



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

ANNUAL REPORT 2020/21

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The heartland of southern Africa - development is about people

DEPARTMENT OF TREASURY

Annual Report for 2020/21 Financial Year Vote 5: Department of Limpopo Provincial Treasury Province of Limpopo



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PART A

GENERAL INFORMATION



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"We are the best in what we do."

1. DEPARTMENT GENERAL INFORMATION

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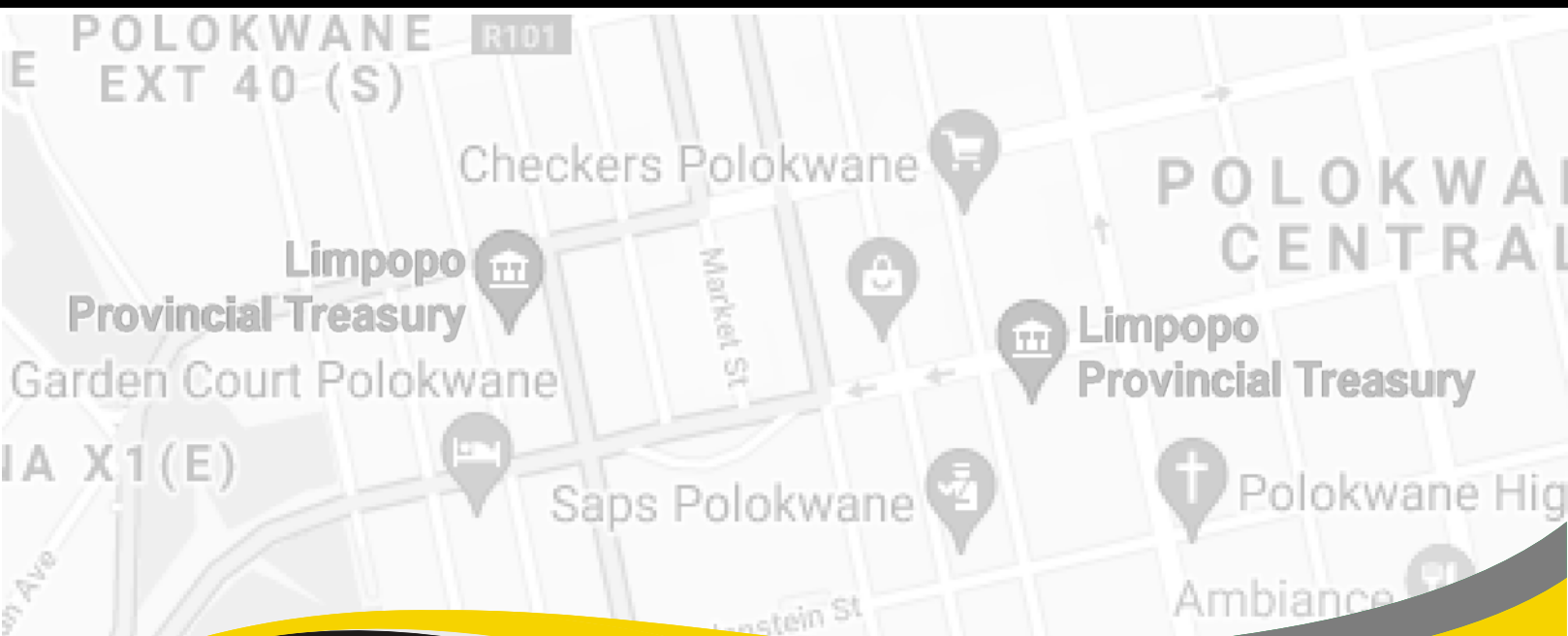
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2. LIST OF ABBREVIATIONS/ACRONYMS

AC	Audit Committee
AG	Auditor General
AGSA	Auditor General of South Africa
AO	Accounting Officer
APP	Annual Performance Plan
BAS	Basic Accounting System
BBBEE	Broad Based Black Economic Empowerment
CAC	Central Audit Committee
COE	Compensation of Employees
CFO	Chief Financial Officer
DORA	Division of Revenue Act
DPSA	Department of Public Service and Administration
DPME	Department of Performance Monitoring and Evaluations
EHW	Employee Health and Wellness
ERM	Enterprise Risk Management
EXCO	Executive Council
EXCOM	Executive Management Committee
GIAMA	Government Immovable Asset Management Act
HOD	Head of Department
HR	Human Resources
ICT	Information Communication Technology
IYM	In Year Monitoring

LDP	Limpopo Development Plan
LPT	Limpopo Provincial Treasury
MEC	Member of Executive Council
MFMA	Municipal Finance Management Act
MPAT	Management Performance Assessment Tool
MTEF	Medium Term Expenditure Framework
MISS	Minimum Information Security Standards
PFMA	Public Finance Management Act
PMDS	Performance Management Development System
PPP	Public Private Partnerships
PRF	Provincial Revenue Fund
QRT	Quarter
SAQA	South African Qualifications Authority
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SIAS	Shared Internal Audit Service
SDIP	Service Delivery Improvement Plan
SITA	State Information Technology Agency
SMS	Senior Management Services
SMME	Small Medium and Micro Enterprises
TR	Treasury Regulations

3. FOREWORD BY MEC

This Annual Report collates the shared efforts of respective functionaries of the Department, and the excellency of individual qualities that composes the collective Team of Limpopo Provincial Treasury.

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

- 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; and
- Monitor the presentation of municipal budgets in the province.

Notwithstanding the challenges posed by the COVID-19 pandemic on most of our operational environments and plans, we have, through the fineness and collective efforts of the hardworking staff of the Provincial Treasury 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. And for this dedication and commitment, I am duly thankful and indebted.

It is therefore my pleasure to present the Annual Report for the financial year 2020/21.



Hon. S.C. Sekoati

MEC of Finance

31 May 2021



HON S.C. SEKOATI (MPL)
MEC of FINANCE

4. REPORT OF THE ACCOUNTING OFFICER

4.1 OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT

The Provincial Treasury is entrusted in Section 18 of the Public Finance Management Act (PFMA), Act 1 of 1999, as amended, to exercise its mandate by:

**GAVIN PRATT
HEAD OF DEPARTMENT**



- (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 Section 5 of the Municipal Finance Management Act (MFMA), Act 56 of 2003, as amended to:

- (a) Fulfil its responsibilities and promote the objectives 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 appropriated provincial budget to all departments. The province managed to spend 97.1% of the budget as at year end. The province is however still faced with a high percentage of the provincial budget that is been spent on Compensation of Employees (COE), In the previous year the province managed to stabilise the COE spending at 68% of the budget however during the year under review the COE spending increased to 69.3% of the total provincial spending. The

Treasury in cooperation with the Office of the Premier will continue with the plans to reduce the COE expenditure in the forthcoming financial year.

Provincial Treasury has managed to comply to the 30 day prescribed payment period for all invoices received and verified. The provincial consolidated average 30-day payment compliance rate, for all departments, for the year was 97.3%.

During the year Provincial Treasury provided focus support to the municipal intervention team at Mogalakwena municipality that was facing governance and financial challenges. Provincial Treasury also seconded an official to the Department of Economic Development to assist with financial management challenges.

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.

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 Treasury is however still faced with capacity challenges in this area that will need to be addressed in 2021/22.

During the previous 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 enables Provincial Treasury to build and enhance the financial management professional capacity to execute the PFMA's Section 18 responsibilities in the medium term. An additional 5 new Chartered Accountant trainees started in February 2021 and will complete their three-year training programme at the Provincial Treasury. The Department is planning to appoint five new trainees in the next financial year. The first five CA(SA) trainees appointed in 2020 have all successfully passed the SAICA Initial Test of Competence (Board Exam) and we trust to have the first batch of five trainees qualified as CA(SA)'s in 2023.

The support provided by Provincial Treasury in 2019/20 resulted in improvements in the audit outcomes of seven (7) votes, which is the Provincial Legislature, Office of the Premier, Departments of Health, Transport and Community Safety, Public Works, Roads and

Infrastructure, Social Development and Sport, Arts and Culture. Four votes moved from Qualified Audit opinions in 2018/19 to Unqualified in 2019/20 financial year, whilst Provincial Legislature, Office of the Premier and Department of Transport and Community Safety improved to a clean audit status (Unqualified with no findings). The other three provincial departments maintained their unqualified audit status with Provincial Treasury maintaining its clean audit for the fourth successive year. In the province only the Department of Education received a Qualified audit opinion.

The province also recorded an improvement in the 2019/20 audit outcomes of the provincial public entities, with Limpopo Economic Development Agency (LEDA) improving to an unqualified audit opinion and Limpopo Gambling Board (LGB) improving to clean audit status. The two other entities maintained their unqualified status, and only Gateway Airports Authority Limited (GAAL) remains with a qualified audit opinion.

There is still a need for continuous monitoring and support to ensure that these trends are improved and sustained and that the qualified audit opinions are eliminated in the province.

The COVID-19 pandemic and related national lockdowns certainly had, and continues to have, an impact on the functioning of the Provincial Treasury, however, the Provincial Treasury has implemented the use of virtual tools to ensure that we deliver on our mandates including the monitoring and support functions to our stakeholders and various governance structures such as the risk and audit committees.

The department has a functional Audit Committee that meets regularly to assess the performance of the department and an active Risk Management Committee that meets quarterly or when necessary to address risk management implementation processes and all relevant risk areas the department encounters, and advise the Executive Management. The Risk Management Committee is chaired by an Independent Risk Chairperson that oversees the performance of the Risk Management Committee and Enterprise Risk Management unit to monitor overall effectiveness and implementation of risk management processes in the department.



4.1.1 DEPARTMENTAL RECEIPTS

Departmental receipts	2020/21			2019/20		
	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	364	305	59	456	474	(18)
Transfers received	-	-	-	-	-	-
Interest, dividends and rent on land	201,243	244,456	(43,213)	235 200	244 109	(8 909)
Sale of capital assets	-	-	-	-	-	-
Financial transactions in assets and liabilities	106	273	(167)	101	134	(33)
Total	201,713	245,034	(43,321)	235 757	244 717	(8 960)

The main sources of revenue within Provincial Treasury are derived from interest received, the sales of tender documents, parking fees and commission earned on insurance. Provincial Treasury does not regularly sell goods and services; therefore, the provincial approved global tariffs are applied annually.

During the financial year 2020/21, the actual departmental own revenue collection was R245 million, against the estimated target of R201.7 million, resulting in an over collection of R43.3 million mainly due to the interest earned on the Provincial favourable bank balances and 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 23 to the Annual Financial Statements.

Irrecoverable debts to the value of R23 thousand were written off during the year under review. This was done in terms of the necessary legislation and prescripts as the debts were uneconomical to recover.

4.1.2 PROGRAMME EXPENDITURE

Programme Name	2020/21			2019/20		
	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	180,587	170,581	10,006	187,450	184,365	3,085
Sustainable Resource Management	67,992	66,663	1,329	86,779	80,866	5,913
Assets, Liabilities & SCM	54,739	50,609	4,130	52,815	51,954	861
Financial Governance	96,345	93,004	3,341	126,102	110,754	15,348
Shared Internal Audit Services	39,339	39,120	219	43,695	43,340	355
Total	439,002	419,977	19,025	496,841	471,279	25,562

PROGRAMME 1

In 2020/21 Programme 1 spent a total amount of R170.6 million or 94.4% of its final appropriated budget of 180.6 million. (2019/20: R184.4 million or 98.3% of R187.4 million budget). The underspending is as a result of not filling vacant funded posts, IT equipment that was not delivered before year end and an outstanding payment for a project that was conducted to assess the impact of the Internal Audit Technicians Learnership programme and lastly travel and subsistence budget that was not used due to the COVID-19 lockdowns.

PROGRAMME 2

In 2020/21 Programme 2 spent a total amount of R66.7 million or 98% of its final appropriated budget of R67.9 million. (2019/20: R80.9 million or 93.2% of R86.7 million budget). The underspending is mainly as a result of the delay in the filling of vacant funded posts.

PROGRAMME 3

In 2020/21 Programme 3 spent a total amount of R50.6 million or 92.5% of its final appropriated budget of R54.7 million. (2019/20: R51.9 million or 98.4% of R52.8 million budget). The underspending is mainly as a result of the delay in filling vacant funded posts, the delay in the delivery of receipt books by the service provider and payment for early retirement penalties that could not be processed before year end.

PROGRAMME 4

In 2020/21 Programme 4 spent a total amount of R93 million or 96.5% of its final appropriated budget of R96.3 million. (2019/20: R110.8 million or 88% of R126.1 million budget). The underspending in Programme 4 is as a result of the delay in the filling of the vacant funded posts, forensic audit that could not be concluded before year end and early retirement penalty that was not paid before year end.

PROGRAMME 5

In 2020/21 Programme 5 spent a total amount of R39.1 million or 99.4% of its final appropriated budget of R39.3 million. (2019/20: R43.3 million or 99.2% of R43.7.0 million budget).

A brief analysis of the spending trends per economic classification is reported below

Compensation of Employees (COE)

The department spent R291.2 million or 97.5% of its final COE appropriation of R298.7 million during 2020/21 financial year (2019/20: R303.4 million or 97% of R310.7 million budget). The underspending is as a result of delays in filling vacant funded employee posts before year end.

Goods and services

The department spent R114.4 million or 96.7% of its final appropriation of R118.2 million, during 2020/21 financial year (2019/20: R153.3 million or 98.6% of R155.9 million budget). The underspending is as a result of underspending on non-core items such as travel & subsistence and the impact of the National Lockdown due to COVID-19 which negatively affected spending.

Transfers and Subsidies

The department spent R12.9 million or 74.8% of its final appropriation of R17.4 million, during 2020/21 financial year (2019/20: R8.2 million or 93.8% of R8.7 million budget). The underspending was mainly due to some early retirement benefits and penalties that were only processed in the 2021/22 financial year.

Capital Payments

The department spent R1.5 million or 31.51% of its final appropriation of R4.6 million, during 2020.21 financial year (2019/20: R6.4 million or 29.1% of R21.9 million budget). The underspending is as a result of non-delivery of IT equipment before year end.

VIREMENTS / ROLLOVERS

A virement was approved by the Accounting Officer and 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 R4.2 million was transferred from Programme 1 to address budget pressures in Programme 2 and 5, and a further virement of R376 thousand from Programme 4 to also address budget pressures in Programme 5.

UNAUTHORISED, FRUITLESS AND WASTEFUL EXPENDITURE

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

PUBLIC PRIVATE PARTNERSHIPS (PPP)

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

DISCONTINUED ACTIVITIES/ ACTIVITIES TO BE DISCONTINUED

No activity was discontinued during the year under review.

NEW OR PROPOSED ACTIVITIES

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

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.

GIFTS AND DONATIONS RECEIVED IN KIND FROM NON-RELATED PARTIES

Provincial Treasury, did not receive any donations during 2020/21.

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 financial year.

In the previous financial year the Minister of Finance published Government Gazette No 43188 dated 31 March 2020 which granted an exemption, for 2019/20 financial year, to all relevant functionaries and institutions from complying with the following deadlines as published in Public Finance Management Act (PFMA)—

- (a) sections 8(1)(b), 8(5), 19(1)(b), 19(5), 40(1)(c), 40(1)(d), 55(1)(c), 55(1)(d) and 65(2);
- (b) a regulation made or instruction issued in terms of section 76 of the PFMA which is associated with the provisions referred to in paragraph (a).

The above exemption was for a period of 1 month after the deadlines published in PFMA and if the lock-down was extended, the relevant functionary or institution had to comply with a provision within two months after the deadline in the applicable provision.

Due to the extension of the lockdown period Provincial Treasury was exempted from the deadlines outlined in (a) above for a period of two months, which included the submission of the 2019/20 Annual Financial Statements to the Auditor General by 31 May 2020 to 31 July 2020.

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

EVENTS AFTER THE REPORTING DATE

The Department did not have any events after the reporting date and the date of approval of the Annual Financial Statements. It must be noted that the effect of the lockdown continues to have an impact on the operations of the Provincial Treasury, but we have been able to implement the COVID-19 regulations without negatively affecting the operations of the departments. Our Business Continuity Plan is being implemented and I am happy to report that we have been able to keep key and fundamental services running during the period, such as the provincial financial systems and payments to suppliers by the various departments. Provincial Treasury has also been able to meet all its financial commitments.

OTHER

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

ACKNOWLEDGEMENTS AND APPRECIATION

It is my privilege to again acknowledge the support and dedication of all the staff in the Provincial Treasury, or as I refer to them "TEAM TREASURY", during this difficult year that was affected by the COVID-19 pandemic and necessary budget cuts. I sincerely express my appreciation to all the staff for the manner in which they conducted their functions to enable Provincial Treasury to keep all financial systems functional in the province.

Further, I acknowledge the continuous value adding oversight provided by the Audit Committee and Portfolio Committee on Treasury during the year.

CONCLUSION

Provincial Treasury has continued to improve delivery in terms of its mandate despite the impact of the COVID-19 pandemic and remains committed to improved monitoring and support. Please refer to the full Annual Report herewith for more details.

Mr GC Pratt CA (SA)

Accounting Officer

Limpopo Provincial Treasury

31 May 2021

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 2021.



Mr GC Pratt CA (SA)
Accounting Officer
Limpopo Provincial Treasury
31 May 2021



6. STRATEGIC OVERVIEW



7. LEGISLATIVE AND OTHER MANDATES

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

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

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

7.1 CONSTITUTIONAL MANDATES

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

7.2 LEGISLATIVE AND POLICY MANDATES

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

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

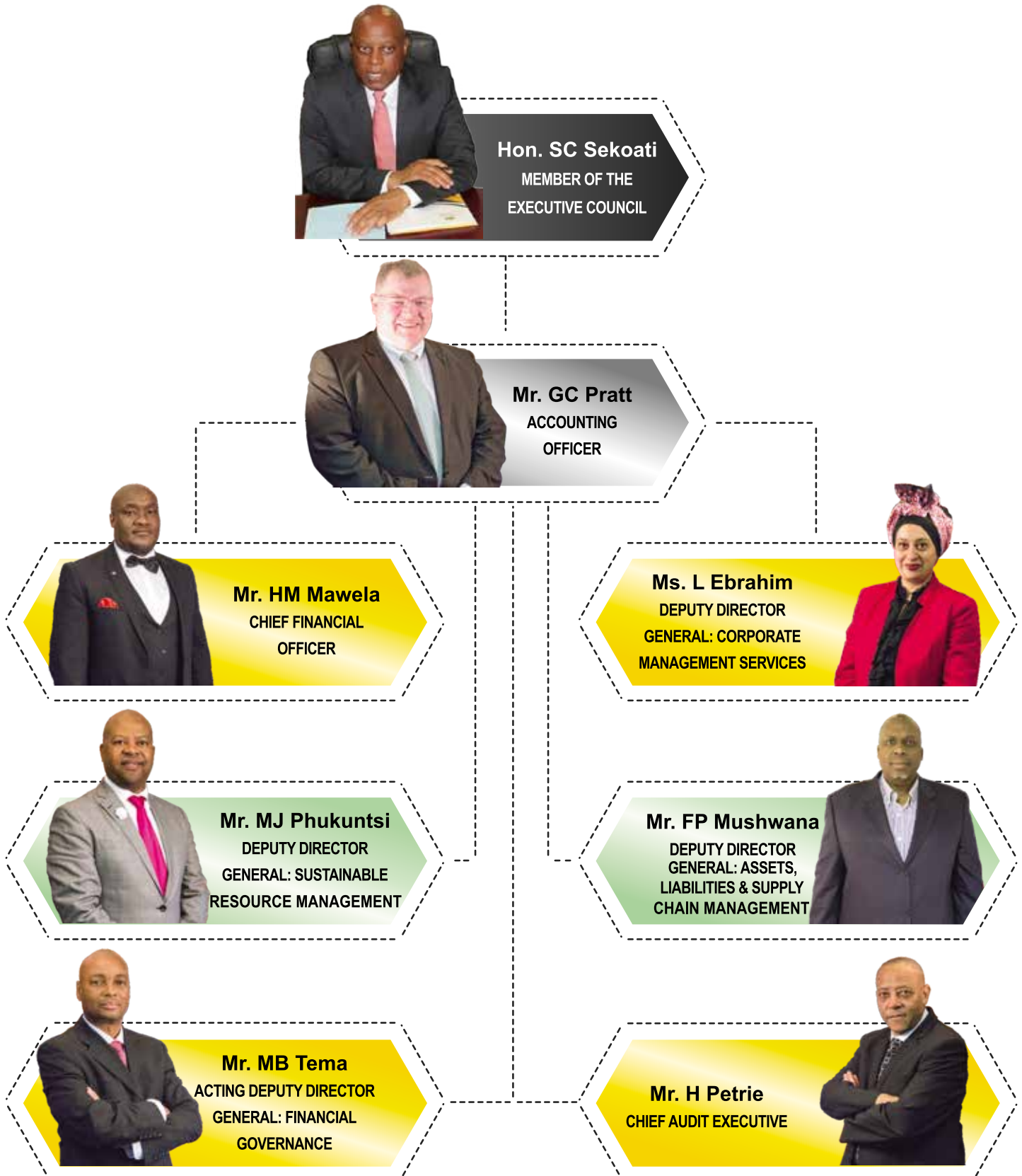
7.3 POLICY MANDATES

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

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



8. ORGANISATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE MEC

The department does not have any entity reporting to the MEC of Finance.

PART B

PERFORMANCE INFORMATION

LIMPOPO

"We are the best in what we do."

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 108 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 unqualified audit opinion without findings (clean audit) in the 2016/17 financial year and has maintained the Clean Audit status in 2017/18, 2018/19 and 2019/20.

The support environment to stakeholders continues to perform fairly well in terms of compliance related matters, despite the significant budget cuts and impact of the National COVID-19 lockdowns. Provincial Treasury has been faced with capacity challenges due to not been able to fill vacant funded posts as a result of the COVID-19 lockdown regulations, Compensation of Employee budget cuts as well as the assessment controls and processes implemented by the Provincial Personnel Management Committee (PPMC).

As a result of the COVID-19 lockdown regulations the Department implemented parts of the Business Continuity plan and implemented a work from home strategy and a rotational work environment in an endeavour to render the essential services and ensure that the electronic financial systems remained operational to pay suppliers and all personnel in the province. During the period the Department also monitored the branch risk registers and action plans as part of the business processes to manage the impact of COVID-19 and the National Lockdown regulations.

Limpopo Provincial Treasury has a transversal role of supporting provincial departments and public entities on issues of governance and accountability, as well as financial management matters. The department is responsible for monitoring the Provincial Risk Profile and reports progress bi-annually to the HOD's forum.

The province is facing major risks of municipalities not being sustainable due to cash flow challenges and inability to settle their debts timeously. In 2018 twelve (12) municipalities were identified to have made investments with a mutual bank, namely Venda Building Society (VBS) Mutual Bank during 2015 to 2018, which were in contravention with the Municipal Finance Management Act (MFMA) and its regulations and these investments continue to pose a financial risk to the municipalities as there is a strong possibility that the funds invested by 8 municipalities may not be recovered from VBS as the bank has since been placed in liquidation.

In 2019/20 the number of municipalities that received unqualified audit opinions from the AGSA improved from 7 to 16 and the province has also managed to retain the clean audit status at the Capricorn District Municipality. The province has managed to eliminate all disclaimer opinions, however unfortunately still has 10 qualified municipalities and 1 municipality with an adverse opinion. In the previous year the Provincial Executive Council took a decision to place Mogalakwena Municipality under administration due to sustained financial and governance failures and Provincial Treasury has deployed staff to support the appointed Administrator in the municipality.

The provincial administration has recorded an improvement in 2019/20 AGSA audit opinions in seven (7) votes, of which 4 have improved from qualified to unqualified and three (3) Votes have improved from unqualified opinions to Clean Audit status (Unqualified opinions without findings), joining Provincial Treasury which maintained its clean audit status for the fourth consecutive year. Only one (1) department's AGSA audit outcome is still qualified.

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

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

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
Support and monitor departments to improve on the conditional grant expenditure	03 departments supported and monitored. They are Co-operative Governance, Human Settlements and Traditional Affairs (CoGHSTA), Sport, Arts and Culture (DSAC) and Education (DoE)	Partial compliance to financial regulations	100% compliance to legislation	Conditional grant spending by departments has improved DoE has spent R2.358 billion or 88.6% (2019/20 83.9%) of adjusted budget of R2.662 billion DSAC has spent R128.7 million or 86.2% (2019/20 77.7%) of the adjusted budget of R149.3 million & CoGHSTA : spent R904.3 million or 98.9% (2019/20 93.7%) of the total budget of R914.5 million
Support municipalities to improve audit outcomes	27 Municipalities	Partial compliance to financial regulations	100% compliance to financial regulations	1 Clean Audit opinion, 15 unqualified audit opinions, 10 qualified with findings, 0 Disclaimer and 1 Adverse an improvement in 9 audits from 2018/19
Monitor payment of invoices within 30 days	12 Provincial Departments	Partial compliance to payment within 30 days	100% compliance to payment of invoices within 30 days	Average annual compliance to section 38(1) (f) of PFMA by all Departments is 97.3%. (2019/20 93.7%)

2.2.2 Batho Pele arrangements with beneficiaries

Current/actual arrangements	Desired arrangements	Actual achievements
Expenditure bilateral and performance monitoring sessions conducted quarterly	Regular monitoring & Bilateral meetings	Reports, workshops and training conducted
MEC bilateral meetings with municipalities held quarterly	Quarterly bilateral meetings	Bilateral meetings held
Consultation is done through SMS Khaedu deployment programme at the coal face	02 interventions on Khaedu deployment to be conducted annually	Four (4) SMS members participated in the Khaedu programme and were deployed to Waterberg, Mopani, Sekhukhune and Vhembe districts.

2.2.3 Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
Service Standards Booklets	Service Standards document approved	2020-2021 Service Standards document is approved but could not be printed due to COVID-19
2018 -2021 Service Delivery Improvement Plan	Approved SDIP document	SDIP monitoring is done on Quarterly basis
2018 Service Charter	Approved Service Charter	Service Charter approved and displayed at the strategic points

2.2.4 Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Premier Hotline	Premier Hotline	No complaints received
Presidential Hotline	Presidential Hotline	No complaints received

2.3 Organisational environment

Limpopo Provincial Treasury had an approved organizational structure that was in the 2nd year of implementation since approval. 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. There are currently 535 posts on the approved establishment of Limpopo Provincial Treasury.

The department kept employees informed on the Provincial Performance Management and Development Policies 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 equity status overall we had 196 males and 236 females (54,6%) of which 7 (1.62%) employees have disabilities as at 31 March 2021. At a Senior Management Service (SMS) level however the department has not met the equity targets. The Provincial Treasury has 47 SMS members of which 20 (42,5%) are female and 27 are male. The department will continue to intensify efforts for the recruitment of females and people living with disabilities, 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 core business units of the department continue to deliver on the three key services which are to support and monitor all departments to improve their expenditure and accountability, support 27 municipalities to improve audit outcomes and financial management and monitor compliance to the prescribed 30-day payment period for invoices received by 12 departments. The three key services are monitored regularly where a Service Delivery Improvement Plan (SDIP) has been developed and is regularly monitored through reports and presentations submitted to EXCOM.

In response to the containment of the spread of COVID-19 in the workplace, the department continuously implemented various Ministerial Directives communicated through DPSA circulars. A Risk Assessment was conducted to identify the health and safety hazards associated with the possible transmission of the COVID-19 and the mitigation measures are in place. The Department has reviewed its Safety, Health, Environmental, Risk and Quality (SHERQ) management policy which outlines the key role players and the provisions that aimed at eliminating the spread of the pandemic. COVID-19 Standard Operating Procedure which guides the implementation processes has been developed, approved and communicated to all staff.

The appointed Compliance Officer and COVID-19 Steering Committee which is inclusive of Labour Unions and the Health and Safety Representatives worked collaboratively to ensure that COVID-19 health and safety protocols were implemented effectively and efficiently. The Department has a dedicated COVID-19 budget which resides in Transformation Services Directorate. Nine (9) contract workers were sourced through the Expanded Public Works Programme (EPWP) in order to supplement cleaning and screening activities in the Department.

2.4 Key policy developments and legislative changes

There were no major changes to relevant policies or legislation that may have affected the operations of the department during the period under review or future financial periods.

3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The department performs its activities to achieve the impact of **strengthened capability and accountability of provincial departments, public entities and municipalities by 2030.**

The department contributed towards achievement of this impact by making significant progress on achievements of the departmental outcomes. The department managed to support provincial public institutions which yielded improvements in audit outcomes for 2019/20 financial year which is achievement of the departmental outcome of improved audit outcomes. The 2020/21 Strategic Plan was not revised during 2020/21 final year, however, the 2020/21 APP has been revised with minor changes on performance indicators.

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1 PROGRAMME 1: ADMINISTRATION

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

The programme has the following sub-programmes namely:

- MEC Support Services which is responsible for:
 - ▶ Providing support to the MEC.
- HOD Support Services which is responsible for:
 - ▶ Providing strategic and administrative support to the HOD.
- Corporate Management Services which is responsible for:
 - ▶ Managing and monitor the implementation of corporate management services.
- Enterprise Risk Management which is responsible for:
 - ▶ Providing enterprise risk management services.

Financial Management (Office of the CFO) which is responsible for:

- Providing internal financial management support services

Outcomes, outputs, output indicators, targets and actual achievements

Sustainable support services and good governance was identified as one of the outcomes of this programme, achieving the outputs on awareness sessions on Anti – corruption strategies

conducted, capacity programmes implemented and Institutional Arrangements monitored contributed towards the achievement of MTSF priority number one (1) of building a Capable, Ethical and Developmental State.

The department also achieved the output of successful financial management services through effective budget management programmes, timeous payment of suppliers and credible and timeous reporting on budget implementation and this contributed towards the department being able to maintain the unqualified audit outcome without findings.

Table 4.1.1 This table reports against the originally tabled Annual Performance Plan (No revisions to programme indicators)

PROGRAMME / SUB-PROGRAMME: ADMINISTRATION								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
Sustainable support services and good governance	Awareness Sessions on Anti - Corruption Strategies conducted.	Number of Awareness sessions on Anti – Corruption	N/A	N/A	2	4	+2	Extra 2 awareness sessions on Anti-Corruption were conducted
	Capacity Building Programmes Implemented	Number of capacity building programmes	N/A	N/A	4	4	0	N/A
	Institutional Arrangements Monitored	Number of Institutional Arrangements assessment reports presented at EXCOM	N/A	N/A	4	4	0	N/A
Departmental unqualified audit outcome	Successful Financial Management Services.	Number of budget documents compiled and submitted.	4	4	4	4	0	N/A
Departmental unqualified audit outcome		% of supplier's valid invoices paid within 30 days.	100%	100%	100%	100%	0	N/A

PROGRAMME / SUB-PROGRAMME: ADMINISTRATION								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
		Number of financial statements compiled and submitted for review by Provincial Treasury in line with the reporting framework	4	4	4	4	0	N/A

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name: Administration	2020/21			2019/20		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the MEC	5,752	5,404	348	6,883	6,873	10
Management Services	15,548	14,657	891	14,996	14,970	26
DDG: Corporate Management Services	11,518	11,518	-	9,988	9,481	507
Corporate Services	50,112	46,661	3,451	54,930	54,068	862
Information Services	60,601	56,789	3,812	59,025	57,696	1,329
Financial Management	37,056	35,552	1,504	41,628	41,277	351
Total	180,587	170,581	10,006	187,450	184,365	3,085

4.2 PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

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

The programme comprises of the following sub-programmes:

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

Outcomes, outputs, output indicators, targets and actual achievements

The department achieved improved economic research through production of seven (7) economic research documents; implemented budget planning and revenue maximization that contributed to sustainable fiscal policy for the province and thereby contributing to attainment of a capable and accountable government.

The department coordinated four (4) municipal governance structure meetings that included the LPT's MEC, HOD, Mayors, and MMCs for Finance and the Accounting Officers to allow municipalities to account on financial performance and non-compliance with laws and regulations, which improved accountability and eventually audit outcomes of municipalities.

Table 4.2.1 *This table reports against the originally tabled Annual Performance Plan (No revisions to programme indicators)*

PROGRAMME / SUB-PROGRAMME: SUSTAINABLE RESOURCE MANAGEMENT								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
Sustainable Fiscal Policy for the province by 2025	Improved Economic Research.	Number of Research documents produced to align the Provincial Fiscal Policy.	7	7	7	7	0	N/A
	Increased Provincial Own Revenue.	Number of revenue assessments conducted to ensure collection of set target.	4	4	4	4	0	N/A
	Credible EPRE.	Number of budget documents tabled in line with the set standards and National Treasury.	2	2	2	3	+1	Special adjustment budget (COVID-19) was tabled during the second quarter
	Improved Provincial Spending.	Number of consolidated in year monitoring reports in line with section 32 of PFMA.	12	12	12	12	0	N/A
	Improved alignment of Infrastructure Plans and Spending.	Number of Infrastructure Reporting Model assessments communicated to infrastructure departments.	108	108	108	108	0	N/A

PROGRAMME / SUB-PROGRAMME: SUSTAINABLE RESOURCE MANAGEMENT								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
	Improved Municipal Infrastructure Grant Performance.	Number of infrastructure assessments on support to local government to optimize MIG performance communicated to municipalities.	4	4	4	4	0	N/A
Unqualified Audit Outcomes of Provincial Departments, Public Entities and Municipalities.	Strengthened municipal governance structures.	Number of Municipal Governance Structures coordinated.	N/A	N/A	4	4	0	N/A

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name: Sustainable Resource Management	2020/21			2019/20		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
DDG: Sustainable Resource Management	2,119	2,107	12	2,410	2,390	20
Economic and Fiscal Policy Oversight	8,011	7,230	781	8,740	8,617	123
Budget and Public Finance Management	15,627	15,429	198	19,014	16,087	2,927
Municipal Finance & Governance in the local Government Sphere	23,210	22,993	217	26,470	23,932	2,538
Infrastructure Management & Public Private Partnership	19,025	18,904	121	30,145	29,840	305
Total	67,992	66,663	1,329	86,779	80,866	5,913

4.3 PROGRAMME 3: ASSETS, LIABILITIES AND SUPPLY CHAIN MANAGEMENT

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

The programme is comprised of the following sub-programmes:

- Asset and Liabilities Management which is responsible for:
 - ▶ Monitoring and support the effective management of assets and liabilities.

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

Outcomes, outputs, output indicators, targets and actual achievements

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

The department also assessed compliance to Provincial Procurement Strategy by departments and public entities which contributed towards increased provincial procurement spent towards youth, military veterans, women and Persons with disability to increase participation of these designated groups in the provincial economy, which also contributed towards MTSF priorities in relation to women, youth and people with disability.

Table 4.3.1 *This table reports against the originally tabled Annual Performance Plan (No revisions to programme indicators)*

PROGRAMME / SUB-PROGRAMME: ASSETS, LIABILITIES AND SUPPLY CHAIN MANAGEMENT								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
Unqualified Audit Outcomes of Provincial Departments, Public Entities and Municipalities.	Improved Compliance levels on Assets and SCM by Departments and Public Entities.	Number of asset management assessments communicated to Provincial Public Institutions.	68	68	64	64	0	N/A
		Number of cash management assessments communicated to Provincial Public Institutions.	72	72	68	67	-1	Legislature was not assessed in the first quarter as it is no longer in Banking, Cash & Liability Management unit's scope. However support was provided in quarters 2, 3 and 4 due to requests made by Provincial Legislature.

PROGRAMME / SUB PROGRAMME: ASSETS, LIABILITIES AND SUPPLY CHAIN MANAGEMENT								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
		Number of SCM assessments communicated to Provincial Public Institutions	68	68	64	64	0	N/A
Increased economic participation of youth, Women, Military Veterans and Persons with Disability (SMMEs).	Increased provincial procurement spend towards youth, Women, Military Veterans and Persons with Disabilities.	Number of assessments communicated to Provincial Institutions on Strategic Procurement targets of Limpopo Procurement Strategy	68	68	64	64	0	N/A

Strategy to overcome areas of under performance

- Legislature was not assessed on Cash Management in the first quarter as is no longer in Banking, Cash & Liability Management's scope since it has its own financial management legislation which is monitored by parliament. The institution will be supported on a need basis and will be excluded from the 2021/22 APP.

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name: Assets, Liabilities & SCM	2020/21			2019/20		
	Final Appropriation on	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
DDG: Assets, Liabilities & Supply Chain Management	2,106	2,030	76	2,104	2,065	39
Assets & Liabilities Management	26,433	23,263	3,170	23,571	22,980	591
Provincial Supply Chain Management	26,200	25,316	884	27,140	26,909	231
Total	54,739	50,609	4,130	52,815	51,954	861

4.4 PROGRAMME 4: FINANCIAL GOVERNANCE

The purpose of the programme is to promote accountability and compliance with financial norms and standards as contained in the Public Finance Management Act.

The programme is comprised of the following sub-programmes:

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

Outcomes, outputs, output indicators, targets and actual achievements

The department successfully implemented the outputs of effective utilization of financial systems, accurate and timely financial statements, improved oversight over governance reporting of departments by Audit Committee, improved provincial performance, improved utilization of financial management systems and improved Asset Management. This contributed to the achievement of the outcome in relation to achieving unqualified audit outcomes of provincial departments and public entities and subsequently contributed to MTSF priority no 1 of “Capable, Ethical and Developmental State”.



Table 4.4.1 This table reports against the originally tabled Annual Performance Plan until date of re-tabling revisions to programme indicators

Programme / Sub-programme: Financial Governance									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until date of re-tabling	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Unqualified Audit Outcomes of provincial departments, public entities and municipalities.	Effective Utilization of Financial Systems	% of courses conducted on transversal systems	107	83	100%	44%	56%	All training programmes were suspended in the 1 st quarter due to COVID-19 and National Lockdown. The Indicator was rephrased in the 3 rd quarter after the re-tabling of the revised APP	The Indicator was rephrased in the 3 rd quarter after the re-tabling of the revised APP to change from measuring performance on percentage to number of courses

Strategy to overcome areas of under performance

- 56% of transversal system courses that were not conducted in 1st and 2nd quarters of 2020/21 were subsequently managed in 3rd and 4th quarters of 2020/21.

Table 4.4.2 This table reports against the re-tabled Annual Performance Plan

PROGRAMME / SUB-PROGRAMME: FINANCIAL GOVERNANCE								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
Unqualified Audit Outcomes of provincial departments, public entities and municipalities.	Effective Utilization of Financial Systems	Number of courses conducted on transversal systems.	107	83	72	84	+12	Extra training courses were conducted in the fourth quarter
	Accurate and Timely Financial Statements	Number of financial statement assessments communicated to provincial departments	68	48	44	44	0	N/A

PROGRAMME / SUB-PROGRAMME: FINANCIAL GOVERNANCE								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
	Improved Oversight over Governance Reporting of Departments by Audit Committee.	Number of Audit Committee Meetings supported to improve governance in Departments.	85	57	60	61	+1	One additional meeting was held and supported, namely Audit Committee Strategic planning meeting
	Improved Provincial Performance	Number of assessment reports on provincial risk profile communicated to HOD's forum.	0	1	2	3	+1	HOD forum resolved that provincial risks be assessed and reported on quarterly basis instead of reporting bi-annually.
		Number of public sector risk management framework compliance assessments communicated to departments.	68	65	64	64	0	N/A
	Improved Utilization of Financial Management Systems.	Number of financial system utilization assessments communicated to departments.	48	48	44	44	0	N/A
	Improved Asset Management	Number of Libraries that implemented RFID System in DSAC	N/A	N/A	30	127	+97	Additional resources (experiential learners) were allocated to the project and therefore more Libraries were supported in the implementation of RFID

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name: Financial Governance	2020/21			2019/20		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
DDG: Financial Governance	30,522	27,874	2,648	35,362	34,782	580
Accounting Services	21,292	20,708	584	17,839	17,435	404
Financial Management Information Systems	44,531	44,422	109	72,901	58,537	14,364
Total	96,345	93,004	3,341	126,102	110,754	15,348

4.5 PROGRAMME 5: SHARED INTERNAL AUDIT

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

The Branch is comprised of the following sub-programmes:

- Risk-Based Auditing, Performance and Consulting Services (Cluster A) which is responsible for:
 - ▶ Providing risk-based auditing, performance and consulting services (for votes: 1,3,4,6 &12).
- Risk-Based Auditing & Specialised Audit Services (Cluster B) which is responsible for:
 - ▶ Providing risk-based and specialised audit services (for votes: 5, 7,8,9,10,11 & 13).
- Quality Assurance and Technical Support Services which is responsible for:
 - ▶ Providing quality assurance and technical support services and monitor compliance within provincial departments.



Outcomes, outputs, output indicators, targets and actual achievements

The department implemented the output of value adding audit reports to client departments through implementation of cluster audit plans, Quality Assurance Improvement Programme and the finalization of internal audit plans for 2021/22 financial year. This contributed to the achievement of the outcome in relation to achieving unqualified audit outcomes of provincial departments and public entities and subsequently contributed to MTSF priority no 1 of “Capable, Ethical and Developmental State”.

Table 4.5.1 *This table reports against the originally tabled Annual Performance Plan until date of re-tabling revisions to programme indicators*

Programme / Sub-programme: Shared Internal Audit Services									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until date of re-tabling	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Unqualified Audit Outcomes of provincial departments, public entities and municipalities.	Value Adding Audit Reports provided to the Clients Departments.	Number of three-years Strategic rolling and annual Audit Plans prepared by Provincial Internal Audit and approved by Audit Committee for the year 2021/22.	12	12	11	0	11	The target was planned for the 4 th quarter and it was revised in the 3 rd quarter after re-tabling of the revised APP	The Indicator was rephrased in the 3 rd quarter after the re-tabling of the revised APP to change to measuring performance on number of clusters instead of departments

Table 4.5.2 This table reports against the re-tabled Annual Performance Plan

ROGRAMME / SUB-PROGRAMME: SHARED INTERNAL AUDIT SERVICES								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	** Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
Unqualified Audit Outcomes of provincial departments, public entities and municipalities.	Value Adding Audit Reports provided to the Clients Departments.	Number of Cluster Based Annual Audit Plans prepared by Shared Internal Audit Services and approved by Audit Committee	N/A	N/A	4	4	0	N/A
		% of internal Audits finalized in terms of the approved Audit Plans	N/A	89.7%	97%	97%	0	N/A
		Number of annual internal Quality Assurance Improvement Programme (QAIP) Implementation Report prepared to improve the quality of client services	N/A	1	1	1	0	N/A

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name: Shared Internal Audit Services	2020/21			2019/20		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
DDG: Shared Internal Audit Services	39,339	39,120	219	43,695	43,340	355
Total	39,339	39,120	219	43,695	43,340	355

Reporting on the Institutional Response to the COVID-19 Pandemic

Budget Programme	Intervention	Geographic location (Province/ District/local municipality) (Where Possible)	No. of beneficiaries (Where Possible)	Disaggregation of Beneficiaries (Where Possible)	Total budget allocation per intervention (R'000)	Budget spent per intervention R'000	Contribution the to Outputs in the APP (where applicable)	Immediate outcomes
COVID-19 MANAGEMENT	Monitor implementation of COVID-19 health and safety measures at all nine departmental buildings/ workplaces	Limpopo Province Capricorn District	432 employees	196 Males 236 Females	R558	R183	N/A	N/A

5. TRANSFER PAYMENTS

5.1 Transfer payments to public entities

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

5.2 Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2020 to 31 March 2021

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
N/A						

The table below reflects the transfer payments which were budgeted for in the period 1 April 2020 to 31 March 2021, but no transfer payments were made.

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

6. CONDITIONAL GRANTS

6.1 Department did not receive any conditional grant.

7. DONOR FUNDS

7.1 Donor Funds Received

No donor funds were received for the year under review (2020/21).

8. CAPITAL INVESTMENT

8.1 Capital investment, maintenance and asset management plan

Provincial Treasury does not have capital investments



PART C

GOVERNANCE



LIMPOPO

"We are the best in what we do."

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.

Even though the year under review was challenged by worldwide COVID-19 pandemic, the Department was responsive and ensured continuity of services as per the Departmental Business Continuity Plan and even institutionalized the governance of the pandemic through the COVID-19 Steering Committee fully representative of key stakeholders inclusive of organized labour.

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.
- MMS members and other designated officials also completed their financial disclosures.
- 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 an approved Risk Management Policy and Strategy in place which was aligned to the 2020/21 Annual Performance Plan. The Risk Management Policy was reviewed in the year under review to include the roles and responsibilities of the External Risk Committee Chairperson. The Enterprise Risk Management unit on a continuous basis monitored and

assisted the Department to identify emerging risks and develop appropriate measures to address the risks. Risk Assessments were conducted regularly both at a strategic and operational level and risk mitigation plans were developed and monitored on the continuous basis.

The Department had a functional and active Risk Management Committee that meets quarterly or when necessary to address risk management implementation processes and all relevant risk areas the department was encountered with, and advise the Executive Management continuously. The Risk Management Committee was chaired by an external independent person that oversaw the performance of the Risk Management Committee and Enterprise Risk Management to monitor overall effectiveness and implementation of risk management processes in the department. The Audit Committee had meetings on a quarterly basis.

Risk Management was a standing item in the agenda of Executive Management Meeting (EXCOM), and other strategic structures where the unit provides 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 was 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 and improved performance.

The operations of the Provincial Treasury were affected by the National state of Disaster as published in Government Gazette 43096 dated 15 March 2020 due to the COVID 19 pandemic and the subsequent National Lockdown as announced by the Honourable State President. The lockdown had an impact on the operations of the Provincial Treasury, however, the department implemented its Business Continuity Plan with minimal disruptions to services.

The Departmental Business Continuity Plan was put to the test and the department was able to keep key and fundamental services running during the period, such as the provincial financial systems and payments to suppliers by the various departments.

The Department had a COVID-19 Steering Committee which met regularly in order to manage the impact of COVID-19 on the operations of the Department. Through the Committee a COVID-19 Risk Assessment was conducted and risk mitigations developed. The plan is continuously monitored through the COVID-19 Steering Committee to update the pandemic risks faced by the Provincial Treasury. The Steering Committee also developed a number of departmental

circulars and guides to implement the various COVID-19 Regulations published in the Government Gazettes and the COVID-19 circulars issued by the Department of Public Service and Administration (DPSA). The Steering Committee has implemented a project whereby working tools i.e. mobile routers and laptops were allocated to areas where it was critically needed to ensure continuous service delivery.

3. FRAUD AND CORRUPTION

Fraud and corruption in the department was managed collaboratively between Security Services and Enterprise Risk Management. The department had no fraud and or corruption matters that were reported or identified during the year, however the Department had a process in place to deal with any suspected fraud or corruption matter that may have been reported through any reporting mechanism, including the Presidential and Premier Hotlines and where confirmed be investigated by the Security Services Directorate.

The Department has an appointed modifier who receives cases electronically from the Office of the Premier Hotline and the case(s) are then investigated by the investigator appointed in the department. The action taken depends on the merit of the case reported, the outcome of the case and disciplinary action is instituted when recommended. Through quarterly security awareness sessions, whistle blowing awareness were created and employees were trained about the protection offered through the Protected Discloser Act.

The department's fraud prevention plan was implemented as follows:

- SMS members submitted their annual personal financial interests declarations
- New employees were inducted / orientated in the operations and policies and procedures of the Department
- Awareness on fraud and anti - corruption were undertaken on a quarterly basis
- Personnel Suitability Checks were conducted on candidates recommended for employment.
- Vetting by the State Security Agency was co-ordinated on newly appointed employees and appointed service providers (contractors) as well as re-vetting on existing employees whose clearances may have expired.
- Any internal and external corruption and fraud cases reported on the National and Provincial Anti-Corruption Hotlines were investigated as a matter of urgency and findings reported.
- Whistle blowing awareness workshops were conducted.

4. MINIMISING CONFLICT OF INTEREST

The disclosure of financial interests by Senior Managers (Salary Level 13 to 16), Middle Managers (Salary Level 11 to 12) and other delegated officials below salary level 11 within strategic units, including finance and supply chain were completed and submitted for the financial year to mitigate any potential conflicts of interests. The disclosure submissions were scrutinized for any potential conflicts and contraventions of the Public Service Regulations by the Department's appointed Ethics Officer and where transgressions or conflicts were found, they were dealt with in terms of the Public Service Disciplinary Code, Public Service Regulations and the Public Service Act. The department through the Ethics Committee quarterly discussed reports presented to manage any potential conflict of interest.

5. CODE OF CONDUCT

The Department used the Code of Conduct as set out by the Department of Public Service Administration. The Department conducted information sessions on the Codes of Conduct in order to raise awareness among employees. During the year the Department had no misconduct cases however where an employee may have been found to have breached a Code of Conduct and it was a serious misconduct, it would of been reported to the Security Service Directorate for formal investigation and where it was less serious, the supervisor would of been advised by Labour Relations on the process to follow. If the investigations find that there was a breach of the Code of Conduct the report would be sent to Labour Relations to make submission to the Head of Department for approval of a formal disciplinary enquiry. This entails appointment of the chairperson and employer representative to handle the matter. Once the disciplinary enquiry is completed and an employee is found guilty, the chairperson would submit the outcome to the Department for implementation of the outcome.

The Department had an approved Anti-Corruption and Ethics Management Policy which was implemented and monitored by the Department's functional and active Ethics Committee that met on a quarterly or when necessary. The Committee also monitored ethics within the department and identified and monitored ethical risks that were identified.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Occupational Health, Safety and Environment prescripts was implemented as per the Occupational Health and Safety Act of 1993, Regulations and DPSA Employee Health and

Wellness (EH&W) Strategic Framework, and COVID-19 Directives. The Departmental Safety, Health, Environment, Risk and Quality Management (SHERQM) policy was reviewed to accommodate COVID-19 Directives and submitted to Department of Employment and Labour. The same applied to the operational plan which was signed by the HOD and submitted to OTP and DPSA. Key Performance Areas (KPs) on the operational plan were outlined in order to implement the objectives of Safety, Health, Environment, Risk and Quality Management (SHERQM) as per the DPSA EH&W Strategic Framework and COVID-19 Directives. The department's risk assessment was reviewed in line with COVID-19 Directives.

Nine (09) departmental facilities were monitored on a quarterly basis as per the KPs. Monitoring reports were compiled and identified hazards are discussed with the relevant stakeholders. Occupational Health and Safety Committee meetings were held quarterly and monitor the implementation as per the signed 2020-2021 operational plan. Some Occupational Health and Safety Committee members were integrated to be part of COVID-19 Steering Committee in accordance to COVID-19 Directives. COVID-19 Steering Committee meetings were held regularly and resolutions were implemented. The challenge was that most identified non-compliance findings relate to building maintenance, which was the responsibility of the Department of Public Works, Roads and Infrastructure and other landlords.

The following arrangements were in place to comply with COVID-19 Health and Safety protocols:

- Departmental COVID-19 Health and Safety Protocols were approved, implemented and monitored
- Daily COVID-19 screening was conducted
- COVID-19 confirmed cases were managed and reported to OTP and DPSA
- Departmental COVID-19 response was reported on a monthly, quarterly and annual basis
- Sanitation, hygiene and office cleanliness was implemented in line with OHSA and COVID-19 Directives.

The implementation of the Occupational Health and Safety and COVID-19 Directives has improved the health and safety conditions of employees and service beneficiaries.

7. PORTFOLIO COMMITTEES

The department has attended the Portfolio Committee meeting as outlined below: -

- 18 May 2020. Briefing the Committee on 2020/21 Annual Performance Plan and Budget.
- 24 July 2020 Briefing the Committee on 2019/20 1st, 2nd, 3rd and 4th Quarters

performance and Limpopo Adjustment Appropriation Covid-19 Bill.

- 23 October 2020. Briefing the Committee on 2020/21 1st Quarter performance report, Covid-19 procurement and Committee resolutions
- 26 November 2020. Briefing the Committee on Limpopo Adjustment Appropriation Bill, Covid-19 procurement, 2020/21 2nd Quarter performance report and the Impact of Section 139 Intervention in municipalities.
- 12 March 2020. Briefing the Committee on 2020/21 Limpopo Appropriation Bill, 2020/21 3rd Quarter performance report, 2019/20 Annual Report and Limpopo Adjustment Appropriation Bill

8. SCOPA RESOLUTIONS

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
1.	Failure to Implement House Resolutions for 2014/15; 2015/16 and 2016/17 in the House	The EA must appraise the House on the implementation of the 2014/15; 2015/16 and 2016/17 House resolutions as a matter of urgency and submit a report to SCOPA and the Portfolio Committee on Provincial Treasury by 31 October 2020.	The house was appraised on the 06 October 2020	Yes
2.	Exceptional Litigation	Department in a claim regarding financial systems	Evidence was lead, the matter was heard and Judgement has been granted in favour of the Limpopo Government on 19 February 2021. The respondent have launched an appeal application.	No

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
3.	Irregular expenditure	The Department has incurred irregular expenditure to the tune of R3 186 000. The irregular expenditure was disclosed in the previous years and is still under investigation.	The matter has not yet been heard and the proceedings are still on and Limpopo Provincial Treasury will report as soon as the matter is heard	No
4.	3D Entities in the Province	3D Entities in the Province, namely GAAL and LEDA are unable to generate sufficient revenue to sustain themselves	LPT wrote a detailed report and appraised SCOPA on the steps taken by 3D Entities thus far to ensure their sustainability and non dependency on the fiscus by end of 2022/23 financial year.	No
5	Venda Building Society	Some Municipalities in the Limpopo Provincial Administration have invested money amount to R2, 708 billion with the total capital of R1,082 billion still outstanding with the VBS in contravention of section 7(3)(b) of the MFMA no. 56 of 2003.	Sanctions were granted through a duly regulated process. The Accounting Officer has no authority to review the sanction as it will be irregular for the Accounting officer to interfere with a duly regulated process.	Yes

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		The Accounting Officer must review the sanction meted out to Treasury officials who were deployed to assist at because the sanction is not commensurate with the offence committed.		

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

Provincial Treasury received an “Clean Audit” report (unqualified audit opinion with no findings) for 2016/17, 2017/18, 2018/19 and 2019/20 financial years.

10. INTERNAL CONTROL UNIT

The unit prepared the audit action plan for both the Auditor General (AG) and Internal Audit findings. These action plans were 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-ordinated the submission of information required by the AG team. The unit also co-ordinated 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 compiled 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 INTERNAL AUDIT

11.1.1 Key activities of Internal Audit

During the 2020/21 financial year, the internal audit function executed its tasks in terms of the Audit Committee approved audit plans. The focus area of each audit was to provide an opinion, amongst other, on the adequacy and effectiveness of the organisation's system of internal control particularly as it relates to the following:

- Safe guarding of assets

- Reliability and integrity of performance information
- Reliability and integrity of financial information
- Ensure that the department's resources were acquired and are used in an economic, efficient and effective manner

11.1.2 Key objectives of the internal audit

In terms of the approved Internal Audit Charter, the key objectives of Shared Internal Audit Services (SIAS) is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight to all Limpopo Provincial Departments

11.1.3 The Impact of Covid-19 Pandemic on the Branch

During 2020/2021 financial year, the (Shared Internal Audit Services) SIAS was unable to conduct its assurance services from April to June 2020. The reason was that during the period 26 March 2020 the President of South Africa declared a national state of disaster. The total lockdown affected the 1st quarter performance and Senior Management returned to work in May 2020 to finalise the compilation of the Annual Audit Plans for submission and approval by the Audit Committee in June 2020.

11.1.4 Five yearly Quality Assurance Review (QAR)

Below are audits performed by internal audit during the financial year:

Risk Based Audit

Q1	Q2	Q3	Q4
	<ul style="list-style-type: none"> • Annual Financial Statements; • Annual Report – Performance Information; • Monitoring of COVID-19 Protocols Implementation; • Business Continuity Plan; • Tribal Levies and Trust Account; and • Follow up. 	<ul style="list-style-type: none"> • Effectiveness of Governance Process; • Supply Chain Management; • Reliability and Integrity of Performance Information; • Budget Management; • Interim Financial Statement; and • Follow Up. 	<ul style="list-style-type: none"> • Supply Chain Management; • Monitoring of COVID-19 Protocols Implementation; • Transversal Supply Chain Management; and • Follow up.

Fraud Audit

Q1	Q2	Q3	Q4
	<ul style="list-style-type: none"> • Expenditure Management 		

Information Systems Audit

Q1	Q2	Q3	Q4
	<ul style="list-style-type: none"> • Financial Statement CAATS 		<ul style="list-style-type: none"> • Consulting on AGSA audit findings; and • Follow up.

11.2 KEY ACTIVITIES AND OBJECTIVES OF THE AUDIT COMMITTEE

11.2.1 Key activities of The Audit Committee

Despite the challenges posed by the National Lockdown Regulations as a direct consequence of COVID-19 (Coronavirus), the 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 which states that AC must, amongst others, review the following:

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

11.2.2 Objectives of the Audit Committee

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

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

- effective service delivery; and
- h. Compliance with relevant laws and regulations

11.2.3 Impact of COVID-19 on Audit Committee Activities

During 2020/2021 financial year, the AC was unable to hold its AC Meetings as planned due to difficulties posed by the COVID-19. As a result, the AC Annual Schedule of meetings was amended during May 2020 from the original AC Annual Schedule to pave a way-forward for AC Meetings to take place under COVID-19 National Regulations.

The impact of COVID-19 further affected the special AC Meetings to consider Draft 2019/20 Annual Reports, AC Meetings to consider Draft 2019/20 Audit & Management Reports as well as 2020/21 First Quarterly AC Meetings to consider the 2020/21 First Quarterly Reports. All the aforementioned AC Meetings were pushed forward by a month or two to allow time for Departments, Shared Internal Audit Service (SIAS), and Auditor General (Limpopo) to prepare and finalise all the reports to be considered during the AC.

Despite the vulnerability of our servers, connectivity, data allocation and poor networks, all AC activities have been conducted through virtual platforms (Microsoft Teams) as a direct consequence of COVID-19.

11.2.4 Audit Committee Meetings

During the financial year 2020/2021, the AC met five (5) times to perform its roles and responsibilities as stipulated in the AC Charter. This was in addition to the special meetings to consider both Three Year Internal Audit and Annual Plans and Auditor General Audit Coverage Strategy held during June 2020. As per National Treasury guidance on review of audit cycle, AC Meetings to consider Draft 2019/20 Annual Reports including 2019/20 Annual Financial Statements (AFS) were held during July 2020. AC Meetings to consider 2019/20 Draft Audit and Management Reports were subsequently held during September 2020. However, the 2020/21 first and second quarter AC meetings were combined and held during November 2020 to ensure that the AC was able to cover the scope of its work and advise the Accounting Officer accordingly.

11.2.5 2020/2021 Audit Committee Annual Strategic Planning Workshop

The Limpopo Audit Committee held its Annual Strategic Planning Workshop virtually during February 2021. The CEO of the Institute of Internal Auditors South Africa (IIASA) was invited to present on the topic titled: *“The Dynamics around Drafting, Finalisation and Reviewing of Internal Audit Plans and the role of AC, Internal Audit and Management (Departments)”*. Other

notable presenters included National Treasury Accountant General's office on the topic titled: *“Carrying out specialised audit: oversight of the Audit Committee on Forensic Audits”*. The CAC assumes the responsibility to coordinate all the AC resolutions taken during the AC Annual Strategic Planning Workshop.

11.2.6 Meetings Between MECs of Departments and AC Chairpersons

During the financial year 2020/2021, AC Chairperson was able to meet with Executive Authority (EA) of the Departments. The meetings between AC Chairperson and EA is very important as part of the Stakeholder Engagements as defined in the AC Charter. The AC Resolution taken during the AC Annual Strategic Planning Workshop which states that during the meeting between the AO and the EA to discuss performance review, AC Chairperson must be provide with an opportunity and time to meet the MEC.

11.2.7 CAC Chairperson Meetings

The Central Audit Committee (CAC) Chairperson managed to attend only one Provincial Executive Council meeting during the year, due to the National Lockdown protocols. Attendance of such meetings by the CAC Chairperson is as per invite by EXCO Secretariat and as these meetings were replaced by COVID-19 Command Council meetings the EXCO meetings did not take place as planned. The CAC Chairperson did manage to attend the HOD Forum to present the CAC Report on audit matters by AGSA. Invitation of the CAC Chairperson to these critical governance structures is very important to ensure that the work of the AC is visible and noticed by the EA of the Departments. 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 and all the Cluster Chairpersons managed to meet during December 2020 to review the Performance of the Chief Audit Executive (CAE) as the standard requires.

11.2.8 360 Degree Audit Committee Evaluation

National Treasury 360 Degree Evaluation model was used to evaluate the work and performance of the AC. The final evaluation yielded an average score of 4.52 (from rating of 1 – 5) when combining the average scores of all the AC Stakeholders. This represented a slight improvement from the previous evaluation period which yielded an average score of 4.50 rating. The AC stakeholders who participated in the performance evaluation of the AC included Provincial Internal Audit, External AC Members and Management (Accounting Officers, Chief Risk Officers, Chief Financial Officers, Head of Internal Controls and GITO). AGSA as an AC stakeholder do not participate in the performance review of the AC, as they do their own evaluation in the management report of each Department to protect and maintain their independence.

11.2.9 Audit Committee Membership

Current AC Membership was appointed with effect from 01 January 2020 and will expire on 31 December 2022. The current AC's comprise of 17 members consisting of 8 (47%) female AC members and 9 (53%) male AC members. Although this represent a huge improvement from the previous AC composition, there is a strong need to improve female recruitment to the Limpopo AC composition.

11.2.10 Nature and activities of each AC meeting/event held:

NO.	PERIOD	NATURE OF THE AC MEETING	INFORMATION / DOCUMENTS REVIEWED
1.	June 2020	Approval of the Three-Year Internal Audit Plan, Annual Internal Audit Plan and Auditor General Audit Coverage Strategy	a. Three Year Internal Audit Plans and Annual Internal Audit Plans b. Auditor General Audit Coverage Strategies
2.	June 2020	CAC Meeting to consider Clusters AC Reports	a. Clusters AC Reports reporting on matters pertaining to Internal Audit Plans and AGSA Audit Strategies.
3.	July 2020	Review of Fourth Quarterly Performance Information and Draft Annual Report (Including Draft Annual Financial Statements) before submission to the Auditor General	a. Annual Performance Report, b. Draft Annual Financial Statements, c. Fourth Quarterly Risk Management Report, d. Fourth Quarterly Internal Audit Progress Report.
4.	August 2020	CAC Meeting to consider Clusters AC Reports	a. Clusters AC Reports on matters pertaining to Draft Annual Reports including Draft AFS.
5.	September / October 2020	Review of Draft Audit and Management Reports	a. Draft Management Reports, b. Draft Audit Reports.
6.	October 2020	CAC Meeting to consider Clusters AC Reports	a. Clusters AC Reports on matters pertaining to Draft Audit & Management Reports.
7.	November 2020	Review of First & Second Quarter Performance Reports (Financial and Non-Financial)	a. Accounting Officer's Report to the AC (Financial & Non-Financial), b. Quarterly Risk Management Report, c. SCOPA Resolutions Implementation Progress, d. Auditor General Audit Findings Implementation Progress, e. First & Second Quarterly Internal Audit Progress Reports. f. Procurement Plans of the Departments.
8.	December 2020	CAC Meeting to consider Clusters AC Reports	a. Clusters AC Reports on matters pertaining to First & Second Quarter Audit Committee Reports as per paragraph 7 above.
9.	February 2021	Review of Draft and Management Reports for DPWRI & OTP.	a. Draft Management Reports, b. Draft Audit Reports.

NO.	PERIOD	NATURE OF THE AC MEETING	INFORMATION / DOCUMENTS REVIEWED
10.	February 2021	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.
11.	March 2021	Third Quarterly Departmental Reports and approval of the Three -Year Internal Audit Plan, Annual Internal Audit Plan and Auditor General Audit Coverage Strategy	<ul style="list-style-type: none"> a. All information under No. 4 except point f, b. Three Year Internal Audit Plans and Annual Internal Audit Plans for 2021/2022. c. Auditor General Audit Coverage Strategies
12.	March 2021	CAC Meeting to consider Clusters AC Reports	<ul style="list-style-type: none"> a. Clusters AC Reports on matters pertaining to Third Quarter AC Reports as per paragraph 11 above.

11.2.11 Attendance and Qualifications of Audit Committee members

CLUSTER 02 (01 APRIL 2020–31 MARCH 2021)

INITIALS & SURNAME	QUALIFICATIONS	INTERNAL OR EXTERNAL MEMBER	IF INTERNAL, POSITION IN THE DEPARTMENT	DATE APPOINTED	DATE RESIGNED / TERMINATED	NO. OF MEETINGS ATTENDED (LPT)
S.A Ngobeni	<ul style="list-style-type: none"> University of the North – B Com Accounting UNISA - B Compt (honours) CTA North West University-Masters in Commerce: Taxation. North West University – Master in Business Administration (MBA) UNISA –Certificate in Portfolio Management & Investment Analysis. Wits University – Higher Diploma in Computer Auditing. UNISA:Certificate in Mining Taxation 	External	N/A	01 February 2017 Re-appointed 01 February 2020	To date	05
S.P Mzizi	<ul style="list-style-type: none"> CSSA International Qualifying Exam Post Grad Dip: Corporate Law CIMA B Com Hons B Tech Accounting H Diploma Education 	External	N/A	01 Feb 2020	To date	05

INITIALS & SURNAME	QUALIFICATIONS	INTERNAL OR EXTERNAL MEMBER	IF INTERNAL, POSITION IN THE DEPARTMENT	DATE APPOINTED	DATE RESIGNED / TERMINATED	NO. OF MEETINGS ATTENDED (LPT)
M.G Mathabathe	<ul style="list-style-type: none"> • N Dip Auditing • B Tech IA • Post-Grad. Diploma: Internal Audit • CIA • Cert. Information System Auditor • Cert. Information Security Manager 	External	N/A	01 February 2020	To date	05
K.M Ramukumba	<ul style="list-style-type: none"> • CA (SA) • IRBA • B Com: Honours (Fin. Acc.) • B Com: Financial Accounting 	External	N/A	01 February 2017 Re appointed 01 February 2020	To date	05



12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2021.

Audit Committee Structure

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

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein and the related code of conduct, policies and practices.

Stakeholder Engagement/s

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

- Limpopo Provincial Treasury senior management
- Limpopo Provincial Internal Auditors
- Limpopo Provincial Auditor (AGSA)

Audit Committee Skills Development

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

The Effectiveness of Internal Control

Based on the results of the formal documented review of the design, implementation and effectiveness of the department's system of internal controls conducted by the internal audit and AGSA during the financial year ended 31 March 2021, and in addition, considering information and explanations given by management plus discussions held with the external auditor on the results of their audit, the Audit Committee concluded that the department's system of internal financial controls is effective and no material internal control breaches come to the Committee's attention.

Risk Management

The Audit committee reviewed the department's policies on risk management and strategy (including IT Governance) and monitored the implementation of risk management policy and strategy and concluded that department's risk management maturity level is satisfactory, which is commendable.

In-Year Management and Monthly/Quarterly Report

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

Internal Audit Arrangement

The Audit committee:

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

Combined assurance

The Audit committee reviewed the plans and reports of the external and internal auditors and other assurance providers including management and concluded that these were adequate to address all significant risks facing the department, however internal audit unit should finalise the full implementation of Combined assurance framework.

Compliance with the relevant laws and regulations

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

Evaluation of Draft Annual Financial Statements

Following the review by the Audit Committee of the draft annual financial statements for the year ended 31 March 2021 before the audit, the committee is of the view that, annual financial statements can be submitted to the AGSA for audit.

Evaluation of Draft Annual Performance Report

Following the review by the Audit Committee of the annual performance report for the year ended 31 March 2021 and after the audit, the committee is of the view that, annual financial statements can be submitted to the AGSA for audit.

Furthermore, the Audit Committee has also satisfied itself as to the integrity of the remainder of the annual report.

A handwritten signature in black ink, consisting of the letters 'SAB' followed by a stylized surname, all enclosed within an oval shape.

SAB Ngobeni
Chairperson of the Audit Committee
Limpopo Provincial Treasury
Date 31 May 2021

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13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

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



PART D

HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

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

2. OVERVIEW OF HUMAN RESOURCES

2.1 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 535 posts. The total number of staff on the establishment as at 31 March 2021 is 432.

The workforce of the Department reflects the demographics of the province in terms of equity targets. Overall, for all salary levels, the department has exceeded the target on the 50/50 equity in terms of gender. There are 236 Females which translate to 54.6% and 196 males which translates to 45.4% The department has 47 SMS members of which 20 are females and this translates to 42.5% and 27 Males. With regard to people with disabilities the department is at 1.6% on overall employees. The Department needs to improve on the disability statics and equity targets on SMS level.

As 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 Department had to reduce and reprioritize its vacancies to be included in the approved 2020/21 recruitment plan as a result of the COVID-19 pandemic.

During 2020/2021 ninety (92) employees registered with institutions of higher learning of which 26 were newly awarded bursaries while 64 were existing bursary holders. Due to covid-19 pandemic, only 84 employees attended various skills programmes which includes ethics in the Public Service, Compulsory induction programme, code of conduct, Covid-19 awareness programme- occupational health and safety and workplace readiness for the Public Service and Dispute and Discipline Management (Capacity Building programme for Initiators and Chairperson in the Public Service).

Twelve (12) Internal Audit Technicians completed their final assessments for Learnerships offered in partnership with the Institute of Internal Auditors South Africa (IIASA). Twenty-two (22) interns completed their internship programme in 2020/2021. Five (5) additional Chartered Accountant (CA) trainees were appointed on 1 February 2021 totalling the number of CA trainees to ten (10). Seven (7) Work Integrated Learners (WIL) completed their eighteen months experiential training which afforded them opportunities to apply for their National Diploma through their respective TVET colleges. Twenty - one (21) unemployed youth continued with their studies with various institutions of higher learning through the provisioning of the Departmental bursary funds awarded to them. Eleven (11) graduates completed their qualifications.

2.2 Human Resource priorities for the year under review and the impact of these

The department had prioritized support in limiting the spread of COVID-19 while ensuring continuous support and service delivery. This resulted in the implementation and utilization of workplace plans as per return to work guidelines, taking into consideration service delivery obligations and the need of the service recipients, during the easing of lockdown. The filling of vacant funded posts was a priority, however, it was impacted by the nationwide lockdown and the re-prioritization of COE budgets. The need for the review of the organizational structure has been highlighted by branches in an attempt to create organizational efficiencies. There are sound and strengthened labour relations between the Employer and Employees and this was achieved through the establishment of the Labour Consultative Forum.

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

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

The department is awaiting the finalization of the Transversal HRM policies facilitated by the Office of the Premier. Competent personnel are recruited through the consideration of the job description specifications and minimum post requirements when advertising.

2.4 Employee performance management

The department complies with the Employee Performance Management policies by ensuring

that employees enter into performance agreements at the beginning of the financial year and that annual reviews were done in line with DPSA directives and the Performance Management and Development Policies. During the period under review the Department attained 100% submission rate for the 2020/21 Performance Agreements. Employees who have performed exceptionally well are rewarded through PMDS incentive policy.

2.5 Employee wellness programmes

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

The programme has successfully implemented the following initiatives:

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

The Department is also actively involved with the containment of the spread of COVID-19 through supporting of employees and also through management and monitoring of health and safety protocols.

2.6 Highlight achievements and challenges faced by the department, as well as future human resource plans and goals.

Some of the key achievements included a 100% submission rate of Performance Agreements for SMS members, the maintenance of the Department's accreditation with SAICA and the implementation of Health and Safety Protocols to ensure continuity of business activities with minimal interruptions.

Due to Budget re-prioritization process, the Department could not fill all the vacant funded posts and therefore experienced a high vacancy rate. The Department identified a need to review the current organizational structure to align to its strategic plan.

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 2020 and 31 March 2021

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
ADMINISTRATION	170,553	111,427	0	0	65.30	518
SUSTAINABLE RESOURCE MANAGE	71,063	54,334	0	0	76.50	937
ASSETS, LIABILITIES & SCM	50,608	43,119	0	0	85.20	898
FINANCIAL GOVERNANCE	88,551	44,125	0	0	49.80	596
SHARED INTERNAL AUDIT SERVICES	39,120	38,193	0	0	97.60	597
Total as on Financial Systems (BAS)	419,896	291,198	0	0	69.40	634

Table 3.1.2 Personnel costs by salary band for the period 1 April 2020 and 31 March 2021

Salary Band	Personnel Expenditure including Transfers (R'000)	% of Total Personnel Cost	Number of Employees	Average Personnel Cost per Employee (R'000)
01 Lower skilled (Levels 1-2)	3,604	1.20	20	180
02 Skilled (Levels 3-5)	8,294	2.70	29	286
03 Highly skilled production (Levels 6-8)	53,132	17.50	110	483
04 Highly skilled supervision (Levels 9-12)	158,595	52.20	178	891
05 Senior management (Levels >= 13)	56,838	18.70	43	1,322
11 Contract (Levels 3-5)	98	0	1	98
12 Contract (Levels 6-8)	1,512	0.50	0	0

Salary Band	Personnel Expenditure including Transfers (R'000)	% of Total Personnel Cost	Number of Employees	Average Personnel Cost per Employee (R'000)
13 Contract (Levels 9-12)	4,527	1.50	12	377
14 Contract (Levels >= 13)	8,642	2.80	6	1,440
18 Contract Other	3,685	1.20	33	111
19 Periodical Remuneration	4,275	1.40	18	237
20 Abnormal Appointment	18	0.00	9	2
TOTAL	303,221	99.70	459	661

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2020 and 31 March 2021

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
PROGRAMME 1: ADMINISTRATION	94,338	82.10	83	0.10	3,474	3.00	4,185	3.60
PROGRAM 2: SUSTAINABLE RESOURCE MANAGEMENT	47,487	86.20	-	-	1,430	2.60	818	1.50
PROGRAM 3: ASSETS & LIABILITIES MANAGEMENT	36,887	80.00	-	-	1,035	2.20	1,173	2.50
PROGRAM 4: FINANCIAL GOVERNANCE	37,303	75.80	-	-	1,300	2.60	1,332	2.70
PROGRAM 5 SHARED INTERNAL AUDIT SERVICES	31,566	81.40	-	-	1,536	4.00	1,454	3.80
TOTAL	247,580	81.40	83	0.00	8,776	2.90	8,962	2.90



Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2020 and 31 March 2021

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
01 Lower skilled (Levels 1-2)	2, 360	65.50	0	0	346	9.60	616	17.10
02 Skilled (Levels 3-5)	6, 039	72.80	33	0.40	516	6.20	775	9.30
03 Highly skilled production (Levels 6-8)	41, 532	78.10	9	0	1, 926	3.60	3, 168	6
04 Highly skilled supervision (Levels 9-12)	131, 339	82.60	42	0	3. 644	2.30	3, 928	2.50
05 Senior management (Levels >= 13)	48, 706	85.40	0	0	2, 194	3.80	419	0.70
11 Contract (Levels 3-5)	98	100.00	0	0	0	0	0	0
12 Contract (Levels 6-8)	1, 512	100.00	0	0	0	0	0	0
13 Contract (Levels 9-12)	4, 433	94.70	0	0	33	0.70	0	0
14 Contract (Levels >= 13)	7, 865	90.10	0	0	116	1.30	56	0.60
Contract Other	3, 680	99.80	0	0	0	0	0	0
Periodical Remuneration	0	0.00	0	0	0	0	0	0
Abnormal Appointment	18	100.00	0	0	0	0	0	0
TOTAL	247, 580	81.40	83	0.00	8776	2.90	8, 962	2.90

3.2 Employment and Vacancies

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

Table 3.2.1 Employment and vacancies by programme as on 31 March 2021

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
PROGRAMME 1: ADMINISTRATION, Permanent	220	159	27.73%	0
PROGRAM 2: SUSTAINABLE RESOURCE MANAGEMENT, Permanent	87	58	33.33%	0
PROGRAM 3: ASSETS & IABILITIES MANAGEMENT, Permanent	71	51	28.17%	0
PROGRAM 4: FINANCIAL GOVERNANCE, Permanent	80	59	26.25%	0
INTERNAL AUDIT	77	64	16.88%	0
TOTAL	535	391	26.92%	0

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2021

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
01 Lower Skilled (Levels 1-2), Permanent	28	20	28.57%	0
02 Skilled (Levels 3- 5), Permanent	33	30	9.09%	0
03 Highly Skilled Production (Levels 6-8), Permanent	149	111	25.50%	0
04 Highly Skilled Supervision (Levels 9-12), Permanent	262	187	28.63%	0
05 Senior Management (Levels >= 13), Permanent	63	43	31.75%	0
TOTAL	535	391	26.92%	0

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2021

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
ADMINISTRATIVE RELATED, Permanent	110	87	20.91%	0
CASHIERS TELLERS AND RELATED CLERKS, Permanent	2	2	0.00%	0
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC., Permanent	34	26	23.53%	0
CLIENT INFORM CLERKS(SWITCHB RECEIPT INFORM CLERKS), Permanent	8	5	37.50%	0
FINANCE AND ECONOMICS RELATED, Permanent	28	28	0.00%	0
FINANCIAL AND RELATED PROFESSIONALS, Permanent	127	97	23.62%	0
FINANCIAL CLERKS AND CREDIT CONTROLLERS, Permanent	61	31	49.18%	0
HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER, Permanent	1	1	0.00%	0
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF, Permanent	11	11	0.00%	0
HUMAN RESOURCES CLERKS, Permanent	6	5	16.67%	0
HUMAN RESOURCES RELATED, Permanent	19	12	36.84%	0
INFORMATION TECHNOLOGY RELATED	1	1	0.00%	0
LANGUAGE PRACTITIONERS INTERPRETERS & OTHER COMMUN	1	1	0.00%	0
LOGISTICAL SUPPORT PERSONNEL, Permanent	13	9	30.77%	0
MESSENGERS PORTERS AND DELIVERERS, Permanent	4	2	50.00%	0
MATERIAL-RECORDING AND TRANSPORT CLERKS, Permanent	2	0	100.00%	0
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS, Permanent	7	5	28.57%	0

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
OTHER INFORMATION TECHNOLOGY PERSONNEL.	2	2	0.00%	0
RISK MANAGEMENT AND SECURITY SERVICES, Permanent	2	2	0.00%	0
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS, Permanent	30	18	40.00%	0
SECURITY OFFICERS	1	1	0.00%	0
SENIOR MANAGERS, Permanent	63	43	31.75%	0
SOCIAL WORK AND RELATED PROFESSIONALS, Permanent	2	2	0.00%	0
TOTAL	535	391	26.92%	0

3.3 Filling of SMS Posts

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service.

Table 3.3.1 SMS post information as on 31 March 2021

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	86	1	20
Salary Level 14	12	12	100	3	23
Salary Level 13	34	28	64	16	36
Total	54	47	75	20	32



Table 3.3.2 SMS post information as on 30 September 2020

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	86	1	20
Salary Level 14	12	12	100	3	23
Salary Level 13	32	30	64	16	36
Total	52	49	75	20	32

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2020 and 31 March 2021

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

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2020 and 31 March 2021

Reasons for vacancies not advertised within six months

Nation-wide lockdown to contain the spread of Covid-19 as well as the reprioritization of budget had an impact in advertising of vacancies.

Reasons for vacancies not filled within twelve months

Nation-wide lockdown to contain the spread of Covid-19 as well as the reprioritization of budget had an impact in implementation of the recruitment plan.

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 2020 and 31 March 2021

Reasons for vacancies not advertised within six months
Nation-wide lockdown to contain the spread of Covid-19 as well as the reprioritization of budget had an impact in advertising of vacancies.

Reasons for vacancies not filled within six months
Nation-wide lockdown to contain the spread of Covid-19 as well as the reprioritization of budget had an impact in implementation of the recruitment plan.

3.4 Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2020 and 31 March 2021

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)	28	28	100%	0	100%	0	0
Skilled (Levels 3-5)	33	33	100%	0	100%	0	0
Highly skilled production (Levels 6-8)	149	149	100%	0	100%	0	0
Highly skilled supervision (Levels 9-12)	262	262	100%	0	100%	158	29.5
Senior Management Service Band A	1	1	100%	0	100%	0	0
Senior Management Service Band B	5	5	100%	0	100%	0	0
Senior Management Service Band C	13	13	100%	0	100%	0	0
Senior Management Service Band D	44	44	100%	0	100%	0	0
Total	535	535	100%	0	100	158	29.5

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 2020 and 31 March 2021

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

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

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2020 and 31 March 2021

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC.	5	2	3	Res 3 / 2009
HUMAN RESOURCES RELATED	2	7	8	Res 3 / 2009
HUMAN RESOURCES CLERKS	1	7	8	Res 3 / 2009
ADMINISTRATIVE RELATED	1	7	8	Res 3 / 2009
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS	1	7	8	Res 3 / 2009
LOGISTICAL SUPPORT	1	7	8	Res 3 / 2009

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
PERSONNEL				
ADMINISTRATIVE RELATED	6	9	10	Post downgrade 01/04/2019
ADMINISTRATIVE RELATED	8	11	12	Post downgrade 01/04/2019
CASHIERS TELLERS AND RELATED CLERKS	1	11	12	Post downgrade 01/04/2019
FINANCE AND ECONOMICS RELATED	11	9	10	Post downgrade 01/04/2019
FINANCE AND ECONOMICS RELATED	14	11	12	Post downgrade 01/04/2019
FINANCIAL AND RELATED PROFESSIONALS	43	9	10	Post downgrade 01/04/2019
FINANCIAL AND RELATED PROFESSIONALS	39	11	12	Post downgrade 01/04/2019
FINANCIAL CLERKS AND CREDIT CONTROLLERS	4	9	10	Post downgrade 01/04/2019
FINANCIAL CLERKS AND CREDIT CONTROLLERS	1	11	12	Post downgrade 01/04/2019
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF	6	9	10	Post downgrade 01/04/2019
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF	2	11	12	Post downgrade 01/04/2019
HUMAN RESOURCES RELATED	2	9	10	Post downgrade 01/04/2019

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
HUMAN RESOURCES RELATED	2	11	12	Post downgrade 01/04/2019
LOGISTICAL SUPPORT PERSONNEL	1	9	10	Post downgrade 01/04/2019
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS	1	9	10	Post downgrade 01/04/2019
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS	1	11	12	Post downgrade 01/04/2019
RISK MANAGEMENT AND SECURITY SERVICES	2	11	12	Post downgrade 01/04/2019
SOCIAL WORK AND RELATED PROFESSIONALS	2	11	12	Post downgrade 01/04/2019
Total number of employees whose salaries exceeded the level determined by job evaluation				157
Percentage of total employed				36%

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 2020 and 31 March 2021

Gender	African	Asian	Coloured	White	Total
Female	60	0	0	2	62
Male	92	1	0	2	94
Total	153	1	0	4	157

Employees with a disability	1	0	0	0	1
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Total number of Employees whose salaries exceeded the grades determine by job evaluation	157
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3.5 Employment Changes

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

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2020 and 31 March 2021

Salary band	Number of employees at beginning of period	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
01 Lower Skilled (Levels 1-2) Permanent	20	0	0	0
02 Skilled (Levels 3-5) Permanent	31	0	2	6.50
03 Highly Skilled Production (Levels 6-8) Permanent	116	0	5	4.30
04 Highly Skilled Supervision (Levels 9-12) Permanent	192	13	19	9.90
05 Senior Management Service Band A Permanent	30	0	3	10
06 Senior Management Service Band B Permanent	10	0	0	0
07 Senior Management Service Band C Permanent	4	0	0	0
08 Senior Management Service Band D Permanent	1	0	0	0
09 Other Permanent	58	22	46	79.30
11 Contract (Levels 3-5) Permanent	0	1	0	0
12 Contract (Levels 6-8) Permanent	13	9	22	169.20
13 Contract (Levels 9-12) Permanent	8	6	1	12.50
15 Contract Band B Permanent	2	0	0	0
16 Contract Band C Permanent	2	0	0	0
17 Contract Band D Permanent	1	0	0	0
TOTAL	488	51	98	20.10



Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2020 and 31 March 2021

Critical occupation	Number of employees at beginning of period	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
ADMINISTRATIVE RELATED Permanent	95	0	6	6.30
CASHIERS TELLERS AND RELATED CLERKS Permanent	2	0	0	0
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC. Permanent	26	1	1	3.80
CLIENT INFORM CLERKS(SWITCHB RECEIPT INFORM CLERKS) Permanent	5	0	0	0
FINANCE AND ECONOMICS RELATED Permanent	34	0	4	11.80
FINANCIAL AND RELATED PROFESSIONALS Permanent	113	5	13	11.50
FINANCIAL CLERKS AND CREDIT CONTROLLERS Permanent	31	13	0	0
HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER Permanent	1	0	0	0
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF Permanent	12	0	0	0
HUMAN RESOURCES CLERKS Permanent	5	0	0	0
HUMAN RESOURCES RELATED Permanent	12	0	2	16.70
INFORMATION TECHNOLOGY RELATED Permanent	1	0	0	0
LANGUAGE PRACTITIONERS INTERPRETERS & OTHER COMMUN Permanent	1	0	0	0
LOGISTICAL SUPPORT PERSONNEL Permanent	11	0	2	18.20
MATERIAL-RECORDING AND TRANSPORT CLERKS Permanent	1	0	0	0
MESSENGERS PORTERS AND DELIVERERS Permanent	2	0	0	0
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS Permanent	76	31	68	89.50

Critical occupation	Number of employees at beginning of period	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
OTHER INFORMATION TECHNOLOGY PERSONNEL. Permanent	2	0	0	0
OTHER OCCUPATIONS Permanent	1	0	0	0
RISK MANAGEMENT AND SECURITY SERVICES Permanent	3	0	0	0
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS Permanent	19	1	1	5.30
SECURITY OFFICERS Permanent	1	0	0	0
SENIOR MANAGERS Permanent	32	0	1	3.10
SOCIAL WORK AND RELATED PROFESSIONALS Permanent	2	0	0	0
TOTAL	488	51	98	20.10

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

Table 3.5.3 Reasons why staff left the department for the period 1 April 2020 and 31 March 2021

Termination Type	Number	% of Total Resignations
Death	2	2
Resignation	10	10
Expiry of contract	66	66
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	1	1
Retirement	19	19
Transfer to other Public Service Departments	2	2
Other	0	0
Total	100	100%
Total number of employees who left as a % of total employment		23.14

Table 3.5.4 Promotions by critical occupation for the period 1 April 2020 and 31 March 2021

Critical occupation	Number of employees at beginning of period	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
ADMINISTRATIVE RELATED Permanent	95	0	6	6.30
CASHIERS TELLERS AND RELATED CLERKS Permanent	2	0	0	0.00
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC. Permanent	26	1	1	3.80
CLIENT INFORM CLERKS(SWITCHBOARD RECEIPT INFORM CLERKS) Permanent	5	0	0	0.00
FINANCE AND ECONOMICS RELATED Permanent	34	0	4	11.80
FINANCIAL AND RELATED PROFESSIONALS Permanent	113	5	13	11.50
FINANCIAL CLERKS AND CREDIT CONTROLLERS Permanent	31	13	0	0.00
HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER Permanent	1	0	0	0.00
HUMAN RESOURCES & ORGANISATION DEVELOPMENT & RELATED PROFESSIONALS Permanent	12	0	0	0.00
HUMAN RESOURCES CLERKS Permanent	5	0	0	0.00
HUMAN RESOURCES RELATED Permanent	12	0	2	16.70
INFORMATION TECHNOLOGY RELATED Permanent	1	0	0	0.00
LANGUAGE PRACTITIONERS INTERPRETERS & OTHER COMMUNICATORS Permanent	1	0	0	0.00
LOGISTICAL SUPPORT PERSONNEL Permanent	11	0	2	18.20
MATERIAL-RECORDING AND TRANSPORT CLERKS Permanent	1	0	0	0.00
MESSENGERS PORTERS AND DELIVERERS Permanent	2	0	0	0.00
OTHER ADMINISTRATIVE & RELATED CLERKS AND ORGANISERS Permanent	76	31	68	89.50
OTHER INFORMATION TECHNOLOGY PERSONNEL. Permanent	2	0	0	0.00
OTHER OCCUPATIONS Permanent	1	0	0	0.00
RISK MANAGEMENT AND SECURITY	3	0	0	0.00

Critical occupation	Number of employees at beginning of period	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
SERVICES Permanent				
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS Permanent	19.00	1.00	1.00	5.30
SECURITY OFFICERS Permanent	1.00	0.00	0.00	0.00
SENIOR MANAGERS Permanent	32.00	0.00	1.00	3.10
SOCIAL WORK AND RELATED PROFESSIONALS Permanent	2.00	0.00	0.00	0.00
TOTAL	488.00	51.00	98.00	20.10

Table 3.5.5 Promotions by salary band for the period 1 April 2020 and 31 March 2021

Salary Band	Number of Employees at the Beginning of Period	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	18	90
02 Skilled (Levels 3-5), Permanent	31	0	0	22	71
03 Highly Skilled Production (Levels 6-8), Permanent	116	0	0	82	70.70
04 Highly Skilled Supervision (Levels 9-12), Permanent	192	0	0	118	61.50
05 Senior Management (Levels >= 13), Permanent	45	3	6.70	33	73.30
09 Other, Permanent	58	0	0	0	0
12 Contract (Levels 6-8), Permanent	13	0	0	0	0
13 Contract (Levels 9-12), Permanent	8	0	0	1	12.50
14 Contract (Levels >= 13), Permanent	5	1	20	4	80
TOTAL	488	4	0.80%	278	57%

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 2021

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
01 - SENIOR OFFICIALS AND MANAGERS	18	1	1	1	11	0	1	1	34
02 - PROFESSIONALS	85	0	2	3	64	0	2	3	159
03 - TECHNICIANS AND ASSOCIATE PROFESSIONALS	44	0	0	0	51	1.00	0	1	97
04 - CLERKS	36	0	0	0	74	0	0	0	110
05 - SERVICE SHOP AND MARKET SALES WORKERS	1	0	0	1	2	0	0	0	4
09 - LABOURERS AND RELATED WORKERS	3	0	0	0	25	0	0	0	28
Total	187	1	3	5	227	1	3	5	432
Employees with disabilities	3	0	0	0	4	0	0	0	7



Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2021

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
01 Top Management, Permanent	3	1	0	0	0	0	1	0	5
02 Senior Management, Permanent	17	0	1	2	16	0	0	1	38
03 Professionally qualified and experienced specialists and mid-management, Permanent	101	0	2	2	71	0	0	2	178
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	31	0	0	0	76	1	0	2	110
05 Semi-skilled and discretionary decision making, Permanent	14	0	0	0	15	0	0	0	29
06 Unskilled and defined decision making, Permanent	1	0	0	0	19	0	0	0	20
07 Not Available, Permanent	10	0	0	0	23	0	0	0	33
08 Contract (Top Management), Permanent	2	0	0	1	0	0	0	0	3
09 Contract (Senior Management), Permanent	2	0	0	0	0	0	1	0	3

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
10 Contract (Professionally Qualified), Permanent	6	0	0	0	6	0	0	0	12
12 Contract (Semi-Skilled), Permanent	0	0	0	0	1	0	0	0	1
TOTAL	187	1	3	5	227	1	3	5	432

Table 3.6.3 Recruitment for the period 1 April 2020 to 31 March 2021

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
03 Professionally qualified and experienced specialists and mid-management, Permanent	5	0	1	0	7	0	0	0	13
07 Not Available, Permanent	11	0	0	0	11	0	0	0	22
10 Contract (Professionally qualified), Permanent	3	0	0	0	3	0	0	0	6
11 Contract (Skilled technical), Permanent	2	0	0	0	7	0	0	0	9
12 Contract (Semi-skilled), Permanent	0	0	0	0	1	0	0	0	1
TOTAL	21	0	1	0	29	0	0	0	51
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.4 Promotions for the period 1 April 2020 to 31 March 2021

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
01 Top Management, Permanent	2	1	0	0	0	0	1	0	4
02 Senior Management, Permanent	15	0	1	1	13	0	1	1	32
03 Professionally qualified and experienced specialists and mid-management, Permanent	62	0	1	1	53	0	0	1	118
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	24	0	0	0	56	1	0	1	82
05 Semi-skilled and discretionary decision making, Permanent	12	0	0	0	10	0	0	0	22
06 Unskilled and defined decision making, Permanent	1	0	0	0	17	0	0	0	18
08 Contract (Top Management), Permanent	2	0	0	0	0	0	0	0	2
09 Contract (Senior Management), Permanent	2	0	0	0	0	0	1	0	3
10 Contract (Professionally qualified), Permanent	1	0	0	0	0	0	0	0	1
TOTAL	121	1	2	2	149	1	3	3	282
<i>Employees with disabilities</i>	2	0	0	0	2	0	0	0	4

Table 3.6.5 Terminations for the period 1 April 2020 to 31 March 2021

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
02 Senior Management, Permanent	1	0	0	0	2	0	0	0	3
03 Professionally qualified and experienced specialists and mid-management, Permanent	15	0	0	1	3	0	0	0	19
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	3	0	0	0	2	0	0	0	5
05 Semi-skilled and discretionary decision making, Permanent	0	0	0	0	2	0	0	0	2
07 Not Available, Permanent	23	0	0	0	23	0	0	0	46
10 Contract (Professionally qualified), Permanent	0	0	0	0	1	0	0	0	1
11 Contract (Skilled technical), Permanent	5	0	0	0	17	0	0	0	22
TOTAL	47	0	0	1	50	0	0	0	98
Employees with Disabilities	0	0	0	0	1	0	0	0	1

Table 3.6.6 Disciplinary action for the period 1 April 2020 to 31 March 2021

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
None	None	None	None	None	None	None	None	None	None
None	None	None	None	None	None	None	None	None	None

Table 3.6.7 Skills development for the period 1 April 2020 to 31 March 2021

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	11	0	0	1	7	0	1	1	21
Professionals	25	0	1	0	36	0	0	1	63
Technicians and associate professionals	0	0	0	0	0	0	0	0	0
Clerks	0	0	0	0	0	0	0	0	0
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
Total	36	0	1	1	43	0	1	2	84
Employees with disabilities	0	0	0	0	0	0	0	0	0

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 2021

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	1	1	100%
Salary Level 16	1	1	1	100%
Salary Level 15	6	6	6	100%
Salary Level 14	11	11	11	100%
Salary Level 13	29	29	29	100%
Total	47	47	47	100%

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2021

Reasons
None

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2021

Reasons
None

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 2020 to 31 March 2021

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee R
African					
Male	122	184	66.30	937.44	7 684
Female	163	223	73.10	949.58	5 826
Asian					
Male	1	3	33.30	10.93	10 930
Female	2	3	66.70	29.23	14 613
Coloured					
Male	0	1	0.00	0.00	0
Female	1	1	100.00	5.15	5 147
White					
Male	2	5	40.00	42.39	21 195
Female	5	5	100.00	39.62	7 925
Employees with a disability	4	7	57.10	13.97	3 493
TOTAL	300	432	69.40	2 028.30	6 761

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2020 to 31 March 2021

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee (R)	
01 Lower Skilled (Levels 1-2)	20	20	100.00	29.82	1 491	1.78
02 Skilled (Levels 3-5)	30	29	103.40	75.08	2 503	4.48
03 Highly Skilled Production (Levels 6-8)	96	110	87.30	443.87	4 624	26.51
04 Highly Skilled Supervision (Levels 9-12)	129	178	72.50	1 125.85	8 728	67.23
09 Other	0	33	0.00	0.00	0	0.00
11 Contract (Levels 3-5)	0	1	0.00	0.00	0	0.00
13 Contract (Levels 9-12)	0	12	0.00	0.00	0	0.00
TOTAL	275	383	71.80	1 674.63	6 090	100.00



Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2020 to 31 March 2021

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee (R)
FINANCIAL CLERKS AND CREDIT CONTROLLERS	17	41	41.50	78.34	4 608
HUMAN RESOURCES CLERKS	4	5	80.00	17.84	4 461
SECURITY OFFICERS	1	1	100.00	9.22	9 222
MESSENGERS PORTERS AND DELIVERERS	2	2	100.00	6.33	3 166
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF	11	11	100.00	89.12	8 102
RISK MANAGEMENT AND SECURITY SERVICES	1	3	33.30	11.26	11 260
FINANCE AND ECONOMICS RELATED	17	30	56.70	152.83	8 990
LOGISTICAL SUPPORT PERSONNEL	9	9	100.00	46.27	5 141
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS	4	38	10.50	25.11	6 277
OTHER OCCUPATIONS	0	1	0.00	0.00	0
FINANCIAL AND RELATED PROFESSIONALS	72	101	71.30	637.93	8 860
ADMINISTRATIVE RELATED	83	88	94.30	455.19	5 484
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS	15	19	78.90	69.02	4 601
CLEANERS IN	26	26	100.00	42.29	1 627

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee (R)
OFFICES WORKSHOPS HOSPITALS ETC.					
HUMAN RESOURCES RELATED	9	11	81.80	66.03	7 337
CASHIERS TELLERS AND RELATED CLERKS	2	2	100.00	12.62	6 308
HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER	1	1	100.00	31.94	31 938
LANGUAGE PRACTITIONERS INTERPRETERS & OTHER COMMUN	1	1	100.00	4.00	4 001
SOCIAL WORK AND RELATED PROFESSIONALS	2	2	100.00	15.27	7 637
SENIOR MANAGERS	17	32	53.10	233.01	13 707
CLIENT INFORM CLERKS(SWITCHB RECEPT INFORM CLERKS)	4	5	80.00	11.38	2 845
OTHER INFORMATION TECHNOLOGY PERSONNEL.	1	2	50.00	5.00	4 996
INFORMATION TECHNOLOGY RELATED	1	1	100.00	8.31	8 310
TOTAL	300	432	69.40	2 028.30	6 761

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2020 to 31 March 2021

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee (R)	
Band A	17	29	58.60	213.81	12 577	0.60
Band B	5	12	41.70	72.65	14 530	0.40
Band C	2	6	33.30	35.27	17 637	0.40
Band D	1	2	50.00	31.94	31 938	0.70
Total	25	49	51.00	353.67	14 147	0.50

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 2020 and 31 March 2021

Salary band	01 April 2020		31 March 2021		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Lev. 6-8)	0	0	0	0	0	0
Highly skilled supervision (Lev. 9-12)	2	100.00	1	100.00	-1	-100.00
Contract (level 9-12)	0	0	0	0	0	0
Contract (level 13-16)	0	0	0	0	0	0
Total	2	100.00	1.00	100.00	-1	-100.00

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2020 and 31 March 2021

Major occupation	01 April 2020		31 March 2021		Change	
	Number	% of total	Number	% of total	Number	% Change
Professionals and managers	2	100.00	1	100.00	- 1	- 100.00
TOTAL	2	100.00	1	100.00	- 1	-100.00

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 the period 1 January 2020 to 31 December 2021

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	32.	90.60	9	3.70	4	18
Skilled (Levels 3-5)	91	90.10	17	6.90	5	78
Highly skilled production (Levels 6-8)	366	84.40	65	26.50	6	636
Highly skilled supervision (Levels 9-12)	539	87.80	95	38.80	6	1 705
Senior management (Levels 13-16)	121	86.80	21	8.60	6	567
Contract (Levels 3-5)	3	0.00	1	0.40	3	3
Contract (Levels 6-8)	26	46.20	11	4.50	2	28
Contract (Levels 9-12)	15	86.70	2	0.80	8	33
Contract (Levels 13-16)	17	100.00	2	0.80	9	93
Contract Other	72	75.00	22	9.00	3	28
TOTAL	1 282	85.30	245	100.00	5	3 189

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2020 to 31 December 2021

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Skilled (Levels 3-5)	275	100.00	2	13.30	138	213
Highly skilled production (Levels 6-8)	110	100.00	6	40.00	18	203
Highly skilled supervision (Levels 9-12)	296	100.00	6	40.00	49	953
Senior management (Levels 13-16)	2	100.00	1	6.70	2	9
TOTAL	683	100.00	15	100.00	46	1 377

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

Table 3.10.3 Annual Leave for the period 1 January 2020 to 31 December 2021

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	349	20	17
Skilled (Levels 3-5)	638	31	21
Highly skilled production (Levels 6-8)	2 471	115	21
Highly skilled supervision (Levels 9-12)	4 293	193	22
Senior management (Levels 13-16)	985	45	22
Contract (Levels 3-5)	34	5	7
Contract (Levels 6-8)	171	15	11
Contract (Levels 9-12)	115	12	10
Contract (Levels 13-16)	119	6	20
Contract Other	647	58	11
TOTAL	9 822	500	20

Table 3.10.4 Capped leave for the period 1 January 2020 to 31 December 2021

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2021
Lower skilled (Levels 1-2)	0	0	0	0.
Skilled (Levels 3-5)	0	0	0	120
Highly skilled production (Levels 6-8)	0	0	0	86
Highly skilled supervision (Levels 9-12)	1	1	1	124
Senior management (Levels 13-16)	0	0	0	72
Contract (Levels 3-5)	0	0	0	0
Contract (Levels 6-8)	0	0	0	0
Contract (Levels 9-12)	0	0	0	0
Contract (Levels 13-16)	0	0	0	0
Contract Other	0	0	0	0
TOTAL	1	1	1	110.

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

Table 3.10.5 Leave payouts for the period 1 April 2020 and 31 March 2021

Reason	Total amount (R'000)	Number of employees	Average per employee (R)
Leave payout for 2020/21 due to non-utilisation of leave for the previous cycle (on terminations)	272	4	68 000
Capped leave payouts on termination of service for 2020/21	5 731	21	272 905
Current leave payout on termination of service for 2020/21	1 438	26	55 308
Total	7 441	51	396 213

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	Education and awareness sessions on HIV and AIDS, STI's and TB management in the workplace. Education and awareness sessions on Covid-19 Directives Educational sessions and awareness on how to use cleaning detergents. Provision of personal protective equipment and clothing e.g. PVC hand gloves and respiratory mask, work suits and safety shoes and education on how to use protective clothing
Interns, Learnership and Experiential Learners	Educational sessions, HCT campaigns held and medical screening provided

Table 3.11.2 Details of Health Promotion and HIV/AIDS Programme s (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	Vacant post
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) employees; Zero (0) budget. The budget has been redirected to COVID-19
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		An in-house Wellness Management is available for the employees.

Question	Yes	No	Details, if yes
			<p>Support was rendered as follows:</p> <ul style="list-style-type: none"> • Do assessment and referral of employees for assistance • Provide short-term psycho-social counselling • Provide Trauma debriefing • Provide bereavement support services • Management consultations • Facilitate EHW committee meetings. • Provide preventative and proactive programmes • Awareness campaigns and life skills education • Monitor and evaluate programme implementation <p>For the 2020/2021 financial year the Department focused on the fight against the spread of COVID-19.</p>
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	x		Functional COVID-19 Steering Committee representative of Management across programmes, Organized Labour and OHS Committee representative
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		Reviewed the HIV, AIDS, STIs and TB 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		<p>*A dedicated Employee Health and Wellness programme</p> <p>*Educational sessions on Human rights</p> <p>*Mainstreaming of HIV and AIDS in the core business of the department</p>
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	x		14% of employees benefitted on integrated wellness programs and 10% attended HIV and Aids voluntary counselling and testing
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	x		<p>Onsight integrated wellness has been coordinated.</p> <ul style="list-style-type: none"> • Disease Management report was compiled.

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2020 and 31 March 2021

Total number of Collective agreements	None
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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 2020 and 31 March 2021

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	None	N/A
Verbal warning	None	N/A
Written warning	None	N/A
Final written warning	None	N/A
Suspended without pay	None	N/A
Fine	None	N/A
Demotion	None	N/A
Dismissal	None	N/A
Not guilty	None	N/A
Case withdrawn	None	N/A
Total	None	N/A

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2020 and 31 March 2021

Type of misconduct	Number	% of total
N/A		

Table 3.12.4 Grievances logged for the period 1 April 2020 and 31 March 2021

Grievances	Number	% of Total
Number of grievances resolved	3	100%
Number of grievances not resolved	0	0%
Total number of grievances lodged	3	100%

Table 3.12.5 Disputes logged with Councils for the period 1 April 2020 and 31 March 2021

Disputes	Number	% of Total
Number of disputes upheld	0	0
Number of disputes dismissed	2	66
Total number of disputes lodged	3	100

Table 3.12.6 Strike actions for the period 1 April 2020 and 31 March 2021

Total number of persons working days lost	None
Total costs working days lost	None
Amount recovered as a result of no work no pay (R'000)	None

Table 3.12.7 Precautionary suspensions for the period 1 April 2020 and 31 March 2021

Number of people suspended	None
Number of people who's suspension exceeded 30 days	None
Average number of days suspended	None
Cost of suspension(R'000)	None



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 2020 and 31 March 2021

Occupational category	Gender	Number of employees as at 1 April 2020	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	M	27	0	17	1	18
	F	21	0	20	1	21
Professionals	M	117	0	15	1	16
	F	87	0	15	1	16
Technicians and associate professionals	M	36	0	7	1	8
	F	86	0	6	1	7
Clerks	M	17	0	10	1	11
	F	19	0	11	1	12
Service and sales workers	M	0	0	0	0	0
	F	0	0	0	0	0
Skilled agriculture and fishery workers	M	0	0	0	0	0
	F	0	0	0	0	0
Craft and related trades workers	M	0	0	0	0	0
	F	0	0	0	0	0
Plant and machine operators and assemblers	M	0	0	0	0	0
	F	0	0	0	0	0
Elementary occupations	M	24	0	6	1	7
	F	54	0	6	1	7
Sub Total	M	221	0	55	5	60
	F	267	0	58	5	63
Total		488		113	10	123



Table 3.13.2 Training provided for the period 1 April 2020 and 31 March 2021

Occupational category	Gender	Number of employees as at 1 April 2021	Training provided within the reporting period			
			Learnership	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	M	27	0	12	6	18
	F	21	0	9	1	10
Professionals	M	117	0	26	18	44
	F	87	0	37	16	53
Technicians and associate professionals	M	36	0	0	10	10
	F	86	0	0	28	28
Clerks	M	17	0	0	1	1
	F	19	0	0	4	4
Service and sales workers	M	0	0	0	0	0
	F	0	0	0	0	0
Skilled agriculture and fishery workers	M	0	0	0	0	0
	F	0	0	0	0	0
Craft and related trades workers	M	0	0	0	0	0
	F	0	0	0	0	0
Plant and machine operators and assemblers	M	0	0	0	0	0
	F	0	0	0	0	0
Elementary occupations	M	24	0	0	1	1
	F	54	0	0	5	5
Sub Total	M	221	0	38	36	74
	F	267	0	46	54	100
Total		488	0	84	90	174

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 2020 and 31 March 2021

Nature of injury on duty	Number	% of total
Required basic medical attention only	1	0.2%
Temporary Total Disablement	1	0.2%
Permanent Disablement	0	0%
Fatal	0	0%
Total	1	0.2%

3.15 Utilisation of Consultants

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2020 and 31 March 2021

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
N/A			

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

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2020 and 31 March 2021

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 2020 and 31 March 2021

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

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

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2020 and 31 March 2021

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 2020 and 31 March 2021

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

REPORT OF THE AUDITOR GENERAL

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

Independent auditor's report to the Limpopo Provincial Treasury on vote no. 5: Provincial Treasury

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Limpopo Provincial Treasury set out on pages 116 to 153, which comprise the statement of financial position as at 31 March 2021, the statement of financial performance and other comprehensive income, statement of changes in net assets, and cash flow statement and appropriation statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Limpopo Provincial Treasury as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 4 of 2020 (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's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my unqualified opinion.

Emphasis of matters

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

Significant uncertainties

7. With reference to note 17 to the financial statements, the department is a defendant in various legal claims involving suppliers. The department is opposing claims amounting to R254 165 000 as it believes it has reasonable grounds to defend each claim. The ultimate outcome of the matters could not be determined and no provision for any liability that may result was made in the financial statements.

Irregular expenditure

8. As disclosed in note 21 to the financial statements, irregular expenditure of R3 186 000 that was incurred 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 153 to 162 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

11. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
12. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting authority 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 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programme presented

in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

16. My procedures address the usefulness and reliability of the reported performance information, which must be based on the department's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or 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 department's annual performance report for the year ended 31 March 2021:

Programme	Pages in the annual performance report
Programme 2 – sustainable resource management	31-33

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 identify any material findings on the usefulness and reliability of the reported performance information for this programme:
- Programme 2 – sustainable resource management.

Other matter

20. I draw attention to the matter below.

Achievement of planned targets

21. Refer to the annual performance report on pages 29 to 41 for information on the achievement of planned targets for the year and management's explanations provided for the under-/over-achievement 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 department's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
23. I did not identify any 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 authority 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 my 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 on it.
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 programme 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. After I 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

3 September 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor’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 the 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 relating to events or conditions that may cast significant doubt on the ability of the Limpopo Provincial Treasury 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 my opinion on the financial statements. My conclusions are based on the information available to us at the date of this auditor’s report. However, future events or conditions may cause a department to cease operating as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine 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 provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

ANNUAL FINANCIAL STATEMENTS FOR LIMPOPO PROVINCIAL TREASURY

**For the year ended
31 March 2021**

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(LIMPOPO PROVINCIAL TREASURY)
VOTE 5APPROPRIATION STATEMENT
for the year ended 31 March 2021

Appropriation per programme	2020/21						2019/20		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Voted funds and Direct charges									
Programme									
1. <u>ADMINISTRATION</u>	182,785	-	(4,176)	178,609	168,603	10,006	94.4%	185,472	182,387
2. <u>SUSTAINABLE RESOURCE MANAGEMENT</u>	64,145	-	3,847	67,992	66,663	1,329	98.0%	86,779	80,866
3. <u>ASSETS, LIABILITIES AND SUPPLY CHAIN MANAGEMENT</u>	54,739	-	-	54,739	50,609	4,130	92.5%	52,815	51,954
4. <u>FINANCIAL GOVERNANCE</u>	96,721	-	(376)	96,345	93,004	3,341	96.5%	126,102	110,754
5. <u>SHARED INTERNAL AUDIT SERVICES</u>	38,634	-	705	39,339	39,120	219	99.4%	43,695	43,340
Programme sub total	437,024	-	-	437,024	417,999	19,025	95.6%	494,863	469,301
Statutory Appropriation	1,978	-	-	1,978	1,978	-	100.0%	1,978	1,978
MEMBERS' REMUNERATION	1,978	-	-	1,978	1,978	-	100.0%	1,978	1,978
TOTAL	439,002	-	-	439,002	419,977	19,025	95.7%	496,841	471,279
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts				245,034				244,717	
Actual amounts per Statement of Financial Performance (Total)				684,036				741,558	
Actual amounts per Statement of Financial Performance Expenditure					419,977				471,279

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5

APPROPRIATION STATEMENT
for the year ended 31 March 2021

	2020/21			2019/20					
	1	2	3	4	5	6	7	8	9
	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 M.E.C	3,945	-	(171)	3,774	3,426	348	90.8%	4,905	4,895
2. MANAGEMENT SERVICES	16,369	(635)	(186)	15,548	14,657	891	94.3%	14,970	14,970
3. DEPUTY DIRECTOR GENERAL : CORPORATE MANAGEMENT SERVICES	11,763	214	(459)	11,518	-	-	100.0%	9,988	9,481
4. CORPORATE SERVICES	50,086	203	(177)	50,112	46,661	3,451	93.1%	54,930	54,068
5. INFORMATION MANAGEMENT	61,875	175	(1,449)	60,601	56,789	3,812	93.7%	59,025	57,696
6. FINANCIAL MANAGEMENT	38,747	43	(1,734)	37,056	35,552	1,504	95.9%	41,628	41,277
	182,785	-	(4,176)	178,609	168,603	10,006	94.4%	185,472	182,387
Economic classification									
Current payments	170,824		(3,990)	166,834	160,846	5,988	96.4%	173,801	172,076
Compensation of employees	113,320	-	-	113,320	109,461	3,859	96.6%	117,366	116,331
Salaries and wages	99,831	-	-	99,831	96,316	3,515	96.5%	103,961	103,116
Social contributions	13,489	-	-	13,489	13,145	344	97.4%	13,405	13,215
Goods and services	57,504	-	(3,990)	53,514	51,385	2,129	96.0%	56,435	55,745
Administrative fees	-	-	-	-	-	-	-	119	116
Advertising	810	-	(171)	639	599	40	93.7%	1,143	1,086
Minor assets	161	-	-	161	33	128	20.5%	197	197
Audit costs: External	5,361	-	(984)	4,377	4,357	20	99.5%	5,055	5,055
Catering: Departmental activities	25	-	-	25	6	19	24.0%	379	272
Communication (G&S)	4,537	-	-	4,537	4,229	308	93.2%	4,096	4,060
Computer services	4,167	-	(300)	3,867	3,802	65	98.3%	3,221	3,092
Consultants: Business and advisory services	1,113	-	(459)	654	400	254	61.2%	627	562
Legal services	2,937	-	-	2,937	2,934	3	99.9%	530	530
Contractors	99	-	-	99	66	33	66.7%	315	299
Fleet services (including government motor transport)	1,315	-	(200)	1,115	1,070	45	96.0%	2,439	2,438
Consumable supplies	1,008	-	-	1,008	872	136	86.5%	964	930
Consumable: Stationery, printing and office supplies	1,893	-	(550)	1,343	1,211	132	90.2%	1,325	1,292
Operating leases	16,901	-	-	16,901	16,856	45	99.7%	14,225	14,225
Property payments	14,269	-	(1,226)	13,043	12,647	396	97.0%	10,644	10,644
Transport provided: Departmental activity	20	-	-	20	-	20	-	90	84
Travel and subsistence	859	-	-	859	576	283	67.1%	5,295	5,155
Training and development	1,284	-	-	1,284	1,284	-	100.0%	3,965	3,965
Operating payments	682	-	(100)	582	436	146	74.9%	724	687
Venues and facilities	63	-	-	63	7	56	11.1%	1,082	1,056
Transfers and subsidies	7,301		(186)	7,115	6,289	826	88.4%	6,573	6,545
Provinces and municipalities	747	-	-	747	645	102	86.3%	427	427
Municipalities	747	-	-	747	645	102	86.3%	427	427
Municipal bank accounts	747	-	-	747	645	102	86.3%	427	427
Households	6,554	-	(186)	6,368	5,644	724	88.6%	6,146	6,118
Social benefits	6,134	298	(186)	6,246	5,522	724	88.4%	616	592
Other transfers to households	420	(298)	-	122	122	-	100.0%	5,530	5,526
Payments for capital assets	4,660			4,660	1,468	3,192	31.5%	5,088	3,757
Machinery and equipment	3,960	-	-	3,960	830	3,130	21.0%	4,348	3,757
Other machinery and equipment	3,960	-	-	3,960	830	3,130	21.0%	4,348	3,757
Software and other intangible assets	700	-	-	700	638	62	91.1%	740	-
Payment for financial assets	-		(4,176)	178,609	168,603	10,006	94.4%	185,472	182,387

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5APPROPRIATION STATEMENT
for the year ended 31 March 2021

	Programme 2: SUSTAINABLE RESOURCE MANAGEMENT									
	2020/21					2019/20				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000	
Sub programme										
1. <u>DEPUTY DIRECTOR GENERAL: SUSTAINABLE RESOURCE MANAGEMENT</u>	2,048	71	-	2,119	2,107	12	99.4%	2,410	2,390	
2. <u>ECONOMIC AND FISCAL POLICY OVERSIGHT</u>	8,082	(71)	-	8,011	7,230	781	90.3%	8,740	8,617	
3. <u>BUDGET AND PUBLIC FINANCE MANAGEMENT</u>	15,574	(18)	71	15,627	15,429	198	98.7%	19,014	16,087	
4. <u>MUNICIPAL FINANCE AND GOVERNANCE IN THE LOCAL GOVERNMENT SPHERE</u>	23,076	18	116	23,210	22,993	217	99.1%	26,470	23,932	
5. <u>INFRASTRUCTURE MANAGEMENT AND PUBLIC PRIVATE PARTNERSHIP</u>	15,365	-	3,660	19,025	18,904	121	99.4%	30,145	29,840	
	64,145	-	3,847	67,992	66,663	1,329	98.0%	86,779	80,866	
Economic classification										
Current payments	64,039	-	3,605	67,644	66,317	1,327	98.0%	85,801	80,262	
Compensation of employees	60,466	(5,100)	(56)	55,310	54,334	976	98.2%	58,583	53,449	
Salaries and wages	54,409	(5,001)	(56)	49,352	48,500	852	98.3%	51,296	47,852	
Social contributions	6,057	(99)	-	5,958	5,834	124	97.9%	7,287	5,597	
Goods and services	3,573	5,100	3,661	12,334	11,983	351	97.2%	27,218	26,813	
Catering: Departmental activities	-	-	-	-	-	-	-	159	117	
Consultants: Business and advisory services	2,550	5,100	3,660	11,310	11,301	9	99.9%	22,028	22,016	
Consumable: Stationery, printing and office supplies	554	16	1	571	499	72	87.4%	778	730	
Travel and subsistence	287	(16)	-	271	121	150	44.6%	3,325	3,130	
Operating payments	182	-	-	182	62	120	34.1%	3	-	
Venues and facilities	-	-	-	-	-	-	-	925	820	
Transfers and subsidies	106	-	242	348	346	2	99.4%	978	604	
Households	106	-	242	348	346	2	99.4%	978	604	
Social benefits	106	-	242	348	346	2	99.4%	695	325	
Other transfers to households	-	-	-	-	-	-	-	283	279	
	64,145	-	3,847	67,992	66,663	1,329	98.0%	86,779	80,866	

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5APPROPRIATION STATEMENT
for the year ended 31 March 2021

	Programme 3: ASSETS, LIABILITIES AND SUPPLY CHAIN MANAGEMENT									
	2020/21					2019/20				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	
Sub programme										
1. <u>DEPUTY DIRECTOR GENERAL: ASSETS, LIABILITIES & SUPPLY CHAIN MANAGEMENT</u>	2,106	-	-	2,106	2,030	76	96.4%	2,104	2,065	
2. <u>ASSETS AND LIABILITIES MANAGEMENT</u>	27,685	(1,252)	-	26,433	23,263	3,170	88.0%	23,571	22,980	
3. <u>PROVINCIAL SUPPLY CHAIN MANAGEMENT</u>	24,948	1,252	-	26,200	25,316	884	96.6%	27,140	26,909	
	54,739	-	-	54,739	50,609	4,130	92.5%	52,815	51,954	
Economic classification										
Current payments	47,525	-	-	47,525	46,013	1,512	96.8%	52,383	51,539	
Compensation of employees	44,253	-	-	44,253	43,119	1,134	97.4%	45,141	45,035	
Salaries and wages	38,829	-	-	38,829	37,927	902	97.7%	39,818	39,712	
Social contributions	5,424	-	-	5,424	5,192	232	95.7%	5,323	5,323	
Goods and services	3,272	-	-	3,272	2,894	378	88.4%	7,242	6,504	
Administrative fees	2,116	6	-	2,122	2,122	-	100.0%	2,456	2,456	
Minor assets	-	-	-	-	-	-	-	167	166	
Catering: Departmental activities	19	-	-	19	14	5	73.7%	366	310	
Consumable supplies	-	-	-	-	-	-	-	5	5	
Consumable: Stationery, printing and office supplies	867	(48)	-	819	551	268	67.3%	1,347	981	
Travel and subsistence	140	42	-	182	182	-	100.0%	2,794	2,538	
Venues and facilities	130	-	-	130	25	105	19.2%	107	48	
Transfers and subsidies	7,214	-	-	7,214	4,596	2,618	63.7%	432	415	
Households	7,214	-	-	7,214	4,596	2,618	63.7%	432	415	
Social benefits	7,214	-	-	7,214	4,596	2,618	63.7%	271	258	
Other transfers to households	-	-	-	-	-	-	-	161	157	
	54,739	-	-	54,739	50,609	4,130	92.5%	52,815	51,954	

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5APPROPRIATION STATEMENT
for the year ended 31 March 2021

	Programme 4: FINANCIAL GOVERNANCE									
	1	2	3	4	5	6	7	8	9	
	2020/21					2019/20				
	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. DEPUTY DIRECTOR GENERAL: FINANCIAL GOVERNANCE	30,994	(96)	(376)	30,522	27,874	2,648	91.3%	35,362	34,782	
2. ACCOUNTING SERVICES	16,796	4,496	-	21,292	20,708	584	97.3%	17,839	17,435	
3. FINANCIAL MANAGEMENT INFORMATION SYSTEMS	48,931	(4,400)	-	44,531	44,422	109	99.8%	72,901	58,537	
	96,721	-	(376)	96,345	93,004	3,341	96.5%	126,102	110,754	
Economic classification										
Current payments	94,887	(23)	(938)	93,926	91,525	2,401	97.4%	108,586	107,525	
Compensation of employees	46,319	-	(632)	45,687	44,125	1,562	96.6%	48,150	47,090	
Salaries and wages	40,601	-	(632)	39,969	38,603	1,366	96.6%	41,889	41,438	
Social contributions	5,718	-	-	5,718	5,522	196	96.6%	6,261	5,652	
Goods and services	48,568	(23)	(306)	48,239	47,400	839	98.3%	60,436	60,435	
Administrative fees	16	-	-	16	-	16	-	952	952	
Minor assets	-	-	-	-	-	-	-	574	574	
Catering: Departmental activities	-	-	-	-	-	-	-	444	444	
Communication (G&S)	-	22	-	22	22	-	100.0%	2	2	
Computer services	22,196	(184)	-	22,012	22,012	-	100.0%	27,904	27,903	
Consultants: Business and advisory services	23,353	115	(306)	23,162	22,768	394	98.3%	24,423	24,423	
Consumable supplies	-	-	-	-	-	-	-	28	28	
Consumable: Stationery, printing and office supplies	308	-	-	308	135	173	43.8%	149	149	
Travel and subsistence	540	(180)	-	360	285	75	79.2%	2,454	2,454	
Training and development	180	-	-	180	109	71	60.6%	342	342	
Operating payments	110	-	-	110	-	110	-	17	17	
Venues and facilities	1,865	204	-	2,069	2,069	-	100.0%	388	388	
Rental and hiring	2,469	-	(73)	2,396	1,456	940	60.8%	750	627	
Transfers and subsidies	2,469	-	(73)	2,396	1,456	940	60.8%	750	627	
Households	-	-	-	-	-	-	-	699	580	
Social benefits	-	-	-	-	-	-	-	51	47	
Other transfers to households	(635)	-	635	-	-	-	-	16,766	2,602	
Payments for capital assets	(635)	-	635	-	-	-	-	3,149	2,602	
Machinery and equipment	(635)	-	635	-	-	-	-	3,149	2,602	
Other machinery and equipment	-	-	-	-	-	-	-	13,617	-	
Software and other intangible assets	-	-	-	-	-	-	-	-	-	
Payment for financial assets	96,721	-	(376)	96,345	93,004	3,341	96.5%	126,102	110,754	

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5APPROPRIATION STATEMENT
for the year ended 31 March 2021

	Programme 5: SHARED INTERNAL AUDIT SERVICES									
	2020/21					2019/20				
	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. DEPUTY DIRECTOR GENERAL: SHARED INTERNAL AUDIT SERVICES	38,634	-	705	39,339	39,120	219	99.4%	43,695	43,340	
	38,634	-	705	39,339	39,120	219	99.4%	43,695	43,340	
Economic classification										
Current payments	38,402	-	632	39,034	38,815	219	99.4%	43,661	43,306	
Compensation of employees	37,562	-	632	38,194	38,192	2	100.0%	39,494	39,494	
Salaries and wages	32,547	-	556	33,103	33,102	1	100.0%	34,450	34,450	
Social contributions	5,015	-	76	5,091	5,090	1	100.0%	5,044	5,044	
Goods and services	840	-	-	840	623	217	74.2%	4,167	3,812	
Administrative fees	36	-	-	36	36	-	100.0%	328	328	
Catering: Departmental activities	-	-	-	-	-	-	-	7	7	
Computer services	620	-	-	620	511	109	82.4%	819	467	
Consultants: Business and advisory services	18	-	-	18	-	18	-	-	-	
Travel and subsistence	166	-	-	166	76	90	45.8%	3,013	3,010	
Transfers and subsidies	232	-	73	305	305	-	100.0%	34	34	
Households	232	-	73	305	305	-	100.0%	34	34	
Social benefits	232	-	73	305	305	-	100.0%	27	27	
Other transfers to households	-	-	-	-	-	-	-	7	7	
	38,634	-	705	39,339	39,120	219	99.4%	43,695	43,340	

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5

APPROPRIATION STATEMENT
for the year ended 31 March 2021

Direct charges	1	2	3	4	5	6	7	8	9
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
				2020/21					2019/20
Sub programme									
1. MEMBERS' REMUNERATION	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	1,764	-	-	1,764	1,685	79	95.5%	1,682	1,682
Social contributions	214	-	-	214	293	(79)	136.9%	296	296
	1,978	-	-	1,978	1,978	-	100.0%	1,978	1,978

NOTES TO THE APPROPRIATION STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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-B) to the Annual Financial Statements.

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

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

3 Detail on payments for financial assets

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

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

4.1 Per programme:

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

ADMINISTRATION

180,609	170,581	10,006	6%
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In 2020/21 Programme 1 spent a total amount of R170.6 million or 94.4% of its final appropriated budget of 180.6 million. (2019/20: R184.4 million or 98.3% of R187.4 million budget). The underspending is as a result of not filling vacant funded posts, IT equipment that could not be delivered before year end and outstanding payment for Impact assessment project Internal Audit Technicians project and travel and subsistence.

SUSTAINABLE RESOURCE MANAGEMENT

67,992	66,663	1,329	2%
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In 2020/21 Programme 2 spent a total amount of R66.7 million or 98% of its final appropriated budget of R67.9 million. (2019/20: R80.9 million or 93.2% of R86.7 million budget). The underspending is mainly as a result of the delay in the filling of funded vacant posts.

ASSETS, LIABILITIES AND SUPPLY CHAIN MANAGEMENT

54,739	50,609	4,130	8%
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In 2020/21 Programme 3 spent a total amount of R50.6 million or 92.5% of its final appropriated budget of R54.7 million. (2019/20: R51.9 million or 98.4% of R52.8 million budget). The underspending is mainly as a result of the delay in filling vacant funded posts and delay in the delivery of receipt books by the service provider and payment for early retirement penalties that could not be processed before year end.

FINANCIAL GOVERNANCE

96,345	93,004	3,341	3%
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In 2020/21 Programme 4 spent a total amount of R93 million or 96.5% of its final appropriated budget of R96.3 million. (2019/20: R110.8 million or 88% of R126.1 million budget). The underspending in Programme 4 is as a result of the delay in the filling of the vacant funded posts, forensic audit that could not be concluded before year end and early retirement penalty that was not paid before year end.

SHARED INTERNAL AUDIT SERVICES

39,339	39,120	219	1%
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In 2020/21 Programme 5 spent a total amount of R39.1 million or 99.4 of its final appropriated budget of R39.3 million. (2019/20: R43.3 million or 99.2% of R44.0 million budget).

NOTES TO THE APPROPRIATION STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

4.2 Per economic classification:

	Final	Actual		Variance as a %
	R'000	R'000	R'000	%
Current expenditure				
Compensation of employees	300,720	293,187	7,533	3%
Goods and services	118,199	114,285	3,914	3%
Transfers and subsidies				
Provinces and municipalities	747	645	102	14%
Households	16,631	12,347	4,284	26%
Payments for capital assets				
Machinery and equipment	3,960	830	3,130	79%
Software and other intangible assets	700	638	62	9%
Payments for financial assets	23	23	-	0%

The department spent R291.2 million or 97.5% of its final COE appropriation of R298.7 million during 2020/21 financial year. (2019/20: R303.4 million or 97% of R310.7 million budget). The underspending is a result of delays in filling employee posts before year end. The department spent R114.4 million or 96.7% of its final goods and services appropriation of R118.2 million during 2020/21 financial year (2019/20: R153.3 million or 98.6% of R155.9 million budget). The underspending is as a result of non core items such as travel and subsistence as a result of the National Lockdown due to COVID-19 which had a negative impact on spending. On transfers and subsidies the department spent R12.9 million or 74.8% of its final appropriation of R17.4 million during 2020/21 financial year (2019/20: R8.2 million or 93.8% of R8.7 million budget). The underspending was mainly due to some of early retirement benefits that were only processed in the 2021/22 financial year. The department spent R1.5 million or 31.5% of its final payments for capital assets appropriation of R4.6 million during 2020/21 financial year (2019/20: R6.4 million or 29.1% of R21.9 million budget). The underspending is as a result of non-delivery of IT equipment before year end.

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2021

		2020/21	2019/20
	Note	R'000	R'000
REVENUE			
Annual appropriation	<u>1</u>	437,024	494,863
Statutory appropriation	<u>2</u>	1,978	1,978
Departmental revenue	<u>3</u>	245,034	244,717
TOTAL REVENUE		684,036	741,558
EXPENDITURE			
Current expenditure			
Compensation of employees	<u>4</u>	291,209	303,377
Goods and services	<u>5</u>	114,285	153,309
Total current expenditure		405,494	456,686
Transfers and subsidies			
Transfers and subsidies	<u>7</u>	12,992	8,225
Total transfers and subsidies		12,992	8,225
Expenditure for capital assets			
Tangible assets	<u>8</u>	830	6,359
Intangible assets	<u>8</u>	638	-
Total expenditure for capital assets		1,468	6,359
Payments for financial assets	<u>6</u>	23	9
TOTAL EXPENDITURE		419,977	471,279
SURPLUS/(DEFICIT) FOR THE YEAR		264,059	270,279
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds		19,025	25,562
Annual appropriation		19,025	25,562
Departmental revenue and NRF Receipts	<u>13</u>	245,034	244,717
SURPLUS/(DEFICIT) FOR THE YEAR		264,059	270,279

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

		2020/21	2019/20
	Note	R'000	R'000
ASSETS			
Current Assets		22,124	27,701
Cash an cash equivalents	<u>9</u>	19,477	25,486
Receivables	<u>11</u>	2,647	2,215
Non-Current Assets		503	502
Receivables	<u>11</u>	503	502
TOTAL ASSETS		22,627	28,203
LIABILITIES			
Current Liabilities		22,487	28,049
Voted funds to be surrendered to the Revenue Fund	<u>12</u>	19,025	25,562
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>13</u>	1,627	1,542
Payables	<u>14</u>	1,835	945
TOTAL LIABILITIES		22,487	28,049
NET ASSETS		140	154
Represented by:			
Recoverable revenue		140	154
TOTAL		140	154

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2021

	Note	R'000	R'000
Recoverable revenue			
Opening balance		154	231
Transfers		(14)	(77)
Irrecoverable amounts written off	<u>6.1</u>	(23)	-
Debts revised		-	(16)
Debts recovered (included in departmental receipts)		(180)	(124)
Debts raised		189	63
Closing balance		<u>140</u>	<u>154</u>
TOTAL		<u>140</u>	<u>154</u>

CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

		2020/21	2019/20
	Note	R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		684,036	741,558
Annual appropriated funds received	<u>1</u>	437,024	494,863
Statutory appropriated funds received	<u>2</u>	1,978	1,978
Departmental revenue received	<u>3</u>	578	608
Interest received	<u>3.2</u>	244,456	244,109
Net (increase)/ decrease in working capital		458	1,244
Surrendered to Revenue Fund		(270,511)	(266,142)
Current payments		(405,494)	(456,686)
Payments for financial assets		(23)	(9)
Transfers and subsidies paid		<u>(12,992)</u>	<u>(8,225)</u>
Net cash flow available from operating activities	<u>15</u>	<u>(4,526)</u>	<u>11,740</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	<u>8</u>	(1,468)	(6,359)
(Increase)/decrease in non-current receivables	<u>11</u>	<u>(1)</u>	<u>(500)</u>
Net cash flows from investing activities		<u>(1,469)</u>	<u>(6,859)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/ (decrease) in net assets		<u>(14)</u>	<u>(77)</u>
Net cash flows from financing activities		<u>(14)</u>	<u>(77)</u>
Net increase/ (decrease) in cash and cash equivalents		(6,009)	4,804
Cash and cash equivalents at beginning of period		<u>25,486</u>	<u>20,682</u>
Cash and cash equivalents at end of period	<u>16</u>	<u>19,477</u>	<u>25,486</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

ACCOUNTING POLICIES

Summary of significant accounting policies

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

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

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

1	<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>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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>
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>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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> <p>Prepayments and advances are expensed in the performance statement if the amount paid was budgeted for.</p>
11	<p>Loans and receivables</p> <p>Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written off. Write-offs are made according to the department's write-off policy.</p>
12	<p>Financial assets</p>
12.1	<p>Financial assets (not covered elsewhere)</p> <p>A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.</p> <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>
12.2	<p>Impairment of financial assets</p> <p>Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.</p>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	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.
15.3	<p>Contingent assets</p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.</p>
15.4	<p>Capital Commitments</p> <p>Capital commitments are recorded at cost in the notes to the financial statements.</p>
16	<p>Unauthorised expenditure</p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> • approved by Parliament or the Provincial Legislature with funding and the related funds are received; or • approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery. <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
17	<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>
18	<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>
19	<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</p>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	<p>practicable.</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p>
20	<p>Events after the reporting date</p> <p>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p>
21	<p>Capitalisation reserve</p> <p>The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.</p>
22	<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>
23	<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>
24	<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>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1 Annual Appropriation

	2020/21			2019/20		
Final Appropriation	Actual Funds Received	Funds not requested/ not received	Final Appropriation	Appropriation Received	Funds not requested/ not received	
R'000	R'000	R'000	R'000	R'000	R'000	
Programmes						
ADMINISTRATION	178,609	178,609	-	185,472	185,472	-
SUSTAINABLE RESOURCE MANAGEMENT	67,992	67,992	-	86,779	86,779	-
ASSETS, LIABILITIES AND SUPPLY CHAIN MANAGEMENT	54,739	54,739	-	52,815	52,815	-
FINANCIAL GOVERNANCE	96,345	96,345	-	126,102	126,102	-
SHARED INTERNAL AUDIT SERVICES	39,339	39,339	-	43,695	43,695	-
Total	437,024	437,024	-	494,863	494,863	-

2 Statutory Appropriation

MEMBERS' REMUNERATION

2020/21	2019/20
R'000	R'000
1,978	1,978
1,978	1,978

Actual Statutory Appropriation received

1,978	1,978
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3 Departmental Revenue

Sales of goods and services other than capital assets

Note	2020/21	2019/20
	R'000	R'000
3.1	305	474

Interest, dividends and rent on land

3.2	244,456	244,109
-----	---------	---------

Transactions in financial assets and liabilities

3.3	273	134
-----	-----	-----

Total revenue collected

245,034	244,717
----------------	----------------

Departmental revenue collected

245,034	244,717
----------------	----------------

3.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the department

3	299	472
---	-----	-----

Sales by market establishment

	116	106
--	-----	-----

Other sales

	183	366
--	-----	-----

Sales of scrap, waste and other used current goods

	6	2
--	---	---

Total

305	474
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3.2 Interest, dividends and rent on land

Interest

3	244,456	244,109
---	---------	---------

Total

244,456	244,109
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	2020/21	2019/20
Note	R'000	R'000
3.3 Transactions in financial assets and liabilities	<u>3</u>	
Other Receipts including Recoverable Revenue	273	134
Total	273	134

	2020/21	2019/20
Note	R'000	R'000
4 Compensation of Employees		
4.1 Salaries and wages		
Basic salary	208,434	215,895
Performance award	2,016	4,043
Service Based	385	436
Compensative/circumstantial	1,245	1,526
Other non-pensionable allowances	44,053	46,350
Total	256,133	268,250

	2020/21	2019/20
Note	R'000	R'000
4.2 Social Contributions		
Employer contributions		
Pension	25,936	26,534
Medical	9,092	8,548
Bargaining council	48	45
Total	35,076	35,127
Total compensation of employees	291,209	303,377
Average number of employees	466	518

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

		2020/21	2019/20
	Note	R'000	R'000
5 Goods and services			
Administrative fees		2,158	3,852
Advertising		599	1,086
Minor assets	<u>5.1</u>	33	937
Catering		20	1,150
Communication		4,251	4,062
Computer services	<u>5.2</u>	26,325	31,462
Consultants: Business and advisory services		34,469	47,001
Legal services		2,934	530
Contractors		66	299
Audit cost – external	<u>5.3</u>	4,357	5,055
Fleet services		1,070	2,438
Consumables	<u>5.4</u>	3,132	4,115
Operating leases		16,857	14,225
Property payments	<u>5.5</u>	12,647	10,644
Rental and hiring		2,069	2,759
Transport provided as part of the departmental activities		-	84
Travel and subsistence	<u>5.6</u>	1,090	16,287
Venues and facilities		32	2,312
Training and development		1,569	4,307
Other operating expenditure	<u>5.7</u>	607	704
Total		114,285	153,309

		2020/21	2019/20
	Note	R'000	R'000
5.1 Minor assets	<u>5</u>		
Tangible assets		33	937
Machinery and equipment		33	937
Total		33	937

		2020/21	2019/20
	Note	R'000	R'000
5.2 Computer services	<u>5</u>		
SITA computer services		14,501	12,907
External computer service providers		11,824	18,555
Total		26,325	31,462

		2020/21	2019/20
	Note	R'000	R'000
5.3 Audit cost – external	<u>5</u>		
Regularity audits		4,357	5,055
Total		4,357	5,055

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

		2020/21	2019/20
	Note	R'000	R'000
5.4 Consumables	<u>5</u>		
Consumable supplies		871	963
Uniform and clothing		33	106
Household supplies		544	609
Building material and supplies		36	45
IT consumables		223	154
Other consumables		35	49
Stationery, printing and office supplies		2,261	3,152
Total		3,132	4,115

		2020/21	2019/20
	Note	R'000	R'000
5.5 Property payments	<u>5</u>		
Municipal services		2,009	2,314
Property maintenance and repairs		1,898	1,351
Other		8,740	6,979
Total		12,647	10,644

		2020/21	2019/20
	Note	R'000	R'000
5.6 Travel and subsistence	<u>5</u>		
Local		1,090	16,136
Foreign		-	151
Total		1,090	16,287

		2020/21	2019/20
	Note	R'000	R'000
5.7 Other operating expenditure	<u>5</u>		
Professional bodies, membership and subscription fees		283	326
Resettlement costs		62	7
Other		262	371
Total		607	704

		2020/21	2019/20
	Note	R'000	R'000
6 Payments for financial assets			
Debts written off	<u>6.1</u>	23	9
Total		23	9

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

		2020/21	2019/20
	Note	R'000	R'000
6.1 Debts written off	<u>6</u>		
Nature of debts written off			
Recoverable revenue written off			
Fruitless and Wasteful Expenditure		23	-
Total		<u>23</u>	<u>-</u>
Other debt written off			
Salary Related		-	9
Total		<u>-</u>	<u>9</u>
Total debt written off		<u>23</u>	<u>9</u>

		2020/21	2019/20
	Note	R'000	R'000
7 Transfers and Subsidies			
Provinces and municipalities	28	645	427
Households	<u>ANNEXURE 1B</u>	<u>12,347</u>	<u>7,798</u>
Total		<u>12,992</u>	<u>8,225</u>

		2020/21	2019/20
	Note	R'000	R'000
8 Expenditure for capital assets			
Tangible assets		830	6,359
Machinery and equipment	<u>25</u>	<u>830</u>	<u>6,359</u>
Intangible assets	<u>26</u>	638	-
Software		638	-
Total		<u>1,468</u>	<u>6,359</u>

8.1 Analysis of funds utilised to acquire capital assets - 2020/21			TOTAL R'000
	Voted Funds R'000	Aid assistance R'000	
Tangible assets	830	-	830
Machinery and equipment	830	-	830
Intangible assets	638	-	638
Software	638	-	638
Total	<u>1,468</u>	<u>-</u>	<u>1,468</u>

8.2 Analysis of funds utilised to acquire capital assets - 2019/20			TOTAL R'000
	Voted Funds R'000	Aid assistance R'000	
Tangible assets	6,359	-	6,359
Machinery and equipment	6,359	-	6,359
Total	<u>6,359</u>	<u>-</u>	<u>6,359</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	2020/21	2019/20
	R'000	R'000
8.3 Finance lease expenditure included in Expenditure for capital assets		
Tangible assets		
Machinery and equipment	108	143
Total	108	143

	2020/21	2019/20
Note	R'000	R'000
9 Cash and Cash Equivalents		
Consolidated Paymaster General Account	19,477	25,486
Total	19,477	25,486

	2020/21	2019/20
Note	R'000	R'000
10 Prepayments and Advances		

10.1 Prepayments (Expensed)

Listed by economic classification

	'Balance as at 1 April 2020	Less: Received in the current year	Add/Less: Other	Add: Current Year prepayments	Amount as at 31 March 2021
	R'000	R'000	R'000	R'000	R'000
Goods and services	1,720	(1,720)	-	1,465	1,465
Total	1,720	(1,720)	-	1,465	1,465

Prepayments (Expensed)

Listed by economic classification

	'Balance as at 1 April 2019	Less: Received in the current year	Add/Less: Other	Add: Current Year prepayments	Amount as at 31 March 2020
	R'000	R'000	R'000	R'000	R'000
Goods and services	879	(879)	-	1,720	1,720
Total	879	(879)	-	1,720	1,720

Note	2020/21			2019/20		
	Current	Non-current	Total	Current	Non-current	Total
	R'000	R'000	R'000	R'000	R'000	R'000
11 Receivables						
Claims recoverable	517	-	517	-	-	-
Staff debt	166	21	187	197	3	200
Fruitless and wasteful expenditure	2	-	2	-	-	-
Other receivables	1,962	482	2,444	2,018	499	2,517
Total	2,647	503	3,150	2,215	502	2,717

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	2020/21	2019/20
Note	R'000	R'000
11.1 Claims recoverable		
Provincial departments	517	-
Total	517	-
	2020/21	2019/20
Note	R'000	R'000
11.2 Staff debt		
Loss of Official Laptop	132	136
Overpayment on salary	10	7
Cell phone Debts	-	15
Tax Debt	13	13
Leave Without Pay	28	28
Other	4	1
Total	187	200
	2020/21	2019/20
Note	R'000	R'000
11.3 Other receivables		
Tax Debt	3	3
Overpayment on salary	2,393	2,472
Other	48	42
Total	2,444	2,517
	2020/21	2019/20
Note	R'000	R'000
11.4 Fruitless and wasteful expenditure		
Opening balance	-	-
Less amounts recovered	(12)	-
Less amounts written off	(23)	-
Transfers from note 32 Fruitless and Wasteful expenditure	37	-
Total	2	-
	2020/21	2019/20
Note	R'000	R'000
12 Voted Funds to be Surrendered to the Revenue Fund		
Opening balance	25,562	13,722
Transfer from statement of financial performance (as restated)	19,025	25,562
Paid during the year	(25,562)	(13,722)
Closing balance	19,025	25,562
	2020/21	2019/20
Note	R'000	R'000
13 Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund		
Opening balance	1,542	9,245
Transfer from Statement of Financial Performance (as restated)	245,034	244,717
Paid during the year	(244,949)	(252,420)
Closing balance	1,627	1,542

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

		2020/21	2019/20
	Note	R'000	R'000
14 Payables - current			
Advances received	14.1	-	429
Clearing accounts	14.2	1,798	516
Other payables	14.3	37	-
Total		1,835	945

		2020/21	2019/20
	Note	R'000	R'000
14.1 Advances received			
Other institutions	14 Annex 5	-	429
Total		-	429

		2020/21	2019/20
	Note	R'000	R'000
14.2 Clearing accounts			
(Identify major categories, but list material amounts)	14		
Salary related		1,798	516
Total		1,798	516

		2020/21	2019/20
	Note	R'000	R'000
14.3 Other payables			
(Identify major categories, but list material amounts)	14		
Salary related		37	-
Total		37	-

		2020/21	2019/20
	Note	R'000	R'000
15 Net cash flow available from operating activities			
Net surplus/(deficit) as per Statement of Financial Performance		264,059	270,279
Add back non cash/cash movements not deemed operating activities		(268,585)	(258,539)
(Increase)/decrease in receivables		(432)	728
Increase/(decrease) in payables – current		890	516
Expenditure on capital assets		1,468	6,359
Surrenders to Revenue Fund		(270,511)	(266,142)
Net cash flow generated by operating activities		(4,526)	11,740

		2020/21	2019/20
	Note	R'000	R'000
16 Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster General account		19,477	25,486
Total		19,477	25,486

		2020/21	2019/20
	Note	R'000	R'000
17 Contingent liabilities and contingent assets			
17.1 Contingent liabilities			
Liable to	Nature		
Housing loan guarantees	Employees	Annex 2A 310	643
Claims against the department		Annex 2B 251,755	251,755
Intergovernmental payables (unconfirmed balances)		Annex 4 2,100	1,941
Total		254,165	254,339

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

The Labour Appeal Court (LAC) declared the salary increases for the 2020/2021 financial year unlawful and invalid. The LAC ruling has been appealed and referred to the Constitutional Court. The ruling by the Constitutional Court will confirm if the department will be obligated to pay the salary increases in dispute. Due to high degree of uncertainties in the input information on the calculation, a reliable estimate cannot be determined at reporting date.

17.2 Contingent assets	2020/21		2019/20	
	Note	R'000	R'000	R'000
Nature of contingent asset				
Claims against a supplier		98,000		98,000
Over-utilisation of cell phones		188		193
Total		98,188		98,193

18 Accruals and payables not recognised

18.1 Accruals

Listed by economic classification

	30 days	30+ days	Total	Total
Goods and services	1,294	-	1,294	10,455
Interest and rent on land	-	-	-	-
Transfers and subsidies	-	-	-	-
Capital assets	816	-	816	-
Other	-	-	-	-
Total	2,110	-	2,110	10,455

Listed by programme level

	2020/21	2019/20
Note	R'000	R'000
Administration	943	2,395
Sustainable Resources Management	4	3,465
Assets, Liabilities and Supply Chain Management	26	60
Financial Governance	1,127	4,516
Shared Internal Audit Services	10	19
Total	2,110	10,455

18.2 Payables not recognised

Listed by economic classification

	30 days	30+ days	Total	Total
Goods and services	26	-	26	1,248
Total	26	-	26	1,248

Listed by programme level

	2020/21	2019/20
Note	R'000	R'000
Administration	16	180
Sustainable Resources Management	2	10
Assets, Liabilities and Supply Chain Management	7	2
Financial Governance	-	972
Shared Internal Audit Services	1	84
Total	26	1,248

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	2020/21	2019/20
Note	R'000	R'000
19 Employee benefits		
Leave entitlement	17,291	11,872
Service bonus	7,480	7,802
Performance awards	1,417	4,831
Capped leave	28,085	34,032
Other	356	386
Total	54,629	58,923

The leave entitlement is net of negative leave of R52 thousands due to some employees utilising their new leave cycle (1 January 2021-31 December 2021) credits in excess of the leave days accrued to them as at 31 March 2021. Leaves captured after 31 March 2021 (R23) has been factored into leave entitlement amount. Included in other employee benefits is an amount in relation to long service awards and pay progression.

20 Lease commitments

20.1 Operating leases

2020/21	Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	15,065	-	15,065
Later than 1 year and not later than 5 years	-	-	-	-	-
Later than five years	-	-	-	-	-
Total lease commitments	-	-	15,065	-	15,065

2019/20	Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	15,127	-	15,127
Later than 1 year and not later than 5 years	-	-	-	-	-
Later than five years	-	-	-	-	-
Total lease commitments	-	-	15,127	-	15,127

The lease contract has expired and the Department does not intend to vacate the buildings within the next 12 months. Where the department does not have a lease agreement a potential commitment of 12 months have been raised based on past practices.

20.2 Finance leases **

2020/21	Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	139	139
Later than 1 year and not later than 5 years	-	-	-	168	168
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	307	307

2019/20	Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	40	40
Later than 1 year and not later than 5 years	-	-	-	26	26
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	66	66

The Department participates in the National Transversal Contract RT15 of 2016 and the amount of commitment cannot be quantified as there is no fixed monthly cost.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	2020/21	2019/20
Note	R'000	R'000
21 Irregular expenditure		
21.1 Reconciliation of irregular expenditure		
Opening balance	3,186	-
Prior period error	-	3,186
Closing balance	3,186	3,186
Analysis of closing balance		
Prior years	3,186	3,186
Total	3,186	3,186
21.2 Prior period error	Note	2019/20
Nature of prior period error		R'000
Relating to 2018/19 (affecting the opening balance)		
Non Compliance to DPSA Accelerated Pay Progression		-
Policy prescripts due to unclear policy provisions. Amount		3,186
previously disclosed as irregular expenditure under		
investigation. Matter to be referred to Bargaining		
Council for arbitration.		
Total		3,186
	2020/21	2019/20
	R'000	R'000
22 Fruitless and wasteful expenditure		
22.1 Reconciliation of fruitless and wasteful expenditure		
Opening balance	37	110
Less: Amounts recoverable	<u>11.4</u> (37)	(64)
Less: Amounts written off	<u>22.2</u> -	(9)
Closing balance	-	37

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

23 Related party transactions

In kind goods and services provided/received

List in kind goods and services between department and related party

Provided/Received in kind

Provincial Treasury renders transversal functions in relations to Audit Committees to all provincial departments, excluding the Provincial Legislature.

	2020/21	2019/20
Note	R'000	R'000
Department of Education	478	569
Department of Social Development	353	384
Office of the Premier	291	384
Department of Public Works	453	643
CoGHSTA	294	403
Department of Sports, Arts & Culture	291	467
Department of Health	492	540
Department of Safety, Security & Liasion	-	356
Department of Agriculture	491	475
Department of Economic Development, Environment & Tourism	300	322
Department of Transport	300	322

Provincial Treasury renders transversal functions in relations to Internal Audit Services to all provincial departments, excluding the Provincial Legislature.

Department of Education	5,640	6,561
Department of Social Development	4,162	3,102
Office of the Premier	1,847	2,456
Department of Public Works	3,848	5,515
CoGHSTA	2,486	2,566
Department of Sports, Arts & Culture	3,583	2,353
Department of Health	2,847	4,074
Department of Safety, Security & Liasion		1,336
Department of Agriculture	3,493	4,203
Department of Economic Development, Environment & Tourism	3,466	3,199
Department of Transport	2,445	3,958

Provincial Treasury renders services to departments

Department of Sport, Arts and Culture	-	177
Gateway Airport Authority Limited	745	-

Department of Health	515	-
Total	38,820	44,365

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

List related party relationships and the nature thereof

2. Provincial Treasury is related to all government departments in Limpopo because we are under common control of the Legislature.
3. Provincial Treasury paid the cost to implement the Asset Management System BAUD 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.
6. Provincial Treasury has produced 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.
8. Department of Health purchased personal protective equipment on behalf of Limpopo Provincial Treasury.

24 Key management personnel	2020/21		2019/20
	No. of	R'000	R'000
	Individuals		
Political office bearers	1	1,978	1,978
Officials:			
Level 15 to 16	5	9,016	8,291
Level 14 (incl CFO if at a lower level)	10	13,603	13,457
Level 13	9	8,308	10,106
Family members of key management personnel	1	383	396
Total		33,288	34,228

25 Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	54,984	-	1,538	327	56,195
Transport assets	9,469	-	-	-	9,469
Computer equipment	32,581	-	1,538	312	33,807
Furniture and office equipment	7,236	-	-	15	7,221
Other machinery and equipment	5,698	-	-	-	5,698
			-		
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	54,984	-	1,538	327	56,195

Movable Tangible Capital Assets under investigation

Included in the above total of the movable tangible assets per assets register are assets that are under investigation.

	Number	Value
		R'000
Machinery and equipment	30	496

1. Assets could not be found at their respective locations and referred to security and investigation unit for further investigations.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

25.1 ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	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	830	-	-108	816	1,538
Computer equipment	722	-	-	816	1,538
Other machinery and equipment	108	-	-108	-	-
CAPITAL ASSETS	830	-	-108	816	1,538

Disposals

25.2 DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Sold for cash	Non-cash disposal	Total disposals	Cash received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	-	327	327	-
Computer equipment	-	312	312	-
Furniture and office equipment	-	15	15	-
CAPITAL ASSETS	-	327	327	-

25.3 Movement for 2019/20

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	51,370	-	6,216	2,602	54,984
Transport assets	9,469	-	-	-	9,469
Computer equipment	29,509	-	3,072	-	32,581
Furniture and office equipment	6,905	-	2,933	2,602	7,236
Other machinery and equipment	5,487	-	211	-	5,698
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	51,370	-	6,216	2,602	54,984

25.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	9,224	-	9,224
Value adjustments	-	-	-	1	-	1
Additions	-	-	-	45	-	45
Disposals	-	-	-	57	-	57
TOTAL MINOR ASSETS	-	-	-	9,213	-	3,213

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Minor assets

MOVEMENT IN MINOR ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Number of R1 minor assets	-	-	-	72	-	72
Number of minor assets at	-	-	-	4 368	-	4 368
TOTAL NUMBER OF MINOR ASSETS	-	-	-	4 440	-	4 440

Minor Capital Assets under investigation

Included in the above total of the minor capital assets per the asset register are assets that are under investigation:

Machinery and equipment	9	17
-------------------------	---	----

- Assets could not be found at their respective locations and the matter is referred to security and investigation unit for further investigations.
- The difference on additions is due to the assets received but not paid.

Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	8,998	-	8,998
Prior period error	-	-	-	9	-	9
Additions	-	-	-	937	-	937
Disposals	-	-	-	720	-	720
TOTAL MINOR ASSETS	-	-	-	9,244	-	9,244

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Number of R1 minor assets	-	-	-	72	-	72
Number of minor assets at cost	-	-	-	4 379	-	4 379
ASSETS	-	-	-	4 451	-	4 451

Prior number of R1 value assets was not disclosed, The error was detected during the year under review. Number of minor assets at cost in the previous year was erroneously disclosed as 74 instead of 4451, the error is now corrected during the year under review

25.4.1 Prior period error

	Note	2019/20
		R'000
Nature of prior period error		9
Restated assets previously written off		9
Total		9

25.5 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2021

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	384	-	384
WRITTEN OFF	-	-	-	384	-	384

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

26 Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

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

26.1 ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Cash	Non-Cash	(Development work-in-progress current costs)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
Software	638	-	-	-	638
SOFTWARE	638	-	-	-	638
TOTAL INTANGIBLE CAPITAL ASSETS	638	-	-	-	638

Include discussion here where deemed relevant

27 Prior period errors

27.1 Correction of prior period errors (revenue, Aid assistance, etc.)

1) Minor Assets-Machinery and Equipment
Net effect

Note	2019/20		Restated amount
	Amount bef error correction	Prior period error	
	R'000	R'000	R'000
	9,215	9	9,224
Net effect	9,215	9	9,224

Prior year figure restated with R9 thousands due to assets previously written off.

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

28 STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	2020/21					2019/20			
	GRANT ALLOCATION			TRANSFER					
	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	Division of Revenue Act R'000	Actual Transfer R'000
Polokwane Municipality	-	-	-	-	645	-	-	-	427
	-	-	-	-	645	-	-	-	427

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

		2020/21	2019/20
	Note	R'000	R'000
29	COVID 19 Response Expenditure		
	Goods and services	335	-
	Total	<u>335</u>	<u>-</u>

ANNEXURE 6

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

Annexure 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER				SPENT				2019/20	
	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	-	-	-	-	645	-	-	-	-	-	-	427		
Total	-	-	-	-	645	-	-	-	-	-	-	427		

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

ANNEXURE 1B
STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2019/20 Final Appropriation
	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	
	R'000	R'000	R'000	R'000	R'000	%	
HOUSEHOLDS							
Transfers							
Injury on Duty	-	-	-	-	13		58
Leave Gratuity	-	-	-	-	7,384		1,725
Bursaries(non Employees)	-	-	-	-	122		2,643
Claims against state(Cash)	-	-	-	-	-		644
Thuthuka Bursaries	-	-	-	-	-		2,728
Pension Fund Early Retirement Penalties	-	-	-	-	4,828		-
Total	-	-	-	-	12,347		7,798

ANNEXURE 1C
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2020/21	2019/20
		R'000	R'000
Received in kind			
ABSA Bank	Post Budget Breakfast	-	320
ABSA Bank	TCF Lekgotla	-	50
ABSA Bank	Mandela Day	-	25
TOTAL		-	395

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

ANNEXURE 2A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2021 - LOCAL

GUARANTOR INSTITUTION	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2020	Guarantees draw downs during the year	Guaranteed repayments/ cancelled/ reduced during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2021	Revaluations due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2021
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Housing								
Risima Housing Finance Corporation	Housing	-	643	-	333	-	310	-	-
Total		-	643	-	333	-	310	-	-

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

ANNEXURE 2B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2021

NATURE OF LIABILITY	Opening balance 1 April 2020	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2021
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Contractual dispute by Supplier	250,000	-	-	-	250,000
Security Services	1,755	-	-	-	1,755
TOTAL	251,755	-	-	-	251,755

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021ANNEXURE 3
CLAIMS RECOVERABLE

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Limpopo Department Of Health	-	-	-	22	-	22
Limpopo Department of Sports Arts and Culture	-	-	-	424	-	424
Limpopo Department of Agriculture and Rural development	-	-	-	22	-	22
Limpopo Department of Economic Development	-	-	536	-	536	-
Office of the Premier	-	-	-	22	-	22
Limpopo Department of Community Safety	-	-	4	22	4	22
COGHSTA	-	-	-	22	-	22
	-	-	540	534	540	534
OTHER GOVERNMENT ENTITIES						
Modimolle-mookgophong Municipality	-	-	216	216	216	216
	-	-	216	216	216	216
	-	-	756	750	756	750
Total	-	-	756	750	756	750

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021ANNEXURE 4
INTER-GOVERNMENT PAYABLES

	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020
	R'000	R'000	R'000	R'000	R'000	R'000
GOVERNMENT ENTITY						
OTHER GOVERNMENT ENTITY						
Current						
SARS	-	-	2,100	1,941	2,100	1,941
TOTAL INTERGOVERNMENTAL PAYABLES	-	-	2,100	1,941	2,100	1,941

(LIMPOPO PROVINCIAL TREASURY)
VOTE 5

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

ANNEXURE 5
INTER-ENTITY ADVANCES RECEIVED (Note 14.1)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020
	R'000	R'000	R'000	R'000	R'000	R'000
OTHER INSTITUTIONS						
Current						
Bank SETA	-	429	-	-	-	429
Subtotal	-	-	-	-	-	-

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