



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

ANNUAL REPORT

2018/2019

We are the best in what we do

The heartland of southern Africa - development is about people

DEPARTMENT OF TREASURY
PROVINCE OF LIMPOPO

VOTE NO. 05

ANNUAL REPORT
2018/2019 FINANCIAL YEAR

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PART A:

GENERAL INFORMATION



1. DEPARTMENT GENERAL INFORMATION

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“

A fundamental concern for others in our individual and community lives would go a long way in making the world the better place we so passionately dreamt of.
- Nelson Mandela

”



2. LIST OF ABBREVIATIONS/ACRONYMS

| | | | |
|-------|---|-------|---|
| AC | Audit Committee | GITO | Government Information Technology Office |
| AG | Auditor General | LEDET | Limpopo Economic Development, Environment and Tourism |
| AFS | Annual Financial Statements | LDP | Limpopo Development Plan |
| AGSA | Auditor General of South Africa | LPT | Limpopo Provincial Treasury |
| AO | Accounting Officer | MEC | Member of Executive Council |
| APP | Annual Performance Plan | MFMA | Municipal Finance Management Act |
| BAS | Basic Accounting System | MPAT | Management Performance Assessment Tool |
| BBBEE | Broad Based Black Economic Empowerment | MTEF | Medium Term Expenditure Framework |
| CAC | Central Audit Committee | MISS | Minimum Information Security Standards |
| COE | Compensation of Employees | N/A | Not Applicable |
| CFO | Chief Financial Officer | NT | National Treasury |
| CFS | Consolidated Financial Statements | PFMA | Public Finance Management Act |
| DORA | Division of Revenue Act | PMDS | Performance Management Development System |
| DPSA | Department of Public Service and Administration | PPP | Public Private Partnerships |
| DPME | Department of Performance Monitoring and Evaluation | PRF | Provincial Revenue Fund |
| EHW | Employee Health and Wellness | QTR | Quarter |
| EU | European Union | SAQA | South African Qualifications Authority |
| EXCOM | Executive Management Committee | SCM | Supply Chain Management |
| EXCO | Executive Council | SCOPA | Standing Committee on Public Accounts |
| HOD | Head of Department | SDIP | Service Delivery Improvement Plan |
| HR | Human Resource | SITA | State Information Technology Agency |
| HRD | Human Resource Development | SLA | Service Level Agreement |
| IDIP | Infrastructure Delivery Improvement Programme | SMME | Small Medium and Micro Enterprises |
| IFMS | Integrated Financial Management System | TR | Treasury Regulations |
| IYM | In-Year Monitoring | U-AMP | User Asset Management Plan |
| GIAMA | Government Immovable Asset Management Act | VBS | Venda Building Society |



3. FOREWORD BY THE MEC

This Annual Report is a product of the collective effort of the staff of the Provincial Treasury, whose dedication and commitment I duly appreciate.

The statutory obligations of the Provincial Treasury, as espoused to The Constitution, and other relevant pieces of legislation are amongst others:

- Implement Treasury norms & standards provided for in the PFMA & MFMA;
- Enforce implementation of National and Provincial Treasury norms and standards in the province, including prescribed procurement systems, standards and generally recognised accounting practice, uniformly classified statements, provisioning, banking, cash management and investment framework policies;
- Develop and implement fiscal policies in the province that are consistent with national macro-economic and fiscal objectives;
- Monitor compliance with the MFMA by municipalities and municipal entities in the province;
- Monitor the presentation of municipal budgets in the province.

Through the effort of everyone involved, we have been able to achieve most of the objectives set out in our Annual Performance Plan and are poised for consolidation and improvement on our achievements.

It is my pleasure therefore to present the Annual Report for the financial year 2018/19.



Hon. SC Sekoati
MEC for Finance



“ Through the effort of everyone involved we have been able to achieve most of the objectives set out in our Annual Performance Plan and are poised for consolidation and improvement on our achievements. ”

4. REPORT OF THE ACCOUNTING OFFICER



4.1. OVERVIEW OF THE OPERATIONS OF THE DEPARTMENT:

The Provincial Treasury as entrusted in s18 of the Public Finance Management Act (PFMA), Act 1 of 1999, as amended, exercises its mandate by:

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

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

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

During the year under review Provincial Treasury managed to allocate and monitor the provincial budget appropriated to all departments. The province faced a high percentage of the provincial budget being spent on Compensation of Employees (COE). However, during the year under review, the province has managed to stabilise the COE spending at 68% of the budget and will continue with the plans to further reduce the COE expenditure in the forthcoming financial year.

During the year, Provincial Treasury focused on supporting the Modimolle/Mookgopong and Fetakgoma/Tubatse Municipalities that were both in financial distress and seconded a number of officials to the Department of Public Works, Roads and Infrastructure as well as Department of Sport, Arts and Culture in an endeavour to improve financial management in these institutions.

Provincial Treasury's organisational structure has been reviewed and approved by the Department of Public Service and Administration in April 2018 and the department followed all due processes to successfully place all our employees in the new structure by 31 March 2019. In an endeavour to strengthen our support role to departments and municipalities in the province, it is planned to fill all key funded posts in 2019/20.

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

The Province has also managed to successfully complete the implementation of the National Treasury LOGIS financial system in all our departments during 2018/19. The Transversal Risk Management unit has also completed the implementation of the Barnowl Risk Management System, that will be used by all departments and public entities with effect from 1 April 2019, to monitor and manage their respective risk profiles using the system. The Transversal Risk Management unit has also finalised a risk profile for the province which, during 2019/20 will be monitored and managed by the various clusters in the province and ultimately be reported on to the Executive Council.

During the year, Limpopo Treasury was successfully approved by the South African Institute of Chartered Accountants (SAICA) as an accredited training office

for the purpose of training prospective Chartered Accountants (SA) in the discipline of financial management, management decision making and control. This will enable Provincial Treasury to build and enhance professional capacity to proficiently execute the PFMA's Section 18 responsibilities in the medium term. The program is at an advanced stage of readiness, and will see 5 new prospective trainees on-boarded every year over the next three financial years, commencing on or before 1 April 2020.

Pertinent information and other details about the program will be communicated and made available as soon as the programme design and related policy considerations have been finalised.

4.2. OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT:

4.2.1. DEPARTMENTAL RECEIPTS

| Departmental receipts | 2018/19 | | | 2017/18 | | |
|--|----------------|-------------------------|-------------------------|----------------|-------------------------|-------------------------|
| | Estimate | Actual Amount Collected | (Over)/Under Collection | Estimate | Actual Amount Collected | (Over)/Under Collection |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Tax Receipts | - | - | - | - | - | - |
| Sale of goods and services other than capital assets | 391 | 447 | (56) | 505 | 444 | 61 |
| Transfers received | - | - | - | - | - | - |
| Interest, dividends and rent on land | 286 625 | 287 454 | (829) | 329 232 | 345 154 | (15 922) |
| Sale of capital assets | 300 | 481 | (181) | - | - | - |
| Financial transactions in assets and liabilities | 681 | 929 | (248) | 673 | 709 | (36) |
| Total | 287 997 | 289 311 | (1 314) | 330 410 | 346 307 | (15 897) |

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

During the 2018/19 financial year, the actual revenue collection was R289.3 million, against a target of R288 million. The over collection of R1.3 million can be largely attributed to the improved cash position within the Limpopo Province, which resulted in additional interest earned and an improvement in the collection of debts.

Provincial Treasury does not render any free services, that if charged would yield significant revenue, other than the related party transactions as disclosed in note 24 to the Annual Financial Statements.

Irrecoverable debts to the value of R110 thousand were written off during the year under review. This was in line with being un-economical to recover and causing unnecessary hardship to the parties involved. The write-offs were done in line with necessary legislation and prescripts.

4.2.2. PROGRAMME EXPENDITURE

| Programme Name | 2018/19 | | | 2017/18 | | |
|---------------------------------|---------------------|--------------------|---------------------------|---------------------|--------------------|---------------------------|
| | Final Appropriation | Actual Expenditure | (Over)/ Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/ Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Administration | 176,200 | 173,143 | 3,057 | 164,825 | 162,475 | 2,350 |
| Sustainable Resource Management | 83,538 | 79,801 | 3,737 | 88,025 | 87,450 | 575 |
| Assets, Liabilities & SCM | 63,156 | 61,740 | 1,416 | 94,807 | 93,353 | 1,454 |
| Financial Governance | 139,956 | 134,444 | 5,512 | 85,252 | 84,282 | 970 |
| Total | 462,850 | 449,128 | 13,722 | 432,909 | 427,560 | 5,349 |

PROGRAMME 1

In 2018/19 Programme 1 spent a total amount of R173.4 million or 98.3% of its final appropriated budget of R176.2 million. (2017/18: R162.4 million or 99.7% of R164.8 million). The underspending is as a result of delays in filling of vacant posts due to the need to first place all officials in the new organizational structure as well as underspending on non-core items such as administration fees, consumable supplies, travel, subsistence as well as venue and facilities.

PROGRAMME 2

In 2018/19 Programme 2 spent a total amount of R79.8 million or 95.5% of its final appropriated budget of R83.5 million. (2017/18: R87.4 million or 99.3% of R88 million). The underspending is as a result of delay in filling of vacant posts due to the need to first place all officials in the new organizational structure as well as underspending on non-core items such as administration fees, printing and office supplies, catering, travel, subsistence as well as venue and facilities.

PROGRAMME 3

In 2018/19 Programme 3 spent a total amount of R61.7 million or 97.8% of its final appropriated budget of R63.1 million. (2017/18: R93.3 million or 98.5% of R94.8 million). The underspending is as a result of delay in filling of posts due to the need to first place all officials in the new organizational structure as well as on non-core items such as administration fees, catering, printing and office supplies, travel and subsistence as well as venue and facilities.

PROGRAMME 4

In 2018/19 Programme 4 spent a total amount of R134.4 million or 96.1% of its final appropriated budget of R139.9 million. (2017/18: R84.2 million or 98.8% of R85.2 million). The underspending is as a result of forensic audit projects that could not

be finalized before the end of the financial year as well as underspending on non-core items such as administration fees, catering, travel and subsistence and venue and facilities.

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

COMPENSATION OF EMPLOYEES (COE)

The department spent R290.6 million or 99.4% of its final COE appropriation of R292.3 million, during 2018/19 financial year (2017/18: R279.6 million or 99.8% of R280.1 million budget). The underspending is a results of delays in the filling of posts due to the need to first place all officials in the new organizational structure.

GOODS AND SERVICES

The department spent R141.5 million or 92.9% of its final appropriation of R152.3 million, during 2018/19 financial year (2017/18: R114 million or 96.7% of R117.9 million budget). The underspending is as a result of slow spending on non-core items such as administration fees, consultancy services, catering, printing and office supplies, travel, subsistence, venue and facilities, as well as forensic audit projects that could not be finalized before the end of the financial year.

TRANSFERS AND SUBSIDIES

The department spent R10.3 million or 98.2% of its final appropriation of R10.4 million, during 2018/19 financial year (2017/18: R7.1 million or 96.7% of R7.2 million budget). The underspending was mainly due to social benefits that were not due and payable at year end.

CAPITAL PAYMENTS

The department spent R6.6 million or 87.6% of its final appropriation of R7.5 million, during 2018/19

financial year (2017/18: R6.7 million or 88% of R7.6 million budget). The underspending is as a result of non-delivery of IT equipment by service providers before year end.

4.2.3. VIREMENTS / ROLL OVERS

A virement was approved by the Accounting Officer and the Provincial Treasury in terms of section 43 of the Public Finance Management Act (Act 1 of 1999) and Treasury Regulations 6.3.1 through which a virement of R3.1 million was processed to address budget pressures in compensation of employees in Programme 1 (R0.7 million) & Programme 4 (R2.4 million) from Programme 2 (R1.1 million) and Programme 3 (R2 million).

4.2.4. UNAUTHORISED, FRUITLESS AND WASTEFUL EXPENDITURE

During the year under review the Provincial Treasury did not incur any unauthorized expenditure, but incurred fruitless and wasteful expenditure as a result of interest paid to a supplier amounting to R9 000.00 (Nine Thousand Rand), which is under investigation.

4.2.5. FUTURE PLANS OF THE DEPARTMENT

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

4.2.6. PUBLIC PRIVATE PARTNERSHIPS (PPP)

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

4.2.7. DISCONTINUED ACTIVITIES / ACTIVITIES TO BE DISCONTINUED

No activity was discontinued during the year under review.

4.2.8. NEW OR PROPOSED ACTIVITIES

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

4.2.9. SUPPLY CHAIN MANAGEMENT

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

4.2.10. GIFTS AND DONATIONS RECEIVED IN KIND FROM NON-RELATED PARTIES

Provincial Treasury, during 2018/19, received donations from the provincial banker, ABSA Africa as disclosed in Annexure 1C of the financial statements.

4.2.11. EXEMPTIONS AND DEVIATIONS RECEIVED FROM THE NATIONAL TREASURY

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

4.2.12. EVENTS AFTER THE REPORTING DATE

There were no major events after the reporting date.

4.2.13. OTHER

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

4.2.14. ACKNOWLEDGMENTS AND APPRECIATION

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

4.2.15. CONCLUSION

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

GC Pratt CA (SA)
Accounting Officer
Limpopo Provincial Treasury
31 May 2019

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

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

All information and amounts disclosed throughout the annual report are consistent.

The annual report is complete, accurate and is free from any omissions.

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

The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash 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 2019.

Yours faithfully



Mr. GC Pratt CA (SA)
Accounting Officer
Limpopo Provincial Treasury
31 May 2019

“

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2019.

”

6. STRATEGIC OVERVIEW



6.1. VISION

Excellence in public resource management for socio-economic development.



6.2. MISSION

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



6.3. VALUES

Limpopo Provincial Treasury will be guided by the following values:

- **Integrity**
- **Transparency**
- **Accountability**
- **Fairness**
- **Professionalism**



7. LEGISLATIVE AND OTHER MANDATES

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

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

- Public Finance Management Act (PFMA) of 1999 (as amended by Act 29 of 1999)
- Municipal Finance Management Act (MFMA) 56 of 2003
- Appropriation Act
- Adjustment Appropriation Act
- Preferential Procurement Policy Framework Act

7.1. CONSTITUTIONAL MANDATES

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

7.2. LEGISLATIVE MANDATES

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

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

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

| Section | Function and powers |
|---------|--|
| 3 | A provincial treasury must in accordance with a prescribed framework: |
| (c) | assist the National Treasury in enforcing compliance with the measures established in terms of section 216(1) of the Constitution, including those established in terms of this Act. |
| 4 | To the extent necessary to comply with subsection (3), a provincial Treasury: |
| (a) | Must monitor: |
| | (i) compliance with the MFMA by municipalities and municipal entities in the province; |
| | (ii) the preparation by municipalities in the province of their budgets; |
| | (iii) the monthly outcome of those budgets; and |
| | (iv) the submission of reports by municipalities in the province as required in terms of this Act; |
| (b) | may assist municipalities in the province in the preparation of their budgets; |
| (c) | may exercise any powers and must perform any duties delegated to it by the National Treasury in terms of this Act; and |
| (d) | may take appropriate steps if a municipality or municipal entity in the province commits a breach of this Act. |

8. ORGANISATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE MEC

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

PART B:

PERFORMANCE INFORMATION



1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 79 of the Report of the Auditor General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1. SERVICE DELIVERY ENVIRONMENT

Provincial Treasury received an unqualified audit opinion with findings in the 2015/16 financial year, however, the department, improved in the 2016/17 and 2017/18 financial years by receiving unqualified audit opinion without findings, also referred to as a Clean Audit.

The support environment has been performing fairly well in terms of compliance related matters, where branches are performing adequately in the implementation of their risk registers/action plans where risk management is forming part of its business processes. The department has, however, identified a need to review its risk appetite.

The department experienced delays in filling of vacant posts and currently has a high vacancy rate. Factors associated with the delays include the migration processes into the new approved organisational structure, as well as the assessment controls and processes implemented by Provincial Personnel Management Committee (PPMC).

Limpopo Provincial Treasury has a transversal role of supporting provincial departments on issues of governance and accountability as well as financial management matters. The Provincial MPAT 1.7 outcomes indicates that for the Governance and Accountability KPA, where Risk Management is a standard, only Office of the Premier and Department of Transport are performing above the average score of 3. Therefore, there is a need for Limpopo Provincial Treasury to strengthen the monitoring and support role with regards to Risk Management in the province.

The province is facing the major risk of municipalities not being sustainable due to cash flow challenges and an inability to settle their debts timeously. Twelve (12) municipalities were identified to have made investments with a mutual bank, VBS Mutual Bank, which were in contravention with the MFMA and its regulations and these investments pose a financial risk to these municipalities as there is a strong possibility that the funds invested by 8 municipalities may not be recovered from the bank.

There was a regression in the number of unqualified audit outcomes of the Limpopo municipalities from 2016/17 to 2017/18 from 9 to 8 and the province still has 13 qualified municipalities, 4 municipalities with disclaimed and 2 with adverse audit opinions in 2017/18. The Provincial Executive Council took a decision to put Modimolle-Mookgophong and Fetakgomo Tubatse municipalities under administration late in 2018/19 due to sustained financial and governance failures.

The support provided by Provincial Treasury in 2017/18 resulted in seven (7) unqualified audit opinions and Provincial Treasury maintaining its Clean Audit with two (2) votes that improved their audit outcomes. These were the Department of Agriculture & Rural Development along with the Department of Co-Operative Governance and Human Settlements and Traditional Affairs, improving from Qualified Audit opinions in 2016/17 to Unqualified Audit opinions in 2017/18. The province is still faced with 5 qualified audit opinions in 2017/18 and there is thus still a need for continuous monitoring and support to ensure that the audit opinions are improved and all qualified opinions are eliminated.

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

- Published editions of the provincial tender bulletin which were made available, at no cost to the public, at Provincial Treasury head office, district offices and the departmental website.
- SMMEs were trained and empowered on the government procurement process.
- In an effort to enhance supply chain management performance, Limpopo Provincial Treasury (Provincial Supply Chain Management) continued to monitor SCM compliance in all provincial departments and public entities.

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.

2.2.1. MAIN SERVICES AND STANDARDS

|  |  |  |  |  |
|---|---|--|--|--|
| Main services | Beneficiaries | Current/actual standard of service | Desired standard of service | Actual achievement |
| Improve on conditional grant expenditure | Department of Education, Sports, Arts and Culture and COGHSTA | 3 Departments to be supported and monitored on improvement of expenditure on Conditional Grant | 3 Departments to be supported and monitored on improvement of expenditure on Conditional Grant | <ul style="list-style-type: none"> • Education: Spent R2.2 billion or 95.3 percent of the adjusted budget of R2.4 billion • Sport, Arts and Culture: Spent R181 million or 90.4 percent million of the adjusted budget of R200.0 million • COGHSTA: Spent 1.2 billion or 94.2 percent the total budget of R1.3 billion (95.9% of the Provincial conditional grants were spent in 2018/19) |
| Support municipalities to improve audit outcomes | 26 Municipalities | All 26 delegated municipalities | All 26 delegated municipalities | All 26 delegated municipalities were monitored for compliance with laws and regulations. Non-compliance letters were written to defaulting municipalities In 2017/18, 8 municipalities were unqualified, 13 qualified, 4 disclaimed and 2 adverse |
| Manage payment of Invoice within 30 days | 12 Departments | 95% | 100% | For the 2018/19 year 87.91% of the provincial invoices were paid within the prescribed 30 days from date of receipt, with 2 departments achieving 100% and a further 6 departments achieving above 98% compliance. |



2.2.2. BATHO PELE ARRANGEMENTS WITH BENEFICIARIES

| Current/actual arrangements | Desired arrangements | Actual achievements |
|-------------------------------------|----------------------------------|---|
| Meetings and reports | Reports, workshops & trainings | Reports, workshops & training held |
| Feedback undertaking in departments | Feedback through report analysis | Meetings and workshops held |
| Meetings and workshops | Meetings, reports & workshops | Meetings and workshops held and reports submitted |

2.2.3. SERVICE DELIVERY INFORMATION TOOL

| Current/actual information tools | Desired information tools | Actual achievements |
|----------------------------------|----------------------------|---|
| Service standards document | Service standards document | Quarterly service standards monitoring report submitted |
| SDIP document | SDIP document | Quarterly SDIP monitoring report approved and submitted |
| Service Charter | Service Charter | Service Charter approved |
| Annual Citizen's report | Annual Citizen's report | Annual Citizen's report approved |

2.2.4. COMPLAINTS MECHANISM

| Current/actual complaints mechanism | Desired complaints mechanism | Actual achievements |
|-------------------------------------|------------------------------|------------------------|
| Premier Hotline | Premier Hotline | 01 complaint received |
| Presidential Hotline | Presidential Hotline | No complaints received |

2.3. ORGANISATIONAL ENVIRONMENT

Limpopo Provincial Treasury had completed all preparatory and consultative processes for the implementation of the approved organizational structure. The new organisational structure was successfully captured on PERSAL and interfaced with BAS. Employees were also migrated into the structure and issued with placement letters effective 01 April 2019. All posts on the structure have job descriptions and have been job evaluated and benchmarked. Job evaluation results are available and the department has embarked on a process mapping exercise for all the newly created posts.

The number of posts have been reduced from 673 to 538 which translates to a Compensation of Employee reduction from R363.4 million to R310.7 million and will result in a saving of R52.7 million. Employees who have been placed into new positions will be assisted with development of the necessary competencies based on the Work Place Skills Plan of the department.

Furthermore, the department workshopped employees on the Provincial Performance Management and Development Policy and employees migrated and complied with the new performance instrument templates. The performance of all the employees were assessed and monitored on the basis of the signed performance instruments and performance incentives were processed.

The workforce of the department is representative of the demographics of the province in terms of race and gender. With regard to the department's overall equity status, we have 219 males, 254 females and 5

employees with a disability. The department, however, needs to intensify efforts for the recruitment of females particularly at SMS level.

There is a good working relationship between the Employer and Employees and both parties consult one another through the Labour Consultative Forum which has succeeded in promoting a cordial and positive Labour Relations environment.

The Department is implementing the action plan as per the outcomes of the departmental climate survey which is regularly tracked at EXCOM level.

The core business units of the department continue to deliver on the three key services which are to support and monitor departments to improve on their expenditure, support municipalities to improve audit outcomes for 27 municipalities and manage payment of invoices within 30 days for the 12 departments. The three key services are monitored regularly where a service delivery improvement plan has been developed and is regularly monitored through reports and presentations submitted to EXCOM.

2.4. KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

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

3. STRATEGIC OUTCOME ORIENTED GOALS

2018/19 was the fourth financial year in implementation of the 2015/16 to 2019/20 Strategic Plan. In this Strategic Plan, Limpopo Provincial Treasury has two Strategic Outcome Oriented goals namely;

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

Limpopo Provincial Treasury implemented the 2018/19 Annual Performance Plan during the financial year under review and significant achievements towards the realisation of the two strategic outcome oriented goals were realized. By achieving the goals, the department was able to contribute towards the achievement of outzone twelve (12) and Chapter 13 of the objective.

4. PERFORMANCE INFORMATION BY PROGRAMME

PROGRAMME

1

4.1. PROGRAMME 1: ADMINISTRATION

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

The programme has the following sub-programmes namely:

- MEC Support Services which is responsible for:
 - Providing Parliamentary and Legislative Support Services, render administrative and secretarial services, provide media liaison services and also to facilitate policy advice to the MEC.
- Management Services which is responsible for:
 - Providing Strategic and Administrative support to the HOD
- Corporate Services which is responsible for:
 - Ensuring the provision of Human Resource Management
 - Ensuring provision of Legal and Labour relations services, and
 - Administering transformation programmes and employee welfare
 - Ensuring monitoring of Organizational performance, Co-ordination of Strategic Planning and Policy development processes.
- Financial Management (Office of the CFO)
 - Rendering management accounting, financial accounting and supply chain management services for the department.

Strategic objectives, performance indicators, planned targets and actual achievements

The Strategic Objective of Programme 1 - Administration is to enable the Department to deliver in line with the mandate by improving management practices on Human Resource, Strategic Management and Financial Management to level 4 of MPAT standards by 2019/20. The department managed to achieve the average MPAT score of 3.28 for 2018/19 MPAT cycle, which is a slight improvement from 2017/18 average MPAT score of 3.21.

Strategic objectives:**Programme 1: Administration**

| Strategic objectives | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement for 2018/2019 | Comment on deviations |
|---|------------------------------|--------------------------|------------------------------|---|---|
| Strategic objective: Enable the Department to deliver in line with the departmental mandate by improving management practices on HR, Strategic Management and Financial Management to level 4 of MPAT standards by 2019/20. | | | | | |
| Departmental average MPAT score. | 3.21 | 3.8 | 3.28 | -0.52 | The 0.52 deviation is attributed to performance indicators related to governance and human resource management. Inadequate information was provided on Ethics Management, Whistle Blowing and recruitment practices during the challenge period as per the MPAT moderation findings.. |

Strategy to overcome areas of under performance

Department will develop a MPAT 1.8 Improvement and implementation plan to address all areas of underperformance that will be monitored on a monthly basis at EXCOM meetings.

Performance indicators:**Programme / Sub-programme: Corporate Services**

| Performance Indicator | Actual Achievement 2015/2016 | Actual Achievement 2016/2017 | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement for 2018/2019 | Comment on deviations |
|--|------------------------------|------------------------------|------------------------------|--------------------------|------------------------------|---|-----------------------|
| Number of PMDS moderations finalized by moderation committees. | - | - | - | 6 | 6 | 0 | N/A |
| Number of risk management reports submitted to EXCOM. | - | - | - | 4 | 4 | 0 | N/A |
| Number of prioritized ICT projects implemented in line with ICT Plan. | 3 | 4 | 2 | 2 | 2 | 0 | N/A |
| Number of departmental quarterly performance reports produced in line with Performance Information Management Frameworks and guidelines. | - | - | - | 4 | 4 | 0 | N/A |

Programme / Sub-programme: Corporate Services

| Performance Indicator | Actual Achievement 2015/2016 | Actual Achievement 2016/2017 | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement for 2018/2019 | Comment on deviations |
|---|------------------------------|------------------------------|------------------------------|--------------------------|------------------------------|---|-----------------------|
| Number of budget documents compiled and submitted. | 4 | 4 | 4 | 4 | 4 | 0 | N/A |
| Number of financial statements compiled and submitted for review by Provincial Treasury in line with the reporting framework. | 4 | 4 | 4 | 4 | 4 | 0 | N/A |
| % of supplier's valid invoices paid within 30 days. | 100% | 99.12% | 100% | 100% | 100% | 0 | N/A |
| Number of reconciliations done on the asset registers. | - | 12 | 12 | 12 | 12 | 0 | N/A |

Strategy to overcome areas of under performance

Not applicable.

Changes to planned targets

No changes to performance indicators and planned targets.

Linking performance with budgets**Sub-programme expenditure**

| Sub- Programme Name: Administration | 2018/19 | | | 2017/18 | | |
|--|---------------------|--------------------|---------------------------|---------------------|--------------------|---------------------------|
| | Final Appropriation | Actual Expenditure | (Over)/ Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/ Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Office of the MEC | 6,950 | 6,940 | 5 | 6,597 | 6,518 | 79 |
| Management Services | 11,242 | 11,204 | 38 | 9,913 | 9,890 | 23 |
| Corporate Services | 114,716 | 112,794 | 1,922 | 107,385 | 105,490 | 1,895 |
| Financial Management | 43,292 | 42,200 | 1,092 | 40,930 | 40,577 | 353 |
| Total | 176,200 | 173,143 | 3,057 | 164,825 | 162,475 | 2,350 |



4.2. PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

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

PROGRAMME

2

The Branch comprises of the following sub-programmes:

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

Strategic objectives, performance indicators, planned targets and actual achievements

The province managed to over achieve on Sustainable Resource Management strategic objective target of spending 98% of the provincial budget at the end of the financial year under review by achieving 99.1%. Achievement of this strategic objective target contribute towards achievement of strategic outcome oriented goal number two by ensuring effective and efficient use of the provincial financial resources.

Strategic objectives:

Programme 2: Sustainable Resource Management

| Strategic objectives | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement for 2018/2019 | Comment on deviations |
|---|------------------------------|--------------------------------------|--------------------------------------|---|---|
| Strategic objective 1: To achieve sustainable fiscal policy for the province during 2015/16 to 2019/20. | | | | | |
| % provincial annual expenditure achieved. | 98.70% | 98% | 99.1% | 1.1% | The additional 1.1% was due to enhanced monitoring and support on budget implementation to departments and entities through quarterly expenditure bilateral, budget, expenditure and revenue forum contributed positively to improvement on expenditure and service delivery. |
| Number of departmental budget plans that are credible. | 13 departments | 13 departments and 5 public entities | 13 departments and 5 public entities | 0 | N/A |
| % provincial revenue collected. | 101.7% | 100% | 105.4% | 5.4% | There was an over collection of R67.7 million (5.4 %) due to improved Patient fees collection by the Department of Health; and Implementation of Revenue Enhancement Strategy by the Department of Transport, which increased revenue collection on Motor vehicle licenses and recovery of debts. |

Programme 2: Sustainable Resource Management

| Strategic objectives | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement for 2018/2019 | Comment on deviations |
|---|--|---|--|---|---|
| Strategic objective 2: To achieve annual improvement on financial management and effective governance in 26 delegated municipalities and 3 municipal entities by 2019/20. | | | | | |
| Number of municipalities and entities with unqualified audit opinions. | 9 Municipalities and 3 Municipal Entities. | 15 Municipalities and 3 Municipal Entities. | 8 Municipalities and 3 Municipal Entities. | 7 municipalities | Non-compliance with SCM legislative prescripts and misstatement of disclosures in the Annual Financial Statements |

Strategy to overcome areas of under performance

Provincial Treasury will focus on Training of municipalities through forums, assessments and continuous engagements with the Auditor General.

Performance indicators:**Programme / Sub-programme: Sustainable Resource Management**

| Performance Indicator | Actual Achievement 2015/2016 | Actual Achievement 2016/2017 | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement for 2018/2019 | Comment on deviations |
|---|------------------------------|------------------------------|------------------------------|--------------------------|------------------------------|---|-----------------------|
| Number of Research documents produced to align the Provincial Fiscal Policy. | 7 | 7 | 7 | 7 | 7 | 0 | N/A |
| Number of revenue assessments conducted to ensure collection of set target. | - | - | - | 4 | 4 | 0 | N/A |
| Number of budget documents tabled in line with the set standards and National Treasury guideline. | 2 | 2 | 2 | 2 | 2 | 0 | N/A |
| Number of consolidated provincial in year monitoring reports produced in line with section 32 of PFMA | 12 | 12 | - | 12 | 12 | 0 | N/A |
| Number of Infrastructure Reporting Model assessments conducted. | - | - | - | 108 | 108 | 0 | N/A |
| Number of municipal budget assessments conducted. | - | - | - | 26 municipalities | 26 municipalities | 0 | N/A |

Programme / Sub-programme: Sustainable Resource Management

| Performance Indicator | Actual Achievement 2015/2016 | Actual Achievement 2016/2017 | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement for 2018/2019 | Comment on deviations |
|---|------------------------------|------------------------------|------------------------------|--------------------------|------------------------------|---|---|
| Number of IYM assessments conducted on the implementation of the municipal budget | - | - | - | 78 | 76 | 2 | Two (02) municipalities (Bela-Bela and Mogalakwena) failed to submit the IYM monthly returns for 2018/19 financial year. |
| Number of municipal governance assessments conducted. | - | - | - | 78 | 78 | 0 | N/A |
| Number of municipal accounting assessments conducted | - | - | - | 104 | 77 | 27 | Municipalities failed to submit their IYM reports relating to accounting matters for assessments in the 2 nd and 3 rd quarters (3 in the 2 nd quarter and 24 in the 3 rd quarter) |

Strategy to overcome areas of under performance

Non-compliance letters were issued to responsible municipalities to correct areas of non-compliance.

Changes to planned targets

No changes to performance indicators and planned targets.

Linking performance with budgets**Sub-programme expenditure**

| Sub- Programme Name: Sustainable Resource Management | 2018/19 | | | 2017/18 | | |
|--|---------------------|--------------------|---------------------------|---------------------|--------------------|---------------------------|
| | Final Appropriation | Actual Expenditure | (Over)/ Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/ Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Programme Support | 1,667 | 1,555 | 112 | 10,559 | 10,460 | 99 |
| Economic Analysis | 3,273 | 3,007 | 266 | 2,828 | 2,687 | 141 |
| Fiscal Policy | 38,308 | 36,134 | 2,174 | 15,691 | 15,661 | 30 |
| Budget Management | 4,923 | 4,485 | 438 | 4,176 | 4,149 | 27 |
| Public Finance | 9,559 | 8,892 | 667 | 8,720 | 8,649 | 71 |
| Intergovernmental Relations | 25,808 | 25,728 | 80 | 46,051 | 45,844 | 207 |
| Total | 83,538 | 79,801 | 3,737 | 88,025 | 87,450 | 575 |

4.3. PROGRAMME 3: ASSETS LIABILITIES AND SUPPLY CHAIN MANAGEMENT

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

PROGRAMME

3

The Branch is comprised of the following Sub-programmes:

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

Strategic objectives, performance indicators, planned targets and actual achievements

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

Strategic objectives:

| Programme 3: Assets, Liabilities and Supply Chain Management | | | | | |
|---|--|--------------------------------------|--------------------------------------|---|-----------------------|
| Strategic objectives | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement for 2018/2019 | Comment on deviations |
| Strategic objective: To provide policy direction and support to 13 votes and 5 public entities on Assets, Liabilities and Supply Chain Management to ensure improvement of audit outcomes by 2019/20. | | | | | |
| Number of votes and public entities complying with Assets management prescripts. | 10 (Six Votes and Four Public Entities). | 12 votes and 5 public entities | 12 votes and 5 public entities | 0 | N/A |
| Number of votes and public entities complying with cash management prescripts. | 15 (10 votes and 5 public entities). | 18 (13 votes and 5 public entities). | 18 (13 votes and 5 public entities). | 0 | N/A |
| Number of votes and public entities complying with SCM prescripts. | 17 (12 votes and 5 public entities). | 17 (12 votes and 5 public entities). | 17 (12 votes and 5 public entities). | 0 | N/A |

Strategy to overcome areas of under performance

Not applicable.



Performance indicators:

| Programme / Sub-programme: Assets, Liabilities and Supply Chain Management | | | | | | | |
|--|-------------------------------------|-------------------------------------|-------------------------------------|---------------------------------|-------------------------------------|--|------------------------------|
| Performance Indicator | Actual Achievement 2015/2016 | Actual Achievement 2016/2017 | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement for 2018/2019 | Comment on deviations |
| Number of asset management assessments conducted to votes and public entities | - | - | - | 68 | 68 | 0 | N/A |
| Number of cash management assessments conducted to votes and public entities | - | - | - | 72 | 72 | 0 | N/A |
| Number of SCM assessments conducted to votes and public entities. | - | - | - | 68 | 68 | 0 | N/A |
| Number of contract management assessments conducted to votes and public entities | - | - | - | 68 | 68 | 0 | N/A |
| Number of assessments conducted on strategic procurement targets of departments and public entities. | - | - | - | 68 | 68 | 0 | N/A |

Strategy to overcome areas of under performance

Not applicable.

Changes to planned targets

No changes to performance indicators and planned targets.

Linking performance with budgets**Sub-programme expenditure**

| Sub- Programme Name: Assets Liabilities and SCM | 2018/19 | | | 2017/18 | | |
|---|---------------------|--------------------|---------------------------|---------------------|--------------------|---------------------------|
| | Final Appropriation | Actual Expenditure | (Over)/ Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/ Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Programme Support | 869 | 774 | 95 | 1,827 | 1,824 | 3 |
| Provincial Assets Management | 23,265 | 23,207 | 58 | 13,749 | 13,749 | - |
| Liabilities Management | 9,853 | 8,918 | 935 | 9,561 | 9,524 | 37 |
| Provincial Supply Chain Management | 29,169 | 28,841 | 328 | 27,351 | 27,311 | 40 |
| Support & Interlinked Financial Systems | - | - | - | 42,319 | 40,945 | 1,374 |
| Total | 63,156 | 61,740 | 1,416 | 94,807 | 93,353 | 1,454 |

4.4. PROGRAMME 4: FINANCIAL GOVERNANCE

PROGRAMME

4

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

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

The Branch is comprised of the following sub-programmes:

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

Strategic objectives, performance indicators, planned targets and actual achievements

The support provided by Provincial Treasury in 2017/18 resulted in improvement in the audit outcomes of two (2) votes, which is Department of Agriculture & Rural Development and the Department of Co-Operative Governance, Human Settlements and Traditional Affairs improving from Qualified Audit opinions in 2016/17 to Unqualified Audit opinions in 2017/18. The province is still faced with 5 qualified audit opinions in 2017/18 and there is thus still a need for continuous monitoring and support to ensure that the audit opinions are improved and all qualified opinions are eliminated.

This Annual Performance Plan has taken these factors into consideration in determining our priorities, hence the performance indicator that measures number of assessment reports on AG Action Plan has been continued in the 2019/20 APP.

There is some regression in audit outcome performance of public entities where two (2) public entities regressed in 2017/18. Limpopo Gambling Board moved from Clean Audit to unqualified and Gateway Airport Authority Limited moved from an Unqualified Audit to a Qualified Audit opinion. The Limpopo Economic Development Enterprise (LEDA) remained qualified in 2017/18.

Strategic objectives:

Programme 4: Financial Governance

| Strategic objectives | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement for 2018/2019 | Comment on deviations |
|---|------------------------------|-------------------------------|-------------------------------|---|---------------------------------------|
| Strategic objective: To achieve annual improvements in audit outcomes in 12 votes and 5 public entities by 2019/20. | | | | | |
| Number of votes and public entities with unqualified audit opinion | - | 8 votes and 4 public entities | 8 votes and 3 public entities | One public entity | Poor implementation of AG Action Plan |

Strategy to overcome areas of under performance

The department will continue to provide support to the departments and public entities so that they can maintain the commendable performance achieved in 2017/18 and improve the audit opinion of the five qualified departments and two qualified public entities.

Performance indicators:

| Programme / Sub-programme: Financial Governance | | | | | | | |
|--|------------------------------|------------------------------|------------------------------|--------------------------|------------------------------|---|--|
| Performance Indicator | Actual Achievement 2015/2016 | Actual Achievement 2016/2017 | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement for 2018/2019 | Comment on deviations |
| Number of courses conducted on transversal systems. | 104 | 89 | 111 | 107 | 107 | 0 | N/A |
| Number of long-term financial management qualification programmes provided in Provincial Departments | 2 | 0 | 1 | 1 | 1 | 0 | N/A |
| Number of AG action plan assessments conducted to departments and public entities. | - | - | - | 68 | 59 | 9 | AG action plan assessments not conducted in the 3 rd quarter due to introduction of combined assurance model approach that led to delays in finalizing the reports. |
| Number of 30 days payment assessments conducted. | - | - | - | 4 | 12 | 8 | 8 extra assessments were conducted. |
| Number of audit committee meetings supported in votes and public entities. | 97 | 89 | 65 | 85 | 92 | 7 | Additional seven (7) Audit Committee meetings were for LEDA subsidiaries. |
| Number of financial statement assessments conducted to departments and public entities. | - | - | - | 68 | 68 | 0 | N/A |

Programme / Sub-programme: Financial Governance

| Performance Indicator | Actual Achievement 2015/2016 | Actual Achievement 2016/2017 | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement for 2018/2019 | Comment on deviations |
|--|------------------------------|------------------------------|------------------------------|--------------------------|------------------------------|---|---|
| Number of consolidated Annual financial statements for Votes and for Public Entities submitted to the Auditor General | 0 | 0 | 0 | 2 | 0 | 2 | Awaiting prior years audit finalization |
| Number of assessment reports on provincial risk profile issued to HOD's forum. | - | - | - | 3 | 0 | 3 | Assessment was not conducted on implementation of provincial risk profile due to a new approach that was introduced as a monitoring mechanism that resulted in review of the Terms of Reference which were approved in February 2019. |
| Number of public sector risk management framework compliance assessments conducted to departments and public entities. | - | - | - | 68 | 68 | 0 | N/A |
| Number of financial system utilization assessments conducted. | - | - | - | 48 | 48 | 0 | N/A |
| Number of LOGIS sites implemented. | 3 | 18 | 34 | 24 | 24 | 0 | N/A |
| Number of three-year strategic rolling and annual audit plans prepared by Provincial Internal Audits and approved by Audit Committee for the financial year 2019 /2020 | 12 | 12 | 12 | 12 | 12 | 0 | N/A |

Programme / Sub-programme: Financial Governance

| Performance Indicator | Actual Achievement 2015/2016 | Actual Achievement 2016/2017 | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement for 2018/2019 | Comment on deviations |
|---|------------------------------|------------------------------|------------------------------|--------------------------|------------------------------|---|---|
| % of internal Audits finalised in terms of the approved Audit Plans | - | - | - | 90% | 92% | 0 | Four projects which were planned to be finalized in the 2nd quarter were finalized in the 1st quarter |
| Number of annual internal Quality Assurance Improvement Programme (QAIP) Implementation Report prepared to improve the quality of client services | 1 | 1 | 1 | 1 | 1 | 0 | N/A |

Strategy to overcome areas of under performance

- Transversal Technical Committee to discuss challenges around combined assurance model approach and implement corrective measures to improve timely submission of reports.
- The provincial risk profile to be monitored through cluster meetings in the 2nd Quarter of 2019/20
- Submit the consolidated Annual Financial Statement to Auditor General upon completion of outstanding audits for prior financial years.

Changes to planned targets

No changes to performance indicators and planned targets.

Linking performance with budgets

Sub-programme expenditure

| Sub- Programme Name: Financial Governance | 2018/19 | | | 2017/18 | | |
|---|---------------------|--------------------|---------------------------|---------------------|--------------------|---------------------------|
| | Final Appropriation | Actual Expenditure | (Over)/ Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/ Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Programme Support | 451 | 394 | 57 | 944 | 944 | - |
| Accounting Services | 18,482 | 16,231 | 2,251 | 16,018 | 15,616 | 402 |
| Risk Management | 12,435 | 11,671 | 764 | 11,212 | 11,048 | 164 |
| Provincial Internal Audit | 44,024 | 43,072 | 952 | 40,856 | 40,741 | 115 |
| Norms and Standards | 19,439 | 18,502 | 937 | 16,222 | 15,933 | 289 |
| Support & Interlinked Financial Systems | 45,125 | 44,574 | 551 | - | - | - |
| Total | 139,956 | 134,444 | 5,512 | 85,252 | 84,282 | 970 |



5. TRANSFER PAYMENTS

5.1. TRANSFER PAYMENTS TO PUBLIC ENTITIES

The department does not have public entities.

5.2. TRANSFER PAYMENTS TO ALL ORGANISATIONS OTHER THAN PUBLIC ENTITIES

The table below reflects the transfer payments made for the period 1 April 2018 to 31 March 2019.

| 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 | Amount spent by the entity | Reasons for the funds unspent by the entity |
|---------------------------------|----------------------|---------------------------------------|--|--------------------|----------------------------|---|
| | | | | R'000 | R'000 | |
| Institutions of Higher Learning | Universities | Bursaries | N/A | 6,146 | 6,146 | - |
| Polokwane Municipality | Municipality | License fees | N/A | 0.4 | 0.4 | - |

The table below reflects the transfer payments which were budgeted for in the period 1 April 2018 to 31 March 2019, but no transfer payments were made.

| Name of transferee | Purpose for which the funds were used | Amount transferred | Amount spent by the entity | Reasons for the funds unspent by the entity |
|--------------------|---------------------------------------|--------------------|----------------------------|---|
| N/A | | | | |

6. CONDITIONAL GRANTS

6.1. CONDITIONAL GRANTS AND EARMARKED FUNDS PAID

The department does not receive conditional grants.

7. DONOR FUNDS

7.1. DONOR FUNDS RECEIVED

| NAME OF DONOR/ IN KIND | PURPOSE OF DONOR | AMOUNT RECEIVED |
|------------------------|-----------------------|-----------------|
| | | R'000 |
| ABSA Bank | Post budget breakfast | R275 |

8. CAPITAL INVESTMENT

8.1. CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

Provincial Treasury does not have capital investments.

PART C:

GOVERNANCE





1. INTRODUCTION

The department is committed to practising a high standard of Corporate Governance to ensure public funds and resources are managed in an effective, efficient and economic manner. In turn, the Provincial Treasury recognizes the need to conduct its business with integrity and therefore structures are in place to ensure a coherent and consistent governance approach. This is institutionalized by an approved institutional arrangement framework that guides various committees and their functionalities.

During the year under review, the following key activities were undertaken to contribute to an effective governance management process:

- A delegation framework for the functions assigned to the Executive Authority or the Accounting Officer in terms of the Public Finance Management Act, Treasury Regulations and Public Service Act and its regulations were developed and approved to enable the Accounting Officer to delegate appropriate functions to relevant employees with adequate knowledge, skills and experience.
- Implementation of the institutional arrangements framework and the convening of meetings that dealt with both departmental and transversal matters.
- Departmental Bid Committees were appointed to ensure that procurement processes were fair, competitive, equitable, transparent and cost effective.
- All members of Senior Management Service made full financial disclosures to the Executive Authority and the Public Service Commission.
- Provincial Treasury was kept abreast of all relevant legislation and regulations as well as major developments that could impact on its operations.

2. RISK MANAGEMENT

Provincial Treasury has a revised and approved Risk Management Policy and Strategy in place which was aligned to the 2018/19 Annual Performance Plan.

The Enterprise Risk Management unit continuously identified emerging risks and developed appropriate measures to address the risks.

Risk Assessment was conducted regularly, both strategically and operationally while risk mitigation plans were monitored on a continuous basis. Risk Management identified emerging risk(s) and appropriate measures were taken to address those risk(s).

The department had a functional and active Risk Management Committee that met quarterly, or when necessary, to address risk management implementation processes and all relevant risk areas, advising the Executive Management on a quarterly basis.

The department had an Independent Audit Committee to oversee the performance of the Risk Management Committee and Enterprise Risk Management unit, monitor overall effectiveness and implementation of risk management processes in the department. The Audit Committee held meetings on a quarterly basis.

Risk Management was a standing item on the EXCOM agenda where the unit provided progress on the management of risks and status in the risk management implementation processes of the department, which has also assisted the department to improve its performance. Furthermore, risk management is integrated

into planning processes and other business processes of the department to be more proactive on matters and put appropriate measures to address them. The department further identified and explored opportunities presented by risk management to enhance performance.

3. FRAUD AND CORRUPTION

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

- SMS members declare their personal interests annually;
- If any employee wishes to perform remunerative work outside the public sector he/she is required to inform his/her supervisor and based on the recommendation of the supervisor also apply for permission from the Executive Authority;
- Pre-employment screening (Suitability Checks) are conducted on candidates and contractors before appointment is made. (Pre-employment and vetting of employees)
- An Induction / Orientation programme is presented to all new employees explaining the Code of Conduct and ethical matters;
- 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 and protection of sensitive information.

Any suspected fraud or corruption matters reported by the public through the Presidential and Premier hotlines, internal reporting, risk management or ethics offices are investigated. The department appoints a modifier within the department to whom the cases are forwarded electronically by Office of the Premier and the case(s) are delegated to the investigator who will investigate the case(s). The action taken depends on the merit of the case and the investigation report. Where disciplinary action is recommended suitable action is taken.

Whistle Blowing awareness sessions are conducted to explain how employees could blow the whistle and the protection offered through the Protected Disclosure Act.

4. MINIMISING CONFLICT OF INTEREST

The disclosure of financial interests by Senior Managers, Middle Managers and other delegated officials within strategic offices, including Supply Chain Management, was completed for the financial year to mitigate any potential conflicts of interests. Assessment of disclosures were completed by the Ethics Officer and no conflict of interests were identified.

5. CODE OF CONDUCT

The Department uses the Code of Conduct as set out by the Department of Public Service Administration. The Department had also received approval for a Code of Ethics to be institutionalized in the organization. Information sessions were conducted for employees on the Code of Conduct in order to raise awareness among employees.

The Department is adhering to the Code of Conduct and Service Charter and had not identified any breaches for the financial year. The procedure to follow if an employee is suspected to have breached the Code of Conduct will be to report the matter to the Security Service Directorate for a formal investigation.

Once the investigation finds that there is a breach of the Code of Conduct, the investigation report will be sent to the Labour Relations unit to prepare a submission to the Head of Department to consider a formal disciplinary enquiry. Once the disciplinary enquiry is completed and an employee is found guilty, the chairperson will submit the outcome to the Department to implement the outcome. Where the breach is less serious, the supervisor will be advised by Labour Relations on the process to follow.

“The department is committed to ensuring that public funds and resources are managed in an effective, efficient and economic manner.”



6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Occupational Health and Safety assessments of the nine Provincial Treasury facilities are conducted on a quarterly basis as per the Employee Health and Wellness Strategic Framework of the DPSA. The Occupational Health and Safety assessments have identified the absence of Occupancy Certificates as a serious threat to the safety of the employees. This matter has been raised with the Department of Public Works, Roads and Infrastructure as the custodian of government properties. The Department relies on the Department of Public Works and landlords to address issues of maintenance and building compliance.

An adequate number of cleaners are allocated to all the buildings. They are provided with necessary equipment and detergents to improve office hygiene. The department also appoints a service provider to deal with hygiene services on monthly basis. Departmental facilities are safe and are kept in a hygienic state.

The following are arrangements in place to comply with Occupational Health, Safety and Environment:

- A building maintenance plan (GIAMA plan) has been developed in line with the requirements of Occupational Health and Safety Act of 1993 to address compliance issues with regard to Occupational Health, Safety and Environment. The Department continuously liaise with landlords and Department of Public Works in order to effectively implement building maintenance plan.
- Employee Health and Wellness (EHW) Advisory Committee has been established. Occupational Health, Safety and Environment issues are discussed by this Committee.
- A partnership has also been established with the Disaster Management Unit of Polokwane Municipality with regard to developing and implementing an emergency plan and assessing readiness (evacuation plan & procedures including evacuation drills). These plans and procedures were integrated into the Business Continuity Plan of the Department.
- A partnership has also been established with Department of Labour to capacitate employees on Compensation for Occupational Injuries and Diseases Act (COIDA).

7. PORTFOLIO COMMITTEES

The Department has attended the Portfolio Committee meetings as outlined below:

- 22 March 2018: Briefing the Committee on the 2017/18 4th Quarter report.
- 19 April 2018: Briefing the Committee on 2018/19 APP and budget, 2017/18 4th Quarter performance, Provincial Revenue and Expenditure report.
- 07 August 2018: Briefing the Committee on the 4th Quarter report and progress report on third quarter resolutions.
- The Department also briefed the Committee on the budget allocation matters throughout the year.

8. SCOPA RESOLUTIONS

Provincial Treasury received a "Clean Audit" Report for the 2016/17 and 2017/18 financial years and the Standing Committee on Public Accounts (SCOPA) has not yet conducted public hearings on the Provincial Treasury's 2017/18 financial year Annual Report and Auditor General report. Accordingly, the department has not yet received any SCOPA resolutions for the 2017/18 financial year. To date Provincial Treasury has responded and resolved the resolutions issued for 2014/15, 2015/16 and 2016/17 financial years and also submitted implementation progress reports to the Legislature.

| RESOLUTION NO. | SUBJECT | DETAILS | RESPONSE BY THE DEPARTMENT | RESOLVED (YES/NO) |
|----------------|---------|---------|----------------------------|-------------------|
| None | | | | |

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

Provincial Treasury received an "Clean Audit" report (unqualified audit opinion with no findings) for the 2016/17 and 2017/18 financial years

| NATURE OF QUALIFICATION, DISCLAIMER, ADVERSE OPINION AND MATTERS OF NON-COMPLIANCE | FINANCIAL YEAR IN WHICH IT FIRST AROSE | PROGRESS MADE IN CLEARING / RESOLVING THE MATTER |
|--|--|--|
| None | | |

10. INTERNAL CONTROL UNIT

The unit prepared the audit action plan for both the Auditor General (AG) and Internal Audit findings. These action plans are monitored, on a monthly basis by the unit, to track progress in resolving the audit findings. During the AG audit period the unit also co-ordinates the submission of information required by the AG team. The unit also co-ordinates all Audit Steering Committee (ASC) meetings during the year to update the ASC on the progress made in addressing all audit findings, after which the unit compiles a monthly report to appraise the Department's Executive Management Committee on the progress made and any challenges that require Executive Management Committee's intervention.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

11.1. SUMMARY OF PROVINCIAL INTERNAL AUDIT WORK PERFORMED

Provincial Internal Audit provides an independent, objective assurance and consulting services that is designed to add value and improve the Limpopo Provincial Treasury's operations. It assists the Department to accomplish its strategic, control and operations goals and objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of Governance, Risk Management and Internal Control processes.

During the 2018/19 financial year, the Provincial Internal Audit was tasked with the provision of assurance in respect of the following activities:

- Achievement of organisation's strategic objectives
- Safeguarding of assets
- Reliability and integrity of financial and performance information
- Ensure that the Department's resources were acquired and are used in an economic, efficient and effective manner
- Compliance with laws, regulations, policies, procedures

Summary of Provincial Internal Audit work performed

| Risk Based Audit | | | |
|---|---|--|---|
| First Quarter | Second Quarter | Third Quarter | Fourth Quarter |
| <ul style="list-style-type: none"> • Annual report review • Annual Financial Statement Review • Follow Ups | <ul style="list-style-type: none"> • Fleet management • Business Continuity Plan • Transversal Contracts Management • Management Performance Tool Assessment (MPAT) • Follow Ups | <ul style="list-style-type: none"> • Municipal Finance, Governance and Budget Management Support • Supply Chain Management • Expenditure Management • Interim Financial Statements • Follow Ups | <ul style="list-style-type: none"> • Public Entity Support (Revenue Management) • Provincial Asset Management • Follow Ups |

Performance Audit

| First Quarter | Second Quarter | Third Quarter | Fourth Quarter |
|--|--|--|---|
| <ul style="list-style-type: none"> Annual Report Review | <ul style="list-style-type: none"> Consulting engagement of Annual Performance Plan (APP) | <ul style="list-style-type: none"> None | <ul style="list-style-type: none"> Performance Information |

Information Systems Audit

| First Quarter | Second Quarter | Third Quarter | Fourth Quarter |
|--|--|--|---|
| <ul style="list-style-type: none"> None | <ul style="list-style-type: none"> None | <ul style="list-style-type: none"> None | <ul style="list-style-type: none"> Follow Ups Computer Assisted Audit Techniques (CAAT's) |

Fraud Audit

| First Quarter | Second Quarter | Third Quarter | Fourth Quarter |
|--|--|--|--|
| <ul style="list-style-type: none"> None | <ul style="list-style-type: none"> None | <ul style="list-style-type: none"> None | <ul style="list-style-type: none"> Ethics |

11.2. KEY ACTIVITIES AND OBJECTIVES OF THE AUDIT COMMITTEE

Limpopo has an Audit Committee structure, which is two tiered, consisting of the 4 Cluster Audit Committees, dealing with specific departments, and a shared Central Audit Committee (CAC).

Provincial Treasury reports to Cluster 3 Audit Committee consisting of the five members listed hereunder and meets at least 4 times per annum as per the approved terms of reference. Over and above the four mandatory meetings stipulated in the terms of reference, the Audit Committee meets on an adhoc basis as and when it is necessary.

The Provincial Treasury's Audit Committee (AC) has satisfactorily performed its mandate as enshrined in Sections 76 (4) (d) and 77 of the Public Finance Management Act (Act No. 1 of 1999) read in conjunction with Treasury Regulations 3.1 and the AC 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.

11.3. AUDIT COMMITTEE MEETINGS

During the financial year 2018/2019, the AC has met at least five (5) times to perform its roles and responsibilities as stipulated in the AC Charter.

11.3.1 2019/2020 AUDIT COMMITTEE ANNUAL STRATEGIC PLANNING WORKSHOP

The Provincial Treasury Audit Committee (AC) attended the Cluster AC Annual Strategic Planning Workshop from 11–12 February 2019 to review its 2018/2019 performance and plan for the 2019/2020 financial year.

In addition to overseeing the work of all the four (4) Clusters, the Central Audit Committee (CAC) assumed the responsibility of monitoring the implementation of the resolutions taken during the AC Annual Strategic Planning Workshop.

The AC Charter, Internal Audit Charter and the Accounting Officers' Reporting Framework to the AC were



reviewed and adopted during the AC Annual Strategic Planning Workshop. Limpopo Provincial Treasury (LPT) also briefed the AC stakeholders about the status Risk Management in the Province and the Provincial Risk Profile.

The MEC of Finance emphasised a need to look into the matters of Sport, Arts & Culture and Education to improve its audit outcomes and in the meeting, resolved to give the two departments special attention to deal with their challenges. The Institute of Internal Audit as well as AG also made valuable presentations during the workshop to pave a way-forward during 2019/2020.

During the AC Annual Strategic Planning workshop, Cluster 02 Chairperson, in collaboration with Cluster 03 Chairperson, presented on behalf of all Clusters as part of the AC improvement plan. The AC stakeholders welcomed the recommendations and adopted the recommendations as part of the Workshop resolutions to be monitored and implemented throughout the financial year 2019/2020.

11.3.2 MEETINGS BETWEEN MECS OF DEPARTMENTS AND AC CHAIRPERSONS

The Provincial Treasury Audit Committee Chairperson managed to meet the MEC for Finance to share and discuss all the AC matters/concerns for his prompt intervention.

11.3.3 CAC CHAIRPERSON MEETINGS

The CAC Chairperson managed to attend all the EXCO meetings as invited by the Premier to report on the work of all the four (4) AC Clusters as discussed during the CAC meetings. The CAC Chairperson also met with the MEC of Finance after each CAC meeting to discuss the CAC report before being presented at EXCO. During the execution and reporting of audit outcomes by AGSA, the CAC Chairperson met with AGSA Business Executive to discuss several concerns that emanated from the Cluster AC meetings for prompt and high level intervention. The CAC Chairperson also managed to attend some of the EXCO Lekgotla sessions as well as HOD Forums as invited by the Office of the Premier to represent the AC.

11.3.4 360 DEGREE AUDIT COMMITTEE EVALUATION

National Treasury 360 Degree Evaluation model was used to evaluate the work and performance of the AC. The final evaluation score yielded an average of 4.60 (from rating of 1 – 5) when combining the average scores of all the AC Stakeholders. This represented an improvement from the previous evaluation period which yielded an average score of 4.25.

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

The AGSA was not able to submit its Auditor General Audit Coverage Strategy for review by the AC during the March 2019 AC meetings as they were not finalised. The AGSA requested to present them during the AC Meetings of May 2019. The delay was partly attributed to the review/changes in audit methodology by the AGSA.

All the Internal Audit Three Year Rolling Plans Plus Annual Plans for all the 12 departments were approved during March 2019 AC Cluster Meetings subject to the amendments made during the AC Meetings.

11.4. AUDIT COMMITTEE MEMBERSHIP

Current AC Membership was appointed with effect from 01 February 2017 and will expire on 31 December 2019. Cluster 03 AC Member (Dr. Hlamalani Nelly Manzini) resigned from the AC composition with effect from 30 September 2017 due to high level deployment by National Government of the Republic of South Africa to India on a diplomatic mission. As a result of the vacancy left by Dr Mazini during the year, two members (Mr Mhlongo and Mr Petje) were co-opted from other Cluster Audit Committees to fill the gap left by Dr Manzini. EXCO has approved the appointment of Anna Mirriam Mmanoko Badimo to fill the Cluster 03 vacancy with effect from 01 May 2019 to 31 December 2020.

| CLUSTER 03 (01 APRIL 2018 – 31 MARCH 2019) | | | | | | |
|--|--|-----------------------------|---|-------------------------------------|--|--------------------------|
| Initials & surname | Qualifications | Internal or external member | If internal, position in the department | Date appointed | Date resigned / terminated | No. Of meetings attended |
| M. Mckenzie | <ol style="list-style-type: none"> 1. Ca (Sa) 2. M Com (Cum Laude) 3. B Com: Honours 4. B Com: Accounting 5. Adv. Cert. In Auditing | External | N/A | 01 January 2014 01 February 2017 | To Date (Reappointed On 01 February 2017) | 05 |
| M.A.F. Moja | <ol style="list-style-type: none"> 1. Mbl 2. Advanced Treasury Management 3. B Comm | External | N/A | 01 February 2017 | To Date | 05 |
| P.S. Fourie | <ol style="list-style-type: none"> 1. Ca (Sa) 2. Irba Registered Auditor 3. B Com: Honours (Accounting) 4. B Com: Accounting 5. Cta | External | N/A | 01 February 2017 | To Date | 04 |
| A.N. Mhlongo | <ol style="list-style-type: none"> 1. Ca (Sa) 2. Cima 3. Cgca 4. B Com: Honours 5. B Com: Accounting 6. Adv. Cert. In Taxation | External | N/A | 01 February 2017 | To Date | 01 (Co-Opted) |
| M.I. Petje | <ol style="list-style-type: none"> 1. M.Phil: Adult Education 2. BA 3. B.Ed 4. Diploma In Education 5. Labour Relations & Negotiations Programme 6. Senior Executive Program 7. Myglobe 8. Inter-Governmental Fiscal Relations Program | External | N/A | 01 February 2017 | To Date | 04 (Co-Opted) |



11.5. 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 2018 | Review of Fourth Quarterly Performance Information and Draft Annual Report (Including Draft Annual Financial Statements) before submission to the Auditor General | <ul style="list-style-type: none"> a. Performance Information, b. Draft Annual Financial Statements, c. Accounting Officer's Report to the AC (Financial & Non-Financial), d. Quarterly Risk Management Report, e. SCOPA Resolutions Implementation Progress, f. Auditor General Audit Findings Implementation Progress, g. Internal Audit Quarterly Progress Report. |
| 2. | May 2018 | Special Meeting to Review LEDET AFS (Teleconference Meeting) | <ul style="list-style-type: none"> a. Draft Annual Financial Statements |
| 3. | July 2018 | Review of Draft Audit and Management Reports | <ul style="list-style-type: none"> a. Draft AG Management Reports, b. Draft Audit Reports |
| 4. | September 2018 | Review of First Quarter Performance Reports (Financial and Non-Financial) | <ul style="list-style-type: none"> a. Accounting Officer's Report to the AC (Financial & Non-Financial), b. Quarterly Risk Management Report, c. SCOPA Resolutions Implementation Progress, d. Auditor General Audit Findings Implementation Progress, e. Internal Audit Quarterly Progress Report. f. Procurement Plans of the departments. |
| 5. | November 2018 | Review of Second Quarter Performance Reports (Financial & Non-Financial) | <ul style="list-style-type: none"> a. Accounting Officer's Report to the AC (Financial & Non-Financial), b. Quarterly Risk Management Report, c. SCOPA Resolutions Implementation Progress, d. Auditor General Audit Findings Implementation Progress, e. Internal Audit Quarterly Progress Report. |
| 6. | February 2019 | AC Annual Strategic Planning Workshop | <ul style="list-style-type: none"> 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. |
| 7. | March 2019 | Approval of the Three Year Internal Audit Plan plus Annual Plan and Auditor General Audit Coverage Strategy | <ul style="list-style-type: none"> a. Accounting Officer's Report to the AC (Financial & Non-Financial), b. Quarterly Risk Management Report, c. SCOPA Resolutions Implementation Progress, d. Auditor General Audit Findings Implementation Progress, e. Internal Audit Quarterly Progress Report. f. Three Year Internal Audit Plans plus Annual Plans for 2019/2020. |

“ The price of success is hard work, dedication to the job at hand, and the determination that whether we win or lose, we have applied the best of ourselves to the task at hand. - Vince Lombardi ”

12. AUDIT COMMITTEE REPORT: 2018/2019

REPORT OF THE AUDIT COMMITTEE ON THE LIMPOPO PROVINCIAL TREASURY

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

Audit Committee Structure

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

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) and Section 77 of the Public Finance Management, 1999 (Act No.1 of 1999) as amended and Treasury Regulation 3.1. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

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

The Effectiveness of Internal Control

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

The review of the effectiveness of the system of Internal Controls by the Audit Committee is informed by the audit reports from the Auditor-General South Africa and Internal auditors and from management reports.

The Audit Committee has drawn the attention of management to issues raised in the audit reports. The Committee is satisfied that the Department has enhanced system of Internal Controls and addressed the audit findings to an acceptable level.

The Department need to maintain the effective system of Internal Control and review the system to remain relevant to the changing business environment.

Risk Management

The Department has a sustainable and effective risk Management system to detect critical risks and implement mitigating controls. Risk mitigating controls were tracked regularly to ensure continuous service delivery.

The Provincial Treasury experienced challenges on Human resource capacity due to delayed period of receiving an approved revised Organisational Structure, yet to execute its responsibility of overseeing good administration within all other Departments and Public Entities, Provincial Treasury personnel had to be released to actively assist wherever the need arose.

Information System

The Provincial Treasury experienced intermittent challenges with the Information System used for communication purposes while business activities enjoyed full functionality.

Treasury will be filling critical positions within its Information system environment and will benefit from the overall enhanced band width for all Provincial Departments.

Internal Audit

An Internal Audit Plan for 2018/2019 was developed and carried out by the Provincial Internal Audit unit. The audits executed focus on areas where management required assurance that previous audit findings are effectively addressed and provided assurance on projects carried out by Treasury in ensuring good administration in other Provincial departments where need was identified.

The Audit Committee believe that the Internal Audit unit provided necessary support to management and the Audit Committee.

In-Year Monitoring and Monthly/Quarterly Reporting

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

The Audit Committee noted that due to the nature of Treasury business activities, for Treasury to fully meet its performance targets, they require full cooperation of Provincial Departments and entities such that where the other party does not execute full commitments, Treasury is adversely affected. However, the Committee commend Treasury for making positive impact to improved administration within Provincial Departments with their stretched resources.

Evaluation of Financial Statements and the Performance Information

The Audit Committee reviewed the audited Annual Financial Statements prepared by the Department.

The Audit Committee concurs and accept the unqualified opinion of the Auditor- General South Africa on Financial Statements and the Performance Information of the Department and the report should be read with the Annual Report of the Department.

Auditor-General South Africa's Report

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

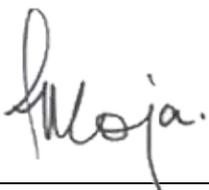
The AGSA expressed an unqualified audit opinion regarding the Annual Financial Statements and the Performance Information of Treasury.

Conclusion

The Committee commend the Provincial Treasury on maintaining a clean administration. This good state of administration sets a good standard for the Departments and Entities and gives hope to the people of South Africa during our trying times of good governance.

I would like to thank all members of the Committee for their contribution, guidance and the professional way in which meetings were conducted.

The Committee sincerely appreciates the engagement and commitment shown by management and most importantly, the support received from the MEC during the year under review.



Ms Mmathebe Annah-Faith Moja
Chairperson of the Audit Committee
Limpopo Provincial Treasury
14th August, 2019

PART D:

HUMAN RESOURCE MANAGEMENT



1. INTRODUCTION

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

2. OVERVIEW OF HUMAN RESOURCES

The status of human resources in the department

The Limpopo Provincial Treasury had completed all preparations to implement the approved organisational structure with effect from 01 April 2019 and the structure has 538 posts of which 445 are filled. There are 40 employees appointed on contract and the overall number of employees appointed is 485. The total number of permanent staff as of 31 March 2019 is 445.

The workforce of the department reflects the demographics of the province in terms of equity targets. Overall, the department has exceeded the target on the 50/50 equity in terms of gender. There are 289 females which translates to 53.3% and 197 males which translates to 46.7%. The department is not doing well at SMS level as we have 53 SMS members of which 21 are females and this translates to 39.62% and 32 males which translates to 60.38%. With regards to people with disability, we are required to be at 2% and the department currently stands at 0.89% on the overall employees and at SMS we are at 1.9%.

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 Human Resources of the department has been migrated into the new organisational structure with effect from the 01 April 2019 and all employees across all levels have been issued with placement letters, employees placed on new posts will be trained and developed in line with the Work Place Skills Plan of the department to enable them to function optimally in their new responsibilities.

The development of Human Capital progressed well for 2018/19 financial year. The department had 31 graduates on Internship, 20 graduates on Internal Audit Learnership and 47 students on Work Integrated Learning programme (Experiential Learning Programme).

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

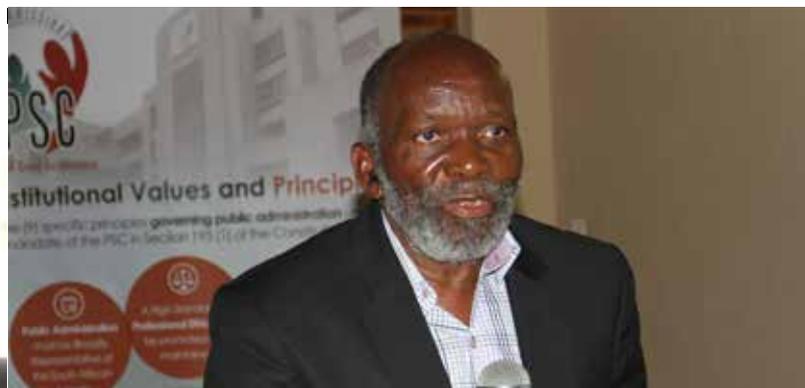
The department has developed process maps for functions within the establishment, complying with the legal requirement in terms of the Public Service Regulations as amended. The implementation of an E-Leave management system is another critical area in order to enhance efficiencies on leave management. The filling of vacant funded posts is another priority. There are sound and strengthened labour relations between the Employer and Employees and this was achieved through the establishment of the Labour Consultative Forum.

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

The Department has an approved Human Resources Plan 2017/2020 which clearly articulates the objectives to be achieved which amongst others include the following:

- Competent and skilled workforce based on the support and core business of the department,
- implementation of the new organisational structure which has been successfully achieved with effect from 01 April 2019,
- the development and implementation of the turnaround strategy on PMDS which has been successfully implement and resulted into an improved turnaround time on moderations and assessments of employees' performance.

The department has drafted a retention policy, however, it was put in abeyance because Office of the Premier is developing and implementing Transversal HRM policies for all the departments in the province. We continue to recruit very competent personnel by adhering to the job descriptions and posts requirements when advertisements are made, as outlined in the Human Resources Management Plan.



Employee performance management

The department complies with the Employee Performance Management policy by ensuring that employees enter into performance agreements at the beginning of the financial year. This is attested to by the 98% submission rate achieved for the financial year 2018/2019. During the course of the year, the mid-term performance assessments are conducted and performance feedback is provided to all the employees. At the end of the financial year, annual assessments are conducted and employees who have performed exceptionally well are rewarded through the PMDS incentive policy. The turnaround strategy which the Department adopted has borne fruits and the levels of compliance are very high and our score for MPAT PMDS standard for SMS and level 2 to 12 has improved to level 3.

Employee wellness programmes

The Employee Health and Wellness programme looks after the well-being of employees because we believe that a healthy workforce is a productive workforce. The programme has successfully implemented the following initiatives:

- HIV & AIDS, TB and STIs Management: Proactive response such as educational and awareness sessions on HIV and AIDS prevention, condom use promotion, stigma and discrimination based on HIV and AIDS status with a gender-sensitive rights based approach. 354 employees were reached in this regard. 92 employees tested for HIV, know their status and the likelihood for improved behaviour is anticipated.
- Health & Productivity Management: 4 sessions on integrated wellness screening of chronic diseases were coordinated. 197 employees participated in checking their blood pressure, glucose, TB, Body Mass Index and cholesterol. Awareness on life-style diseases and mental health illnesses such as high blood pressure and depression was coordinated and 110 employees participated.
- SHERQ Management: All 9 departmental buildings were inspected and monitored in terms of the OHS Act. 38 hazards were identified, assessed and a report was discussed with relevant stakeholders for corrective measures. Four (4) quarterly OHS committee meetings were held as required by the Act, 01 evacuation drill was conducted. The evacuation response by the employees was inefficient and the report was presented to executive management.

Achievements

1. Implementation of the new Organisational Structure
2. Placement of all employees on the new structure with effect from 01/04/2019
3. MPAT level 3 score achieved for PMDS
4. MPAT level 3 score achieved for HRM Planning
5. Treasury accredited by South African Institute of Chartered Accountants (SAICA) as a site to train future Chartered Accountants with effect from January 2020
6. Employee wellness programmes supported by the programme

Challenges

1. Austerity Measures and moratorium on the filling of posts
2. Interpretation of acceleration pay progress: matters still with the courts and taking time to finalise
3. Lack of clarity on the allocation of bursaries for external students

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1. PERSONNEL RELATED EXPENDITURE

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

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

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

| Programme | Total expenditure | Personnel expenditure | Training expenditure | Professional and special services expenditure | Personnel expenditure as a % of total expenditure | Average personnel cost per employee |
|---------------------------------|-------------------|-----------------------|----------------------|---|---|-------------------------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Administration | 173 142 | 104 431 | 0 | 0 | 60.30 | 1 513 |
| Sustainable Resource Management | 79 801 | 54 364 | 0 | 0 | 68.10 | 1 942 |
| Assets, Liabilities & SCM | 61 980 | 44 213 | 0 | 0 | 71.30 | 713 |
| Financial Governance | 134 347 | 87 592 | 0 | 0 | 65.20 | 572 |
| Total | 449 270 | 290 600 | 0 | 0 | 64.70 | 580 |

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

| Salary band | Personnel expenditure | % of total personnel cost | No. of employees | Average personnel cost per employee |
|--|-----------------------|---------------------------|------------------|-------------------------------------|
| | R'000 | % | R'000 | R'000 |
| Lower skilled (Levels 1-2) | 3 298 | 1.10 | 20 | 164 900 |
| Skilled (level 3-5) | 8 287 | 2.70 | 32 | 258 969 |
| Highly skilled production (levels 6-8) | 52 015 | 16.80 | 119 | 437 101 |
| Highly skilled supervision (levels 9-12) | 149 433 | 48.20 | 188 | 794 856 |
| Senior and Top management (levels 13-16) | 56 509 | 18.20 | 47 | 1 202 319 |
| Contract (Levels 6-8) | 2 951 | 1.00 | 20 | 147 550 |
| Contract (Levels 9-12) | 13 363 | 4.30 | 14 | 954 500 |
| Contract (Levels >= 13) | 8 930 | 2.90 | 6 | 1 488 333 |
| Contract Other | 2 145 | 0.70 | 39 | 55 000 |
| Periodical Remuneration | 5 123 | 1.70 | 16 | 320 188 |
| Total | 302 054 | 97.50 | 501 | 602 902 |



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

| Programme | Salaries | | Overtime | | Home Owners Allowance | | Medical Aid | |
|--|----------------|------------------------------------|-----------|------------------------------------|-----------------------|-------------------------------|--------------|---------------------------------------|
| | Amount | Salaries as a % of personnel costs | Amount | Overtime as a % of personnel costs | Amount | HOA as a % of personnel costs | Amount | Medical aid as a % of personnel costs |
| | R'000 | | R'000 | | R'000 | | R'000 | |
| Programme 1: Administration | 88 627 | 82.70 | 50 | 0.00 | 3 343 | 3.10 | 3 579 | 3.30 |
| Program 2: Sustainable Resource Management | 47 900 | 82.80 | 0 | 0.00 | 1 767 | 3.10 | 745 | 1.30 |
| Program 3: Assets & Liabilities Management | 27 358 | 81.30 | 0 | 0.00 | 540 | 1.60 | 837 | 2.50 |
| Program 4: Financial Governance | 30 666 | 72.20 | 0 | 0.00 | 1 147 | 2.70 | 1 003 | 2.40 |
| Assets. Liabilities Management | 21 776 | 76.40 | 0 | 0.00 | 773 | 2.70 | 766 | 2.70 |
| Financial Governance | 32 890 | 81.70 | 0 | 0.00 | 1 487 | 3.70 | 1 235 | 3.10 |
| Total | 249 217 | 80.40 | 50 | 0.00 | 9 057 | 2.90 | 8 165 | 2.60 |

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

| Salary band | Salaries | | Overtime | | Home Owners Allowance | | Medical Aid | |
|--|----------------|------------------------------------|-----------|------------------------------------|-----------------------|-------------------------------|--------------|---------------------------------------|
| | Amount | Salaries as a % of personnel costs | Amount | Overtime as a % of personnel costs | Amount | HOA as a % of personnel costs | Amount | Medical aid as a % of personnel costs |
| | R'000 | | R'000 | | R'000 | | R'000 | |
| Skilled (level 1-2) | 2 170 | 65.70 | 0 | 0.00 | 303 | 9.20 | 554 | 16.80 |
| Skilled (level 3-5) | 6 263 | 75.50 | 8 | 0.10 | 461 | 5.60 | 736 | 8.90 |
| Highly skilled production (levels 6-8) | 41 797 | 79.70 | 14 | 0.00 | 1 704 | 3.20 | 2 636 | 5.00 |
| Highly skilled supervision (levels 9-12) | 125 670 | 82.20 | 28 | 0.00 | 3 563 | 2.30 | 3 682 | 2.40 |
| Senior management (level 13-16) | 49 012 | 83.10 | 0 | 0.00 | 1 925 | 3.30 | 476 | 0.80 |
| Contract (Levels 6-8) | 2 951 | 98.50 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| Contract (Levels 9-12) | 11 395 | 81.80 | 0 | 0.00 | 716 | 5.10 | 24 | 0.20 |
| Contract (Levels >=13) | 7 813 | 83.30 | 0 | 0.00 | 385 | 4.10 | 56 | 0.60 |
| Contract Other | 2 145 | 99.40 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| 19 Periodical Remuneration | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| Total | 249 217 | 80.40 | 50 | 00.00 | 9 057 | 2.90 | 8 165 | 2.60 |

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 in 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 in the establishment that can be occupied by more than one employee.

Therefore, the vacancy rate reflects the percentage of posts that are not filled.

Table 3.2.1 Employment and vacancies by programme as on 31 March 2019

| Programme | Number of posts on approved establishment | Number of posts filled | Vacancy Rate | Number of employees additional to the establishment |
|--|---|------------------------|--------------|---|
| Programme 1: Administration | 281 | 225 | 19.90 | 54 |
| Program 2: Sustainable Resource Management | 103 | 61 | 40.80 | 1 |
| Program 3: Assets & Liabilities Management | 48 | 39 | 18.80 | 0 |
| Program 4: Financial Governance | 57 | 51 | 10.50 | 0 |
| Assets. Liabilities Management | 45 | 39 | 13.30 | 0 |
| Financial Governance | 86 | 70 | 18.60 | 0 |
| Total | 620 | 485 | 21.80 | 55 |

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

| Programme | Number of posts on approved establishment | Number of posts filled | Vacancy Rate | Number of employees additional to the establishment |
|------------------------------------|---|------------------------|--------------|---|
| Lower skilled (1-2) | 26 | 20 | 23.10 | 0 |
| Skilled(3-5) | 55 | 32 | 41.80 | 0 |
| Highly skilled production (6-8) | 143 | 119 | 16.80 | 0 |
| Highly skilled supervision (9-12) | 258 | 188 | 27.10 | 0 |
| Senior management (13-16) | 59 | 47 | 20.30 | 0 |
| Other, Permanent | 39 | 39 | 0.00 | 30 |
| Contract (Levels 6-8), Permanent | 20 | 20 | 0.00 | 19 |
| Contract (Levels 9-12), Permanent | 14 | 14 | 0.00 | 5 |
| Contract (Levels >= 13), Permanent | 6 | 6 | 0.00 | 1 |
| Total | 620 | 485 | 21.80 | 55 |

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

| Programme | Number of posts on approved establishment | Number of posts filled | Vacancy Rate | Number of employees additional to the establishment |
|---|--|-------------------------------|---------------------|--|
| Administrative Related, Permanent | 105 | 87 | 17.10 | 0 |
| Cashiers Tellers And Related Clerks, Permanent | 3 | 3 | 0.00 | 0 |
| Cleaners In Offices Workshops Hospitals Etc., Permanent | 34 | 28 | 17.60 | 0 |
| Client Inform Clerks(Switchb Recept Inform Clerks), Permanent | 6 | 6 | 0.00 | 0 |
| Finance And Economics Related, Permanent | 39 | 34 | 12.80 | 0 |
| Financial And Related Professionals, Permanent | 183 | 126 | 31.10 | 5 |
| Financial Clerks And Credit Controllers, Permanent | 24 | 21 | 12.50 | 0 |
| Head Of Department/Chief Executive Officer, Permanent | 1 | 1 | 0.00 | 0 |
| Human Resources & Organisat Developm & Relate Prof, Permanent | 18 | 13 | 27.80 | 0 |
| Human Resources Clerks, Permanent | 8 | 6 | 25.00 | 0 |
| Human Resources Related, Permanent | 9 | 7 | 22.20 | 0 |
| Information Technology Related, Permanent | 2 | 1 | 50.00 | 0 |
| Language Practitioners Interpreters & Other Commun, Permanent | 1 | 1 | 0.00 | 0 |
| Library Mail And Related Clerks, Permanent | 1 | 1 | 0.00 | 0 |
| Logistical Support Personnel, Permanent | 14 | 11 | 21.40 | 0 |
| Material-Recording And Transport Clerks, Permanent | 1 | 0 | 100.00 | 0 |
| Messengers Porters And Deliverers, Permanent | 9 | 8 | 11.10 | 0 |
| Other Administrat & Related Clerks And Organisers, Permanent | 84 | 65 | 22.60 | 49 |
| Other Information Technology Personnel., Permanent | 2 | 2 | 0.00 | 0 |
| Other Occupations, Permanent | 1 | 1 | 0.00 | 0 |
| Risk Management And Security Services, Permanent | 3 | 3 | 0.00 | 0 |
| Secretaries & Other Keyboard Operating Clerks, Permanent | 26 | 24 | 7.70 | 0 |
| Security Officers, Permanent | 1 | 1 | 0.00 | 0 |
| Senior Managers, Permanent | 43 | 33 | 23.30 | 1 |
| Social Work And Related Professionals, Permanent | 2 | 2 | 0.00 | 0 |
| Total | 620 | 485 | 21.80 | 55 |

3.3. FILLING OF SMS POSTS

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

Table 3.3.1 SMS post information as on 31 March 2019

| SMS Level | Total number of funded SMS posts | Total number of SMS posts filled | % of SMS posts filled | Total number of SMS posts vacant | % of SMS posts vacant |
|--------------------------------------|----------------------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|
| Director-General/ Head of Department | 1 | 1 | 100% | 0 | 0 |
| Salary Level 16 | 0 | 0 | 0% | 0 | 0 |
| Salary Level 15 | 7 | 6 | 85,71% | 1 | 14,29% |
| Salary Level 14 | 15 | 13 | 87% | 2 | 13,33% |
| Salary Level 13 | 43 | 32 | 74,42% | 11 | 25,58% |
| Total | 66 | 52 | 100% | 14 | 100% |

Table 3.3.2 SMS post information as on 30 September 2018

| SMS Level | Total number of funded SMS posts | Total number of SMS posts filled | % of SMS posts filled | Total number of SMS posts vacant | % of SMS posts vacant |
|--------------------------------------|----------------------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|
| Director-General/ Head of Department | 1 | 1 | 100% | 0 | 0 |
| Salary Level 16 | 0 | 0 | 0% | 0 | 0 |
| Salary Level 15 | 7 | 6 | 85,71% | 1 | 14,29% |
| Salary Level 14 | 15 | 13 | 87% | 2 | 13,33% |
| Salary Level 13 | 43 | 32 | 74,42% | 11 | 25,58% |
| Total | 66 | 52 | 100% | 14 | 100% |

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

| SMS Level | Advertising | Filling of Posts | |
|--------------------------------------|---|---|--|
| | Number of vacancies per level advertised in 6 months of becoming vacant | Number of vacancies per level filled in 6 months of becoming vacant | Number of vacancies per level not filled in 6 months but filled in 12 months |
| Director-General/ Head of Department | 0 | 0 | 0 |
| Salary Level 16 | 0 | 0 | 0 |
| Salary Level 15 | 1 | 0 | 1 |
| Salary Level 14 | 1 | 0 | 1 |
| Salary Level 13 | 2 | 1 | 1 |
| Total | 4 | 1 | 3 |

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

| REASONS FOR VACANCIES NOT ADVERTISED WITHIN SIX MONTHS |
|---|
| Placement of employees into the new organisational structure. |



REASONS FOR VACANCIES NOT FILLED WITHIN TWELVE MONTHS

Placement of employees into the new organisational structure.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2018 and 31 March 2019.

REASONS FOR VACANCIES NOT ADVERTISED WITHIN SIX MONTHS

Placement of employees into the new organisational structure.

3.4. JOB EVALUATION

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2018 and 31 March 2019

| Salary band | Number of posts on approved establishment | Number of Jobs Evaluated | % of posts evaluated by salary bands | Posts Upgraded | | Posts downgraded | |
|--|---|--------------------------|--------------------------------------|----------------|----------------------|---|----------------------|
| | | | | Number | % of posts evaluated | Number | % of posts evaluated |
| Lower Skilled (Levels 1-2) | 33 | 33 | 100% | N/A | N/A | N/A | N/A |
| Skilled (Levels 3-5) | 29 | 29 | 100% | N/A | N/A | N/A | N/A |
| Highly skilled production (Levels 6-8) | 148 | 148 | 100% | N/A | N/A | N/A | N/A |
| Highly skilled supervision (Levels 9-12) | 261 | 261 | 100% | 0 | 1 | 0 | 1 |
| Senior Management Service Band A 13 | 44 | 44 | 100% | N/A | N/A | 2 (Assistant Director: HOD Support to Level 08) | N/A |
| Senior Management Service Band B 14 | 13 | 13 | 100% | N/A | N/A | N/A | N/A |
| Senior Management Service Band C 15 | 5 | 5 | 100% | N/A | N/A | N/A | N/A |
| Senior Management Service Band D 16 | 1 | 1 | 100% | N/A | N/A | N/A | N/A |
| Total | 534 | 534 | | | | | |



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

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2018 and 31 March 2019

| GENDER | AFRICAN | ASIAN | COLOURED | WHITE | TOTAL |
|--------------|----------|----------|----------|----------|----------|
| Female | 0 | 0 | 0 | 0 | 0 |
| Male | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |

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

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

| OCCUPATION | NUMBER OF EMPLOYEES | JOB EVALUATION LEVEL | REMUNERATION LEVEL | REASON FOR DEVIATION |
|---|---------------------|----------------------|--------------------|----------------------|
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| Total number of employees whose salaries exceeded the level determined by job evaluation | | | | |
| Percentage of total employed 0% | | | | |

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2018 and 31 March 2019

| GENDER | AFRICAN | ASIAN | COLOURED | WHITE | TOTAL |
|--|----------|----------|----------|----------|----------|
| Female | 0 | 0 | 0 | 0 | 0 |
| Male | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Employees with a disability | 0 | 0 | 0 | 0 | 0 |
| Total number of Employees whose salaries exceeded the grades determine by job evaluation | | | | | None |



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 2018 and 31 March 2019

| Salary band | Number of employees at beginning of period-1 April 2018 | Appointments and transfers into the department | Terminations and transfers out of the department | Turnover rate |
|--|---|--|--|---------------|
| Lower skilled (Levels 1-2) | 20 | 0 | 0 | 0.00 |
| Skilled (Levels3-5) | 34 | 0 | 1 | 2.90 |
| Highly skilled production (Levels 6-8) | 124 | 0 | 4 | 3.20 |
| Highly skilled supervision (Levels 9-12) | 199 | 0 | 10 | 5.00 |
| Senior Management Service Bands A | 32 | 0 | 1 | 3.10 |
| Senior Management Service Bands B | 10 | 0 | 0 | 0.00 |
| Senior Management Service Bands C | 4 | 0 | 0 | 0.00 |
| Senior Management Service Bands D | 1 | 0 | 0 | 0.00 |
| Other Permanent | 18 | 40 | 13 | 72.20 |
| 12 Contract (Levels 6-8) Permanent | 1 | 20 | 1 | 100.00 |
| 13 Contract (Levels 9-12) Permanent | 17 | 5 | 8 | 47.10 |
| 14 Contract Band A Permanent | 1 | 0 | 0 | 0.00 |
| 15 Contract Band B Permanent | 2 | 0 | 0 | 0.00 |
| 16 Contract Band C Permanent | 2 | 0 | 0 | 0.00 |
| 17 Contract Band D Permanent | 1 | 0 | 0 | 0.00 |
| TOTAL | 466 | 65 | 38 | 8.20 |

| Critical occupation | Number of employees at beginning of period-April 2018 | Appointments and transfers into the department | Terminations and transfers out of the department | Turnover rate |
|--|---|--|--|---------------|
| Administrative Related Permanent | 92 | 0 | 4 | 4.30 |
| Cashiers Tellers And Related Clerks Permanent | 3 | 0 | 0 | 0.00 |
| Cleaners In Offices Workshops Hospitals Etc. Permanent | 28 | 0 | 0 | 0.00 |
| Client Inform Clerks(Switchboard Recept Inform Clerks) Permanent | 7 | 0 | 1 | 14.30 |
| Finance And Economics Related Permanent | 37 | 0 | 2 | 5.40 |
| Financial And Related Professionals Permanent | 134 | 5 | 12 | 9.00 |
| Financial Clerks And Credit Controllers Permanent | 21 | 0 | 0 | 0.00 |
| Head Of Department/Chief Executive Officer Permanent | 1 | 0 | 0 | 0.00 |
| Human Resources & Organisat Developm & Relate Prof Permanent | 15 | 0 | 2 | 13.30 |
| Human Resources Clerks Permanent | 6 | 0 | 0 | 0.00 |
| Human Resources Related Permanent | 7 | 0 | 0 | 0.00 |
| Information Technology Related Permanent | 1 | 0 | 0 | 0.00 |
| Language Practitioners Interpreters & Other Commun Permanent | 1 | 0 | 0 | 0.00 |
| Library Mail And Related Clerks Permanent | 1 | 0 | 0 | 0.00 |
| Logistical Support Personnel Permanent | 13 | 0 | 1 | 7.70 |
| Messengers Porters And Deliverers Permanent | 8 | 0 | 0 | 0.00 |
| Other Administrat & Related Clerks And Organisers Permanent | 25 | 60 | 14 | 56.00 |
| Other Information Technology Personnel. Permanent | 2 | 0 | 0 | 0.00 |
| Other Occupations Permanent | 1 | 0 | 0 | 0.00 |
| Risk Management And Security Services Permanent | 3 | 0 | 0 | 0.00 |
| Secretaries & Other Keyboard Operating Clerks Permanent | 24 | 0 | 0 | 0.00 |
| Security Officers Permanent | 1 | 0 | 0 | 0.00 |
| Senior Managers Permanent | 31 | 0 | 0 | 0.00 |
| Social Work And Related Professionals Permanent | 2 | 0 | 0 | 0.00 |
| Trade/Industry Advisers & Other Related Profession Permanent | 2 | 0 | 2 | 100.00 |
| TOTAL | 466 | 65 | 38 | 8.20 |

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

Table 3.5.3 Reasons why staff left the department for the period 1 April 2018 and 31 March 2019

| TERMINATION TYPE | NUMBER | % OF TOTAL RESIGNATIONS |
|----------------------------------|-----------|-------------------------|
| 01 Death, Permanent | 1 | 2.60 |
| 02 Resignation, Permanent | 12 | 31.60 |
| 03 Expiry of contract, Permanent | 16 | 42.10 |
| 09 Retirement, Permanent | 9 | 23.70 |
| TOTAL | 38 | 100.00 |

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

| Occupation | Employees 1 April 2018 | Promotions to another salary level | Salary level promotions as a % of employees by occupation | Progressions to another notch within a salary level | Notch progression as a % of employees by occupation |
|--|------------------------|------------------------------------|---|---|---|
| Administrative Related | 92 | 0 | 0.00 | 67 | 72.80 |
| Cashiers Tellers And Related Clerks | 3 | 0 | 0.00 | 3 | 100.00 |
| Cleaners In Offices Workshops Hospitals Etc. | 28 | 0 | 0.00 | 15 | 53.60 |
| Client Inform Clerks(Switchboard Receipt Inform Clerks) | 7 | 0 | 0.00 | 6 | 85.70 |
| Finance And Economics Related | 37 | 0 | 0.00 | 25 | 67.60 |
| Financial And Related Professionals | 134 | 0 | 0.00 | 83 | 61.90 |
| Financial Clerks And Credit Controllers | 21 | 0 | 0.00 | 13 | 61.90 |
| Head Of Department/Chief Executive Officer | 1 | 0 | 0.00 | 1 | 100.00 |
| Human Resources & Organisation Development & Relate Prof | 15 | 0 | 0.00 | 11 | 73.30 |
| Human Resources Clerks | 6 | 0 | 0.00 | 2 | 33.30 |
| Human Resources Related | 7 | 0 | 0.00 | 5 | 71.40 |
| Information Technology Related | 1 | 0 | 0.00 | 1 | 100.00 |
| Language Practitioners Interpreters & Other Commun | 1 | 0 | 0.00 | 1 | 100.00 |
| Library Mail And Related Clerks | 1 | 0 | 0.00 | 0 | 0.00 |
| Logistical Support Personnel | 13 | 0 | 0.00 | 2 | 15.40 |
| Messengers Porters And Deliverers | 8 | 0 | 0.00 | 5 | 62.50 |
| Other Administrat & Related Clerks And Organisers | 25 | 0 | 0.00 | 7 | 28.00 |
| Other Information Technology Personnel. | 2 | 0 | 0.00 | 2 | 100.00 |
| Other Occupations | 1 | 0 | 0.00 | 0 | 0.00 |
| Risk Management And Security Services | 3 | 0 | 0.00 | 3 | 100.00 |

| Occupation | Employees 1 April 2018 | Promotions to another salary level | Salary level promotions as a % of employees by occupation | Progressions to another notch within a salary level | Notch progression as a % of employees by occupation |
|--|------------------------|------------------------------------|---|---|---|
| Secretaries & Other Keyboard Operating Clerks | 24 | 0 | 0.00 | 17 | 70.80 |
| Security Officers | 1 | 0 | 0.00 | 1 | 100.00 |
| Senior Managers | 31 | 1 | 3.20 | 26 | 83.90 |
| Social Work And Related Professionals | 2 | 0 | 0.00 | 2 | 100.00 |
| Trade/Industry Advisers & Other Related Profession | 2 | 0 | 0.00 | 0 | 0.00 |
| TOTAL | 466 | 1 | 0.20 | 298 | 63.90 |

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

| Salary Band | Employees 1 April 2018 | Promotions to another salary level | Salary bands promotions as a % of employees by salary level | Progressions to another notch within a salary level | Notch progression as a % of employees by salary bands |
|--|------------------------|------------------------------------|---|---|---|
| 01 Lower Skilled (Levels 1-2), Permanent | 20 | 0 | 0.00 | 11 | 55.00 |
| 02 Skilled (Levels 3-5), Permanent | 34 | 0 | 0.00 | 23 | 67.60 |
| 03 Highly Skilled Production (Levels 6-8), Permanent | 124 | 0 | 0.00 | 82 | 66.10 |
| 04 Highly Skilled Supervision (Levels 9-12), Permanent | 199 | 0 | 0.00 | 129 | 64.80 |
| 05 Senior Management (Levels >= 13), Permanent | 47 | 1 | 2.10 | 40 | 85.10 |
| 09 Other, Permanent | 18 | 0 | 0.00 | 0 | 0.00 |
| 12 Contract (Levels 6-8) | 1 | 0 | 0.00 | 0 | 0.00 |
| 13 Contract (Levels 9-12) | 17 | 0 | 0.00 | 10 | 58.80 |
| 14 Contract (Levels >= 13) | 6 | 0 | 0.00 | 3 | 50.00 |
| TOTAL | 466 | 1 | 0.20 | 298 | 63.90 |



3.6. EMPLOYMENT EQUITY

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2019

| Occupational Categories | Male | | | | | Female | | | | | Total |
|---|------------|----------|----------|--------------|----------|------------|----------|----------|--------------|----------|------------|
| | African | Coloured | Indian | Total Blacks | White | African | Coloured | Indian | Total Blacks | White | |
| Professionals | 102 | 0 | 1 | 103 | 4 | 73 | 1 | 2 | 76 | 3 | 186 |
| Technicians And Associate Professionals | 46 | 0 | 0 | 46 | 0 | 51 | 0 | 0 | 51 | 1 | 98 |
| Labourers And Related Workers | 7 | 0 | 0 | 7 | 0 | 29 | 0 | 0 | 29 | 0 | 36 |
| Service Shop And Market Sales Workers | 1 | 0 | 0 | 1 | 1 | 2 | 0 | 0 | 2 | 0 | 4 |
| Clerks | 42 | 0 | 0 | 42 | 0 | 83 | 1 | 0 | 84 | 0 | 126 |
| Senior Officials And Managers | 18 | 1 | 1 | 20 | 2 | 11 | 0 | 1 | 12 | 1 | 35 |
| TOTAL | 216 | 1 | 2 | 219 | 7 | 249 | 2 | 3 | 254 | 5 | 485 |

Table 3.6.1B Total number of employees with disabilities on 31 March 2019

| Occupational Categories | Male | | | | | Female | | | | | Total |
|-----------------------------|---------|----------|--------|--------------|-------|---------|----------|--------|--------------|-------|-------|
| | African | Coloured | Indian | Total Blacks | White | African | Coloured | Indian | Total Blacks | White | |
| Employees with disabilities | 2 | 0 | 0 | 2 | 0 | 3 | 0 | 0 | 3 | 0 | 5 |

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

| Occupational Categories | Male | | | | | Female | | | | | Total |
|---|---------|----------|--------|--------------|-------|---------|----------|--------|--------------|-------|-------|
| | African | Coloured | Indian | Total Blacks | White | African | Coloured | Indian | Total Blacks | White | |
| Top Management, Permanent | 2 | 1 | 0 | 3 | 1 | 0 | 0 | 1 | 1 | 0 | 5 |
| Senior Management | 20 | 0 | 1 | 21 | 2 | 17 | 0 | 1 | 18 | 1 | 42 |
| Professionally qualified and experienced specialists and mid-management | 112 | 0 | 1 | 113 | 3 | 69 | 1 | 0 | 70 | 2 | 188 |
| Skilled technical and academically qualified workers, junior management | 37 | 0 | 0 | 37 | 0 | 79 | 1 | 0 | 80 | 2 | 119 |

| Occupational Categories | Male | | | | | Female | | | | | Total |
|---|------------|----------|----------|--------------|----------|------------|----------|----------|--------------|----------|------------|
| | African | Coloured | Indian | Total Blacks | White | African | Coloured | Indian | Total Blacks | White | |
| Semi-skilled and discretionary decision making, Permanent | 14 | 0 | 0 | 14 | 0 | 18 | 0 | 0 | 18 | 0 | 32 |
| Unskilled and defined decision making, Permanent | 1 | 0 | 0 | 1 | 0 | 19 | 0 | 0 | 19 | 0 | 20 |
| Not Available, Permanent | 14 | 0 | 0 | 14 | 0 | 25 | 0 | 0 | 25 | 0 | 39 |
| Contract (Top Management), Permanent | 2 | 0 | 0 | 2 | 1 | 0 | 0 | 0 | 0 | 0 | 3 |
| 09 Contract (Senior Management), Permanent | 2 | 0 | 0 | 2 | 0 | 0 | 0 | 1 | 1 | 0 | 3 |
| Contract (Professionally Qualified), Permanent | 7 | 0 | 0 | 7 | 0 | 7 | 0 | 0 | 7 | 0 | 14 |
| Contract (Skilled Technical), Permanent | 5 | 0 | 0 | 5 | 0 | 15 | 0 | 0 | 15 | 0 | 20 |
| TOTAL | 216 | 1 | 2 | 219 | 7 | 249 | 2 | 3 | 254 | 5 | 485 |

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

| Occupational Categories | Male | | | | | Female | | | | | Total |
|---|-----------|----------|----------|--------------|----------|-----------|----------|----------|--------------|----------|-----------|
| | African | Coloured | Indian | Total Blacks | White | African | Coloured | Indian | Total Blacks | White | |
| 07 Not Available, Permanent | 14 | 0 | 0 | 14 | 0 | 26 | 0 | 0 | 26 | 0 | 40 |
| 10 Contract (Professionally qualified), Permanent | 1 | 0 | 0 | 1 | 0 | 4 | 0 | 0 | 4 | 0 | 5 |
| 11 Contract (Skilled technical), Permanent | 5 | 0 | 0 | 5 | 0 | 15 | 0 | 0 | 15 | 0 | 20 |
| TOTAL | 20 | 0 | 0 | 20 | 0 | 45 | 0 | 0 | 45 | 0 | 65 |

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

| Occupational Categories | Male | | | | | Female | | | | | Total |
|--|------------|----------|----------|--------------|----------|------------|----------|----------|--------------|----------|------------|
| | African | Coloured | Indian | Total Blacks | White | African | Coloured | Indian | Total Blacks | White | |
| Top Management, Permanent | 2 | 1 | 0 | 3 | 0 | 0 | 0 | 1 | 1 | 0 | 4 |
| Senior Management, Permanent | 20 | 0 | 0 | 20 | 1 | 15 | 0 | 1 | 16 | 0 | 37 |
| Professionally qualified and experienced specialists and mid-management, Permanent | 72 | 0 | 1 | 73 | 2 | 50 | 2 | 0 | 52 | 2 | 129 |
| Skilled technical and academically qualified workers, junior management | 25 | 0 | 0 | 25 | 0 | 54 | 1 | 0 | 55 | 2 | 82 |
| Semi-skilled and discretionary decision making, Permanent | 10 | 0 | 0 | 10 | 0 | 13 | 0 | 0 | 13 | 0 | 23 |
| Unskilled and defined decision making, Permanent | 1 | 0 | 0 | 1 | 0 | 10 | 0 | 0 | 10 | 0 | 11 |
| Contract (Top Management), Permanent | 2 | 0 | 0 | 2 | 1 | 0 | 0 | 0 | 0 | 0 | 3 |
| Contract (Professionally qualified), Permanent | 4 | 0 | 0 | 4 | 0 | 6 | 0 | 0 | 6 | 0 | 10 |
| TOTAL | 136 | 1 | 1 | 138 | 4 | 148 | 3 | 2 | 153 | 4 | 299 |



Table 3.6.4B Promotions (Employees with disabilities) for the period 1 April 2018 to 31 March 2019

| Occupational Categories | Male | | | | | Female | | | | | Total |
|-----------------------------|---------|----------|--------|--------------|-------|---------|----------|--------|--------------|-------|-------|
| | African | Coloured | Indian | Total Blacks | White | African | Coloured | Indian | Total Blacks | White | |
| Employees with disabilities | 1 | 0 | 0 | 1 | 0 | 3 | 0 | 0 | 3 | 0 | 4 |

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

| Occupational Categories | Male | | | | | Female | | | | | Total |
|---|-----------|----------|----------|--------------|----------|-----------|----------|----------|--------------|----------|-----------|
| | African | Coloured | Indian | Total Blacks | White | African | Coloured | Indian | Total Blacks | White | |
| Senior Management, Permanent | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 1 | 0 | 1 |
| Professionally qualified and experienced specialists and mid-management, Permanent | 6 | 0 | 0 | 6 | 0 | 3 | 1 | 0 | 4 | 0 | 10 |
| 04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent | 2 | 0 | 0 | 2 | 0 | 2 | 0 | 0 | 2 | 0 | 4 |
| 05 Semi-skilled and discretionary decision making, Permanent | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 1 | 0 | 1 |
| 07 Not Available, Permanent | 4 | 0 | 0 | 4 | 0 | 9 | 0 | 0 | 9 | 0 | 13 |
| 10 Contract (Professionally qualified), Permanent | 1 | 0 | 0 | 1 | 0 | 7 | 0 | 0 | 7 | 0 | 8 |
| 11 Contract (Skilled technical), Permanent | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 1 | 0 | 1 |
| Total | 13 | 0 | 0 | 13 | 0 | 24 | 1 | 0 | 25 | 0 | 38 |





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

| Disciplinary action | Male | | | | Female | | | | Total |
|---------------------|---------|----------|--------|-------|---------|----------|--------|-------|-------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 1 |

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

| Occupational Category | Male | | | | Female | | | | Total |
|--|------------|----------|----------|----------|------------|----------|----------|----------|------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Legislators, senior officials and managers | 27 | 1 | 0 | 2 | 44 | 1 | 1 | 0 | 73 |
| Professionals | 89 | 1 | 0 | 0 | 60 | 0 | 0 | 0 | 150 |
| Technicians and associate professionals | 42 | 0 | 0 | 0 | 19 | 0 | 0 | 2 | 61 |
| Clerks | 58 | 0 | 0 | 0 | 21 | 0 | 0 | 0 | 79 |
| Service and sales workers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Skilled agriculture and fishery workers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Craft and related trades workers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Plant and machine operators and assemblers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Elementary occupations | 1 | 0 | 0 | 0 | 30 | 0 | 0 | 0 | 31 |
| Total | 217 | 1 | 0 | 2 | 172 | 1 | 1 | 2 | 396 |
| Employees with disabilities | | | | | | | | | |



MALE 220



FEMALE 176

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 2019

| 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 | 7 | 6 | 6 | 100% |
| Salary Level 14 | 15 | 11 | 11 | 100% |
| Salary Level 13 | 43 | 33 | 33 | 100% |
| TOTAL | 66 | 51 | 51 | 100% |

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2019

| REASONS |
|----------------|
| Not applicable |

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

| REASONS |
|----------------|
| Not applicable |

3.8. PERFORMANCE REWARDS

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

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





| Demographics | Number of Beneficiaries | Total Employment | Percentage of Total Employment | Cost | Average Cost per Beneficiary |
|-----------------------------|-------------------------|------------------|--------------------------------|--------------|------------------------------|
| African, Female | 142 | 246 | 57.70 | 2 040 | 14 367 |
| African, Male | 117 | 214 | 54.70 | 2 159 | 18 460 |
| Asian, Female | 2 | 3 | 66.70 | 39 | 19 894 |
| Asian, Male | 1 | 2 | 50.00 | 21 | 21 969 |
| Coloured, Female | 3 | 2 | 150.00 | 47 | 15 682 |
| Coloured, Male | 0 | 1 | 0.00 | 0 | 0 |
| Total Blacks, Female | 147 | 251 | 58.60 | 2 126 | 14 469 |
| Total Blacks, Male | 118 | 217 | 54.40 | 2 181 | 18 490 |
| White, Female | 4 | 5 | 80.00 | 109 | 27 349 |
| White, Male | 1 | 7 | 14.30 | 18 | 18 766 |
| Employees with a disability | 3 | 5 | 60.00 | 23 | 7 681 |
| TOTAL | 273 | 485 | 56.30 | 4 459 | 16 337 |

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

| Salary band | Beneficiary Profile | | | Cost | |
|--|-------------------------|---------------------|--------------------------------|--------------|---------------------------|
| | Number of beneficiaries | Number of employees | % of total within salary bands | Total Cost | Average cost per employee |
| | | | | (R'000) | (R) |
| Lower Skilled (Levels 1-2) | 12 | 20 | 60.00 | 36 | 3 031 |
| Skilled (Levels 3-5) | 26 | 32 | 81.30 | 180 | 6 933 |
| Highly Skilled Production (Levels 6-8) | 75 | 119 | 63.00 | 731 | 9 751 |
| Highly Skilled Supervision (Levels 9-12) | 122 | 188 | 64.90 | 2 560 | 20 988 |
| Other | 0 | 39 | 0.00 | 0 | 0 |
| Contract (Levels 6-8) | 1 | 20 | 5.00 | 11 | 11 523 |
| Contract (Levels 9-12) | 11 | 14 | 78.60 | 218 | 19 876 |
| TOTAL | 247 | 432 | 57.20 | 3 738 | 15 136 |

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

| Critical Occupations | Number of beneficiaries | Total Employment | Percentage of Total Employment | Total Cost | Average cost per employee |
|--|--------------------------------|-------------------------|---------------------------------------|-------------------|----------------------------------|
| | | | | (R'000) | (R) |
| Financial Clerks And Credit Controllers | 15 | 21 | 71.40 | 172.83 | 11 522 |
| Human Resources Clerks | 5 | 6 | 83.30 | 47.71 | 9 543 |
| Security Officers | 1 | 1 | 100.00 | 26.49 | 26 491 |
| Human Resources & Organisat Developm & Relate Prof | 13 | 13 | 100.00 | 371.81 | 28 600 |
| Messengers Porters And Deliverers | 5 | 8 | 62.50 | 27.86 | 5 572 |
| Risk Management And Security Services | 2 | 3 | 66.70 | 41.40 | 20 699 |
| Finance And Economics Related | 14 | 34 | 41.20 | 268.21 | 19 158 |
| Logistical Support Personnel | 10 | 11 | 90.90 | 106.93 | 10 693 |
| Other Administrat & Related Clerks And Organisers | 4 | 65 | 6.20 | 49.78 | 12 446 |
| Other Occupations | 0 | 1 | 0.00 | 0.00 | 0.00 |
| Financial And Related Professionals | 82 | 126 | 65.10 | 1 712.65 | 20 886 |
| Administrative Related | 51 | 87 | 58.60 | 726.18 | 14 239 |
| Secretaries & Other Keyboard Operating Clerks | 17 | 24 | 70.80 | 162.58 | 9 564 |
| Cleaners In Offices Workshops Hospitals Etc. | 20 | 28 | 71.40 | 104.15 | 5 208 |
| Library Mail And Related Clerks | 0 | 1 | 0.00 | 0.00 | 0.00 |
| Human Resources Related | 4 | 7 | 57.10 | 71.05 | 7 761 |
| Cashiers Tellers And Related Clerks | 3 | 3 | 100.00 | 30.87 | 10 288 |
| Head Of Department/Chief Executive Officer | 0 | 1 | 0.00 | 0.00 | 0.00 |
| Language Practitioners Interpreters & Other Commun | 1 | 1 | 100.00 | 7.98 | 7 983 |
| Social Work And Related Professionals | 2 | 2 | 100.00 | 30.76 | 15 381 |
| Senior Managers | 15 | 33 | 45.50 | 410.40 | 27 360 |
| Client Inform Clerks(Switchb Recept Inform Clerks) | 6 | 6 | 100.00 | 42.86 | 7 143 |
| Other Information Technology Personnel. | 1 | 2 | 50.00 | 10.06 | 10 062 |
| Information Technology Related | 1 | 1 | 100.00 | 16.70 | 16 702 |
| TOTAL | 273 | 485 | 56.30 | 4 459.95 | 16 337 |

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

| Salary band | Beneficiary Profile | | | Cost | | Total cost as a % of the total personnel expenditure |
|--------------|-------------------------|---------------------|--------------------------------|------------|---------------------------|--|
| | Number of beneficiaries | Number of employees | % of total within salary bands | Total Cost | Average cost per employee | |
| | | | | (R'000) | (R) | 0.13% |
| Band A | 16 | 32 | 50.00 | 382 | 23 898 | 0.06% |
| Band B | 6 | 13 | 46.20 | 189 | 31 465 | 0.05% |
| Band C | 4 | 6 | 66.70 | 150 | 37 530 | 0.00% |
| Band D | 0 | 2 | 0.00 | 0 | 0 | 0.24% |
| Total | 26 | 53 | 49.10 | 721 | 27 742 | 0.24% |

3.9. FOREIGN WORKERS

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

Table 3.9.1 Foreign workers by salary band for the period 1 April 2018 and 31 March 2019

| Salary Band | Highly skilled supervision (Levels 9-12) | TOTAL |
|--|--|--------|
| Employment at Beginning of Period | 2 | 2 |
| Percentage of Total at Beginning of Period | 100.00 | 100.00 |
| Employment at End of Period | 2 | 2 |
| Percentage of Total at End of Period | 100.00 | 100.00 |
| Change in Employment | 0 | 0 |
| Percentage of Total | 0.00 | 0.00 |
| Total Employment at Beginning of Period | 2 | 2 |
| Total Employment at End of Period | 2 | 2 |
| Total Change in Employment | 0.00 | 0.00 |

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

| Major_Occupational_Class | Professionals and managers | TOTAL |
|--|----------------------------|--------|
| Employment at Beginning of Period | 2 | 2 |
| Percentage of Total at Beginning of Period | 100.00 | 100.00 |
| Employment at End of Period | 2 | 2 |
| Percentage of Total at End of Period | 100.00 | 100.00 |
| Change in Employment | 0 | 0 |
| Percentage of Total | 0.00 | 0.00 |
| Total Employment at Beginning of Period | 2 | 2 |
| Total Employment at End of Period | 2 | 2 |
| Total Change in Employment | 0.00 | 0.00 |



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 January 2018 to December 2018

| Salary band | Total days | % Days with Medical certification | Number of Employees using sick leave | % of total employees using sick leave | Average days per employee | Estimated Cost |
|--|--------------|-----------------------------------|--------------------------------------|---------------------------------------|---------------------------|----------------|
| | | | | | | (R'000) |
| Contract (Levels 13-16) | 9 | 100.00 | 2 | 0.50 | 5 | 40 |
| Contract (Levels 6-8) | 30 | 66.70 | 15 | 4.10 | 2 | 31 |
| Contract (Levels 9-12) | 87 | 80.50 | 13 | 3.60 | 7 | 266 |
| Contract Other | 30 | 66.70 | 11 | 3.00 | 3 | 10 |
| Highly skilled production (Levels 6-8) | 857 | 77.10 | 109 | 29.80 | 8 | 1 368 |
| Highly skilled supervision (Levels 9-12) | 995 | 84.20 | 143 | 39.10 | 7 | 2 799 |
| Lower skilled (Levels 1-2) | 103 | 90.30 | 14 | 3.80 | 7 | 52 |
| Senior management (Levels 13-16) | 179 | 81.00 | 33 | 9.00 | 5 | 764 |
| Skilled (Levels 3-5) | 195 | 85.10 | 26 | 7.10 | 8 | 157 |
| TOTAL | 2 485 | 81.40 | 366 | 100.00 | 7 | 5 488 |

Table 3.10.2 Disability Leave (Temporary and Permanent) for January 2018 to December 2018

| Salary band | Total days | % Days with Medical certification | Number of Employees using sick leave | % of total employees using sick leave | Average days per employee | Estimated Cost |
|--|------------|-----------------------------------|--------------------------------------|---------------------------------------|---------------------------|----------------|
| | | | | | | (R'000) |
| Contract (Levels 9-12) | 34 | 100.00 | 2 | 15.40 | 17 | 102 |
| Highly skilled production (Levels 6-8) | 106 | 100.00 | 3 | 23.10 | 35 | 190 |
| Highly skilled supervision (Levels 9-12) | 251 | 100.00 | 7 | 53.80 | 36 | 802 |
| Senior management (Levels 13-16) | 2 | 100.00 | 1 | 7.70 | 2 | 9 |
| TOTAL | 393 | 100.00 | 13 | 100.00 | 30 | 1 103 |



Table 3.10.3 Annual Leave for the period 1 January 2018 to 31 December 2019

| Salary band | Total days | % Days with Medical certification | Number of Employees using sick leave |
|--|---------------|-----------------------------------|--------------------------------------|
| Contract (Levels 13-16) | 151 | 25 | 6 |
| Contract (Levels 6-8) | 99 | 5 | 21 |
| Contract (Levels 9-12) | 322 | 19 | 17 |
| Contract Other | 209 | 6 | 34 |
| Highly skilled production (Levels 6-8) | 3 212 | 26 | 125 |
| Highly skilled supervision (Levels 9-12) | 5 506 | 28 | 198 |
| Lower skilled (Levels 1-2) | 432 | 22 | 20 |
| Senior management (Levels 13-16) | 1 211 | 26 | 46 |
| Skilled (Levels 3-5) | 795 | 23 | 34 |
| TOTAL | 11 937 | 24 | 501 |

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

| Salary Band | Total days of capped leave taken | Average number of days taken per employee | Average capped leave per employee as at end of period | Number of Employees who took Capped leave | Total number of capped leave available at end of period | Number of Employees as at end of period |
|--|----------------------------------|---|---|---|---|---|
| Contract (Levels 13-16) | 0 | 0 | 0 | 0 | 0 | 0 |
| Contract (Levels 6-8) | 0 | 0 | 0 | 0 | 0 | 0 |
| Contract (Levels 9-12) | 0 | 0 | 0 | 0 | 0 | 0 |
| Contract Other | 0 | 0 | 0 | 0 | 0 | 0 |
| Highly skilled production (Levels 6-8) | 0 | 0 | 90 | 0 | 3 152.77 | 35 |
| Highly skilled supervision (Levels 9-12) | 9 | 3 | 126 | 3 | 11 803.59 | 94 |
| Lower skilled (Levels 1-2) | 0 | 0 | 0 | 0 | 0.00 | 0 |
| Senior management (Levels 13-16) | 0 | 0 | 70 | 0 | 1 056.52 | 15 |
| Skilled (Levels 3-5) | 0 | 0 | 117 | 0 | 1 169.27 | 10 |
| TOTAL | 9 | 3 | 112 | 3 | 17 182.15 | 154 |

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

Table 3.10.5 Leave pay-outs for the period 1 April 2018 and 31 March 2019

| Reason | Total amount | Number of employees | Average per employee |
|---|--------------|---------------------|----------------------|
| | (R'000) | | (R'000) |
| Annual - Discounting With Resignation (Work Days) | 186 | 5 | 37.200 |
| Annual - Gratuity: Death/Retirement/Medical Retirement(Work | 527 | 9 | 58.556 |
| Capped - Gratuity: Death/Retirement/Medical Retirement(Work | 2 812 | 9 | 312.444 |
| TOTAL | 3 524 | 23 | 153.217 |

3.11. HIV/AIDS & HEALTH PROMOTION PROGRAMMES

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

| UNITS/CATEGORIES OF EMPLOYEES IDENTIFIED TO BE AT HIGH RISK OF CONTRACTING HIV & RELATED DISEASES (IF ANY) | KEY STEPS TAKEN TO REDUCE THE RISK |
|--|--|
| Field workers e.g. Internal Audit staff | Education and awareness sessions on HIV and AIDS, STI's and TB management in the workplace. Regular distribution of male and female condoms; Conduct HCT campaigns |
| Cleaners. | Provision of protective clothing e.g. hand gloves and marks. Education and awareness sessions on biorisks (hazardous biological agents) |

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

| QUESTION | YES | NO | DETAILS, IF YES |
|--|-----|----|--|
| 1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position | X | | Ms Anna Oliphant, Director: Transformation Services |
| 2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose. | X | | Three (03): 1. Deputy Director: Employee Health & Wellness 2. Assistant Director: OHS, 3. Assistant Director: Wellness Management Budget: R166 000 |
| 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 | | <ol style="list-style-type: none"> 1. Psychosocial services 2. Physical activities 3. Work-life balance 4. Communicable and non-communicable diseases 5. Mental Health services 6. Occupational Health and Safety Services <ul style="list-style-type: none"> • Inspection of all 9 workplaces • Coordinate evacuation drills • OHS related proactive services (education and awareness sessions) • Manage Injury on Duty • Coordinate OHS quarterly meetings 7. Manage HIV&AIDS and TB in the workplace <ul style="list-style-type: none"> • Coordinate proactive services • Conduct HIV, Counselling and Testing • Coordinate Peer Educators' programme |



| QUESTION | YES | NO | DETAILS, IF YES |
|---|-----|----|---|
| 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 | | Yes, Employee Health & Wellness Advisory Committee chaired by the Chief Director: Corporate Services, Mr DL Mashego. Members are: 1. Ms N. Ramuntshi: Chief Director: Communication and Information Management 2. Ms KV. Mokubela: Legal Services 3. Mr JH. Mavanyisi: Director: Human Resource Development 4. Ms BM. Rakubu: Director: Supply Chain Management 5. Mr MG. Ramusetheli: Director: Financial Accounting 6. Ms PS. Ntuli. Director: Financial planning 7. Ms TM Shipalana: Chairperson for people with disability 8. Mr MS Tjiane. PSA 9. Ms Matamela TM. NEHAWU 10. Ms ML Manabalala: HOD Support |
| 5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed. | X | | The following four policies were reviewed in 2018: 1. HIV and AIDS policy 2. Wellness Management policy 3. OHS policy 4. Health and Productivity Management Policy |
| 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"> Educational sessions on HIV and AIDS related stigma and discrimination in a workplace conducted. Departmental Councillors renewed annual registration with the South African Council of Social Service Profession in order to adhere to stipulated ethical conduct such as "confidentiality". |
| 7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved. | X | | 92 employees tested and were all tested negative |
| 8. Has the department developed measures/ indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators. | X | | <ul style="list-style-type: none"> Employees are screened for life style diseases on a quarterly basis. Quarterly and Annual analysis reports are compiled and submitted to OtP and DPSA Employee Health & Wellness Integrated Monitoring tool is compiled on a monthly, quarterly and annual basis to monitor the impact of the interventions. |



3.12. LABOUR RELATIONS

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

| | |
|---------------------------------------|---|
| Total number of Collective agreements | 0 |
| | |

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

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

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

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

| Type of misconduct | Number | % of total |
|--------------------|----------|-------------|
| Dishonesty | 1 | 100% |
| Total | 1 | 100% |

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

| Grievances | Number | % of Total |
|--|-----------|-------------|
| Number of grievances resolved | 37 | 100% |
| Number of grievances not resolved | 0 | 0 |
| Total number of grievances lodged | 37 | 100% |

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

| Disputes | Number | % of Total |
|--|----------|-------------|
| Number of disputes upheld | 1 | 50% |
| Number of disputes dismissed | 1 | 50% |
| Total number of disputes lodged | 2 | 100% |

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

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

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

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

3.13. SKILLS DEVELOPMENT

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

Table 3.13.1 Training needs identified for the period 1 April 2018 and 31 March 2019

| Occupational category | Gender | Number of employees as at 31 March 2019 | 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 | 20 | 0 | 5 | 9 | 14 |
| | Male | 27 | 0 | 8 | 11 | 19 |
| Professionals | Female | 72 | 0 | 11 | 33 | 33 |
| | Male | 116 | 0 | 9 | 38 | 47 |
| Technicians and associate professionals | Female | 82 | 0 | 6 | 37 | 43 |
| | Male | 37 | 0 | 6 | 27 | 33 |
| Clerks | Female | 18 | 0 | 6 | 61 | 67 |
| | Male | 14 | 0 | 6 | 33 | 39 |
| Service and sales workers | Female | 19 | 0 | 0 | 0 | 0 |
| | Male | 1 | 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 | 48 | 0 | 7 | 24 | 31 |
| | Male | 31 | 0 | 0 | 1 | 1 |
| Sub Total | Female | 259 | 0 | 35 | 164 | 175 |
| | Male | 226 | 0 | 29 | 110 | 139 |
| Total | | 485 | 0 | 64 | 274 | 314 |

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

| Occupational category | Gender | Number of employees as at 31 March 2019 | 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 | 20 | 0 | 8 | 36 | 44 |
| | Male | 27 | 0 | 3 | 25 | 28 |
| Professionals | Female | 72 | 0 | 25 | 35 | 60 |
| | Male | 116 | 0 | 19 | 71 | 90 |
| Technicians and associate professionals | Female | 82 | 0 | 12 | 30 | 42 |
| | Male | 37 | 0 | 6 | 13 | 19 |
| Clerks | Female | 18 | 0 | 22 | 36 | 58 |
| | Male | 14 | 0 | 3 | 18 | 21 |
| Service and sales workers | Female | 19 | 0 | 0 | 0 | 0 |
| | Male | 1 | 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 | 48 | 0 | 7 | 23 | 30 |
| | Male | 31 | 0 | 0 | 1 | 1 |
| Sub Total | Female | 259 | 0 | 74 | 160 | 234 |
| | Male | 226 | 0 | 31 | 128 | 159 |
| Total | | 485 | 0 | 105 | 288 | 393 |

3.14. INJURY ON DUTY

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2018 and 31 March 2019

| Nature of injury on duty | Number | % of total |
|---------------------------------------|----------|--------------|
| Required basic medical attention only | 0 | 0 % |
| Temporary Total Disablement | 7 | 100% |
| Permanent Disablement | 0 | 0 % |
| Fatal | 0 | 0 % |
| Total | 7 | 100 % |

3.15. UTILISATION OF CONSULTANTS

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

- (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 2018 and 31 March 2019

| Project title | Total number of consultants that worked on project | Duration (work days) | Contract value in Rand |
|-------------------|--|----------------------|------------------------|
| Forensic services | KPMG | 4 months | R262,471 |
| Forensic services | Grant Thornton | 4 months | R470,580 |
| Forensic services | KPMG | 11 months | R751,916 |
| Forensic services | PWC | 3 months | R406,318 |

| Total number of projects | Total individual consultants | Duration (work days) | Contract value in Rand |
|--------------------------|------------------------------|----------------------|------------------------|
| 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 2018 and 31 March 2019

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



Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2018 and 31 March 2019

| Project title | Total Number of consultants that worked on project | Duration (work days) | Donor and contract value in Rand |
|--------------------------|--|----------------------|----------------------------------|
| N/A | | | |
| | | | |
| Total number of projects | Total individual consultants | Duration (work days) | Total contract value in Rand |
| N/A | | | |
| | | | |

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2018 and 31 March 2019

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

3.16. SEVERANCE PACKAGES

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

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



PART E:

FINANCIAL INFORMATION



1. REPORT OF THE AUDITOR GENERAL

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

Auditor's report

Provincial Treasury

31 July 2019

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Provincial Treasury set out on pages 88 to 124, which comprise the appropriation statement, the statement of financial position as at 31 March 2019, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Provincial Treasury as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standards and the requirements of the Public Finance Management Act of South Africa, 1999 (Act no. 1 of 1999) (PFMA) and Division of Revenue Act of South Africa, 2018 (Act no.1 of 2018) (DoRA).

Basis for opinion

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

Emphasis of matters

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

Uncertainty relating to the future outcome of exceptional litigation

7. With reference to note 17 to the financial statements, the department is the defendant in a claim regarding financial systems. The department is opposing the claim as it believes the

claim is unfounded. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Irregular expenditure

8. As disclosed in note 22 to the financial statements, irregular expenditure of R3 186 000 that was disclosed in the previous years, was still under investigation.

Other matter

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 125 to 132 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Responsibilities of accounting officer for the financial statements

11. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with Modified Cash Standards and the requirements of the PFMA and DoRA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
12. In preparing the financial statements, the accounting officer is responsible for assessing the Provincial Treasury'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.

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

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

Report on the audit of the annual performance report

Introduction and scope

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

| Programmes | Pages in the annual performance report |
|--|--|
| Programme 2: Sustainable resource management | 25 - 27 |
| Programme 3: Assets, liabilities and supply chain management | 28 - 29 |

18. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
19. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programmes:
- Programme 2: Sustainable resource management
 - Programme 3: Assets, liabilities and supply chain management

Other matter

20. I draw attention to the matter below.

Achievement of planned targets

21. Refer to the annual performance report on pages 22 to 33 for information on the achievement of planned targets for the year and explanations provided for the under/ over achievement of a number of targets.

Report on the audit of compliance with legislation

Introduction and scope

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

Other information

24. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
25. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
26. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
27. 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

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

Auditor General
Polokwane

31 July 2019



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

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

Financial statements

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

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

LIMPOPO PROVINCIAL TREASURY
VOTE 5

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019



LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

ANNUAL FINANCIAL STATEMENTS

For the year ended
31 March 2019

**LIMPOPO PROVINCIAL TREASURY
VOTE 5****ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019****Table of Contents**

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LIMPOPO PROVINCIAL TREASURY
VOTE 5

APPROPRIATION STATEMENT
for the year ended 31 March 2019

| Appropriation per programme | 2018/19 | | | | | | 2017/18 | | |
|--|------------------------|-------------------|----------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Voted funds and Direct charges | | | | | | | | | |
| Programme | | | | | | | | | |
| 1. Administration | 173,513 | - | 709 | 174,222 | 171,165 | 3,057 | 98.2% | 162,847 | 160,497 |
| 2. Sustainable Resource Management | 84,689 | - | (1,151) | 83,538 | 79,801 | 3,737 | 95.5% | 88,025 | 87,450 |
| 3. Assets, Liabilities & SCM | 65,161 | - | (2,005) | 63,156 | 61,740 | 1,416 | 97.8% | 94,807 | 93,353 |
| 4. Financial Governance | 137,509 | - | 2,447 | 139,956 | 134,444 | 5,512 | 96.1% | 85,252 | 84,282 |
| Programme sub total | 460,872 | - | - | 460,872 | 447,150 | 13,722 | 97.0% | 430,931 | 425,582 |
| Statutory Appropriation | 1,978 | - | - | 1,978 | 1,978 | - | 100.0% | 1,978 | 1,978 |
| Statutory Appropriation | 1,978 | 1,978 | 1,978 | 1,978 | 1,978 | 1,978 | 100.0% | 1,978 | 1,978 |
| TOTAL | 462,850 | - | - | 462,850 | 449,128 | 13,722 | 97.0% | 432,909 | 427,560 |
| Reconciliation with Statement of Financial Performance | | | | | | | | | |
| Add: | | | | | | | | | |
| Departmental receipts | | | | 289,311 | | | | 346,307 | |
| Actual amounts per Statement of Financial Performance - Total Revenue | | | | 752,161 | | | | 779,216 | |
| Actual amounts per Statement of Financial Performance - Expenditure | | | | | 449,128 | | | | 427,560 |

LIMPOPO PROVINCIAL TREASURY
VOTE 5APPROPRIATION STATEMENT
for the year ended 31 March 2019

| Appropriation per economic classification | 2018/19 | | | | | | 2017/18 | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 445,265 | (553) | - | 444,712 | 432,116 | 12,596 | 97.2% | 398,087 | 393,701 |
| Compensation of employees | 292,357 | - | - | 292,357 | 290,600 | 1,757 | 99.4% | 280,145 | 279,640 |
| Salaries and wages | 265,990 | (3,513) | (4,015) | 258,462 | 256,237 | 2,225 | 99.1% | 244,320 | 246,750 |
| Social contributions | 26,367 | 3,513 | 4,015 | 33,895 | 34,363 | (468) | 101.4% | 35,825 | 32,890 |
| Goods and services | 152,908 | (553) | - | 152,355 | 141,516 | 10,839 | 92.9% | 117,942 | 114,061 |
| Administrative fees | 4,794 | (965) | 3,024 | 6,853 | 4,419 | 2,434 | 64.5% | 5,408 | 5,092 |
| Advertising | 1,116 | (224) | - | 892 | 888 | 4 | 99.6% | 890 | 868 |
| Minor assets | 888 | (330) | - | 558 | 527 | 31 | 94.4% | 334 | 434 |
| Audit costs: External | 5,661 | (866) | - | 4,795 | 4,540 | 255 | 94.7% | 4,500 | 4,499 |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 2,135 | 120 | (429) | 1,826 | 1,445 | 381 | 79.1% | 1,287 | 1,200 |
| Communication (G&S) | 4,612 | (759) | - | 3,853 | 3,833 | 20 | 99.5% | 4,388 | 4,386 |
| Computer services | 41,114 | 1,419 | (356) | 42,177 | 41,984 | 193 | 99.5% | 32,599 | 30,744 |
| Consultants: Business and advisory services | 30,953 | 67 | (2,559) | 28,461 | 26,824 | 1,637 | 94.2% | 15,487 | 15,298 |
| Legal services | 1,937 | (867) | - | 1,070 | 1,049 | 21 | 98.0% | 667 | 666 |
| Contractors | 1,487 | (1,325) | - | 162 | 158 | 4 | 97.5% | 746 | 625 |
| Agency and support / outsourced services | 30 | (30) | - | - | - | - | - | 5 | 4 |
| Fleet services (including government motor transport) | 1,666 | 474 | - | 2,140 | 2,049 | 91 | 95.7% | 1,838 | 1,780 |
| Consumable supplies | 2,155 | (429) | 1 | 1,727 | 1,531 | 196 | 88.7% | 1,756 | 1,645 |
| Consumable: Stationery, printing and office supplies | 3,323 | 445 | (103) | 3,665 | 2,666 | 999 | 72.7% | 3,896 | 3,585 |
| Operating leases | 275 | 15,113 | - | 15,388 | 15,387 | 1 | 100.0% | - | - |
| Property payments | 21,020 | (9,999) | - | 11,021 | 10,631 | 390 | 96.5% | 23,443 | 23,422 |
| Transport provided: Departmental activity | 120 | (40) | - | 80 | 72 | 8 | 90.0% | 29 | 29 |
| Travel and subsistence | 19,571 | (2,745) | 546 | 17,372 | 14,531 | 2,841 | 83.6% | 14,035 | 13,424 |
| Training and development | 2,769 | 1,015 | - | 3,784 | 3,219 | 565 | 85.1% | 2,958 | 2,821 |
| Operating payments | 1,675 | (593) | 2 | 1,084 | 953 | 131 | 87.9% | 1,007 | 1,095 |
| Venues and facilities | 2,852 | (76) | (126) | 2,650 | 2,013 | 637 | 76.0% | 1,969 | 1,761 |
| Rental and hiring | 2,755 | 42 | - | 2,797 | 2,797 | - | 100.0% | 700 | 683 |
| Transfers and subsidies | 10,015 | 453 | - | 10,468 | 10,281 | 187 | 98.2% | 7,158 | 7,111 |
| Provinces and municipalities | - | 453 | - | 453 | 447 | 6 | 98.7% | - | - |
| Municipalities | - | 453 | - | 453 | 447 | 6 | 98.7% | - | - |
| Municipal bank accounts | - | 453 | - | 453 | 447 | 6 | 98.7% | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Departmental agencies (non-business entities) | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on products and production (pc) | - | - | - | - | - | - | - | - | - |
| Households | 10,015 | - | - | 10,015 | 9,834 | 181 | 98.2% | 7,083 | 7,037 |
| Social benefits | 3,042 | 827 | - | 3,869 | 3,688 | 181 | 95.3% | 2,495 | 2,510 |
| Other transfers to households | 6,973 | (827) | - | 6,146 | 6,146 | - | 100.0% | 4,588 | 4,527 |
| Payments for capital assets | 7,557 | - | - | 7,557 | 6,621 | 936 | 87.6% | 7,644 | 6,730 |
| Machinery and equipment | 7,557 | - | - | 7,557 | 6,621 | 936 | 87.6% | 7,644 | 6,730 |
| Transport equipment | 2,000 | - | - | 2,000 | 1,911 | 89 | 95.6% | - | - |
| Other machinery and equipment | 5,557 | - | - | 5,557 | 4,710 | 847 | 84.8% | 7,644 | 6,730 |
| Payment for financial assets | 13 | 100 | - | 113 | 110 | 3 | 97.3% | 20,020 | 20,018 |
| | 462,850 | - | - | 462,850 | 449,128 | 13,722 | 97.0% | 432,909 | 427,560 |

LIMPOPO PROVINCIAL TREASURY
VOTE 5APPROPRIATION STATEMENT
for the year ended 31 March 2019

| | 2018/19 | | | | | | 2017/18 | | |
|---|------------------------|-------------------|------------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Programme 1: Administration | | | | | | | | | |
| Sub programme | | | | | | | | | |
| 1. Office of the MEC | 5,492 | (520) | - | 4,972 | 4,967 | 5 | 99.9% | 4,619 | 4,540 |
| 2. Management Services | 8,564 | 2,604 | 74 | 11,242 | 11,204 | 38 | 99.7% | 9,913 | 9,890 |
| 3. Corporate Services | 115,997 | (1,873) | 592 | 114,716 | 112,794 | 1,922 | 98.3% | 107,385 | 105,490 |
| 4. Financial Management (Office of the CFO) | 43,460 | (211) | 43 | 43,292 | 42,200 | 1,092 | 97.5% | 40,930 | 40,577 |
| | 173,513 | - | 709 | 174,222 | 171,165 | 3,057 | 98.2% | 162,847 | 160,497 |
| Economic classification | | | | | | | | | |
| Current payments | 158,963 | (453) | 701 | 159,211 | 157,098 | 2,113 | 98.7% | 149,202 | 147,807 |
| Compensation of employees | 101,908 | - | 701 | 102,609 | 102,454 | 155 | 99.8% | 96,103 | 95,959 |
| Salaries and wages | 89,436 | 407 | 701 | 90,544 | 90,253 | 291 | 99.7% | 77,930 | 84,324 |
| Social contributions | 12,472 | (407) | - | 12,065 | 12,201 | (136) | 101.1% | 18,173 | 11,635 |
| Goods and services | 57,055 | (453) | - | 56,602 | 54,644 | 1,958 | 96.5% | 53,099 | 51,848 |
| Administrative fees | 884 | (566) | - | 318 | 245 | 73 | 77.0% | 383 | 356 |
| Advertising | 1,116 | (224) | - | 892 | 888 | 4 | 99.6% | 890 | 868 |
| Minor assets | 883 | (330) | - | 553 | 527 | 26 | 95.3% | 329 | 434 |
| Audit costs: External | 5,661 | (866) | - | 4,795 | 4,540 | 255 | 94.7% | 4,500 | 4,499 |
| Catering: Departmental activities | 400 | 144 | - | 544 | 533 | 11 | 98.0% | 234 | 233 |
| Communication (G&S) | 4,612 | (759) | - | 3,853 | 3,833 | 20 | 99.5% | 4,388 | 4,386 |
| Computer services | 3,470 | (106) | - | 3,364 | 3,244 | 120 | 96.4% | 3,540 | 3,025 |
| Consultants: Business and advisory services | 213 | (55) | - | 158 | 155 | 3 | 98.1% | 779 | 779 |
| Legal services | 1,937 | (867) | - | 1,070 | 1,049 | 21 | 98.0% | 667 | 666 |
| Contractors | 1,487 | (1,325) | - | 162 | 158 | 4 | 97.5% | 746 | 625 |
| Agency and support / outsourced services | 30 | (30) | - | - | - | - | - | 5 | 4 |
| Fleet services (including government motor transport) | 1,666 | 474 | - | 2,140 | 2,049 | 91 | 95.7% | 1,838 | 1,780 |
| Consumable supplies | 2,110 | (429) | - | 1,681 | 1,495 | 186 | 88.9% | 1,687 | 1,577 |
| Consumable: Stationery, printing and office supplies | 1,524 | 187 | - | 1,711 | 1,659 | 52 | 97.0% | 1,959 | 1,787 |
| Operating leases | 275 | 15,113 | - | 15,388 | 15,387 | 1 | 100.0% | - | - |
| Property payments | 21,020 | (9,999) | - | 11,021 | 10,631 | 390 | 96.5% | 23,443 | 23,422 |
| Transport provided: Departmental activity | 120 | (40) | - | 80 | 72 | 8 | 90.0% | 29 | 29 |
| Travel and subsistence | 4,363 | (170) | - | 4,193 | 3,773 | 420 | 90.0% | 3,019 | 2,940 |
| Training and development | 2,769 | 149 | - | 2,918 | 2,749 | 169 | 94.2% | 2,958 | 2,821 |
| Operating payments | 1,557 | (582) | - | 975 | 927 | 48 | 95.1% | 907 | 893 |
| Venues and facilities | 958 | (201) | - | 757 | 701 | 56 | 92.6% | 798 | 724 |
| Rental and hiring | - | 29 | - | 29 | 29 | - | 100.0% | - | - |
| Transfers and subsidies | 6,993 | 453 | 8 | 7,454 | 7,446 | 8 | 99.9% | 6,001 | 5,960 |
| Provinces and municipalities | - | 453 | - | 453 | 447 | 6 | 98.7% | - | - |
| Municipalities | - | 453 | - | 453 | 447 | 6 | 98.7% | - | - |
| Municipal bank accounts | - | - | - | - | - | - | - | 4 | 4 |
| Departmental agencies and accounts | - | - | - | - | - | - | - | 4 | 4 |
| Departmental agencies (non-business entities) | - | - | - | - | - | - | - | - | - |
| Households | 6,993 | - | 8 | 7,001 | 6,999 | 2 | 100.0% | 5,997 | 5,956 |
| Social benefits | 20 | 827 | 8 | 855 | 853 | 2 | 99.8% | 1,409 | 1,429 |
| Other transfers to households | 6,973 | (827) | - | 6,146 | 6,146 | - | 100.0% | 4,588 | 4,527 |
| Payments for capital assets | 7,557 | - | - | 7,557 | 6,621 | 936 | 87.6% | 7,644 | 6,730 |
| Machinery and equipment | 7,557 | - | - | 7,557 | 6,621 | 936 | 87.6% | 7,644 | 6,730 |
| Transport equipment | 2,000 | - | - | 2,000 | 1,911 | 89 | 95.6% | - | - |
| Other machinery and equipment | 5,557 | - | - | 5,557 | 4,710 | 847 | 84.8% | 7,644 | 6,730 |
| | 173,513 | - | 709 | 174,222 | 171,165 | 3,057 | 98.2% | 162,847 | 160,497 |

LIMPOPO PROVINCIAL TREASURY
VOTE 5APPROPRIATION STATEMENT
for the year ended 31 March 2019

| Programme 2: Sustainable Resource Management | | | | | | | | | |
|--|------------------------|-------------------|----------------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| | 2018/19 | | | | | 2017/18 | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Sub programme | | | | | | | | | |
| 1. Programme Support | 2,143 | - | (476) | 1,667 | 1,555 | 112 | 93.3% | 10,559 | 10,460 |
| 2. Economic Analysis | 3,273 | - | - | 3,273 | 3,007 | 266 | 91.9% | 2,828 | 2,687 |
| 3. Fiscal Policy | 38,307 | - | 1 | 38,308 | 36,134 | 2,174 | 94.3% | 15,691 | 15,661 |
| 4. Budget Management | 4,898 | - | 25 | 4,923 | 4,485 | 438 | 91.1% | 4,176 | 4,149 |
| 5. Public Finance | 10,389 | (129) | (701) | 9,559 | 8,892 | 667 | 93.0% | 8,720 | 8,649 |
| 6. Intergovernmental Relations | 25,679 | 129 | - | 25,808 | 25,728 | 80 | 99.7% | 46,051 | 45,844 |
| | 84,689 | - | (1,151) | 83,538 | 79,801 | 3,737 | 95.5% | 88,025 | 87,450 |
| Economic classification | | | | | | | | | |
| Current payments | 84,491 | - | (1,152) | 83,339 | 79,604 | 3,735 | 95.5% | 67,699 | 67,126 |
| Compensation of employees | 56,782 | - | (1,152) | 55,630 | 54,364 | 1,266 | 97.7% | 53,875 | 53,779 |
| Salaries and wages | 53,550 | (1,442) | (2,449) | 49,659 | 48,661 | 998 | 98.0% | 48,082 | 48,166 |
| Social contributions | 3,232 | 1,442 | 1,297 | 5,971 | 5,703 | 268 | 95.5% | 5,793 | 5,613 |
| Goods and services | 27,709 | - | - | 27,709 | 25,240 | 2,469 | 91.1% | 13,824 | 13,347 |
| Administrative fees | 350 | (333) | - | 17 | 5 | 12 | 29.4% | 61 | 52 |
| Minor assets | 5 | (5) | - | - | - | - | - | 5 | - |
| Catering: Departmental activities | 286 | (153) | - | 133 | 93 | 40 | 69.9% | 116 | 106 |
| Consultants: Business and advisory services | 21,303 | (503) | - | 20,800 | 20,162 | 638 | 96.9% | 8,607 | 8,481 |
| Consumable: Stationery, printing and office supplies | 484 | 256 | - | 740 | 361 | 379 | 48.8% | 708 | 705 |
| Travel and subsistence | 4,007 | (217) | - | 3,790 | 3,183 | 607 | 84.0% | 3,600 | 3,371 |
| Training and development | - | 866 | - | 866 | 470 | 396 | 54.3% | - | - |
| Operating payments | 38 | (38) | - | - | - | - | - | 9 | 8 |
| Venues and facilities | 1,236 | 127 | - | 1,363 | 966 | 397 | 70.9% | 718 | 624 |
| Transfers and subsidies | 198 | - | 1 | 199 | 197 | 2 | 99.0% | 326 | 324 |
| Public corporations and private enterprises | - | - | - | - | - | - | - | 71 | 70 |
| Public corporations | - | - | - | - | - | - | - | 71 | 70 |
| Subsidies on products and production (pc) | - | - | - | - | - | - | - | 71 | 70 |
| Households | 198 | - | 1 | 199 | 197 | 2 | 99.0% | 255 | 254 |
| Social benefits | 198 | - | 1 | 199 | 197 | 2 | 99.0% | 255 | 254 |
| Payment for financial assets | - | - | (1,151) | 83,538 | 79,801 | 3,737 | 95.5% | 88,025 | 87,450 |

LIMPOPO PROVINCIAL TREASURY
VOTE 5

APPROPRIATION STATEMENT
for the year ended 31 March 2019

| | 2018/19 | | | | | | 2017/18 | | |
|--|------------------------|-------------------|----------------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Programme 3: Assets, Liabilities & SCM | | | | | | | | | |
| Sub programme | | | | | | | | | |
| 1. Programme Support | 1,523 | (13) | (641) | 869 | 774 | 95 | 89.1% | 1,827 | 1,824 |
| 2. Provincial Assets Management | 23,390 | 13 | (138) | 23,265 | 23,207 | 58 | 99.8% | 13,749 | 13,749 |
| 3. Liabilities Management | 9,867 | - | (14) | 9,853 | 8,918 | 935 | 90.5% | 9,561 | 9,524 |
| 4. Provincial Supply Chain Management | 30,381 | - | (1,212) | 29,169 | 28,841 | 328 | 98.9% | 27,351 | 27,311 |
| 5. Support & Interlinked Financial Systems | - | - | - | - | - | - | - | 42,319 | 40,945 |
| | 65,161 | - | (2,005) | 63,156 | 61,740 | 1,416 | 97.8% | 94,807 | 93,353 |
| Economic classification | | | | | | | | | |
| Current payments | 63,036 | - | (2,021) | 61,015 | 59,600 | 1,415 | 97.7% | 94,502 | 93,051 |
| Compensation of employees | 46,371 | - | (2,041) | 44,330 | 44,213 | 117 | 99.7% | 57,954 | 57,820 |
| Salaries and wages | 43,393 | - | (4,505) | 38,888 | 38,871 | 17 | 100.0% | 52,261 | 50,983 |
| Social contributions | 2,978 | - | 2,464 | 5,442 | 5,342 | 100 | 98.2% | 5,693 | 6,837 |
| Goods and services | 16,665 | - | 20 | 16,685 | 15,387 | 1,298 | 92.2% | 36,548 | 35,231 |
| Administrative fees | 2,797 | - | 249 | 3,046 | 2,779 | 267 | 91.2% | 2,754 | 2,972 |
| Catering: Departmental activities | 457 | - | (39) | 418 | 383 | 35 | 91.6% | 254 | 221 |
| Computer services | 9,461 | - | 9 | 9,470 | 9,470 | - | 100.0% | 28,642 | 27,306 |
| Consultants: Business and advisory services | - | - | - | - | - | - | - | - | - |
| Consumable supplies | - | - | 10 | 10 | - | 10 | - | 25 | 24 |
| Consumable: Stationery, printing and office supplies | 1,280 | - | (78) | 1,202 | 646 | 556 | 53.7% | 1,180 | 1,046 |
| Travel and subsistence | 2,565 | - | (142) | 2,423 | 2,017 | 406 | 83.2% | 2,966 | 2,874 |
| Operating payments | 12 | - | 7 | 19 | 18 | 1 | 94.7% | - | 80 |
| Venues and facilities | 93 | - | 4 | 97 | 74 | 23 | 76.3% | 27 | 25 |
| Rental and hiring | - | - | - | - | - | - | - | 700 | 683 |
| Transfers and subsidies | 2,125 | - | 16 | 2,141 | 2,140 | 1 | 100.0% | 298 | 296 |
| Households | 2,125 | - | 16 | 2,141 | 2,140 | 1 | 100.0% | 298 | 296 |
| Social benefits | 2,125 | - | 16 | 2,141 | 2,140 | 1 | 100.0% | 298 | 296 |
| Payment for financial assets | - | - | (2,005) | 63,156 | 61,740 | 1,416 | 97.8% | 94,807 | 93,353 |

LIMPOPO PROVINCIAL TREASURY
VOTE 5APPROPRIATION STATEMENT
for the year ended 31 March 2019

| | 2018/19 | | | | | | 2017/18 | | |
|--|------------------------|-------------------|--------------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Programme 4: Financial Governance | | | | | | | | | |
| Sub programme | | | | | | | | | |
| 1. Programme Support | 820 | (369) | - | 451 | 394 | 57 | 87.4% | 944 | 944 |
| 2. Accounting Services | 17,683 | (2,193) | 2,992 | 18,482 | 16,231 | 2,251 | 87.8% | 16,018 | 15,616 |
| 3. Risk Management | 12,359 | 76 | - | 12,435 | 11,671 | 764 | 93.9% | 11,212 | 11,048 |
| 4. Provincial Internal Audit | 44,166 | (142) | - | 44,024 | 43,072 | 952 | 97.8% | 40,856 | 40,741 |
| 5. Norms and Standards | 19,214 | 745 | (520) | 19,439 | 18,502 | 937 | 95.2% | 16,222 | 15,933 |
| 6. Support & Interlinked Financial Systems | 43,267 | 1,883 | (25) | 45,125 | 44,574 | 551 | 98.8% | - | - |
| | 137,509 | - | 2,447 | 139,956 | 134,444 | 5,512 | 96.1% | 85,252 | 84,282 |
| Economic classification | | | | | | | | | |
| Current payments | 136,797 | (100) | 2,472 | 139,169 | 133,836 | 5,333 | 96.2% | 84,706 | 83,739 |
| Compensation of employees | 85,318 | - | 2,492 | 87,810 | 87,591 | 219 | 99.8% | 70,235 | 70,104 |
| Salaries and wages | 77,900 | (2,478) | 2,238 | 77,660 | 76,741 | 919 | 98.8% | 64,335 | 61,566 |
| Social contributions | 7,418 | 2,478 | 254 | 10,150 | 10,850 | (700) | 106.9% | 5,900 | 8,538 |
| Goods and services | 51,479 | (100) | (20) | 51,359 | 46,245 | 5,114 | 90.0% | 14,471 | 13,635 |
| Administrative fees | 763 | (66) | 2,775 | 3,472 | 1,390 | 2,082 | 40.0% | 2,210 | 1,712 |
| Minor assets | - | 5 | - | 5 | - | 5 | - | - | - |
| Catering: Departmental activities | 992 | 129 | (390) | 731 | 436 | 295 | 59.6% | 683 | 640 |
| Computer services | 28,183 | 1,525 | (365) | 29,343 | 29,270 | 73 | 99.8% | 417 | 413 |
| Consultants: Business and advisory services | 9,437 | 625 | (2,559) | 7,503 | 6,507 | 996 | 86.7% | 6,101 | 6,038 |
| Consumable supplies | 45 | - | (9) | 36 | 36 | - | 100.0% | 44 | 44 |
| Consumable: Stationery, printing and office supplies | 35 | 2 | (25) | 12 | - | 12 | - | 49 | 47 |
| Travel and subsistence | 8,636 | (2,358) | 688 | 6,966 | 5,558 | 1,408 | 79.8% | 4,450 | 4,239 |
| Operating payments | 68 | 27 | (5) | 90 | 8 | 82 | 8.9% | 91 | 114 |
| Venues and facilities | 565 | (2) | (130) | 433 | 272 | 161 | 62.8% | 426 | 388 |
| Rental and hiring | 2,755 | 13 | - | 2,768 | 2,768 | - | 100.0% | - | - |
| Transfers and subsidies | 699 | - | (25) | 674 | 498 | 176 | 73.9% | 533 | 531 |
| Households | 699 | - | (25) | 674 | 498 | 176 | 73.9% | 533 | 531 |
| Social benefits | 699 | - | (25) | 674 | 498 | 176 | 73.9% | 533 | 531 |
| Payment for financial assets | 13 | 100 | - | 113 | 110 | 3 | 97.3% | 13 | 12 |
| | 137,509 | - | 2,447 | 139,956 | 134,444 | 5,512 | 96.1% | 85,252 | 84,282 |

LIMPOPO PROVINCIAL TREASURY
VOTE 5

APPROPRIATION STATEMENT
for the year ended 31 March 2019

| | 2018/19 | | | | | | 2017/18 | | |
|--------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Direct charges | | | | | | | | | |
| Sub programme | | | | | | | | | |
| 1. Statutory Appropriation | 1,978 | - | - | 1,978 | 1,978 | - | 100.0% | 1,978 | 1,978 |
| | 1,978 | - | - | 1,978 | 1,978 | - | 100.0% | 1,978 | 1,978 |
| Economic classification | | | | | | | | | |
| Current payments | 1,978 | - | - | 1,978 | 1,978 | - | 100.0% | 1,978 | 1,978 |
| Compensation of employees | 1,978 | - | - | 1,978 | 1,978 | - | 100.0% | 1,978 | 1,978 |
| Salaries and wages | 1,711 | - | - | 1,711 | 1,711 | - | 100.0% | 1,712 | 1,711 |
| Social contributions | 267 | - | - | 267 | 267 | - | 100.0% | 266 | 267 |
| | 1,978 | - | - | 1,978 | 1,978 | - | 100.0% | 1,978 | 1,978 |

**LIMPOPO PROVINCIAL TREASURY
VOTE 5**

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

- 1 Detail of transfers and subsidies as per Appropriation Act (after Virement):**
Detail of these transactions can be viewed in the note on Transfers and subsidies and Annexure 1 (A-H) to the Annual Financial
- 2 Detail of specifically and exclusively appropriated amounts voted (after Virement):**
Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.
- 3 Detail on payments for financial assets**
Detail of these transactions per programme can be viewed in the note to Payments for financial assets to the Annual Financial
- 4 Explanations of material variances from Amounts Voted (after virement):**

4.1 Per programme:

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

Administration

| | | | | |
|--|---------|---------|-------|----|
| | 176,200 | 173,143 | 3,057 | 2% |
|--|---------|---------|-------|----|

The underspending is as a result of delay in filling of posts which was impacted negatively by the placement of officials in the new organizational structure as well as on non-core items such as administration fees, consumable supplies, travel and subsistence and venues and facilities.

Sustainable Resource Management

| | | | | |
|--|--------|--------|-------|----|
| | 83,538 | 79,801 | 3,737 | 4% |
|--|--------|--------|-------|----|

The underspending is as a result of delay in filling of posts which was impacted negatively by the placement of officials in the new organizational structure as well as on non-core items such as administration fees, catering, printing and office supplies, travel and subsistence and venue and facilities.

Assets, Liabilities and PSCM

| | | | | |
|--|--------|--------|-------|----|
| | 63,156 | 61,740 | 1,416 | 2% |
|--|--------|--------|-------|----|

The underspending is as a result of delay in filling of posts which was impacted negatively by the placement of officials in the new organizational structure as well as on non-core items such as administration fees, catering, printing and office supplies, travel and subsistence and venue and facilities.

Financial Governance

| | | | | |
|--|---------|---------|-------|----|
| | 139,956 | 134,444 | 5,512 | 4% |
|--|---------|---------|-------|----|

The underspending is as a result of forensic audit projects that could not be finalized before the end of the financial year as well non-core items such as administration fees, catering, travel and subsistence and venue and facilities.

**LIMPOPO PROVINCIAL TREASURY
VOTE 5**

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

4.2 Per economic classification:

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

Current expenditure

| | | | | |
|---------------------------|---------|---------|--------|----|
| Compensation of employees | 292,357 | 290,600 | 1,757 | 1% |
| Goods and services | 152,355 | 141,516 | 10,839 | 7% |
| Interest and rent on land | | | - | 0% |

Transfers and subsidies

| | | | | |
|------------------------------|--------|-------|-----|----|
| Provinces and municipalities | 453 | 447 | 6 | 1% |
| Households | 10,015 | 9,834 | 181 | 2% |

Payments for capital assets

| | | | | |
|-------------------------|-------|-------|-----|-----|
| Machinery and equipment | 7,557 | 6,621 | 936 | 12% |
|-------------------------|-------|-------|-----|-----|

Payments for financial assets

| | | | | |
|--|-----|-----|---|----|
| | 113 | 110 | 3 | 3% |
|--|-----|-----|---|----|

Compensation of Employees

The underspending is a result of delay in the filling of posts which was impacted negatively by the placement of officials in the newly approved organizational structure.

Goods and Services

The underspending was mainly on non-core items such as administration fees, catering, printing and office supplies, travel and subsistence and venue and facilities and forensic audit projects not yet finalised.

Capital Payments

The underspending is as a result of non-delivery of IT equipment by service providers before year end.

Transfers and Subsidies

The underspending is as a result of social benefits that were due and payable at year end.

**LIMPOPO PROVINCIAL TREASURY
VOTE 5**

**STATEMENT OF FINANCIAL PERFORMANCE
as at 31 March 2019**

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|---|------|------------------|------------------|
| REVENUE | | | |
| Annual appropriation | 1 | 460,872 | 430,931 |
| Statutory appropriation | 2 | 1,978 | 1,978 |
| Departmental revenue | 3 | 289,311 | 346,307 |
| TOTAL REVENUE | | 752,161 | 779,216 |
| EXPENDITURE | | | |
| Current expenditure | | | |
| Compensation of employees | 4 | 290,600 | 279,640 |
| Goods and services | 5 | 141,516 | 113,892 |
| Total current expenditure | | 432,116 | 393,532 |
| Transfers and subsidies | | | |
| Transfers and subsidies | 7 | 10,281 | 7,280 |
| Total transfers and subsidies | | 10,281 | 7,280 |
| Expenditure for capital assets | | | |
| Tangible assets | 8 | 6,621 | 6,730 |
| Total expenditure for capital assets | | 6,621 | 6,730 |
| Payments for financial assets | 6 | 110 | 20,018 |
| TOTAL EXPENDITURE | | 449,128 | 427,560 |
| SURPLUS/(DEFICIT) FOR THE YEAR | | 303,033 | 351,656 |
| Reconciliation of Net Surplus/(Deficit) for the year | | | |
| Voted Funds | | 13,722 | 5,349 |
| Annual appropriation | | 13,722 | 5,349 |
| Departmental revenue and NRF Receipts | 13 | 289,311 | 346,307 |
| SURPLUS/(DEFICIT) FOR THE YEAR | | 303,033 | 351,656 |

Prior year amount restated in line with Modified Cash Standard requirements.

Departmental revenue R15 897 million to R346 307 million

Goods & Services R169 thousand to Transfers and Subsidies

**LIMPOPO PROVINCIAL TREASURY
VOTE 5**

**STATEMENT OF FINANCIAL POSITION
as at 31 March 2019**

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|---|------|------------------|------------------|
| ASSETS | | | |
| Current Assets | | 23,625 | 6,548 |
| Cash an cash equivalents | 9 | 20,682 | 6,119 |
| Receivables | 11 | 2,943 | 429 |
| Non-Current Assets | | 2 | 13 |
| Receivables | 11 | 2 | 13 |
| TOTAL ASSETS | | 23,627 | 6,561 |
| LIABILITIES | | | |
| Current Liabilities | | 23,396 | 6,253 |
| Voted funds to be surrendered to the Revenue Fund | 12 | 13,722 | 5,349 |
| Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund | 13 | 9,245 | 36 |
| Payables | 14 | 429 | 868 |
| TOTAL LIABILITIES | | 23,396 | 6,253 |
| NET ASSETS | | 231 | 308 |
| Represented by: | | | |
| Recoverable revenue | | 231 | 308 |
| TOTAL | | 231 | 308 |

**LIMPOPO PROVINCIAL TREASURY
VOTE 5**

**STATEMENT OF CHANGES IN NET ASSETS
as at 31 March 2019**

| NET ASSETS | Note | 2018/19 R'000 | 2017/18 R'000 |
|---|------|------------------|------------------|
| Recoverable revenue | | | |
| Opening balance | | 308 | 281 |
| Transfers | | (77) | 27 |
| Irrecoverable amounts written off | 6.1 | -51 | - |
| Debts recovered (included in departmental receipts) | | -190 | -174 |
| Debts raised | | 164 | 201 |
| Closing balance | | 231 | 308 |
| TOTAL | | 231 | 308 |

**LIMPOPO PROVINCIAL TREASURY
VOTE 5**

**CASH FLOW STATEMENT
as at 31 March 2019**

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|--|-----------|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts | | 751,680 | 779,216 |
| Annual appropriated funds received | 1 | 460,872 | 430,931 |
| Statutory appropriated funds received | 2 | 1,978 | 1,978 |
| Departmental revenue received | 3 | 1,376 | 1,153 |
| Interest received | 3.2 | 287,454 | 345,154 |
| Net (increase)/ decrease in working capital | | (2,942) | 784 |
| Surrendered to Revenue Fund | | (285,451) | (362,218) |
| Current payments | | (432,116) | (393,701) |
| Payments for financial assets | | (110) | (20,018) |
| Transfers and subsidies paid | | (10,281) | (7,111) |
| Net cash flow available from operating activities | 15 | 20,780 | (3,048) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments for capital assets | 8 | (6,621) | (6,730) |
| Proceeds from sale of capital assets | 3.3 | 481 | - |
| Net cash flows from investing activities | | (6,140) | (6,730) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Increase/ (decrease) in net assets | | (77) | 27 |
| Net cash flows from financing activities | | (77) | 27 |
| Net increase/ (decrease) in cash and cash equivalents | | 14,563 | (9,751) |
| Cash and cash equivalents at beginning of period | | 6,119 | 15,870 |
| Cash and cash equivalents at end of period | 16 | 20,682 | 6,119 |

**LIMPOPO PROVINCIAL TREASURY
VOTE 5**

ACCOUNTING POLICIES

for the year ended 31 March 2019

| | |
|---|--|
| Summary of significant accounting policies | |
| <p>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.</p> <p>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.</p> <p>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.</p> | |
| 1 | <p>Basis of preparation</p> <p>The financial statements have been prepared in accordance with the Modified Cash Standard.</p> |
| 2 | <p>Going concern</p> <p>The financial statements have been prepared on a going concern basis.</p> |
| 3 | <p>Presentation currency</p> <p>Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.</p> |
| 4 | <p>Rounding</p> <p>Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).</p> |
| 5 | <p>Foreign currency translation</p> <p>Cash flows arising from foreign currency transactions are translated into South African rands using the spot exchange rates prevailing at the date of payment / receipt.</p> |
| 6 | <p>Comparative information</p> |
| 6.1 | <p>Prior period comparative information</p> <p>Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.</p> |
| 6.2 | <p>Current year comparison with budget</p> <p>A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.</p> |

**LIMPOPO PROVINCIAL TREASURY
VOTE 5**

ACCOUNTING POLICIES

for the year ended 31 March 2019

| | |
|--------------|--|
| 7 | Revenue |
| 7.1 | <p>Appropriated funds</p> <p>Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).</p> <p>Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.</p> <p>The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.</p> |
| 7.2 | <p>Departmental revenue</p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p> |
| 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> |
| 8.3 | <p>Accruals and payables not recognised</p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department or in the case of transfers and subsidies when they are due and payable. Accruals and payables not recognised are measured at cost.</p> |

**LIMPOPO PROVINCIAL TREASURY
VOTE 5**

ACCOUNTING POLICIES

for the year ended 31 March 2019

| | |
|--------------|--|
| 8.4 | Leases |
| 8.4.1 | <p>Operating leases</p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.</p> <p>The operating lease commitments are recorded in the notes to the financial statements. Where the lease contract term has expired, and the lease continues on a month to month rental basis, the department records a potential commitment to the lease based on previous practice and other objective evidence regarding the lease renewal that is available at the time of approving the financial statements.</p> |
| 8.4.2 | <p>Finance leases</p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> • cost, being the fair value of the asset; or • the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest. |
| 9 | <p>Cash and cash equivalents</p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</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> |
| 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> |

**LIMPOPO PROVINCIAL TREASURY
VOTE 5**

ACCOUNTING POLICIES

for the year ended 31 March 2019

| | |
|-------------|---|
| 12 | Financial assets |
| 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.</p> <p>At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p> |
| 13. | <p>Payables</p> <p>Loans and payables are recognised in the statement of financial position at cost.</p> |
| 14 | Capital Assets |
| 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> |
| 14.2 | <p>Intangible assets</p> <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p> |

**LIMPOPO PROVINCIAL TREASURY
VOTE 5**

ACCOUNTING POLICIES

for the year ended 31 March 2019

| | |
|-------------|---|
| 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>Commitments</p> <p>Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.</p> |
| 16 | <p>Fruitless and wasteful expenditure</p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p> |
| 17 | <p>Irregular expenditure</p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note. Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable. Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p> |

**LIMPOPO PROVINCIAL TREASURY
VOTE 5**

ACCOUNTING POLICIES

for the year ended 31 March 2019

| | |
|-----------|--|
| 18 | <p>Changes in accounting policies, accounting estimates and errors</p> <p>Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p> |
| 19 | <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> |
| 20 | <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> |
| 21 | <p>Related party transactions</p> <p>A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.</p> |
| 22 | <p>Employee benefits</p> <p>The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.</p> |

**LIMPOPO PROVINCIAL TREASURY
VOTE 5**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019**

1

1.1 Annual Appropriation

| | 2018/19 | | | 2017/18 | |
|---------------------------------|---------------------------------|-----------------------------------|--|---------------------------------|------------------------------------|
| | Final Appropriation R'000 | Actual Funds Received R'000 | Funds not requested/ not received R'000 | Final Appropriation R'000 | Appropriation Received R'000 |
| Programmes | | | | | |
| Administration | 174,222 | 174,222 | - | 162,847 | 162,847 |
| Sustainable Resource Management | 83,538 | 83,538 | - | 88,025 | 88,025 |
| Assets, Liabilities & SCM | 63,156 | 63,156 | - | 94,807 | 94,807 |
| Financial Governance | 139,956 | 139,956 | - | 85,252 | 85,252 |
| Total | 460,872 | 460,872 | - | 430,931 | 430,931 |

2 Statutory Appropriation

Members Remuneration

| | 2018/19 R'000 | 2017/18 R'000 |
|----------------------|------------------|------------------|
| Members Remuneration | 1,978 | 1,978 |
| | 1,978 | 1,978 |

Actual Statutory Appropriation received

| | | |
|--|--------------|--------------|
| | 1,978 | 1,978 |
|--|--------------|--------------|

3 Departmental Revenue

Sales of goods and services other than capital assets

Interest, dividends and rent on land

Sales of capital assets

Transactions in financial assets and liabilities

Total revenue collected

Less: Own revenue included in appropriation

Departmental revenue collected

| Note | 2018/19 R'000 | 2017/18 R'000 |
|------|------------------|------------------|
| 3.1 | 447 | 444 |
| 3.2 | 287,454 | 345,154 |
| 3.3 | 481 | - |
| 3.4 | 929 | 709 |
| | 289,311 | 346,307 |
| 13 | - | - |
| | 289,311 | 346,307 |

Prior year "Own revenue included in appropriation" amount restated from R330 410 to R0 in line with MCS (Modified Cash Standard)

3.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the department

Sales by market establishment

Other sales

Sales of scrap, waste and other used current goods

Total

| Note | 2018/19 R'000 | 2017/18 R'000 |
|------|------------------|------------------|
| 3 | 439 | 443 |
| | 93 | 93 |
| | 346 | 350 |
| | 8 | 1 |
| | 447 | 444 |

3.2 Interest, dividends and rent on land

Interest

Total

| Note | 2018/19 R'000 | 2017/18 R'000 |
|------|------------------|------------------|
| 3 | 287,454 | 345,154 |
| | 287,454 | 345,154 |

**LIMPOPO PROVINCIAL TREASURY
VOTE 5**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019**

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|---|------|--------------------------|--------------------------|
| 3.3 Sales of capital assets | 3 | | |
| Tangible assets | | 481 | - |
| Machinery and equipment | 26 | 481 | - |
| Total | | 481 | - |
| | | 2018/19 R'000 | 2017/18 R'000 |
| 3.4 Transactions in financial assets and liabilities | 3 | | |
| Other Receipts including Recoverable Revenue | | 929 | 709 |
| Total | | 929 | 709 |
| | | 2018/19 R'000 | 2017/18 R'000 |
| 4 Compensation of Employees | | | |
| 4.1 Salaries and wages | | | |
| Basic salary | | 206,863 | 198,337 |
| Performance award | | 4,515 | 3,807 |
| Service Based | | 198 | 190 |
| Compensative/circumstantial | | 745 | 2,115 |
| Periodic payments | | - | 140 |
| Other non-pensionable allowances | | 43,915 | 42,161 |
| Total | | 256,236 | 246,750 |
| 4.2 Social Contributions | | | |
| Employer contributions | | | |
| Pension | | 26,178 | 25,352 |
| Medical | | 8,147 | 7,501 |
| Bargaining council | | 39 | 37 |
| Total | | 34,364 | 32,890 |
| Total compensation of employees | | 290,600 | 279,640 |
| Average number of employees | | 481 | 469 |

**LIMPOPO PROVINCIAL TREASURY
VOTE 5**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019**

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|---|------|------------------|------------------|
| 5 Goods and services | | | |
| Administrative fees | | 4,419 | 4,857 |
| Advertising | | 888 | 868 |
| Minor assets | 5.1 | 527 | 435 |
| Catering | | 1,444 | 1,200 |
| Communication | | 3,832 | 4,386 |
| Computer services | 5.2 | 41,983 | 30,742 |
| Consultants: Business and advisory services | | 26,824 | 15,297 |
| Legal services | | 1,049 | 666 |
| Contractors | | 158 | 826 |
| Agency and support / outsourced services | | - | 241 |
| Audit cost – external | 5.3 | 4,540 | 4,499 |
| Fleet services | | 2,049 | 1,781 |
| Consumables | 5.4 | 4,197 | 5,230 |
| Operating leases | | 15,387 | 13,808 |
| Property payments | 5.5 | 10,631 | 9,244 |
| Rental and hiring | | 2,796 | 684 |
| Transport provided as part of the departmental activities | | 72 | 29 |
| Travel and subsistence | 5.6 | 14,533 | 13,421 |
| Venues and facilities | | 2,013 | 1,763 |
| Training and development | | 3,219 | 2,822 |
| Other operating expenditure | 5.7 | 955 | 1,093 |
| Total | | 141,516 | 113,892 |

Prior year Property Payments amount has been reduced by R 14 178 to:

Operating Lease: R 13 808

Contractors R 201

Transfers and Subsidies: Provinces and municipalities R 169

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|-------------------------------------|------|------------------|------------------|
| 5.1 Minor assets | 5 | | |
| Tangible assets | | 527 | 435 |
| Machinery and equipment | | 527 | 435 |
| Total | | 527 | 435 |
| 5.2 Computer services | 5 | | |
| SITA computer services | | 27,541 | 10,740 |
| External computer service providers | | 14,442 | 20,002 |
| Total | | 41,983 | 30,742 |
| 5.3 Audit cost – external | 5 | | |
| Regularity audits | | 4,540 | 4,499 |
| Total | | 4,540 | 4,499 |

**LIMPOPO PROVINCIAL TREASURY
VOTE 5**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019**

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|---|------|------------------|------------------|
| 5.4 Consumables | 5 | | |
| Consumable supplies | | 1,530 | 1,645 |
| Uniform and clothing | | 168 | 4 |
| Household supplies | | 858 | 1,018 |
| Building material and supplies | | 47 | 203 |
| Communication accessories | | 59 | 5 |
| IT consumables | | 257 | 84 |
| Other consumables | | 141 | 331 |
| Stationery, printing and office supplies | | 2,667 | 3,585 |
| Total | | 4,197 | 5,230 |
| | | | |
| | Note | 2018/19 R'000 | 2017/18 R'000 |
| 5.5 Property payments | 5 | | |
| Municipal services | | 2,564 | 2,326 |
| Property maintenance and repairs | | 1,123 | 416 |
| Other | | 6,944 | 6,502 |
| Total | | 10,631 | 9,244 |
| | | | |
| Prior year amounts reduced by R 14 178 and reclassified to: | | | |
| Operating Lease: R 13 808 | | | |
| Contractors R 201 | | | |
| Transfers and Subsidies: Provinces and municipalities R 169 | | | |
| | | | |
| | Note | 2018/19 R'000 | 2017/18 R'000 |
| 5.6 Travel and subsistence | 5 | | |
| Local | | 14,010 | 13,024 |
| Foreign | | 523 | 397 |
| Total | | 14,533 | 13,421 |
| | | | |
| | Note | 2018/19 R'000 | 2017/18 R'000 |
| 5.7 Other operating expenditure | 5 | | |
| Professional bodies, membership and subscription fees | | 391 | 154 |
| Resettlement costs | | 33 | 295 |
| Other | | 531 | 644 |
| Total | | 955 | 1,093 |
| | | | |
| | Note | 2018/19 R'000 | 2017/18 R'000 |
| 6 Payments for financial assets | | | |
| Extension of loans for policy purposes | | - | 20,000 |
| Debts written off | 6.1 | 110 | 18 |
| Total | | 110 | 20,018 |

**LIMPOPO PROVINCIAL TREASURY
VOTE 5**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019**

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|------------------------------------|------|-------------------|------------------|
| 6.1 Debts written off | 6 | | |
| Nature of debts written off | | | |
| Recoverable revenue written off | | | |
| Laptop | | 13 | - |
| Salary Related | | 35 | - |
| Cellphone | | 3 | - |
| Total | | <u>51</u> | <u>-</u> |
| Other debt written off | | | |
| Salary related | | 59 | 18 |
| Total | | <u>59</u> | <u>18</u> |
| Total debt written off | | <u><u>110</u></u> | <u><u>18</u></u> |

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|----------------------------------|-------------|----------------------|---------------------|
| 7 Transfers and Subsidies | | | |
| Provinces and municipalities | 29 | 447 | 172 |
| Households | ANNEXURE 1B | 9,834 | 7,108 |
| Total | | <u><u>10,281</u></u> | <u><u>7,280</u></u> |

Prior year Provinces and Municipalities amount increased by R 169 from Goods and Services:

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|---|------|---------------------|---------------------|
| 8 Expenditure for capital assets | | | |
| Tangible assets | | 6,621 | 6,730 |
| Machinery and equipment | 26 | <u>6,621</u> | <u>6,730</u> |
| Total | | <u><u>6,621</u></u> | <u><u>6,730</u></u> |

8.1 Analysis of funds utilised to acquire capital assets - 2018/19

| | Voted Funds R'000 | Aid assistance R'000 | TOTAL R'000 |
|-------------------------|----------------------|----------------------------|---------------------|
| Tangible assets | 6,621 | - | 6,621 |
| Machinery and equipment | <u>6,621</u> | <u>-</u> | <u>6,621</u> |
| Total | <u><u>6,621</u></u> | <u><u>-</u></u> | <u><u>6,621</u></u> |

8.2 Analysis of funds utilised to acquire capital assets - 2017/18

| | Voted Funds R'000 | Aid assistance R'000 | TOTAL R'000 |
|-------------------------|----------------------|----------------------------|---------------------|
| Tangible assets | 6,730 | - | 6,730 |
| Machinery and equipment | <u>6,730</u> | <u>-</u> | <u>6,730</u> |
| Total | <u><u>6,730</u></u> | <u><u>-</u></u> | <u><u>6,730</u></u> |

**LIMPOPO PROVINCIAL TREASURY
VOTE 5**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019**

| | 2018/19 R'000 | 2017/18 R'000 |
|---|------------------|------------------|
| 8.3 Finance lease expenditure included in Expenditure for capital assets | | |
| Tangible assets | | |
| Machinery and equipment | 231 | 205 |
| Total | <u>231</u> | <u>205</u> |
| | 2018/19 R'000 | 2017/18 R'000 |
| 9 Cash and Cash Equivalents | | |
| Consolidated Paymaster General Account | 20,682 | 6,119 |
| Total | <u>20,682</u> | <u>6,119</u> |

10 Prepayments and Advances

10.1 Prepayments (Expensed)

| | Balance as at 1 April 2018 R'000 | Less: Received in the current year R'000 | Add/Less: Other R'000 | Add: Current Year prepayment s R'000 | Amount as at 31 March 2019 R'000 |
|--|---|--|-----------------------------|---|--|
| <i>Listed by economic classification</i> | | | | | |
| Goods and services | 717 | (717) | - | 879 | 879 |
| Total | <u>717</u> | <u>(717)</u> | <u>-</u> | <u>879</u> | <u>879</u> |

Prepayments are in respect of Rental, Licences and Maintenance renewals

| | 'Balance as at 1 April 2017 R'000 | Less: Received in the current year R'000 | Add/Less: Other R'000 | Add: Current Year prepayment s R'000 | Amount as at 31 March 2018 R'000 |
|--|--|--|-----------------------------|---|--|
| Prepayments (Expensed) | | | | | |
| <i>Listed by economic classification</i> | | | | | |
| Goods and services | 1,164 | (1,164) | - | 717 | 717 |
| Total | <u>1,164</u> | <u>(1,164)</u> | <u>-</u> | <u>717</u> | <u>717</u> |

| | | 2018/19 | | | 2017/18 | | |
|-----------------------|------|------------------|----------------------|----------------|------------------|----------------------|----------------|
| | Note | Current R'000 | Non-current R'000 | Total R'000 | Current R'000 | Non-current R'000 | Total R'000 |
| 11 Receivables | | | | | | | |
| Staff debt | 11.1 | 283 | 2 | 285 | 281 | 13 | 294 |
| Other receivables | 11.2 | 2,660 | - | 2,660 | 148 | - | 148 |
| Total | | <u>2,943</u> | <u>2</u> | <u>2,945</u> | <u>429</u> | <u>13</u> | <u>442</u> |

**LIMPOPO PROVINCIAL TREASURY
VOTE 5**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019**

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|-------------------------------|------|------------------|------------------|
| 11.1 Staff debt | 11 | | |
| Loss of Official Laptop | | 182 | 251 |
| Overpayment on Salary | | 11 | 18 |
| Cell Phone Debts | | 47 | 21 |
| Tax Debt | | 16 | 3 |
| Leave without pay | | 28 | - |
| Other | | 1 | 1 |
| Total | | 285 | 294 |
| | | | |
| | Note | 2018/19 R'000 | 2017/18 R'000 |
| 11.2 Other receivables | 11 | | |
| Overpayment On Salary | | 2,597 | 144 |
| Other | | 63 | 4 |
| Total | | 2,660 | 148 |

2 Debts to the value of R143 thousand have not been raised as the investigation was not finalised as at 31 March 2019.

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|---|------|------------------|------------------|
| 12 Voted Funds to be Surrendered to the Revenue Fund | | | |
| Opening balance | | 5,349 | 14,089 |
| Transfer from statement of financial performance (as restated) | | 13,722 | 5,349 |
| Paid during the year | | (5,349) | (14,089) |
| Closing balance | | 13,722 | 5,349 |
| | | | |
| | Note | 2018/19 R'000 | 2017/18 R'000 |
| 13 Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund | | | |
| Opening balance | | 36 | 1,858 |
| Transfer from Statement of Financial Performance (as restated) | | 289,311 | 346,307 |
| Own revenue included in appropriation | | - | - |
| Paid during the year | | (280,102) | (348,129) |
| Closing balance | | 9,245 | 36 |

Prior year "Own revenue included in appropriation" amount restated from R330 410 to R0 in line with MCS (Modified Cash Standard)

**LIMPOPO PROVINCIAL TREASURY
VOTE 5**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019**

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|--|---------------|--------------------------|--------------------------|
| 14 Payables - current | | | |
| Advances received | 14.1 | 429 | 564 |
| Other payables | 14.2 | - | 304 |
| Total | | 429 | 868 |
| | | 2018/19 R'000 | 2017/18 R'000 |
| 14.1 Advances received | 14 | | |
| Other institutions | Annex 5 | 429 | 564 |
| Total | | 429 | 564 |
| | | 2018/19 R'000 | 2017/18 R'000 |
| 14.2 Other payables | 14 | | |
| Sal: Income Tax | | - | 296 |
| Sal: Pension Fund | | - | 8 |
| Total | | - | 304 |
| | | 2018/19 R'000 | 2017/18 R'000 |
| 15 Net cash flow available from operating activities | Note | | |
| Net surplus/(deficit) as per Statement of Financial Performance | | 303,033 | 351,656 |
| Add back non cash/cash movements not deemed operating activities | | (282,253) | (354,704) |
| (Increase)/decrease in receivables | | (2,503) | 171 |
| Increase/(decrease) in payables – current | | (439) | 613 |
| Proceeds from sale of capital assets | | (481) | - |
| Expenditure on capital assets | | 6,621 | 6,730 |
| Surrenders to Revenue Fund | | (285,451) | (362,218) |
| Net cash flow generated by operating activities | | 20,780 | (3,048) |
| | | 2018/19 R'000 | 2017/18 R'000 |
| 16 Reconciliation of cash and cash equivalents for cash flow purposes | Note | | |
| Consolidated Paymaster General account | | 20,682 | 6,119 |
| Total | | 20,682 | 6,119 |
| | | 2018/19 R'000 | 2017/18 R'000 |
| 17 Contingent liabilities and contingent assets | Note | | |
| 17.1 Contingent liabilities | | | |
| Liable to | Nature | | |
| Housing loan guarantees | Employees | 642 | 635 |
| Claims against the department | | 251,755 | 78,138 |
| Intergovernmental payables (unconfirmed balances) | | 1,754 | 4,181 |
| Total | | 254,151 | 82,954 |
| | | 2018/19 R'000 | 2017/18 R'000 |
| Contingent assets | | | |
| Nature of contingent asset | Note | | |
| Claims against a supplier | | 98,000 | 98,000 |
| Over- Utilisation of Cell Phones | | 191 | 296 |
| Total | | 98,191 | 98,296 |

The supplier has lodged a counter claim against the department amounting to R250 million as disclosed in Annexure 2B

**LIMPOPO PROVINCIAL TREASURY
VOTE 5**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019**

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|---------------------------------|------|------------------|------------------|
| 18 Commitments | | | |
| Current expenditure | | | |
| Approved and contracted | | 68,506 | 92,321 |
| Approved but not yet contracted | | 34,132 | - |
| | | 102,638 | 92,321 |
| Capital Expenditure | | | |
| Approved and contracted | | 368 | 130 |
| | | 368 | 130 |
| Total Commitments | | 103,006 | 92,451 |

The department has entered into contracts with SITA which will end in 2023, IBM in 2021, GTAC in 2021 and Combined Systems in 2020

The Department has a contract with a forensic audit firm to provide evidence in disciplinary hearings of municipalities who illegally invested money and the commitment cannot be quantified.

| | | 2018/19 R'000 | 2017/18 R'000 |
|--|----------------|------------------|------------------|
| 19 Accruals and payables not recognised | | | |
| 19.1 Accruals | | | |
| Listed by economic classification | 30 days | 30+ days | Total |
| Goods and services | 13,259 | - | 13,259 |
| Total | 13,259 | - | 13,259 |

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|---|------|------------------|------------------|
| Listed by programme level | | | |
| Administration | | 1,853 | 4,180 |
| Sustainable Resources Management | | 3,621 | 7,168 |
| Assets, Liabilities and Supply Chain Management | | 257 | 11,307 |
| Financial Governance | | 7,528 | 89 |
| Total | | 13,259 | 22,744 |

| | 30 days | 30+ days | Total | Total |
|--|-----------|------------|------------|--------------|
| 19.2 Payables not recognised | | | | |
| Listed by economic classification | | | | |
| Goods and services | 42 | 787 | 829 | 1,812 |
| Total | 42 | 787 | 829 | 1,812 |

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|---|------|------------------|------------------|
| Listed by programme level | | | |
| Administration | | 217 | 114 |
| Sustainable Resources Management | | 314 | 29 |
| Assets, Liabilities and Supply Chain Management | | 175 | 1,600 |
| Financial Governance | | 123 | 69 |
| Total | | 829 | 1,812 |

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|--|---------|------------------|------------------|
| Included in the above totals are the following: | | | |
| Confirmed balances with departments | Annex 4 | 5 | 8 |
| Total | | 5 | 8 |

**LIMPOPO PROVINCIAL TREASURY
VOTE 5**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019**

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|-----------------------------|------|------------------|------------------|
| 20 Employee benefits | | | |
| Leave entitlement | | 12,220 | 12,062 |
| Service bonus | | 7,451 | 7,493 |
| Performance awards | | 4,356 | 4,173 |
| Capped leave commitments | | 32,984 | 33,603 |
| Other | | 444 | 198 |
| Total | | 57,455 | 57,528 |

The leave entitlement is net of negative leave of R190 thousand due to some employees utilising their new leave cycle (1 January 2019- 31 December 2019) credits in excess of the leave days accrued to them as at 31 March 2019.

Included in other employee benefits is an amount in relation to long service awards.

Leaves captured after 31 March 2019 - R51 thousand has been factored into the leave entitlement amount

21 Lease commitments
21.1 Operating leases

| 2018/19 | Specialised military assets R'000 | Land R'000 | Buildings and other fixed structures R'000 | Machinery and equipment R'000 | Total R'000 |
|--------------------------------|--|---------------|---|--|----------------|
| Not later than 1 year | - | - | 18,054 | - | 18,054 |
| Total lease commitments | - | - | 18,054 | - | 18,054 |

| 2017/18 | Specialised military assets R'000 | Land R'000 | Buildings and other fixed structures R'000 | Machinery and equipment R'000 | Total R'000 |
|--------------------------------|--|---------------|---|--|----------------|
| Not later than 1 year | - | - | 15,048 | - | 15,048 |
| Total lease commitments | - | - | 15,048 | - | 15,048 |

The lease contract has expired and the department does not intend to vacate the building within the next 12 months. A potential commitment for 12 months has been raised based on past practices.

21.2 Finance leases

| 2018/19 | Specialised military assets R'000 | Land R'000 | Buildings and other fixed structures R'000 | Machinery and equipment R'000 | Total R'000 |
|--|--|---------------|---|--|----------------|
| Not later than 1 year | - | - | - | 180 | 180 |
| Later than 1 year and not later than 5 years | - | - | - | 35 | 35 |
| Total lease commitments | - | - | - | 215 | 215 |

| 2017/18 | Specialised military assets R'000 | Land R'000 | Buildings and other fixed structures R'000 | Machinery and equipment R'000 | Total R'000 |
|--|--|---------------|---|--|----------------|
| Not later than 1 year | - | - | - | 138 | 138 |
| Later than 1 year and not later than 5 years | - | - | - | 45 | 45 |
| Total lease commitments | - | - | - | 183 | 183 |

The department participates in RT -15 of 2016 transversal contract and the amount of commitment cannot be quantified as there is no fixed monthly cost

**LIMPOPO PROVINCIAL TREASURY
VOTE 5**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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| | Note | 2018/19 R'000 | 2017/18 R'000 |
|---|---|--------------------------|--------------------------|
| 22 Irregular expenditure | | | |
| 22.1 Reconciliation of irregular expenditure | | | |
| Opening balance | | 171 | - |
| Add: Irregular expenditure - relating to current year | | - | 171 |
| Less: Prior year amounts condoned | | (171) | - |
| Irregular expenditure awaiting condonation | | <u> -</u> | <u> 171</u> |
| | | | |
| Analysis of awaiting condonation per age classification | | | |
| Current year | | - | 171 |
| Total | | <u> -</u> | <u> 171</u> |
| | | 2018/19 R'000 | |
| 22.2 Details of irregular expenditure condoned | | | |
| Incident | Condoned by (condoning authority) | | |
| Non-compliance with SCM Processes | Provincial Accountant General's Office | 171 | |
| Total | | <u> 171</u> | |
| | | 2018/19 R'000 | |
| 22.3 Details of irregular expenditure under determination or investigation (no Incident) | | | |
| Accelerated pay progression for previous years | The matter has been referred to the Labour Court of South Africa for the determination on the irregularity of these payments and/or ordering the repayment of these amounts Court Case Number: JR25/4/18 | 3,186 | |
| Total | | <u> 3,186</u> | |
| | | 2018/19 R'000 | 2017/18 R'000 |
| 23 Fruitless and wasteful expenditure | | | |
| 23.1 Reconciliation of fruitless and wasteful expenditure | | | |
| Opening balance | | - | - |
| Fruitless and wasteful expenditure – relating to prior year | | 101 | - |
| Fruitless and wasteful expenditure – relating to current year | | 9 | - |
| Closing balance | | <u> 110</u> | <u> -</u> |
| | | | |
| 23.2 Analysis of awaiting resolution per economic classification | | | |
| Current | | 110 | - |
| Total | | <u> 110</u> | <u> -</u> |
| | | | |
| 23.3 Analysis of Current year's (relating to current & prior years) fruitless and wasteful expenditure | | 2018/19 R'000 | |
| | | | |
| Incident | Disciplinary steps taken/criminal | | |
| Interest paid to Supplier | Under Investigation | 9 | |
| Non Completion of E- learning Course | Letters of recovery written to relevant departments/entities | 101 | |
| Total | | <u> 110</u> | |

**LIMPOPO PROVINCIAL TREASURY
VOTE 5**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019**

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|---|------|------------------|------------------|
| 24 Related party transactions | | | |
| In kind goods and services provided/received | | | |
| Provided in kind | | | |
| Provincial Treasury renders transversal functions in relation to Audit Committees to all provincial departments, excluding the Provincial Legislature. | | | |
| Department of Education | | 580 | 602 |
| Department of Social Development | | 385 | 354 |
| Office of the Premier | | 315 | 354 |
| Department of Public Works | | 682 | 662 |
| CoGHSTA | | 394 | 430 |
| Department of Sport, Arts & Culture | | 394 | 386 |
| Department of Health | | 633 | 640 |
| Department of Safety, Security & Liaison | | 400 | 366 |
| Department of Agriculture | | 565 | 617 |
| Department of Economic Development, Environment & Tourism | | 356 | 369 |
| Department of Transport | | 350 | 368 |
| Provincial Treasury renders transversal functions in relation to Internal Audit Services to all provincial departments, excluding the Provincial Legislature. | | | |
| Department of Education | | 6,110 | 6,373 |
| Department of Social Development | | 2,494 | 3,624 |
| Office of the Premier | | 2,323 | 1,777 |
| Department of Public Works | | 5,384 | 3,571 |
| CoGHSTA | | 3,373 | 3,138 |
| Department of Sport, Arts & Culture | | 2,093 | 2,324 |
| Department of Health | | 4,760 | 4,072 |
| Department of Safety, Security & Liaison | | 1,967 | 1,719 |
| Department of Agriculture | | 3,310 | 2,984 |
| Department of Economic Development, Environment & Tourism | | 1,885 | 2,201 |
| Department of Transport | | 4,267 | 3,161 |
| Provincial Treasury renders services to Departments | | | |
| Department of Education | | 376 | 470 |
| Department of Sport, Arts & Culture | | 179 | - |
| Received in kind | | | |
| Provincial Treasury received a service from Departments | | | |
| Department of Education | | - | 1,371 |
| Total | | 43,575 | 41,933 |

**LIMPOPO PROVINCIAL TREASURY
VOTE 5**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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List related party relationships

1. Provincial Treasury has a related party relationship with the Department of Public Works, Roads & Infrastructure as Provincial Treasury is making use of the following government owned buildings rental free, 46 Hans Van Rensburg in Polokwane, the Tender Advice Centres at Giyani Government Complex in Mopani and at the Thoyandou Government Complex in Vhembe.
2. Provincial Treasury is related to all the 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 in 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 appointed the Government Technical Advisory Centre (GTAC) to assist infrastructure departments and municipalities in the province, however the cost cannot be quantified in terms of each department
6. Provincial Treasury has procured a provincial Risk Management Software which will be used by all Provincial departments at no cost
7. Limpopo Provincial Treasury seconded officials to Department of Sports, Arts and Culture and Department of Education

| | No. of Individuals | 2018/19 R'000 | 2017/18 R'000 |
|--|-------------------------------|--------------------------|--------------------------|
| 25 Key management personnel | | | |
| Political office bearers | 1 | 1 978 | 1 978 |
| Officials: | | | |
| Level 15 to 16 | 5 | 6 092 | 10 732 |
| Level 14 | 12 | 13 460 | 15 804 |
| Level 13 | 8 | 8 952 | - |
| Family members of key management personnel | 1 | 349 | 325 |
| Total | | 30 831 | 28 839 |

26 Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

| | Opening balance R'000 | Value adjustments R'000 | Additions R'000 | Disposals R'000 | Closing balance R'000 |
|--------------------------------|--------------------------------------|--|----------------------------|----------------------------|--------------------------------------|
| MACHINERY AND EQUIPMENT | 48 500 | - | 6 421 | 5 100 | 49 821 |
| Transport assets | 8 952 | - | 1 911 | 1 393 | 9 470 |
| Computer equipment | 28 691 | - | 3 126 | 3 264 | 28 553 |
| Furniture and office equipment | 5 410 | - | 1 107 | 150 | 6 367 |
| Other machinery and equipment | 5 447 | - | 277 | 293 | 5 431 |
| TOTAL MOVABLE TANGIBLE | 48 500 | - | 6 421 | 5 100 | 49 821 |

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 | 54 | 1 029 |

**LIMPOPO PROVINCIAL TREASURY
VOTE 5**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019**

Additions

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

| | Cash | Non-cash | (Capital work- in-progress current costs and finance lease payments) | Received current, not paid (Paid current year, received prior year) | Total |
|-----------------------------------|--------------|-----------|---|---|--------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| MACHINERY AND EQUIPMENT | 6,621 | 31 | (231) | - | 6,421 |
| Transport assets | 1,911 | - | - | - | 1,911 |
| Computer equipment | 3,095 | 31 | - | - | 3,126 |
| Furniture and office equipment | 1,107 | - | - | - | 1,107 |
| Other machinery and equipment | 508 | - | (231) | - | 277 |
| TOTAL ADDITIONS TO MOVABLE | 6,621 | 31 | (231) | - | 6,421 |

Disposals

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

| | Sold for cash | Non-cash disposal | Total disposals | Cash received Actual |
|--|---------------|----------------------|--------------------|----------------------------|
| | R'000 | R'000 | R'000 | R'000 |
| MACHINERY AND EQUIPMENT | 4,655 | 445 | 5,100 | 481 |
| Transport assets | 1,393 | - | 1,393 | 330 |
| Computer equipment | 2,819 | 445 | 3,264 | 145 |
| Furniture and office equipment | 150 | - | 150 | 1 |
| Other machinery and equipment | 293 | - | 293 | 5 |
| TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS | 4,655 | 445 | 5,100 | 481 |

26.3 Movement for 2017/18

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

| | Opening balance | Prior period error | Additions | Disposals | Closing balance |
|--|--------------------|-----------------------|--------------|------------|--------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| MACHINERY AND EQUIPMENT | 41,919 | 14 | 6,700 | 133 | 48,500 |
| Transport assets | 8,952 | - | - | - | 8,952 |
| Computer equipment | 14,626 | 8,210 | 5,855 | - | 28,691 |
| Furniture and office equipment | 14,013 | (9,278) | 808 | 133 | 5,410 |
| Other machinery and equipment | 4,328 | 1,082 | 37 | - | 5,447 |
| TOTAL MOVABLE TANGIBLE CAPITAL ASSETS | 41,919 | 14 | 6,700 | 133 | 48,500 |

26.3.1 Prior period error

| | Note | 2017/18 R'000 |
|---|------|---------------------------|
| Nature of prior period error | | 14 |
| Assets previously not verified and disposed now found on the floor and re-instated. | | 14 |
| Relating to 2017/18 | | - |
| Re-Alignment of Asset Categories as per SCOA | | 8,196 (9,278) 1,082 |
| Total | | 14 |

**LIMPOPO PROVINCIAL TREASURY
VOTE 5**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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26.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

| | Specialised military assets R'000 | Intangible assets R'000 | Heritage assets R'000 | Machinery and equipment R'000 | Biological assets R'000 | Total R'000 |
|---------------------------|--|-------------------------------|-----------------------------|--|-------------------------------|----------------|
| Opening balance | - | - | - | 8,929 | - | 8,929 |
| Value adjustments | - | - | - | 1,982 | - | 1,982 |
| Additions | - | - | - | 593 | - | 593 |
| Disposals | - | - | - | 857 | - | 857 |
| TOTAL MINOR ASSETS | - | - | - | 10,647 | - | 10,647 |

| | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total |
|---|-----------------------------------|----------------------|--------------------|-------------------------------|----------------------|-----------|
| Number of R1 minor assets | - | - | - | 74 | - | 74 |
| TOTAL NUMBER OF MINOR ASSETS | - | - | - | 74 | - | 74 |

Minor Capital Assets under investigation

| | Number | Value R'000 |
|--|--------|----------------|
| Included in the above total of the minor capital assets per the asset register are assets that are under investigation: | | |
| Machinery and equipment | 117 | 265 |

Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

| | Specialised military assets R'000 | Intangible assets R'000 | Heritage assets R'000 | Machinery and equipment R'000 | Biological assets R'000 | Total R'000 |
|---------------------------|--|-------------------------------|-----------------------------|--|-------------------------------|----------------|
| Opening balance | - | - | - | 8,434 | - | 8,434 |
| Additions | - | - | - | 558 | - | 558 |
| Disposals | - | - | - | 63 | - | 63 |
| TOTAL MINOR ASSETS | - | - | - | 8,929 | - | 8,929 |

| | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total |
|---|-----------------------------------|----------------------|--------------------|-------------------------------|----------------------|--------------|
| Number of R1 minor assets | - | - | - | 377 | - | 377 |
| Number of minor assets at cost | - | - | - | 4,209 | - | 4,209 |
| TOTAL NUMBER OF MINOR ASSETS | - | - | - | 4,586 | - | 4,586 |

**LIMPOPO PROVINCIAL TREASURY
VOTE 5**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019**

| 26.4.1 Prior period error | Note | 2017/18 R'000 |
|--|------|------------------|
| Relating to 2017/18 | | 16 |
| Assets previously not verified and disposed, now found on the floor and restated | | 16 |
| Total | | 16 |

26.5 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2019

| | Specialised military assets R'000 | Intangible assets R'000 | Heritage assets R'000 | Machinery and equipment R'000 | Biological assets R'000 | Total R'000 |
|----------------------|--|-------------------------------|-----------------------------|--|-------------------------------|----------------|
| Assets written off | - | - | - | 182 | - | 182 |
| TOTAL MOVABLE | - | - | - | 182 | - | 182 |

26.6 S42 Movable Capital Assets

MAJOR ASSETS TO BE TRANSFERRED IN TERMS OF S42 OF THE PFMA - 31 MARCH 2019

| | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total |
|--------------------|-----------------------------------|----------------------|--------------------|-------------------------------|----------------------|-------|
| No of Assets | - | - | - | 25 | - | 25 |
| Value of the asset | - | - | - | 251 | - | 251 |

MINOR ASSETS TO BE TRANSFERRED IN TERMS OF S42 OF THE PFMA - 31 MARCH 2019

| | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total |
|--------------------|-----------------------------------|----------------------|--------------------|-------------------------------|----------------------|-------|
| No of Assets | - | - | - | 21 | - | 21 |
| Value of the asset | - | - | - | 41 | - | 41 |

MAJOR ASSETS TO BE TRANSFERRED IN TERMS OF S42 OF THE PFMA - 31 MARCH 2018

| | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total |
|--------------------|-----------------------------------|----------------------|--------------------|-------------------------------|----------------------|-------|
| No of Assets | - | - | - | 6 | - | 6 |
| Value of the asset | - | - | - | 133 | - | 133 |

MINOR ASSETS TO BE TRANSFERRED IN TERMS OF S42 OF THE PFMA - 31 MARCH 2018

| | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total |
|--------------------|-----------------------------------|----------------------|--------------------|-------------------------------|----------------------|-------|
| No of Assets | - | - | - | 19 | - | 19 |
| Value of the asset | - | - | - | 63 | - | 63 |

**LIMPOPO PROVINCIAL TREASURY
VOTE 5**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019**

27 Movement for 2017/18

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

| | Opening balance R'000 | Prior period error R'000 | Additions R'000 | Disposals R'000 | Closing balance R'000 |
|---------------------------------|-----------------------------|--------------------------------|--------------------|--------------------|-----------------------------|
| SOFTWARE | 958 | (958) | - | - | - |
| TOTAL INTANGIBLE CAPITAL | 958 | (958) | - | - | - |

27.1. Prior period error

Note

**2017/18
R'000**

Nature of prior period error

Prior year figure restated in line with Modified Cash Standard

Total

(958)

(958)

(958)

28 Prior period errors

2017/18

**Amount
before error
correction
R'000**

**Prior period
error
R'000**

**Restated
amount
R'000**

28.1 Correction of prior period errors

Revenue: Departmental revenue

Own Revenue include in Appropriation

Net effect

330 410

(330 410)

330 410

(330 410)

-

-

-

Prior year "Own revenue included in appropriation" amount restated in line with MCS (Modified Cash Standard) from R330 410 to R0 (refer to Note 3)

Expenditure: Goods and services

Property Payments - P/P Management Fees

14 178

(14 178)

-

Operating Lease: Office Building

-

13 808

13 808

Contr: Mnt & Repair: Other Machinery and
Equipment

625

201

826

Transfers and Subsidies: Mun B/Acc: Mun and
Rates

3

169

172

Net effect

14 806

-

14 806

Restatement in line with SCOA (refer to Note 5)

Property Payments - R13 808 to Operating Lease

Property Payments - R201 to Contractors

Property Payments - R169 to Transfers and Subsidies

Transfers and Subsidies

Mun B/Acc: Mun and Rates

Net effect

3

169

3

169

-

172

172

Restatement in line with SCOA (refer to Note 7)

Property Payments - R169 to Transfers and Subsidies

LIMPOPO PROVINCIAL TREASURY
VOTE 5

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

Notes to the Annual Financial Statements

29 STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS TO MUNICIPALITIES

| NAME OF MUNICIPALITY | GRANT ALLOCATION | | | TRANSFER | | | |
|------------------------|--------------------------|------------|-------------|-----------------|-----------------|----------------|--|
| | DoRA and other transfers | Roll Overs | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocations by National Treasury or National Department |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Polokwane Municipality | - | - | 453 | 453 | 447 | 447 | 447 |
| | - | - | 453 | 453 | 447 | 447 | 447 |

**LIMPOPO PROVINCIAL TREASURY
VOTE**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019**

Annexure 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS TO MUNICIPALITIES

| NAME OF MUNICIPALITY | GRANT ALLOCATION | | | | TRANSFER | | | | SPENT | | | | 2017/18 | |
|------------------------|-----------------------------------|---------------------|----------------------|--------------------------|--------------------------|-------------------------|---|--|---------------------------------------|------------------------|---|----------------------------------|--------------------------|--|
| | DoRA and other transfers R'000 | Roll Overs R'000 | Adjustments R'000 | Total Available R'000 | Actual Transfer R'000 | Funds Withheld R'000 | Re-allocations by National Treasury or National Department R'000 | Amount received by Municipality R'000 | Amount spent by municipality R'000 | Unspent funds R'000 | % of available funds spent by municipality % | Division of Revenue Act R'000 | Actual Transfer R'000 | |
| Polokwane Municipality | - | - | 453 | 453 | 447 | - | - | - | - | - | - | 172 | | |
| Total | - | - | 453 | 453 | 447 | - | - | - | - | - | - | 172 | | |

Prior year Provinces and Municipalities amount increased by R 169 from Goods and Services: Property Payments

LIMPOPO PROVINCIAL TREASURY
VOTEANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

ANNEXURE 1B

STATEMENT OF TRANSFERS TO HOUSEHOLDS

| HOUSEHOLDS | TRANSFER ALLOCATION | | | EXPENDITURE | | 2017/18 Final Appropriation R'000 | |
|--------------------------|----------------------------------|------------|-------------|--------------------|--------------------|--|---|
| | Adjusted appropriation Act | Roll Overs | Adjustments | Total Available | Actual Transfer | | % of Available funds transferred |
| | R'000 | R'000 | R'000 | R'000 | R'000 | | % |
| Transfers | | | | | | | |
| Injury on Duty | 83 | - | - | 83 | 82 | 99% | |
| Leave Gratuity | 3,786 | - | - | 3,786 | 3,606 | 95% | |
| Bursaries(Non Employees) | 6,146 | - | - | 6,146 | 6,146 | 100% | |
| | 10,015 | - | - | 10,015 | 9,834 | | |
| Total | 10,015 | - | - | 10,015 | 9,834 | 7,154 | |

**LIMPOPO PROVINCIAL TREASURY
VOTE**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 1C
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

| NAME OF ORGANISATION | NATURE OF GIFT, DONATION OR SPONSORSHIP | 2018/19 | 2017/18 |
|----------------------------|--|------------|------------|
| | | R'000 | R'000 |
| Received in kind | | | |
| Standard Bank South Africa | Post Budget Breakfast | - | 78 |
| Standard Bank South Africa | Round Table Discussions on SCM | - | 268 |
| Standard Bank South Africa | Limpopo Strategic Supply Chain Management Workshop | - | 80 |
| ABSA Bank | Post Budget Breakfast | 275 | - |
| Subtotal | | <u>275</u> | <u>426</u> |
| TOTAL | | <u>275</u> | <u>426</u> |

**LIMPOPO PROVINCIAL TREASURY
VOTE**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019**

**ANNEXURE 2A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2019 - LOCAL**

| GUARANTOR INSTITUTION | Guarantee in respect of | Original guaranteed capital amount | Opening balance 1 April 2018 | Guarantees draw downs during the year | Guaranteed repayments/ cancelled/ reduced during the year | Revaluation due to foreign currency movements | Closing balance 31 March 2019 | Revaluations due to inflation rate movements | Accrued guaranteed interest for year ended 31 March 2019 |
|------------------------------------|-------------------------|------------------------------------|------------------------------|---------------------------------------|---|---|-------------------------------|--|--|
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| | Housing | | | | | | | | |
| Risima Housing Finance Corporation | Housing | - | 635 | 199 | 192 | - | 642 | - | - |
| Total | | - | 635 | 199 | 192 | - | 642 | - | - |

**LIMPOPO PROVINCIAL TREASURY
VOTE**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019**

**ANNEXURE 2B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2019**

| NATURE OF LIABILITY | Opening balance 1 April 2018 | Liabilities incurred during the year | Liabilities paid/ cancelled/ reduced during the year | Liabilities recoverable (Provide details hereunder) | Closing balance 31 March 2019 |
|--------------------------------------|---------------------------------|---|---|---|----------------------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Claims against the department | | | | | |
| Contractual dispute by Supplier | 68,883 | 181,117 | - | - | 250,000 |
| Security Services | 1,755 | - | - | - | 1,755 |
| Labour dispute by employee | 7,500 | - | 7,500 | - | - |
| TOTAL | 78,138 | 181,117 | 7,500 | - | 251,755 |

**LIMPOPO PROVINCIAL TREASURY
VOTE**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019**

**ANNEXURE 3
CLAIMS RECOVERABLE**

| GOVERNMENT ENTITY | Confirmed balance outstanding | | Unconfirmed balance outstanding | | Total | |
|---|-------------------------------|---------------------|---------------------------------|---------------------|---------------------|---------------------|
| | 31/03/2019 R'000 | 31/03/2018 R'000 | 31/03/2019 R'000 | 31/03/2018 R'000 | 31/03/2019 R'000 | 31/03/2018 R'000 |
| DEPARTMENTS | | | | | | |
| Department of Rural development and Land Reform | - | 22 | - | - | - | 22 |
| Department of Health Bloemfontein | - | 25 | - | - | - | 25 |
| South West Gauteng VTEC | - | - | - | 28 | - | 28 |
| Limpopo Department Of Health | - | - | 8 | 2 | 8 | 2 |
| Limpopo Department of Sports Arts and Culture | 35 | 22 | - | - | 35 | 22 |
| Limpopo Department of Education | - | 65 | - | 8 | - | 73 |
| Limpopo Co- Operative Government, Human Settlements and Traditional Affairs | - | 51 | - | - | - | 51 |
| National School Of Government | - | 44 | - | - | - | 44 |
| Department of Public Works | - | - | - | 392 | - | 392 |
| Limpopo Department of Agriculture and Rural development | - | - | 8 | - | 8 | - |
| Limpopo Department of Economic Development | - | - | 4 | - | 4 | - |
| Limpopo Department of Transport | - | - | 10 | - | 10 | - |
| Limpopo Department of Social Development | - | - | 8 | - | 8 | - |
| Office of the Premier | 20 | - | - | - | 20 | - |
| COGHSTA | - | - | 8 | - | 8 | - |
| Sub Total | 55 | 229 | 46 | 430 | 101 | 659 |
| OTHER GOVERNMENT ENTITIES | | | | | | |
| Limpopo Gambling Board | - | - | 10 | - | 10 | - |
| Limpopo Tourism Agency | - | - | 4 | - | 4 | - |
| Sub Total | - | - | 14 | - | 14 | - |
| Total | 55 | 229 | 60 | 430 | 115 | 659 |

**LIMPOPO PROVINCIAL TREASURY
VOTE**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019**

**ANNEXURE 4
INTER-GOVERNMENT PAYABLES**

| | Confirmed balance outstanding | | Unconfirmed balance outstanding | | Total | |
|---|-------------------------------|------------|---------------------------------|--------------|--------------|--------------|
| | 31/03/2019 | 31/03/2018 | 31/03/2019 | 31/03/2018 | 31/03/2019 | 31/03/2018 |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| GOVERNMENT ENTITY | | | | | | |
| DEPARTMENTS | | | | | | |
| Current | | | | | | |
| Department of Sports Arts and Culture Limpopo | - | - | - | 5 | - | 5 |
| SAPS | 5 | 8 | - | - | 5 | 8 |
| Total Departments | 5 | 8 | - | 5 | 5 | 13 |
| OTHER GOVERNMENT ENTITY | | | | | | |
| Current | | | | | | |
| SARS | - | - | 1,754 | 4,176 | 1,754 | 4,176 |
| Total Other Government Entities | - | - | 1,754 | 4,176 | 1,754 | 4,176 |
| TOTAL INTERGOVERNMENTAL | 5 | 8 | 1,754 | 4,181 | 1,759 | 4,189 |

**LIMPOPO PROVINCIAL TREASURY
VOTE**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019**

**ANNEXURE 5
INTER-ENTITY ADVANCES RECEIVED (Note 14)**

| ENTITY | Confirmed balance outstanding | | Unconfirmed balance outstanding | | Total | |
|---------------------------|-------------------------------|------------|---------------------------------|------------|------------|------------|
| | 31/03/2019 | 31/03/2018 | 31/03/2019 | 31/03/2018 | 31/03/2019 | 31/03/2018 |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| OTHER INSTITUTIONS | | | | | | |
| Current | | | | | | |
| Bank Seta | 429 | 564 | - | - | 429 | 564 |
| TOTAL | 429 | 564 | - | - | 429 | 564 |

DEPARTMENT GENERAL INFORMATION



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