiency of the department to facilitate decision making and promote accountability.

Management representatives regularly meet with the Organized Labour through the Labour Consultative Forum to ensure harmonious and collaborative Labour relations. This has successfully fostered a cordial and constructive platform for Labour-related matters to be discussed.

The department continues to implement the identified key services in line with the approved 2022-2025 Service Delivery Improvement Plan (SDIP). The identified key services are designed to provide support and monitoring for conditional grants spending related to infrastructure spending by the Department of Public Works, Roads and Infrastructure, COGHSTA, Department of Education, and 22 municipalities. These interventions aim to enhance expenditure management, accountability, and audit outcomes by reducing unauthorized, irregular, fruitless, and wasteful expenditure. Regular monitoring of the performance of the two key services is undertaken through SDIP reports presentation during EXCOM sessions.

2.4 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

None

3 ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES



The department performs its activities to achieve the impact of strengthened capability and accountability of provincial departments, public entities and municipalities by 2030. The department contributed towards achievement of this impact by making significant progress on achievements of the departmental outcomes. In the preceding financial year Provincial Departments achieved the following audit outcomes for the financial year 2022/2023: Two (2) Clean Audits, Seven (7) Unqualified Audits, and three (3) Qualified Audits. Two departments have regressed from a Clean audit to Unqualified and one department has regressed from Unqualified to Qualified audit opinion. The department has 5 (five) outcomes in the Strategic plan for 2020-2025 of which all outcomes were partially achieved as at the end of the 2023/2024 financial year. The 2020/2025 strategic plan was not revised in 2023/24.



4 INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION



4.1 PROGRAMME 1: ADMINISTRATION

The purpose of the programme is to manage and monitor the implementation of corporate management services.

The programme has the following sub-programmes namely:

- MEC Support Services which is responsible for:
 - Providing support to the MEC.
- HOD Support Services which is responsible for:
 - Providing strategic and administrative support to the HOD.
- Corporate Management Services which is responsible for:
 - Managing and monitor the implementation of corporate management services.
- Enterprise Risk Management which is responsible for:
 - Providing enterprise risk management services.
- Financial Management (Office of the CFO) which is responsible for:
 - Providing internal financial management support services

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

To ensure for Sustainable Support Services and Good Governance, the department successfully implemented Capacity Building Programmes as guided by the approved training plan and through the Information Technology steering committee that both contributed towards the achievement of the MTSF priority 1 of Building a Capable, Ethical & Developmental State. Furthermore, the department has struggled to achieve the maximum vacancy rate target of 10% largely due to the protracted recruitment process due to cost containment measures.

Table 4.1.1: Report against Annual Performance Plan

Programme : Administration Sub-programme(s): Corporate Management Services, Information Management, Financial Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation planned target to Actual Achievement 2023/2024	Reasons for deviations
Sustainable Support Services and Good Governance.	Capacity Building Programmes Implemented.	Number of Capacity Building Programmes implemented.	4	4	4	5	+1	Additional training conducted during Q3
	Decrease in % on vacancy rate.	% on Vacancy Rate attained.	N/A	10%	10%	21.73%	+11.73%	Cost containment measures resulting in Department requesting approval for concurrence.
	ICT Steering Committee supported to ensure compliance with CGICTPF.	ICT Steering Committee meeting held in compliance with CGICTPF.	N/A	4	4	4	0	N/A

Programme : Administration Sub-programme(s): Corporate Management Services, Information Management, Financial Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation planned target to Actual Achievement 2023/2024	Reasons for deviations
Departmental Unqualified Audit Outcomes.	Valid supplier invoices paid within 30 days	% of Supplier's valid invoices paid within 30 days.	100%	100%	100%	99.7%	0.3%	<p>Nine invoices constituting less than 1% were paid late due to the following reasons:</p> <ul style="list-style-type: none"> Amount to be paid was different from the amount on BAS form & returned to end user for correction. Invoice receipt dates were erroneously captured on LOGIS Supplier bank account details were changed by suppliers
	Awarded bids/quotation s to women owned enterprises	% of procurement of goods and services awarded to women owned enterprises	N/A	N/A	25%	68%	+43%	More women owned companies were invited for bidding

Linking performance with budgets

The programme overall spending amounted to R184.0 million against the allocated budget of R196.2 million that constituted 93.7% which reflects a decrease in spending as compared to the previous year of 96%. The underspending in the current year is attributed to underspending on non-core delivery items in auxiliary services as well as ordered IT equipment that was not delivered before year end. The programme achieved 3 of 5 output indicators which constituted to 60% (3 out of 5) overall performance.

Sub-programme expenditure

ADMINISTRATION	2023/2024			2022/2023		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the MEC	9, 496	9, 194	302	7, 955	7, 443	512
Management Services	9, 669	9, 570	99	9, 912	9, 769	143
DDG: Corporate Management Services	9, 928	9, 903	25	10, 754	10, 363	391
Corporate Management Services	52, 970	51, 401	1, 569	42, 913	42, 147	766
Information Management	71, 349	61, 356	9, 993	66, 708	62, 741	3, 967
Financial Management	42, 832	42, 594	238	41, 125	39, 844	1, 281
Total	196, 244	184, 018	12, 226	179, 367	172, 307	7, 060

Strategy to overcome areas of under-performance.

- To Fastrack recruitment process of the remaining posts as per the recruitment plan.
- Ensure that correct invoice dates are captured on the system and that BAS forms are quality assured upon receipt before finalization of capturing of payments in the system.

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

Not Applicable



4.2 PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

The purpose of this programme is to provide sustainable resource management services to the provincial departments and provincial public entities.

The programme comprises of the following sub-programmes:

- Economic and Fiscal Policy Oversight which is responsible for:
 - Managing the development and implementation of economic and fiscal policy framework.
- Budget and Public Finance Management which is responsible for:
 - Developing and managing the implementation of budget and public finance.
- Infrastructure Management & Private Public Partnership (PPP) is responsible for:
 - Enhancing and monitor infrastructure performance and PPP.
- Municipal Finance and Governance which is responsible for:
 - Promoting sound financial management and effective governance in the local government sphere.



Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

To ensure for Sustainable fiscal policy for the province by 2025, the department has successfully produced 7 research papers that aligns with the fiscal policy and conducted institutional revenue & infrastructure assessments in departments and entities to strengthen revenue collection and infrastructure budgets.

Table 4.2.1: Report against Annual Performance Plan

Programme: Sustainable Resources Management									
Sub-programmes: Economic and Fiscal Policy Oversight, Budget and Public Finance Management, Municipal Finance and Governance in Local Government, Infrastructure Management and Public Private Partnership									
Outcomes	Outputs	Output Indicators	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	
Sustainable fiscal policy for the province by 2025.	Research documents produced to align Provincial Fiscal Policy.	Number of Research documents produced to align the Provincial Fiscal Policy.	7	7	7	7	0	N/A	
	Provincial revenue assessment conducted	Number of Revenue Assessments conducted to ensure collection of set target.	4	4	4	4	0	N/A	

Programme: Sustainable Resources Management Sub-programmes: Economic and Fiscal Policy Oversight, Budget and Public Finance Management, Municipal Finance and Governance in Local Government, Infrastructure Management and Public Private Partnership								
Outcomes	Outputs	Output Indicators	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
	Consolidated IYM reports produced in line with sec32 of PFMA.	Number of consolidated In Year Monitoring reports in line with section 32 of PFMA.	12	12	12	12	0	N/A
	Infrastructure Assessment Reports produced.	Number of Infrastructure assessments conducted in departments with infrastructure budgets	108	108	108	108	0	N/A
	Infrastructure Assessment conducted on Local Government.	Number of infrastructure assessments conducted prioritized municipalities.	N/A	N/A	40	40	0	Polokwane municipality not assessed as its infrastructure plan is no longer funded through MIG. Thulamela Municipality was assessed

Programme: Sustainable Resources Management Sub-programmes: Economic and Fiscal Policy Oversight, Budget and Public Finance Management, Municipal Finance and Governance in Local Government, Infrastructure Management and Public Private Partnership								
Outcomes	Outputs	Output Indicators	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Unqualified Audit Outcomes of provincial departments, public entities and municipalities.	Municipalities of state finances analysis reports	Number of municipal state of finance reports assessed.	n/a	n/a	104	104	0	N/A
								in the financial year under review in place of Polokwane municipality.

Linking performance with budgets

The programme spent R63.1 million, which accounted for 95.5% of the budget of R66.0 million. The Programme spent 95.1% in the previous financial year. The underspending in this programme was primarily due to late submission of invoices by the service provider appointed by the Department to assist with the municipal support services. The programme achieved 100% (6 out of 6) of all output's indicators during the period under review.

Sub-programme expenditure

SUSTAINABLE RESOURCE MANAGEMENT	2023/2024			2022/2023		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
DDG: Sustainable Resource Management	2, 576	2, 502	74	2, 437	2,414	23
Economic and Fiscal Policy Oversight	5, 623	5, 589	34	4, 708	4, 665	43
Budget and Public Finance Management	14, 883	14, 471	412	14, 333	13, 694	639
Municipal Finance and Governance	31, 938	29, 599	2, 339	28, 972	26, 713	2, 259
Infrastructure Management & Public Private Partnership	11, 017	10, 898	119	11, 331	11, 263	68
Total	66, 037	63, 059	2, 978	61, 781	58, 749	3, 032

Strategy to overcome areas of under performance

N/A

4.3 PROGRAMME 3: ASSET, LIABILITIES AND SUPPLY CHAIN MANAGEMENT

The purpose of the programme is to oversee the management of assets, liabilities and supply chain management in provincial departments and public entities.



The programme is comprised of the following sub-programmes:

- Asset and Liabilities Management which is responsible for:
 - Monitoring and supporting the effective management of assets and liabilities.
- Provincial Supply Chain Management which is responsible for:
 - Monitoring and supporting the effective implementation of the SCM framework, transversal contracts and SCM client support for provincial departments and public entities.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

The department improved compliance levels on Assets, Liabilities and SCM for Public Institutions through compliance assessments that were conducted on Asset Management, Banking and Cash flow Management and Supply Chain Management which contributed towards achieving favorable audit outcomes as well as strengthening capability and accountability of provincial departments and public entities.

The department also assessed compliance to Provincial Procurement Strategy by departments and public entities which contributed towards increased provincial procurement spend towards youth, military veterans, women and persons with disability to increase

participation of these designated groups in the provincial economy and contributed towards MTSF priorities in relation to women, youth and people with disability.

Table 4.3.1: Report against Annual Performance Plan

Programme: Assets, Liabilities and Supply Chain Management									
Sub-programme: Assets and Liabilities Management, Provincial Supply Chain Management									
Outcomes	Outputs	Output Indicators	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation planned target to Actual Achievement 2023/2024	Reasons for deviations	
Unqualified Audit Outcomes of Provincial Departments, Public Entities and Municipalities.	Provincial SCM assessments conducted in provincial departments and public entities.	Number of asset management assessments conducted in Votes and Public Entities.	64	64	64	64	0	N/A	
		Number of Cash Management assessments conducted in Votes and Public Entities	64	64	64	64	0	N/A	
		Number of SCM assessments conducted to Votes and Public Entities	64	64	64	64	0	N/A	
Increased economic participation of Youth, Military Veterans, and women Persons with disability (SMMEs).	Procurement spent analysis assessments conducted in provincial public institutions in line with Limpopo Procurement Strategy targets.	Number of assessments conducted in Votes and Public Entities on strategic procurement targets of Limpopo Procurement Strategy.	64	64	64	64	0	N/A	

Linking performance with budgets

The Assets, Liabilities and SCM Programme spent R45.3 million, which accounted for 99.2% of the final budget of R45.7 million. The programme's spending improved from 96.5% in the previous financial year. The programme achieved all 4 earmarked targets which translated to 100% (4 out of 4) overall performance.

Sub-programme expenditure

ASSETS, LIABILITIES & SCM	2023/2024			2022/2023		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
DDG: Assets, Liabilities & SCM	2, 010	1, 962	48	1, 872	1, 839	33
Assets & Liabilities Management	19, 959	19, 682	277	18, 962	17, 733	1, 229
Provincial Supply Chain Management	23, 693	23, 637	56	25, 510	25, 132	378
Total	45, 662	45, 281	381	46, 344	44, 704	1, 640

Strategy to overcome areas of under performance.

N/A



4.4 PROGRAMME 4: FINANCIAL GOVERNANCE

The purpose of the programme is to promote accountability and compliance with financial norms and standards as contained in the Public Finance Management Act, No.1 of 1999 as amended.

The programme is comprised of the following sub-programmes:

- Accounting Services which is responsible for:
 - Providing support on appropriate accounting practices and to build financial management capacity.
- Financial Management Information Systems which is responsible for:
 - Managing the implementation and providing support of financial management information systems.
- Transversal Risk Management which is responsible for:
 - Monitoring and providing support on the implementation of risk management prescripts.
- Governance, Monitoring and Compliance which is responsible for:
 - Monitoring and providing support on compliance with the provisions of the PFMA and prescribed norms and standards.



Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

The department successfully implemented the outputs of an assessment on effective utilization of financial systems, accurate and timely financial statements, improved oversight over governance reporting of departments by Audit Committees, improved provincial performance, improved utilization of financial management systems and improved risk management. This contributed to the achievement of the outcome in relation to achieving unqualified audit outcomes of provincial departments and public entities and subsequently contributed to MTSF Priority No: 1 of “Capable, Ethical and Developmental departments State”.

Table 4.4.1: Report against Annual Performance Plan

Programme: Financial Governance Sub-programme: Accounting Services, Financial Management Information Systems								
Outcomes	Outputs	Output Indicators	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
	Transversal system courses conducted.	Number of courses conducted on Transversal Systems in votes.	97	108	60	108	+48	Extra BAS, PERSAL and LOGIS courses were conducted as per department requests. Extra LOGIS Literacy courses were conducted in preparation of the implementation of the Asset Module training.
	Financial Statements assessments conducted in votes.	Number of financial statements assessments conducted in votes.	44	44	44	44	0	N/A
	Assessments conducted on provincial risk profile and public sector risk management framework compliance	Number of assessments conducted on provincial risk profile.	4	4	4	4	0	N/A
		Number of public sector risk management framework compliance	56	64	64	64	0	N/A

Programme: Financial Governance Sub-programme: Accounting Services, Financial Management Information Systems									
Outcomes	Outputs	Output Indicators	Audited Actual Performance 2021/2022	Audited Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation planned target to Actual Achievement 2023/2024	Reasons for deviations	
		assessments conducted							
	Assessments conducted on financial system utilization.	Number of financial system utilization assessments conducted in Votes.	44	44	44	44	0	N/A	
	Irregular Expenditure condonement requests considered and reduction reported provincial irregular expenditure.	% of provincial irregular expenditure condonement requests considered by Provincial Treasury in terms of the National Treasury Irregular expenditure framework.	100%	100%	100%	100%	0	N/A	

Linking performance with budgets

The Financial Governance Programme utilised R59.5 million, which accounted for 94.2% of its final budget of R63.2 million in the 2023/24 financial year. The programme reported a slight increase on its spending as compared to 90.9% in the previous year. The programme achieved 100% (6 out of 6) of all output's indicators during the period under review.

Sub-programme expenditure

FINANCIAL GOVERNANCE	2023/2024			2022/2023		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
DDG: Financial Governance	22, 796	22, 356	440	25,600	24,668	932
Accounting Services	17, 441	16, 943	498	19,134	15, 807	3, 327
Financial Management Information Services	22, 990	20, 255	2, 735	29, 516	27, 044	2, 472
Total	63, 227	59, 554	3, 673	74, 250	67, 519	6, 731

Strategy to overcome areas of under performance.

N/A



4.5 PROGRAMME 5: SHARED INTERNAL AUDIT SERVICES

The purpose of the programme is to provide internal audit and consulting services to provincial departments.

The Programme is currently comprised of the following approved sub-programmes:

- Risk-Based Auditing, Performance and Consulting Services (Cluster A) which is responsible for:
 - Providing risk-based auditing, performance and consulting services (for Votes: 1,3,4,6 & 12).
- Risk-Based Auditing & Specialised Audit Services (Cluster B) which is responsible for:
 - Providing risk-based and specialised audit services (for Votes: 5, 7,8,9,10 & 11).
- Quality Assurance and Technical Support Services which is responsible for:
 - Providing quality assurance and technical support services and monitor compliance within provincial departments.



Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

The department implemented the output of value adding audit reports to client departments through implementation of cluster audit plans and Quality Assurance Improvement Programme. This contributed to the improvement of the outcome in relation to achieving unqualified audit outcomes of provincial departments and public entities and subsequently contributed to MTSF Priority No: 1 of “Capable, Ethical and Developmental State”.

Table 4.5.1: Report against Annual Performance Plan

Programme: Shared Internal Audit Services									
Outcomes	Outputs	Output Indicators	Audited Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	
Unqualified Audit Outcomes of Provincial Departments, Public Entities and Municipalities.	Cluster Based Annual Audit Plans prepared.	Number of Cluster Based Annual Audit Plans approved by Audit Committee.	4	4	4	3	-1	Cluster 4 Annual Audit Plan was not considered by the Cluster Audit Committee as it was submitted late (One day before the sitting)	
	Audit Reports provided to the Clients Departments.	% of Internal Audits finalized in terms of the approved Audit Plans.	97%	101%	100%	100%	0	N/A	
	Internal Quality Assurance Improvement Programme (QAIP) implementation report prepared.	Number of Annual Internal Quality Assurance Improvement Programme (QAIP) implementation report prepared to improve the quality of client service.	1	1	1	1	0	N/A	

Linking performance with budgets

The Shared Internal Audit Services Programme spent R39.4 million, which accounted for 99.4% of the final budget of R39.7 million in the 2023/24 financial year. The overall spending has improved as compared 96.5% spent in the previous year (2022/23). The programme achieved 66.6% (2 out of 3) overall performance due to the late submission of Cluster 4 Annual Audit Plan which was not considered by the cluster Audit Committee as it was submitted late.

Sub-programme expenditure

SHARED INTERNAL AUDIT	2023/2024			2022/2023		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
DDG: Shared Internal Audit Services	39, 688	39, 439	249	41,453	40,015	1,438
Total	39, 688	39, 439	249	41,453	40,015	1,438

Strategy to overcome areas of under-performance

Improve the co-ordination with departments for Audit Committees to timeously consider the internal audit plans.

5 TRANSFER PAYMENTS



5.1 TRANSFER PAYMENTS TO PUBLIC ENTITIES

Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
N/A	N/A	N/A	N/A	N/A

5.2 TRANSFER PAYMENTS TO ALL ORGANISATIONS OTHER THAN PUBLIC ENTITIES

The table below reflects the transfer payments made for the period 1 April 2023 to 31 March 2024

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
Polokwane Municipality	Municipality	Rates and taxes	Yes	400	400	-

The table below reflects the transfer payments which were budgeted for in the period 1 April 2023 to 31 March 2024, but no transfer payments were made.

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
N/A	N/A	N/A	N/A	N/A

6 CONDITIONAL GRANTS



6.1 CONDITIONAL GRANTS AND EARMARKED FUNDS PAID

- Not Applicable

6.2 CONDITIONAL GRANTS AND EARMARKED FUNDS RECEIVED

- Not Applicable

7 DONOR FUNDS



7.1 DONOR FUNDS RECEIVED

- The department received donations in kind from Standard Bank South Africa and Makro as disclosed in Annexure 1D.



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 fully committed to upholding a high standard of Corporate Governance, ensuring the effective, efficient, and economical management of public funds and resources. In line with this commitment, the Provincial Treasury recognizes the importance of conducting its operations with utmost integrity. To achieve this, comprehensive structures have been put in place to ensure a cohesive and consistent governance approach. This is facilitated through an approved institutional arrangement framework that provides guidance to various committees and their respective functions.

Throughout the period under review, the department actively undertook the following key activities to bolster the effectiveness of its governance management process:

- Development and approval of a delegation framework, outlining the functions assigned to the Executive Authority or the Accounting Officer as per the Public Finance Management Act and Public Service Act, along with their respective regulations. This framework enables the Accounting Officer to appropriately delegate functions to employees possessing the necessary knowledge, skills, and experience.
- Implementation of the institutional arrangement's framework, ensuring the successful convening of meetings that addressed both departmental and transversal matters.
- Appointment of Departmental Bid Committees to oversee procurement processes, ensuring fairness, competitiveness, equity, transparency, and cost-effectiveness.
- Comprehensive financial disclosures made by all members of the Senior Management Service to both the Executive Authority and the Public Service Commission.
- Completion of financial disclosures by members of the MMS (Middle Management Service) and other designated officials.
- Continual awareness and adherence to relevant legislation, regulations, and significant developments that could potentially impact the operations of the Provincial Treasury.

By diligently engaging in these activities, the department has demonstrated its steadfast commitment to maintaining a robust governance framework, thereby safeguarding the appropriate management of public resources.

2 RISK MANAGEMENT



The Provincial Treasury has an approved Risk Management Policy and Strategy, which aligns with the 2023/24 Annual Performance Plan. This framework provides a structured approach to managing risks effectively.

To ensure proactive risk management, the Enterprise Risk Management unit continuously monitors and assists the Department in identifying emerging risks. They work collaboratively including Programme Heads to develop and implement appropriate measures to address these risks.

Regular risk assessments are conducted at both strategic and operational levels, and the department monitors the implementation of risk mitigation plans on an ongoing basis. To facilitate effective risk management implementation, the department maintains a functional and active Risk Management Committee. This committee convenes quarterly, or as necessary, to address risk management processes and provide advice to the Executive Management. It is chaired by an External Independent Chairperson who submits quarterly reports to the Accounting Officer and Audit Committee.

In addition, the department has appointed an Independent Audit Committee tasked with overseeing the performance of the Risk Management Committee and the overall effectiveness of the Enterprise Risk Management processes. The Audit Committee meets on a quarterly basis to fulfil its oversight responsibilities.

Risk management is a recurring item on the agenda of the Executive Management Meeting (EXCOM) and other strategic structures within the department. The Enterprise Risk Management unit provides regular updates on risk management progress, as well as the status of implementation processes. This integration of risk management into various planning and business processes has contributed to improved performance and enabled the department to be more proactive in addressing potential issues. Furthermore, the department identifies and explores opportunities presented by risk management to enhance overall performance and achieve better outcomes.

The department has a Business Continuity Policy, Strategy & Plan that enables business continuity management by proactively identifying and planning how to minimise the impact of risks that could affect its objectives, operations and infrastructure. Business continuity

management provides capability for the department to ensure continuity of critical activities and other business operations following any disruptive events.

3 FRAUD AND CORRUPTION



The department's fraud prevention plan has been implemented as follows:

- SMS members declare their personal interests annually.
- Pre-employment screening (Suitability Checks) is conducted to candidates before appointment.
- Awareness workshops are conducted on fraud and corruption.
- Information security systems are in place to ensure the protection of personnel, physical, computer and communication security measures protect sensitive information.

Mechanisms in place to report fraud and corruption are as follows:

- Fraud and Anti-corruption reported through National and Premier Anti-Corruption Hotlines.
- Walk-in cases internally and externally to be reported to Security Management directorate or to the Accounting Officer.

The fraud and corruption cases are reported and handled as follows:

- The reporting is done through Presidential and Premier Hotlines
- Internal reporting is done through emails, supervisors and ethics office.

4 MINIMISING CONFLICT OF INTEREST



In preventing conflict of interest, during 2023/2024, all members of the senior management (SMS) and designated employees disclosed their financial interests. The financial disclosures included certification that the assets, financial activities and financial interests of the officials do not pose a conflict of interest with their official duties.

During 2023/2024 the department was 100% compliant with the annual submission of financial disclosures which were verified by the Ethics Officer of the Department and the Accounting Officer to identify potential / actual conflicts of interest and submitted to the Public Service Commission (PSC). The submissions are scrutinized for any conflicts and contraventions of the Public Service Regulations. Where transgressions or potential conflicts are found, it is dealt with in terms of the Public Service Disciplinary Code, Public Service

Regulations and the Public Service Act. The department has an Ethics Committee which meets on a quarterly basis and advise the Accounting Officer on any relevant ethical matters the department also provides awareness to employees on ethics and the effect can be witnessed by the conduct of employees.

5 CODE OF CONDUCT



During the fiscal year 2023/24, Provincial Treasury adhered to the Department of Public Service Administration's prescribed Code of Conduct. To enhance employee awareness and understanding of the Code, informative sessions were conducted throughout the year.

In the event that a breach of the Code of Conduct occurs and is deemed to be of a serious nature, the matter will be escalated to the Security Service Directorate for formal investigation. For less severe breaches, supervisors will receive guidance from the Labour Relations unit on the appropriate course of action to follow. Should an investigation find evidence of a breach of the Code of Conduct, a report will be forwarded to Labour Relations. Subsequently, Labour Relations will submit the report to the Head of Department for approval of a formal disciplinary inquiry. This process entails the appointment of a chairperson and an employer representative to oversee the proceedings.

Once the disciplinary inquiry is concluded and an employee is found guilty, the chairperson will submit the outcomes to the Department for implementation. To ensure the effective implementation of ethical standards within the department, an active and functional Ethics Committee is in place. This Committee convenes quarterly or as necessary to address ethics-related matters and identify and monitor potential ethical risks.

6 HEALTH SAFETY AND ENVIRONMENTAL ISSUES



Occupational Health, Safety and Environment functions were implemented in line with the Occupational Health and Safety Act of 1993, Public Service Regulations, Department of Public Service and Administration (DPSA) Employee Health and Wellness (EH&W) Strategic Framework as well as the Provincial Human Resource Management and Development Policies of April 2021. Safety, Health, Environment, Risk and Quality Management (SHERQM) operational plan was developed and signed by the HOD and submitted to Office

of the Premier (OTP) and DPSA. Key Performance Areas (KPAs) on the operational plan were outlined in order to implement the objectives of SHERQM as per the DPSA EH&W Strategic Framework.

The following are in place to ensure compliance:

- Occupational Health and Safety (OHS) is a standing item in Risk Management Committee which meet quarterly and OHS reports were presented and discussed.
- OHS Committee meets quarterly to discuss OHS reports.
- OHS hazard identification and assessment conducted quarterly and reports with findings and recommendations compiled and submitted to Records and Auxiliary Services Directorate for implementation.
- Action plan based on the OHS reports findings and recommendations developed and implemented.
- Monitoring of implementation of OHS recommendations conducted quarterly.
- The Department had sought assistance from Disaster Management of Polokwane Municipality regarding implementing emergency measures, and an evacuation drill conducted.
- Injuries on duty managed as per the Compensation of Occupational Injuries and Diseases Act of 1993.

7 PORTFOLIO COMMITTEES



The department has attended Portfolio Committee meetings as outlined below:-

- 18 April 2023 - Briefing by the NCOP and National Treasury on 2023 Division of Revenue
- 04 May 2023 - 2023/23 4th Quarter Performance Report and 2023/24 Annual Performance Report and Budget
- 17 October 2023 - 2022/23 Annual Report, 2023/24 1st Quarter Performance Report and Cost Containment guidelines and Committee Resolutions
- 23 November 2023 - 2023/24 2nd Quarter Performance Report and 2023 Limpopo Adjustment Appropriation Bill

- 08 March 2024 - Public Procurement Bill, 2023/24 Limpopo Adjustment Appropriation Amendment Bill, 2024/25 Limpopo Appropriation Bill, and 2023/24 2nd and 3rd Quarter Performance Reports and Committee Resolutions.

8 SCOPA RESOLUTIONS



Financial Year	Number of resolutions	Resolved	Not resolved	Unresolved matters
2014/15	2	2	-	-
2015/16	3	3	-	-
2016/17	4	4	-	-
2017/18	5	4	1	Exceptional Litigation (Tabling of report in the House)
2018/19	1	-	1	Assisting departments, public entities & municipalities to improve their audit opinions including work on unwanted expenditure (<i>in particular not yet submitted to treasury for assessment</i>)
2019/20	1	-	1	
2020/21	1	-	1	
2021/22	20	-	20	
				<ol style="list-style-type: none"> 1. Annual Financial Statements Training by LPT 2. LPT ensure AFS submitted for audit are prepared in line with applicable financial reporting frameworks 3. LPT to institute mechanism to eradicate anomaly of quality of AFS 4. Consequence Management instituted against officials conducting RWOPS 5. Ensure recovery of funds earned irregularly 6. Ensure AO & AA implement measures to curb officials conducting business with the state 7. Assist departments and entities in regularizing irregular expenditure 8. Ensure recovery of fruitless and wasteful expenditures 9. Ensure recovery of unauthorised expenditures 10. LPT to report to Portfolio Committee of Treasury quarterly on progress of clearing unwanted expenditures as from 01 April 2024 11. LPT table progress on clearing unwanted expenditures every six months in the Legislature as from 01 April 2024 12. LPT ensure consequence management implemented in departments and entities is commensurate with offences committed 13. LPT ensure implementation of Mapungubwe Forensic Investigation report at DSAC 14. LPT ensure pensioners or dependents receive pensions in full 15. LPT brief Portfolio Committee on Transport on progress made quarterly 16. LPT ensure all recommendations of forensic investigation reports are implemented fully.

Financial Year	Number of resolutions	Resolved	Not resolved	Unresolved matters
				<p>17. Provincial Government develop policies and procedures on the uniform appointment, remuneration and performance of the Board of Directors in Public Entities.</p> <p>18. LPT table progress on consequence management every six months in the Legislature as from 01 April 2024</p> <p>19. GAAL, LEDA and its subsidiaries be funded for 2024/25</p> <p>20. GAAL and LEDA submit annual satisfactory sustainability reports for further funding.</p> <p>21. LPT table progress report in the Legislature on progress made towards sustainability every six months as from 01 April 2024</p>
Total	37	13	24	

2017/18 Financial Year

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
1	Exceptional Litigation	Department in a claim and counter claim against the supplier of financial systems	The matter was heard by the Gauteng North High court and judgement was awarded in favour of the Department. The supplier appealed against the judgement and the appeal was heard on the 8 February 2023 and judgement was reserved. On the 21st June 2024 judgement was handed down in favour of the Appellant (service provider). LPT has petitioned the Supreme Court of Appeal for leave to appeal and await the outcome. It is impractical to disclose any possibility of reimbursement as the Supreme Court of Appeal has been petitioned for an appeal against the judgement issued and its decision is awaited.	No

2018/19 – 2020/21 Financial Years

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
1	Assistance by Treasury to municipalities, public entities and departments to improve audit opinions	There are fluctuating audit opinions by municipalities, public entities and department. Though there are improvements due to elimination of disclaimers audit opinions, some institutions are regressing to qualified opinions while some have lost their clean audit opinions.	<ul style="list-style-type: none"> LPT developed a process plan template with ideal deadlines for municipalities as a guide for key processes to be performed to submit credible AFS on time Reviewed AFS before submission to AGSA Engaged continuously with municipalities and AGSA during the audit Attended Audit Steering Committees Provided Technical advice on the interpretation of the accounting standards. Provided training prior the AFS submission period on accounting related matters and other matters such as UIFWE that affect the AFS and audit Technical committee for dispute resolution between LPT, AG & municipalities put in place Reviewed audit action plans implementation 	No

2021/22 Financial Year

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
1	Quality of Annual Financial Statements	<p>Annual financial statements submitted for audit were not prepared in accordance with financial reporting framework:</p> <ul style="list-style-type: none"> Annual Financial Statements Training to be provided by LPT LPT to ensure AFS submitted for 	<ul style="list-style-type: none"> Provided training on AFS annual updates. Provided training based on specific requests by departments and entities to improve quality of AFS Issued year end communication to ensure that departments are aware of due dates for closure of books and submission of AFS. 	No

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		<p>audit are prepared in line with applicable financial reporting frameworks</p> <ul style="list-style-type: none"> LPT to institute mechanism to eradicate anomaly of quality of AFS 	<ul style="list-style-type: none"> Financial Accounting and Reporting Forum convened to discuss technical accounting matters. Developed and shared an AFS review checklist to improve the quality of the AFS. Reviewed AFS and engaged departments before submission to Auditor General. Full mid-year review of Interim Financial Statements conducted by Internal Audit Services (SIAS). 	
2	Remunerative Work Outside of Public Service	<p>There are still officials who continue to do business with the state in contravention with section 30 of the Public Service Act:</p> <ul style="list-style-type: none"> Consequence Management to be instituted against officials conducting RWOPS Money to be recovered earned irregularly Accounting Officer or Accounting Authorities (AO & AA) to implement measures to curb officials conducting business with the state. 	<ul style="list-style-type: none"> The Provincial Government has approved a Consequence Management Framework with effect from 21 December 2023 which will assist in dealing with long outstanding matters awaiting action. Provided support to the Provincial Irregular Expenditure Condonement Committee Provided support on implementation of the PFMA Compliance and Reporting Framework in Departments and Public Entities Encouraged Departments to draw CSD reports to curb awarding bids to officials. 	No
3	Unwanted Expenditures	<p>Majority of departments and public entities are incurring unwanted expenditures:</p> <ul style="list-style-type: none"> Assist departments and entities in regularizing irregular expenditure 	<ul style="list-style-type: none"> Irregular Expenditure Condonement (IECC) Committee fully established and functional. LPT provided support and guidance to all Institutions to submit credible applications for condonement. LPT monitored implementation of the PFMA Compliance & Reporting 	No

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		<ul style="list-style-type: none"> • Ensure recovery of fruitless and wasteful expenditures • Ensure recovery of unauthorised expenditures • LPT to report to Portfolio Committee of Treasury quarterly on progress of clearing unwanted expenditures as from 01 April 2024 • LPT table progress on clearing unwanted expenditures every six months in the Legislature as from 01 April 2024 	<p>Framework to ensure recovery of losses and clearing of fruitless and wasteful expenditure.</p> <ul style="list-style-type: none"> • All unauthorised expenditure balances to be cleared by 31 March 2025. • Unwanted Expenditure reports are submitted to all oversight and governance committees on a quarterly basis. The report outlines progress by all the Institutions in clearing Unwanted Expenditures and measures in place to clear the remaining balance. 	
4	Consequence Management	<p>There is no consequence management in departments and public entities. Investigation recommendations into wrong doing are not implemented or sanctions are not commensurate with the offence committed.</p> <ul style="list-style-type: none"> • LPT to ensure consequence management implemented in departments and entities is commensurate with offences committed • LPT to ensure implementation of Mapungubwe 	<ul style="list-style-type: none"> • The Irregular Expenditure Condonement Committee (IECC) thoroughly considers applications from Institutions in terms of loss suffered against consequence management enforced. • LPT monitors Implementation of recommendations on all forensic Investigations on a quarterly basis. • Consequence Management is the responsibility of OTP however LPT monitor consequence management as part of application for condonement of irregular expenditures. 	No

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		<p>Forensic Investigation report at Department of Sport, Arts and Culture (DSAC)</p> <ul style="list-style-type: none"> LPT to ensure pensioners or dependents from Great North Transport (GNT) receive pensions in full LPT brief Portfolio Committee on Transport on progress made quarterly with Great North pension fund payouts LPT ensure all recommendations of forensic investigation reports are implemented fully. Provincial Government develop policies and procedures on the uniform appointment, remuneration and performance of the Board of Directors in Public Entities. LPT to table progress on consequence management every six months in the Legislature as from 01 April 2024. 	<ul style="list-style-type: none"> LPT obtains progress report on GNT payouts and reports to the Portfolio Committee LPT follows up with various department on progress made in implementing forensic report recommendations LPT developed and submitted for approval the Board Recruitment and Remuneration policies. Consequence Management reports will be tabled by the Hon. MEC every six months in the House. 	
5	Funding of 3D public entities	Legislature resolved during the 2019/20 financial year that Limpopo 3D public entities should wind-off from the provincial fiscus and no longer	<p>LPT is part of the Provincial Technical Committee that supports and monitors the 3D entities to attain sustainability.</p> <p>3D Public Entities supported to develop sustainability monitoring and evaluation</p>	No

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		<p>receive funding from the state:</p> <ul style="list-style-type: none"> GAAL, LEDA and its subsidiaries to be funded for 2024/25 GAAL and LEDA to submit annual satisfactory sustainability reports for further funding LPT to table progress report in the Legislature on progress made towards sustainability every six months as from 01 April 2024 	strategic framework to measure sustainability and report to the House.	



9 PRIOR MODIFICATIONS TO AUDIT REPORTS



Provincial Treasury received “Clean Audit” reports (unqualified audit opinion with no findings) for 2016/17, 2017/18, 2018/19, 2019/20, 2020/21 and 2021/22 financial years and received an unqualified audit opinion in the 2022/23 financial year with information detailed in the below table.

In 2022/23, the department procured IT equipment from suppliers that were not on the SITA RFB740 accredited service providers. The department has investigated the matter, and it was confirmed that there was non-compliance with the SITA RFB740 and the matter will be processed for condonation.

10 INTERNAL CONTROL UNIT



10.1 COORDINATION OF AUDITOR GENERAL FINDINGS

Internal Control and Compliance unit coordinated the external audit process. Forty (40) requests for information and twenty communication of audit findings were facilitated in 2022/23 audit.

The Department received an unqualified Audit Report for the financial year 2022/23, an action plan has been developed to assist management to address the issues raised by the Auditor General during the audit of 2022/23 financial year. The table below illustrates the total number of Auditor General Findings and progress made on the implementation of action plans as at 31 March 2024, with reasons why certain matters were not cleared by year-end:

No.	Audit Area	Total findings	Findings addressed/resolved	Findings outstanding	Reasons why not cleared
1.	Supply Chain Management	7	6	1	National Treasury has delayed in reviewing the Standard Bid Document No 4 (SBD4) disclosure form
2.	Human Resource Management	2	1	1	Vacant posts not filled as planned due to cost containment measures and associated control measures. implemented
3.	Financial Accounting	14	14	-	-
4.	Budget Management	1	1	-	-
5.	Information Technology	3	1	2	Process of implementing new Security patches in progress

No.	Audit Area	Total findings	Findings addressed/resolved	Findings outstanding	Reasons why not cleared
					Removal of Type 7 and 8 users in the financial systems in progress
6.	Strategic Operations (SIAS)	2	1	1	Procurement delays in finalizing the appointment of an external practitioner / firm to validate the Internal Audit Quality Assurance Review (QAR)
TOTAL		29	24	5	

10.2 COORDINATION OF INTERNAL AUDITS BY INTERNAL CONTROL

The Provincial Share Internal Audit Service (SIAS) unit is centralized in Provincial Treasury; therefore, Internal Control and Compliance unit coordinates internal audit entry and exit meetings for the department including exceptions raised during the audit projects to ensure that management properly implement the internal audit recommendations. Internal Control coordinated entry and exit meetings for 8 internal audit projects conducted during the year, as summarized in Part C Item 11.1.

During the financial year 2023/24, Internal Control also coordinated the implementation of previous internal audit unsatisfactory findings as outline below:

No.	Audit Project	FY	Findings at 2023/06/30	Results of Follow-up at 31 March 2024			
				Resolved	Not Followed Up	Not Resolved	% Resolved
1.	Tribal Trust and Levies Account	20/21	5	5	-	-	100%
2.	Supply Chain Management	20/21	1	1	-	-	100%
3.	Infrastructure Management	21/22	1	1	-	-	100%
4.	Human Resource Management -PPMC	21/22	1	1	-	-	100%
5.	Supply Chain Management	21/22	4	4	-	-	100%

No.	Audit Project	FY	Findings at 2023/06/30	Results of Follow-up at 31 March 2024			
				Resolved	Not Followed Up	Not Resolved	% Resolved
6.	Effectiveness of Risk Management	22/23	3	3	-	-	100%
7.	General Control Review	22/23	2	-	-	2	0%
8.	Annual Performance Report Review	23/24	1	1	-	-	100%
9.	General Control Review	23/24	2	-	-	2	0%
	Grand Total		20	16	-	4	80%

10.3 DEPARTMENTAL AUDIT STEERING COMMITTEE MEETINGS

The unit coordinates the departmental Audit Steering Committee (ASC) meetings. The Committee operates in terms of approved terms of reference. The constituency of the committee is covered in the approved terms of reference. There were fifteen (15) Departmental Audit Steering Committee meetings held, amongst other to discussing and monitor progress on the

- a) implementation of the internal audit recommendations;
- b) implementation of action plan to address issues raised by the Auditor General;
- c) AGSA external audit;
- d) implementation of SCoPA resolutions; and
- e) clearing unwanted expenditures.

10.4 HOUSE (SCOPA) RESOLUTIONS

The unit coordinated follow-ups on implementation of House (Legislature) resolutions by the department. During the year, the department appeared before the Standing Committee on Public Accounts to account on transversal matters impacting the province. Please refer to paragraph 8 above for details on the SCOPA matters.

10.5 MANAGEMENT OF UNWANTED EXPENDITURES

The Internal Control unit on discovery of purported irregular expenditure, performs assessments and determination tests as required by the Compliance and Reporting Framework as issued by National Treasury through Instruction Note 04 of 2022/23.

The assessment of transactions are to determine if a prescript was transgressed and confirm that the transaction is indeed unwanted expenditure or not. Should the transaction not be confirmed, it will be updated as removed in the register with an explanation. Transactions that are confirmed as unwanted expenditure, determination test are performed to determine root causes, losses incurred (if any), responsible officials, corrective steps implemented to address the anomaly and disciplinary steps taken against responsible official/s.

The following is the update as per the functions performed:

Total Amounts of unauthorised, irregular, fruitless and wasteful expenditure	Balance on hand as at 31 March 2024 (R'000)	Total Amount Reported (R'000)	Under Assessment (R'000)	Referred to relevant authority for Condonement (R'000)	Criminal charges laid (R'000)	Irregular Expenditure Condoned (R'000)	Irregular /Fruitless & Wasteful Expenditure assessed and removed (R'000)
Total Amount of Irregular Expenditure	386	6 814	21	366	-	600	5827
Total Number of Irregular Expenditure	4	19	1	3	-	5	10

11 INTERNAL AUDIT AND AUDIT COMMITTEES



11.1 INTERNAL AUDIT

11.1.1 KEY ACTIVITIES AND OBJECTIVES OF INTERNAL AUDIT

Internal Audit evaluates the design adequacy and effectiveness of the department's systems of internal control, risk management, information management, financial management as well as the compliance instruments, accounting processes, policies and systems used to promote good governance, compliance, and factual annual reporting.

Internal Audit conducted 8 risk-based audit during the financial year and are summarized per quarter below:

No.	Audit Project	Period
1.	Annual Financial Statements Review	Quarter 1
2.	Annual Reports Review	Quarter 1
3.	Conditional Grants monitoring	Quarter 2
4.	Implementation of LOGIS	Quarter 2
5.	Transversal SCM support	Quarter 2
6.	Supply Chain Management	Quarter 3
7.	Interim Financial Statements	Quarter 3
8.	Assessment of Risk Profile	Quarter 4

11.2 AUDIT COMMITTEE

11.2.1 KEY ACTIVITIES AND 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 the availability of a well-resourced, functional and sustained internal audit function;

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

11.2.2 AUDIT COMMITTEE MEETINGS

The Audit Committee (AC) activities are outlined in the approved Audit Committee (AC) Charter which requires that an Annual Schedule must be finalised and approved as a guideline for the AC activities of that particular financial year. The 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) read in conjunction with Treasury Regulations 3.1 which states that AC must, amongst others, review the following:

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

During the financial year 2023/2024, the AC met five (5) times to perform its roles and responsibilities as stipulated in the AC Charter. All the AC meetings have taken place as planned through 2023/2024 AC Annual Schedule. As resolved during 2023 AC Annual Strategic Planning Workshop, briefing sessions between Members of Executive Council (MECs) and Cluster Chairpersons were held from 24 October 2023 to 14 November 2023. The briefing sessions were held virtually and afforded all the AC Chairpersons a slot with each MEC of the Department they serve to discuss all the pertinent issues affecting the Department.

First Quarter Cluster AC Meetings for August 2023 were held physically which were followed by the Central Audit Committee (CAC) Meeting held 19 September 2023. Given the governance role of the ACs, it is pertinent that some of the AC meetings are held physically to interact directly with the management in order that all the AC resolutions are timely

implemented. The last CAC Meeting of the current reporting period was also held physically to deal with various issues including finalisation and adoption of the Combined Assurance Framework.

11.2.3 VIRTUAL AUDIT COMMITTEE MEETINGS (POST COVID-19)

COVID-19 posed a serious threat to humanity, however the work of the AC has partly benefitted from the proclamations made by Government that most of the meetings must be held virtually. The Provincial Accountant General's (PAG's) office has realised some savings within the budget of the AC. The savings were realised mainly from accommodation and travelling by the AC members because meetings were held virtually. Given the spirit of good governance, the impact of COVID-19 on the AC is felt in the sense that virtual meetings are not equipped with necessary tools to monitor efficient and effective participation of all the AC stakeholders. This becomes even more difficult when one has to evaluate the work of the AC through National Treasury 360 Degree evaluation tool. However, the PAG's office has been active in ensuring that the AC remains a value adding tool as a critical oversight and governance structure.

There has been immense improvement in terms of connectivity as there were little interruptions resulting from network challenges as compared to the previous financial year. However, Load shedding remains a serious challenge as it briefly affects the network resulting in poor connectivity during the load shedding period. In addition, the new cell phone contract came with serious improvements in terms of data allocation and connectivity to Microsoft Teams which remains free thus not affecting allocated data to officials rendering support to the work of AC.

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 2023	Review of Fourth Quarterly Performance Information and Draft Annual Report (Including Draft Annual Financial Statements) before submission to the Auditor General	a. Annual Performance Report, b. Draft Annual Financial Statements, c. Fourth Quarterly Risk Management Report, d. Fourth Quarterly Internal Audit Progress Report.
2.	June 2023	CAC Meeting to consider Clusters AC Reports	a. Clusters AC Reports reporting on matters pertaining to Draft Annual Performance Report including Draft AFS

NO.	PERIOD	NATURE OF THE AC MEETING	INFORMATION / DOCUMENTS REVIEWED
3.	July 2023	Review of Draft Audit and Management Reports	a. Draft Management Reports, b. Draft External Audit Reports.
4.	August 2023	CAC Meeting to consider Clusters AC Reports	a. Clusters AC Reports on matters pertaining to External Audit Reports.
5.	August 2023	Review of First Quarter Performance Information including Financial & Non-Financial Reports	a. First Quarter Accounting Officer's Report to the AC (Financial & Non-Financial), b. First Quarter Risk Management Report, c. SCOPA Resolutions Implementation Progress, d. Auditor General Audit Findings Implementation Progress, e. First Quarter Internal Audit Report
6.	September 2023	CAC Meeting to consider Clusters AC Reports	a. Clusters AC Reporting on matters concerning to First Quarter Reports
7.	October / November 2023	AC Briefing Sessions between AC Chairpersons and Hon. MECs to discuss AC Matters.	
8.	November 2023	Review of Second Quarter Performance Reports (Financial and Non-Financial)	a. Second Quarter Accounting Officer's Report to the AC (Financial & Non-Financial), b. Second Quarter Risk Management Report, c. SCOPA Resolutions Implementation Progress, d. Auditor General Audit Findings Implementation Progress, e. Second Quarter Internal Audit Report.
9.	December 2023	CAC Meeting to consider Clusters AC Reports	a. Clusters AC Reports on matters pertaining to Second Quarter Audit Committee Reports as per paragraph 7 above.
10.	February 2024	AC Annual Strategic Planning Workshop	a. Approval of the Audit Committee Charter, b. Approval of the Internal Audit Charter, c. Review of the Accounting Officer's Reporting Framework to the AC, d. AC Improvement Plan by Clusters AC Chairpersons e. Reflection on the Status of the Previous Year AC Resolutions, f. 360 Degree AC Evaluation Feedback.
11.	February / March 2024	Third Quarterly Departmental Reports and approval of the Three-Year Internal Audit Plan, Annual Internal Audit Plan and Auditor General Audit Coverage Strategy	a. All information under No. 5, b. Three Year Internal Audit Plans and Annual Internal Audit Plans for 2022/2023. c. Auditor General Audit Coverage Strategies

NO.	PERIOD	NATURE OF THE AC MEETING	INFORMATION / DOCUMENTS REVIEWED
12.	April 2024	CAC Meeting to consider Clusters AC Reports	a. Clusters AC Reports on matters pertaining to Third Quarter AC Reports as per paragraph 11 above.

11.2.4 2024 AUDIT COMMITTEE ANNUAL STRATEGIC PLANNING WORKSHOP

The AC annual strategic planning workshop for 2024/25 financial year was held virtually to enable all the stakeholders to connect and participate in the session. This was due to the fact that HODs were required to connect virtually to deal with issues such as Combined Assurance, Ten (10) point implementation plan to move Department of Education, Public Works and Health out of qualified audit opinions and to improve audit outcomes etc. The strategic plan was held on 08 – 09 February 2024. Office of the Premier also made three (3) key presentations on Limpopo's five (5) year performance review, Limpopo Collaborative Support Framework and Consequence Management Framework. The presentations were welcomed by ACs siting that Consequence Management Framework was long overdue and it will help the Province in dealing with stagnant issues in particular around irregular, fruitless and wasteful expenditures where consequence management is due against implicated officials.

The two (2) day strategic planning workshop has resulted in the AC members taking a total of thirty-two (32) resolutions to be implemented by affected stakeholders. Since the PAG has insisted that all the Stakeholders provide feedback on each resolution that affects them and no resolution register should be submitted without response, the Province has realized improvement in implementation of AC resolutions. All the protocol documents such as the AC Charter, Internal Audit Charter, and Reporting Frameworks were reviewed and adopted during the first day of the workshop.

11.2.5 CENTRAL AUDIT COMMITTEE (CAC) CHAIRPERSON MEETINGS

During the current financial year, the CAC Chairperson managed to attend two (2) EXCO meetings to report on overall AC activities covering the work of all the Departments. EXCO meetings are mainly based on invite by EXCO Secretariat depending on the agenda of the day. However, PAG's office continuously advises EXCO Secretariat on the importance of inviting CAC Chairperson to EXCO quarterly meetings in order to allow the CAC to present

a high-level assessment report on the AC meetings. Unfortunately, the CAC Chairperson was not invited to attend any of the HOD Forum meetings held during the current reporting period. Invitations to these structures (EXCO and HOD Forums) are welcomed and strategic in nature as they provide an opportunity for the CAC Chairperson to interact with Executive Authorities and Accounting Officers of all the Departments to highlight areas requiring improvement.

11.2.6 360 DEGREE AUDIT COMMITTEE EVALUATION FEEDBACK

National Treasury 360 Degree Audit Committee Evaluation tool was used to evaluate the work and performance of the AC. The final evaluation yielded an average score of 4.34 (from rating of 1 – 5) when combining the average scores of all the AC Stakeholders. This represented a slight regression from the previous evaluation period which yielded an average score of 4.72. The AC stakeholders who participated in the performance evaluation of the AC included Provincial Internal Audit, External AC Members and Management (Accounting Officers, Chief Risk Officers, Chief Financial Officers, Head of Internal Controls and GITO). Auditor General South Africa as an AC stakeholder did not participate in the performance review of the AC, mentioning that they do their own evaluation in the management report of each Department to protect and maintain their independence.

In comparison to the average scores of the three (3) stakeholders (AC; SIAS; and Management), it must be noted that Management recorded the highest average score of 4.55. The lowest score was recorded by Shared Internal Audit Services at an average score of 3.95. The critical issues that Departments felt were not robustly engaged to their satisfaction by the AC members were as follows:

- Understanding of Departmental Environment
- Oversight of Internal Audit and External Audit matters by AC Members
- Concerns around reviews of both the findings and recommendations by internal and external auditors to ensure that recommendations are implemented.
- Concerns around reviewing the appropriateness of the external audit fee.
- Concerns around review of a whistleblower hotline and reviewing the log of incoming calls.
- Understanding of Business & Risks of the Departments

It must be noted that these issues are repeating from the previous evaluation report thus AC must take these issues seriously and address them promptly.

11.2.7 AUDIT COMMITTEE MEMBERSHIP

The current AC Members was appointed with effect from 01 January 2023 and will expire on 31 December 2025. A total of 17 AC members were appointed during 2022 to serve the four provincial Cluster Audit Committees through a recruitment process. There is no resignation or premature termination of any AC Member's contract during the current period. Total number of female AC members are seven (7) while a total number of male AC members are ten (10) represented as: 58.8% males and 41.2% females. This is a decline in the appointment of female candidates as during the previous AC composition where the female member number stood at eight (8). There is a strong need to improve female recruitment into the Limpopo AC membership as 41% is low.

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

Name	Qualifications	Internal or external	If internal, position in the Department	Date Appointed	Date Resigned	No. of Meetings Attended (LPT)
TC MODIPANE	<ul style="list-style-type: none"> CA (SA) B Com Honours (CTA) B Com (Accounting) Higher Diploma in Auditing Certificate in Business Development Systems SAICA GRAP Certificate 	External	Not applicable	01 February 2020 Re appointed 01 January 2023	To date	6
M.F KEKANA	<ul style="list-style-type: none"> CA (SA) Qualified Executive Coach (South African Business Coaches and COMENSA (Coaches and Mentors of South Africa) 	External	Not applicable	01 January 2023	To date.	6

Name	Qualifications	Internal or external	If internal, position in the Department	Date Appointed	Date Resigned	No. of Meetings Attended (LPT)
	<ul style="list-style-type: none"> Advanced Certificate in Auditing Bcom Accounting Honours/CTA Degree Bcompt. Accounting Degree 					
ADV. L.T NEVONDW E	<ul style="list-style-type: none"> Bachelor of Laws (LLB) (Univen) Master of Laws (LLM) (Univen) 	External	N/A	1 January 2023	To date	6
A.M.M BADIMO	<ul style="list-style-type: none"> Master in Business Administration (MBA) Master of Science B. Science: Hons Computer Science B. Science: Computer Science CISM (Certified Information Security Manager) CGEIT (Certified in the Governance of Enterprise IT) CISA (Certified Information Systems Auditor) CRISC (Certified in Risk and Information 	External	N/A	13 April 2019 – 31 December 2020 Re-appointed: 01 January 2021 Re – appointed 01 February 2023.	To date	5

Name	Qualifications	Internal or external	If internal, position in the Department	Date Appointed	Date Resigned	No. of Meetings Attended (LPT)
	Systems Control) <ul style="list-style-type: none"> • Cobol Programming Diploma • PMP (Project Management Professional) • Cert. IT Auditing • COBIT 5 • ITIL Foundation • Certified ISO 22301 Lead Implementer • Certified ISO 22301 Business Continuity Management Lead Auditor • Certified ISO 27001 ISMS Lead Auditor • Certified ISO/IEC 27005 Lead Risk Manager • F. Inst D (IoDSA) 					
J.N MPJANE	<ul style="list-style-type: none"> • CA (SA) (Co-opted 17/08/2023) • BCOMPT Honours (CTA) • BCOMPT Degree 	External	N/A	01 February 2020 Re-appointed: 01 January 2021 Re – appointed 01 February 2023.		1

12 AUDIT COMMITTEE REPORT



We are pleased to present our report for the financial year ended 31 March 2024.

Audit Committee Structure

Limpopo Provincial Government has an Audit Committee which is two-tiered consisting of 4 Cluster Audit Committees, dealing with specific departments, and a shared Central Audit Committee.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act 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 and the related code of conduct, policies and practices.

Stakeholder Engagement/s

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

- Limpopo Provincial Treasury senior management
- Limpopo Provincial Internal Auditors (Shared Internal Audit Services)
- Limpopo Provincial Auditor General (AGSA)
- Limpopo Provincial Treasury and Office of the Premier transversal units

Audit Committee Skills Development

A strategic session was held during the last quarter of the previous financial year to assist the Audit Committee members better understand their challenging roles and the direction of the province in general.

The Effectiveness of Internal Control

Based on the results of the formal documented review of the design, implementation and effectiveness of the department's system of internal controls conducted by the internal audit and AGSA during the financial year ended 31 March 2024, and in addition, considering information and explanations given by management plus discussions held with the external auditor on the results of their audit, the Audit Committee concluded that that current internal control systems is effective as no significant deficiencies were reported by the AGSA. The department generally has a good control environment, we however wish to the highlight

that management should prioritise the filling of critical vacancies and the implementation of cyber security strategy to enhance and improve the control environment.

Risk Management

The Audit Committee reviewed the department's policies on risk management and strategy (including IT Governance) and monitored the implementation of risk management policy and strategy. The Committee concluded that there is an opportunity for improvement in filling of critical vacant positions, implementing cyber security strategy and in strengthening risk management capacity including funding of the risk management activities. The department's risk maturity level is satisfactory, and measures should be put in place to get to a level where risk management is fully embedded in the culture of the department with a proactive approach to risk management in all aspects of the business.

In-Year Management and Monthly/Quarterly Report

Based on the quarterly review of in-year monitoring systems and reports, the Audit Committee is somewhat satisfied with the quality, accuracy, usefulness, reliability, appropriateness, and adequacy of the department in-year reporting systems.

Internal Audit

The Audit committee:

- Reviewed and approved the annual Internal Audit plans and evaluated the independence, effectiveness and performance of the internal audit function.
- Considered the reports of the Internal Auditors on the department's systems of internal control; and
- Reviewed issues raised by internal audit and the adequacy of corrective action taken by management in response thereto.

Combined assurance

The Audit Committee reviewed the plans and reports of the external and internal auditors and other assurance providers including management and concluded that the Internal Audit unit should finalise the full implementation of Combined assurance framework.

Compliance with the relevant laws and regulations

The Audit Committee considered reports provided by management, internal assurance providers and the independent auditors regarding compliance with legal and regulatory requirements and concluded that the department complied with the enabling laws and regulations as well as its departmental policies and standard operating procedures.

Evaluation of Annual Financial Statements

Following the review by the Audit Committee of the annual financial statements for the year ended 31 March 2024 before and after the audit, the committee is of the view that, annual financial statements fairly present, in all material respect, the financial position of the department for the year under review and can be incorporated into the annual report.

Evaluation of Annual Performance Report

Following the review by the Audit Committee of the annual performance report for the year ended 31 March 2024 before and after the audit, the committee is of the view that, annual performance report can be incorporated into the annual report.

Consideration of the Final Audit report

The Audit Committee considered final audit report and concurs with the AGSA's clean audit opinion. The department is encouraged to continue sustaining great efforts towards clean administration and governance.

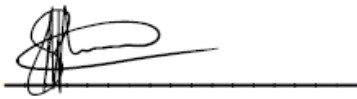
Conclusion

The Audit Committee is of the opinion that it is possible for the department to maintain to a clean audit opinion if management is committed to:

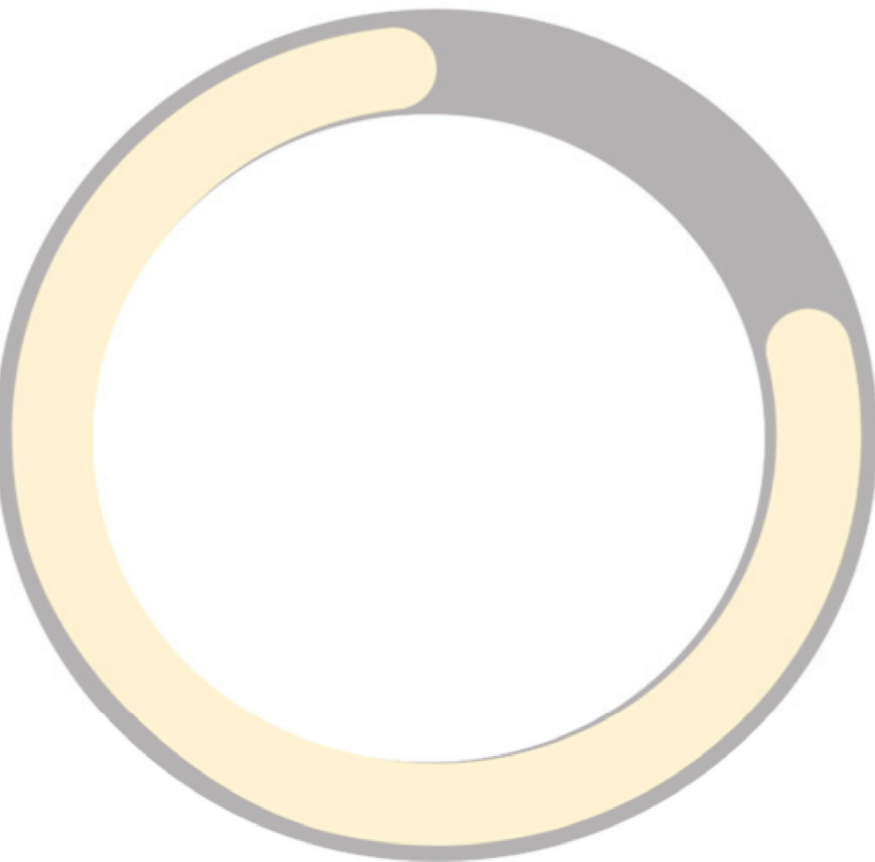
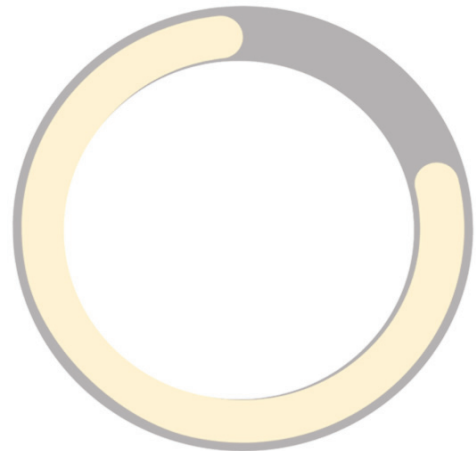
- establishing a stable leadership that is committed to a robust control environment and effective governance;
- diligently observe basic discipline of accounting and records management;
- sufficient management review and supervisory checks;
- closely monitoring the implementation of the audit action plan, internal audit action plan and audit committee recommendations;
- persistently inculcating a culture of ethical leadership, good governance, and accountability;
- ensuring management act on the recommendations of all the oversight

- structures to strengthen internal controls and improve governance;
- advocating for swift consequences for all reported irregularities and poor performance; and
 - ensuring that all critical vacancies are filled.

We are confident that with appropriate intervention and concerted effort from management the department will without doubt strengthen internal controls leading to a sustained clean audit opinion.



Tebogo Modipane CA (SA)
Chairperson of the Audit Committee
Limpopo Provincial Treasury
13 August 2024



13 B-BBEE COMPLIANCE PERFORMANCE INFORMATION



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

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	N/A	N/A
Developing and implementing a preferential procurement policy?	Yes	The Department has the preferential procurement policy in place and it is being implemented.
Determining qualification criteria for the sale of state-owned enterprises?	N/A	N/A
Developing criteria for entering into partnerships with the private sector?	N/A	N/A
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	N/A	N/A



PART D

HUMAN RESOURCE MANAGEMENT



1 INTRODUCTION



This section on Human Resource Management will focus on the overview of the status of Human Resource Management in the department, Human resource priorities for the year under review and the impact of these, Workforce planning and key strategies to attract and recruit a skilled and capable workforce, Employee performance management, Employee wellness programmes and highlight achievements and challenges faced by the department, as well as future human resource plans/goals.

2 OVERVIEW OF HUMAN RESOURCES



2.1 STATE OF HUMAN RESOURCES IN THE DEPARTMENT

The Limpopo Provincial Treasury was in its fourth year of implementation of the approved Organisational structure effective from 01 April 2019 and the structure has 537 posts. The total number of staff appointed as at 31 March 2024 is 374.

The workforce of the Department reflects the demographics of the province in terms of equity targets. Overall, for all salary levels, there are 208 Females which translate to 56% and 166 males which translates to 44%. The department has 52 SMS members of which 26 are females and this translates to 50% and 26 Males, and regarding people with disabilities the department is at 1.6% on overall employees. The Department needs to improve on the disability statics and equity targets on SMS level as it is currently at 2%.

As part of mitigation to achieve the EE targets the department has identified various barriers in achieving targets and are robustly working on an action plan to eliminate the barriers in achieving the equity targets.

The 2023/2024 recruitment plan identified a total 121 posts which the department embarked on a process to fill the posts with the intention of lowering the vacancy rate and improving services. As of 31st March 2024, a total of 28 posts were filled and 27 posts the department awaited assumption of duty. The remaining vacancies together with the resignations / terminations amounted to 95 and the overall vacancy rate being at 21.73%. One of the major contributors for department's stagnant vacancy rate was the cost containment measures implemented by the national departments and

protracted recruitment process since the establishment of Provincial Personnel Management Committee that must grant approval before job offers can be issued.

Regular communication has been maintained with employees regarding the Provincial Performance Management and Development Policies and SMS handbook ensuring compliance with performance instrument templates. Regular assessment and monitoring of employee performance have been conducted and moderated based on the signed performance instruments and outcomes implemented.

During 2023/2024, 94 employees participated on skills development programmes, which included Public Sector: Aligning Risk Strategy and Performance and Advance Excel. 59 employees were registered for academic studies with institutions of higher learning.

29 interns were enrolled into Internship programme. One (1) additional Chartered Accountant (CA) trainee was appointed on 1 March 2024 bringing the total number of CA trainees to six (6) in 2023/24 financial year. Nineteen (19) Work Integrated Learners (WIL) were afforded opportunities to complete their National Diploma requirements through their respective TVET colleges.

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

The department had rendered support in ensuring service delivery is provided whilst ensuring compliance to Cost Containment measures introduced during the financial year under review. The filling of vacant funded posts was a priority; however, it was impacted by the introduction of Cost Containment measures where the department had to obtain concurrence for filling of all vacant funded posts in the approved 2023/24 Recruitment Plan. There are sound and strengthened labour relations between the Employer and Employees and this was achieved through the functionality of the Labour Consultative Forum. The department managed to achieve 50/50 female representation as SMS level as of 31 March 2024.

2.3 WORKFORCE PLANNING AND KEY STRATEGIES TO ATTRACT AND RECRUIT A SKILLED AND CAPABLE WORKFORCE

The department implemented the Human Resource Plan for the period 2023-2026 which clearly articulates the objectives to be achieved which amongst others include the following: To align the organizational structure to the 2020/2025 strategic plan, ensure adequate human resource provisioning to render sustainable support services, ensure that human capital of the Department is representative of the demographics of the province and the country by meeting employment equity targets as outlined in the Employment Equity Plan, invest in human capital by effectively implementing capacity building programmes and performance management system, implement health and wellness programmes for optimized workforce productivity.

2.4 EMPLOYEE PERFORMANCE MANAGEMENT

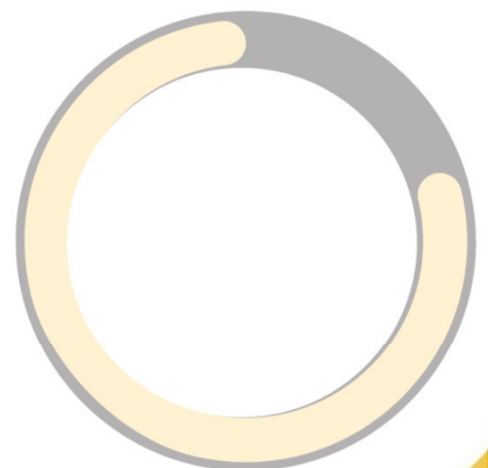
Regular communication has been maintained with employees regarding the Provincial Performance Management and Development Policies and SMS handbook ensuring compliance with performance instrument templates. Regular assessment and monitoring of employee performance have been conducted and moderated based on the signed performance instruments and outcomes implemented.

2.5 EMPLOYEE WELLNESS PROGRAMMES

The Employee Health and Wellness programme looks after the wellbeing of employees as it is believed that a healthy workforce is a productive workforce and this slogan has guided the department through all operations.

The programme has successfully implemented the following initiatives:

- HIV & AIDS, TB and STI Management
- Health and Productivity Management
- SHERQ Management
- Wellness Management



2.6 HIGHLIGHT ACHIEVEMENTS AND CHALLENGES FACED BY THE DEPARTMENT, AS WELL AS FUTURE HUMAN RESOURCE PLANS AND GOALS.

Some of the key achievements included the maintenance of the Department's accreditation with SAICA.

The department is struggling to appoint the Training Officer for the Candidacy Programme and this pose a risk of non-compliance to SAICA requirements to maintain the accreditation. The vacancy rate as at 31 March 2024 was high at 21.7% due to introduction of cost containment measures and having to obtain concurrence before the post can be filled.

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 2023 and 31 March 2024

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	184 019	103 308	0	0	56.1	594
Sustainable Resource Management	63 059	54 745	0	0	86.8	978
Assets, Liabilities & Supply Chain Management	45 281	39 458	0	0	87.1	877
Financial Governance	57 609	39 404	0	0	68.4	743
Shared Internal Audit Services	39 439	38 007	0	0	96.4	704
Total	389 407	274 992	0	0	70.6	720

Table 3.1.2 Personnel costs by salary band for the period 1 April 2023 and 31 March 2024

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee
Lower skilled (Levels 1-2)	4 226	1,5	19	222 421
Skilled (level 3-5)	6 998	2,5	22	318 091
Highly skilled production (levels 6-8)	48 937	17,1	92	531 924
Highly skilled supervision (levels 9-12)	136 083	47,7	153	889 431
Senior and Top management (levels 13-16)	68 400	24,0	51	1 341 176
Contract (Levels 3-5)	449	0,20	2	224 500
Contract (Levels 9-12)	8 843	3,1	8	1 105 375
Contract (Levels >= 13)	3 867	1,4	2	1 933 500
Contract Other	2 263	0,8	25	90 520
Periodical Remuneration	1 604	0,6	8	200 500
TOTAL	281 670	98,7	382	737 361

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2023 and 31 March 2024

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	88 635	82,90	43	0	2 811	2,6	4 040	3,8
Programme 2: Sustainable Resource Management	47 849	84,40	0	0	929	1,6	797	1,4
Programme 3: Assets & Liabilities Management	33 928	81,30	0	0	805	1,9	995	2,4
Programme 4: Financial Governance	33 581	80,30	0	0	871	2,1	1 246	3,0
Programme 5: Internal Audit	31 258	81,50	0	0	1 622	4,2	1 566	4,1
Total	235 251	82,40	43	0	7 038	2,5	8 644	3,0

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2023 and 31 March 2024

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	2 736	64.70	0	0	376	8.90	783	18.50
Skilled (level 3-5)	5 153	73.50	18	0.30	436	6.20	714	10.20
Highly skilled production (levels 6-8)	38 798	79.00	17	0	1 792	0	3 403	6.90
Highly skilled supervision (levels 9-12)	113 762	82.50	8	0	2 657	0	3 333	2.40
Senior management	60 235	86.30	0	0	1 776	2.50	356	0.50

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
ent (level 13-16)								
11 Contract (Levels 3-5)	423	94.20	0	0	0	0	0	0.00
13 Contract (Levels 9-12)	8 398	93.20	0	0	0	0	0	0
14 Contract (Levels >= 13)	3 487	85.70	0	0	0	0	56	1.40
18 Contract Other	2 259	98.90	1	0	0	0	0	0
19 Periodical Remuneration	0	0	0	0	0	0	0	0
TOTAL	235 252	82.40	43	0	7 037	2.50	8 646	3.0

3.2 EMPLOYMENT AND VACANCIES

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

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

This information is presented in terms of three key variables:

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

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

Table 3.2.1 Employment and vacancies by programme as on 31 March 2024

Programme	Number of posts approved on establishment	Number of posts filled	Vacancy Rate (%)	Number of employees additional to the establishment
Programme 1: Administration, Permanent	220	141	35.9	32
Programme 2: Sustainable Resource Management, Permanent	87	56	35.63	0
Programme 3: Assets & Liabilities Management, Permanent	71	45	36.61	0
Programme 4: Financial Governance, Permanent	82	46	43.90	0
Programme 5: Internal Audit, Permanent	77	54	29.87	0
Total	537	342	36.31	32

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2024

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate (%)	Number of employees additional to the establishment
01 Lower Skilled (Levels 1-2), Permanent	28	20	28.57	25
02 Skilled (Levels 3-5), Permanent	33	22	33.33	2
03 Highly Skilled Production (Levels 6-8), Permanent	149	91	38.93	0
04 Highly Skilled Supervision (Levels 9-12), Permanent	264	156	40.91	5
05 Senior	63	53	15.87	0

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate (%)	Number of employees additional to the establishment
(Levels >= 13), Permanent				
TOTAL	537	342	36.31	32

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2024

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate (%)	Number of employees additional to the establishment
Financial and Related Professionals	10	5	50%	0
Head of Department	1	1	0%	0
Other Information Technology Personnel	3	2	33.33%	0
Finance and Economic Related	165	68	58.78%	0
Middle Manager: Information Technology Related	2	2	0%	0
Senior Managers (Excluding HOD)	63	51	19%	0
TOTAL	244	129	47.13%	0



3.3 FILLING OF SMS POSTS

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

Table 3.3.1 SMS post information as on 31 March 2024

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	12	92.30%	1	7.69%
Salary Level 13	44	34	77.27%	10	22.72%
Total	63	52	82.54%	11	17.46%

Table 3.3.2 SMS post information as on 30 September 2023

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100%	0	0%
Salary Level 16	0	0	0%	0	0%
Salary Level 15	5	5	100%	0	0%
Salary Level 14	13	12	92.30%	1	7.69%
Salary Level 13	44	34	77.27%	10	22.72%
Total	63	52	82.54%	11	17.46%

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2023 and 31 March 2024

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	0	0	0
Salary Level 13	7	1	0
Total	7	1	0

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2023 and 31 March 2024

Reasons for vacancies not advertised within six months
Department first needs approval to fill from Provincial Personnel Management Committee in terms of the Approved Recruitment Plan before vacancies can be advertised. During the financial year the department also had to await concurrence before starting appointment processes.

Reason for vacancies not filled within twelve months
Disputes raised by organised labour delayed the filling of posts in the department

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 2023 and 31 March 2024

Reasons for vacancies not advertised within six months
Approval of the 2023/24 Recruitment Plan was beyond the Department's control as approval is granted by the Provincial Personnel Management Committee

Reasons for vacancies not filled within six months
Disputes by organised labour remained unresolved as at the end of the financial year which delayed the filling of the posts

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 2023 and 31 March 2024

Salary band	Number of posts approved on establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
01 Lower Skilled (Levels 1-2)	28	0	0	0	0	0	0
02 Skilled (Levels 3-5)	33	0	0	0	0	0	0
03 Highly Skilled Production (Levels 6-8)	149	0	0	0	0	0	0
04 Highly Skilled Supervision (Levels 9-12)	264	0	0	0	0	0	0
05 Senior Management Service Band A	63	0	0	0	0	0	0
TOTAL	537	0	0%	0	0%	0	0%

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

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2023 and 31 March 2024

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

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

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2023 and 31 March 2024

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Administration Officer	3	7	8	Previous Grade Progression from salary level 9 to 10 and salary 11 to 12 and implementation of Resolution 3/2009
Communication Coordinator	1	9	10	
Ethics Officer	1	9	10	
Financial Accountant	26	9	10	
Financial And Related Professionals	3	9	10	
Human Resource Practitioner	6	9	10	
Information Services Manager	1	9	10	
Internal Auditor	6	9	10	
Middle Manager: Finance And Economics Related	51	11	12	
Office Cleaner	1	2	3	
Other Occupations	2	9	10	
Risk And Integrity Specialist	2	9	10	

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Skills Development Facilitator/ Practitioner	1	9	10	
Supply Chain Practitioner	3	7	8	
Switchboard Operator	1	5	6	
Total number of employees whose salaries exceeded the level determined by job evaluation				108
Percentage of total employed				31.57%

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 2023 and 31 March 2024

Total number of Employees whose salaries exceeded the grades determine by job evaluation	None
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3.5 EMPLOYMENT CHANGES

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

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2023 and 31 March 2024

Salary band	Number employees beginning period-1 2023	of at of April	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	19		1	0	0,0
Skilled (Levels3-5)	21		2	1	4,8
Highly skilled production (Levels 6-8)	93		3	4	4,3

Salary band	Number employees beginning period-1 2023	of at of April	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Highly skilled supervision (Levels 9-12)	151		11	12	7,9
Senior Management Service Bands A	29		4	2	6,9
Senior Management Service Bands B	12		0	0	0,0
Senior Management Service Bands C	4		1	0	0,0
Senior Management Service Bands D	1		0	0	0,0
09 Other Permanent	29		0	4	13,8
11 Contract (Levels 3-5) Permanent	2		0	0	0,0
13 Contract (Levels 9-12) Permanent	21		0	13	61.9
14 Contract Band A Permanent	1		0	0	0,0
17 Contract Band D Permanent	1		0	0	0,0
Total	384		22	36	9.38

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2023 and 31 March 2024

Occupation	Number of employees at beginning of period-April 2023	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover Rate
Finance And Economics Related	2	0	0	0.0
Financial And Related Professionals	100	7	7	7.0
Head Of Department/Chief Executive Officer	1	0	0	0.0

Occupation	Number of employees at beginning of period-April 2023	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover Rate
Information Technology Related	2	0	0	0.0
Other Information Technology Personnel.	0	2	0	0.0
Senior Managers	46	5	2	4.30
TOTAL	149	14	9	6.0

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 2023 and 31 March 2024

Termination Type	Number	% of Total Resignations
01 Death, Permanent	1	2,8%
02 Resignation, Permanent	12	33,3%
03 Expiry of contract, Permanent	14	38,9%
06 Discharged due to ill health, Permanent	1	2,8%
09 Retirement, Permanent	8	22,2%
TOTAL	36	100%



Table 3.5.4 Promotions by critical occupation for the period 1 April 2023 and 31 March 2024

Occupation	Employees 1 April 2023	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
Finance And Economics Related	2	1	50	1	50.0
Financial And Related Professionals	100	3	3	53	53.0
Head Of Department/Chief Executive Officer	1	0	0	1	100.0
Information Technology Related	0	0	0	1	0.0
Other Information Technology Personnel.	0	0	0	1	0.0
Senior Managers	46	3	6.5	1	2.17
TOTAL	149	7	4.7	58	38.9



Table 3.5.5 Promotions by salary band for the period 1 April 2023 and 31 March 2024

*Salary Band	Employees 1 April 2023	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progression s to another notch within a salary level	Notch progression as a % of employees by salary bands
01 Lower Skilled (Levels 1-2), Permanent	19	0	0,0	19	100,0
02 Skilled (Levels 3-5), Permanent	21	0	0,0	12	57,1
03 Highly Skilled Production (Levels 6-8), Permanent	93	2	2,2	58	62,4
04 Highly Skilled Supervision (Levels 9-12), Permanent	151	7	4,6	84	55,6
05 Senior Management (Levels >= 13), Permanent	46	3	6,5	5	10,9
09 Other, Permanent	29	0	0,0	0	0,0
11 Contract (Levels 3-5), Permanent	2	0	0,0	0	0,0
13 Contract (Levels 9-12), Permanent	21	0	0,0	1	4,8
14 Contract (Levels >= 13), Permanent	2	0	0,0	2	100,0
TOTAL	384	12	3,1	181	47,10

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 2024**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
01 - Senior Officials And Managers	14	0	0	1	20	0	1	1	37
02 - Professionals	55	0	2	1	53	0	1	3	115
03 - Technicians And Associate Professionals	35	0	0	1	49	1	0	0	86
04 - Clerks	20	0	0	0	31	0	0	0	51
05 - Service Shop And Market Sales Workers	0	0	0	1	1	0	0	0	2
08 - Plant And Machine Operators And Assemblers	1	0	0	0	0	0	0	0	1
09 - Labourers And Related Workers	5	0	0	0	19	0	0	0	24
Clerical Support Workers	13	0	0	0	19	0	0	0	32
Elementary	1	0	0	0	1	0	0	0	2
Managers	11	2	1	0	7	0	0	0	21
Professionals	1	0	0	0	1	0	0	0	2
Technicians & Associate Technical Occupations	1	0	0	0	0	0	0	0	1
Total	157	2	3	4	201	1	2	4	374
Employees with disabilities	2	0	0	0	4	0	0	0	6

**Table 3.6.2 Total number of employees (including employees with disabilities)
in each of the following occupational bands as on 31 March 2024**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	3	0	0	0	2	0	1	0	6
Senior Management	19	1	1	1	21	0	1	1	45
Professionally qualified and experienced specialists and mid-management	80	1	2	2	66	0	0	2	153
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	27	0	0	0	63	1	0	1	92
Semi-skilled and discretionary decision making	11	0	0	0	11	0	0	0	22
Unskilled and defined decision making	2	0	0	0	17	0	0	0	19
Contracts	15	0	0	1	21	0	0	0	37
Total	157	2	3	4	201	1	2	4	374

Table 3.6.3 Recruitment for the period 1 April 2023 to 31 March 2024

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	1	0	0	0	1
Senior Management	2	1	0	0	1	0	0	0	4
Professionally qualified and experienced specialists and mid-management	8	1	0	0	2	0	0	0	11
Skilled technical and academically qualified workers, junior management,	2	0	0	0	1	0	0	0	3

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
supervisors, foreman and superintendents									
Semi-skilled and discretionary decision making	1	0	0	0	1	0	0	0	2
Unskilled and defined decision making	1	0	0	0	0	0	0	0	1
Total	14	2	0	0	6	0	0	0	22
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.4 Promotions for the period 1 April 2023 to 31 March 2024

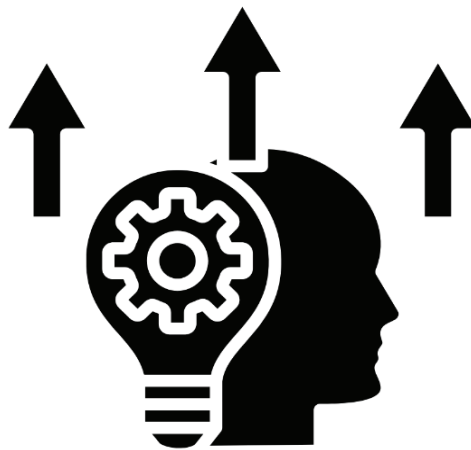
Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
<i>Top Management</i>	1	0	0	0	0	0	0	0	1
Senior Management	5	0	0	0	2	0	0	0	7
Professionally qualified and experienced specialists and mid-management	41	0	1	1	48	0	0	0	91
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	20	0	0	0	40	0	0	0	60
Semi-skilled and discretionary decision making	7	0	0	0	5	0	0	0	12
Unskilled and defined decision making	1	0	0	0	18	0	0	0	19
Contracts	2	0	0	1	0	0	0	0	3
Total	77	0	1	2	113	0	0	0	193
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.5 Terminations for the period 1 April 2023 to 31 March 2024

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
02 Senior Management, Permanent	1	0	0	0	1	0	0	0	2
03 Professionally qualified and experienced specialists and mid-management, Permanent	9	0	0	0	3	0	0	0	12
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	2	0	0	0	2	0	0	0	4
05 Semi-skilled and discretionary decision making, Permanent	1	0	0	0	0	0	0	0	1
07 Not Available, Permanent	2	0	0	0	2	0	0	0	4
10 Contract (Professionally qualified), Permanent	6	0	0	0	7	0	0	0	13
TOTAL	21	0	0	0	15	0	0	0	36
Employees with Disabilities	1	0	0	0	0	0	0	0	1

Table 3.6.7 Skills development for the period 1 April 2023 to 31 March 2024

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	5	0	0	2	11	0	0	0	18
Professionals	0	0	0	0	0	0	0	0	0
Technicians and associate professionals	9	0	0	0	5	0	0	0	14
Clerks	2	0	0	0	16	0	0	0	18
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	12	0	0	2	32	0	0	0	44
Total	28	0	0	4	64	0	0	0	96
Employees with disabilities	0	0	0	0	1	0	0	0	1



3.7 SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

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

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2023

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	1	1	100%
Salary Level 16	0	0	0	0%
Salary Level 15	5	5	5	100%
Salary Level 14	12	12	12	100%
Salary Level 13	34	34	34	100%
Total	52	52	52	100%

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2024

Reasons
All Performance Agreement submitted
N/A

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2024

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 2023 to 31 March 2024**

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R)	Average cost per employee (R)
African	0	45	0%	0	0
Male	0	21	0%	0	0
Female	0	24	0%	0	0
Asian	0	2	0%	0	0
Male	0	0	0%	0	0
Female	0	2	0%	0	0
Coloured	0	2	0%	0	0
Male	0	0	0%	0	0
Female	0	2	0%	0	0
White	0	3	0%	0	0
Male	0	2	0%	0	0
Female	0	1	0%	0	0
Total	0	52	0%	0	0



Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2023 to 31 March 2024

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)	Average cost per employee (R)	
Lower Skilled (Levels 1-2)	0	19	0	0	0	0
Skilled (level 3-5)	0	26	0	0	0	0
Highly skilled production (level 6-8)	0	92	0	0	0	0
Highly skilled supervision (level 9-12)	0	145	0	0	0	0
Total	0	282	0	0	0	0%



Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2023 to 31 March 2024

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R)	Average cost per employee (R)
Financial and Related Professional	0	5	0	0	0
Head of Department/Chief Executive Officer	0	1	0	0	0
Other Information Technology	0	2	0	0	0
Finance and Economics Related	0	68	0	0	0
Middle Management and Information Technology Related	0	2	0	0	0
Senior Managers	0	51	0	0	0
Total	0	129	0	0	0

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2023 to 31 March 2024

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	N/A	N/A	N/A	N/A	N/A	N/A
Band B	N/A	N/A	N/A	N/A	N/A	N/A
Band C	N/A	N/A	N/A	N/A	N/A	N/A
Band D	N/A	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A	N/A

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 2023 and 31 March 2024

Salary band	01 April 2023		31 March 2024		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Lev. 6-8)	0	0	0	0	0	0
Highly skilled supervision (Lev. 9-12)	0	0	0	0	0	0
Contract (level 9-12)	1	0.2%	1	0.3%	0	0.1%
Contract (level 13-16)	0	0	0	0	0	0
Total	1	0.2%	0	0.3%	0	0.1%

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2023 and 31 March 2024

Major occupation	01 April 20YY		31 March 20ZZ		Change	
	Number	% of total	Number	% of total	Number	% Change
Professionals & Managers	1	0.2%	1	0.3%	0	0.1%
Total	1	0.2%	1	0.3%	0	0.1%

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 2023 to 31 December 2023

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)	149	94.6	15	5.3	10	102
Skilled (levels 3-5)	155	87.1	17	6.0	9	171
Highly skilled production (levels 6-8)	688	77.0	86	30.6	8	1 386
Highly skilled supervision (levels 9 -12)	826	80.9	113	40.2	7	2 737
Top and Senior management (levels 13-16)	167	80.8	31	11.0	5	854
Contracts	73	153.4	19	6.7	4	61
Total	2 058	80.4	281	75.0%	7	5 311

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2023 to 31 December 2023

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)	17	100	2	18,20	9	12
Highly skilled production (Levels 6-8)	110	100	4	36,40	28	201
Highly skilled supervision (Levels 9-12)	55	100	3	27,30	18	195

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)
Senior management (Levels 13-16)	23	100	2	18,20	12	121
Total	205	100	11	2.94	19	530

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 2023 to 31 December 2023

Salary band	Total days taken	Number of Employees using Annual Leave	Average per employee
Lower skilled (Levels 1-2)	432	19	23
Skilled Levels 3-5)	555	24	23
Highly skilled production (Levels 6-8)	2 490	100	25
Highly skilled supervision (Levels 9-12)	4 156	167	25
Senior management (Levels 13-16)	1 185	53	22
Contracts	550	54	10
Total	9 368	417	22

Table 3.10.4 Capped leave for the period 1 January 2023 to 31 December 2023

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 2024
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	0	0	142

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 2024
Highly skilled production (Levels 6-8)	0	0	0	65
Highly skilled supervision (Levels 9-12)	4	2	2	116
Senior management (Levels 13-16)	0	0	0	48
Total	4	2	2	93

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 2023 and 31 March 2024

Reason	Total amount (R'000)	Number of employees	Average per employee (R)
Annual - Discounting With Resignation (Workdays)	273	9	30 333
Annual - Discounting: Contract Expiry (Workdays)	293	8	36 625
Annual - Gratuity: Death/Retirement/Medical Retirement (Work)	606	10	60 600
Capped - Gratuity: Death/Retirement/Medical Retirement (Work)	3 025	9	336 111
Total	4 197	36	116 583



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
Interns, Learnership and Experiential Learners	<ul style="list-style-type: none"> • HCT campaigns and medical screening for chronic illnesses provided • Educational sessions on GBV & TB conducted. • Male condoms distributed
Cleaners	<ul style="list-style-type: none"> • Education and awareness sessions on HIV and AIDS, STI's and TB management in the workplace conducted. • HCT campaigns conducted • Male condoms distributed. • Medical screening for chronic illnesses provided • Provision of protective clothing e.g. PVC hand gloves and respiratory mask, work suits and safety shoes and education on how to use protective clothing.
Field workers e.g. Internal Audit staff	<ul style="list-style-type: none"> • Education and awareness sessions on HIV and AIDS, STI's and TB management in the workplace conducted. • Male condom distributed. • HCT campaigns conducted. • Medical screening for chronic illnesses provided. • Regular distribution of male and female condoms

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		The SMS member is a Director: Transformation services and the EHW program is one of the sub-directorate.
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your	X		The Unit has a deputy director's post which is vacant, 2 assistant directors posts one

Question	Yes	No	Details, if yes
employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.			is filled, and one has interviewed and awaits appointment.
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		Provide psycho-social interventions to all referred cases.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X		<p>EHW Committee Members:</p> <ul style="list-style-type: none"> • Dr TS Mathebula - Chairperson • Ms LD Msimeki – member • Mr PL Moloto – member • Ms LJ Mashangoane-Langa - member • Mr KK Mangate – member • Mr SE Mabina – member • Ms P Manyaka – member • Dr P Ntuli – member • Ms ML Manabalala – member • Ms MP Sefoka - PSA • Ms K Khambani - NEHAWU
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		Provincial Human Resource Management and Development Policies of April 2021: Employee Health and Wellness Policies
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		<ul style="list-style-type: none"> • A dedicated Employee Health and Wellness programme • Educational sessions on Human rights • Mainstreaming of HIV and AIDS in the core business of the department
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		<ul style="list-style-type: none"> ▪ 74 employees benefitted on integrated wellness programs and 75 attended HIV and Aids voluntary counselling and testing

Question	Yes	No	Details, if yes
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X		Onsight integrated wellness has been coordinated. Disease Management report was compiled.

3.12 LABOUR RELATIONS

Table 3.12.1 Collective agreements for the period 1 April 2023 and 31 March 2024

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 2023 and 31 March 2024

Total number of Disciplinary hearings finalised	None
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Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2023 and 31 March 2024

Type of misconduct	Number	% of total
N/A		
N/A		
Total	0	0%

Table 3.12.4 Grievances logged for the period 1 April 2023 and 31 March 2024

Grievances	Number	% of Total
Number of grievances resolved	5	100%
Number of grievances not resolved	0	
Total number of grievances lodged	5	100%

Table 3.12.5 Disputes logged with Councils for the period 1 April 2023 and 31 March 2024

Disputes	Number	% of Total
Number of disputes upheld	0	0
Number of disputes dismissed	0	0
Number of disputes pending	1	100
Total number of disputes lodged	1	100

Table 3.12.6 Strike actions for the period 1 April 2023 and 31 March 2024

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

Table 3.12.7 Precautionary suspensions for the period 1 April 2023 and 31 March 2024

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

3.13 SKILLS DEVELOPMENT

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

Table 3.13.1 Training needs identified for the period 1 April 2023 and 31 March 2024

Occupational category	Gender	Number of employees as at 1 April 2023	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials, and managers	Female	35	0	35	0	35
	Male	25	0	25	0	25
Professionals	Female	14	0	14	0	14
	Male	21	0	21	0	21
	Female	7	0	7	0	7

Occupational category	Gender	Number of employees as at 1 April 2023	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Technicians and associate professionals	Male	4	0	4	0	4
Clerks	Female	11	0	11	0	11
	Male	9	0	9	0	9
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	1	0	1	0	1
	Male	1	0	1	0	1
Sub Total	Female	0	0	0	0	0
	Male	0	0	0	0	0
Total		128	0	128	0	128

Table 3.13.2 Training provided for the period 1 April 2023 and 31 March 2024

Occupational category	Gender	Number of employees as at 1 April 2023	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	35	0	35	0	35
	Male	25	0	25	0	25
Professionals	Female	20	0	20	0	20
	Male	14	0	14	0	14
Technicians and associate professionals	Female	7	0	7	0	7
	Male	4	0	4	0	4
Clerks	Female	8	0	8	0	8

Occupational category	Gender	Number of employees as at 1 April 2023	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
	Male	3	0	3	0	3
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	17	0	17	0	17
	Male	3	0	3	0	3
Sub Total	Female	87	0	87	0	87
	Male	49	0	49	0	49
Total		136	0	136	0	136

3.14 INJURY ON DUTY

Table 3.14.1 Injury on duty for the period 1 April 2023 and 31 March 2024

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0
Temporary Total Disablement	5	1.33%
Permanent Disablement	0	0
Fatal	0	0
Total	5	1.33%

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:

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

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2023 and 31 March 2024

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Appointment of entity to render municipal finance support service	6	12 Months	R 9 344 808

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

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2023 and 31 March 2024

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Appointment of entity to render municipal finance support service	100%	100%	6

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2023 and 31 March 2024

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

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
N/A	N/A	N/A	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 2023 and 31 March 2024

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 2023 and 31 March 2024

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

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
Senior management (Levels 13-16)	0	0	0	0
Total	0	0	0	0



PART E

PFMA REPORT COMPLIANCE



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



1.1. Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	4 152	3 186
Adjustment to opening balance	(3 186)	-
Opening balance as restated	966	3 186
Add: Irregular expenditure confirmed	-	966
Less: Irregular expenditure condoned	(600)	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable ¹	-	-
Less: Irregular expenditure not recoverable and written off	-	-
Closing balance	366	4 152

a) *The accelerated pay progression amount for R3 186 has been derecognised as irregular expenditure due to the following:*

On the 10 June 2015, Provincial Treasury requested advice from the Department of Public Service and Administration (Director General), concerning the interpretation and implementation of accelerated pay progression. More emphasis was placed on the interpretation of inner percentages (5% and 10%) vis versa overall percentage (2% of the departments wage bill).

Based on the response received from DPSA dated 09 November 2015, paragraphs 2, 3 and 7 emphasises that whatever decision the departments takes in awarding accelerated pay progression for officials who obtained a rating of 4 (above average assessments) and 5 (excellent performance assessments), care should be taken that the overall award should not exceed 2% of the departments wage bill.

The DPSA was further requested to clarify the term "eligible employees" as documented in the policy framework. In its response, the DPSA indicated that the term "eligible employees" was not defined in the incentive policy framework, suffice that it was intended to mean employees who meet the qualifying criteria to be awarded at least one notch per pay progression per annum.

¹ Transfer to receivables

Notwithstanding the view point above, due to different interpretation of how the accelerated pay progress should be implemented, AGSA raised an audit finding on inconsistent implementation of the provision by departments. OTP, LPT and CoGHSTA approached the Labour Court during 2018 to seek a declaratory order favouring their interpretation of certain clauses of the Incentive Policy and ordering the repayments of the payments effected as a result of their interpretation of the policy, as well as a judicial review of the decision to effect payments irregularly. The Public Servants Association (PSA) and NEHAWU opposed this application.

The Court concluded that the Policy was a collective agreement and consequently refused to grant the applicants a declaratory order as well as the judicial review. The court further indicated that the matter must be dealt with in terms of Section 24 of the Labour Relations Act. The court dismissed the application.

The Provincial Government, through OTP requested an opinion on whether the matter can serve before the Bargaining Council, PSCBC, the opinion of which was provided by a Senior Counsel through the Office of State Attorney on the 10 June 2021. The opinion concluded by advising the Provincial Government to refer the matter or dispute over the interpretation and application of a collective agreement to the PSCBC in terms of the Dispute Resolution Procedure of the PSCBC.

The matter was then referred to the PSCBC on the 21 September 2021 and the PSCBC contended that since there was no dispute, the matter could not serve before it. Again, like in the Labour Court, no relief could be provided to the predicament on the correct application of the Policy. The PSCBC further indicated that the Chamber lacked jurisdiction to handle the matter and it was removed from the agenda.

During this confusion, and after failing to provide a clear guidance on the application of the policy, the DPSA withdrew the policy on the 19 September 2017 and the departments remained in the dark with regard to the correct interpretation of the policy. In the main, it is common cause that when there is confusion on the interpretation of a document or policy, it is only the author of the policy who can provide a correct meaning of such a policy or document. Because of this abrupt withdrawal of the policy, departments were left stranded.

The DPSA then issued another Incentive Policy Framework in 2017, which excluded accelerated pay progression, which was the burning issue in the withdrawn policy, however Departments had already partially implemented the withdrawn policy which is now the subject of the irregularity and the damage was already done in departments.

About four legal opinions were sought on this matter since 2017 and they all advocated for a possible recovery of overpayments for possible irregular payments made to employees. This approach was based on how the opinion providers interpreted the provision of the policy, while the DPSA as the policy owner has only insisted on the provision of not exceeding the outer threshold (limit).

Based on the confusion caused by lack of clarity during the implementation of the Incentive policy, and the subsequent withdrawal of the Policy by the DPSA without providing the correct interpretation, the department therefore has requested the Office of the Auditor General in February 2023 to reconsider the disclosed irregular expenditure of R3.186m and allow LPT to remove the amount so disclosed. During October 2023, a follow-up memo was issued, but unfortunately, no response thus far has been received from Office of the Auditor General.

The court process for recovery as outlined above, shall be futile, since in the matter of MEC for Social Development v/s Masemola TC and 47 Others on the 28 January 2019, the State Attorney office advised as follows in paragraph 2 of their memo "since erroneous payments were made in 2014 there was no civil action instituted for the recovery of monies by means of serving debtors with summons" paragraph 3 then states "it is therefore our advice that, the debts in this matter are no longer enforceable as they have prescribed in terms of section 11(d) of Prescription Act". This is said on the basis that since 2015/16 financial year, the Department has not instituted civil recovery process against the concerned officials for purpose of recovering any monies that could be regarded as undue benefit. Failure to institute civil recovery was not as a result of the department failing to follow due process, but was a result of trying different avenues to get clarity on the interpretation of the policy framework, which the author of, was not able to advice precisely on. Therefore transactions would be regarded as prescribed and no longer enforceable in terms of section 11(d) of Prescription Act.

The department's position is that, the pay progression paid to employees is in line with the policy framework and further that the department did not exceed the 2% outer threshold as emphasised by the DPSA. Therefore, there is no need for recovery process as no pay progression was paid in error which necessitate recovery.

- b) Five (5) transactions of irregular expenditure were discovered in July 2023 during the audit of 2022/23 financial period :
 - i. One (1) transaction for R386 relate to non-compliance with National Treasury Instruction Note 3 of 2021/22 para. 4.3 on BAUD procurement; and
 - ii. Four (4) transactions for R214 relate to non-compliance with SBD4 disclosure paragraph 2.3
- c) Five transactions worth R2 241 for non-compliance with SBD4 removed from irregular expenditure register as they were found not meeting the definition of irregular expenditure (only in the register).
- d) During the Audit of 2022/23, AGSA identified several transactions as irregular expenditure. Of the identified transactions, eight (8) transactions were confirmed as irregular expenditure to the value of R966 thousand. Five (5) transactions to the value of R600 thousand were assessed and determination performed before 31 March 2024 and were submitted to the relevant authority for condonement and were duly condoned. The other three (3) transactions to the value of R366 thousand which were previously removed as not meeting the definition of irregular expenditure based on the communique received from SITA in Limpopo, were reversed during the audit. The reversal was necessitated by the technical opinion obtained by AGSA from National SITA. The transactions in question amount to R366 and these transaction will be dealt with in terms of the compliance and reporting framework.

Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure that was under assessment	-	-
Irregular expenditure that relates to the prior year and identified in the current year	-	966
Irregular expenditure for the current year	-	-
Total	-	966

b) Details of irregular expenditure (under assessment, determination, and investigation)

Description ²	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure under assessment	21	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	-
Total	21	-

An assessment to determine the procurement transaction as irregular or not was not completed as at 31 May 2024.

c) Details of irregular expenditure condoned

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure condoned	600	-
Total	600	-

Four (4) transactions to the value of R214 thousand relating to failure to disqualify bidders who did not correctly complete the SBD4 form paragraph 2.3 and one (1) transaction to the value of R386 thousand for non-compliance with supply chain management quotation timelines were condoned during the year.

d) Details of irregular expenditure removed - (not condoned)

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure NOT condoned and removed	-	-
Total	-	-

e) Details of irregular expenditure recoverable

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure recoverable	-	-
Total	-	-

² Group similar items

f) Details of irregular expenditure written off (irrecoverable)

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure written off	-	-
Total	-	-

Additional disclosure relating to Inter-Institutional Arrangements

g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)

Description
-
None

h) Details of irregular expenditure cases where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)³

Description	2023/2024	2022/2023
	R'000	R'000
	-	-
Total	-	-

i) Details of disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
On the R214 irregular expenditure due to non-compliance with SBD4, no action was taken against the responsible officials due to different interpretation of what paragraph 2.3 on the form outlines. Currently National treasury has issued a draft SBD4 form which excludes the provision of the contested paragraph.
On the R386 thousand transaction, disciplinary action was taken against the Head of Department, Chief Financial Officer and implicated supply chain management officials.

³ Refer to paragraphs 3.12, 3.13 and 3.14 of Annexure A (PFMA Compliance and Reporting Framework) to National Treasury Instruction No. 4 of 2022/2023

1.2. FRUITLESS AND WASTEFUL EXPENDITURE

a) Reconciliation of fruitless and wasteful expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	-	-
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: Fruitless and wasteful expenditure confirmed	-	-
Less: Fruitless and wasteful expenditure recoverable ⁴	-	-
Less: Fruitless and wasteful expenditure not recoverable and written off	-	-
Closing balance	-	-

N/A

Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment	-	-
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	-	-
Fruitless and wasteful expenditure for the current year	-	-
Total	-	-

b) Details of fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description ⁵	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	-
Total	-	-

⁴ Transfer to receivables

⁵ Group similar items

Include discussion here where deemed relevant.

c) Details of fruitless and wasteful expenditure recoverable

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure recoverable	-	-
Total	-	-

N/A

d) Details of fruitless and wasteful expenditure not recoverable and written off

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure written off	-	-
Total	-	-

N/A

e) Details of disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken
n/a
Total

N/A

1.3. UNAUTHORISED EXPENDITURE

a) Reconciliation of unauthorised expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	-	-
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: unauthorised expenditure confirmed	-	-
Less: unauthorised expenditure approved with funding	-	-
Less: unauthorised expenditure approved without funding	-	-
Less: unauthorised expenditure recoverable ⁶	-	-
Less: unauthorised not recoverable and written off ⁷	-	-
Closing balance	-	-

N/A

Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Unauthorised expenditure that was under assessment	-	-
Unauthorised expenditure that relates to the prior year and identified in the current year	-	-
Unauthorised expenditure for the current year	-	-
Total	-	-

b) Details of unauthorised expenditure (under assessment, determination, and investigation)

Description ⁸	2023/2024	2022/2023
	R'000	R'000
Unauthorised expenditure under assessment	-	-
Unauthorised expenditure under determination	-	-
Unauthorised expenditure under investigation	-	-
Total	-	-

⁶ Transfer to receivables

⁷ This amount may only be written off against available savings

⁸ Group similar items

N/A

1.4. ADDITIONAL DISCLOSURE RELATING TO MATERIAL LOSSES IN TERMS OF PFMA SECTION 40(3)(B)(I) & (III))⁹

a) Details of material losses through criminal conduct

Material losses through criminal conduct	2023/2024	2022/2023
	R'000	R'000
Theft	1 945	-
Other material losses	-	-
Less: Recoverable	-	-
Less: Not recoverable and written off	-	-
Total	1 945	-

During December 2023, there were 22 attempts to defraud the department. The attempts happened through the LOGIS system. The details are as follows:

- 18 attempts failed due to lack of funds on items utilised;
- 4 attempts were "successful" as requisitions, orders and invoices were captured on LOGIS;
 - 2 of the 4 successful attempts were recalled from the bank thus funds did not end up in the bank accounts of fraudsters (transactions meant for payment run of 10 January 2024);
 - 2 attempts were ultimately successful and funds to the amount of R1.945 million were lost (transactions meant for payment run of 18 December 2023);
- A case has been opened with SAPS and was transferred to DPCI for further investigation (CAS 344/1/2024);
- All 22 attempts took place between 14 – 27 December 2023;
- According to system report on hand, the IP address utilised during the attempts is external to the department environment; and

The department has engaged SITA to review external environment to determine how the fraudsters could have gained access to User ID of the 3 staff members (1 x SCM and 2 X Finance).

b) Details of other material losses

Nature of other material losses	2023/2024	2022/2023
	R'000	R'000
(Group major categories, but list material items)	-	-
	-	-
Total	-	-

⁹ Information related to material losses must be disclosed in the annual financial statements.

N/A

c) Other material losses recoverable

Nature of losses	2023/2024	2022/2023
	R'000	R'000
(Group major categories, but list material items)	-	-
Total	-	-

N/A

d) Other material losses not recoverable and written off

Nature of losses	2023/2024	2022/2023
	R'000	R'000
(Group major categories, but list material items)	-	-
	-	-
Total	-	-

N/A

2. LATE AND OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	3 145	103 446
Invoices paid within 30 days or agreed period	3 136	98 692
Invoices paid after 30 days or agreed period	9	4 754
Invoices older than 30 days or agreed period (unpaid and without dispute)	-	-
Invoices older than 30 days or agreed period (unpaid and in dispute)	-	-

Invoice dates erroneously captured
Microsoft BAS payment advice for manual transfer received late from the end user
System date interfaces errors(system date does not agree with the actual invoice receive date for the department).

3. SUPPLY CHAIN MANAGEMENT



3.1. Procurement by other means

Project description	Name of supplier	Type of procurement other means	Contract number	Value of contract R
Venue and conferencing	Travel with flair	One quotation	TCLP	48 000
Flower and Sympathy Card	R & J Florist Shop & Catering	One quotation	n/a	575
Flower and Sympathy Card	R & J Florist Shop & Catering	One quotation	n/a	575
Venue and conferencing	Travel with flair	One quotation	TCLP	95 700
Venue and conferencing	Travel with flair	One quotation	TCLP	20 440
Servicing of Generator	BMK Electro Mechanical	Less than three Quotes	n/a	57 442
Flower and Sympathy Card	R & J Florist Shop & Catering	One quotation	n/a	1 150
Diagnose & repair of Electrical faults	Metason	Less than three Quotes	n/a	16 722
Flower and Sympathy Card	R & J Florist Shop & Catering	One quotation	n/a	575
Diagnose and repairs of X-Ray Machine	Khomanani X Systems	One quotation	n/a	16 502
Ethics Officer Certificate	The ethics	Single Sourcing	n/a	35 950
Publishing of Limpopo 2023/24 gazette (Schools	Government Printing Works	Single Sourcing	n/a	295 546
Publishing of 42 pages of the adjustment appropriation Amendment ACT 2023	Government Printing Works	Single Sourcing	n/a	42 368
Publishing of 65 pages of the Limpopo Appropriation Amendment ACT 2021	Government Printing Works	Single Sourcing	n/a	65 570
Registration for Ms Sadiki M.R: Facilities Management and Maintenance Certificate	Knowledge for Africa International (PTY) Ltd	Single Sourcing	n/a	9 499
Venue and Dinner to host MEC's International Guests	TWF	One Quotation	n/a	18 400
Registration of 3 Officials to attend 7 th Public Sector SCM Audit Convention	National Public Sector Supply Chain Process Audit Convention	One Quotation	n/a	31 046
Registration for 3 Officials	GOVTECH	One Quotation	n/a	50 400
Diagnose and Repair of Generators	BMK Electronics	Two quotations	n/a	129 792

Project description	Name of supplier	Type of procurement other means	Contract number	Value of contract R
Registration of 1 official to attend 2023 executive PA's conference	Mokoai Business Solution	One Quotation	n/a	14 999
Accommodation	TWF	One Quotation	n/a	8 700
Registration for one (1) official to attend annual people factor conference	SA Board for people practice	One Quotation	n/a	4 312
Registration for one (1) to attend virtual Annual Tax Indaba	SA Institute of Taxation	One Quotation	n/a	4 450
Registration for two (2) officials to attend SMART Procurement Conference	Commerce Edge	One Quotation	n/a	42 780
Maintenance of Lift	Otis	One Quotation	N/A	17 581
Annual Business TV licence	SABC	One Quotation	N/A	3 445
Registration of twelve (12) officials to attend Barn Owl Risk Management	IDI	One Quotation	n/a	31 811
Registration for three (3) Officials attending Smart Screen & Biometric Integration Workshop	Management Integrity Evaluation Pty Ltd	One Quotation	N/A	3 795
Registration for one (1) official to attend Internal Control Conference	Chartered Institute of Audit Governance Oversight & Leadership	One Quotation	N/A	4 350.
Registration for five officials attending Annual Workplace Disability Management Conference	Robert Edwin Conference	One Quotation	N/A	47 495
Approval to pay FICRA as a sole service provider for briefing Hon. Premier for a Forensic Investigation	FICRA	One Quotation	N/A	26 991
Deviation consideration to Procure Flight, Accommodation and Car Rental for four officials attending AAAG Annual	Image Travel & Tours	Two Quotation	N/A	115 456
Deviation consideration to Procure Flight, Accommodation and Car Rental for four officials attending AAAG Annual	The Institute of Risk Management South Africa	One Quotation	N/A	131 387
Deviation consideration for NSG to conduct E-learning Compulsory Induction Programme Level 13-14	National School of Government	One Quotation	N/A	13 032

Project description	Name of supplier	Type of procurement other means	Contract number	Value of contract R
Deviation consideration for NSG to conduct E-learning Compulsory Induction Programme Level 6-12	National School of Government	One Quotation	N/A	14 248
Registration for Compulsory Induction Programme level 1-3	National School of Government	One Quotation	N/A	6 252
Registration for Compulsory Induction Programme level 4-5	National School of Government	One Quotation	N/A	12 504
Deviation approval for registration of one (01) to attend Ethics and HR Governance Conference	South African Board for People Practices (SABPP)	One Quotation	N/A	2 300
Deviation approval for Publishing of Limpopo unauthorised Expenditure Act 2003	Government Printing Works	One Quotation	N/A	21 184
Deviation approval for Publishing of Limpopo unauthorised Expenditure Act 2003	Government Printing Works	One Quotation	N/A	31 272
Deviation approval for four officials attending Compulsory Induction for CIP Level 13-14	National School of Government	One Quotation	N/A	13 032
Total				1 507 628

3.2. Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
-	-	-	-	-	-	-
Total						-

PART F

FINANCIAL INFORMATION



1 REPORT OF THE AUDITOR-GENERAL

Report of the auditor-general to Limpopo Provincial Legislature on vote no. 05: Limpopo Provincial Treasury

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

1. I have audited the financial statements of the Limpopo Provincial Treasury as set out on pages 157 to 190, which comprise the appropriation statement, statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Limpopo Provincial Treasury as at 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standards (MCS) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 5 of 2023 (DoRA)

BASIS FOR OPINION

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

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

EMPHASIS OF MATTERS

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

An uncertainty relating to the future outcome of exceptional litigation.

7. With reference to note 18.1 to the financial statements, the department is the defendant in various legal claims involving suppliers. The department is opposing the claims, as it believes it has reasonable grounds to defend them. The ultimate outcome of the matters could not be determined and no provision for any liability that may result was made in the financial statements.

Restatement of corresponding figures

8. As disclosed in note 29 to the financial statements, the corresponding figures for 31 March 2023 were restated as a result of an error in the financial statements of the department at, and for the year ended, 31 March 2024.

OTHER MATTERS

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

Unaudited supplementary schedules

10. The supplementary information set out on pages 191 to 194 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

RESPONSIBILITIES OF THE ACCOUNTING OFFICER FOR THE SEPARATE FINANCIAL STATEMENTS

11. The accounting officer is responsible for the preparation and fair presentation of the separate financial statements in accordance with the Modified cash standards and the requirements of the Public Finance Management Act 1 of 1999 (PFMA); and for such internal control as the accounting officer determines is necessary to

enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

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

RESPONSIBILITIES OF THE AUDITOR-GENERAL FOR THE AUDIT OF THE SEPARATE FINANCIAL STATEMENTS

13. My objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.
14. A further description of my responsibilities for the audit of the separate financial statements is included in the annexure to this auditor's report. This description, which is located at page 150, forms part of our auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

15. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

16. I selected the following programmes presented in the annual performance report for the year ended 31 March 2024 for auditing. I selected programme that measure the department's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Sustainable resource management	40-44	The purpose of this programme is to provide sustainable resource management services to the provincial departments and provincial public entities.
Assets, liabilities and supply chain management	45-47	The purpose of the programme is to oversee the management of assets, liabilities and supply chain management to provincial departments and public entities.
Financial governance	48-51	The purpose of the programme is to promote accountability and compliance with financial norms and standards as contained in the PFMA.

17. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the department's planning and delivery on its mandate and objectives.

18. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives.

- all the indicators relevant for measuring the department's performance against its primary mandated and prioritised functions and planned objectives are included.
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements.
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated.
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents.
- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable.
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

19. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

20. I did not identify any material findings on the reported performance information for the selected programmes.

OTHER MATTER

21. I draw attention to the matter below.

Achievement of planned targets

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

REPORT ON COMPLIANCE WITH LEGISLATION

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

OTHER INFORMATION IN THE ANNUAL REPORT

27. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the separate financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
28. My opinion on the separate financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

29. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the separate financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
30. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

INTERNAL CONTROL DEFICIENCIES

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

Auditor – General

Polokwane

31 July 2024



Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

Professional judgement and professional scepticism

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

Financial statements

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

- identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the separate financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the department to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the separate financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the separate financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a department to cease operating as a going concern
- evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and determine whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

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

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

COMPLIANCE WITH LEGISLATION – SELECTED LEGISLATIVE REQUIREMENTS

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA)	Section 38(1)(b) Section 38(1)(c)(i) Section 38(1)(c)(ii) Section 38(1)(d) Section 38(1)(f) Section 38(1)(h)(iii) Section 38(1)(j) Section 39(1)(a) Section 39(2)(a) Section 40(1)(a) Section 40(1)(b) Section 40(1)(c)(i) Section 43(1) Section 43(4) Section 44 Section 45(b) Section 57(b)
Treasury Regulations (TR), 2005, issued in terms of the PFMA	Regulation 4.1.1 Regulation 4.1.3 Regulation 5 Regulation 5.1.1 Regulation 5.2.1 Regulation 5.2.3(a) Regulation 5.2.3(d) Regulation 5.3.1 Regulation 6.3.1(a) & (d) Regulation 6.3.1(c) Regulation 7.2.1 Regulation 8.1.1 Regulation 8.2.1 Regulation 8.2.3 Regulation 8.4.1 Regulation 9.1.1 Regulation 9.1.4 Regulation 16A6.6 Regulation 16A9.1(e) Regulation 16A9.2(a)(ii) Regulation 10.1.1(a) Regulation 10.1.2 Regulation 11.4.1 Regulation 11.4.2 Regulation 11.5.1

Legislation	Sections or regulations
	Regulation 12.5.1 Regulation 15.10.1.2(c) Regulation 6A6.3(c) Regulation 16A6.5 Regulation 16A6.1 Regulation g 16A6.2(a) & (b) Regulation 16A6.3(c) Regulation 16A6.3(b) Regulation 16A3.2(a); Regulation 16A3.2 (fairness) Regulation R16A6.3 (a) and (b) Regulation 16A6.3(e) Regulation reg 16A6.4; Regulation 16A.7.1 Regulation 16A.7.3 Regulation 16A.7.6 Regulation 16A.7.7 Regulation 16A8.3 Regulation 16A8.4 Regulation 16A9.1(b)(ii) Regulation 16A9.1(d) Regulation Regulation 16A9.1(e) Regulation 16A9.1(f) Regulation 17.1.1 Regulation 18.2 Regulation 19.8.4 Regulation 16A8.4
Public Service Regulations, 2016, issued in terms of the PSA	Regulation 2(1)(f) Regulation 25(1)(e)(i) Regulation 18(1),(2)
Preferential Procurement Policy Framework Act	2(1)(a)
Preferential Procurement regulation 2017	Preferential Procurement reg 2017 (under functionality) Regulation 4(1) & 4(2) Regulation 5(1) & 5(3) Regulation 5(6) Regulation 5(7) Regulation 9(1)
Preferential Procurement regulation 2022	PPPFA (definition "acceptable tender") PPPFA section 2(1)(a) and (b) 2017 Preferential Procurement reg 6(8), 7(8), 10(1)&(2) & 11(1) 2022 Preferential Procurement reg 4(4)

Legislation	Sections or regulations
National Treasury Instruction notes	<p>Instruction note No. 4 of 2022/2023: PFMA Compliance and Reporting Framework, Par 4.12</p> <p>SCM instruction note 2 of 2021/22 par. 3.2.1</p> <p>SCM instruction note 2 of 2021/22 par. 3.2.4</p> <p>National Treasury Instruction 4A of 2016/17</p> <p>PFMA SCM Instruction No. 3 of 2021/22 par. 7.2 (tenders advertised on or after 1 April 2022)</p> <p>NT Instruction 07 of 2017/18 par 4.3</p> <p>NT Instruction 4A of 2016/17 par 6</p> <p>SCM Instruction Note 02 of 2021-22 par 3.3.1 (bids advertised on or after 1 April 2022)</p> <p>PFMA SCM instruction note 03 of 2021/22 par 4.1.</p> <p>PFMA instruction note no.3 of 2021/22 definition</p> <p>PFMA instruction note no.3 of 2021/22 par. 4.2 (b)</p> <p>NTI 01 of 2021-22 par. 4.1</p> <p>Practice Note 5 of 2009/10 par. 3.3</p>
SITA Act	Section 7(3)
Prevention and Combating of Corrupt Activities Act	34(1)

3 Table of Contents

Appropriation Statement.....	157
Notes to the Appropriation Statement.....	164
Statement of Financial Performance.....	166
Statement of Financial Position.....	167
Statement of Changes in Net Assets.....	168
Cash Flow Statement.....	169
Notes to the Annual Financial Statements (including Accounting Policies).....	170
Annexures.....	191

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5
APPROPRIATION STATEMENT
for the year ended 31 March 2024

Appropriation per programme										
	2023/24					2022/23				
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure	
Voted funds and Direct charges	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Programme										
1. <u>ADMINISTRATION</u>	197,607	(58)	(3,461)	194,088	181,862	12,226	93.7%	177,274	170,214	
2. <u>SUSTAINABLE RESOURCE MANAGEMENT</u>	66,037	-	-	66,037	63,059	2,978	95.5%	61,781	58,749	
3. <u>ASSETS, LIABILITIES AND SUPPLY CHAIN MANAGEMENT</u>	44,819	-	843	45,662	45,281	381	99.2%	46,344	44,704	
4. <u>FINANCIAL GOVERNANCE</u>	62,268	-	959	63,227	59,554	3,673	94.2%	74,250	67,519	
5. <u>SHARED INTERNAL AUDIT SERVICES</u>	38,029	-	1,659	39,688	39,439	249	99.4%	41,453	40,015	
Programme sub total	408,760	(58)	-	408,702	389,195	19,507	95.2%	401,102	381,201	
Statutory Appropriation	2,098	58	-	2,156	2,156	-	100.0%	2,093	2,093	
MEMBER'S REMUNERATION	2,098	58	-	2,156	2,156	-	100.0%	2,093	2,093	
TOTAL	410,858	-	-	410,858	391,351	19,507	95.3%	403,195	383,294	
Reconciliation with Statement of Financial Performance										
Add:										
Departmental receipts				703,099				448,849		
Actual amounts per Statement of Financial Performance (Total revenue)				1,113,957				852,044		
Actual amounts per Statement of Financial Performance (Total expenditure)					391,351				383,294	

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5
APPROPRIATION STATEMENT
for the year ended 31 March 2024

Appropriation per economic classification										2022/23		
	Adjusted Budget	Shifting of Funds	Virement	2023/24			Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000					R'000	R'000
Current payments	387,127	(2,567)	(42)	384,518	367,315	17,203		95.5%	380,748	363,074		
Compensation of employees	274,917	(512)	2,037	276,442	274,922	1,520		99.5%	274,231	271,187		
Salaries and wages	242,549	231	70	242,850	241,382	1,468		99.4%	240,447	238,905		
Social contributions	32,368	(743)	1,967	33,592	33,540	52		99.8%	33,784	32,282		
Goods and services	112,210	(2,055)	(2,079)	108,076	92,393	15,683		85.5%	106,517	91,887		
Administrative fees	2,199	(15)	-	2,184	1,972	212		90.3%	1,476	1,194		
Advertising	988	(21)	-	967	737	230		76.2%	856	836		
Minor assets	235	1	-	236	61	175		25.8%	371	370		
Audit costs: External	5,951	547	-	6,498	6,230	268		95.9%	5,778	5,778		
Bursaries: Employees	1,818	-	-	1,818	1,734	84		95.4%	1,119	1,095		
Catering: Departmental activities	315	-	-	315	240	75		76.2%	741	563		
Communication (G&S)	6,491	(1,255)	-	5,236	3,862	1,374		73.8%	5,231	4,001		
Computer services	21,501	(1,006)	-	20,495	17,439	3,056		85.1%	22,062	21,246		
Consultants: Business and advisory services	11,060	161	-	11,221	9,792	1,429		87.3%	8,919	6,924		
Legal services	1,222	120	-	1,342	1,322	20		98.5%	1,490	1,354		
Contractors	654	-	-	654	375	279		57.3%	613	312		
Fleet services (including government motor transport)	1,621	(134)	-	1,487	1,473	14		99.1%	1,886	1,860		
Consumable supplies	2,526	(82)	-	2,444	1,571	873		64.3%	1,831	1,637		
Consumable: Stationery, printing and office supplies	5,026	(233)	-	4,793	4,306	487		89.8%	4,967	3,469		
Operating leases	17,073	559	(2,079)	15,553	12,530	3,023		80.6%	17,100	16,308		
Property payments	16,728	(706)	-	16,022	15,019	1,003		93.7%	13,809	13,240		
Transport provided: Departmental activity	62	(5)	-	57	56	1		98.2%	-	-		
Travel and subsistence	9,644	16	-	9,660	8,037	1,623		83.2%	12,415	8,071		
Training and development	2,403	(8)	-	2,395	1,986	409		82.9%	2,747	1,294		
Operating payments	891	118	-	1,009	756	253		74.9%	613	541		
Venues and facilities	3,802	(112)	-	3,690	2,895	795		78.5%	2,448	1,780		
Rental and hiring	-	-	-	-	-	-		-	45	24		
Transfers and subsidies	4,129	564	42	4,735	4,541	194		95.9%	9,379	9,258		
Provinces and municipalities	594	-	-	594	400	194		67.3%	678	593		
Municipalities	594	-	-	594	400	194		67.3%	678	593		
Municipal bank accounts	-	-	-	-	-	-		-	678	593		
Municipal agencies and funds	-	-	-	-	-	-		-	-	-		
Departmental agencies and accounts	-	-	-	-	-	-		-	-	-		
Departmental agencies	-	-	-	-	-	-		-	-	-		
Households	-	-	-	-	-	-		-	774	773		
Social benefits	-	-	-	-	-	-		-	774	773		
Payments for capital assets	3,535	564	42	4,141	4,141	-		100.0%	7,927	7,892		
Machinery and equipment	3,535	564	42	4,141	4,141	-		100.0%	7,927	7,892		
Transport equipment	17,269	-	-	17,269	15,164	2,105		87.8%	13,068	10,962		
Other machinery and equipment	867	2,461	-	3,328	3,304	24		99.3%	2,850	2,031		
Payment for financial assets	16,402	(2,461)	-	13,941	11,860	2,081		85.1%	10,218	8,931		
	2,333	2,003	-	4,336	4,331	5		99.9%	-	-		
	410,858	-	-	410,858	391,351	19,507		95.3%	403,195	383,294		

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5
APPROPRIATION STATEMENT
for the year ended 31 March 2024

Programme 1: ADMINISTRATION									
	2023/24					2022/23			
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. OFFICE OF THE M.E.C									
2. MANAGEMENT SERVICES									
3. DEPUTY DIRECTOR GENERAL : CORPORATE MANAGEMENT SERVICES									
4. CORPORATE SERVICES									
5. INFORMATION MANAGEMENT									
6. FINANCIAL MANAGEMENT									

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5
APPROPRIATION STATEMENT
for the year ended 31 March 2024

Programme 2: SUSTAINABLE RESOURCE MANAGEMENT

	2023/24					2022/23			
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. <u>DEPUTY DIRECTOR GENERAL: SUSTAINABLE RESOURCE MANAGEMENT</u>	2,280	-	296	2,576	2,502	74	97.1%	2,437	2,414
2. <u>ECONOMIC AND FISCAL POLICY OVERSIGHT</u>	4,989	96	538	5,623	5,589	34	99.4%	4,708	4,665
3. <u>BUDGET AND PUBLIC FINANCE MANAGEMENT</u>	14,013	-	870	14,883	14,471	412	97.2%	14,333	13,694
4. <u>MUNICIPAL FINANCE AND GOVERNANCE IN THE LOCAL GOVERNMENT SPHERE</u>	33,805	(18)	(1,849)	31,938	29,599	2,339	92.7%	28,972	26,713
5. <u>INFRASTRUCTURE MANAGEMENT AND PUBLIC PRIVATE PARTNERSHIP</u>	10,950	(78)	145	11,017	10,898	119	98.9%	11,331	11,263
	66,037	-	-	66,037	63,059	2,978	95.5%	61,781	58,749
Economic classification									
Current payments	65,017	(18)	-	64,999	62,023	2,976	95.4%	61,217	58,185
Compensation of employees	55,637	(18)	-	55,619	54,745	874	98.4%	54,397	54,389
Salaries and wages	50,023	(70)	(222)	49,731	48,860	871	98.2%	48,739	48,734
Social contributions	5,614	52	222	5,888	5,885	3	99.9%	5,658	5,655
Goods and services	9,380	-	-	9,380	7,278	2,102	77.6%	6,820	3,796
Administrative fees	126	-	-	126	82	44	65.1%	2	2
Catering: Departmental activities	16	-	-	16	6	10	37.5%	118	27
Consultants: Business and advisory services	4,453	78	-	4,531	3,227	1,304	71.2%	830	125
Consumable: Stationery, printing and office supplies	1,137	(15)	-	1,122	885	237	78.9%	990	628
Operating leases	-	15	-	15	15	-	100.0%	-	-
Travel and subsistence	2,050	(78)	-	1,972	1,675	297	84.9%	3,745	2,128
Training and development	-	-	-	-	-	-	-	13	-
Venues and facilities	1,598	-	-	1,598	1,388	210	86.9%	1,102	886
Rental and hiring	-	-	-	-	-	-	-	20	-
Transfers and subsidies	769	18	-	787	786	1	99.9%	564	564
Households	769	18	-	787	786	1	99.9%	564	564
Social benefits	769	18	-	787	786	1	99.9%	564	564
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	251	-	-	251	250	1	99.6%	-	-
	66,037	-	-	66,037	63,059	2,978	95.5%	61,781	58,749

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5
APPROPRIATION STATEMENT
for the year ended 31 March 2024

Programme 3: ASSETS, LIABILITIES AND SUPPLY CHAIN MANAGEMENT

		2023/24						2022/23	
Sub programme	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. <u>DEPUTY DIRECTOR GENERAL: ASSETS, LIABILITIES & SUPPLY CHAIN MANAGEMENT</u> 2. <u>ASSETS AND LIABILITIES MANAGEMENT</u> 3. <u>PROVINCIAL SUPPLY CHAIN MANAGEMENT</u>	1,784	-	226	2,010	1,962	48	97.6%	1,872	1,839
	19,916	-	43	19,959	19,682	277	98.6%	18,962	17,733
	23,119	-	574	23,693	23,637	56	99.8%	25,510	25,132
	44,819	-	843	45,662	45,281	381	99.2%	46,344	44,704
Economic classification									
Current payments	43,412	-	843	44,255	43,874	381	99.1%	43,862	42,224
Compensation of employees	38,617	-	843	39,460	39,455	5	100.0%	38,490	38,487
Salaries and wages	34,266	(75)	548	34,739	34,737	2	100.0%	34,041	34,039
Social contributions	4,351	75	295	4,721	4,718	3	99.9%	4,449	4,448
Goods and services	4,795	-	-	4,795	4,419	376	92.2%	5,372	3,737
Administrative fees	1,729	-	-	1,729	1,674	55	96.8%	1,455	1,174
Catering: Departmental activities	166	-	-	166	128	38	77.1%	403	365
Consumable supplies	25	-	-	25	25	-	100.0%	30	-
Consumable: Stationery, printing and office supplies	1,367	-	-	1,367	1,211	156	88.6%	1,315	588
Travel and subsistence	1,502	(106)	-	1,396	1,277	119	91.5%	1,823	1,374
Operating payments	-	110	-	110	104	6	94.5%	-	-
Venues and facilities	6	(4)	-	2	-	2	-	346	236
Transfers and subsidies	1,176	-	-	1,176	1,176	-	100.0%	2,482	2,480
Households	1,176	-	-	1,176	1,176	-	100.0%	2,482	2,480
Social benefits	1,176	-	-	1,176	1,176	-	100.0%	2,482	2,480
Payment for financial assets	231	-	-	231	231	-	100.0%	-	-
	44,819	-	843	45,662	45,281	381	99.2%	46,344	44,704

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5
APPROPRIATION STATEMENT
for the year ended 31 March 2024

Programme 4: FINANCIAL GOVERNANCE									
	2023/24					2022/23			
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. <u>DEPUTY DIRECTOR GENERAL: FINANCIAL GOVERNANCE</u>	22,371	-	425	22,796	22,356	440	98.1%	25,600	24,668
2. ACCOUNTING SERVICES	17,444	-	(3)	17,441	16,943	498	97.1%	19,134	15,807
3. FINANCIAL MANAGEMENT INFORMATION SYSTEMS	22,453	-	537	22,990	20,255	2,735	88.1%	29,516	27,044
	62,268	-	959	63,227	59,554	3,673	94.2%	74,250	67,519
Economic classification									
Current payments	61,101	(1,946)	928	60,083	56,412	3,671	93.9%	66,503	59,828
Compensation of employees	38,479	-	928	39,407	39,403	4	100.0%	41,699	39,032
Salaries and wages	34,419	(418)	453	34,454	34,452	2	100.0%	35,376	34,149
Social contributions	4,060	418	475	4,953	4,951	2	100.0%	6,323	4,883
Goods and services	22,622	(1,946)	-	20,676	17,009	3,667	82.3%	24,804	20,796
Administrative fees	135	-	-	135	77	58	57.0%	19	18
Advertising	50	-	-	50	48	2	96.0%	-	-
Audit costs: External	160	(83)	-	77	-	77	-	-	-
Catering: Departmental activities	60	-	-	60	46	14	76.7%	42	23
Communication (G&S)	39	-	-	39	17	22	43.6%	31	28
Computer services	11,966	(1,946)	-	10,020	7,726	2,294	77.1%	13,618	12,894
Consultants: Business and advisory services	6,012	83	-	6,095	6,095	-	100.0%	6,910	6,341
Contractors	351	-	-	351	161	190	45.9%	283	-
Consumable: Stationery, printing and office supplies	350	-	-	350	350	-	100.0%	280	85
Travel and subsistence	1,594	-	-	1,594	1,117	477	70.1%	1,502	811
Training and development	533	(8)	-	525	415	110	79.0%	1,471	217
Operating payments	-	8	-	8	8	-	100.0%	30	28
Venues and facilities	1,372	-	-	1,372	949	423	69.2%	618	351
Transfers and subsidies	689	-	31	720	720	-	100.0%	2,547	2,546
Households	689	-	31	720	720	-	100.0%	2,547	2,546
Social benefits	689	-	31	720	720	-	100.0%	2,547	2,546
Payments for capital assets	-	-	-	-	-	-	-	5,200	5,145
Machinery and equipment	-	-	-	-	-	-	-	5,200	5,145
Other machinery and equipment	-	-	-	-	-	-	-	5,200	5,145
Payment for financial assets	478	1,946	-	2,424	2,422	2	99.9%	-	-
	62,268	-	959	63,227	59,554	3,673	94.2%	74,250	67,519

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5
APPROPRIATION STATEMENT
for the year ended 31 March 2024

Programme 5: SHARED INTERNAL AUDIT SERVICES

	2023/24					2022/23		
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Sub programme								
1. DEPUTY DIRECTOR GENERAL: SHARED INTERNAL AUDIT SERVICES	38,029	-	1,659	39,688	39,439	249	99.4%	41,453
	38,029	-	1,659	39,688	39,439	249	99.4%	40,015
Economic classification								
Current payments	37,891	-	1,648	39,539	39,287	252	99.4%	41,291
Compensation of employees	36,360	-	1,648	38,008	38,008	-	100.0%	38,168
Salaries and wages	32,141	-	707	32,848	32,848	-	100.0%	33,087
Social contributions	4,219	-	941	5,160	5,160	-	100.0%	5,081
Goods and services	1,531	-	-	1,531	1,279	252	83.5%	1,686
Administrative fees	20	-	-	20	20	-	100.0%	-
Catering: Departmental activities	-	-	-	-	-	-	-	1
Computer services	636	-	-	636	636	-	100.0%	647
Consultants: Business and advisory services	-	-	-	-	-	-	-	-
Travel and subsistence	805	-	-	805	623	182	77.4%	1,038
Operating payments	70	-	-	70	-	70	-	-
Transfers and subsidies	138	-	11	149	152	(3)	102.0%	161
Households	138	-	11	149	152	(3)	102.0%	161
Social benefits	138	-	11	149	152	(3)	102.0%	161
	38,029	-	1,659	39,688	39,439	249	99.4%	41,453
								40,015

Direct charges

	2023/24					2022/23		
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Sub programme								
1. MEMBER'S REMUNERATION	2,098	58	-	2,156	2,156	-	1	2,093
	2,098	58	-	2,156	2,156	-	100.0%	2,093
Economic classification								
Current payments	2,098	58	-	2,156	2,156	-	100.0%	2,093
Compensation of employees	2,098	58	-	2,156	2,156	-	100.0%	2,093
Salaries and wages	1,748	91	-	1,839	1,839	-	100.0%	1,784
Social contributions	350	(33)	-	317	317	-	100.0%	309
	2,098	58	-	2,156	2,156	-	100.0%	2,093

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5
NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2024

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 1A-1C of the Annual Financial Statements.

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

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

3. Detail on payments for financial assets

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

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

4.1 Per programme

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
Programme	R'000	R'000	R'000	%
ADMINISTRATION	196,244	184,018	12,226	6%
Underspending is attributed to non-core items in auxiliary services, ordered IT equipment not yet delivered at year end and delay in receipt of invoices from service providers.				
SUSTAINABLE RESOURCE MANAGEMENT	66,037	63,059	2,978	5%
Underspending is due to late receipt of invoices by service provider appointed by the department to assist with municipal support services.				
ASSETS, LIABILITIES AND SUPPLY CHAIN MANAGEMENT	45,662	45,281	381	1%
None				
FINANCIAL GOVERNANCE	63,227	59,554	3,673	6%
Delay in receipt of SITA invoices and forensic audit services not yet completed at year-end. Rescheduling of business continuity training to the new financial year.				
SHARED INTERNAL AUDIT SERVICES	39,688	39,439	249	1%
None				

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5
NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2024

4.2 Per economic classification

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Economic classification				
Current payments				
Compensation of employees	276,442	274,922	1,520	1%
Goods and services	108,076	92,393	15,683	15%
Transfers and subsidies				
Provinces and municipalities	594	400	194	33%
Households	4,141	4,141	-	0%
Payments for capital assets				
Machinery and equipment	17,269	15,164	2,105	12%
Payments for financial assets				
	4,336	4,331	5	0%
Total	410,858	391,351	19,507	5%

The underspending on Goods and services is due to late receipt of SITA invoices, municipal supports services invoices, forensic audits that were not completed at year-end and late receipt of invoices from other non-core service providers.

The underspending on Transfers and subsidies is mainly on municipal agency payments.

Payments for capital assets is due to ordered IT equipment not delivered before the financial year-end.

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2024

	Note	2023/24 R'000	2022/23 R'000
REVENUE			
Annual appropriation	<u>1</u>	408,702	401,102
Statutory appropriation	<u>2</u>	2,156	2,093
Departmental revenue	<u>3</u>	703,099	448,849
TOTAL REVENUE		1,113,957	852,044
EXPENDITURE			
Current expenditure			
Compensation of employees	<u>4</u>	274,922	271,187
Goods and services	<u>5</u>	92,393	96,833
Total current expenditure		367,315	368,020
Transfers and subsidies			
Transfers and subsidies	<u>7</u>	4,541	9,258
Total transfers and subsidies		4,541	9,258
Expenditure for capital assets			
Tangible assets	<u>8</u>	15,164	6,016
Total expenditure for capital assets		15,164	6,016
Payments for financial assets	<u>6</u>	4,331	-
TOTAL EXPENDITURE		391,351	383,294
SURPLUS/(DEFICIT) FOR THE YEAR		722,606	468,750
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds		19,507	19,901
Annual appropriation		19,507	19,901
Statutory Appropriation		-	-
Departmental revenue and NRF Receipts	<u>14</u>	703,099	448,849
SURPLUS/(DEFICIT) FOR THE YEAR		722,606	468,750

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5
STATEMENT OF FINANCIAL POSITION
as at 31 March 2024

	Note	2023/24 R'000	2022/23 R'000
ASSETS			
Current Assets		23,188	22,064
Cash and cash equivalents	<u>9</u>	23,079	19,599
Receivables	<u>11</u>	109	2,465
Non-Current Assets		37	19
Receivables	<u>11</u>	37	19
TOTAL ASSETS		23,225	22,083
LIABILITIES			
Current Liabilities		23,112	21,951
Voted funds to be surrendered to the Revenue Fund	<u>12</u>	19,507	19,901
Statutory Appropriation to be surrendered to the Revenue Fund	<u>13</u>	-	-
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>14</u>	3,451	1,484
Payables	<u>15</u>	154	566
TOTAL LIABILITIES		23,112	21,951
NET ASSETS		113	132
Represented by:			
Recoverable revenue		113	132
TOTAL		113	132

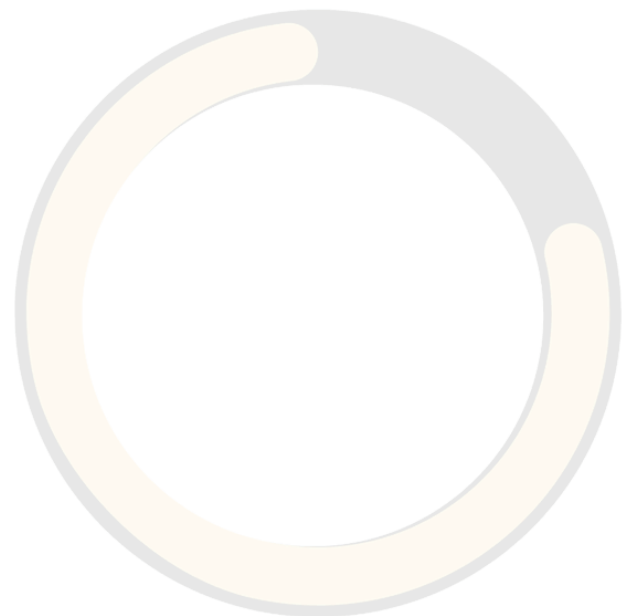
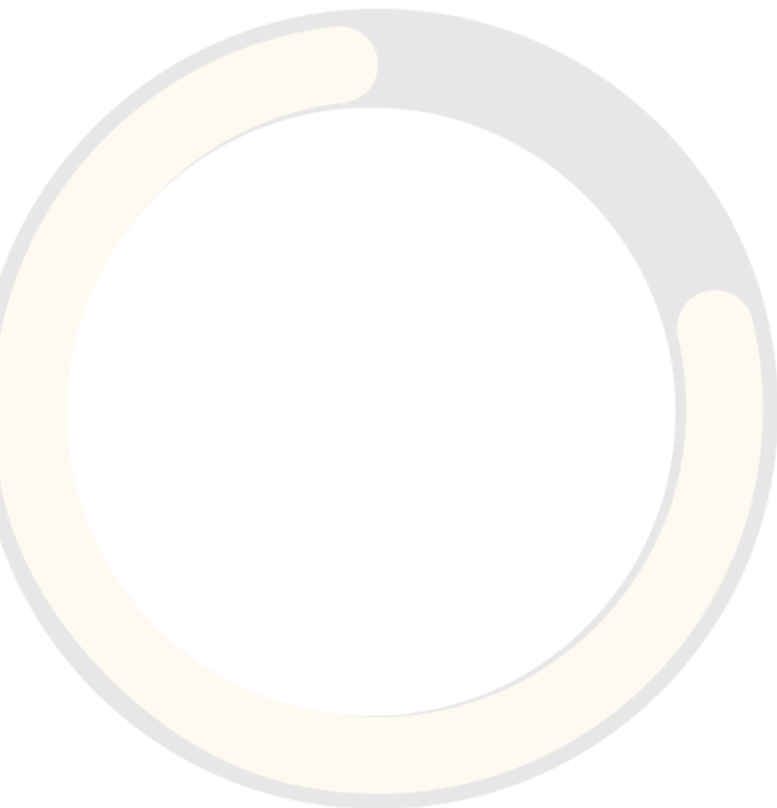
(LIMPOPO PROVINCIAL TREASURY)
VOTE 5
STATEMENT OF CHANGES IN NET ASSET
for the year ended 31 March 2024

NET ASSETS

Recoverable revenue

	2023/24	2022/23
Opening balance	132	175
Transfers	-19	-43
Irrecoverable amounts written off	-68	-
Debts revised	-	-
Debts recovered (included in departmental receipts)	-37	-52
Debts raised	86	9
Closing balance	113	132
TOTAL	113	132

6.1



(LIMPOPO PROVINCIAL TREASURY)
VOTE 5
CASH FLOW STATEMENT
for the year ended 31 March 2024

	Note	2023/24 R'000	2022/23 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		1,113,454	852,044
Annual appropriated funds received	<u>1</u>	408,702	401,102
Statutory appropriated funds received	<u>2</u>	2,156	2,093
Departmental revenue received	<u>3</u>	511	1,782
Interest received	<u>3.2</u>	702,085	447,067
Net (increase)/ decrease in working capital		1,944	415
Surrendered to Revenue Fund		-721,033	-461,394
Current payments		-367,315	-368,020
Payments for financial assets		-4,331	-
Transfers and subsidies paid		-4,541	-9,258
Net cash flow available from operating activities	<u>16</u>	18,178	13,787
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	<u>8</u>	-15,164	-6,016
Proceeds from sale of capital assets	<u>3.3</u>	503	-
(Increase)/decrease in non-current receivables	<u>11</u>	-18	308
Net cash flows from investing activities		-14,679	-5,708
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/ (decrease) in net assets		-19	-43
Net cash flows from financing activities		-19	-43
Net increase/ (decrease) in cash and cash equivalents		3,480	8,036
Cash and cash equivalents at beginning of period		19,599	11,563
Unrealised gains and losses within cash and cash equivalents		-	-
Cash and cash equivalents at end of period	<u>17</u>	23,079	19,599

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

4 PART A: ACCOUNTING POLICIES

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 on a going concern basis.
3.	Presentation currency Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department
4.	Rounding Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5.	Foreign currency translation Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.
6.	Comparative information
6.1	Prior period comparative information Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.
6.2	Current year comparison with budget A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
7.	Revenue
7.1	Appropriated funds Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

	<p>are recognised in the statement of financial performance on the date the adjustments become effective.</p> <p>Appropriated funds are measured at the amounts receivable.</p> <p>The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.</p>
7.2	<p>Departmental revenue</p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Departmental revenue is measured at the cash amount received.</p> <p>In-kind donations received are recorded in the notes to the financial statements on the date of receipt and are measured at fair value.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>
7.3	<p>Accrued departmental revenue</p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and the amount of revenue can be measured reliably. <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p> <p>Write-offs are made according to the department's debt write-off policy.</p>
8.	Expenditure
8.1	Compensation of employees
8.1.1	<p>Salaries and wages</p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
8.1.2	<p>Social contributions</p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p>
8.2	<p>Other expenditure</p> <p>Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p> <p>Donations made in kind are recorded in the notes to the financial statements on the date of transfer and are measured at cost or fair value.</p>

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

8.3	<p>Accruals and payables not recognised</p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements at cost or fair value at the reporting date.</p>
8.4	<p>Leases</p>
8.4.1	<p>Operating leases</p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. Operating lease payments received are recognised as departmental revenue.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>
8.4.2	<p>Finance leases</p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. Finance lease payments received are recognised as departmental revenue.</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> <p>cost, being the fair value of the asset; or</p> <p>the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.</p>
9.	<p>Cash and cash equivalents</p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.</p>
10.	<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> <p>Prepayments and advances are expensed in the statement of financial performance if the amount was budgeted for and immaterial.</p>
11.	<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>
12.	<p>Financial assets</p>
12.1	<p>Financial assets (not covered elsewhere)</p> <p>A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.</p>

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

	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.
12.2	<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>
13.	<p>Payables</p> <p>Payables recognised in the statement of financial position are recognised at cost.</p>
14.	<p>Capital assets</p>
14.1	<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 forms part of the cost of the existing asset when ready for use.</p>
14.2	<p>Intangible capital assets</p> <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p>

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

15.	Provisions and contingents
15.1	<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>
15.2	<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>
15.3	<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>
15.4	<p>Capital commitments</p> <p>Capital commitments are recorded at cost in the notes to the financial statements.</p>
16.	<p>Unauthorised expenditure</p> <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure. Unauthorised expenditure is recognised in the statement of changes in net assets until such time as the expenditure is either:</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 recorded in the notes to the financial statements comprise of</p> <ul style="list-style-type: none"> • unauthorised expenditure that was under assessment in the previous financial year; • unauthorised expenditure relating to previous financial year and identified in the current year; and • Unauthorised incurred in the current year.
17.	<p>Fruitless and wasteful expenditure</p> <p>Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.</p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of:</p>

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

	<ul style="list-style-type: none"> • fruitless and wasteful expenditure that was under assessment in the previous financial year; • fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and • fruitless and wasteful expenditure incurred in the current year.
18.	<p>Irregular expenditure</p> <p>Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.</p> <p>Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of:</p> <ul style="list-style-type: none"> • irregular expenditure that was under assessment in the previous financial year; • irregular expenditure relating to previous financial year and identified in the current year; and • irregular expenditure incurred in the current year.
19.	<p>Changes in accounting policies, estimates and errors</p> <p>Changes in accounting policies are applied in accordance with MCS requirements.</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>
20.	<p>Events after the reporting date</p> <p>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p>
21.	<p>Recoverable revenue</p> <p>Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>
22.	<p>Related party transactions</p> <p>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>The full compensation of key management personnel is recorded in the notes to the financial statements.</p>
23.	<p>Inventories</p> <p>At the date of acquisition, inventories are recognised at cost in the statement of financial performance.</p>

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

	<p>Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.</p> <p>Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.</p> <p>The cost of inventories is assigned by using the weighted average cost basis.</p>
24.	<p>Employee benefits</p> <p>The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is recorded in the Employee benefits note.</p> <p>Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date.</p> <p>The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>



(LIMPOPO PROVINCIAL TREASURY)
VOTE 5
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

1 Annual Appropriation

Programmes	2023/24			2022/23		
	Final Budget R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Final Budget R'000	Appropriation Received R'000	Funds not requested/ not received R'000
1) ADMINISTRATION	194,088	194,088	-	177,274	177,274	-
2) SUSTAINABLE RESOURCE MANAGEMENT	66,037	66,037	-	61,781	61,781	-
3) ASSETS, LIABILITIES AND SUPPLY CHAIN	45,662	45,662	-	46,344	46,344	-
4) FINANCIAL GOVERNANCE	63,227	63,227	-	74,250	74,250	-
5) SHARED INTERNAL AUDIT SERVICES	39,688	39,688	-	41,453	41,453	-
Total	408,702	408,702	-	401,102	401,102	-

2 Statutory Appropriation

MEMBER'S REMUNERATION

2023/24 R'000	2022/23 R'000
2,156	2,093
2,156	2,093

Actual Statutory Appropriation received

2,156

Statutory Appropriation not requested / not received

-

Included in Statutory actual Appropriation is an amount of R58 thousand in arrears backdated from 2022/23 financial year.

3 Departmental Revenue

Sales of goods and services other than capital assets

Note	2023/24 R'000	2022/23 R'000
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Interest, dividends and rent on land

702,085

Sales of capital assets

503

Transactions in financial assets and liabilities

110

Total revenue collected

703,099

Less: Own revenue included in appropriation

-

Departmental revenue collected

703,099

Revenue collection improved as a result of Interest on favourable bank balance as well as proceeds from Auction conducted / held.

Reduction in Transactions in Financial Assets and liabilities is due to slow recovery on debts as well as reduced debt account balance due to write offs.

	Note	2023/24 R'000	2022/23 R'000
3.1 Sales of goods and services other than capital assets	3		
Sales of goods and services produced by the department		259	255
Sales by market establishment		105	95
Other sales		154	160
Sales of scrap, waste and other used current goods		142	5
Total		401	260
3.2 Interest, dividends and rent on land	3		
Interest		702,085	447,067
Total		702,085	447,067
3.3 Sales of capital assets	3		
Tangible capital assets		503	-
Machinery and equipment		503	-
Total		503	-

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

	Note	2023/24 R'000	2022/23 R'000
3.4 Transactions in financial assets and liabilities	3		
Other Receipts including Recoverable Revenue		110	1,522
Total		110	1,522
	Note	2023/24 R'000	2022/23 R'000
3.5.1 Gifts, donations and sponsorships received in-kind (not included in the main note or sub note)	ANNEXURE 1D		
Donations		570	192
Sponsorships		799	-
Total		1,369	192
	Note	2023/24 R'000	2022/23 R'000
4 Compensation of Employees			
4.1 Salaries and wages			
Basic salary		196,881	189,129
Service Based		313	301
Compensative/circumstantial		1,487	1,933
Other non-pensionable allowances		42,695	47,542
Total		241,376	238,905
	Note	2023/24 R'000	2022/23 R'000
4.2 Social Contributions			
Employer contributions			
Pension		24,750	23,624
Medical		8,751	8,615
Bargaining council		45	43
Total		33,546	32,282
Total compensation of employees		274,922	271,187
Average number of employees		378	373
	Note	2023/24 R'000	2022/23 R'000
5 Goods and services			
Administrative fees		1,972	1,194
Advertising		737	836
Minor assets	<u>5.1</u>	61	359
Bursaries (employees)		1,734	1,095
Catering		240	553
Communication		3,862	4,001
Computer services	<u>5.2</u>	17,439	21,246
Consultants: Business and advisory services		9,792	6,924
Legal services		1,322	1,354
Contractors		375	312
Audit cost – external	<u>5.3</u>	6,230	5,778
Fleet services		1,473	1,860
Inventories	<u>5.4</u>	-	4,957
Consumables	<u>5.5</u>	5,877	5,106
Operating leases		12,530	16,308
Property payments	<u>5.6</u>	15,019	13,240
Rental and hiring		-	24
Transport provided as part of the departmental activities		56	-
Travel and subsistence	<u>5.7</u>	8,037	8,071
Venues and facilities		2,895	1,780
Training and development		1,986	1,294
Other operating expenditure	<u>5.8</u>	756	541
Total		92,393	96,833

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

	Note	2023/24 R'000	2022/23 R'000
5.1 Minor assets	5		
Tangible capital assets		61	359
Machinery and equipment		61	359
Total		61	359
5.2 Computer services	5		
SITA computer services		11,501	14,553
External computer service providers		5,938	6,693
Total		17,439	21,246
5.3 Audit cost – external	5		
Regularity audits		6,230	5,778
Total		6,230	5,778
5.4 Inventories	5		
Other supplies	5.4.1	-	4,957
Total		-	4,957
5.4.1 Other Supplies			
Assets for distribution		-	4,957
Machinery and equipment		-	4,957
Total	5.4	-	4,957

Inventory items that were transferred to the departments were incorrectly classified as Assets and have been rectified.

	Note	2023/24 R'000	2022/23 R'000
5.5 Consumables	5		
Consumable supplies		1,571	1,637
Uniform and clothing		140	-
Household supplies		601	344
Building material and supplies		18	-
IT consumables		22	312
Other consumables		790	981
Stationery, printing and office supplies		4,306	3,469
Total		5,877	5,106
5.6 Property payments	5		
Municipal services		2,820	2,974
Property maintenance and repairs		710	1,067
Other		11,489	9,199
Total		15,019	13,240
5.7 Travel and subsistence	5		
Local		7,922	7,959
Foreign		115	112
Total		8,037	8,071

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

		2023/24 R'000	2022/23 R'000
5.8 Other operating expenditure	Note 5		
Professional bodies, membership and subscription fees		400	308
Resettlement costs		150	164
Other		206	69
Total		756	541
		2023/24 R'000	2022/23 R'000
5.9 Remuneration of members of a commission or committee of inquiry (Included in Consultants: Business and advisory services)			
Name of Commission / Committee of inquiry			
Risk Committee		146	121
Audit Committee		5,236	5,281
Total		5,382	5,402
		2023/24 R'000	2022/23 R'000
6 Payments for financial assets	Note		
Material losses through criminal conduct		1,945	-
Theft	6.1	1,945	-
Debts written off	6.2	2,386	-
Total		4,331	-

During the year the department suffered a loss of R1 945 million due fraudulent payments that were made from our bank account to companies that did not render a service to the department.

		2023/24 R'000	2022/23 R'000
6.1 Debts written off	Note 6		
Nature of debts written off			
Recoverable revenue written off			
Losses/ Damages official Assets		68	-
Total		68	-
Other debt written off			
Breach of Contract		37	-
Leave without Pay		28	-
Tax Debt		9	-
SARS tax debts		2,244	-
Total		2,318	-
Total debt written off		2,386	-
		2023/24 R'000	2022/23 R'000
6.2 Details of theft	Note 6		
Nature of theft			
(Group major categories, but list material items)			
Fraudulent payments		1,945	-
Total		1,945	-

During the year the department suffered a loss of R1 945 million due fraudulent payments that were made from our bank account to companies that did not render a service to the department.

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

	<i>Note</i>	2023/24 R'000	2022/23 R'000
7 Transfers and Subsidies			
Provinces and municipalities	30	400	593
Departmental agencies and accounts	ANNEXURE 1B	-	773
Households	ANNEXURE 1C	4,141	7,892
Total		4,541	9,258
	<i>Note</i>	2023/24 R'000	2022/23 R'000
7.1 Gifts, donations and sponsorships made in kind (not included in the main note)			
	ANNEXURE 1E		
Donations		16	232
Sponsorships		625	-
Total		641	232
	<i>Note</i>	2023/24 R'000	2022/23 R'000
8 Expenditure for capital assets			
Tangible capital assets		15,164	6,016
Machinery and equipment		15,164	6,016
Total		15,164	6,016
8.1 Analysis of funds utilised to acquire capital assets - 2023/24			
	Voted Funds	Aid assistance	TOTAL
	R'000	R'000	R'000
Tangible capital assets	15,164	-	15,164
Machinery and equipment	15,164	-	15,164
Total	15,164	-	15,164
8.2 Analysis of funds utilised to acquire capital assets - 2022/23			
	Voted Funds	Aid assistance	TOTAL
	R'000	R'000	R'000
Tangible capital assets	6,016	-	6,016
Machinery and equipment	6,016	-	6,016
Total	6,016	-	6,016
8.3 Finance lease expenditure included in Expenditure for capital assets		2023/24 R'000	2022/23 R'000
Tangible capital assets			
Machinery and equipment		2,374	1,184
Total		2,374	1,184
	<i>Note</i>	2023/24 R'000	2022/23 R'000
9 Cash and Cash Equivalents			
Consolidated Paymaster General Account		23,079	19,599
Total		23,079	19,599

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

		Note	2023/24 R'000	2022/23 R'000	
10 Prepayments and Advances					
10.1 Prepayments (Expensed)					
	Balance as at 1 April 2023	Less: Received in the current year	Less: Other	Add: Current Year prepaymen ts	Amount as at 31 March 2024
	R'000	R'000	R'000	R'000	R'000
Listed by economic classification					
Goods and services	1,281	-1,281			-
Total	1,281	-1,281	-	-	-
	Balance as at 1 April 2022	Less: Received in the current year	Add/Less: Other	Add: Current Year prepaymen ts	Amount as at 31 March 2023
	R'000	R'000	R'000	R'000	R'000
Prepayments (Expensed)					
Listed by economic classification					
Goods and services	-	-	-	1,281	1,281
Total	-	-	-	1,281	1,281

The 2022/23 prepayments was for office rental prepaid for April 2023

	Note	2023/24			2022/23		
		Current R'000	Non-current R'000	Total R'000	Current R'000	Non-current R'000	Total R'000
11 Receivables							
Recoverable expenditure	11.1	3	-	3	21	-	21
Staff debt	11.2	45	37	82	166	19	185
Other receivables	11.3	61		61	2,278	-	2,278
Total		109	37	146	2,465	19	2,484
	Note	2023/24 R'000			2022/23 R'000		
11.1 Recoverable expenditure	11						
Salary Related				3			21
Total				3			21
	Note	2023/24 R'000			2022/23 R'000		
11.2 Staff debt	11						
Loss of Official Laptop				26			127
Overpayment on Salary				2			12
Tax Debt				5			17
Leave Without Pay				-			28
Damage to state vehicle				18			1
Bursary Debt				31			-
Total				82			185
	Note	2023/24 R'000			2022/23 R'000		
11.3 Other receivables	11						
Unauthorised expenditure				-			-
Irregular expenditure				-			-
Fruitless and wasteful expenditure				-			-
Tax Debt				7			2
Overpayment on Salary				19			2,237
Loss of Laptop				13			39
Bursary Debt				22			-
Total				61			2,278
	Note	2023/24 R'000			2022/23 R'000		
11.4 Impairment of receivables							
Estimate of impairment of receivables				66			-
Total				66			-

Impairment is done on long outstanding debts that are deemed to be irrecoverable.

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

	Note	2023/24 R'000	2022/23 R'000
12 Voted Funds to be surrendered to the Revenue Fund			
Opening balance		19,901	14,015
As restated		19,901	14,015
Transfer from statement of financial performance (as restated)		19,507	19,901
Paid during the year		-19,901	-14,015
Closing balance		19,507	19,901
	Note	2023/24 R'000	2022/23 R'000
13 Statutory Appropriation to be surrendered to the Revenue Fund			
Opening balance		-	-
Transfer from Statement of Financial Performance (as restated)		-	-
Statutory Appropriation not requested / not received	2	-	-
Paid during the year		-	-
Closing balance		-	-
	Note	2023/24 R'000	2022/23 R'000
14 Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund			
Opening balance		1,484	14
Transfer from Statement of Financial Performance (as restated)		703,099	448,849
Own revenue included in appropriation		-	-
Paid during the year		-701,132	-447,379
Closing balance		3,451	1,484
	Note	2023/24 R'000	2022/23 R'000
15 Payables - current			
Amounts owing to other entities		25	-
Clearing accounts	15.1	129	566
Total		154	566
	Note	2023/24 R'000	2022/23 R'000
15.1 Clearing accounts	15		
Salary Related		59	566
Government Employees Housing Scheme Refund		70	-
Total		129	566
<i>Refund due to an employee from G E H S</i>			
	Note	2023/24 R'000	2022/23 R'000
16 Net cash flow available from operating activities			
Net surplus/(deficit) as per Statement of Financial Performance		722,606	468,750
Add back non cash/cash movements not deemed operating activities		-704,428	-454,963
(Increase)/decrease in receivables		2,356	-92
Increase/(decrease) in payables – current		-412	507
Proceeds from sale of capital assets		-503	-
Expenditure on capital assets		15,164	6,016
Surrenders to Revenue Fund		-721,033	-461,394
Net cash flow generated by operating activities		18,178	13,787
	Note	2023/24 R'000	2022/23 R'000
17 Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster General account		23,079	19,599
Total		23,079	19,599

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

			2023/24 R'000	2022/23 R'000
18	Contingent liabilities and contingent assets	Note		
18.1	Contingent liabilities			
	Liable to	Nature		
	Housing loan guarantees	Employees	Annex 2A	-
	Claims against the department		Annex 2B	251,755
	Other		Annex 2B	-
	Total		251,755	251,862

Contingent liabilities on counter claim lodged against the department by the supplier for breach of contract.

The department is a defended in a matter relating to breach of contract. Pleadings were exchanged and the claimant had left the matter pending.

It is impractical to disclose any possibility of reimbursement as the matters are still before court and are being defended.

18.2	Contingent assets		2023/24 R'000	2022/23 R'000
	Nature of contingent asset	Note		
	Claims against a Supplier		98,486	98,486
	Cell phone over utilisation		-	131
	Refund due from Service Provider		113	-
	Total		98,599	98,617

Claims lodged by the department against the supplier for breach of contract and also a refund due from the service provider.

		2023/24 R'000	2022/23 R'000
19	Capital commitments		
	Machinery and equipment	1,958	2,407
	Total	1,958	2,407

The outstanding capital commitments are for: procurement of IT related capital assets which were not yet delivered by the end of the financial year.

			2023/24 R'000	2022/23 R'000
20	Accruals and payables not recognised			
20.1	Accruals			
	Listed by economic classification	30 days	30+ days	Total
	Goods and services	1,883	1,458	3,341
	Total	1,883	1,458	3,341

		2023/24 R'000	2022/23 R'000
	Listed by programme level		
	Administration	2,916	3,447
	Sustainable Resources Management	136	223
	Assets, Liabilities and Supply Chain Management	61	83
	Financial Governance	186	162
	Shared Internal Audit Services	42	76
	Total	3,341	3,991

20.2	Payables not recognised		2023/24 R'000	2022/23 R'000
	Listed by economic classification	30 days	30+ days	Total
	Goods and services	336	-	336
	Transfers and subsidies		842	842
	Capital assets	155		155
	Total	491	842	1,333

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

		2023/24	2022/23
Listed by programme level	Note	R'000	R'000
Administration		1,144	71
Sustainable Resources Management		1	1
Assets, Liabilities and Supply Chain Management		28	18
Financial Governance		154	14
Shared Internal Audit Services		6	21
Total		1,333	125

		2023/24	2022/23
	Note	R'000	R'000
21 Employee benefits			
Leave entitlement		12,636	12,351
Service bonus		7,663	6,969
Performance awards		-	-
Capped leave		17,816	19,673
Other		7,277	7,024
Total		45,392	46,017

Leave Entitlement is a net negative of R304 thousands due to some employees utilising their new leave cycle credits (1 January 2024 – 31 December 2024) in excess of accrued days as at 31 March 2024.

Leave captured after 31 March 2024 amounting to R369 thousand was deducted from leave entitlement whilst R9 thousand was deducted from capped leave.

Included in other employee benefits is an amount in relation to long service awards and pay progression estimate. Service Bonus Liability include an accrual for R22 thousand due to an employee as well as R314 due to ex-employees.

22 Lease commitments

22.1 Operating leases

2023/24	Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	9,361	-	9,361
Later than 1 year and not later than 5 years	-	-	36,541	-	36,541
Total lease commitments	-	-	45,902	-	45,902
2022/23	Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	15,749	-	15,749
Later than 1 year and not later than 5 years	-	-	629	-	629
Total lease commitments	-	-	16,378	-	16,378

The department had a lease contract for office and parking space at 27 Hans van rensburg at a cost of R295 thousand from October 22 to May 2023, and then the rental escalated to R314 thousand from June 2023 to May 2024 however the department bought the building with effect from 25 March 2024.

For the other buildings the department has a month to month contract and management has decided to continue to occupy the buildings for a determined lease term and therefore the lease commitment is being calculated based on the past practice for the 12 month period.

22.2 Finance leases

2023/24	Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	656	656
Later than 1 year and not later than 5 years	-	-	-	59	59
Total lease commitments	-	-	-	715	715

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

2022/23	Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	1,361	1,361
Later than 1 year and not later than 5 years	-	-	-	384	384
Total lease commitments	-	-	-	1,745	1,745

Finance leases above include commitment amount for cell phone devices on which the department is participating on transversal RT15 contract.

	Note	2023/24 R'000	2022/23 R'000
23 Unauthorised, Irregular and Fruitless and wasteful expenditure			
Unauthorised expenditure		-	-
Irregular expenditure		-	966
Fruitless and wasteful expenditure		-	-
Total		-	966

During the Audit of 2022/23, AGSA identified several transactions as irregular expenditure. Of the identified transactions, five(5) transactions were confirmed as irregular expenditure to the value of R600 thousand. All the five(5) transactions were assessed and determination performed before 31 March 2024 and were submitted to the relevant authority for condonment. As at 31 May 2024, all transactions were condoned. Three (3) transactions which were previously removed as not meeting the definition of irregular expenditure based on the communique received from SITA in Limpopo, were reversed during the audit. The reversal was necessitated by the technical opinion obtained by AGSA from National SITA. The transactions in question amount to R366 and these transaction will be dealt with in terms of the compliance and reporting framework.

24 Related party transactions	Note	2023/24 R'000	2022/23 R'000
In-kind goods and services (provided)/received			
<i>List in kind goods and services between department and related party</i>			
Handheld scanners and Money detectors allocated to Provincial Departments		5,456	-
Secondment for Acting HOD to Limpopo department of Public Works, roads and Infrastructure		1,549	-
Provincial Treasury renders transversal functions in relation to Audit Committees to all provincial departments, excluding the Provincial Legislature.		4,849	4,875
Provincial Treasury renders transversal functions in relation to Internal Audit to all provincial departments, excluding the Provincial Legislature.		36,715	35,875
Modimolle Municipality		-	206
The Department of Treasury provided in-kind goods to Limpopo Department of Sports, arts and culture -20 000 RFID Tags, resulting in a related party transaction		-	85
Total		48,569	41,041

List related party relationships and the nature thereof

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, the Tender Advice Center in Mopani Giyani and in the Thohoyandou government complex in Vhembe.
2. Provincial Treasury is related to all government departments in Limpopo because we are under common control of the Legislature.
3. Provincial Treasury paid the cost to implement the Asset Management System BAUD for all provincial departments however the cost cannot be quantified in terms of each department.
4. Provincial Treasury rendered support to a number of Municipalities, Public entities and departments in the province, however the cost cannot be quantified.
5. Provincial Treasury has sourced a provincial Risk Management Software which is used by all Provincial departments at no cost.
6. Provincial Treasury bought scanners and also donated money detectors to all departments.
7. Provincial Treasury seconded an official to act as Head of Department for Limpopo Department of Public Works, Roads and Infrastructure.

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

	2023/24 R'000	2022/23 R'000
25 Key management personnel		
Political office bearers (Member of Executive Council)	2 156	2 093
Officials:		
Level 15 to 16	9 689	10 434
Level 14 (inc CFO)	17 630	15 404
Level 13	8 801	11 049
Family members of key management personnel	-	-
Total	38 276	38 980

26 Non-adjusting events after reporting date

As at 31 May 2024, the Accounting Officer authorized the issue of financial statements and contingent liabilities were reported in the books of the department:

The department was defended on the matter brought by the appellant as disclosed in the contingent liability note due to contract dispute. The matter was heard by the Gauteng North High Court on the 08 February 2023 and judgement was reserved. On the 21st June 2024 judgement was handed down in favour of the Appellant (service provider). LPT has petitioned the Supreme Court of Appeal for leave to appeal and await the outcome. It is impractical to disclose any possibility of reimbursement as the Supreme Court of Appeal has been petitioned for an appeal against the judgement issued and its decision is awaited.

27 Movable Tangible Capital Assets

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

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT	61 726		12 980	7 840	66 866
Transport assets	11 500		3 304	1 470	13 334
Computer equipment	36 577		5 352	5 823	36 106
Furniture and office equipment	7 564		257	92	7 729
Other machinery and equipment	6 085		4 067	455	9 697
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	61 726	-	12 980	7 840	66 866

*The total expenditure to date is R15.164 million less finance lease of R2.374 million plus R154 thousand accruals and R36 thousand non cash addition will equate to the total assets addition of R12.980 million .
Total of disposed assets for the year amount to R7. 840 million as a result of write offs of R36 thousand, assets transfered out valued at R3. 546 million and assets auctioned to a value of R4. 258 million.*

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	4	77

Assets that could not be located at their respective locations and referred to Security and Investigation unit for further Investigations

27,1 Movement for 2022/23

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

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT	57 128	-4 946	9 778	234	61 726
Transport assets	9 469	-	2 031	-	11 500
Computer equipment	34 562	-	2 134	119	36 577
Furniture and office equipment	7 284	-4 946	5 321	95	7 564
Other machinery and equipment	5 813	-	292	20	6 085
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	57 128	-4 946	9 778	234	61 726

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

27.1.1	Prior period error	Note	2022/23 R'000
	Nature of prior period error		-4,946
	Inventory items incorrectly classified as assets		-4,946
	Total		-4,946

Inventory items that were transferred to the departments were incorrectly classified as Assets and have been rectified.

27.2 Minor assets

MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	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	-	-	-	9,568	-	9,568
Value adjustments						-
Additions	-	-	-	132	-	132
Disposals	-	-	-	725	-	725
TOTAL MINOR CAPITAL ASSETS	-	-	-	8,975	-	8,975

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	72	-	72
Number of minor assets at cost	-	-	-	4,183	-	4,183
TOTAL NUMBER OF MINOR	-	-	-	4,255	-	4,255

There are no assets under investigations, The additions of R132 thousand include accruals of R71 thousand.

Minor assets

MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	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	-	-	-	9,217	-	9,217
Prior period error	-	-	-	-11	-	-11
Additions	-	-	-	380	-	380
Disposals	-	-	-	18	-	18
TOTAL MINOR CAPITAL ASSETS	-	-	-	9,568	-	9,568

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	72	-	72
Number of minor assets at cost	-	-	-	4,490	-	4,490
TOTAL NUMBER OF MINOR	-	-	-	4,562	-	4,562

27.2.1	Prior period error	Note	2022/23 R'000
	Nature of prior period error		-11
	Inventory items incorrectly classified as assets		-11
	Total		-11

Thirteen (13) Inventory items to the value of R11 thousand that were transferred to the departments were incorrectly classified as Assets and have been rectified.

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

27.3 Movable tangible capital assets written off

MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2024

	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
Assets written off	-	-	-	36	-	36
TOTAL MOVABLE ASSETS	-	-	-	36	-	36

MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2023

	Specialis- ed military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	175	-	175
TOTAL MOVABLE ASSETS	-	-	-	175	-	175

During 2023/24 two laptops were written off to the value of R36 thousand.

28 Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
SOFTWARE	638	-	638	-
TOTAL INTANGIBLE CAPITAL ASSETS	638	-	638	-

Software to the value of R638 thousand was discontinued and written off.

Movement for 2022/23

28.1 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	638	-	-	-	638
TOTAL INTANGIBLE CAPITAL ASSETS	638	-	-	-	638

29 Prior period errors

	Note	Amount bef error correction	2022/23 Prior period error	Restated amount
		R'000	R'000	R'000
29.1 Correction of prior period errors				
<i>Expenditure: Goods and services, Tangible capital assets</i>				
Capital Expenditure: Machinery and Equipment	10	10,962	-4,946	6,016
Good and Services: Minor Assets	6	370	-11	359
Inventories: Assets for Distribution	6	-	4,957	4,957
Net effect		11,332	-	11,332

Inventory items that were transferred to the departments were incorrectly classified as Assets and have been rectified.

Assets: Movable tangible capital assets

Capital Expenditure: Furniture and Office Equipment	38	12,510	-4,946	7,564
Minor Assets:	38	9,579	-11	9,568
Inventories: Assets for Distribution	44	-	4,957	4,957
Net effect		22,089	-	22,089

Inventory items that were transferred to the departments were incorrectly classified as Assets and have been rectified.

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

30 INVENTORIES

30.1 Inventories for the year ended 31 March 2024

		MONEY			Total
		SCANNER	DETECTOR		
		S	S		
Note	R'000	R'000	R'000	R'000	R'000
<u>Annexure 5</u>					
Opening balance	4,946	11	-	-	4,957
Add/(Less): Adjustments to prior year balances	-	-	-	-	-
Add: Additions/Purchases - Cash	-	-	-	-	-
Add: Additions - Non-cash	-	554	-	-	554
(Less): Disposals	-	-	-	-	-
(Less): Issues	-4,946	-565	-	-	-5,511
Add/(Less): Received current, not paid (Paid current year, received prior year)	-	-	-	-	-
Add/(Less): Adjustments	-	-	-	-	-
Closing balance	-	-	-	-	-

Handheld scanners and money detectors distributed to departments.

Inventories for the year ended 31 March 2023

		MONEY			Total
		SCANNER	DETECTOR		
		S	S		
Note	R'000	R'000	R'000	R'000	R'000
<u>Annexure 5</u>					
Opening balance	-	-	-	-	-
Add/(Less): Adjustments to prior year balances	-	-	-	-	-
Add: Additions/Purchases - Cash	4,946	11	-	-	4,957
Add: Additions - Non-cash	-	-	-	-	-
(Less): Disposals	-	-	-	-	-
(Less): Issues	-	-	-	-	-
Add/(Less): Received current, not paid (Paid current year, received prior year)	-	-	-	-	-
Add/(Less): Adjustments	-	-	-	-	-
Closing balance	4,946	11	-	-	4,957

Handheld scanners and money detectors acquired for distributions to departments.

31

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS TO MUNICIPALITIES

	2023/24							2022/23	
	GRANT ALLOCATION				TRANSFER				
	DoRA and other transfers	Roll Overs	Adjustment s	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	DoRA and other transfers	Actual Transfer
NAME OF MUNICIPALITY	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Polokwane Municipality	614	-	-	614	400	-	-	678	593
	614	-	-	614	400	-	-	678	593

The transfers and subsidies expenditure above is for Municipal Rates and Taxes and renewal of Motor Vehicle Licenses

32. Broad Based Black Economic Empowerment performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

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

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2022/23	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	DoRA and other transfers	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Polokwane Municipality	614	-	-	614	400	-	-	-	-	-	-	678	593
Total	614	-	-	614	400	-	-	-	-	-	-	678	593

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

The transfers and subsidies expenditure above is for Municipal Rates and Taxes and renewal of Motor Vehicle Licenses

ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENTAL AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2022/23	
	Adjusted budget	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Final Budget	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Skills Development Levy	-	-	-	-	-	-	774	773
Total	-	-	-	-	-	-	774	773

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

ANNEXURE 1C

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2022/23	
	Adjusted Budget	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Final Budget	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
Injury on Duty	22	-	-	22	21	95.5%	-	-
Leave Gratuity	4,119	-	-	4,119	4,120	100.0%	7,542	7,877
Claims Against Department		-	-	-	-		20	15
	4,141	-	-	4,141	4,141		7,562	7,892
Total	4,141	-	-	4,141	4,141		7,562	7,892

ANNEXURE 1D

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

		2023/24	2022/23
NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	R'000	R'000
Received in kind			
Donations			
Standard Bank South Africa	Money Detectors	554	37
ABSA		-	155
Makro	Sanitary Towels	16	-
Total donations		570	192
Sponsorships			
	Training on Public Sector Advanced Accounting Qualification	525	-
Standard Bank of South Africa	Provincial Budget Day Catering	174	-
Standard Bank of South Africa	Retail Christmas Vouchers	100	-
Total sponsorships		799	-
Subtotal - received in kind		1,369	192
TOTAL GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED		1,369	192

ANNEXURE 1E

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2023/24	2022/23
	R'000	R'000
Made in kind		
Gifts		
Donations		
ABSA (School Uniform)	-	155
Computer hardware: Major Assets (Kgaogelo Disability Center)	-	15
Office Furniture: Major Assets (Kgaogelo Disability Center)	-	6
Computer hardware: Major Assets (Stop Gender Based Violence)	-	27
Office Furniture: Major Assets (Stop Gender Based Violence)	-	11
Office Furniture: Minor Assets (Kgaogelo Disability Center)	-	6
Computer hardware: Minor Assets (Stop Gender Based Violence)	-	6
Office Furniture: Minor Assets (Stop Gender Based Violence)	-	6
Sanitary Towels	16	-
Total donations	16	232
Sponsorships		
Training on Public Sector Advanced Accounting Qualification	525	-
Retail Christmas Vouchers (Community Responsiveness Programme Lenyenye)	100	-
Total sponsorships	625	-
	-	-
TOTAL GIFTS, DONATIONS AND SPONSORSHIPS MADE IN KIND	641	232

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

ANNEXURE 2A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2024 - LOCAL

GUARANTOR INSTITUTION	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2023	Guarantees draw downs during the year	Guaranteed repayments/ cancelled/ reduced during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2024	Revaluations due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2024
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Motor vehicles								
	Housing								
Risima Housing Finance Corporation	Housing	-	107	-	107	-	-	-	-
	Subtotal	-	107	-	107	-	-	-	-
	Total	-	107	-	107	-	-	-	-

ANNEXURE 2B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2024

NATURE OF LIABILITY	Opening balance 1 April 2023	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2024
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Contractual Dispute by Supplier	250,000	-	-	-	250,000
Breach of Security Service contract	1,755	-	-	-	1,755
Subtotal	251,755	-	-	-	251,755
TOTAL	251,755	-	-	-	251,755

ANNEXURE 3

CLAIMS RECOVERABLE

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Limpopo Department of Public Works, Roads and Infrastructure	-	-	94	-	94	-
SAPS	-	68	-	-	-	68
	-	68	94	-	94	68
OTHER GOVERNMENT ENTITIES						
Modimolle-Mookgophong Municipality	-	-	-	216	-	216
	-	-	-	-	-	-
	-	-	-	216	-	216
Total	-	68	94	216	94	284

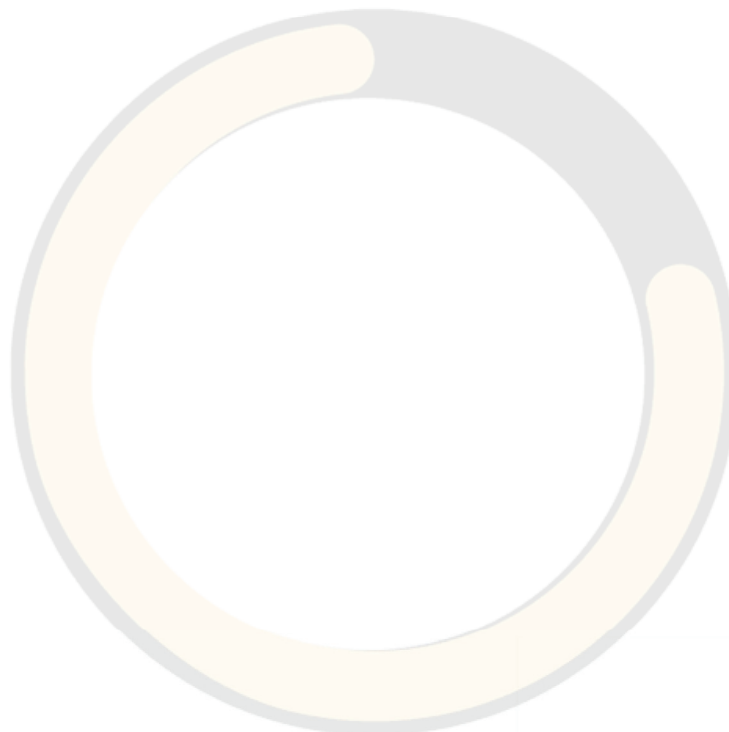
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VOTE 5
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

**ANNEXURE 4
INVENTORIES**

INVENTORIES FOR THE YEAR ENDED 31 MARCH 2024	Note	MONEY		TOTAL
		SCANNERS	DETECTORS	
		R'000	R'000	R'000
Opening balance	29	4,946	11	4,957
Add/(Less): Adjustments to prior year balances		-	-	-
Add: Additions/Purchases - Cash		-	-	-
Add: Additions - Non-cash		-	554	554
(Less): Disposals		-	-	-
(Less): Issues		(4,946)	(565)	(5,511)
Add/(Less): Received current, not paid (Paid current year, received prior year)		-	-	-
Add/(Less): Adjustments		-	-	-
Closing balance		-	-	-

INVENTORIES FOR THE YEAR ENDED 31 MARCH 2023	Note	MONEY		TOTAL
		SCANNERS	DETECTORS	
		R'000	R'000	R'000
Opening balance	29	-	-	-
Add/(Less): Adjustments to prior year balances		-	-	-
Add: Additions/Purchases - Cash		4,946	-	4,946
Add: Additions - Non-cash		-	11	11
(Less): Disposals		-	-	-
(Less): Issues		-	-	-
Add/(Less): Received current, not paid (Paid current year, received prior year)		-	-	-
Add/(Less): Adjustments		-	-	-
Closing balance		4,946	11	4,957

Inventory items that were transferred to the departments were incorrectly classified as Assets and have been rectified.





LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

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PR 148/2024

ISBN: 978-0-621-52112-2

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