



# LIMPOPO

PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

# ANNUAL REPORT

2019/2020

PROVINCIAL  
TREASURY



**DEPARTMENT OF TREASURY  
PROVINCE OF LIMPOPO**

**VOTE NO. 05**

**ANNUAL REPORT  
2019/2020 FINANCIAL YEAR**



# CONTENTS

<b>PART A: GENERAL INFORMATION</b>	<b>7</b>
1. DEPARTMENT GENERAL INFORMATION	8
2. LIST OF ABBREVIATIONS/ACRONYMS	9
3. FOREWORD BY THE MEC	10
4. REPORT OF THE ACCOUNTING OFFICER	12
4.1. Overview of the Operations of the Department	12
4.2. Overview of the Financial Results of the Department:	16
5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT	22
6. STRATEGIC OVERVIEW	23
- Vision	23
- Mission	23
- Values	23
6.1. LEGISLATIVE AND OTHER MANDATES	23
7. ORGANISATIONAL STRUCTURE	26
8. ENTITIES REPORTING TO THE MEC	26
<b>PART B: PERFORMANCE INFORMATION</b>	<b>27</b>
1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES	28
2. OVERVIEW OF DEPARTMENTAL PERFORMANCE	28
2.1. Service Delivery Environment	28
2.2. Service Delivery Improvement Plan	29
2.3. Organisational environment	31
2.4. Key policy developments and legislative changes	31
3. STRATEGIC OUTCOME ORIENTED GOALS	32
4. PERFORMANCE INFORMATION BY PROGRAMME	32
4.1. Programme 1: Administration	32
4.2. Programme 2: Sustainable Resource Management	36
4.3. Programme 3: Assets Liabilities and Supply Chain Management	40
4.4. Programme 4: Financial Governance	44
4.5. Programme 5: Shared Internal Audit Services	50

5.	TRANSFER PAYMENTS	54
	5.1. Transfer payments to public entities	54
	5.2. Transfer payments to all organisations other than public entities	54
6.	CONDITIONAL GRANTS	55
	6.1. Conditional grants and earmarked funds paid	55
	6.2. Conditional grants and earmarked funds received	55
7.	DONOR FUNDS	55
	7.1. Donor Funds Received	55
8.	CAPITAL INVESTMENT	55
	8.1. Capital investment, maintenance and asset management plan	55
	<b>PART C: GOVERNANCE</b>	56
1.	INTRODUCTION	57
2.	RISK MANAGEMENT	57
3.	FRAUD AND CORRUPTION	58
4.	MINIMISING CONFLICT OF INTEREST	59
5.	CODE OF CONDUCT	59
6.	HEALTH SAFETY AND ENVIRONMENTAL ISSUES	59
7.	PORTFOLIO COMMITTEES	60
8.	SCOPA RESOLUTIONS	62
9.	PRIOR MODIFICATIONS TO AUDIT REPORTS	62
10.	INTERNAL CONTROL UNIT	62
11.	INTERNAL AUDIT AND AUDIT COMMITTEES	63
	11.1. Internal Audit	63
	11.2. Audit Committees	64
12.	AUDIT COMMITTEE REPORT	72
13.	B-BBEE COMPLIANCE PERFORMANCE INFORMATION	75
	<b>PART D: HUMAN RESOURCE MANAGEMENT</b>	76
1.	INTRODUCTION	77
2.	OVERVIEW OF HUMAN RESOURCES	77
3.	HUMAN RESOURCES OVERSIGHT STATISTICS	80



3.1. Personnel related expenditure	80
3.2. Employment and Vacancies	83
3.3. Filling of SMS Posts	86
3.4. Job Evaluation	88
3.5. Employment Changes	91
3.6. Employment Equity	96
3.7. Signing of Performance Agreements by SMS Members	102
3.8. Performance Rewards	103
3.9. Foreign Workers	105
3.10. Leave utilisation	106
3.11. HIV/AIDS & Health Promotion Programmes	108
3.12. Labour Relations	110
3.13. Skills development	112
3.14. Injury on duty	113
3.15. Utilisation of Consultants	114
3.16. Severance Packages	115
<b>PART E: FINANCIAL INFORMATION</b>	116
1. REPORT OF THE AUDITOR GENERAL	117
2. ANNUAL FINANCIAL STATEMENTS	123

# **PART A: GENERAL INFORMATION**

*"We are the best in what we do"*

## 1. DEPARTMENT GENERAL INFORMATION

**PHYSICAL ADDRESS:** 46 Hans Van Rensburg Street  
Polokwane, 0699

**POSTAL ADDRESS:** Private Bag X9486  
Polokwane, 0700

**TELEPHONE:** 015 298 7000

**FAX:** 015 295 7010

**EMAIL:** [info@limtreasury.gov.za](mailto:info@limtreasury.gov.za)

**WEBSITE:** [www.limtreasury.gov.za](http://www.limtreasury.gov.za)



## 2. LIST OF ABBREVIATIONS/ACRONYMS

<b>AC</b>	Audit Committee
<b>AG</b>	Auditor General
<b>AFS</b>	Annual Financial Statements
<b>AGSA</b>	Auditor General of South Africa
<b>AO</b>	Accounting Officer
<b>APP</b>	Annual Performance Plan
<b>BAS</b>	Basic Accounting System
<b>BBBEE</b>	Broad Based Black Economic Empowerment
<b>CAC</b>	Central Audit Committee
<b>COE</b>	Compensation of Employees
<b>CFO</b>	Chief Financial Officer
<b>DORA</b>	Division of Revenue Act
<b>DPSA</b>	Department of Public Service and Administration
<b>DPME</b>	Department of Performance Monitoring and Evaluations
<b>EHW</b>	Employee Health and Wellness
<b>ERM</b>	Enterprise Risk Management
<b>EXCO</b>	Executive Council
<b>EXCOM</b>	Executive Management Committee
<b>GIAMA</b>	Government Immovable Asset Management Act
<b>GITO</b>	Government Information Technology Office
<b>HOD</b>	Head of Department
<b>HR</b>	Human Resources
<b>ICT</b>	Information Communication Technology
<b>IYM</b>	In Year Monitoring
<b>LDP</b>	Limpopo Development Plan
<b>LEDET</b>	Limpopo Economic Development, Environment and Tourism
<b>LPT</b>	Limpopo Provincial Treasury
<b>MEC</b>	Member of Executive Council
<b>MFMA</b>	Municipal Finance Management Act
<b>MPAT</b>	Management Performance Assessment Tool
<b>MTEF</b>	Medium Term Expenditure Framework
<b>MISS</b>	Minimum Information Security Standards
<b>N/A</b>	Not Applicable
<b>PFMA</b>	Public Finance Management Act
<b>PMDS</b>	Performance Management Development System
<b>PPP</b>	Public Private Partnerships
<b>PRF</b>	Provincial Revenue Fund
<b>QRT</b>	Quarter
<b>SAQA</b>	South African Qualifications Authority
<b>SCM</b>	Supply Chain Management
<b>SCOPA</b>	Standing Committee on Public Accounts
<b>SIAS</b>	Shared Internal Audit Service
<b>SDIP</b>	Service Delivery Improvement Plan
<b>SITA</b>	State Information Technology Agency
<b>SMS</b>	Senior Management Services
<b>SMME</b>	Small Medium and Micro Enterprises
<b>TR</b>	Treasury Regulations
<b>VBS</b>	Venda Building Society



### 3. FOREWORD BY THE MEC

I have the pleasure to present the 2019/20 Annual Report including the Annual Financial Statements for Vote 5, Limpopo Provincial Treasury.

The dawn of the 6th administration brought about an expectation and need to strengthen the high standards of good corporate governance, economic governance, and political governance.

These are the standards that formed our pillars as Provincial Treasury in our work to support the fiscus administration and management of the province. The Department's strategic plans were geared towards our supportive character by linking provincial policies and plans to bring about positive value to the lives of the poor and working class and addressing the challenges of poverty and inequality in Limpopo through the implementation of the Limpopo Development Plans (LDP). In particular, our policies and financing focused on job creation; infrastructure development; economic growth; and improved capacity of provincial and local government administrations, amongst others.

Through our financial management support, we provided informed and accurate analysis and advice on fiscal policy and public finances, intergovernmental financial relations, and expenditure planning and priorities; and facilitated accountability, governance and oversight through the promotion of transparent, efficient and effective management of revenue, expenditures, assets, and liabilities in the public service. This was done through, inter alia:

- i. Longer-term expenditure forecasting for selected programmes and entities;
- ii. Monitoring and analysis of expenditure on a monthly and quarterly basis;
- iii. Improving the budget process and provision of information by departments and entities;
- iv. Reviewing the provincial and local government fiscal framework to be in line with 6th Administration's budget frameworks and policy objectives;
- v. Implementing key local budget reforms to improve budget implementation and reporting; and
- vi. Providing targeted support to priority departments and municipalities to improve financial management.



**Hon. SC Sekoati**  
MEC for Finance

Our Business Continuity Plan was put to the test by the national lockdown as announced by our Honourable State President, due to the COVID-19 pandemic. Provincial Treasury operations were impacted by the lockdown but we were able to implement the various regulations without negatively affecting key and fundamental services to the departments that were rendering essential services, such as the Departments of Health and Social Development.

This Annual Report highlights our performance and success under these difficult times, but also indicates the challenges we face. It seeks to represent our year's work and critical engagements which are aimed at improving the performance of Provincial Treasury for the better.

We therefore submit the 2019/2020 Annual Report conscious of the needs and expectations to ensure our work is central to the development of the people of Limpopo.



Hon. S.C Sekoati  
MEC for Finance

**31 July 2020**



## 4. REPORT OF THE ACCOUNTING OFFICER

GAVIN PRATT, HEAD OF DEPARTMENT



### 4.1. OVERVIEW OF THE OPERATIONS OF THE DEPARTMENT

I hereby take pleasure in presenting the report of the accounting officer. The department was affected by the National State of Disaster, as published in Government Gazette 43096 date 15 March 2020, due to the COVID-9 pandemic and the subsequent National Lockdown as announced by the Honourable State President.

Various regulations governing the lockdown period were published in the Government Gazette, which Provincial Treasury has complied with. The effect of the lockdown did have an impact on the operations of the Provincial Treasury, but we were able to implement the regulations without negatively affecting the operations of the departments that were rendering essential services, such as the Departments of Health and Social Development. Our Business Continuity Plan was put to the test and I am happy to report that we were 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.

We also want to advise that 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 all PFMA institutions were therefore required to submit their 2019/20 Annual Financial Statements, in terms of s40(1)(c), to the Auditor General by 31 July 2020 and thus the reports herewith are signed 31 July 2020.

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

- (a) Preparing the provincial budget
- (b) Exercising control over implementation of the provincial budget
- (c) Promoting and enforcing transparency and effective management in respect of revenue, expenditure, assets and liabilities of provincial departments and provincial public entities; and

- (d) Ensuring that its fiscal policies do not materially and unreasonably prejudice national economic policies.

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

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

During the year under review Provincial Treasury managed to allocate and monitor the appropriated provincial budget to all departments. The province managed to spend 99.2% of the budget as at year end. The province is however still faced with a high percentage of the provincial budget that is being spent on Compensation of Employees (COE). In the previous year and the current year the province managed to stabilise the COE spending at 68.8% 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 93.7%.

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 a number of officials to the Department of Sport, Arts and Culture to assist with financial management challenges and one to act as the Head of Department.

Provincial Treasury's organisational structure was reviewed and approved by the Department of Public Service and Administration in April 2018 and the department followed all due processes to successfully place all our employees in the new structure by 01 April 2019. In an endeavour to strengthen our support role to departments and municipalities in the province key funded posts were filled and more will need to be filled in 2020/21 to address some key leadership and operational short comings. 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 have 225 males and 264 females (54%) of which 9 (1.8%) employees have disabilities. At a Senior



Management Service (SMS) level however the department has not met the equity targets. The Provincial Treasury has 48 SMS members of which 21 (44%) are female and 27 (56%) are male. The department will continue to intensify efforts for the recruitment of females and people 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.

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 faced with capacity challenges in this area that will need to be addressed in 2020/21.

The Transversal Risk Management unit developed a risk profile for the province in 2018/19 which was to be monitored during 2019/20. This monitoring and reporting process was faced with some challenges that resulted in delays, however towards the end of the year these issues were resolved and the monitoring process is now managed through the provincial risk forum and the various clusters in the province.

During the year, Limpopo Treasury was successfully approved by the South African Institute of Chartered Accountants (SAICA) as an accredited training office for the purpose of training prospective Chartered Accountants (SA) in the discipline of financial management, management decision making and control. This will enable Treasury to build and enhance the financial management professional capacity to execute the PFMA's Section 18 responsibilities in the medium term. The first 5 new Chartered Accountant trainees started in February 2020 and will complete their three-year training programme at the Provincial Treasury. The Department is planning to appoint five new trainees every year over a three-year period.

The support provided by Provincial Treasury in 2018/19 resulted in improvement in the audit outcomes of two (2) votes, which is Limpopo Economic Development, Environment and Tourism (LEDET) and Community Safety (DCS), where LEDET moved from Qualified Audit opinion in 2017/18 to Unqualified Audit opinion in 2018/19 and DCS moved from Unqualified Audit Opinion in 2017/18 to Clean Audit in 2018/19. Limpopo Provincial Government achieved two Clean Audits in 2018/19 from Community Safety and Provincial Treasury who maintained its clean audit for the third successive year. 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.

During the year the term of the audit committee members ended and 16 new members were appointed with effect from 1 February 2020 to serve in the various cluster audit committees for the next three years. The COVID-19 pandemic and lockdown certainly has an impact on the functioning of the Provincial Treasury, including the audit committee meetings, however virtual audit committee meetings were subsequently arranged to discharge the audit committee and governance responsibilities.

The department has a functional and active Risk Management Committee that meet quarterly or when necessary to address risk management implementation processes and all relevant risk areas the department is encountered with, and advise the Executive Management. The Risk Management 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.

The Information Communications Technology services provision in the department is guided by the following National and Provincial legislations and policy documents related to the management of information in public service.

- The Constitution of the Republic of South Africa Act 108 of 1996
- King IV report
- Electronic Communications and Transactions Act 25 of 2002
- Minimum Information Security Standards
- Statement Information Technology Agency Act 38 of 2002
- Public Service ICT Framework Policy framework of 2002
- Public Service Corporate Governance of Information and Communication Technology Policy Framework of 2012.
- Departmental ICT Strategic Plan 2015- 2020

The department uses the Novell Forge equipment and solution for Disaster Recovery of the Departmental data-centres and its systems. The Disaster Recovery site is located at Lebowakgomo. The production servers at the Data centres in the three buildings in town (ISMINI, Finance house and Internal audit building) replicate their data on daily basis to the Disaster Recovery Site.

A challenge was experienced during the last quarter of the 2019/20 where the disaster recovery site was not replicated due to one of the production servers crashing which led to the disaster recovery site equipment being used for production while the affected server was undergoing a rebuild back to its normal state. The challenge was resolved with the assistance of the service provider and all disaster recovery equipment is functional and all servers are replicating successfully.

The main ICT projects during the course of the 2019/20 financial year was to upgrade the ICT infrastructure, which included the replacing of network equipment, upgrading of data-lines, firewalls and other ICT devices to improve the performance and monitoring of the network.

Due to the National COVID-19 lockdown the Provincial Treasury has successfully implemented the “Microsoft Teams” virtual meeting package, as part of the existing Microsoft licence, to enable the employees and groups of employees to arrange virtual meetings with relevant stakeholders, such as National Treasury, other Departments, Municipalities, Audit Committees and the Auditor General, to mention just a few. The software has assisted tremendously in ensuring services continue in the Provincial Treasury.

## 4.2. OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT:

### 4.2.1. DEPARTMENTAL RECEIPTS:

Departmental receipts	2019/20			2018/19		
	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	456	474	(18)	391	444	(56)
Transfers received	-	-	-	-	-	-
Interest, dividends and rent on land	235 200	244 109	(8 909)	286 625	287 454	(829)
Sale of capital assets	-	-	-	300	481	(181)
Financial transactions in assets and liabilities	101	134	(33)	681	929	(248)
<b>Total</b>	<b>235 757</b>	<b>244 717</b>	<b>(8 960)</b>	<b>287 997</b>	<b>289 311</b>	<b>(1 314)</b>

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 2019/20, the actual departmental own revenue collection was R244.7 million, against the estimated target of R235.8 million, resulting in an over collection of R8.9 mainly due to the interest earned on the Provincial favourable bank balance 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 24 to the Annual Financial Statements.

Irrecoverable debts to the value of R9 thousand were written off during the year under review. This was done in terms of the necessary legislation and prescripts as the debts were un-economical to recover and causing unnecessary hardship to the parties involved.

#### 4.2.2. PROGRAMME EXPENDITURE

Programme Name	2019/20			2018/19		
	Final Appropriation	Actual Expenditure	(Over)/ Under Collection	Final Appropriation	Actual Expenditure	(Over)/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	187,450	184,365	3,085	176,200	173,143	3,057
Sustainable Resource Management	86,779	80,866	5,913	83,538	79,801	3,737
Assets, Liabilities & SCM	52,815	51,954	861	63,156	61,740	1,416
Financial Governance	126,102	110,754	15,348	95,932	91,372	4,560
Shared Internal Audit Services	43,695	43,340	355	44,024	43,072	952
<b>Total</b>	<b>496,841</b>	<b>471,279</b>	<b>25,562</b>	<b>462,850</b>	<b>449,128</b>	<b>13,722</b>

#### PROGRAMME 1

In 2019/20 Programme 1 spent a total amount of R184,4 million or 98.3% of its final appropriated budget of R187.4 million. (2018/19: R173.4 million or 98.3% of R176.2 million budget). The underspending is as a result of not filling vacant funded posts, a Laptop tracking tender that could not be implemented by year end and office furniture that could not be delivered before end of the year, due to the COVID-19 lockdown as announced by the State President and other minor non-core items such as catering and travel & subsistence.

#### PROGRAMME 2

In 2019/20 Programme 2 spent a total amount of R80.9 million or 93.2% of its final appropriated budget of R86.8 million. (2018/19: R79.8 million or 95.5% of R83.5 million budget). The underspending is mainly as a result of the delay in the filling of the vacant funded posts, these posts will be filled during 2020/21 financial year and other minor non-core items such as travel & subsistence and venues and facilities. There was also minor underspending of transfers for social benefits.

#### PROGRAMME 3

In 2019/20 Programme 3 spent a total amount of R51.9 million or 98.4% of its final appropriated budget of R52.8 million. (2018/19: R61.7 million or 97.8% of R63.1 million budget). The underspending is mainly as a result of a delay in the delivery of receipt books by the service provider and underspending on travel and subsistence.

#### PROGRAMME 4

In 2019/20 Programme 4 spent a total amount of R110.8 million or 87.8% of its final appropriated budget of R126.1 million. (2018/19: R91.4 million or 95.3% of R95.9 million budget). The department created a new programme, Programme 5 – Internal Audit, in 2019/20 and the Internal audit units 2018/19 expenditure has

been removed from Programme 4 to Programme 5.

The underspending in Programme 4 is as a result of the delay in the filling of the vacant funded posts, assets tags that were not delivered before year end and incorrect budgeting for the implementation of Library books asset barcoding project.

## **PROGRAMME 5**

The department created a new programme, Programme 5, Internal Audit, in 2019/20 and the Internal audit expenditure for 2018/19 has been removed from Programme 4 and disclosed in Programme 5.

In 2019/20 Programme 5 spent a total amount of R43.3 million or 99.2% of its final appropriated budget of R43.7 million. (2018/19: R43.1 million or 97.9% of R44.0 million budget).

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

### **Compensation of Employees (COE)**

The department spent R303.4 million or 97.6% of its final COE appropriation of R310.7 million during 2019/20 financial year (2018/19: R290.6 million or 99.4% of R292.3 million budget). The underspending is a results of delays in filling employee posts before year end.

### **Goods and services**

The department spent R153.3 million or 98.6% of its final appropriation of R155.9 million, during 2019/20 financial year (2018/19: R141.5 million or 92.9% of R152.3 million budget). The underspending is as result underspending on non-core items such as, catering, computer services, consumables, travel & subsistence and venue & facilities which were impacted by the National Lockdown due to COVID-19.

### **Transfers and Subsidies**

The department spent R8.2million or 93.8% of its final appropriation of R8.7 million, during 2019/20 financial year (2018/19: R10.3 million or 98.2% of R10.4 budget). The underspending was mainly due to social benefits that were not due and payable at year end.

### **Capital Payments**

The department spent R6.4 million or 29.1% of its final appropriation of R21,9 million, during 2019/20 financial year (2018/19: R6.6 million or 87.6% of R7.5 million budget). The underspending is as a result of non-delivery of office furniture and asset barcode tags before year end. There was also incorrect budgeting for the implementation of Library books asset barcoding project.

#### **4.2.3. 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 R9.6 million was transferred from Programme 1 to address budget pressures in Programme 2, R2.3 million), Programme 4, R6.9 million and Programme 5, R0.4 million respectively. The large virement to Programme 4 was to address the incorrect budgeting for the implementation of Library books asset barcoding project which was budgeted for as a capital payments project.

#### **4.2.4. UNAUTHORISED, FRUITLESS AND WASTEFUL EXPENDITURE**

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

#### **4.2.5. FUTURE PLANS ON THE DEPARTMENT**

Provincial Treasury will continue to strengthen its ability to deliver on its mandate to improve financial management in departments, municipalities and public entities in the province. Provincial Treasury will also improve accountability in an effort to improve provincial audit outcomes. It must be noted that the Provincial Treasury 2020/21 Budget cuts, of R80.2 million in the Provincial COVID-19 Adjustment Budget, to fund prioritised COVID-19 projects in other service delivery departments, such as Health and Education, may negatively impact the ability of Provincial Treasury to provide all the support and monitoring required. The Provincial Treasury will however endeavour to provide the support through alternate methods and using available technology

#### **4.2.6. PUBLIC PRIVATE PARTNERSHIPS (PPP)**

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

#### **4.2.7. DISCONTINUED ACTIVITIES/ ACTIVITIES TO BE DISCONTINUED**

No activity was discontinued during the year under review.

#### **4.2.8. NEW OR PROPOSED ACTIVITIES**

There were no new or proposed activities during the year under review other than creating a separate Programme, Programme 5 for the Provincial Shared Internal Audit Services, which in previous years was housed in Programme 4.

#### **4.2.9. SUPPLY CHAIN MANAGEMENT**

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

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

Provincial Treasury, during 2019/20 received donations from the ABSA Bank as disclosed in Annexure 1C of the financial statements.

#### 4.2.11. EXEMPTIONS AND DEVIATIONS RECEIVED FROM THE NATIONAL TREASURY

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 extended the submission date of the 2019/20 Annual Financial Statements to the Auditor General from 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, for the current and /or previous financial year.

#### 4.2.12. EVENTS AFTER THE REPORTING DATE

As reported above the department was affected by National state of Disaster as published in Government Gazette 43096 date 15 March 2020 due to the COVID 19 pandemic and the subsequent National Lockdown as announced by the Honourable State President.

The effect of the lockdown did have an impact on the operations of the Provincial Treasury, but we were able to implement the regulations without negatively affecting the operations of the departments that were rendering essential services, such as the Departments of Health and Social Development. Our Business Continuity Plan was put to the test and I am happy to report that we were able to keep key and fundamental service running during the period, such as the provincial financial systems and payments to suppliers by the various departments.

Provincial Treasury has been able to meet all its financial commitments as at year end and we believe the Provincial Treasury is a going concern and will be in position to meet all its financial commitments for the next 12 months, despite the R80.2 million cut to the department's budget for 2020/21. The budget cut was a contribution from the Department to fund COVID-19 related projects and programmes, mainly in essential services departments, as part of the R3.5 billion provincial contributions for this initiative.

It must be noted that the lockdown did have an impact on our support and monitoring responsibilities as our employees were released to work from home and the availability and access to departments and municipalities during this period was a challenge.

Some year-end claims were only paid in April and May due to the lockdown but they were not material. Unfortunately, some of our projects that were underway, specifically the forensic projects, and 2 tenders that were being adjudicated also had to be put on hold, and contributed to our underspending, but these have now subsequently resumed. The Provincial Treasury did not procure any personnel protective equipment (PPE) before year end, but has after year end procured cloth facemasks for all employees and sanitised all our buildings to ensure a safe working environment during stage three of lockdown. All the procurement was done following the National Treasury Instructions issued for the procurement of PPE and was also restricted to the recommended prices as published with the instruction notes. All existing contractual commitments have been honoured and extensions are agreed to with service providers, we have also not received any claim from our suppliers relating to COVID-19.

#### **4.2.13. OTHER**

In July 2020 a bank employee, from our provincial banker, fraudulently issued debit cards on three provincial bank accounts and one public entity bank account and tried to transfer R25 million out of two of the provincial bank accounts and the public entity account. Fortunately, our banking internal controls identified the attempted fraud and the bank was immediately alerted to stop the transactions, which they did. The matter was reported to the Directorate of Priority Crimes (HAWKS) who also immediately investigated the matter and arrested the employee. We can report that the province did not suffer any loss as the bank has reversed the transactions and refunded the cash withdrawals.

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

#### **4.2.14. ACKNOWLEDGMENTS AND APPRECIATION**

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

#### **4.2.15. CONCLUSION**

Provincial Treasury has made great strides during the year to improve delivery in terms of its mandate and despite the impact of the COVID-19 pandemic trust that this will continue in the forthcoming years. Please refer to the full Annual Report herewith for more details.



---

**Mr. GC Pratt CA (SA)**  
**Accounting Officer**  
**Limpopo Provincial Treasury**  
**31 July 2020**

## 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 2020.

Yours faithfully

**Mr. GC Pratt CA (SA)**  
**Accounting Officer**  
**Limpopo Provincial Treasury**  
**31 July 2020**

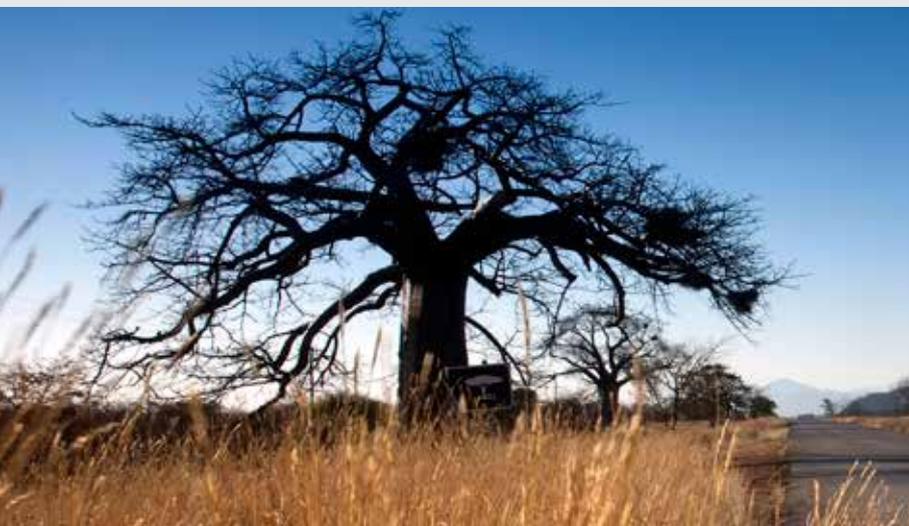
## 6. STRATEGIC OVERVIEW

### 6.1. LEGISLATIVE AND OTHER MANDATES

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

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

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



#### VISION

Excellence in public resource management for socio-economic development.



#### MISSION

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



#### VALUES

Limpopo Provincial Treasury will be guided by the following values:

- Integrity
- Transparency
- Accountability
- Fairness
- Professionalism



#### 6.1.1. CONSTITUTIONAL MANDATES

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

### 6.1.2. LEGISLATIVE MANDATES

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

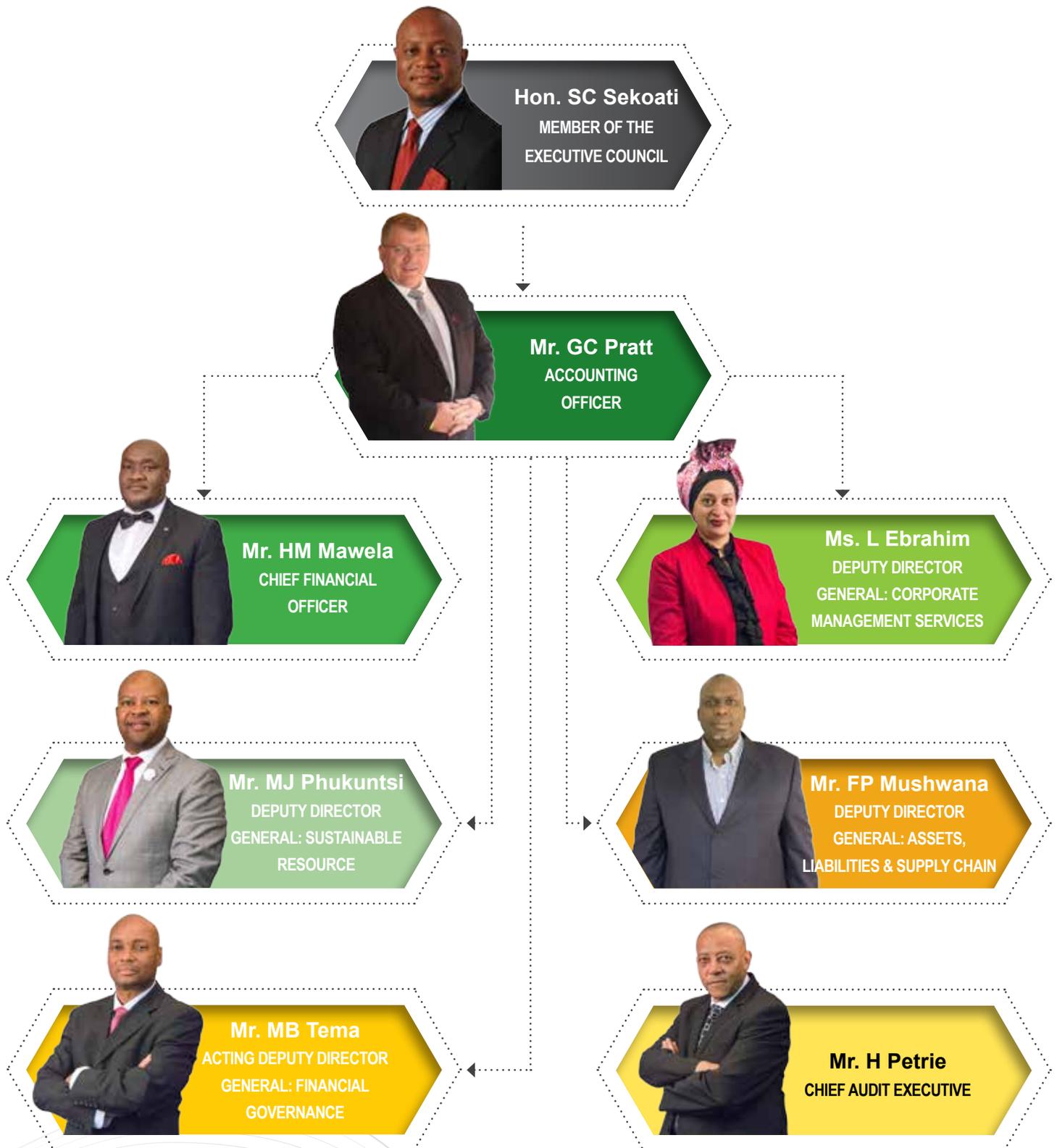
Section	Function and powers
<b>18 (1)</b>	A Provincial treasury must:
(a)	Prepare the provincial budget
(b)	Exercise control over the implementation of the provincial budget
(c)	Promote and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities of provincial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

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

Section	Function and powers
3	A provincial treasury must in accordance with a prescribed framework:
(c)	assist the National Treasury in enforcing compliance with the measures established in terms of section 216(1) of the Constitution, including those established in terms of this Act.
4	Must monitor: <ul style="list-style-type: none"> <li>(i) compliance with the MFMA by municipalities and municipal entities in the province;</li> <li>(ii) the preparation by municipalities in the province of their budgets;</li> <li>(iii) the monthly outcome of those budgets; and</li> <li>(iv) the submission of reports by municipalities in the province as required in terms of this Act;</li> </ul>
(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. ORGANISATIONAL STRUCTURE



## 8. ENTITIES REPORTING TO THE MEC

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

# **PART B: PERFORMANCE INFORMATION**

*"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 117 of the Report of the Auditor General, published as Part E: Financial Information.

## 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

### 2.1. SERVICE DELIVERY ENVIRONMENT

Provincial Treasury received an unqualified audit opinion with findings in the 2015/16 financial year, however the department improved in the 2016/17, financial year by receiving an unqualified audit opinion without findings, also referred to as a Clean Audit and maintained the Clean Audit status in 2017/18 and 2018/19 financial years.

The support environment has been performing fairly well in terms of compliance related matters. The implementation of branch risk registers/action plans form part of the business processes. The department has however identified a need to review its risk appetite.

The department experienced delays in filling of vacant posts and currently has a high vacancy rate. Factors associated with the delays include the migration processes into the new approved organisational structure as well as the assessment controls and processes implemented by the Provincial Personnel Management Committee (PPMC) and the COVID-19 lockdown.

Limpopo Provincial Treasury plays a transversal role in supporting provincial departments 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 increased 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, 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 and there is a strong possibility that the funds invested by 8 municipalities may not be recovered from the bank.

In 2018/19 the number of municipalities that received unqualified audit opinions from the AGSA regressed from 8 to 6, but the province managed to receive one clean audit at the Capricorn District Municipality. The province still has 18 qualified municipalities, but has managed to reduce the number of municipalities that

received disclaimed opinions from 4 to 1 and 1 adverse audit opinion remains. 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 Administrator.

Provincial Treasury support provided to the provincial departments has resulted in six (6) departments receiving unqualified audit opinions, Provincial Treasury maintaining a Clean audit and the Department of Community Safety receiving its first Clean Audit. The Department of Economic Development, Environment & Tourism improved from a Qualified Audit opinions in 2017/18 to Unqualified Audit in 2018/19. The province was still faced with 5 qualified audit opinions in 2018/19 and there is thus still a need for continuous monitoring and support in an endeavour to improve the audit opinions and eliminate all qualified opinions.

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 (SAC) and Education (DoE)	Partial compliance to financial regulations	100% compliance to legislation	DoE has spent R1.995 billion or 83.9% of adjusted budget of R2.376 billion  SAC has spent R177.8 million or 77.7% of the adjusted budget of R228.7 million & COGHSTA: spent R1.374 billion or 97.3% of the total budget of R1.412 billion
Support municipalities to improve audit outcomes	26 municipalities	Partial compliance to financial regulations	100% compliance to financial regulations	1 Clean Audit opinion 6 unqualified audit opinions 18 qualified and 1 Disclaimer and 1 Adverse
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	Compliance to Section 38 (1) (f) of PFMA is 93.7%. Compliance rate is 6.3% below the 100%



### 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 & 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	03 interventions on Khaedu deployment to be conducted annually	03 SMS members participated in the Khaedu deployment which took place in June 2019 and March 2020 at Waterberg District and at Mopani District, Khensani Hospital in September 2019

### 2.2.3. SERVICE DELIVERY INFORMATION TOOL

Current/actual information tools	Desired information tools	Actual achievements
Service standards booklets	Approved service standards booklets distributed	<ul style="list-style-type: none"> <li>All branches developed service standards.</li> <li>Service standards monitored quarterly.</li> <li>Service standards booklets distributed to all directorates and citizens.</li> </ul>
2018-2021 Approved SDIP document	Approved SDIP document	<ul style="list-style-type: none"> <li>SDIP monitoring is conducted on a quarterly basis.</li> <li>Monitoring reports are available.</li> </ul>
2018 Approved Service Charter	Approved Service Charter	<ul style="list-style-type: none"> <li>Service Charter approved and displayed at the strategic points.</li> </ul>

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

The number of posts have been reduced from 673 to 535 which translates to a Compensation of Employee reduction from R 363.4 million to R 310.7 million and resulted into future annual savings of R52.7 million. Employees who have been placed into new positions will be assisted with development of the necessary competencies based on the Work Place Skills Plan of the department.

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

The workforce of the department is representative of the demographics of the province in terms of race and gender. With regard to equity status overall we have 225 males and 264 females (54%) of which 9 (1.8%) employees have disabilities. At a Senior Management Service (SMS) level however the department has not met the equity targets. The Provincial Treasury has 48 SMS members of which 21 (44%) are female and 27 (56%) are male. The department will continue to intensify efforts for the recruitment of females and people 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 has been developed and is regularly monitored through reports and presentations submitted to EXCOM.

### **2.4. KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES**

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

### 3. STRATEGIC OUTCOME ORIENTED GOALS

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

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

Limpopo Provincial Treasury implemented the 2019/20 Annual Performance Plan during the financial year under review and significant achievements towards the realisation of the two strategic outcome oriented goals and the twelve (12) outcomes as announced by the Department of Performance Monitoring and Evaluation (DPME) which contributed towards the achievement of National Outcome 12 – “Building an effective, efficient and development oriented public service” as well as the National Development Plan (NDP) Chapter 13 objective – “Building a capable and developmental state”.

### 4. PERFORMANCE INFORMATION BY PROGRAMME

#### 4.1. PROGRAMME 1: ADMINISTRATION

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

The programme has the following sub-programmes namely:

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

**Strategic objectives, performance indicators, planned targets and actual achievements:**

The Strategic Objective of Programme 1 - Administration is to enable the Department to deliver in line with the mandate by improving management practices on Human Resource, Strategic Management and Financial Management to level 4 of MPAT standards by 2019/20. The department managed to achieve the average MPAT score of 3.57 for 2019/20 MPAT cycle, which is a significant improvement from 2018/19 average MPAT score of 3.28. The department had continued with the implementation of MPAT in the 2019/20 financial year and requested independent verification and moderation from Internal Audit as the programme was being discontinued from the National Level.

**Strategic objectives:**

**Administration**

Strategic Objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
<b>Strategic objective:</b> Enable the Department to deliver in line with the departmental mandate by improving management practices on HR, Strategic Management and Financial Management to level 4 of MPAT standards by 2019/20.					
Departmental average MPAT score.	3.28	4	3.57	0.43	The 0.43 deviation is as a result of non-compliance on Acquisition Management, Disposal Management and implementation of PMDS

**Reasons for deviation**

The 0.43 deviation is as a result of non-compliance on Acquisition Management, Disposal Management and partial compliance to the implementation of PMDS.

**Strategy to overcome areas of under performance**

Department will develop an Improvement plan to address all areas of underperformance that will be monitored at EXCOM meetings.



**Performance indicators:**

Programme / Sub-programme: Administration							
Performance indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of PMDS moderations finalized by moderation committees.	N/A	N/A	6	6	6	None	Not applicable
Number of risk management reports submitted to EXCOM.	N/A	N/A	4	4	4	None	Not applicable
Number of prioritized ICT projects implemented in line with ICT Plan.	4	2	2	1	1	None	Not applicable
Number of departmental quarterly performance reports produced in line with Performance Information Management Frameworks and guidelines.	N/A	N/A	4	4	4	None	Not applicable
Number of budget documents compiled and submitted.	4	4	4	4	4	None	Not applicable

Number of financial statements compiled and submitted for review by Provincial Treasury in line with the reporting framework.	4	4	4	4	4	None	Not applicable
% of supplier's valid invoices paid within 30 days.	99.12%	100%	100%	100%	100%	None	Not applicable
Number of reconciliations done on the asset registers.	12	12	12	12	12	None	Not applicable

**Strategy to overcome areas of under performance**

Not applicable

**Changes to planned targets**

No changes to performance indicators and planned targets

**Linking performance with budgets**

**Sub-programme expenditure**

Sub- Programme Name: Administration	2019/20			2018/19		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the MEC	6,883	6,873	10	6,950	6,940	5
Management Services	14,996	14,970	26	11,242	11,204	38
DDG: Corporate Management Services	9,988	9,481	507	-	-	-
Corporate Services	54,930	54,068	862	114,716	112,794	1,922
Information Management	59,025	57,696	1,329	-	-	-
Financial Management	41,628	41,277	351	43,292	42,200	1,092
<b>Total</b>	<b>187,450</b>	<b>184,365</b>	<b>3,085</b>	<b>176,200</b>	<b>173,143</b>	<b>3,057</b>



#### 4.2. PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

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

The Branch comprises of the following sub-programmes:

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

#### **Strategic objectives, performance indicators, planned targets and actual achievements**

The province managed to over achieve on Sustainable Resource Management strategic objective target of spending 98% of the provincial budget at the end of the financial year under review by achieving 98.2%. Achievement of this strategic objective target contribute towards achievement of strategic outcome oriented goal number two by ensuring effective and efficient use of the provincial financial resources.

**Strategic objectives:**

Programme / Sub-programme: Sustainable Resource Management					
Strategic Objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
<b>Strategic objective 1: To achieve sustainable fiscal policy for the province during 2015/16 to 2019/20.</b>					
% provincial annual expenditure achieved.	99.1%	98%	98.2%	0.2%	Provincial Departments were able to spend better than anticipated
Number of departmental budget plans that are credible.	13 departments	13 departments and 5 public entities	13 departments and 5 public entities	None	N/A
% provincial revenue collected.	105.4%	100%	102.9%	2.9%	Deviation of 2.9% is as a result of the Department of Transport and Community Safety, LEDET, Provincial Treasury and Department of Education collecting more revenue than anticipated
<b>Strategic objective 2: To achieve annual improvement on financial management and effective governance in 26 delegated municipalities and 3 municipal entities by 2019/20.</b>					
Number of municipalities and entities with unqualified audit opinions.	8 Municipalities and 3 Municipal Entities.	10 Municipalities and 3 Municipal Entities.	07 Municipalities and 3 Municipal Entities	03 Municipalities	Not achieved due to non-compliance to supply chain management prescripts

**Reasons for deviation**

- Provincial Departments were able to spend better than anticipated
- Deviation of 2.9% is as a result of the Department of Transport and Community Safety, LEDET, Provincial Treasury and Department of Education collecting more revenue than anticipated
- 3 Municipalities did not achieved due to non-compliance to supply chain management prescripts

**Strategy to overcome areas of under performance**

Provincial Treasury MEC will convene bi-annual forums with Mayors and members of the MMC’s for Finances to enhance accountability by municipalities.



**Performance indicators:**

Programme / Sub-programme: Sustainable Resource Management							
Performance indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of Research documents produced to align the Provincial Fiscal Policy	7	7	7	7	7	None	Not applicable
Number of revenue assessments conducted to ensure collection of set target.	N/A	N/A	4	4	4	None	Not applicable
Number of budget documents tabled in line with the set standards and National Treasury guideline.	2	2	2	2	2	None	Not applicable
Number of consolidated provincial in year monitoring reports produced in line with section 32 of PFMA.	12	N/A	12	12	12	None	Not applicable
Number of Infrastructure Reporting Model assessments conducted.	N/A	N/A	108	108	108	None	Not applicable

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

Performance indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of infrastructure assessments conducted on support to local government to optimize MIG performance.	N/A	N/A	N/A	4	4	None	Not applicable
Number of municipal budget assessments conducted.	N/A	N/A	26	26	26	None	Not applicable
Number of municipal financial management assessments conducted.	N/A	N/A	N/A	78	78	None	Not applicable

**Strategy to overcome areas of under performance**

Not applicable

**Changes to planned targets**

No changes to performance indicators and planned targets

**Linking performance with budgets**

**Sub-programme expenditure**

Sub- Programme Name: Sustainable Resource Management	2019/20			2018/19		
	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	2,410	2,390	20	1,667	1,555	112
Economic and Fiscal Policy Oversight	8,740	8,617	123	41,581	39,141	2,440
Budget and Public Finance Management	19,014	16,087	2,927	14,482	13,377	1,105
Municipal Finance & Governance in the local government sphere	26,470	23,932	2,538	25,808	25,728	80
Infrastructure Management & Public Private Partnership	30,145	29,840	305	-	-	-
<b>Total</b>	<b>86,779</b>	<b>80,866</b>	<b>5,913</b>	<b>83,538</b>	<b>79,801</b>	<b>3,737</b>

**4.3. PROGRAMME 3: ASSETS LIABILITIES AND SUPPLY CHAIN MANAGEMENT**

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

The Branch is comprised of the following Sub-programmes:

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

**Strategic objectives, performance indicators, planned targets and actual achievements:**

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

**Strategic objectives:**

Programme 3: Assets, Liabilities and Supply Chain Management					
Strategic Objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
<b>Strategic objective:</b> To provide policy direction and support to 13 votes and 5 public entities on Assets, Liabilities and Supply Chain Management to ensure improvement of audit outcomes by 2019/20.					
Number of votes and public entities complying with Assets management prescripts.	12 votes and 5 public entities	12 votes and 5 public entities	9 votes and 4 public entities complied with Asset Management Prescripts	3 votes and 1 public entity were not fully compliant	Asset valuation is the main challenge with these institutions.
Number of votes and public entities complying with cash management prescripts.	18 (13 votes and 5 public entities).	18 (13 votes and 5 public entities).	8 votes and 5 public entities complied with cash management prescripts	5 votes did not fully comply with cash management prescripts.	Social Development had overdrawn its bank account by 31 March 2020. 5 departments, viz, Social Development, Health, Education, Agriculture and LEDET delayed in creating debts and that debts may prescribe.
Number of votes and public entities complying with SCM prescripts.	17 (12 votes and 5 public entities).	17 (12 votes and 5 public entities).	10 votes and 4 public entities	2 votes and 1 public entity	Institutions did not conduct market research, had non-compliance to local content and production and had inadequate contract management controls.

**Reasons for deviation**

- Asset valuation is the main challenge with these institutions.
- Social Development had overdrawn its bank account by 31 March 2020. 5 departments, viz, Social Development, Health, Education, Agriculture and LEDET delayed in creating debts and that debts may prescribe.
- Institutions did not conduct market research, had non-compliance to local content and production and had inadequate contract management controls.



**Strategy to overcome areas of under performance**

**1. Asset Management**

- The department will implement a project on development of library material asset register which involves the participation of librarians in the Department of Sport, Arts and Culture.
- The system will ease the burden for the department and improve on the movable asset register.
- The department will strengthen the support to Department of Health and Department of Education in completion of valuation of assets using the valuation guide.
- The department will provide training to the dedicated Asset Manager upon appointment at LEDA.

**2. Banking, Cash and Liability Management**

- The department will strengthen support to public institutions that did not fully comply with Banking and Cash prescripts during 2019/20 financial year and seek Office of the Premier’s intervention as the transversal Legal Services to ensure that debts are created in time and recovered.

**3. Provincial SCM**

- The department will strengthen capacity building initiatives to assist the three institutions that were not complying with SCM prescripts during the 2019/20 financial year. This will include SCM forum engagements, consultative sessions and related training.

**Performance indicators**

Programme / Sub-programme: Assets, Liabilities and Supply Chain Management							
Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of asset management assessments conducted to votes and public entities.	N/A	N/A	68	68	68	None	Not applicable
Number of cash management assessments conducted to votes and public entities.	N/A	N/A	72	72	72	None	Not applicable

**Performance indicators:**

Programme / Sub-programme: Assets, Liabilities and Supply Chain Management							
Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of SCM compliance assessments conducted to votes and public entities.	N/A	N/A	68	68	68	None	Not applicable
Number of contract management assessments conducted to votes and public entities.	N/A	N/A	68	68	68	None	Not applicable
Number of assessments conducted on strategic procurement targets of departments and public entities.	N/A	N/A	68	68	68	None	Not applicable

**Strategy to overcome areas of under performance**

Not applicable

**Changes to planned targets**

No changes to performance indicators and planned targets

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name: Assets, Liabilities & SCM	2019/20			2018/19		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
DDG Assets, Liabilities & Supply Chain Management	2,104	2,065	39	869	774	95
Assets & Liabilities Management	23,571	22,980	591	33,118	32,125	993
Provincial Supply Chain Management	27,140	26,909	231	29,169	28,841	328
<b>Total</b>	<b>52,815</b>	<b>51,954</b>	<b>861</b>	<b>63,156</b>	<b>61,740</b>	<b>1,416</b>

**4.4. PROGRAMME 4: FINANCIAL GOVERNANCE**

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

- capacity building;
- financial reporting;
- development of financial management transversal policies;
- support of oversight structures/bodies;
- monitoring and supporting departments in effective utilisation of financial management information systems;
- implementation of relevant financial management information systems in departments; and lastly
- monitoring and supporting departments and public entities in implementing effective risk management and internal control processes. and lastly by

The Branch is comprised of the following sub-programmes:

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

**Strategic objectives, performance indicators, planned targets and actual achievements:**

The support provided by Provincial Treasury in 2018/19 resulted in improvement by two (2) votes, which is Limpopo Economic Development, Environment and Tourism (LEDET) and Community Safety (DCS), where LEDET moved from Qualified Audit opinion in 2017/18 to Unqualified Audit opinion in 2018/19 and DCS moved from Unqualified Audit Opinion in 2017/18 to Clean Audit in 2018/19. Limpopo Provincial Government achieved two Clean Audits in 2018/19 from Community Safety and Provincial Treasury who maintained its clean audit for the third successive year. There is still a need for continuous monitoring and support to ensure that these trends are improved and sustained.

There is consistent performance in audit outcome performance of public entities where all public entities audit outcomes for 2017/18 and 2018/19 are the same. Gateway Airport Authority Limited (GAAL) and Limpopo Development Agency (LEDA) are still qualified and require continuous monitoring and support to ensure improvement to unqualified audit opinions in 2019/20 financial year. The department will also continue to provide support to the three public entities (Limpopo Tourism Agency, Gambling Board and Road Agency Limpopo) so that they can improve from Unqualified Audit opinions to Clean Audit.

As contemplated in ***Handbook for the appointment of persons to boards of state and state controlled institutions, approved by Cabinet on 17 September 2008***, paragraph 38 of the handbook provides for government officials to be appointed to the board of a state or state controlled institution under special circumstances which justify the appointment. The special conditions are listed as follows:

- a) *Improving board performance;*
- b) *Capacity building;*
- c) *Serve in private capacity;*
- d) *Ex officio appointment;*
- e) *Capitalising on experience; and*
- f) *Observers.*



For the financial year 2019/20, the following Provincial Treasury officials served on boards of state-controlled institutions in the following capacities:

Programme 4: Financial Governance			
Name	Institution	Capacity	Period
Mr. MT Mphahlele	Limpopo Tourism Agency	Board Member – improving board performance	01 April 2019 – 30 November 2019
		Observer	01 December 2019 – 31 March 2020
	Limpopo Economic Development Agency	Observer	01 April 2019 – 31 March 2020
	Road Agency Limpopo	Observer	01 April 2019 – 31 March 2020
	Gateway Airport Authority Limited	Observer	01 April 2019 – 31 March 2020
Mr. XR Mulamula	Road Agency Limpopo	Board Member – Provincial Treasury representative	01 April 2019 – 04 November 2019
Mr. MB Tema	Limpopo Gambling Board	Board Member – Provincial Treasury representative	1 April 2019 – 31 March 2020

**Strategic objectives:**

Programme 4: Financial Governance					
Strategic Objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
<b>Strategic objective:</b> To achieve annual improvements in audit outcomes in 12 votes and 5 public entities by 2019/20.					
Number of votes and public entities with unqualified audit opinion	8 votes and 3 public entities	11 votes and 5 public entities	8 votes and 3 public entities	Three votes and two public entity	Poor implementation of AG Action Plan

**Reasons for deviation**

Poor implementation of AG Action Plan

**Strategy to overcome areas of under performance**

The department will continue to provide support to departments and public entities so that they can maintain the commendable performance achieved in 2019/20 and improve the audit opinion of the five qualified departments and two qualified public entities. These endeavours will be supported by the development of internal control framework and criteria to enable a common understanding and evaluation criteria for the assessment of an institution’s internal control system.

**Performance indicators:**

Programme / Sub-programme: Financial Governance							
Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of courses conducted on transversal systems.	89	111	107	107	83	24	<ul style="list-style-type: none"> <li>● Non-submission of nominations for BAS training by departments in the 1st &amp; 2nd quarters.</li> <li>● Unavailability of the BAS System due to Technical challenges from SITA in the 3rd quarter as well as human capacity challenges</li> <li>● Achieved above quarterly targets in the 4th quarter to compensate for the 3rd quarter, however 4 courses had to be cancelled due to COVID-19.</li> </ul>
Number of AG action plan assessments conducted to departments and public entities.	N/A	N/A	68	51	59	+8	LEDA subsidiaries also assessed in the 3rd & 4th quarters.
Number of 30 days payment assessments conducted.	N/A	N/A	4	12	12	None	N/A



**Programme / Sub-programme: Financial Governance**

Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of audit committee meetings supported in votes.	89	65	85	65	57	8	Audit Committee meetings cancelled due to COVID-19 in the 4th quarter.
Number of financial statement assessments conducted to departments.	N/A	N/A	68	48	48	None	N/A
Number of assessment reports on provincial risk profile issued to HOD 's forum.	N/A	N/A	0	2	1	1	Delays in the approval of the Terms of Reference.
Number of public sector risk management framework compliance assessments conducted to departments and public entities.	N/A	N/A	68	68	65	3	Non-submission of required information for assessment by 01 Public Entity (LEDA) in the 1st quarter and 02 departments (Agriculture & LEDET) in the 2nd quarter.
Number of financial system utilization assessments conducted	N/A	N/A	48	48	48	0	N/A

**Reasons for deviation**

- Non-submission of nominations for BAS training by departments in the 1st & 2nd quarters.
- Unavailability of the BAS System due to Technical challenges from SITA in the 3rd quarter as well as human capacity challenges
- Achieved above quarterly targets in the 4th quarter to compensate for the 3rd quarter, however 4 courses had to be cancelled due to COVID-19.
- LEDA subsidiaries also assessed in the 3rd & 4th quarters.
- Audit Committee meetings cancelled due to COVID-19 in the 4th quarter.
- Delays in the approval of the Terms of Reference.
- Non-submission of required information for assessment by 01 Public Entity (LEDA) in the 1st quarter and 02 departments (Agriculture & LEDET) in the 2nd quarter.

**Strategy to overcome areas of under performance**

Current/actual arrangements	Actual achievements
Number of courses conducted on transversal systems.	Alignment of 2020/21 targets with available human resources as well as training venues
Number of audit committee meetings supported in votes.	Review of the annual meeting schedule and utilization of virtual meeting facilities
Number of assessment reports on provincial risk profile issued to HOD 's forum.	Terms of reference to be finalised and approved. Assessments will be conducted quarterly instead of bi – annually
Number of public sector risk management framework compliance assessments conducted to departments and public entities.	Assessments on LEDA and LEDET to be conducted. Retrospective assessments will be conducted for quarters that have not been assessed.

**Changes to planned targets**

No changes to performance indicators and planned targets

**Linking performance with budgets**

**Sub-programme expenditure**

Sub- Programme Name: Financial Governance	2019/20			2018/19		
	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	35,362	34,782	580	451	394	57
Accounting Services	17,839	17,435	404	50,356	46,404	3,952
Financial Management Information Services	72,901	58,537	14,364	45,125	44,574	551
<b>Total</b>	<b>126,102</b>	<b>110,754</b>	<b>15,348</b>	<b>95,932</b>	<b>91,372</b>	<b>4,560</b>



#### 4.5. PROGRAMME 5: SHARED INTERNAL AUDIT SERVICES

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:

1. 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).
2. 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).
3. Quality Assurance and Technical Support Services which is responsible for:
  - Providing quality assurance and technical support services and monitor compliance within provincial departments.

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

#### **Strategic objectives, performance indicators, planned targets and actual achievements**

The collaborative support provided by Limpopo Provincial Treasury (LPT) in 2018/19 resulted in improvement of audit outcomes in the following departments:

4. Limpopo Economic Development and Environment and Tourism (LEDET) progressed from a Qualified Audit Opinion in 2017/18 to an Unqualified Audit Opinion, with some matters of emphasis, in 2018/19 while the Department of Community Safety improved from an Unqualified Audit Opinion in 2017/18 to an Unqualified Opinion with no matters of emphasis (Clean Audit Opinion) in 2018/19.
5. Limpopo Provincial Treasury has sustainably maintained its Clean Audit Opinion status for the third consecutive year in 2018/19.
6. Enhanced collaborative and coordinated efforts amongst assurance providers such as LPT's transversal functions including Shared Internal Audit Services have the potential to improve audit outcomes of provincial departments.

**Strategic objectives:**

Programme 5: Shared Internal Audit Services					
Strategic Objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
<b>Strategic objective:</b> To achieve annual improvements in audit outcomes in 12 votes and 5 public entities by 2019/20.					
Number of votes and public entities with unqualified audit opinion	8 votes and 3 public entities	11 votes and 5 public entities	8 votes and 3 public entities	Three votes and two public entity	Lack of a common understanding internal control assessment and evaluation criteria resulting in poor implementation of Internal Audit findings and recommendations

**Reasons for deviation**

Lack of a common understanding internal control assessment and evaluation criteria resulting in poor implementation of Internal Audit findings and recommendations.

**Strategy to overcome areas of under performance**

Shared Internal Audit Service will spearhead a coordinated and integrated process to monitor the adequacy and effectiveness of Governance, Risk Management, Internal Control and Compliance processes of provincial governance institutions. This will be achieved through the implementation of a Combined Assurance Framework.

**Changes to planned targets**

No changes to performance indicators and planned targets

**Performance indicators:**

Programme / Sub-programme: Shared Internal Audit Services							
Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of three-year strategic rolling and annual audit plans prepared by Provincial Internal Audits and approved by Audit Committee for the financial year 2020 / 2021	N/A	N/A	N/A	12	0	12	The 12 Plans were prepared for approval by the Audit Committee. The Audit Committees were cancelled due to the Coronavirus outbreak and therefore the plans were not approved
% of internal Audits finalised in terms of the approved Audit Plans	N/A	N/A	N/A	94%	89,7%	4,3%	The 4.3% represent 9 internal audits. The deviation was due to: - SIAS officials restricted from having exit and other engagements with clients to the due to the risk of exposure to coronavirus. - audits started late - not all requested information was submitted due to the non-availability of staff related to the COVID-19 outbreak

**Performance indicators:**

Programme / Sub-programme: Shared Internal Audit Services							
Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of annual internal Quality Assurance Improvement Programme (QAIP) implementation Report prepared to improve the quality of client services	N/A	N/A	N/A	1	1	0	N/A

**Reasons for deviation**

The 12 Plans were prepared for approval by the Audit Committee. The Audit Committees were cancelled due to the Coronavirus outbreak and therefore the plans were not approved.

The 4.3% represent 9 internal audits. The deviation was due to:

- SIAS officials restricted from having exit and other engagements with clients to the due to the risk of exposure to coronavirus.
- audits started late
- not all requested information was submitted due to the non-availability of staff related to the COVID-19 outbreak

**Strategy to overcome areas of under performance**

Areas of under-performance will be overcome through the following interventions:

- Starting the audit planning process during the 3rd Quarter of the financial year instead of commencing the audit planning process in the during the 4th quarter of the financial;
- Expediting the implementation of the combined assurance framework; and
- Expediting the filling of SIAS vacant posts.

**Changes to planned targets**

No changes to performance indicators and planned targets



**Linking performance with budgets**

**Sub-programme expenditure**

Sub- Programme Name: Shared Internal Audit Services	2019/20			2018/19		
	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	43,695	43,340	355	44,024	43,072	952
<b>Total</b>	<b>43,695</b>	<b>43,340</b>	<b>355</b>	<b>44,024</b>	<b>43,072</b>	<b>952</b>

## 5. TRANSFER PAYMENTS

### 5.1. TRANSFER PAYMENTS TO PUBLIC ENTITIES

The department does not have public entities.

Name of Public Entity	Services rendered by 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 2019 to 31 March 2020

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred	Amount spent by the entity	Reasons for the funds unspent by the entity
Institutions of Higher Learning	Universities	Bursaries	N/A	5,371	5,371	-

The table below reflects the transfer payments which were budgeted for in the period 1 April 2019 to 31 March 2020, 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. CONDITIONAL GRANTS AND EARMARKED FUNDS PAID

The department did not pay any conditional grants.

### 6.2. CONDITIONAL GRANTS AND EARMARKED FUNDS RECEIVED

The department did not receive any conditional grants.

## 7. DONOR FUNDS

### 7.1. DONOR FUNDS RECEIVED

No donor funds were received for the year under review (2019/20), other than the donations received in kind disclosed in Annexure 1C.

## 8. CAPITAL INVESTMENT

### 8.1. CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

Provincial Treasury does not have capital investments



PROVINCIAL TREASURY

# **PART C: GOVERNANCE**

*"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.

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

- A delegation framework for the functions assigned to the Executive Authority or the Accounting Officer in terms of the Public Finance Management Act, Treasury Regulations and Public Service Act and its regulations were developed and approved to enable the Accounting Officer, to delegate appropriate functions to relevant employees with adequate knowledge, skills and experience.
- Implementation of the institutional arrangements framework and the convening of meetings that dealt with both departmental and transversal matters.
- Departmental Bid Committees were appointed to ensure that procurement processes were fair, competitive, equitable, transparent and cost effective.
- All members of Senior Management Service made full financial disclosures to the Executive Authority and the Public Service Commission.
- Provincial Treasury was kept abreast of all relevant legislation and regulations as well as major developments that could impact on its operations.
- Implementation of the Business Continuity Plan to ensure continuity of the Treasury services
- Appointment of a COVID-19 Steering Committee to manage and advise on all the effects of the COVID-19 pandemic and the implementation of the National disaster regulations.

## 2. RISK MANAGEMENT

Provincial Treasury has an approved Risk Management Policy and Strategy in place which is aligned to the 2019/20 Annual Performance Plan. The Department conducted strategic, operational, ethics and fraud risk assessments and developed risk mitigation plans that were continuously monitored by the Enterprise Risk Management (ERM) unit. The ERM unit also assists the Department to identify and explore opportunities and mitigate any new risks identified during the year that may negatively impact the functioning of the Department.

The department has a functional and active Risk Management Committee, that is chaired by an independent Risk Committee Chairperson. The Risk Committee meets quarterly or when necessary to assess and address risk management implementation processes and manage all emerging risk areas that may impact the functioning of the department. The Risk Committee continuously advises the Department's Executive Management Committee (EXCOM) and other strategic structures, such as the Audit Committee, on progress made in mitigating the identified risks and where necessary the need for further interventions, which has assisted the Department to improve its performance.



Risk management is integrated into the planning and other business processes of the Department to ensure that project risks are identified and mitigated.

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 by the Honourable State President.

The effect of the lockdown did have an impact on the operations of the Provincial Treasury, but we were able to implement the regulations without negatively affecting the operations of the departments that were rendering essential services, such as the Departments of Health and Social Development. Our Business Continuity Plan was put to the test and we were able to keep key and fundamental service running during the period, such as the provincial financial systems and payments to suppliers by the various departments.

The Department appointed a COVID-19 Steering Committee which meets 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)

### **3. FRAUD AND CORRUPTION**

The department's fraud prevention plan was implemented as follows

- SMS members, Deputy Directors and other designated groups declared their financial interests as required by the Public Service Act
- Employees were provided with guidance on the Remunerative Work Outside Public Service (RWOPS) framework application requirements
- Pre-employment screening (Suitability Checks) was conducted for candidates and contractors before appointment (Pre-employment and vetting of employees)
- Induction /Orientation courses were presented for all new employees
- Fraud and corruption awareness workshops were conducted
- Information security measures were in place to protect sensitive /classified information

Any suspected fraud or corruption matter that is reported through the Presidential and Premier Hotlines or through any other internal reporting mechanisms are investigated by the Security Services Directorate. The Department has an appointed modifier who receives cases electronically by 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 is created and employees are trained about the Protection offered through the Protected Discloser Act.

## 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 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.

## 5. CODE OF CONDUCT

The Department uses the Code of Conduct as set out by the Department of Public Service Administration. The Department employee conducts information sessions on Code of Conduct in order to raise awareness among employees.

Where an employee is found to have breached a Code of Conduct and is a serious misconduct, it will be reported to the Security Service Directorate for formal investigation. Where it is less serious, the supervisor will be advised by Labour Relations on the process to follow.

If the investigation finds that there is a breach of the Code of Conduct the report will be sent to Labour Relations to make submission to the Head of Department to approve 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 will submit the outcome to the Department for implementation of the outcome.

The Department has an approved Anti-Corruption and Ethics Management Policy which is implemented and monitored by the Department's functional and active Ethics Committee that meets quarterly or when necessary. The Committee also monitors ethics within the department and identifies and monitor ethical risks that were identified.

## 6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Occupational Health, Safety and Environment was implemented as per the Employee Health and Wellness (EHW) Strategic Framework of the DPSA and Occupational Health and Safety Act of 1993.

An operational plan was developed, signed by the HOD and submitted to the DPSA. Key targets on the operational plan were to monitor implementation of the recommendations of the risk assessment report, hazard identification reports, and fire safety inspection reports. Nine (9) departmental facilities were monitored on a quarterly basis. Occupational Health and Safety Committee meetings were held, on a quarterly basis, to monitor implementation of the developed emergency preparedness plan and



procedures. The Occupational Health and Safety Committee conducted awareness sessions for employees and emergency evacuation drills were also conducted. First aiders, fire marshals and health and safety representatives were appointed. The Department has partially addressed the Occupational Health, Safety and Environmental findings. The challenge is that most identified non-compliance findings relate to building maintenance, which is the responsibility of the Department of Public Works, Roads and Infrastructure and other landlords.

The following arrangements are in place to comply with health, safety and environmental requirements:

- Auxiliary Services Unit has developed a plan in line with GIAMA to address compliance issues with regard to Occupational Health, Safety and Environmental issues. The Department of Public Works assists the Provincial Treasury (Auxiliary Services) to implement the GIAMA building maintenance plan.
- A partnership has been established with the Disaster Management Unit of Polokwane Municipality to ensure compliance with regard to emergency preparedness and disaster management.
- The Department of Labour has also assisted to capacitate employees on the Compensation for Occupational Injuries and Diseases Act (COIDA).
- The Department has developed a Business Continuity Plan (BCP) and Occupational Health, Safety and Environmental matters form part of BCP which are discussed at the Departmental Risk Management Committee and Business Continuity Management Committee.

The implementation of the Occupational Health and Safety through the EHW strategic framework has improved the working conditions of employees. Sanitation, hygiene and office cleanliness has improved thereby reducing the risk of occupational infections. Safety of the buildings and employee workstations has also improved mitigating the risk of occupational injuries.

The Declaration of the State of Disaster as a result of the COVID-19 pandemic, has put the operations of the Provincial Treasury at risk, however through the appointed Departmental COVID-19 Steering Committee these risks have to a large extent been mitigated. The Provincial Treasury has implemented sectoral regulatory frameworks and ensured that Business Continuity Plans were implemented. The Provincial Treasury did not discontinue any key services needed by other service delivery and essential services departments during the lock down period and were largely able to continue with other operations. However, enhanced mechanisms would need to be considered to roll out strengthened support to institutions without compromising the health and safety of officials.

## 7. PORTFOLIO COMMITTEES

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

- 16 July 2019: Briefing the Committee on the 2019/20 Limpopo Appropriation Bill
- 01 August 2019: Briefing the Committee on the 2019/20 Provincial Treasury Annual Performance Plan and Budget and update the Committee on the 2018/19 2nd Quarter resolutions
- 21 November 2019: Briefing the Committee on the 2019/20 Limpopo Adjustment Appropriations Bill

- and provide update progress on the 2019/20 Annual Performance Plan resolutions
- 03 December 2019: Briefing the Committee on 2018/19 3rd, 4th Quarter reports and 2018/19 Annual report
- 12 March 2020: Briefing the Committee on 2020/21 Limpopo Appropriation Bill [B01-2020] and 2019/20 Limpopo Amended Adjustment Appropriation Amendment Bill [B02-2020]

**The following matters were raised and addressed as follows:**

**Resolutions on 2018/19 Annual Report**

Resolution	Progress
Various Forensic Audit reports pertaining to departments, public entities and municipalities to be submitted to the Committee by 03 March 2020.	All concluded forensic reports that were submitted to respective departments and public entities and municipalities have been submitted to the Committee.
Progress report on infrastructural support to the Department of Health on the construction of the provincial Academic Hospital and Education on the implementation of sanitation projects in schools should be provided to the Committee	The Department of Health has already appointed Infrastructure Technical Resources unit as per EXCO approval to assist in infrastructure planning and delivery and the Department of Education has advertised for infrastructure technical support and the tender has closed and is been adjudicated
Support to municipalities should be strengthened to ensure that budgets are prudently spend and that accountability is enhanced	The State of municipal finances, including the S71 reports have been submitted to the Secretary of the Legislature on a quarterly basis. Provincial Treasury also provided support on risk management, internal audit, supply chain management, Internship Program and other MFMA related matters to all municipalities and municipal agencies and it in the process of improving municipal support capacity in the department
Office of the Auditor General should be engaged on strategies to improve the provincial audit outcomes	Limpopo Provincial Treasury meets regularly with the provincial Auditor General's office to discuss matters and departments challenges raised in the Provincial CFO Forum. The Provincial Treasury has also developed an Audit Improvement Strategy for all Provincial departments and public entities.
Progress should be reported on the implementation of the turn-around strategies in respect of financial recovery and revenue enhancement at municipalities on quarterly basis.	National Treasury has developed a Municipal Revenue Enhancement Strategy that the Province is using in an effort to improve revenue collections in our municipalities.

## 8. SCOPA RESOLUTIONS

Provincial Treasury received a “Clean Audit” Report for the 2016/17 and 2017/18 and 2018/19 financial years. The Standing Committee on Public Accounts (SCOPA) has not yet issued the resolutions for the public hearings on the Provincial Treasury’s 2017/18 and 2018/19 financial year Annual Reports and Auditor General reports. Accordingly, the department has not yet received any SCOPA resolutions for the 2017/18 and 2018/19 financial years. To date Provincial Treasury has responded and resolved the resolutions issued for 2014/15, 2015/16, and 2016/17 financial years and also submitted implementation progress reports to the Legislature.

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
2014/15, 2015/16 and 2016/17	Legal matter - Contingent liability relating to the cancellation of financial systems contract	Provincial Treasury cancelled a financial systems contract and lodged a claim against the service provider and the service provider lodged a counter claim against the department.	Matter was in court and was heard in February 2020. Judge has reserved judgement and Provincial Treasury awaits outcome	No
2016/17	SCOPA request to be provided with forensic investigation reports	Various forensic investigation reports in the possession of Provincial Treasury to be provided to SCOPA	19 forensic reports provided to SCOPA as requested	Yes

## 9. PRIOR MODIFICATIONS TO AUDIT REPORTS

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

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
None		

## 10. INTERNAL CONTROL UNIT

The unit prepared the audit action plan for both the Auditor General (AG) and Internal Audit findings. These action plans are monitored, on a monthly basis by the unit, to track progress in resolving the audit findings. During the AG audit period the unit also co-ordinates the submission of information required by the AG

team. The unit also co-ordinates all Audit Steering Committee (ASC) meetings during the year to update the ASC on the progress made in addressing all audit findings, after which the unit compiles a monthly report to appraise the Department’s Executive Management Committee on the progress made and any challenges that require Executive Management Committee’s intervention.

## 11. INTERNAL AUDIT AND AUDIT COMMITTEES

### 11.1. INTERNAL AUDIT

During the 2019/20 financial year, the internal audit function was tasked with the provision of assurance in respect of 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

#### KEY OBJECTIVES OF THE INTERNAL AUDIT

The objective of Internal Audit is to provide assurance on risk management process, internal control and governance arrangements.

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

Risk Based Audit			
Q1	Q2	Q3	Q4
<ul style="list-style-type: none"> <li>• Human Resources Development</li> <li>• Annual Financial Statement</li> </ul>	<ul style="list-style-type: none"> <li>• Public Entity Support:- Budget Management</li> <li>• Public Entity Support:- Expenditure Management</li> <li>• PPP and Infrastructure Coordination</li> <li>• Municipal Finance and Governance</li> <li>• Banking and Cash Management</li> </ul>	<ul style="list-style-type: none"> <li>• Asset Management</li> <li>• Supply Chain Management</li> <li>• Interim Financial Statements</li> <li>• Clean Audit Strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Human Resources Management</li> <li>• Leave Management</li> <li>• Performance Management Development System</li> </ul>

Performance Audit			
Q1	Q2	Q3	Q4
	Assurance services on Quarterly Performance Information		

Fraud Audit			
Q1	Q2	Q3	Q4
Leave Gratuity Review			

Information Systems Audit			
Q1	Q2	Q3	Q4
BAUD System (Adhoc Audit)	Cyber Security		Barnowl SDLC Audit

## 11.2. AUDIT COMMITTEES

### 11.2.1. KEY ACTIVITIES AND OBJECTIVES OF THE AUDIT COMMITTEE

#### 11.2.1.1. KEY ACTIVITIES

Audit Committee (AC) has satisfactorily performed its mandate as enshrined in Sections 76 (4) (d) and 77 of the Public Finance Management Act (Act No. 1 of 1999) 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.

## THE IMPACT OF COVID-19 PANDEMIC ON THE FUNCTIONING OF THE AUDIT COMMITTEE

The Audit Committees (AC) were not spared by the negative impact of the COVID-19 pandemic and resultant National lockdown regulations. This was seen during the last hour cancellation of the March 2020 (Third Quarterly) AC meetings to review amongst others Third Quarter Departmental Reports, Approval of the Internal Audit Plans and Auditor General Audit Coverage Strategies etc. However, Secretariat has constantly kept the AC Members abreast with any developments. From 09 – 23 June 2020, all Clusters Audit Committee meetings took place through a virtual platform (Microsoft Teams) to discuss and consider the approval of the Internal Audit Plans, Auditor General Audit Coverage Strategies and Departmental Projects pertaining to COVID-19. The Central Audit Committee (CAC) took place during 23 June 2020 to review all Clusters reports. Consequently, all future AC meetings will take place through Microsoft Teams until such time that normality returns.

## APPOINTMENT OF THE NEW LIMPOPO SHARED AC MEMBERS

The Honorable MEC for Finance in consultation with EXCO has approved the appointment of sixteen (16) Audit Committee members with effect from 01 February 2020 to 31 December 2022. The MEC for Finance consulted the Provincial EXCO in compliance with paragraph 3.1.3 of the Treasury Regulations which states that “In the case of a shared audit committee, the head of the relevant treasury must appoint audit committee members after consultation with the relevant executive authorities”. This is also in line with EXCO Decision 11/2001 that the Provincial Treasury must establish ACs that will be shared by the Institutions of the Limpopo Provincial Administration.

After robust engagement with all the candidates that applied for appointment into the Limpopo AC structure, the following AC members were appointed with effect from 1 February 2020, as outlined in the table below:

### LIMPOPO SHARED AUDIT COMMITTEE MEMBERSHIP

Name	Gender	Membership
Trevor Boltman	Male	Central Audit Committee Chairperson
MaLlele PeTje	Male	Cluster 01 AC Chairperson
Sereku Daisy Lebepe	Female	Cluster 01 AC Member
Aluwani Munyamela	Male	Cluster 01 AC Member
Stanley Butana Ace Ngobeni	Male	Cluster 02 AC Chairperson
Khathutshelo Mike Ramukumba	Male	Cluster 02 AC Member
Sizo Prudence (Xolo) Mzizi	Female	Cluster 02 AC Member
Mpaku Goodwill Mathabathe	Male	Cluster 02 AC Member

Name	Gender	Membership
Jane Sedie Masite	Female	Cluster 03 AC Chairperson
Mogakolodi Knowledge Sebeelo	Male	Cluster 03 AC Member
Tebogo Collen Modipane	Male	Cluster 03 AC Member
Mamare Penelope Moilola	Female	Cluster 03 AC Member
Mashamaite Peterlia Ramutsheli	Female	Cluster 04 AC Chairperson
Joseph Nakedi Mpjane	Male	Cluster 04 AC Member
Tebogo Francinah Tukisi	Female	Cluster 04 AC Member
Avheani Princess Cindy Mangoma	Female	Cluster 04 AC Member

The table above excludes the information pertaining to the appointment of Cluster 01 AC Member (Ms Anna Mirriam Manoko Badimo) who was appointed separately from the above AC members. During 13 April 2019, the Honourable MEC for Finance in consultation with EXCO had approved the appointment of Ms A.M.M Badimo with effect from 01 May 2019 to 31 December 2020. This was after the resignation of Dr. Hlamalani Nelly Manzini who resigned with effect from 01 October 2017.

### **AUDIT COMMITTEE ANNUAL STRATEGIC PLANNING WORKSHOP & ORIENTATION PROGRAMME**

The AC held its AC Annual Strategic Planning Workshop from 18 – 20 February 2020 to review its 2019/2020 performance and plan for the 2020/2021 financial year. In addition to overseeing the work of all four (4) Clusters Audit Committees, the Central Audit Committee (CAC) structure assumed the responsibility of monitoring the implementation of the resolutions taken during the AC Annual Strategic Planning Workshop. The annual AC strategic planning workshop included an orientation programme for the newly appointed AC members. This involved a process whereby all the Departments distributed their Annual Performance Plans, prior to the start of the session, and presented their mandates to their respective Clusters AC members.

All the MECs of the respective Departments including the Honourable Premier were invited during the second day of the session. Both the Business Executive of the Limpopo Auditor General and the Chief Audit Executive (CAE) of the Limpopo Shared Internal Audit Services presented their expectations to the AC members. The session prepared the AC members with their overarching governance responsibilities and also served as a networking platform for all the AC Stakeholders including Departments; Shared Internal Audit Services (SIAS); AGSA; Transversal Stakeholders and some Professional Bodies such as Institute of Internal Audit South Africa.

The AC Charter, Internal Audit Charter and the Accounting Officers' Reporting Framework to the AC were reviewed and adopted during the workshop. The most pressing and concerning issue by the AC was the

delay in the implementation of the Combined Assurance model in the Province. Although the Province had developed a conceptual document with Supply Chain Management (SCM) being the pilot for the implementation, the AC raised concerns about the slow approach in fully implementing and ensuring that all the assurance providers in the Province are not working in silos. The AC has given the responsibility of ensuring that the Combined Assurance model is working in the Province to the SIAS.

## **AUDIT COMMITTEE MEETINGS**

During the financial year 2019/2020, the AC has met at least four (4) times to perform its roles and responsibilities as stipulated in the AC Charter. Special meetings (Teleconference) for the Department of Education and the Department of Social Development were held subsequent to their planned meetings to finalise the review of the Annual Financial Statements (AFS) in preparation for the audit by the Auditor General South Africa (AGSA). The AFS of the two Departments were subsequently recommended for audit by AGSA during the teleconference meetings. Moreover, the Departments of Sport, Arts & Culture (DSAC) and the Department of Public Works, Roads & Infrastructure (DPWRI) had their second quarterly Audit Committee meetings cancelled and rearranged for another dates due to late submission of the AC information to the AC stakeholders by DSAC and non-attendance of the AC meeting by the HOD of the DPWRI. The meetings were subsequently arranged for the following week to enable AC members to prepare adequately for DSAC and to enable the HOD of the DPWRI to attend the AC meeting. The third quarterly AC meetings to review the third quarter Departmental reports as well as the AGSA audit coverage strategies and approve the Internal Audit Plans could not take place due to the National Lockdown due to the COVID-19 pandemic.

On the 10th June 2019, the AC members attended a briefing session by AGSA to brief and update the AC members on the amendments to the Public Audit Act dealing with material irregularities and the related methodology that will be used by AGSA nationwide.

## **MEETINGS BETWEEN MECS OF DEPARTMENTS AND AC CHAIRPERSONS**

Cluster Chairpersons managed to meet some of their respective MECs responsible for departments in their Clusters to share and discuss their respective AC matters/concerns for prompt intervention by the MECs. However, securing meeting slots between the Cluster AC Chairpersons and the respective MECs responsible for the Departments they serve remains a challenge. This led to some of the Clusters (including Cluster 04 and 03) not able to meet all the MECs responsible for the Departments they serve during the financial year 2019/2020. During the strategic planning session, the AC Chairpersons pleaded with the Head of Departments (HODs) to be in the forefront of ensuring that the meetings are taking place since they work closely with their respective MECs. However, it must be noted that the CAC Chairperson managed to meet with the Honourable MEC for Finance to discuss all the CAC reports that were presented at EXCO.

### CAC CHAIRPERSON MEETINGS

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

### 360 DEGREE AUDIT COMMITTEE EVALUATION

National Treasury 360 Degree Audit Committee Evaluation model was used to evaluate the work and performance of the AC. The final evaluation score yielded an average of 4.50 (using a rating between 1 – 5) when combining the average scores of all the AC Stakeholders. This represented a slight decline from the previous evaluation period which yielded an average score of 4.60. The AC stakeholders participated in the performance evaluation of the AC included Provincial Internal Audit, AC Members and Departmental Management teams (Accounting Officers, Chief Risk Officers, Chief Financial Officers, Head of Internal Controls and GITO). AGSA as an AC stakeholder could not participate in the performance review of the AC as they do their own evaluation in the management report of each Department to protect and maintain their independence.

The table below outlines the nature and activities of each Audit Committee meeting/event held:

No.	Period	Nature of the ac meeting	Information / documents reviewed
1.	May 2019	Review of Fourth Quarterly Performance Information and Draft Annual Report (Including Draft Annual Financial Statements) before submission to the Auditor General	a. Performance Information, b. Draft Annual Financial Statements, c. Accounting Officer's Report to the AC (Financial & Non-Financial), d. Quarterly Risk Management Report, e. SCOPA Resolutions Implementation Progress, f. Auditor General Audit Findings Implementation Progress, g. Internal Audit Quarterly Progress Report.
2.	May 2019	Special Meeting to Review & Recommend for Audit; Education & Social Development AFS (Teleconference Meeting)	a. Draft Annual Financial Statements. b. Annual Performance Report
3.	July 2019	Review the Draft AGSA Audit and Management Reports	a. Draft AGSA Management Reports, b. Draft AGSA Audit Reports.

No.	Period	Nature of the ac meeting	Information / documents reviewed
4.	September 2019	Review the First Quarter Performance Reports (Financial and Non-Financial)	a. Accounting Officer's Report to the AC (Financial & Non-Financial), b. Quarterly Risk Management Report, c. SCOPA Resolutions Implementation Progress, d. Auditor General Audit Findings Implementation Progress, e. Internal Audit Quarterly Progress Report. f. Department Procurement Plans
5.	November 2019	Review of Second Quarter Performance Reports (Financial & Non-Financial)	a. Accounting Officer's Report to the AC (Financial & Non-Financial), b. Quarterly Risk Management Report, c. SCOPA Resolutions Implementation Progress, d. Auditor General Audit Findings Implementation Progress, e. Internal Audit Quarterly Progress Report.
6.	18 – 20 February 2020	AC Annual Strategic Planning Workshop	a. Approval of the Audit Committee Charter, b. Approval of the Internal Audit Charter, c. Review of the Accounting Officer's Reporting Framework to the AC, d. AC Improvement Plan by Clusters AC Chairpersons e. Reflection on the Status of the Previous Year AC Resolutions, f. 360 Degree AC Evaluation Feedback.
7.	March 2020	Approval of the Three Year Internal Audit Plan plus Annual Plan and Auditor General Audit Coverage Strategy	Meetings were cancelled due to COVID-19 pandemic and the National Lockdown announcement by the State President.

#### 11.2.1.2. 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.

The table below provides details of each audit committee member

Initials & surname	Qualifications	Internal or external member	If internal, position in the department	Date appointed	Date resigned / terminated	No. Of meetings attended (provincial treasury)
M McKENZIE	<ol style="list-style-type: none"> <li>1. CA (SA)</li> <li>2. M COM (Cum Laude)</li> <li>3. B COM: Honours</li> <li>4. B COM: Accounting</li> <li>5. Adv. Cert. in Auditing</li> </ol>	External	N/A	01 January 2014 (Reappointed: 01 February 2017)	31 December 2019	04
M.A.F MOJA	<ol style="list-style-type: none"> <li>1. MBL</li> <li>2. Advanced Treasury Management</li> <li>3. B COMM</li> </ol>	External	N/A	01 February 2017 (Reappointed: 01 February 2017)	31 December 2019	04
P.S FOURIE	<ol style="list-style-type: none"> <li>1. CA (SA)</li> <li>2. RBA Registered Auditor</li> <li>3. B COM: Hon (Accounting)</li> <li>4. B COM: Accounting</li> <li>5. CTA</li> </ol>	External	N/A	01 February 2017	31 December 2019	03
A.M.M BADIMO	<ol style="list-style-type: none"> <li>1. MBA</li> <li>2. B. Sc. Computer Science</li> <li>3. B. Sc. Hon: Computer Science</li> <li>4. Cobol Programming Diploma</li> <li>5. M. Sc. Applied Science (Elec. Engineering)</li> <li>6. Project Management Diploma</li> <li>7. Certified Information Security Manager</li> <li>8. Certified Information Systems Auditor</li> <li>9. Certification in the Governance of the Enterprise IT</li> <li>10. COBIT® 5 Implementation Certification</li> <li>11. Certificate Auditing the Environment</li> </ol>	External	N/A	01 May 2019	(Reallocated to Cluster 01 AC with effect from 1 February 2020)	03

Initials & surname	Qualifications	Internal or external member	If internal, position in the department	Date appointed	Date resigned / terminated	No. Of meetings attended (provincial treasury)
S.A.B NGOBENI	<ol style="list-style-type: none"> <li>1. SAIPA</li> <li>2. RGA</li> <li>3. MBA</li> <li>4. M Com: Tax</li> <li>5. B Compt Honours: CTA</li> <li>6. B Com: Accounting</li> <li>7. Cert: Portfolio &amp; Invest Analysis</li> <li>8. H. Dip.: Computer Auditing</li> <li>9. Cert: Mining Taxation</li> <li>10. Cert: Project Management</li> <li>11. Cert: Labour Relations</li> </ol>	External	N/A	Appointed: to 01 February 2020	To date	-
S.P MZIZI	<ol style="list-style-type: none"> <li>1. CSSA International Qualifying Exam Institutes of Secretaries</li> <li>2. Post Grad Dip: Corporate Law</li> <li>3. CIMA</li> <li>4. BCom Hons</li> <li>5. B Tech Accounting</li> <li>6. H Diploma Education</li> </ol>	External	N/A	01 February 2020	To Date	-
M.G MATHABATHE	<ol style="list-style-type: none"> <li>1. N Dip: Auditing</li> <li>2. B Tech: Internal Auditing</li> </ol>	External	N/A	01 February 2020	To Date	-
K.M RAMUKUMBA	<ol style="list-style-type: none"> <li>1. CA (SA)</li> <li>2. IRBA</li> <li>3. B Com: Honours (Fin.Acc.)</li> <li>4. B Com: Financial Accounting</li> </ol>	Internal	Working for State Owned Entity as the CEO (CHIETA)	01 February 2020	To Date	-

## 12. AUDIT COMMITTEE REPORT

### REPORT OF THE AUDIT COMMITTEE ON LIMPOPO PROVINCIAL TREASURY (LPT)

We are pleased to present our report for the financial year ended 31 March 2020.

#### 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 2020, 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 satisfactorily, 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;
- Assessed the adequacy of the performance of the internal audit function and found it somewhat satisfactory and concluded that the unit should develop its own Business Continuity Plan and invest more money in the review of the Information Technology controls.

## **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 fully 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 ANNUAL FINANCIAL STATEMENTS**

Following the review by the Audit Committee of the annual financial statements for the year ended 31 March 2020 before and after the audit, the committee is of the view that, in all material respects, it complied with the relevant provisions of the PFMA and MCS and fairly presents the financial position at that date and the results of its operations and cash flows for the year then ended.

## **EVALUATION OF ANNUAL PERFORMANCE REPORT**

Following the review by the Audit Committee of the annual performance report for the year ended 31 March 2020 before and after the audit, the committee is of the view that, in all material respects, the department complied with the relevant provisions of the PFMA and Framework for Managing Programme Performance Information(FMPPI) and fairly presents the performance of the department at that date. Furthermore, the Audit Committee concurs with reasons for deviations and measures proposed to address the underachieved contained in the report.

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



**FINAL AUDITOR GENERAL'S REPORT**

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and annual performance reports, which is the unmodified audit opinion without findings (clean audit). Consequently, the Audit Committee is of the opinion that the audited annual financial statements and annual performance report be accepted and read together with the report of the Auditor-General.

Having achieved clean audit opinion for the financial year, the Audit committee commend Honorable MEC, HoD and departmental staff for maintaining a clean audit and clean governance status.

**COVID-19 OUTBREAK (POST SUBSEQUENT EVENTS)**

Based on the review of the department's COVID-19 outbreak response and management response strategy and plan (include Business Continuity Plan), the Audit Committee concluded that department plan and strategy is adequate and resilient.

**CONCLUSION**

The Audit Committee wishes to acknowledge the commitment and support of Honourable MECs (past and present), AGSA staff, management and staff of the department. The political and administrative leadership stability in the department played ultimate and big role towards and improved and positive financial and non-financial performance.

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.




---

SAB Ngobeni  
Chairperson of the Audit Committee  
Limpopo Provincial Treasury  
Date 30 September 2020

### 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 (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	N/A	
Developing and implementing a preferential procurement policy?	N/A	
Determining qualification criteria for the sale of state-owned enterprises?	N/A	
Developing criteria for entering into partnerships with the private sector?	N/A	
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	N/A	



# **PART D: HUMAN RESOURCE MANAGEMENT**

*"We are the best in what we do"*

## 1. INTRODUCTION

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

## 2. OVERVIEW OF HUMAN RESOURCES

### THE STATUS OF HUMAN RESOURCES IN THE DEPARTMENT.

The Limpopo Provincial Treasury had completed all preparations to implement the approved organisational structure with effect from 01 April 2019 and the structure has 535 posts. The total number of staff on the establishment as at 31 March 2020 is 489.

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 264 females which translates to 54 % and 225 males which translates to 46%. The department has 48 SMS members of which 21 are females and this translates to 44% and 27 males which translates to 56%. With regards to people with disabilities the department is at 1.84% on overall employees and at 2% for SMS. The Department needs to improve on the disability statistics 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 Human Resources of the department has just been migrated into the new organisational structure with effect from the 01 April 2019 and all employees across all levels have been issued with placement letters, employees placed on new posts will be trained and developed in line with the Work Place Skills Plan of the department to enable them to function optimally in their new responsibilities.

During 2019/20 fourteen (14) employees were enrolled on WITS Capacity Building Programme of which eleven (11) were females and three (3) were males. One hundred and fifty-nine (159) employees attended NQF Levels Skills Programmes. Seventy – seven (77) employees were registered for various qualifications with various institutions of higher learning as follows (obligation from previous years):

- Programmes/ National Diplomas/ junior degrees: 40
- Post – graduate studies/ Honours: 19
- Post – graduate studies/ Masters/PHD degrees: 13

Twenty – eight (28) new bursaries for internal employees were approved by the HoD on 27 February 2020 for 2020 academic year.



Sixteen (16) trainees were enrolled on the Internal Audit Technician learnership programme and successfully completed all modules (TM1 to TM8). These trainees were to write final assessment from 30 March to 03 April 2020, which were delayed due to the COVID-19 pandemic. It is anticipated these assessments can be done in August 2020. Treasury has 57 interns currently on the internship programme. Recruitment of twenty - six (26) new interns has been finalised, however, their appointment has not been finalised due to COVID-19 outbreak. Twenty – four (24) learners enrolled on the Work Integrated Learning Programme (15 from Capricorn TVET; 5 from Waterberg TVET; 3 from Vhembe TVET and 1 from Sekhukhune TVET). Five (5) Chartered Accountant trainees were enrolled on CA programme on the 3rd of February 2020.

In relation to the employment and vacancies reflected per programme, salary band and critical occupations, it relates to permanent employees (tables 3.2.1; 3.2.2 and 3.2.3). In the financial year 2019/20 there were 91 employees appointed on contract including youth on the development programmes. The 91 contract employees are not regarded as additional to the establishment, but as posts filled on contract not regarded as excess posts.

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

The department has developed process maps for functions on the establishment complying to the legal requirement in terms of the Public Service Regulations as amended. The implementation of an E-Leave management and E-PMDS systems are critical areas in order to enhance efficiencies on leave and PMDS which are being facilitated by the OTP. The filling of vacant funded posts is another priority however it has



been impacted by the verification processes as implemented by the Provincial Personnel Management Committees and the re-prioritization of the COE budgets with the COVID-19 pandemic. 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.

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

The Department has an approved Human Resources Plan 2017-2020 which clearly articulates the objectives to be achieved which amongst others include the following: Competent and Skilled workforce based on the support and core business of the department, implementation of the new organisational structure which has been successfully achieved with effect from 01 April 2019, the development and implementation of the turnaround strategy on PMDS which has been successfully implement which has resulted in an improved turnaround time on moderations and assessments of employees. The Department is currently in the process of reviewing and developing the 2020-2023 Human Resources Plan.

The department is awaiting the finalization of the Transversal HRM policies facilitated by the Office of the Premier. We continue to recruit competent personnel by adhering to the job descriptions and posts requirements when advertisements are made.

The department complies with the Employee Performance Management policy by ensuring that employees at the beginning of the financial year enter into performance agreements and their performance is review twice during the financial year, that is Mid – term and Annual reviews. During the financial year under review, the department attained 94% submission rate for 2019/20 Performance Agreements, 92% on 2019/20 Mid – Term review submissions and 95% submission rate for 2018/19 Annual Reviews. The department realised significant improvement on the submission rate as compared to previous financial years after adoption and implementation of the PMDS turnaround strategy. Performance feedback is provided to all the employees after mid – term and annual performance reviews are conducted. Employees who have performed exceptionally well are rewarded through the PMDS incentive policy.

• **Employee wellness programmes.**

The Employee Health and Wellness programme looks after the wellbeing of employees because we believe that a healthy workforce is a productive workforce and this slogan has guided us through all the operations.

The programme has successfully implemented the following initiatives:

**HIV & AIDS, TB AND STIS MANAGEMENT:**

Proactive response such as educational and awareness sessions on HIV and AIDS prevention, condom use promotion, Stigma and discrimination based on HIV and AIDS status and gender-sensitive right based. 192 employees were reached in this regard. 149 employees tested for HIV, know their status and the

likelihood for modifying the desired behaviour is anticipated

#### **HEALTH & PRODUCTIVITY MANAGEMENT:**

4 sessions on integrated wellness screening of chronic diseases coordinated. 261 employees checked their blood pressure, glucose, TB, Body Mass Index and cholesterol. Awareness on mental health illnesses with specific focus to depression was coordinated and 99 employees participated.

#### **SHERQ MANAGEMENT:**

All 9 departmental buildings were inspected and monitored in terms of the OHS Act. 24 hazards were identified, assessed and a report was discussed with relevant stakeholders for corrective measures. Three (03) quarterly OHS committee meetings were held and the fourth quarter was derailed by the outbreak of Covid-19 and the subsequent lockdown pronouncement by the President

#### **WELLNESS MANAGEMENT:**

The provision of psycho-social interventions provided to all referred employees were monitored. Employee Assistance Programme (EAP) third and fourth quarter statistics were compiled to document all referred EAP cases and submitted to Office of the Premier. 60 psychosocial interventions were provided to 17 referred cases and 23 follow-up cases. 16 Departmental spiritual wellness sessions coordinated. 01 targeted financial wellness educational session coordinated on the 18 September 2019. 19 employees participated.

#### **ACHIEVEMENTS**

1. Implementation of the approved Organisational Structure which was captured on PERSAL and interfaced with BAS.
2. Placement of all employees on the approved structure with effect from 01 April 2019
3. PMDS achieved a level 3 MPAT score
4. HRM Plan was evaluated at level 3 MPAT score
5. Treasury was accredited by the South African Institute of Chartered Accountants as a site to train chartered accountant trainees and the first 5 candidates were enrolled in February 2020.
6. Active Employee Wellness programmes implemented

#### **CHALLENGES**

1. Turnaround time in receiving approvals from the PPMC on posts to be filled.
2. The Declaratory Order on the accelerated pay progression matter still pending
3. Lack of clarity on the allocation of bursaries for external students

### **3. HUMAN RESOURCES OVERSIGHT STATISTICS**

#### **3.1. PERSONNEL RELATED EXPENDITURE**

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

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

**Table 3.1.1. Personnel expenditure by programme for the period 1 April 2019 and 31 March 2020**

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
ADMINISTRATION	184,364	118,310	3,964	-	64.2	464
SUSTAINABLE RESOURCE MANAGEMENT	80,866	53,449	-	-	66.1	1,008
ASSETS, LIABILITIES&SUP CHAIN MANAGEMENT	51,954	45,035	87	-	86.7	804
FINANCIAL GOVERNANCE	110,755	47,090	1,295	-	42.5	548
SHARED INTERNAL AUDIT SERVICES	43,340	39,494	328	-	91.1	598
<b>Total</b>	<b>471,279</b>	<b>303,378</b>	<b>5,674</b>	<b>-</b>	<b>64.4</b>	<b>588</b>

**Table 3.1.2. Personnel costs by salary band for the period 1 April 2019 and 31 March 2020**

Salary band	Personnel expenditure Including Transfers (R'000)	% of total personnel cost including goods and services	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	3,543	1.1%	20	177,1
Skilled (Levels 3-5)	8,369	2.6%	31	269,9
Highly skilled production (Levels 6-8)	53,647	16.8%	116	462,4
Highly skilled supervision (Levels 9-12)	153,278	48.0%	185	828,5
Senior management (Levels >= 13)	58,211	18.2%	44	1 322,9
Contract (Levels 3-5)	3,511	1.1%	5	702,2
Contract (Levels 6-8)	3,732	1.2%	13	287,1
Contract (Levels 9-12)	9,212	2.9%	12	767,6
Contract (Levels >= 13)	9,222	2.9%	5	1 844,4
Contract Other	3,503	1.1%	58	60,4
Periodical Remuneration	5,114	1.6%	27	189,4
<b>Total</b>	<b>311,342</b>	<b>97.6%</b>	<b>516</b>	<b>603,3</b>

**Table 3.1.3. Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2019 and 31 March 2020**

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	100,886	83.0%	61	0.1%	3,717	3.1%	4,035	3.3%
PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT					1,583		785	
PROGRAMME 3: ASSETS & LIABILITIES MANAGEMENT	38,644	81.7%	-	-	1,068	2.3%	1,180	2.5%
PROGRAMME 4: FINANCIAL GOVERNANCE	40,251	74.0%	-	-	1,533	2.8%	1,244	2.3%
PROGRAMME 5 SHARED INTERNAL AUDIT SERVICE	32,910	81.4%	-	-	1,512	3.7%	1,305	3.2%
<b>Total</b>	<b>258,810</b>	<b>81.1%</b>	<b>61</b>	<b>-</b>	<b>9,413</b>	<b>2.9%</b>	<b>8,549</b>	<b>2.7%</b>

**Table 3.1.4. Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2019 and 31 March 2020**

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical Aid as a % of personnel costs
Lower skilled (Levels 1-2)	2,355	66.5%	-	-	322	9.1%	570	16.1%
Skilled (Levels 3-5)					538		720	
Highly skilled production (Levels 6-8)	42,973	79.5%	3	-	2,125	3.9%	2,924	5.4%
Highly skilled supervision (Levels 9-12)	130,313	82.9%	45	-	3,827	2.4%	3,799	2.4%
Senior management (Levels >= 13)	49,938	82.5%	-	-	2,124	3.5%	464	0.8%

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
Contract (Levels 3-5)	3,509	99.9%	-	-	-	-	-	-
Contract (Levels 6-8)	3,732	98.5%	-	-	-	-	-	-
Contract (Levels 9-12)	7,943	84.2%	-	-	307	3.3%	16	0.2%
Contract (Levels >= 13)	8,262	85.0%	-	-	168	1.7%	56	0.6%
Contract Other	3,499	99.3%	-	-	-	-	-	-
Periodical Remuneration	-	-	-	-	-	-	-	-
<b>Total</b>	<b>258,810</b>	<b>81.1%</b>	<b>61</b>	<b>-</b>	<b>9,413</b>	<b>2.9%</b>	<b>8,549</b>	<b>2.7%</b>

### 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 2020**

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
INTERNAL AUDIT	77	66	2.05	0
PROGRAM 2: SUSTAINABLE RESOURCE MANAGEMENT, Permanent	87	49	7.1	0
PROGRAM 3: ASSETS & LIABILITIES MANAGEMENT, Permanent	71	56	2.8	0
PROGRAM 4: FINANCIAL GOVERNANCE, Permanent	80	60	3.7	0
PROGRAMME 1: ADMINISTRATION, Permanent	220	167	9.9	0
<b>Total</b>	<b>535</b>	<b>398</b>	<b>25.6</b>	<b>0</b>

**Table 3.2.2. Employment and vacancies by salary band as on 31 March 2020**

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate (Including Frozen Posts)	Number of employees additional to the establishment
01 Lower Skilled (Levels 1-2), Permanent	28	20	28.60	0
02 Skilled (Levels 3-5), Permanent	33	31	6.10	0
03 Highly Skilled Production (Levels 6-8), Permanent	149	116	22.10	0
04 Highly Skilled Supervision (Levels 9-12), Permanent	262	187	28.60	0
05 Senior Management (Levels >= 13), Permanent	63	44	30.20	0
<b>Total</b>	<b>535.00</b>	<b>398.00</b>	<b>25.60</b>	<b>0</b>

**Table 3.2.3. Employment and vacancies by critical occupations as on 31 March 2020**

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate (Including Frozen Posts)	Number of employees additional to the establishment
ADMINISTRATIVE RELATED, Permanent	114	96	15.80	0
CASHIERS TELLERS AND RELATED CLERKS, Permanent	2	2	0.00	0
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC., Permanent	34	26	23.50	0
CLIENT INFORM CLERKS(SWITCHB RECEIPT INFORM CLERKS), Permanent	8	5	37.50	0
FINANCE AND ECONOMICS RELATED, Permanent	34	34	0.00	0
FINANCIAL AND RELATED PROFESSIONALS, Permanent	130	103	20.80	0
FINANCIAL CLERKS AND CREDIT CONTROLLERS, Permanent	59	27	54.20	0
HEAD OF DEPARTMENT/ CHIEF EXECUTIVE OFFICER, Permanent	1	1	0.00	0
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF, Permanent	12	12	0.00	0
HUMAN RESOURCES CLERKS, Permanent	6	5	16.70	0

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate (Including Frozen Posts)	Number of employees additional to the establishment
HUMAN RESOURCES RELATED, Permanent	19	12	36.80	0
INFORMATION TECHNOLOGY RELATED, Permanent	1	1	0.00	0
LANGUAGE PRACTITIONERS INTERPRETERS & OTHER COMMUN, Permanent	1	1	0.00	0
LOGISTICAL SUPPORT PERSONNEL, Permanent	14	11	21.40	0
MATERIAL-RECORDING AND TRANSPORT CLERKS, Permanent	3	1	66.70	0
MESSENGERS PORTERS AND DELIVERERS, Permanent	3	2	33.30	0
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS, Permanent	5	0	100.00	0
OTHER INFORMATION TECHNOLOGY PERSONNEL., Permanent	2	2	0.00	0
OTHER OCCUPATIONS, Permanent	1	1	0.00	0
RISK MANAGEMENT AND SECURITY SERVICES, Permanent	3	3	0.00	0
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS, Permanent	32	20	37.50	0
SECURITY OFFICERS, Permanent	1	1	0.00	0
SENIOR MANAGERS, Permanent	48	30	37.50	0
SOCIAL WORK AND RELATED PROFESSIONALS, Permanent	2	2	0.00	0
<b>Total</b>	<b>535</b>	<b>398</b>	<b>25.60</b>	<b>0</b>

### 3.3. FILLING OF SMS POSTS

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

**Table 3.3.1. SMS post information as on 31 March 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%	-	-
Salary Level 16	-	-	-	-	-
Salary Level 15	7	6	85.7%	1	14.29
Salary Level 14	15	11	73.3%	4	26.67
Salary Level 13	44	30	68.1%	14	31.82
Total	67	48	71.6%	19	28.36

**Table 3.3.2. SMS post information as on 30 September 2019**

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100%	-	-
Salary Level 16	-	-	-	-	-
Salary Level 15	7	4	57.1%	3	42.9%
Salary Level 14	14	9	64.2%	5	35.8%
Salary Level 13	37	30	81.1%	7	18.9%
Total	59	44	74.6%	15	25.4%

**Table 3.3.3. Advertising and filling of SMS posts for the period 1 April 2019 and 31 March 2020**

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	-	-	-
Salary Level 16	-	-	-
Salary Level 15	-	-	-
Salary Level 14	-	-	-
Salary Level 13	1	1	-
Total	1	1	-

**Table 3.3.4. Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2019 and 31 March 2020**

**Reasons for vacancies not advertised within six months**

Employees were placed into new organisational structure with effect from 1 April 2019. Prior to advertising vacancies, approval was first obtained from Provincial Personnel Management Framework in line with allocation of CoE

**Reasons for vacancies not filled within twelve months**

Employees were placed into new organisational structure with effect from 1 April 2019. Prior to advertise vacancies, approval was first obtained from Provincial Personnel Management Framework in line with allocation of CoE

**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 2019 and 31 March 2020**

**Reasons for vacancies not advertised within six months**

Employees were placed into new organisational structure with effect from 1 April 2019. Prior to advertising vacancies, approval was first obtained from Provincial Personnel Management Framework in line with allocation of CoE

**Reasons for vacancies not filled within six months**

Employees were placed into new organisational structure with effect from 1 April 2019. Prior to advertising vacancies, approval was first obtained from Provincial Personnel Management Framework in line with allocation of CoE



### 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 2019 and 31 March 2020**

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%	-	-	-	-
Skilled (Levels 3-5)	33	33	100%	-	-	-	-
Highly skilled production (Levels 6-8)	149	149	100%	-	-	-	-
Highly skilled supervision (Levels 9-12)	-	-	-	-	-	2	0.7%
Senior Management Service Band A	1	1	100%	-	-	-	-
Senior Management Service Band B	5	5	100%	-	-	-	-
Senior Management Service Band C	13	13	100%	-	-	-	-
Senior Management Service Band D	44	44	100%	-	-	-	-
<b>Total</b>	<b>535</b>	<b>535</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>0.4%</b>

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 2019 and 31 March 2020**

Gender	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Employees with a disability	-
-----------------------------	---

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 2019 and 31 March 2020**

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC.	5	2	3	Res3/2009
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
FINANCIAL CLERKS AND CREDIT CONTROLLERS	1	7	8	Res 3/2009
ADMINISTRATIVE RELATED	12	9	10	Post downgrade 1/04/2019
FINANCIAL AND RELATED PROFESSIONALS	40	9	10	Post downgrade 1/04/2019
FINANCIAL CLERKS AND CREDIT CONTROLLERS	19	9	10	Post downgrade 1/04/2019
HUMAN RESOURCES RELATED	6	9	10	Post downgrade 1/04/2019
LOGISTICAL SUPPORT PERSONNEL	1	9	10	Post downgrade 1/04/2019

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS	1	9	10	Post downgrade 1/04/2019
RISK MANAGEMENT AND SECURITY SERVICES	1	9	10	Post downgrade 1/04/2019
ADMINISTRATIVE RELATED	14	11	12	Post downgrade 1/04/2019
FINANCIAL AND RELATED PROFESSIONALS	54	11	12	Post downgrade 1/04/2019
FINANCIAL CLERKS AND CREDIT CONTROLLERS	6	11	12	Post downgrade 1/04/2019
HUMAN RESOURCES RELATED	2	11	12	Post downgrade 1/04/2019
Total number of employees whose salaries exceeded the level determined by job evaluation				167
Percentage of total employed				34%

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 2019 and 31 March 2020**

Gender	African	Asian	Coloured	White	Total
Female	63	-	1	2	66
Male	97	1	-	3	101
Total	160	1	1	5	167
Employees with a disability	1	-	-	-	1



### 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 2019 and 31 March 2020**

Salary band	Number of employees at beginning of period-1 April 2019	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
01 Lower Skilled (Levels 1-2) Permanent	20	-	-	-
02 Skilled (Levels 3-5) Permanent	32	-	1	3.1
03 Highly Skilled Production (Levels 6-8) Permanent	119	-	3	2.5
04 Highly Skilled Supervision (Levels 9-12) Permanent	187	-	3	1.6
05 Senior Management Service Band A Permanent	31	2	2	6.5
06 Senior Management Service Band B Permanent	11	-	2	18.2
07 Senior Management Service Band C Permanent	4	-	-	-
08 Senior Management Service Band D Permanent	1	-	1	100.0
09 Other Permanent	25	39	6	24.0
11 Contract (Levels 3-5) Permanent	18	18	13	72.2
12 Contract (Levels 6-8) Permanent	20	1	8	40.0
13 Contract (Levels 9-12) Permanent	14	13	15	107.1
14 Contract Band A Permanent	1	1	2	200.0
15 Contract Band B Permanent	2	-	-	-
16 Contract Band C Permanent	2	1	1	50.0
17 Contract Band D Permanent	1	-	-	-
<b>Total</b>	<b>488</b>	<b>75</b>	<b>57</b>	<b>11.7</b>

**Table 3.5.2. Annual turnover rates by critical occupation for the period 1 April 2019 and 31 March 2020**

Critical occupation	Number of employees at beginning of period-April 2019	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
ADMINISTRATIVE RELATED Permanent	87	1	3	3.4
CASHIERS TELLERS AND RELATED CLERKS Permanent	3	-	-	-
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC. Permanent	28	-	1	3.6
CLIENT INFORM CLERKS(SWITCHB RECEIPT INFORM CLERKS) Permanent	6	-	-	-
FINANCE AND ECONOMICS RELATED Permanent	34	-	-	-
FINANCIAL AND RELATED PROFESSIONALS Permanent	126	6	16	12.8
FINANCIAL CLERKS AND CREDIT CONTROLLERS Permanent	21	5	1	4.8
HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER Permanent	1	-	-	-
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF Permanent	13	-	-	-
HUMAN RESOURCES CLERKS Permanent	6	-	-	-
HUMAN RESOURCES RELATED Permanent	7	-	-	-
INFORMATION TECHNOLOGY RELATED Permanent	1	-	-	-
LANGUAGE PRACTITIONERS INTERPRETERS & OTHER COMMUN Permanent	1	-	-	-
LIBRARY MAIL AND RELATED CLERKS Permanent	1	-	-	-
LOGISTICAL SUPPORT PERSONNEL Permanent	11	-	1	9.1
MESSENGERS PORTERS AND DELIVERERS Permanent	8	-	-	-
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS Permanent	69	57	25	36.2
OTHER INFORMATION TECHNOLOGY PERSONNEL. Permanent	2	-	-	-
OTHER OCCUPATIONS Permanent	1	-	1	100.0

Critical occupation	Number of employees at beginning of period-April 2019	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
RISK MANAGEMENT AND SECURITY SERVICES Permanent	3	-	-	-
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS Permanent	24	3	3	12.5
SECURITY OFFICERS Permanent	1	-	-	-
SENIOR MANAGERS Permanent	33	3	6	18.2
SOCIAL WORK AND RELATED PROFESSIONALS Permanent	2	-	-	-
<b>Total</b>	<b>489</b>	<b>75</b>	<b>57</b>	<b>11.7</b>

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 2019 and 31 March 2020**

Termination Type	Number	% of Total Resignations
01 Death, Permanent	2	3.5%
02 Resignation, Permanent	19	33.3%
03 Expiry of contract, Permanent	30	52.6%
09 Retirement, Permanent	6	10.5%
<b>Total</b>	<b>57</b>	<b>100.0%</b>

**Table 3.5.4. Promotions by critical occupation for the period 1 April 2019 and 31 March 2020**

Occupation	Employees 1 April 2019	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
ADMINISTRATIVE RELATED	87	-	-	78	89.7%
CASHIERS TELLERS AND RELATED CLERKS	3	-	-	2	66.7%
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC.	28	-	-	21	75.0%
CLIENT INFORM CLERKS(SWITCHB RECEIPT INFORM CLERKS)	6	-	-	4	66.7%
FINANCE AND ECONOMICS RELATED	34	-	-	26	76.5%
FINANCIAL AND RELATED PROFESSIONALS	125	-	-	79	63.2%
FINANCIAL CLERKS AND CREDIT CONTROLLERS	21	-	-	15	71.4%
HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER	1	-	-	-	-
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF	13	1	7.7%	7	53.8%
HUMAN RESOURCES CLERKS	6	-	-	2	33.3%
HUMAN RESOURCES RELATED	7	-	-	7	100.0%
INFORMATION TECHNOLOGY RELATED	1	-	-	1	100.0%
LANGUAGE PRACTITIONERS INTERPRETERS & OTHER COMMUN	1	-	-	1	100.0%
LIBRARY MAIL AND RELATED CLERKS	1	-	-	-	-
LOGISTICAL SUPPORT PERSONNEL	11	-	-	5	45.5%
MESSENGERS PORTERS AND DELIVERERS	8	-	-	2	25.0%
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS	69	-	-	5	7.2%
OTHER INFORMATION TECHNOLOGY PERSONNEL.	2	-	-	2	100.0%
OTHER OCCUPATIONS	1	-	-	-	0.0%
RISK MANAGEMENT AND SECURITY SERVICES	3	-	-	3	100.0%

Occupation	Employees 1 April 2019	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS	24	-	-	12	50.0%
SECURITY OFFICERS	1	-	-	1	100.0%
SENIOR MANAGERS	33	-	-	26	78.8%
SOCIAL WORK AND RELATED PROFESSIONALS	2	-	-	2	100.0%
<b>Total</b>	<b>488</b>	<b>1</b>	<b>0.2%</b>	<b>301</b>	<b>61.7%</b>

**Table 3.5.5. Promotions by salary band for the period 1 April 2019 and 31 March 2020**

Salary Band	Employees 1 April 2019	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level bands	Notch progression as a % of employees by salary bands
01 Lower Skilled (Levels 1-2), Permanent	20	-	-	18	90.0
02 Skilled (Levels 3-5), Permanent	32	-	-	26	81.3
03 Highly Skilled Production (Levels 6-8), Permanent	119	-	-	79	66.4
04 Highly Skilled Supervision (Levels 9-12), Permanent	187	1	0.5%	134	71.7
05 Senior Management (Levels >= 13), Permanent	47	-	-	38	80.9
09 Other, Permanent	25	-	-	0	-
11 Contract (Levels 3-5), Permanent	18	-	-	0	-
12 Contract (Levels 6-8), Permanent	20	-	-	0	-
13 Contract (Levels 9-12), Permanent	14	-	-	4	28.6
14 Contract (Levels >= 13), Permanent	6	-	-	2	33.3
<b>Total</b>	<b>488</b>	<b>1</b>	<b>0.2%</b>	<b>301</b>	<b>61.7%</b>

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 2020**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
01 - SENIOR OFFICIALS AND MANAGERS	16	1	1	1	11	-	1	1	32
02 - PROFESSIONALS	96	-	1	4	70	1	2	3	177
03 - TECHNICIANS AND ASSOCIATE PROFESSIONALS	52	-	-	-	54	1	-	1	108
04 - CLERKS	48	-	-	-	92	-	-	-	140
05 - SERVICE SHOP AND MARKET SALES WORKERS	1	-	-	1	2	-	-	-	4
09 - LABOURERS AND RELATED WORKERS	3	-	-	-	25	-	-	-	28
<b>Total</b>	<b>216</b>	<b>1</b>	<b>2</b>	<b>6</b>	<b>254</b>	<b>2</b>	<b>3</b>	<b>5</b>	<b>489</b>
<b>Employees with disabilities</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9</b>



**Table 3.6.2. Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2020**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
01 Top Management, Permanent	3	1	-	1	-	-	1	0	6
02 Senior Management, Permanent	18	-	1	2	17	-	1	1	40
03 Professionally qualified and experienced specialists and mid-management, Permanent	106	-	1	3	67	1	0	2	180
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	43	-	-	-	84	1	0	2	130
05 Semi-skilled and discretionary decision making, Permanent	14	-	-	-	17	-	-	-	31
06 Unskilled and defined decision making, Permanent	1	-	-	-	19	-	-	-	20
09 Other, Permanent / Experiential learners	23	-	-	-	35	-	-	-	58
08 Contract (Top Management), Permanent	3	-	-	-	-	-	-	-	3
09 Contract (Senior Management), Permanent	0	-	-	-	-	-	1	-	1
10 Contract (Professionally Qualified), Permanent	0	-	-	-	2	-	-	-	2
11 Contract (Skilled Technical), Permanent	5	-	-	-	13	-	-	-	18
<b>Total</b>	<b>216</b>	<b>1</b>	<b>2</b>	<b>6</b>	<b>254</b>	<b>2</b>	<b>3</b>	<b>5</b>	<b>489</b>

**Table 3.6.3. Recruitment for the period 1 April 2019 to 31 March 2020**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
02 Senior Management, Permanent	-	-	-	-	2.	-	-	-	2
07 Not Available, Permanent	13	-	-	-	26	-	-	-	33
08 Contract (Top Management), Permanent	1	-	-	-	-	-	-	-	1
09 Contract (Senior Management), Permanent	1	-	-	-	-	-	-	-	1
10 Contract (Professionally qualified), Permanent	6	-	-	-	7	-	-	-	13
11 Contract (Skilled technical), Permanent	-	-	-	-	1	-	-	-	1
12 Contract (Semi-skilled), Permanent	6	-	-	-	12	-	-	-	18
<b>Total</b>	<b>27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>75</b>
Employees with disabilities	1	-	-	-	5	-	-	-	6

**Table 3.6.4. Promotions for the period 1 April 2019 to 31 March 2020**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
01 Top Management, Permanent	2	1	-	-	-	-	1	-	4
02 Senior Management, Permanent	18	-	-	1	14	-	1	-	34
03 Professionally qualified and experienced specialists and mid-management, Permanent	71	-	1	2	59	1	-	1	135

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	25	-	-	-	52	1	-	1	79
05 Semi-skilled and discretionary decision making, Permanent	12	-	-	-	14	-	-	-	26
06 Unskilled and defined decision making, Permanent	1	-	-	-	17	-	-	-	18
08 Contract (Top Management), Permanent	1	-	-	-	0	-	-	-	1
09 Contract (Senior Management), Permanent	1	-	-	-	0	-	-	-	1
10 Contract (Professionally qualified), Permanent	3	-	-	-	1	-	-	-	4
<b>Total</b>	<b>134</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>157</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>302</b>
Employees with disabilities	2	-	-	-	3	-	-	-	5



**Table 3.6.5. Terminations for the period 1 April 2019 to 31 March 2020**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
01 Top Management, Permanent	-	-	-	1	-	-	-	-	1
02 Senior Management, Permanent	2	-	-	-	2	-	-	-	4
03 Professionally qualified and experienced specialists and mid-management, Permanent	3	-	-	-	-	-	-	-	3
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	3	-	-	-	-	-	-	-	3
05 Semi-skilled and discretionary decision making, Permanent	-	-	-	-	1	-	-	-	1
07 Not Available, Permanent	3	-	-	-	3	-	-	-	6
08 Contract (Top Management), Permanent	1	-	-	-	-	-	-	-	1
09 Contract (Senior Management), Permanent	2	-	-	-	-	-	-	-	2
10 Contract (Professionally qualified), Permanent	7	-	-	-	8	-	-	-	15
11 Contract (Skilled technical), Permanent	2	-	-	-	6	-	-	-	8
12 Contract (Semi-skilled), Permanent	4	-	-	-	9	-	-	-	13
<b>Total</b>	<b>27</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>29</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57</b>
Employees with disabilities	1	-	-	-	2	-	-	-	3

**Table 3.6.6. Disciplinary action for the period 1 April 2019 to 31 March 2020**

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Incompatibility	-	-	-	-	1	-	-	-	1
Contravention of Municipal Finance Management Act (MFMA)	2	-	-	-	-	-	-	-	2

**Table 3.6.7. Skills development for the period 1 April 2019 to 31 March 2020**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	48	-	1	2	44	2	1	1	99
Professionals	79	-	-	-	127	-	-	-	206
Technicians and associate professionals	17	-	-	-	45	1	-	-	63
Clerks	20	-	-	-	46	1	-	1	68
Service and sales workers	-	-	-	-	2	-	-	-	2
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	6	-	-	-	3	-	-	-	9
Elementary occupations	1	-	-	-	30	-	-	-	31
<b>Total</b>	<b>171</b>	<b>-</b>	<b>1</b>	<b>2</b>	<b>297</b>	<b>4</b>	<b>1</b>	<b>2</b>	<b>478</b>
Employees with disabilities	2	-	-	-	2	-	-	-	4

### 3.7. SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

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

**Table 3.7.1. Signing of Performance Agreements by SMS members as on 31 May 2019**

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	1	1	100%
Salary Level 16	-	-	-	-
Salary Level 15	7	6	6	100%
Salary Level 14	15	11	11	100%
Salary Level 13	44	33	31	94%
Total	67	51	49	96%

**Table 3.7.2. Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2020**

Reasons
One official is on sick leave (PILIR). The other official's contract was terminated on 31st December 2019.

**Table 3.7.3. Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2020**

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 2018 to 31 March 2019**

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee (R)
<b>African</b>					
Male	136	213	63.8%	1,941	14,276
Female	173	248	69.8%	1,927	11,140
<b>Asian</b>					
Male	1	2	50.0%	20,4	20,472
Female	2	3	66.6%	39,8	19,906
<b>Coloured</b>					
Male	-	1	-	-	-
Female	2	2	100.0%	30,1	15,034
<b>White</b>					
Male	1	6	16.7%	18,1	18,116
Female	4	5	80.0%	52,7	13,170
<b>Employees with disabilities</b>	<b>3</b>	<b>9</b>	<b>33.3%</b>	<b>21,3</b>	<b>7,129</b>
<b>Total</b>	<b>171</b>	<b>-</b>	<b>1</b>	<b>297</b>	<b>4</b>

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

Salary band	Beneficiary Profile			Cost		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)	
Lower Skilled (Levels 1-2)	23	23	100%	75,9	3 301	4.3%
Skilled (level 3-5)	27	30	90%	148,1	5 487	4%
Highly skilled production (level 6-8)	98	121	81%	841,5	8 587	1%
Highly skilled supervision (level 9-12)	145	193	75%	2 408, 7	16 612	0.6%
<b>Total</b>	<b>293</b>	<b>367</b>	<b>80%</b>	<b>3 474, 3</b>	<b>11 858</b>	<b>0.3%</b>

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

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	19	27	70.4	169.62	8 927
Human resources clerks	4	5	80.0	33.07	8 267
Security officers	1	1	100.0	17.27	17 274
Human resources & organisational development & relate prof	11	12	91.7	168.54	15 322
Messengers porters and deliverers	8	2	400.0	37.40	4 674
Risk management and security services	2	3	66.7	39.21	19 603
Finance and economics related	24	34	70.6	387.77	16 157
Logistical support personnel	11	11	100.0	106.60	9 691
Other administrat & related clerks and organisers	5	81	6.2	36.36	7 273
Other occupations	-	1	-	-	-
Financial and related professionals	82	113	72.6	1 435.70	17 509
Administrative related	70	97	72.2	794.86	11 355
Secretaries & other keyboard operating clerks	16	19	84.2	136.16	8 510
Cleaners in offices workshops hospitals etc.	28	26	107.7	87.77	3 135
Human resources related	12	12	100.0	157.79	13 149
Cashiers tellers and related clerks	3	2	150.0	28.74	9 581
Head of department/chief executive officer	-	1	-	-	-
Language practitioners interpreters & other commun	1	1	100.0	7.42	7 424
Social work and related professionals	2	2	100.0	28.47	14 237
Material-recording and transport clerks	-	1	-	-	-
Senior managers	19	30	63.3	357.48	18 815
Client inform clerks (switchb receipt inform clerks)	4	5	80.0	21.11	5 278
Other information technology personnel.	-	2	-	-	-
Information technology related	-	1	-	-	-
<b>Total</b>	<b>322</b>	<b>489</b>	<b>65.8</b>	<b>4 051.34</b>	<b>12 582</b>

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

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee (R)	
Band A	21	30	70.0%	369,2	17 581	1.0%
Band B	7	11	63.6%	143.1	20 436	0.8%
Band C	1	6	16.7%	23.5	23 489	0.2%
Band D	-	2	-	-	-	-
Total	29	49	59.2%	535.7	18 474	0.80%

### 3.9. FOREIGN WORKERS

**Table 3.9.1. Foreign workers by salary band for the period 1 April 2019 and 31 March 2020**

Salary band	01 April 2019		31 March 2020		Change	
	Number	% of total	Number	% of total	Number	% of total
Contract (level 9-12)	2	100.0	2	100.0	-	-
Total	2	100.0	2	100.0	-	-

**Table 3.9.2. Foreign workers by major occupation for the period 1 April 2019 and 31 March 2020**

Major occupation	01 April 2019		31 March 2020		Change	
	Number	% of total	Number	% of total	Number	% of total
Professionals and managers	2	100.0	2	100.0	-	-



### 3.10. LEAVE UTILISATION

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

**Table 3.10.1. Sick leave for the period 1 January 2019 to 31 December 2020**

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)	84	92.9%	14	3.5	6	46
Skilled (Levels 3-5)	254	85.8%	27	6.8	9	233
Highly skilled production (Levels 6-8)	838	76.1%	101	25.5	8	1 415
Highly skilled supervision (Levels 9-12)	1 077	82.5%	147	37.1	7	3 300
Senior management (Levels 13-16)	207	75.4%	30	7.6	7	971
Contract (Levels 3-5)	47	74.5%	15	3.8	3	43
Contract (Levels 6-8)	103	73.8%	19	4.8	5	111
Contract (Levels 9-12)	70	68.6%	11	2.8	6	227
Contract (Levels 13-16)	13	92.3%	1	0.3	13	62
Contract Other	130	69.2%	31	7.8	4	49
<b>Total</b>	<b>2 823</b>	<b>79.3%</b>	<b>396</b>	<b>100.0</b>	<b>7</b>	<b>6 456</b>

**Table 3.10.2. Disability leave (temporary and permanent) for the period 1 January 2019 to 31 December 2020**

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)
Contract (Levels 3-5)	23	100.0%	1	11.1%	23	21
Contract Other	4	100.0%	2	22.2%	2	1
Highly skilled production (Levels 6-8)	196	100.0%	3	33.3%	65	344
Highly skilled supervision (Levels 9-12)	52	100.0%	2	22.2%	26	196
Senior management (Levels 13-16)	258	100.0%	1	11.1%	258	1 128
<b>Total</b>	<b>533</b>	<b>100.0%</b>	<b>9</b>	<b>100.0%</b>	<b>59</b>	<b>1 690</b>

**Table 3.10.3. Annual Leave for the period 1 January 2019 to 31 December 2020**

Salary band	Total days taken	Average per employee	Number of Employees using annual leave
Contract (Levels 13-16)	127	21	6
Contract (Levels 3-5)	209	12	17
Contract (Levels 6-8)	325	15	21
Contract (Levels 9-12)	220	16	14
Contract Other	579	9	67
Highly skilled production (Levels 6-8)	3 076	26	120
Highly skilled supervision (Levels 9-12)	5 252	28	190
Lower skilled (Levels 1-2)	418	21	20
Senior management (Levels 13-16)	1 183	26	46
Skilled (Levels 3-5)	926	28	33
<b>Total</b>	<b>12 315</b>	<b>23</b>	<b>534</b>

**Table 3.10.4. Capped leave for the period 1 January 2019 to 31 December 2020**

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 2020
Contract (Levels 13-16)	-	-	-	-
Contract (Levels 3-5)	-	-	-	-
Contract (Levels 6-8)	-	-	-	-
Contract (Levels 9-12)	-	-	-	-
Contract Other	-	-	-	-
Highly skilled production (Levels 6-8)	-	-	-	88
Highly skilled supervision (Levels 9-12)	7	3	2	125
Lower skilled (Levels 1-2)	-	-	-	-
Senior management (Levels 13-16)	7	1	7	68
Skilled (Levels 3-5)	-	-	-	117
<b>Total</b>	<b>14</b>	<b>4</b>	<b>4</b>	<b>111</b>

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 2019 and 31 March 2020**

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2019/20 due to non-utilisation of leave for the previous cycle	487	9	54 111
Capped leave payouts on termination of service for 2019/20	848	5	169 600
Current leave payout on termination of service for 2019/20	301	6	50 167
<b>Total</b>	<b>1 636</b>	<b>20</b>	<b>81 800</b>

### 3.11. HIV/AIDS & HEALTH PROMOTION PROGRAMMES

**Table 3.11.1. Steps taken to reduce the risk of occupational exposure**

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Field workers e.g. Internal Audit staff	Education and awareness sessions on HIV and AIDS, STI's and TB management in the workplace. Regular distribution of male and female condoms; Conduct HCT campaigns
Cleaners	Provision of protective clothing e.g. hand gloves and marks Education on protective clothing
Interns, Learnerships and Experiential Learners	Educational sessions and HCT campaigns

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

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	√		Ms. Anna Oliphant Director: Transformation Services
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	√		A dedicated EHW sub-directorate has co-ordinators who coordinates the following units; HIV and AIDS – no co-ordinator OHS – Deputy manager Wellness management – Deputy Manager Budget: R166 666,00
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/ services of this Programme.	√		An in-house Wellness Management is available for the employees. Key elements are: <ul style="list-style-type: none"> <li>• Do assessment and referral of employees for assistance</li> <li>• Provide short-term psycho-social counselling</li> <li>• Provide Trauma debriefing</li> <li>• Provide bereavement support services</li> <li>• Management consultations</li> <li>• Facilitate EHW committee meetings.</li> <li>• Provide preventative and proactive programmes</li> <li>• Awareness campaigns and life skills education</li> <li>• Facilitate fitness and sport activities</li> <li>• Conduct mini surveys and needs analysis</li> <li>• Monitor and evaluate programme implementation</li> </ul>

Question	Yes	No	Details, if yes
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	√		<ol style="list-style-type: none"> <li>1. Ms N. Ramuntshi- Chief Director: Information Management</li> <li>2. Mr TJS Sibanda – Communication Services</li> <li>3. Ms KV Mokubela- Legal Services</li> <li>4. Ms TM Matamela- NEHAWU</li> <li>5. Mr MS Tjiane- PSA</li> </ol>
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.	√		<ol style="list-style-type: none"> <li>1. HIV and AIDS, STIs and TB Management Policy</li> <li>2. Employment Equity Policy</li> </ol>
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.	√		<p>Employee Health &amp; Wellness sub-directorate within Transformation Services Directorate implement HIV and AIDS program.</p> <p>HIV &amp; AIDS, STI and TB 2019/2020 operational plan was approved, implemented, monitored and evaluated to: address human rights issues such as stigma and discrimination, gender-based violence and HCT is provided onsite</p>
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	√		<p>Yes, 149 (M=58; F:91) employees participated in HCT</p> <ul style="list-style-type: none"> <li>• All the participants know their HIV status and make informed decision about their sexual life style.</li> </ul>
8. Has the department developed measures/ indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	√		<p>Monitoring is done through monthly, quarterly and annual reports. Integrated monitoring tool is completed on a monthly, quarterly and annual basis.</p>



### 3.12. LABOUR RELATIONS

**Table 3.12.1. Collective agreements for the period 1 April 2019 and 31 March 2020**

Total number of Collective agreements	None
---------------------------------------	------

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

**Table 3.12.2. Misconduct and disciplinary hearings finalised for the period 1 April 2019 and 31 March 2020**

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	-	-
Verbal warning	-	-
Written warning	-	-
Final written warning	-	-
Suspended without pay	1	33.3%
Fine	-	-
Demotion	2	66.%
Dismissal	-	-
Not guilty	-	-
Case withdrawn	-	-
<b>Total</b>	<b>3</b>	<b>100%</b>



**Table 3.12.3. Types of misconduct addressed at disciplinary hearings for the period 1 April 2019 and 31 March 2020**

Type of misconduct	Number	% of total
Incompatibility	1	33,3%
Contravening Municipal Finance Management Act	2	66.6%
Total	3	100%

**Table 3.12.4. Grievances logged for the period 1 April 2019 and 31 March 2020**

Grievances	Number	% of total
Number of grievances resolved	4	80%
Number of grievances not resolved	1	20%
Total number of grievances lodged	5	100%

**Table 3.12.5. Disputes logged with Councils for the period 1 April 2019 and 31 March 2020**

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

**Table 3.12.6. Strike actions for the period 1 April 2019 and 31 March 2020**

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

**Table 3.12.7. Precautionary suspensions for the period 1 April 2019 and 31 March 2020**

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

## 3.13. SKILLS DEVELOPMENT

**Table 3.13.1. Training needs identified for the period 1 April 2019 and 31 March 2020**

Occupational category	Gender	Number of employees as at 1 April 2019	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	81	-	61	-	61
	Male	107	-	67	-	67
Professionals	Female	59	-	48	-	48
	Male	47	-	38	-	38
Technicians and associate professionals	Female	28	-	20	-	20
	Male	26	-	15	-	15
Clerks	Female	19	-	43	-	43
	Male	15	-	26	-	26
Service and sales workers	Female	2	-	0	-	-
	Male	-	-	0	-	-
Skilled agriculture and fishery workers	Female	-	-	0	-	-
	Male	-	-	0	-	-
Craft and related trades workers	Female	-	-	0	-	-
	Male	-	-	0	-	-
Plant and machine operators and assemblers	Female	1	-	1	-	1
	Male	3	-	3	-	3
Elementary occupations	Female	24	-	58	2	60
	Male	1	-	3	-	3
Sub Total	Female	214	-	231	2	233
	Male	199	-	152	-	152
<b>Total</b>		<b>413</b>	<b>-</b>	<b>383</b>	<b>2</b>	<b>385</b>

**Table 3.13.2. Training provided for the period 1 April 2019 and 31 March 2020**

Occupational category	Gender	Number of employees as at 1 April 2019	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	81	-	35	9	44
	Male	107	-	32	16	48
Professionals	Female	59	-	32	11	43
	Male	47	-	16	5	21
Technicians and associate professionals	Female	28	-	37	5	42
	Male	26	-	12	2	14
Clerks	Female	19	-	25	9	34
	Male	15	-	15	1	16
Service and sales workers	Female	2	-	2	-	2
	Male	-	-	-	-	0
Skilled agriculture and fishery workers	Female	-	-	-	-	0
	Male	-	-	-	-	0
Craft and related trades workers	Female	-	-	-	-	0
	Male	-	-	-	-	0
Plant and machine operators and assemblers	Female	1	-	3	3	6
	Male	3	-	6	-	6
Elementary occupations	Female	24	-	25	2	27
		1	-	1	-	1
Sub Total	Female	214	-	159	39	198
	Male	199	-	82	24	106
<b>Total</b>		<b>413</b>	<b>-</b>	<b>241</b>	<b>63</b>	<b>304</b>

### 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 2019 and 31 March 2020**

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

### 3.15. UTILISATION OF CONSULTANTS

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

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

**Table 3.15.1. Report on consultant appointments using appropriated funds for the period 1 April 2019 and 31 March 2020**

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Forensic services	BDO PS Advisory	4 Months	R 2 251 400
Forensic services	KPMG	4 Months	R 2 623 121
Forensic services	Fundudzi Forensic Services	6 Months	R 1 600 750
BARNOWL Risk Software	IDI Technology	12 Months	R 663 809

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 2019 and 31 March 2020**

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 2019 and 31 March 2020**

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 2019 and 31 March 2020**

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 2019 and 31 March 2020**

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)	-	-	-	-
Skilled (Levels 3-5)	-	-	-	-
Highly skilled production (Levels 6-8)	-	-	-	-
Highly skilled supervision (Levels 9-12)	-	-	-	-
Senior management (Levels 13-16)	-	-	-	-
Total	-	-	-	-

# **PART E: FINANCIAL INFORMATION**

*"We are the best in what we do"*

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

### Report on the audit of the financial statements

#### Opinion

1. I have audited the financial statements of the Provincial Treasury set out on pages 125 to 162, which comprise the appropriation statement, statement of financial position as at 31 March 2020, statement of financial performance, statement of changes in net assets, and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Provincial Treasury as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standards (MCS) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and Division of Revenue Act of South Africa, 2019 (Act No. 16 of 2019) (Dora).

#### Basis for opinion

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

#### Emphasis of matters

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

#### Significant uncertainty

7. With reference to note 17.1 to the financial statements, the department is a defendant in various legal claims involving suppliers. The department is opposing claims amounting to R251 755 000 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.

### Events after the reporting date

8. We draw attention to note 26 to the financial statements, in response to the COVID 19 pandemic, the president announced a National economic stimulus package. As part of the provincial contribution to the national economic stimulus package, the department's budget for the 20-21 financial year was reduced by R80, 2 million.

### 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 163-170 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

### Responsibilities of accounting officer for the financial statements

11. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with 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 appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

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

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

**Report on the audit of the annual performance report**

**Introduction and scope**

15. In accordance with the Public Audit Act of South Africa 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes 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 approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
17. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2020:

Programme	Pages in the annual performance report
Programme 2 – sustainable resource management	36 - 40

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 32 to 54 for information on the achievement of planned targets for the year and explanations provided for the under achievement of a number of targets.



## Report on the audit of compliance with legislation

### Introduction and scope

22. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the 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 officer is responsible for the other information. The other information comprises the information included in the annual report which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
25. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
26. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
27. I did not receive the other information prior to the date of this auditor's report. After I receive and read this information, and if I conclude that there is a material misstatement, 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

02 October 2020



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## Annexure – Auditor-general’s responsibility for the audit

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

### Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
  - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department’s internal control
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
  - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the 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 me at the date of this auditor’s report. However, future events or conditions may cause a department to cease operating as a going concern
  - evaluate the overall presentation, structure and content of the 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 confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.



# LIMPOPO

---

PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

## ANNUAL FINANCIAL STATEMENTS FOR LIMPOPO PROVINCIAL TREASURY

**FOR THE YEAR ENDED  
31 MARCH 2020**

## TABLE OF CONTENTS

APPROPRIATION STATEMENT	125
NOTES TO THE APPROPRIATION STATEMENT	133
STATEMENT OF FINANCIAL PERFORMANCE	135
STATEMENT OF FINANCIAL POSITION	136
STATEMENT OF CHANGES IN NET ASSETS	137
CASH FLOW STATEMENT	138
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (INCLUDING ACCOUNTING POLICIES)	139
ANNEXURES	163

(LIMPOPO PROVINCIAL TREASURY)  
VOTE 5

APPROPRIATION STATEMENT  
for the year ended 31 March 2020

Appropriation per programme	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Voted funds and Direct charges									
Programme									
1. ADMINISTRATION	195 112	-	(9 640)	185 472	182 387	3 085	98,3%	174 222	171 165
2. SUSTAINABLE RESOURCE MANAGEMENT	84 468	-	2 311	86 779	80 866	5 913	93,2%	83 538	79 801
3. ASSETS, LIABILITIES AND SUPPLY CHAIN MANAGEMENT	52 815	-	-	52 815	51 954	861	98,4%	63 156	61 740
4. FINANCIAL GOVERNANCE	119 187	-	6 915	126 102	110 754	15 348	87,8%	95 932	91 372
5. SHARED INTERNAL AUDIT SERVICES	43 281	-	414	43 695	43 340	355	99,2%	44 024	43 072
Programme sub total	494 863	-	-	494 863	469 301	25 562	94,8%	460 872	447 150
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	496 841	-	-	496 841	471 279	25 562	94,9%	462 850	449 128
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts				244 717				289 311	
Actual amounts per Statement of Financial Performance (Total)				741 558				752 161	
Actual amounts per Statement of Financial Performance Expenditure					471 279				449 128



(LIMPOPO PROVINCIAL TREASURY)  
VOTE 5  
APPROPRIATION STATEMENT  
for the year ended 31 March 2020

Appropriation per economic classification	2019/20					2018/19			
	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
<b>Current payments</b>	<b>469 166</b>	<b>(2 555)</b>	<b>(401)</b>	<b>466 210</b>	<b>456 686</b>	<b>9 524</b>	<b>98,0%</b>	<b>444 712</b>	<b>432 116</b>
Compensation of employees	310 712	-	-	310 712	303 377	7 335	97,6%	292 357	290 600
Salaries and wages	276 108	(3 038)	26	273 096	268 250	4 846	98,2%	258 462	256 237
Social contributions	34 604	3 038	(26)	37 616	35 127	2 489	93,4%	33 895	34 363
Goods and services	158 454	(2 555)	(401)	155 498	153 309	2 189	98,6%	152 355	141 516
Administrative fees	4 458	(603)	-	3 855	3 852	3	99,9%	6 853	4 419
Advertising	1 063	80	-	1 143	1 086	57	95,0%	892	888
Minor assets	713	225	-	938	937	1	99,9%	558	527
Audit costs: External	5 670	109	(724)	5 055	5 055	-	100,0%	4 795	4 540
Bursaries: Employees	-	-	-	-	-	-	-	19	17
Catering: Departmental activities	1 542	(187)	-	1 355	1 150	205	84,9%	1 807	1 428
Communication (G&S)	5 288	(1 099)	(91)	4 098	4 062	36	99,1%	3 853	3 833
Computer services	37 054	(4 928)	(182)	31 944	31 462	482	98,5%	32 707	32 514
Consultants: Business and advisory services	36 377	2 395	8 306	47 078	47 001	77	99,8%	37 931	36 294
Legal services	1 572	1 959	(3 001)	530	530	-	100,0%	1 070	1 049
Contractors	249	113	(47)	315	299	16	94,9%	162	158
Fleet services (including government motor transport)	2 352	156	(69)	2 439	2 438	1	100,0%	2 140	2 049
Consumable supplies	809	418	(230)	997	963	34	96,6%	1 727	1 531
Consumable: Stationery, printing and office supplies	3 447	559	(407)	3 599	3 152	447	87,6%	3 665	2 666
Operating leases	18 000	(900)	(2 875)	14 225	14 225	-	100,0%	15 388	15 387
Property payments	9 425	1 305	(86)	10 644	10 644	-	100,0%	11 021	10 631
Transport provided: Departmental activity	120	(30)	-	90	84	6	93,3%	1 591	1 538
Travel and subsistence	18 142	(696)	(565)	16 881	16 287	594	96,5%	15 861	13 065
Training and development	5 842	(1 252)	(283)	4 307	4 307	-	100,0%	3 784	3 219
Operating payments	1 072	(287)	(41)	744	704	40	94,6%	1 653	1 490
Venues and facilities	2 479	129	(106)	2 502	2 312	190	92,4%	2 081	1 476
Rental and hiring	2 780	(21)	-	2 759	2 759	-	100,0%	2 797	2 797
<b>Transfers and subsidies</b>	<b>7 939</b>	<b>427</b>	<b>401</b>	<b>8 767</b>	<b>8 225</b>	<b>542</b>	<b>93,8%</b>	<b>10 468</b>	<b>10 281</b>
Provinces and municipalities	-	427	-	427	427	-	100,0%	453	447
Municipalities	-	427	-	427	427	-	100,0%	453	447
Municipal bank accounts	-	427	-	427	427	-	100,0%	453	447
Households	7 939	-	401	8 340	7 798	542	93,5%	10 015	9 834
Social benefits	1 097	610	601	2 308	1 782	526	77,2%	3 869	3 688
Other transfers to households	6 842	(610)	(200)	6 032	6 016	16	99,7%	6 146	6 146
<b>Payments for capital assets</b>	<b>19 726</b>	<b>2 128</b>	<b>-</b>	<b>21 854</b>	<b>6 359</b>	<b>15 495</b>	<b>29,1%</b>	<b>7 557</b>	<b>6 621</b>
Machinery and equipment	12 225	(4 728)	-	7 497	6 359	1 138	84,8%	7 557	6 621
Transport equipment	-	-	-	-	-	-	-	2 000	1 911
Other machinery and equipment	12 225	(4 728)	-	7 497	6 359	1 138	84,8%	5 557	4 710
Software and other intangible assets	7 501	6 856	-	14 357	-	14 357	-	-	-
<b>Payment for financial assets</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>9</b>	<b>25 562</b>	<b>90,0%</b>	<b>113</b>	<b>110</b>
	<b>496 841</b>	<b>-</b>	<b>-</b>	<b>496 841</b>	<b>471 279</b>	<b>25 562</b>	<b>94,9%</b>	<b>462 850</b>	<b>449 128</b>

(LIMPOPO PROVINCIAL TREASURY)  
 VOTE 5  
 APPROPRIATION STATEMENT  
 for the year ended 31 March 2020

Sub programme	2019/20				2018/19				
	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
<b>1. OFFICE OF THE M.E.C.</b>	5 001	96	(192)	4 905	4 895	10	98,8%	4 972	4 967
<b>2. MANAGEMENT SERVICES</b>	117 780	178	(111)	14 996	14 970	26	99,8%	11 242	11 204
<b>3. DEPUTY DIRECTOR GENERAL : CORPORATE MANAGEMENT SERVICES</b>	104 689	(1 750)	(3 590)	9 481	9 481	507	94,9%	-	-
<b>4. CORPORATE SERVICES</b>	13 091	314	(581)	13 405	13 215	190	98,6%	114 716	112 794
<b>5. INFORMATION MANAGEMENT</b>	66 088	(427)	(3 966)	56 435	57 696	1 329	97,7%	-	-
<b>6. FINANCIAL MANAGEMENT</b>	1 063	(1 844)	-	59 025	41 277	351	99,2%	43 292	42 200
	<b>195 112</b>	<b>-</b>	<b>(9 640)</b>	<b>185 472</b>	<b>182 387</b>	<b>3 085</b>	<b>98,3%</b>	<b>174 222</b>	<b>171 165</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>183 868</b>	<b>(427)</b>	<b>(9 640)</b>	<b>173 801</b>	<b>172 076</b>	<b>1 725</b>	<b>99,0%</b>	<b>159 211</b>	<b>157 098</b>
Compensation of employees	117 780	-	(414)	117 366	116 331	1 035	99,1%	102 609	102 454
Salaries and wages	104 689	(314)	(414)	103 961	103 116	845	99,2%	90 544	90 253
Social contributions	13 091	314	-	13 405	13 215	190	98,6%	12 065	12 201
Goods and services	66 088	(427)	(9 226)	56 435	55 745	690	98,8%	56 602	54 644
Administrative fees	1 063	(186)	-	119	116	3	97,5%	318	245
Advertising	305	80	-	1 143	1 086	57	95,0%	892	888
Minor assets	713	(516)	-	197	197	-	100,0%	553	527
Audit costs: External	5 670	109	(724)	5 055	5 055	-	100,0%	4 795	4 540
Catering: Departmental activities	320	59	-	379	272	107	71,8%	544	533
Communication (C&S)	5 288	(1 101)	(91)	4 096	4 060	36	99,1%	3 853	3 833
Computer services	4 326	(923)	(182)	3 221	3 092	129	96,0%	3 364	3 244
Consultants: Business and advisory services	3 910	(2 653)	(630)	627	562	65	89,6%	158	155
Legal services	1 572	1 959	(3 001)	530	530	-	100,0%	1 070	1 049
Contractors	249	113	(47)	315	299	16	94,9%	162	158
Fleet services (including government motor transport)	2 352	156	(69)	2 439	2 438	1	100,0%	2 140	2 049
Consumable supplies	761	433	(230)	964	930	34	96,5%	1 681	1 495
Consumable: Stationery, printing and office supplies	1 804	(72)	(407)	1 325	1 292	33	97,5%	1 711	1 659
Operating leases	18 000	(900)	(2 875)	14 225	14 225	-	100,0%	15 388	15 387
Property payments	9 425	1 305	(86)	10 644	10 644	-	100,0%	11 021	10 631
Transport provided: Departmental activity	120	(30)	-	90	84	6	93,3%	80	72
Travel and subsistence	5 458	336	(499)	5 295	5 155	140	97,4%	4 193	3 773
Training and development	2 691	1 557	(283)	3 965	3 965	-	100,0%	2 918	2 749
Operating payments	904	(139)	(41)	724	687	37	94,9%	975	927
Venues and facilities	1 137	6	(61)	1 082	1 056	26	97,6%	757	701
Rental and hiring	20	(20)	-	-	-	-	-	29	29
<b>Transfers and subsidies</b>	<b>6 146</b>	<b>427</b>	<b>-</b>	<b>6 573</b>	<b>6 545</b>	<b>28</b>	<b>99,6%</b>	<b>7 454</b>	<b>7 446</b>
Provinces and municipalities	-	427	-	427	427	-	100,0%	453	447
Municipalities	-	427	-	427	427	-	100,0%	453	447
Municipal bank accounts	-	427	-	427	427	-	100,0%	453	447
Households	6 146	-	-	6 146	6 118	28	99,5%	7 001	6 999
Social benefits	269	347	-	616	592	24	96,1%	855	853
Other transfers to households	5 877	(347)	-	5 530	5 526	4	99,9%	6 146	6 146
<b>Payments for capital assets</b>	<b>5 088</b>	<b>-</b>	<b>-</b>	<b>5 088</b>	<b>3 757</b>	<b>1 331</b>	<b>73,8%</b>	<b>7 557</b>	<b>6 621</b>
Machinery and equipment	4 648	(300)	-	4 348	3 757	591	86,4%	7 557	6 621
Transport equipment	-	-	-	-	-	-	-	2 000	1 911
Other machinery and equipment	4 648	(300)	-	4 348	3 757	591	86,4%	5 557	4 710
Software and other intangible assets	440	300	-	740	740	-	-	-	-
<b>Payment for financial assets</b>	<b>10</b>	<b>-</b>	<b>(9 640)</b>	<b>10</b>	<b>9</b>	<b>1</b>	<b>90,0%</b>	<b>-</b>	<b>-</b>
	<b>195 112</b>	<b>-</b>	<b>(9 640)</b>	<b>185 472</b>	<b>182 387</b>	<b>3 085</b>	<b>98,3%</b>	<b>174 222</b>	<b>171 165</b>



(LIMPOPO PROVINCIAL TREASURY)  
**VOTE 5**  
**APPROPRIATION STATEMENT**  
 for the year ended 31 March 2020

	Programme 2: SUSTAINABLE RESOURCE MANAGEMENT									
	2019/20					2018/19				
	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	
<b>Sub programme</b>	<b>2 323</b>	<b>167</b>	<b>(80)</b>	<b>2 410</b>	<b>2 390</b>	<b>20</b>	<b>99,2%</b>	<b>1 667</b>	<b>1 555</b>	
1. <u>DEPUTY DIRECTOR GENERAL: SUSTAINABLE RESOURCE MANAGEMENT</u>	8 823	(83)	-	8 740	8 617	123	98,6%	41 581	39 141	
2. <u>ECONOMIC AND FISCAL POLICY OVERSIGHT</u>	19 317	(405)	102	19 014	16 087	2 927	84,6%	14 482	13 377	
3. <u>BUDGET AND PUBLIC FINANCE MANAGEMENT</u>	26 860	(622)	232	26 470	23 932	2 538	90,4%	25 808	25 728	
4. <u>MUNICIPAL FINANCE AND GOVERNANCE IN THE LOCAL GOVERNMENT SPHERE</u>	27 145	943	2 057	30 145	29 840	305	99,0%	-	-	
5. <u>INFRASTRUCTURE MANAGEMENT AND PUBLIC PRIVATE PARTNERSHIP</u>	<b>84 468</b>	<b>-</b>	<b>2 311</b>	<b>86 779</b>	<b>80 866</b>	<b>5 913</b>	<b>93,2%</b>	<b>83 538</b>	<b>79 801</b>	
<b>Economic classification</b>	<b>83 891</b>	<b>-</b>	<b>1 910</b>	<b>85 801</b>	<b>80 262</b>	<b>5 539</b>	<b>93,5%</b>	<b>83 339</b>	<b>79 604</b>	
<b>Current payments</b>	58 583	-	-	58 583	53 449	5 134	91,2%	55 630	54 364	
Compensation of employees	52 664	(1 368)	-	51 296	47 852	3 444	93,3%	49 659	48 661	
Salaries and wages	5 919	1 368	-	7 287	5 597	1 690	76,8%	5 971	5 703	
Social contributions	25 308	-	1 910	27 218	26 813	405	98,5%	27 709	25 240	
Goods and services	10	(10)	-	-	-	-	-	17	5	
Administrative fees	-	-	-	-	-	-	-	19	17	
Bursaries: Employees	126	33	-	159	117	42	73,6%	114	76	
Catering: Departmental activities	19 594	413	2 021	22 028	22 016	12	99,9%	20 800	20 162	
Consultants: Business and advisory services	416	362	-	778	730	48	93,8%	740	361	
Consumable: Stationery, printing and office supplies	4 199	(808)	(66)	3 325	3 130	195	94,1%	2 279	1 466	
Transport provided: Departmental activity	-	-	-	-	-	-	-	866	470	
Travel and subsistence	-	-	-	-	-	-	-	569	537	
Training and development	-	3	-	3	-	3	-	794	429	
Operating payments	963	7	(45)	925	820	105	88,6%	199	197	
Venues and facilities	<b>577</b>	<b>-</b>	<b>401</b>	<b>978</b>	<b>604</b>	<b>374</b>	<b>61,8%</b>	<b>199</b>	<b>197</b>	
<b>Transfers and subsidies</b>	577	-	401	978	604	374	61,8%	199	197	
Households	94	-	601	695	325	370	46,8%	199	197	
Social benefits	483	-	(200)	283	279	4	98,6%	-	-	
Other transfers to households	<b>84 468</b>	<b>-</b>	<b>2 311</b>	<b>86 779</b>	<b>80 866</b>	<b>5 913</b>	<b>93,2%</b>	<b>83 538</b>	<b>79 801</b>	

(LIMPOPO PROVINCIAL TREASURY)  
 VOTE 5  
 APPROPRIATION STATEMENT  
 for the year ended 31 March 2020

Programme 3: ASSETS, LIABILITIES AND SUPPLY CHAIN MANAGEMENT	2019/20				2018/19				
	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
<b>Sub programme</b>									
1. <u>DEPUTY DIRECTOR GENERAL: ASSETS, LIABILITIES &amp; SUPPLY CHAIN MANAGEMENT</u>	2 104	-	-	2 104	2 065	39	98,1%	869	774
2. <u>ASSETS AND LIABILITIES MANAGEMENT</u>	23 999	(428)	-	23 571	22 980	591	97,5%	33 118	32 125
3. <u>PROVINCIAL SUPPLY CHAIN MANAGEMENT</u>	26 712	428	-	27 140	26 909	231	99,1%	29 169	28 841
	<b>52 815</b>	<b>-</b>	<b>-</b>	<b>52 815</b>	<b>51 954</b>	<b>861</b>	<b>98,4%</b>	<b>63 156</b>	<b>61 740</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>52 383</b>	<b>-</b>	<b>-</b>	<b>52 383</b>	<b>51 539</b>	<b>844</b>	<b>98,4%</b>	<b>61 015</b>	<b>59 600</b>
Compensation of employees	45 141	-	-	45 141	45 035	106	99,8%	44 330	44 213
Salaries and wages	39 854	(36)	-	39 818	39 712	106	99,7%	38 888	38 871
Social contributions	5 287	36	-	5 323	5 323	-	100,0%	5 442	5 342
Goods and services	7 242	-	-	7 242	6 504	738	89,8%	16 685	15 387
Administrative fees	2 551	(95)	-	2 456	2 456	-	100,0%	3 046	2 779
Minor assets	-	167	-	167	166	1	99,4%	-	-
Catering: Departmental activities	528	(162)	-	366	310	56	84,7%	418	383
Consultants: Business and advisory services	-	-	-	-	-	-	-	9 470	9 470
Consumable supplies	3	2	-	5	5	-	100,0%	10	-
Consumable: Stationery, printing and office supplies	1 215	132	-	1 347	981	366	72,8%	1 202	646
Travel and subsistence	2 903	(109)	-	2 794	2 538	256	90,8%	2 423	2 017
Operating payments	-	-	-	-	-	-	-	19	18
Venues and facilities	42	65	-	107	48	59	44,9%	97	74
<b>Transfers and subsidies</b>	<b>432</b>	<b>-</b>	<b>-</b>	<b>432</b>	<b>415</b>	<b>17</b>	<b>96,1%</b>	<b>2 141</b>	<b>2 140</b>
Households	432	-	-	432	415	17	96,1%	2 141	2 140
Social benefits	-	271	-	271	258	13	95,2%	2 141	2 140
Other transfers to households	432	(271)	-	161	157	4	97,5%	-	-
	<b>52 815</b>	<b>-</b>	<b>-</b>	<b>52 815</b>	<b>51 954</b>	<b>861</b>	<b>98,4%</b>	<b>63 156</b>	<b>61 740</b>



(LIMPOPO PROVINCIAL TREASURY)  
 VOTE 5  
 APPROPRIATION STATEMENT  
 for the year ended 31 March 2020

	Programme 4: FINANCIAL GOVERNANCE									
	2019/20					2018/19				
	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		
<b>Sub programme</b>	<b>119 187</b>	<b>-</b>	<b>6 915</b>	<b>126 102</b>	<b>110 754</b>	<b>15 348</b>	<b>87,8%</b>	<b>95 932</b>	<b>91 372</b>	
1. DEPUTY DIRECTOR GENERAL: FINANCIAL GOVERNANCE	37 243	(1 881)	-	35 362	34 782	580	98,4%	451	394	
2. ACCOUNTING SERVICES	18 769	(930)	-	17 839	17 435	404	97,7%	50 356	46 404	
3. FINANCIAL MANAGEMENT INFORMATION SYSTEMS	63 175	2 811	6 915	72 901	58 537	14 364	80,3%	45 125	44 574	
	<b>119 187</b>	<b>-</b>	<b>6 915</b>	<b>126 102</b>	<b>110 754</b>	<b>15 348</b>	<b>87,8%</b>	<b>95 932</b>	<b>91 372</b>	
<b>Economic classification</b>	<b>103 799</b>	<b>(2 128)</b>	<b>6 915</b>	<b>108 586</b>	<b>107 525</b>	<b>1 061</b>	<b>99,0%</b>	<b>95 186</b>	<b>90 918</b>	
Current payments	48 150	-	-	48 150	47 090	1 060	97,8%	48 321	48 193	
Compensation of employees	42 681	(792)	-	41 889	41 438	451	98,9%	43 153	42 354	
Salaries and wages	5 469	792	-	6 261	5 652	609	90,3%	5 168	5 839	
Social contributions	55 649	(2 128)	6 915	60 436	60 435	1	100,0%	46 865	42 725	
Goods and services	1 046	(94)	-	952	952	-	100,0%	3 453	1 376	
Administrative fees	-	574	-	574	574	-	100,0%	-	-	
Minor assets	558	(114)	-	444	444	-	100,0%	728	436	
Catering: Departmental activities	-	2	-	2	2	-	100,0%	-	-	
Communication (G&S)	32 728	(4 824)	-	27 904	27 903	1	100,0%	28 900	28 828	
Computer services	12 234	5 274	6 915	24 423	24 423	-	100,0%	7 503	6 507	
Consultants: Business and advisory services	45	(17)	-	28	28	-	100,0%	36	36	
Consumable supplies	12	137	-	149	149	-	100,0%	-	-	
Consumable: Stationery, printing and office supplies	2 660	(206)	-	2 454	2 454	-	100,0%	2 954	2 494	
Travel and subsistence	3 151	(2 809)	-	342	342	-	100,0%	-	-	
Training and development	168	(151)	-	17	17	-	100,0%	90	8	
Operating payments	287	101	-	388	388	-	100,0%	433	272	
Venues and facilities	2 760	(1)	-	2 759	2 759	-	100,0%	2 768	2 768	
Rental and hiring	<b>750</b>	<b>(1)</b>	<b>-</b>	<b>750</b>	<b>627</b>	<b>123</b>	<b>83,6%</b>	<b>746</b>	<b>454</b>	
<b>Transfers and subsidies</b>	<b>750</b>	<b>-</b>	<b>-</b>	<b>750</b>	<b>627</b>	<b>123</b>	<b>83,6%</b>	<b>746</b>	<b>454</b>	
Households	707	(8)	-	699	699	119	83,0%	746	454	
Social benefits	43	8	-	51	47	4	92,2%	-	-	
Other transfers to households	<b>14 638</b>	<b>2 128</b>	<b>-</b>	<b>16 766</b>	<b>2 602</b>	<b>14 164</b>	<b>15,5%</b>	<b>-</b>	<b>-</b>	
<b>Payments for capital assets</b>	<b>7 577</b>	<b>(4 428)</b>	<b>-</b>	<b>3 149</b>	<b>2 602</b>	<b>547</b>	<b>82,6%</b>	<b>-</b>	<b>-</b>	
Machinery and equipment	-	-	-	-	-	-	-	-	-	
Transport equipment	7 577	(4 428)	-	3 149	2 602	547	82,6%	-	-	
Other machinery and equipment	7 061	6 556	-	13 617	-	13 617	-	-	-	
Software and other intangible assets	<b>119 187</b>	<b>-</b>	<b>6 915</b>	<b>126 102</b>	<b>110 754</b>	<b>15 348</b>	<b>87,8%</b>	<b>95 932</b>	<b>91 372</b>	

(LIMPOPO PROVINCIAL TREASURY)  
 VOTE 5  
 APPROPRIATION STATEMENT  
 for the year ended 31 March 2020

	2019/20					2018/19			
	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
<b>Sub programme</b>									
1. <b>DEPUTY DIRECTOR GENERAL: SHARED INTERNAL AUDIT SERVICES</b>	43 281	-	414	43 695	43 340	355	99,2%	44 024	43 072
	<b>43 281</b>	<b>-</b>	<b>414</b>	<b>43 695</b>	<b>43 340</b>	<b>355</b>	<b>99,2%</b>	<b>44 024</b>	<b>43 072</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>43 247</b>	<b>-</b>	<b>414</b>	<b>43 661</b>	<b>43 306</b>	<b>355</b>	<b>99,2%</b>	<b>43 983</b>	<b>42 918</b>
Compensation of employees	39 080	-	414	39 494	39 494	-	100,0%	39 489	39 398
Salaries and wages	34 509	(499)	440	34 450	34 450	-	100,0%	34 507	34 387
Social contributions	4 571	499	(26)	5 044	5 044	-	100,0%	4 982	5 011
Goods and services	4 167	-	-	4 167	3 812	355	91,5%	4 494	3 520
Administrative fees	546	(218)	-	328	328	-	100,0%	19	14
Minor assets	-	-	-	-	-	-	-	5	-
Catering: Departmental activities	10	(3)	-	7	7	-	100,0%	3	-
Computer services	639	819	-	819	467	352	57,0%	443	442
Consultants: Business and advisory services	-	(639)	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	12	-
Travel and subsistence	2 922	91	-	3 013	3 010	3	99,9%	4 012	3 064
Venues and facilities	50	(50)	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>34</b>	<b>-</b>	<b>-</b>	<b>34</b>	<b>34</b>	<b>-</b>	<b>100,0%</b>	<b>(72)</b>	<b>44</b>
Households	34	-	-	34	34	-	100,0%	(72)	44
Social benefits	27	-	-	27	27	-	100,0%	(72)	44
Other transfers to households	7	-	-	7	7	-	100,0%	-	-
<b>Payment for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>113</b>	<b>110</b>
	<b>43 281</b>	<b>-</b>	<b>414</b>	<b>43 695</b>	<b>43 340</b>	<b>355</b>	<b>99,2%</b>	<b>44 024</b>	<b>43 072</b>





(LIMPOPO PROVINCIAL TREASURY)  
VOTE 5

**NOTES TO THE APPROPRIATION STATEMENT  
for the year ended 31 March 2020**

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-C) 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	Actual	Variance	Variance as a %
		Appropriation	Expenditure		of Final Approp.
		R'000	R'000	R'000	%
	<b>ADMINISTRATION</b>	187 450	184 365	3 085	2%

The underspending is as a result of not filling vacant funded posts, a Laptop tracking tender that could not be implemented by year end and office furniture that could not be delivered before end of the year, due to the COVID-19 lockdown as announced by the State President and other minor non-core items such as catering and travel & subsistence

**SUSTAINABLE RESOUC E MANAGEMENT**

86 779      80 866      5 913      7%

The underspending is mainly as a result of the delay in the filling of the vacant funded posts, these posts will be filled during 2020/21 financial year and other minor non-core items such as travel & subsistence and venues and facilities. There was also minor underspending of transfers for social benefits.

**ASSETS, LIABILITIES AND SUPPLY CHAIN  
MANAGEMENT**

52 815      51 954      861      2%

The underspending is mainly as a result of a delay in the delivery of receipt books by the service provider and underspending on travel and subsistence

**FINANCIAL GORVERNANCE**

126 102      110 754      15 348      12%

The underspending in Programme 4 is as a result of the delay in the filling of the vacant funded posts, assets tags that were not delivered before year end and incorrect budgeting for the implementation of Library books asset barcoding project.

**SHARED INTERNAL AUDIT SERVICES**

43 695      43 340      355      1%

Programme 5 spent 99% of the budget.



(LIMPOPO PROVINCIAL TREASURY)

VOTE 5

NOTES TO THE APPROPRIATION STATEMENT  
for the year ended 31 March 2020

4.2 Per economic classification:

Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Approp. %
<b>Current expenditure</b>			
Compensation of employees	310 712	303 377	7 335 2%
Goods and services	155 498	153 309	2 189 1%
<b>Transfers and subsidies</b>			
Provinces and municipalities	427	427	0 0%
Households	8340	7798	542 6%
<b>Payments for capital assets</b>			
Machinery and equipment	7497	6359	1 138 15%
<b>Payments for financial assets</b>	10	9	1 10%

<p><b>Compensation of Employees (COE)</b> The underspending is a results of delays in filling employee posts before year end.</p> <p><b>Goods and services</b> The underspending is as result underspending on non-core items such as, catering, computer services, consumables, travel &amp; subsistence and venue &amp; facilities which were impacted by the National Lockdown due to COVID-19.</p> <p><b>Transfers and Subsidies</b> The underspending was mainly due to social benefits that were not due and payable at year end.</p> <p><b>Capital Payments</b> The underspending is as a result of non-delivery of office furniture and asset barcode tags before year end. There was also incorrect budgeting for the implementation of Library books asset barcoding project.</p>
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

(LIMPOPO PROVINCIAL TREASURY)  
VOTE 5

STATEMENT OF FINANCIAL PERFORMANCE  
for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
<b>REVENUE</b>			
Annual appropriation	<u>1</u>	494 863	460 872
Statutory appropriation	<u>2</u>	1 978	1 978
Departmental revenue	<u>3</u>	244 717	289 311
<b>TOTAL REVENUE</b>		<b>741 558</b>	<b>752 161</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	<u>4</u>	303 377	290 600
Goods and services	<u>5</u>	153 309	141 516
<b>Total current expenditure</b>		<b>456 686</b>	<b>432 116</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	<u>7</u>	8 225	10 281
<b>Total transfers and subsidies</b>		<b>8 225</b>	<b>10 281</b>
<b>Expenditure for capital assets</b>			
Tangible assets	<u>8</u>	6 359	6 621
<b>Total expenditure for capital assets</b>		<b>6 359</b>	<b>6 621</b>
Payments for financial assets	<u>6</u>	9	110
<b>TOTAL EXPENDITURE</b>		<b>471 279</b>	<b>449 128</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>270 279</b>	<b>303 033</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted Funds		25 562	13 722
Annual appropriation		25 562	<b>13 722</b>
Departmental revenue and NRF Receipts	<u>13</u>	244 717	289 311
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>270 279</b>	<b>303 033</b>



(LIMPOPO PROVINCIAL TREASURY)  
VOTE 5

STATEMENT OF FINANCIAL POSITION  
as at 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
<b>ASSETS</b>			
<b>Current Assets</b>		<b>27 701</b>	<b>23 625</b>
Cash an cash equivalents	<u>9</u>	25 486	20 682
Receivables	<u>11</u>	2 215	2 943
<b>Non-Current Assets</b>		<b>502</b>	<b>2</b>
Receivables	<u>11</u>	502	2
<b>TOTAL ASSETS</b>		<b>28 203</b>	<b>23 627</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>28 049</b>	<b>23 396</b>
Voted funds to be surrendered to the Revenue Fund	<u>12</u>	25 562	13 722
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>13</u>	1 542	9 245
Payables	<u>14</u>	945	429
<b>TOTAL LIABILITIES</b>		<b>28 049</b>	<b>23 396</b>
<b>NET ASSETS</b>		<b>154</b>	<b>231</b>
<b>Represented by:</b>			
Recoverable revenue		154	231
<b>TOTAL</b>		<b>154</b>	<b>231</b>

(LIMPOPO PROVINCIAL TREASURY)  
VOTE 5

STATEMENT OF CHANGES IN NET ASSETS  
for the year ended 31 March 2020

NET ASSETS	Note	2019/20 R'000	2018/19 R'000
<b>Recoverable revenue</b>			
Opening balance		231	308
Transfers		(77)	(77)
Irrecoverable amounts written off	6.1	-	(51)
Debts revised		(16)	-
Debts recovered (included in departmental receipts)		(124)	(190)
Debts raised		63	164
Closing balance		<b>154</b>	<b>231</b>
<b>TOTAL</b>		<b>154</b>	<b>231</b>

(LIMPOPO PROVINCIAL TREASURY)  
VOTE 5

CASH FLOW STATEMENT  
for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		<b>741 558</b>	<b>751 680</b>
Annual appropriated funds received	<u>1</u>	494 863	460 872
Statutory appropriated funds received	<u>2</u>	1 978	1 978
Departmental revenue received	<u>3</u>	608	1 376
Interest received	<u>3.2</u>	244 109	287 454
Net (increase)/ decrease in working capital		1 244	(2 942)
Surrendered to Revenue Fund		(266 142)	(285 451)
Current payments		(456 686)	(432 116)
Payments for financial assets		(9)	(110)
Transfers and subsidies paid		(8 225)	(10 281)
<b>Net cash flow available from operating activities</b>	<u>15</u>	<b>11 740</b>	<b>20 780</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	<u>8</u>	(6 359)	(6 621)
Proceeds from sale of capital assets	<u>3.3</u>	-	481
(Increase)/decrease in non-current receivables		(500)	-
<b>Net cash flows from investing activities</b>		<b>(6 859)</b>	<b>(6 140)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/ (decrease) in net assets		(77)	(77)
Increase/ (decrease) in non-current payables		-	-
<b>Net cash flows from financing activities</b>		<b>(77)</b>	<b>(77)</b>
Net increase/ (decrease) in cash and cash equivalents		4 804	14 563
Cash and cash equivalents at beginning of period		20 682	6 119
<b>Cash and cash equivalents at end of period</b>	<u>16</u>	<b>25 486</b>	<b>20 682</b>

(LIMPOPO PROVINCIAL TREASURY)

VOTE 5

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2020

**ACCOUNTING POLICIES**

<b>Summary of significant accounting policies</b>	
<p>The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.</p> <p>The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.</p> <p>Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.</p>	
<b>1</b>	<p><b>Basis of preparation</b></p> <p>The financial statements have been prepared in accordance with the Modified Cash Standard.</p>
<b>2</b>	<p><b>Going concern</b></p> <p>The financial statements have been prepared on a going concern basis.</p>
<b>3</b>	<p><b>Presentation currency</b></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>
<b>4</b>	<p><b>Rounding</b></p> <p>Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).</p>
<b>5</b>	<p><b>Foreign currency translation</b></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>
<b>6</b>	<p><b>Comparative information</b></p>
<b>6.1</b>	<p><b>Prior period comparative information</b></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>
<b>6.2</b>	<p><b>Current year comparison with budget</b></p> <p>A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.</p>



(LIMPOPO PROVINCIAL TREASURY)

VOTE 5

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

<b>7</b>	<b>Revenue</b>
<b>7.1</b>	<p><b>Appropriated funds</b></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>
<b>7.2</b>	<p><b>Departmental revenue</b></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>
<b>8</b>	<b>Expenditure</b>
<b>8.1</b>	<b>Compensation of employees</b>
<b>8.1.1</b>	<p><b>Salaries and wages</b></p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
<b>8.1.2</b>	<p><b>Social contributions</b></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>
<b>8.2</b>	<p><b>Other expenditure</b></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>
<b>8.3</b>	<p><b>Accruals and payables not recognised</b></p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department or in the case of transfers and subsidies when they are due and payable. Accruals and payables not recognised are measured at cost.</p>

(LIMPOPO PROVINCIAL TREASURY)

VOTE 5

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

<b>8.4</b>	<b>Leases</b>
<b>8.4.1</b>	<p><b>Operating leases</b></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>
<b>8.4.2</b>	<p><b>Finance leases</b></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"> <li>• cost, being the fair value of the asset; or</li> <li>• the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.</li> </ul>
<b>9</b>	<p><b>Cash and cash equivalents</b></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>
<b>10</b>	<p><b>Prepayments and advances</b></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>
<b>11</b>	<p><b>Loans and receivables</b></p> <p>Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.</p>



(LIMPOPO PROVINCIAL TREASURY)

VOTE 5

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

<b>12</b>	<b>Financial assets</b>
<b>12.1</b>	<p><b>Financial assets (not covered elsewhere)</b></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>
<b>12.2</b>	<p><b>Impairment of financial assets</b></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>
<b>13.</b>	<p><b>Payables</b></p> <p>Loans and payables are recognised in the statement of financial position at cost.</p>
<b>14</b>	<b>Capital Assets</b>
<b>14.1</b>	<p><b>Movable capital assets</b></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>
<b>14.2</b>	<p><b>Intangible assets</b></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>

(LIMPOPO PROVINCIAL TREASURY)

VOTE 5

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

	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.
<b>15.</b>	<b>Provisions and Contingents</b>
<b>15.1</b>	<p><b>Provisions</b></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>
<b>15.2</b>	<p><b>Contingent liabilities</b></p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.</p>
<b>15.3</b>	<p><b>Contingent assets</b></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>
<b>15.4</b>	<p><b>Capital Commitments</b></p> <p>Capital commitments are recorded at cost in the notes to the financial statements.</p>
<b>16</b>	<p><b>Unauthorised expenditure</b></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"> <li>• approved by Parliament or the Provincial Legislature with funding and the related funds are received; or</li> <li>• approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or</li> <li>• transferred to receivables for recovery.</li> </ul> <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
<b>17</b>	<p><b>Fruitless and wasteful expenditure</b></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>



(LIMPOPO PROVINCIAL TREASURY)

VOTE 5

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

	<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><b>Irregular expenditure</b></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><b>Changes in accounting policies, accounting estimates and errors</b></p> <p>Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p>
20	<p><b>Events after the reporting date</b></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><b>Capitalisation reserve</b></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><b>Recoverable revenue</b></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>

(LIMPOPO PROVINCIAL TREASURY)  
VOTE 5

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2020*

<p><b>23</b></p>	<p><b>Related party transactions</b></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>
<p><b>24</b></p>	<p><b>Employee benefits</b></p> <p>The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.</p>



(LIMPOPO PROVINCIAL TREASURY)

VOTE 5

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2020

1	Annual Appropriation	2019/20			2018/19		
		Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Final Appropriation R'000	Appropriation Received R'000	Funds not requested/ not received R'000
	<b>Programmes</b>						
	ADMINISTRATION	185 472	185 472	-	174 222	174 222	-
	SUSTAINABLE RESOURCE MANAGEMENT	86 779	86 779	-	83 538	83 538	-
	ASSETS, LIABILITIES AND SUPPLY CHAIN MANAGEMENT	52 815	52 815	-	63 156	63 156	-
	FINANCIAL GOVERNANCE	126 102	126 102	-	139 956	139 956	-
	SHARED INTERNAL AUDIT SERVICES	43 695	43 695	-	-	-	-
	<b>Total</b>	<b>494 863</b>	<b>494 863</b>	<b>-</b>	<b>460 872</b>	<b>460 872</b>	<b>-</b>
				<b>2019/20 R'000</b>	<b>2018/19 R'000</b>		
2	<b>Statutory Appropriation</b>						
	MEMBERS' REMUNERATION			1 978	1 978		
				<b>1 978</b>	<b>1 978</b>		
	Actual Statutory Appropriation received			1 978	1 978		
				<b>2019/20 R'000</b>	<b>2018/19 R'000</b>		
3	<b>Departmental Revenue</b>						
	Sales of goods and services other than capital assets			3.1 474	447		
	Interest, dividends and rent on land			3.2 244 109	287 454		
	Sales of capital assets			3.3 -	481		
	Transactions in financial assets and liabilities			3.4 134	929		
	Total revenue collected			<b>244 717</b>	<b>289 311</b>		
	<b>Departmental revenue collected</b>			<b>244 717</b>	<b>289 311</b>		
				<b>2019/20 R'000</b>	<b>2018/19 R'000</b>		
3.1	<b>Sales of goods and services other than capital assets</b>			<b>3</b>			
	Sales of goods and services produced by the department			472	439		
	Sales by market establishment			106	93		
	Other sales			366	346		
	Sales of scrap, waste and other used current goods			2	8		
	<b>Total</b>			<b>474</b>	<b>447</b>		
				<b>2019/20 R'000</b>	<b>2018/19 R'000</b>		
3.2	<b>Interest, dividends and rent on land</b>			<b>3</b>			
	Interest			244 109	287 454		
	<b>Total</b>			<b>244 109</b>	<b>287 454</b>		

(LIMPOPO PROVINCIAL TREASURY)  
VOTE 5

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
<b>3.3 Sales of capital assets</b>	<b>3</b>		
<b>Tangible assets</b>		-	481
Machinery and equipment	27	-	481
<b>Total</b>		-	481
	Note	2019/20 R'000	2018/19 R'000
<b>3.4 Transactions in financial assets and liabilities</b>	<b>3</b>		
Other Receipts including Recoverable Revenue		134	929
<b>Total</b>		134	929
	Note	2019/20 R'000	2018/19 R'000
<b>4 Compensation of Employees</b>			
<b>4.1 Salaries and wages</b>			
Basic salary		215 895	206 863
Performance award		4 043	4 515
Service Based		436	198
Compensative/circumstantial		1 526	745
Other non-pensionable allowances		46 350	43 915
<b>Total</b>		268 250	256 236
	Note	2019/20 R'000	2018/19 R'000
<b>4.2 Social Contributions</b>			
<b>Employer contributions</b>			
Pension		26 534	26 178
Medical		8 548	8 147
Bargaining council		45	39
<b>Total</b>		35 127	34 364
<b>Total compensation of employees</b>		303 377	290 600
Average number of employees		518	481



(LIMPOPO PROVINCIAL TREASURY)

VOTE 5

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
<b>5 Goods and services</b>			
Administrative fees		3 852	4 419
Advertising		1 086	888
Minor assets	<u>5.1</u>	937	527
Catering		1 150	1 444
Communication		4 062	3 832
Computer services	<u>5.2</u>	31 462	41 983
Consultants: Business and advisory services		47 001	26 824
Legal services		530	1 049
Contractors		299	158
Audit cost – external	<u>5.3</u>	5 055	4 540
Fleet services		2 438	2 049
Consumables	<u>5.4</u>	4 115	4 197
Operating leases		14 225	15 387
Property payments	<u>5.5</u>	10 644	10 631
Rental and hiring		2 759	2 796
Transport provided as part of the departmental activities		84	72
Travel and subsistence	<u>5.6</u>	16 287	14 533
Venues and facilities		2 312	2 013
Training and development		4 307	3 219
Other operating expenditure	<u>5.7</u>	704	955
<b>Total</b>		<b>153 309</b>	<b>141 516</b>
	Note	2019/20 R'000	2018/19 R'000
<b>5.1 Minor assets</b>	<u>5</u>		
<b>Tangible assets</b>		<b>937</b>	<b>527</b>
Machinery and equipment		937	527
<b>Total</b>		<b>937</b>	<b>527</b>
	Note	2019/20 R'000	2018/19 R'000
<b>5.2 Computer services</b>	<u>5</u>		
SITA computer services		12 907	27 541
External computer service providers		18 555	14 442
<b>Total</b>		<b>31 462</b>	<b>41 983</b>
	Note	2019/20 R'000	2018/19 R'000
<b>5.3 Audit cost – external</b>	<u>5</u>		
Regularity audits		5 055	4 540
<b>Total</b>		<b>5 055</b>	<b>4 540</b>

(LIMPOPO PROVINCIAL TREASURY)  
VOTE 5

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
<b>5.4 Consumables</b>	<u>5</u>		
Consumable supplies		963	1 530
Uniform and clothing		106	168
Household supplies		609	858
Building material and supplies		45	47
Communication accessories		-	59
IT consumables		154	257
Other consumables		49	141
Stationery, printing and office supplies		3 152	2 667
<b>Total</b>		<b>4 115</b>	<b>4 197</b>
<b>5.5 Property payments</b>	<u>5</u>		
Municipal services		2 314	2 564
Property maintenance and repairs		1 351	1 123
Other		6 979	6 944
<b>Total</b>		<b>10 644</b>	<b>10 631</b>
<b>5.6 Travel and subsistence</b>	<u>5</u>		
Local		16 136	14 010
Foreign		151	523
<b>Total</b>		<b>16 287</b>	<b>14 533</b>
<b>5.7 Other operating expenditure</b>	<u>5</u>		
Professional bodies, membership and subscription fees		326	391
Resettlement costs		7	33
Other		371	531
<b>Total</b>		<b>704</b>	<b>955</b>
<b>6 Payments for financial assets</b>			
Material losses through criminal conduct		-	-
Debts written off	<u>6.1</u>	9	110
<b>Total</b>		<b>9</b>	<b>110</b>



(LIMPOPO PROVINCIAL TREASURY)  
VOTE 5

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000	
<b>6.1 Debts written off</b>	<u>6</u>			
<b>Nature of debts written off</b>				
Recoverable revenue written off				
Laptop		-	13	
Salary Related		-	35	
Cellphone		-	3	
<b>Total</b>		-	51	
Other debt written off				
Salary related		9	59	
<b>Total</b>		9	59	
<b>Total debt written off</b>		<u>9</u>	<u>110</u>	
	Note	2019/20 R'000	2018/19 R'000	
<b>7 Transfers and Subsidies</b>				
Provinces and municipalities	29	427	447	
Households	ANNEXURE 1B	7 798	9 834	
<b>Total</b>		<u>8 225</u>	<u>10 281</u>	
	Note	2019/20 R'000	2018/19 R'000	
<b>8 Expenditure for capital assets</b>				
<b>Tangible assets</b>		<b>6 359</b>	<b>6 621</b>	
Machinery and equipment	<u>27</u>	6 359	6 621	
<b>Total</b>		<u>6 359</u>	<u>6 621</u>	
<b>8.1 Analysis of funds utilised to acquire capital assets - 2019/20</b>				
		Voted Funds R'000	Aid assistance R'000	TOTAL R'000
<b>Tangible assets</b>		6 359	-	6 359
Machinery and equipment		6 359	-	6 359
<b>Total</b>		<u>6 359</u>	-	<u>6 359</u>
<b>8.2 Analysis of funds utilised to acquire capital assets - 2018/19</b>				
		Voted Funds R'000	Aid assistance R'000	TOTAL R'000
<b>Tangible assets</b>		6 621	-	6 621
Machinery and equipment		6 621	-	6 621
<b>Total</b>		<u>6 621</u>	-	<u>6 621</u>

(LIMPOPO PROVINCIAL TREASURY)  
VOTE 5

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2020

			2019/20		2018/19			
8.3	Finance lease expenditure included in Expenditure for capital assets		R'000		R'000			
	Tangible assets							
	Machinery and equipment		143		231			
	<b>Total</b>		<b>143</b>		<b>231</b>			
			2019/20		2018/19			
	<b>Note</b>		R'000		R'000			
9	Cash and Cash Equivalents							
	Consolidated Paymaster General Account		25 486		20 682			
	<b>Total</b>		<b>25 486</b>		<b>20 682</b>			
			2019/20		2018/19			
	<b>Note</b>		R'000		R'000			
10	Prepayments and Advances							
	10.1 Prepayments (Expensed)							
		Less:		Add: Current				
	'Balance as at 1	Received in		Year	Amount as at 31			
	April 2019	the current	Add/Less: Other	prepayments	March 2020			
	R'000	year	R'000	R'000	R'000			
	<i>Listed by economic classification</i>							
	Goods and services	879	(879)	-	1 720	1 720		
	<b>Total</b>	<b>879</b>	<b>(879)</b>	<b>-</b>	<b>1 720</b>	<b>1 720</b>		
		Less:		Add: Current				
	'Balance as at 1	Received in	Add/Less: Other	Year	Amount as at 31			
	April 2018	the current		prepayments	March 2019			
	R'000	year	R'000	R'000	R'000			
	Prepayments (Expensed)							
	<i>Listed by economic classification</i>							
	Goods and services	717	(717)	-	879	879		
	<b>Total</b>	<b>717</b>	<b>(717)</b>	<b>-</b>	<b>879</b>	<b>879</b>		
			2019/20		2018/19			
	<b>Note</b>		Current	Non-current	Total	Current	Non-current	Total
			R'000	R'000	R'000	R'000	R'000	R'000
11	Receivables							
	Staff debt	11.1	197	3	200	283	2	285
	Other receivables	11.2	2 018	499	2 517	2 660	-	2 660
	<b>Total</b>		<b>2 215</b>	<b>502</b>	<b>2 717</b>	<b>2 943</b>	<b>2</b>	<b>2 945</b>



(LIMPOPO PROVINCIAL TREASURY)

VOTE 5

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
<b>11.1 Staff debt</b>	<u>11</u>		
Loss of Official Laptop		136	182
Overpayment on Salary		7	11
Cell Phone Debts		15	47
Tax Debt		13	16
Leave without pay		28	28
Other		1	1
<b>Total</b>		<u>200</u>	<u>285</u>
	Note	2019/20 R'000	2018/19 R'000
<b>11.2 Other receivables</b>	<u>11</u>		
Tax Debt		3	-
Overpayment On Salary		2 472	2 597
Other		42	63
<b>Total</b>		<u>2 517</u>	<u>2 660</u>
	Note	2019/20 R'000	2018/19 R'000
<b>12 Voted Funds to be Surrendered to the Revenue Fund</b>			
Opening balance		13 722	5 349
Transfer from statement of financial performance (as restated)		25 562	13 722
Paid during the year		(13 722)	(5 349)
<b>Closing balance</b>		<u>25 562</u>	<u>13 722</u>
	Note	2019/20 R'000	2018/19 R'000
<b>13 Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund</b>			
Opening balance		9 245	36
Transfer from Statement of Financial Performance (as restated)		244 717	289 311
Paid during the year		(252 420)	(280 102)
<b>Closing balance</b>		<u>1 542</u>	<u>9 245</u>

(LIMPOPO PROVINCIAL TREASURY)  
VOTE 5

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
<b>14 Payables - current</b>			
Advances received	14.1	429	429
Clearing accounts	14.2	516	-
<b>Total</b>		<b>945</b>	<b>429</b>
	Note	2019/20 R'000	2018/19 R'000
<b>14.1 Advances received</b>	14		
Other institutions	Annex 5	429	429
<b>Total</b>		<b>429</b>	<b>429</b>
	Note	2019/20 R'000	2018/19 R'000
<b>14.2 Clearing accounts</b>	14		
Salary related		516	-
<b>Total</b>		<b>516</b>	<b>-</b>
	Note	2019/20 R'000	2018/19 R'000
<b>15 Net cash flow available from operating activities</b>			
Net surplus/(deficit) as per Statement of Financial Performance		270 279	303 033
Add back non cash/cash movements not deemed operating activities		(258 539)	(282 253)
(Increase)/decrease in receivables		728	(2 503)
Increase/(decrease) in payables – current		516	(439)
Proceeds from sale of capital assets		-	(481)
Expenditure on capital assets		6 359	6 621
Surrenders to Revenue Fund		(266 142)	(285 451)
<b>Net cash flow generated by operating activities</b>		<b>11 740</b>	<b>20 780</b>
	Note	2019/20 R'000	2018/19 R'000
<b>16 Reconciliation of cash and cash equivalents for cash flow purposes</b>			
Consolidated Paymaster General account		25 486	20 682
<b>Total</b>		<b>25 486</b>	<b>20 682</b>
	Note	2019/20 R'000	2018/19 R'000
<b>17 Contingent liabilities and contingent assets</b>			
<b>17.1 Contingent liabilities</b>			
<b>Liable to</b>	<b>Nature</b>		
Housing loan guarantees	Employees	Annex 2A 643	642
Claims against the department		Annex 2B 251 755	251 755
Intergovernmental payables (unconfirmed balances)		Annex 4 1 941	1 754
<b>Total</b>		<b>254 339</b>	<b>254 151</b>
<b>Contingent assets</b>		2019/20 R'000	2018/19 R'000
<b>Nature of contingent asset</b>	<b>Note</b>		
Claims against a supplier		98 000	98 000
Over- Utilisation of Cell Phones		193	191
<b>Total</b>		<b>98 193</b>	<b>98 191</b>



(LIMPOPO PROVINCIAL TREASURY)

VOTE 5

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
<b>18 Capital commitments</b>			
Office Equipment		-	368
<b>Total</b>		<b>-</b>	<b>368</b>

In the prior year we have accounted for commitments of both current and capital nature. Due to the Accounting Policy change in 2019/20 the total commitments has been restated to only include capital commitments and therefore restated by the prior year current commitments of R102,638 million

		2019/20 R'000	2018/19 R'000
<b>19 Accruals and payables not recognised</b>			
<b>19.1 Accruals</b>			
<b>Listed by economic classification</b>	<b>30 days</b>	<b>30+ days</b>	<b>Total</b>
Goods and services	10 455	-	10 455
<b>Total</b>	<b>10 455</b>	<b>-</b>	<b>10 455</b>

	Note	2019/20 R'000	2018/19 R'000
<b>Listed by programme level</b>			
Administration		2 395	1 853
Sustainable Resources Management		3 465	3 621
Assets, Liabilities and Supply Chain Management		60	257
Financial Governance		4 516	7 528
Shared Internal Audit Services		19	-
<b>Total</b>		<b>10 455</b>	<b>13 259</b>

	30 days	30+ days	Total	Total
<b>19.2 Payables not recognised</b>				
<b>Listed by economic classification</b>				
Goods and services	1 248	-	1 248	829
<b>Total</b>	<b>1 248</b>	<b>-</b>	<b>1 248</b>	<b>829</b>

	Note	2019/20 R'000	2018/19 R'000
<b>Listed by programme level</b>			
Administration		180	217
Sustainable Resources Management		10	314
Assets, Liabilities and Supply Chain Management		2	175
Financial Governance		972	123
Shared Internal Audit Services		84	-
<b>Total</b>		<b>1 248</b>	<b>829</b>

	Note	2019/20 R'000	2018/19 R'000
<b><u>Included in the above totals are the following:</u></b>			
Confirmed balances with departments	Annex 4	-	5
<b>Total</b>		<b>-</b>	<b>5</b>

(LIMPOPO PROVINCIAL TREASURY)  
VOTE 5

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
<b>20 Employee benefits</b>			
Leave entitlement		11 872	12 220
Service bonus		7 802	7 451
Performance awards		4 831	4 356
Capped leave		34 032	32 984
Other		386	444
<b>Total</b>		<b>58 923</b>	<b>57 455</b>

The leave entitlement is net of negative leave of 194 thousands due to some employees utilising their new leave cycle (1 January 2020-31 December 2020) credits in excess of the leave days accrued to them as at 31 March 2020. Leaves captured after 31 March 2020 (R83) has been factored into leave entitlement amount. Included in other employee benefits is an amount in relation to long service awards

**21 Lease commitments**  
**21.1 Operating leases**

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

2018/19	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	18 054	-	18 054
Later than 1 year and not later than 5 years	-	-	-	-	-
Later than five years	-	-	-	-	-
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>18 054</b>	<b>-</b>	<b>18 054</b>

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.

**21.2 Finance leases \*\***

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

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

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.



(LIMPOPO PROVINCIAL TREASURY)  
VOTE 5

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
<b>22 Irregular expenditure</b>			
<b>22.1 Reconciliation of irregular expenditure</b>			
Opening balance		-	171
Less: Prior year amounts condoned		-	(171)
<b>Closing balance</b>		<u>-</u>	<u>-</u>
		<b>2019/20</b>	
<b>22.2 Details of irregular expenditure under assessment (not included in the main note)</b>		<b>R'000</b>	
<b>Incident</b>			
Accelerated pay progression for previous years	The matter has referred to the Labour Court of South Africa for the determination on the irregularity of these payments and/or ordering the repayment of these amounts (Court Case Number JR25/4/18)	3 186	
<b>Total</b>		<u>3 186</u>	
		<b>2019/20</b>	<b>2018/19</b>
<b>23 Fruitless and wasteful expenditure</b>		<b>R'000</b>	<b>R'000</b>
<b>23.1 Reconciliation of fruitless and wasteful expenditure</b>			
Opening balance		110	-
Fruitless and wasteful expenditure – relating to prior year		-	101
Fruitless and wasteful expenditure – relating to current year		-	9
Less: Amounts recoverable		(64)	-
Less: Amounts written off		(9)	-
<b>Closing balance</b>		<u>37</u>	<u>110</u>
<b>23.2 Details of fruitless and wasteful expenditure written off</b>		<b>2019/20</b>	
<b>Incident</b>		<b>R'000</b>	
Investigation concluded that no official was liable for the loss.		9	
<b>Total</b>		<u>9</u>	

(LIMPOPO PROVINCIAL TREASURY)  
VOTE 5

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2020

	2019/20	2018/19
Note	R'000	R'000
<b>24 Related party transactions</b>		
	2019/20	2018/19
Note	R'000	R'000
<b>In kind goods and services provided/received</b>		
<i>List in kind goods and services between department and related party</i>		
Provided in kind		
Provincial Treasury renders transversal functions in relation to Audit Committees to all provincial departments, excluding the Provincial Legislature.		
Department of Education	569	580
Department of Social Development	384	385
Office of the Premier	384	315
Department of Public Works	643	682
CoGHSTA	403	394
Department Sport, Arts & Culture	467	394
Department of Health	540	633
Department of Safety, Security & Liaison	356	400
Department of Agriculture	475	565
Department of Economic Development, Environment & Tourism	322	356
Department of Transport	322	350
Provincial Treasury renders transversal functions in relation to Internal Audit Services to all provincial departments, excluding the Provincial Legislature.		
Department of Education	6 561	6 110
Department of Social Development	3 102	2 494
Office of the Premier	2 456	2 323
Department of Public Works	5 515	5 384
CoGHSTA	2 566	3 373
Department Sport, Arts & Culture	2 353	2 093
Department of Health	4 074	4 760
Department of Safety, Security & Liaison	1 336	1 967
Department of Agriculture	4 203	3 310
Department of Economic Development, Environment & Tourism	3 199	1 885
Department of Transport	3 958	4 267
Provincial Treasury renders services to departments		
Department of Sport, Arts and Culture	177	179
Department of Education	-	376
<b>Total</b>	<b>44 365</b>	<b>43 575</b>



(LIMPOPO PROVINCIAL TREASURY)

VOTE 5

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2020**

**List related party relationships and the nature thereof**

1. Provincial Treasury has a related party relationship with the Department of Public Works, Roads & Infrastructure as Provincial.
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 implement the Asset Management System BAUD 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.

	<i>No. of Individuals</i>	2019/20 R'000	2018/19 R'000
<b>25 Key management personnel</b>			
Political office bearers (provide detail below)	1	1 978	1 978
Officials:			
Level 15 to 16	5	8 291	6 092
Level 14 (incl CFO if at a lower level)	12	13 457	13 460
Level 13	8	10 106	8 952
Family members of key management personnel	1	396	349
<b>Total</b>		<b>34 228</b>	<b>30 831</b>
<b>26 Non-adjusting events after reporting date</b>		<b>2019/20</b>	
The financial effect of the subsequent non-adjusting events or a statement that such an estimate cannot be made.		<b>R'000</b>	
The department was affected by National state of Disaster as published in Government Gazette 43096 date 15 March 2020 due to the COVID 19 pandemic and the subsequent National Lockdown as announced by the by the Honourable State President.			
The effect of the lockdown did have an impact on the operations of the Provincial Treasury, but we were able to implement the regulations without negatively affecting the operations of the departments that were rendering essential services, such as the Departments of Health and Social Development. Our Business Continuity Plan was put to the test and I happy to report that we were able to keep key and fundamental service running during the period, such as the provincial financial systems and payments to suppliers by the various departments.			
Provincial Treasury has been able to meet all its financial commitments as at year end and we believe the Provincial Treasury is a going concern and will be in position to meet all its financial commitments for the next 12 months, despite the R80.2 million cut to the department's budget for 2020/21. The budget cut was a contribution from the Department to fund COVID-19 related projects and programmes, mainly in essential services departments, as part of the R3.5 billion provincial contributions for this initiative.			
It must be noted that the lockdown did have an impact on our support and monitoring responsibilities as our employees were released to work from home and the availability and access to departments and municipalities during this period was a challenge. Some year-end claims were only paid in April and May due to the lockdown but they were not material. Unfortunately, some of our projects that were underway, specifically the forensic projects, and 2 tenders that were being adjudicated also had to be put on hold, and contributed to our underspending, but these have now subsequently resumed. The provincial Treasury did not procure any personnel protective equipment (PPE) before year end, but has after year end procured cloth facemasks for all employees and sanitised all our buildings to ensure a safe working environment during stage three of lockdown. All the procurement was done following the National Treasury Instructions issued for the procurement of PPE and was also restricted to the recommended prices as published with the instruction notes. All existing contractual commitments have been honoured and extensions are agreed to with service providers, we have also not received any claim from our suppliers relating to COVID-19.			
<b>Total</b>		<b>-</b>	

(LIMPOPO PROVINCIAL TREASURY)  
VOTE 5

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2020

27 Movable Tangible Capital Assets

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

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
<b>HERITAGE ASSETS</b>	-	-	-	-	-
Heritage assets	-	-	-	-	-
<b>MACHINERY AND EQUIPMENT</b>	49 784	1 586	6 216	2 602	54 984
Transport assets	9 469	-	-	-	9 469
Computer equipment	28 527	982	3 072	-	32 581
Furniture and office equipment	6 361	544	2 933	2 602	7 236
Other machinery and equipment	5 427	60	211	-	5 698
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>49 784</b>	<b>1 586</b>	<b>6 216</b>	<b>2 602</b>	<b>54 984</b>

Movable Tangible Capital Assets under investigation

	Number	Value R'000
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	42	810

Additions

27.1 ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Cash R'000	Non-cash R'000	(Capital work-in- progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
<b>MACHINERY AND EQUIPMENT</b>	6 359	-	(143)	-	6 216
Transport assets	-	-	-	-	-
Computer equipment	3 072	-	-	-	3 072
Furniture and office equipment	2 933	-	-	-	2 933
Other machinery and equipment	354	-	(143)	-	211
<b>ASSETS</b>	<b>6 359</b>	<b>-</b>	<b>(143)</b>	<b>-</b>	<b>6 216</b>

Disposals

27.2 DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash received Actual R'000
<b>MACHINERY AND EQUIPMENT</b>	-	2 602	2 602	-
Furniture and office equipment	-	2 602	2 602	-
<b>ASSETS</b>	<b>-</b>	<b>2 602</b>	<b>2 602</b>	<b>-</b>

27.3 Movement for 2018/19

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

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
<b>MACHINERY AND EQUIPMENT</b>	48 500	(37)	6 421	5 100	49 784
Transport assets	8 952	(1)	1 911	1 393	9 469
Computer equipment	28 691	(26)	3 126	3 264	28 527
Furniture and office equipment	5 410	(6)	1 107	150	6 361
Other machinery and equipment	5 447	(4)	277	293	5 427
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>48 500</b>	<b>(37)</b>	<b>6 421</b>	<b>5 100</b>	<b>49 784</b>

27.3.1 Prior period error

	Note	2018/19 R'000
Nature of prior period error		(37)
1) Adjustment of prior year opening balance to correct duplicate assets		(28)
Computer Equipment		(5)
Machinery and Equipment		(4)
<b>Total</b>		<b>(37)</b>



(LIMPOPO PROVINCIAL TREASURY)

VOTE 5

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2020

27.4 Minor assets

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

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	-	10 584	-	10 584
Value adjustments	-	-	-	(1 586)	-	(1 586)
Additions	-	-	-	937	-	937
Disposals	-	-	-	720	-	720
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9 215</b>	<b>-</b>	<b>9 215</b>

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	-	-	74	-	74
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>74</b>	<b>-</b>	<b>74</b>

Minor Capital Assets under investigation

	Number	Value R'000
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	50	105
Biological assets		

Minor assets

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

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	-	10 911	-	10 911
Prior period error	-	-	-	(63)	-	(63)
Additions	-	-	-	593	-	593
Disposals	-	-	-	857	-	857
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10 584</b>	<b>-</b>	<b>10 584</b>

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

27.4.1 Prior period error

Nature of prior period error

1) Adjustment of prior year opening balances to correct duplicated assets

2) Addition of assets gained from Floor to assets Register

Total

Note

2018/19  
R'000

(63)

(75)

12

(63)

(LIMPOPO PROVINCIAL TREASURY)  
VOTE 5

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2020

27.5 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2019

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	-	-	-	182	-	182
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>182</b>	<b>-</b>	<b>182</b>

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

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
No of Assets	-	-	-	25	-	25
Value of the asset (R'000)	-	-	-	251	-	251

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

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
No of Assets	-	-	-	21	-	21
Value of the asset (R'000)	-	-	-	41	-	41

28 Prior period errors

	Note	Amount bef error correction R'000	2018/19 Prior period error R'000	Restated amount R'000
28.1 Correction of prior period errors				
<i>Movable tangible capital assets, etc.)</i>				
1) Major Assets- Machinery and Equipment		(37)	49 821	49 784
2) Minor Assets- Machinery and Equipment		(59)	10 647	10 588
3) Rounding off figure for closing balance- Major Assets		1	49 821	49 822
<b>Net effect</b>		<b>(95)</b>	<b>110 289</b>	<b>110 194</b>
<i>Commitments, Provisions, etc.)</i>				
Restatement of prior year current commitment expenditure		103 006	(102 638)	368
<b>Net effect</b>		<b>103 006</b>	<b>(102 638)</b>	<b>368</b>

In the prior year we have accounted for commitments of both current and capital nature. Due to the Accounting Policy change in 2019/20 the total commitments has been restated to only include capital commitments and therefore restated by the prior year current commitments of R102,638 million



(LIMPOPO PROVINCIAL TREASURY)  
VOTE 5

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2020

29 STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	2019/20					2018/19			
	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	-	-	-	-	427	-	-	453	447
	-	-	-	-	427	-	-	453	447

(LIMPOPO PROVINCIAL TREASURY)  
VOTE 5

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2020

Annexure 1A  
STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER				SPENT				2018/19	
	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	-	-	-	-	427	-	-	-	-	-	-	447	-	
<b>Total</b>	-	-	-	-	427	-	-	-	-	-	-	447	-	

(LIMPOPO PROVINCIAL TREASURY)  
VOTE 5

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2020

ANNEXURE 1B  
STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION			EXPENDITURE		2018/19 Final Appropriation
	Adjusted appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	
<b>HOUSEHOLDS</b>						
<b>Transfers</b>						
Injury on Duty	-	-	-	-	58	83
Leave Gratuity	-	-	-	-	1 725	3 786
Bursaries (non Employees)	-	-	-	-	2 643	6 146
Claims Against State (Cash)	-	-	-	-	644	-
Thuthuka Bursaries	-	-	-	-	2 728	-
<b>Total</b>	-	-	-	-	<b>7 798</b>	<b>10 015</b>

(LIMPOPO PROVINCIAL TREASURY)  
VOTE 5

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2020

ANNEXURE 1C  
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2019/20	2018/19
		R'000	R'000
<b>Received in kind</b>			
ABSA Bank	Post Budget Breakfast	320	275
ABSA Bank	TCF Lekgotla	50	-
ABSA Bank	Mandela Day	25	-
<b>TOTAL</b>		<b>395</b>	<b>275</b>

(LIMPOPO PROVINCIAL TREASURY)  
VOTE 5

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2020

ANNEXURE 2A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2020 - LOCAL

GUARANTOR INSTITUTION	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2019	Guarantees draw downs during the year	Guaranteed repayments/ cancelled/ reduced during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2020	Revaluations due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2020
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	<b>Housing</b>								
Risima Housing Finance Corporation	Housing	-	643	-	-	-	643	-	-
	<b>Total</b>	-	643	-	-	-	643	-	-

(LIMPOPO PROVINCIAL TREASURY)  
VOTE 5

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2020

ANNEXURE 2B  
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2020

NATURE OF LIABILITY	Opening balance 1 April 2019	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2020
	R'000	R'000	R'000	R'000	R'000
<b>Claims against the department</b>					
Contractual dispute by Supplier	250 000	-	-	-	250 000
Security Services	1 755	-	-	-	1 755
<b>TOTAL</b>	<b>251 755</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>251 755</b>

(LIMPOPO PROVINCIAL TREASURY)  
VOTE 5

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2020

ANNEXURE 3  
CLAIMS RECOVERABLE

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	R'000	R'000	R'000	R'000	R'000	R'000
<b>DEPARTMENTS</b>						
Limpopo Department Of Health	-	-	22	8	22	8
Limpopo Department of Sports Arts and Culture	-	35	424	-	424	35
Limpopo Department of Agriculture and Rural development	-	-	22	8	22	8
Limpopo Department of Economic Development	-	-	-	4	-	4
Limpopo Department of Transport	-	-	-	10	-	10
Limpopo Department of Social Development	-	-	-	8	-	8
Office of the Premier	-	20	22	-	22	20
Limpopo Department of Community Safety	-	-	22	-	22	-
	-	-	-	-	-	-
COGHSTA	-	-	22	8	22	8
	-	55	534	46	534	101
<b>OTHER GOVERNMENT ENTITIES</b>						
Limpopo Gambling Board	-	-	-	10	-	10
Limpopo Tourism Agency	-	-	-	4	-	4
Modimolle-mookgophong Municipality	-	-	216	-	216	-
	-	-	216	14	216	14
<b>Total</b>	-	55	750	60	750	115

(LIMPOPO PROVINCIAL TREASURY)  
VOTE 5

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2020

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	R'000	R'000	R'000	R'000	R'000	R'000
<b>DEPARTMENTS</b>						
Current	-	5	-	-	-	5
SAPS	-	5	-	-	-	5
<b>Subtotal</b>						
	-	5	-	-	-	5
<b>Total Departments</b>						
	-	5	-	-	-	5
<b>OTHER GOVERNMENT ENTITY</b>						
Current	-	-	1 941	1 754	1 941	1 754
SARS	-	-	1 941	1 754	1 941	1 759
<b>TOTAL INTERGOVERNMENTAL PAYABLES</b>						
	-	5	1 941	1 754	1 941	1 759



(LIMPOPO PROVINCIAL TREASURY)  
VOTE 5

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2020

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

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	R'000	R'000	R'000	R'000	R'000	R'000
<b>OTHER INSTITUTIONS</b>						
Current						
Bank Seta	429	429	-	-	429	429
<b>TOTAL</b>	<b>429</b>	<b>429</b>	<b>-</b>	<b>-</b>	<b>429</b>	<b>429</b>



*We are the best in what we do*

The heartland of southern Africa - development is about people

## DEPARTMENT GENERAL INFORMATION

**OUR OFFICES:**

CALL : 015 298 7000

FAX: 015 295 7010

**SEND A MAIL:**

[info@limtreasury.gov.za](mailto:info@limtreasury.gov.za)

**POSTAL ADDRESS:**

PRIVATE BAG X 9486

POLOKWANE 0700

**PHYSICAL ADDRESS:**

ISMINI TOWERS

46 HANS VAN RENSBURG

POLOKWANE 0700

[www.limtreasury.gov.za](http://www.limtreasury.gov.za)

PR257/2020

ISBN: 978-0-621-48677-3

INTEGRITY • TRANSPARENCY • ACCOUNTABILITY • FAIRNESS • PROFESSIONALISM