



LIMPOPO

PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY



# ANNUAL REPORT 2022/23

*We are the best in what we do*

The heartland of southern Africa • development is about people

**LIMPOPO PROVINCIAL**



**TREASURY**

**VOTE NO. 05**

**ANNUAL REPORT**

**2022/2023 FINANCIAL YEAR**



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# **PART A:**

# **GENERAL INFORMATION**



## 1. DEPARTMENTAL GENERAL INFORMATION

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• [info@treasury.limpopo.gov.za](mailto:info@treasury.limpopo.gov.za)

**WEBSITE ADDRESS:**

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



## 2. LIST OF ABBREVIATIONS / ACRONYMS

<b>AC</b>	Audit Committee
<b>AGSA</b>	Auditor General of South Africa
<b>AIDS</b>	Acquired Immunodeficiency Syndrome
<b>CA</b>	Chartered Accountant
<b>CAC</b>	Central Audit Committee
<b>CFO</b>	Chief Financial Officer
<b>CoGHSTA</b>	Cooperative Governance, Human Settlement and Traditional Affairs
<b>DDG</b>	Deputy Director General
<b>DORA</b>	Division of Revenue Act
<b>DPSA</b>	Department of Public Service and Administration
<b>EH&amp;W</b>	Employee Health and Wellness
<b>EXCO</b>	Executive Council
<b>EXCOM</b>	Executive Management Committee
<b>HIV</b>	Human Immunodeficiency Virus
<b>HOD</b>	Head of Department
<b>LPT</b>	Limpopo Provincial Treasury
<b>MCS</b>	Modified Cash Standards
<b>MEC</b>	Member of Executive Council
<b>MFMA</b>	Municipal Finance Management Act
<b>MIG</b>	Municipal Infrastructure Grant
<b>MPL</b>	Member of Provincial Legislature
<b>MTSF</b>	Medium Term Strategic Framework
<b>N/A</b>	Not Applicable
<b>NCOP</b>	National Council of Provinces
<b>OAG</b>	Office of the Attorney General
<b>OHSA</b>	Occupational Safety and Health Administration





## 2. LIST OF ABBREVIATIONS / ACRONYMS

<b>OTP</b>	Office of the Premier
<b>PFMA</b>	Public Finance Management Act, Act 1 of 1999
<b>PPPFA</b>	Preferential Procurement Policy Framework Act
<b>PSCBC</b>	Public Service Coordinating Bargaining Council
<b>PVC</b>	Packed Volume Cell
<b>SCM</b>	Supply Chain Management
<b>SDIP</b>	Service Delivery Improvement Plan
<b>SMMEs</b>	Small Medium and Micro Enterprises
<b>SMS</b>	Senior Management Services
<b>STIs</b>	Sexually Transmitted Infections
<b>TB</b>	Tuberculosis
<b>UIFW</b>	Unauthorised, Irregular, Fruitless & Wasteful



### 3. FOREWORD BY THE MEC



The contraction of our national growth mainly due to structural weaknesses in the economy and other external factors continue to impact negatively to our province's economy, like it does to others. But despite all these difficulties, as Limpopo Provincial Treasury we remained steadfast on our commitment to continue improving prudent fiscal management in the province.



This 2022/23 Annual Report therefore outlines the department's contribution towards the developmental and service delivery imperatives by our provincial government in pursuit of the overarching commitment of improving government service outcomes and their impact on society. It collates the common labour of our various functional areas towards the collective achievements of the department.

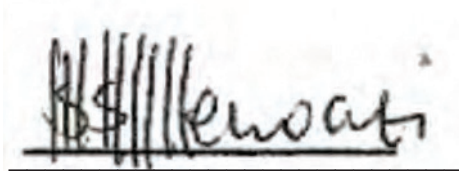
As it precedes the last financial year of the 6th Administration, this report lays a solid foundation upon which our need to urgently implement structural reforms within our administrative and governance systems to lower the cost of doing business and create a more competitive economy in the province is made. This will include:

- Accelerating plans to diversifying energy generation to alleviate electricity supply Interruptions in our province.
- Increasing the number of clean audit reports within provincial departments and entities, including capacitating Local Municipalities to improve same.
- Accelerating infrastructure investment.

To achieve these and many others, Limpopo Provincial Treasury will persist to be deliberate, vigilant, and ground-breaking in its approach to preserve the stability of the organisational environment, while remaining focused on implementing key organisational initiatives and continuing to strengthen our institutional capabilities and performance excellence.

As we remain fixated on our pledge to supporting the building of “A Capable, Ethical and Developmental State” in our province, by presenting this Annual Report for the 2022/23 financial year, we are recommitting ourselves towards contributing to this noble objective as we gear forward in this year of the 6th Administration and beyond.

I therefore wish to thank Head of Department and the entire staff of the department for working tirelessly to ensure that we are always on track and achieve all our prior set objectives, with utmost dedication and commitment.



**Hon. S.C. Sekoati**  
MEC of Finance  
31 May 2023





## 4. REPORT OF THE ACCOUNTING OFFICER

### 4.1 OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT:

The Provincial Treasury, as stipulated in Section 18 of the Public Finance Management Act (PFMA), Act 1 of 1999, and its amendments, holds the responsibility to fulfill its mandate in the following ways:

- (a) Developing the provincial budget
- (b) Exercising control over the implementation of the provincial budget
- (c) Promoting and enforcing transparency and effective management in relation to revenue, expenditure, assets, and liabilities of provincial departments and entities
- (d) Ensuring that its fiscal policies do not unreasonably undermine national economic policies. Additionally, the Provincial Treasury, in accordance with Section 5 of the

Municipal Finance Management Act (MFMA), Act 56 of 2003, and its amendments, is entrusted to:

- (a) Fulfill its responsibilities and support the objectives of the MFMA
- (b) Assist the National Treasury in ensuring compliance with the measures outlined in Section 216 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 provide assistance as needed
  - (iii) Monthly outcomes of the budgets
  - (iv) Submission of reports required under the MFMA
- (d) Exercise delegated powers and duties by the National Treasury under the MFMA
- (e) Take appropriate action if a provincial municipality or municipal entity breaches the MFMA.

During the reporting period, the Provincial Treasury successfully allocated and monitored the provincial budget across all departments, with 98% of the budget expended by year-end.



However, there remains a significant proportion of the provincial budget allocated to Compensation of Employees (COE). In the previous year, 66.8% of provincial expenditure was spent on COE, which has been reduced to 66.1% in the current fiscal year. The Treasury, in collaboration with the Office of the Premier, will continue implementing plans to further reduce COE expenditure in the upcoming financial year.

In terms of 30 day payment compliance, the Provincial Treasury achieved a 30-day payment compliance rate of 100% (2915 of 2916 invoices) for all verified invoices received. The consolidated average 30-day payment compliance rate for all departments throughout the year stood at 99.45%.

Furthermore, the Provincial Treasury provided assistance in addressing financial management challenges by seconding an official to the Modimolle-Mookgopong municipality.

A constructive working relationship exists between the Employer and Employees, with both parties engaging through the Labour Consultative Forum, which has effectively fostered a harmonious and positive labour relations environment.

Capacity-building programs were consistently conducted by the Provincial Treasury throughout the year, offering officials in departments opportunities to enhance their skills and knowledge in financial management, governance, and supply chain management through short courses and on-the-job training. However, capacity challenges in this area still persist and need to be addressed in the coming year (2023/24).

The South African Institute of Chartered Accountants (SAICA) has accredited Limpopo Treasury as a training office for prospective Chartered Accountants (SA), specializing in financial management, management decision making, and control. We are delighted to announce that all five (5) trainees in the first intake group have successfully passed the required exams and obtained certification as Chartered Accountants from SAICA. Progress is also being made with the second, third, and fourth intake groups of trainees, and we anticipate a similar success rate.

To fulfill our mandates and support stakeholders and governance structures such as risk and audit committees, the Provincial Treasury has implemented the use of virtual tools. A functional Audit Committee convenes regularly to evaluate the department's performance, while an active Risk Management Committee meets quarterly or as needed to address risk management implementation processes and relevant risk areas encountered by the department. The Risk Management Committee is chaired by an Independent Risk Committee Chairperson, responsible for overseeing its performance, the Enterprise Risk Management unit, and monitoring the overall effectiveness of risk management processes within the department.



#### 4.1.1. OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT: DEPARTMENTAL RECEIPTS

Departmental receipts	2022/2023			2021/2022		
	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	255	260	(5)	276	269	7
Transfers received						
Interest, dividends and rent on land	292 286	447 067	(154 781)	248 843	254 808	(5 965)
Sale of capital assets						
Financial transactions in assets and liabilities	117	1 522	(1 405)	909	987	(78)
<b>Total</b>	<b>292 658</b>	<b>448 849</b>	<b>(156 191)</b>	<b>250 028</b>	<b>256 064</b>	<b>(6 036)</b>

The primary revenue sources for the Provincial Treasury include interest received, parking fees, and commission earned from insurance. As of March 31, 2023, the department had projected revenue collection of R292.6 million; however, the actual collection amounted to R448.8 million. The over-collection of R156.1 million primarily stems from the interest earned on a favorable bank balance. It is important to note that the department does not have its own tariff structure but utilizes a globally approved tariff structure determined by the accounting officer. During the review period, no debts were written off. Apart from the disclosed related party transactions as outlined in Note 21 of the Annual Financial Statements, the Provincial Treasury does not provide any free services that, if charged for, would generate significant revenue.

#### 4.1.2. PROGRAMME EXPENDITURE

Programme Name	2022/23			2021/22		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration (Statutory Included)	179,367	172,307	7,060	157,448	149,778	7,670
Sustainable Resources Management	61,781	58,749	3,032	53,892	52,614	1,278
Assets, Liabilities & SCM	46,344	44,704	1,640	44,222	43,687	535
Financial Governance	74,250	67,519	6,731	69,499	65,276	4,223
Shared Internal Audit Services	41,453	40,015	1,438	39,849	39,540	309
<b>Total</b>	<b>403,195</b>	<b>383,294</b>	<b>19,901</b>	<b>364,910</b>	<b>350,895</b>	<b>14,015</b>

## **ADMINISTRATION:**

In the fiscal year 2022/23, the Administration Programme of the Provincial Treasury expended R172.3 million, which accounted for 96% of its allocated budget of R179.4 million. This reflects an improvement compared to the previous year, where R149.8 million was spent, representing 95.1% of the budget of R157.5 million. The underspending in the current year can be attributed to the non-filling of vacant funded positions, low on non-core goods and services and delays in the delivery of procured motor vehicle and laptops before the end of the financial year.

## **SUSTAINABLE RESOURCE MANAGEMENT:**

During the same period, the Sustainable Resource Management Programme utilized R58.8 million, accounting for 95.1% of its budget of R61.8 million. Similarly, in the previous year, R52.6 million was expended, representing 97.6% of the allocated budget of R53.9 million. The underspending in this Programme is primarily due low spending on non-core goods and service items

## **ASSETS, LIABILITIES & SCM:**

The Assets, Liabilities & SCM Programme spent R44.7 million, which accounted for 96.5% of its final budget of R46.3 million in the 2022/23 fiscal year. In comparison, the previous year saw an expenditure of R43.7 million, representing 98.8% of the budget of R44.2 million. The underspending in this Programme is primarily due to low spending on non-core goods and service items.

## **FINANCIAL GOVERNANCE:**

The Financial Governance Programme utilized R67.5 million, which accounted for 90.9% of its final budget of R74.3 million during the 2022/23 fiscal year. In the previous year, R65.3 million was expended, representing 93.9% of the allocated budget of R69.5 million. The underspending in this Programme is also due to delays in filling vacant funded positions and low spending on goods and service items.

## **SHARED INTERNAL AUDIT SERVICES:**

The Shared Internal Audit Services Programme spent R40.0 million, accounting for 96.5% of its final budget of R41.5 million in the 2022/23 fiscal year. In the previous year, R39.5 million was expended, representing 99.2% of the budget of R39.9 million. The underspending on this programme is due to the non-appointment of a service provider to conduct an external quality

assurance review for internal audit and low spending on other non-core goods and service. An analysis of spending trends based on economic classification is as follows:

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

The department utilized R271.2 million, which accounted for 98.9% of its final COE budget of R274.2 million during the 2022/23 financial year. In the previous year, R273.8 million was expended, representing 98.1% of the budget of R279.1 million. The underspending in this category is due to delays in filling vacant funded positions before the year-end.

#### **GOODS AND SERVICES:**

The department spent R91.9 million, which accounted for 86.3% of its allocated budget of R106.5 million. In the previous year, R69.9 million was expended, representing 93.0% of the budget of R75.3 million.

#### **Transfers and Subsidies:**

The department expended R9.3 million, which accounted for 98.7% of its allocated budget of R9.4 million.

#### **Payment for Capital Assets:**

The department utilized R10.9 million, which accounted for 83.9% of its final budget of R13.1 million during the 2022/23 financial year. In the previous year, R2.1 million was expended, representing 47.8% of the budget of R4.3 million. The underspending in this category is due to the non-delivery of procured motor vehicles and laptops before the financial year-end.

#### **4.1.3 VIREMENTS/ROLL-OVERS:**

A roll-over request of R2.4 million was made to pay for the purchase of procured vehicles, ICT equipment, and office furniture that were not delivered before the year-end. Additionally, a virement of R1.8 million was processed from Programme 2 to fund legal fees and operating leases in Programme 1. An amount of R770K was processed from Programme 1 to all other Programs for the payment of leave gratuities, and R2.5 million from Programme 4 COE to Programme 2 to address COE pressures.

#### **4.1.4 UNAUTHORISED, FRUITLESS, AND WASTEFUL EXPENDITURE:**

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

#### **4.2 FUTURE PLANS:**

The Provincial Treasury aims to enhance its capacity to fulfill its mandate of improving financial management in departments, municipalities, and public entities within the province. The department is also focused on improving accountability to enhance provincial audit outcomes.

#### **4.3 PUBLIC-PRIVATE PARTNERSHIPS (PPP):**

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

#### **4.4 DISCONTINUED ACTIVITIES/ACTIVITIES TO BE DISCONTINUED:**

No activities were discontinued during the reviewed year.

#### **4.5 NEW OR PROPOSED ACTIVITIES:**

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

#### **4.6 SUPPLY CHAIN MANAGEMENT:**

The Provincial Treasury did not encounter any significant challenges or conclude unsolicited bids in its supply chain management during the reviewed year.

#### **4.7 GIFTS AND DONATIONS RECEIVED FROM NON RELATED PARTIES:**

The Provincial Treasury received donations from Standard Bank South Africa and ABSA Bank in the 2022/23 fiscal year, as disclosed in Annexure 1D.

#### **4.8 EXEMPTIONS AND DEVIATIONS RECEIVED FROM NATIONAL TREASURY:**

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

On 16 February 2022 the Constitutional Court handed down a judgement that upheld the Supreme Court of Appeal's judgement that found the 2017 Preferential Procurement Regulations invalid. This judgement resulted in a procurement standstill in the province, with effect from 16 February 2022 and into the 2022/23 financial year, unless institutions had

applied for and received an exemption in terms of Section 3 of the Preferential Procurement Policy Framework Act (PPPFA) from the Minister of Finance or new regulations were promulgated. In order to normalise procurement the Department did apply and received exemption from the Minister of Finance and also developed and approved its own Preferential Procurement Policy as prescribed in section 2 of the PPPFA.

On the 4 of November 2022 the Minister Finance, in terms of section 5, read with section 2(1)(b)(i) and (ii) and 2(1)(c), of the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000), published the Preferential Procurement Regulations 2022, in Gazette Number 47452. The regulations were applicable with effect from 16 January 2023

#### **4.9 EVENTS AFTER THE REPORTING DATE:**

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

#### **4.10 ACKNOWLEDGEMENTS AND APPRECIATION:**

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

#### **4.11 CONCLUSION:**

The Provincial Treasury has achieved significant strides in fulfilling its mandate and continues to prioritize the improvement of monitoring and support functions. For a comprehensive understanding of our achievements and initiatives, we kindly encourage you to consult the complete Annual Report accompanying this statement.



**Mr GC Pratt CA (SA)**  
Accounting Officer  
Limpopo Provincial Treasury  
31 May 2023







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

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

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

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

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2023.

Yours faithfully

**MR GC PRATT CA(SA)**

Accounting Officer

Limpopo Provincial Treasury

31 May 2023





## 6. STRATEGIC OVERVIEW

### 6.1. Vision

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

### 6.2. Mission

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

### 6.3. Values

Integrity. Transparency. Accountability. Fairness. Professionalism.



## 7. LEGISLATIVE AND OTHER MANDATES

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

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

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

### 7.1. CONSTITUTIONAL MANDATES

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

### 7.2. LEGISLATIVE AND POLICY MANDATES

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

**Section****Function and powers**

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

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

**Section****Function and powers**

- 3** A provincial treasury must in accordance with a prescribed framework:
- (c) Assist the National Treasury in enforcing compliance with the measures established in terms of section 216(1) of the Constitution, including those established in terms of this Act.

- 4 To the extent necessary to comply with subsection (3), a provincial Treasury(a)Must monitor:
- (i) compliance with the MFMA by municipalities and municipal entities in the province;
  - (ii) the preparation by municipalities in the province of their budgets;
  - (iii) the monthly outcome of those budgets; and
  - (iv) the submission of reports by municipalities in the province as required in terms of this Act;
- (b) May assist municipalities in the province in the preparation of their budgets;
- (c) May exercise any powers and must perform any duties delegated to it by the National Treasury in terms of this Act; and
- (d) May take appropriate steps if a municipality or municipal entity in the province commits a breach of this Act.

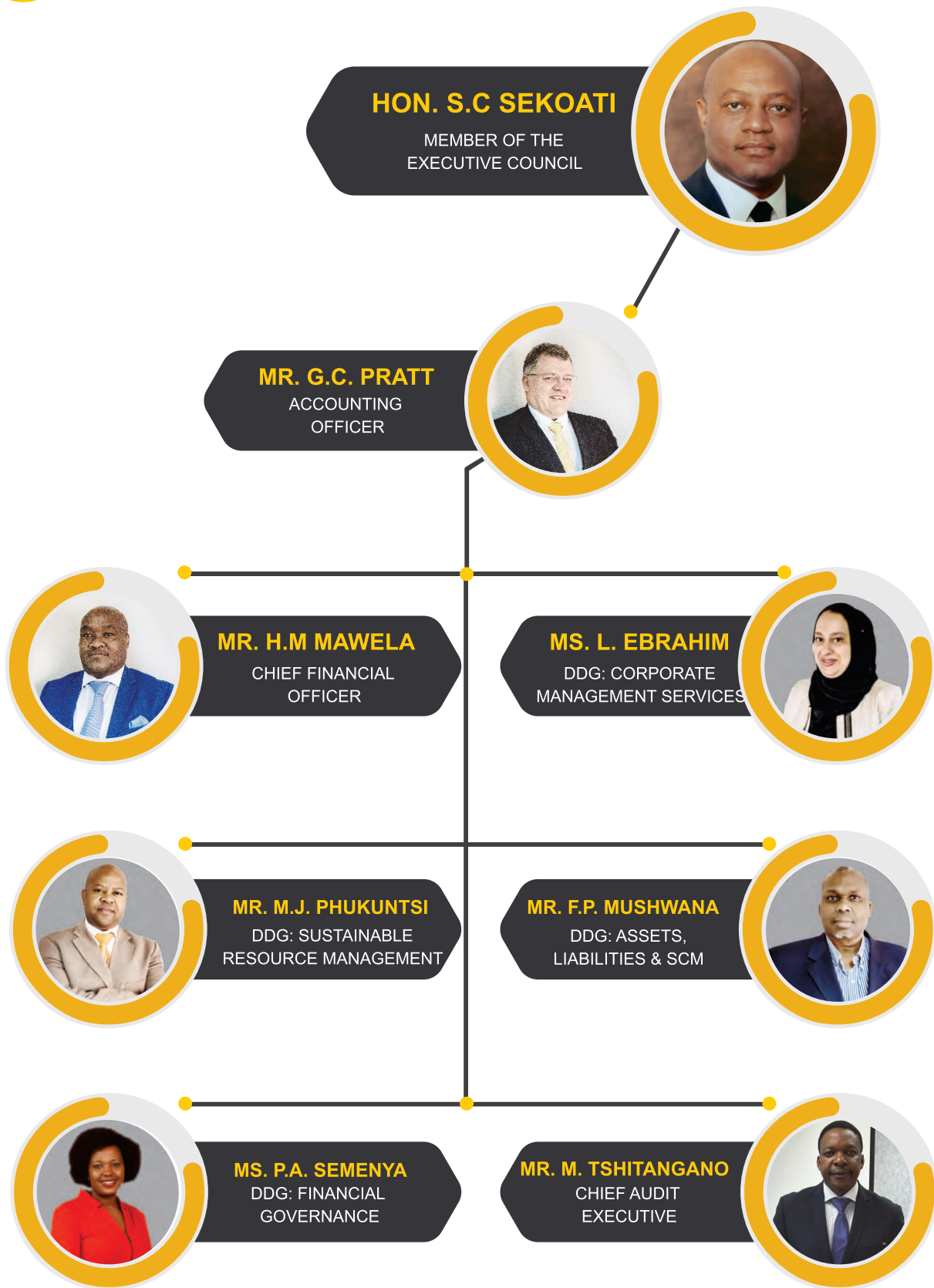
### **7.3. POLICY MANDATES**

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

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



## 8. ORGANISATIONAL STRUCTURE



## 9. ENTITIES REPORTING TO THE MINISTER/MEC

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



# **PART B:** **PERFORMANCE** **INFORMATION**



**MEC Hon. S.C. Sekoati**



**Mr GC Pratt CA (SA)**



## 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, under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 113 of the Report of the Auditor-General, published as Part F: Financial Information.



## 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

### 2.1. Service Delivery Environment

The support environment to stakeholders continues to perform fairly well in terms of compliance related matters. Provincial Treasury continues to be faced with capacity challenges due to high vacancy rate due to the delay to fill all vacant funded posts. The delay is as a result of the assessment controls and processes implemented by the Provincial Personnel Management Committee (PPMC) and concerns raised by our labour unions. Limpopo Provincial Treasury has a transversal role of supporting provincial departments and public entities on issues of governance and accountability, as well as financial management matters. The department is responsible for monitoring the Provincial Risk Profile and reports progress bi-annually to the HOD's forum.

In the 2021/22 financial year, there has been only one regression in audit outcomes of provincial departments, the Department of Transport moved from Clean Audit to Unqualified Audit Opinion. Provincial Treasury maintaining its clean audit for the sixth successive year. Office of the Premier and Economic Development Environment and Tourism maintained their clean audit status. Five (5) other provincial departments maintained their unqualified audit status, In the province only the Department of Education and the Department of Health received qualified audit opinions. During 2022/23 the Provincial Treasury has been assisting the two qualified Departments to deal with the audit findings with the hope that their audit opinions improve during the current 2022/23 audit cycle.

The province recorded stagnant audit outcomes in the 2021/22 of the provincial public entities, with Limpopo Economic Development Agency (LEDA) and Gateway Airports Authority Limited (GAAL) remaining qualified. Limpopo Gambling Board (LGB) maintained its clean audit status and the other two entities maintained their unqualified status.

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

The province is facing major risks of municipalities not being sustainable due to cash flow challenges and inability to settle their debts timeously.

The province, for the first time, achieved two clean audits in the municipal space in 2021/22. The two clean audits were achieved by Waterberg District Municipality, who retained their 2020/21 Clean Audit status and Capricorn District Municipality, who improved from an unqualified opinion in 2020/21 and regained their 2019/20 clean audit status.

The province also further retained 11 unqualified audit opinions and had 2 improvements from qualified to unqualified audit opinions in 2021/22. In 2021/22 the province still had 6 municipalities that retained their qualified audit opinion status and 4 municipalities that regressed from unqualified audit opinions to qualified audit opinions and 1 municipality that improved from a disclaimed audit opinion to a qualified opinion. Unfortunately the province remained with 1 disclaimed audit opinion in the Mopani District Municipality, which will require focussed support in 2022/23 municipal financial year ending 30 June 2023 in order to address the disclaimed matters. The province will continue to provide assistance to further improve this status in 2022/23 and 2023/24 municipal financial year.

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
Provide monitoring and support services on infrastructure budgets and spending	Three (3) Departments supported and monitored, i.e. Public Works, Roads and Infrastructure; Coghsta and Education		98% Expenditure on each of the three (3) conditional grants	
	Public Works, Roads and Infrastructure	93.2% Expenditure on Provincial Roads Maintenance Grant		The preliminary spending of the Provincial Roads Maintenance grant is R1.219 billion or 93.2% of the adjusted budget of R1.308 billion.
	COGHSTA	99.5% Expenditure on Integrated Housing and Human Settlement Development		The preliminary spending of Integrated Housing and Human Settlement Development grant is R991.7 million or 99.5% of the adjusted budget of R996.4 billion.
		59.3% expenditure on the Informal Settlement Development Grant.		Informal Settlement Development grant - spent R203 million or 59.3% of the adjusted budget of R342.6 million.

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
	Department of Education	99.9% Expenditure on Education Infrastructure Grant		Education Infrastructure grant spent R1.484 billion or 99.9 percent of the total adjusted budget of R1.486 billion.
Provide support services on budget management	26 delegated municipalities	25% Reduction of UIFW expenditure in 26 delegated municipalities	75% Reduction of UIFW expenditure in 26 delegated municipalities	UIFW in our municipalities increased from R11.605 billion to R11.736 billion for the period 1 July 2022 to 30 June 2023 Only one municipality reduced UIFW by more than 75% during the period

### 2.2.2. Batho Pele arrangements with beneficiaries (Consultation access, etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
Bilateral meetings are a standing meeting in the Provincial calendar of events for consultation with EXCO.  Quarterly bilateral meetings form part of structural meetings chaired by the MEC	100% attendance by all relevant stakeholders  To provide support in spending of the allocated budget.	100% attendance by all relevant stakeholders  Appropriate spending of allocated budget by the departments and public entities.



<b>Current/actual arrangements</b>	<b>Desired arrangements</b>	<b>Actual achievements</b>
LPT forms part of IDP Stakeholder meetings arranged by Municipalities with a view of deliberating on needs of the citizens.	<p>The outcome of such meetings is to guide the Municipalities in the on the priority areas of the identified needs and the respective budget thereof.</p> <p>One to one session is created for further deliberations after the adhoc meetings.</p>	<p>A well-informed bids for budget by municipalities.</p> <p>One on one session meetings were held for further deliberations after adhoc meetings were arranged.</p> <p>Besides bilateral meetings, two main consultations were held with municipalities for Budget Engagements and the consultations for mid-year Assessments which were led by the HoD and the MEC.</p>
HOD forum, Audit Committee and Cluster meetings are held with the departments and the Director General.	Meetings are to be held quarterly in order to promote adherence with applicable prescripts.	Meetings are held as scheduled

### **2.2.3. Service delivery information tool**

<b>Current/actual information tools</b>	<b>Desired information tools</b>	<b>Actual achievements</b>
Approved Service Standards document	Consolidated Service Standards quarterly reports	Approved annual reports submitted to DPSA
Approved Service Delivery Improvement plan	Revised Service Delivery Improvement Plan	The submission of the revised SDIP to DPSA
Section 71 Reports	Section 71 Reports responded to by the end of the year February 2023	Section 71 Reports prepared

### 2.2.4. Complaints Mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Open door Policy	Complaints and compliments received are acknowledged and responded to within 24 hrs.	Standard Operating Procedures are approved for implementation on addressing internal and external complaints received
Premier Hotline	Premier Hotline complaints	Complaints are referred to the department through the Office of the HoD
Presidential Hotline	Presidential Hotline	No complaints received
Suggestion Boxes are provided for clients to comment on the services received. Feedback on customer complaints is attended to within 07 working days upon receipt of the written complaint	Feedback to the complainant should be given within 25 working days upon written complaint	Suggestion boxes and the feedback mechanism surveys serves the department on customer satisfaction

### 2.3. ORGANISATIONAL ENVIRONMENT

Limpopo Provincial Treasury has successfully implemented an approved organizational structure, which is currently in its fourth year of implementation since receiving approval. All positions within the structure have been assigned job descriptions and undergone comprehensive job evaluation and benchmarking processes. The results of the job evaluation are readily available, and the department has diligently conducted a process mapping exercise for all newly established positions. Presently, there are 536 positions on the official establishment of Limpopo Provincial Treasury. Furthermore, the department is actively engaged in a thorough structure review process, having completed three essential phases, namely initiation and diagnosis, determining service delivery requirements, and design phases.

Transparent communication has been maintained with employees regarding the Provincial Performance Management and Development Policies, ensuring their compliance with performance instrument templates. Regular assessment and monitoring of employee performance have been conducted based on the signed performance instruments, and corresponding performance incentives have been duly processed.

The workforce representation within the department reflects the demographics of the province in terms of race and gender. With respect to equity, as of 31 March 2023, the

employee composition consisted of 169 males (44%) and 215 females (56%), with 6 employees (1.7%) reporting disabilities. Notably, the disability equity target of 2% has been successfully achieved within the Senior Management Services (SMS) level, where out of a total of 47 SMS members, 24 (51%) are female and 23 (49%) are male. The department remains committed to intensifying efforts to recruit individuals with disabilities, particularly at the SMS level, in order to enhance inclusivity.

A harmonious and collaborative labour relations environment prevails between the employer and employees, facilitated through the effective functioning of the Labour Consultative Forum. This platform has successfully fostered a cordial and constructive atmosphere for labour-related matters.

The department's core business units continue to deliver essential services in alignment with the approved 2022-2025 Strategic Development and Implementation Plan (SDIP). In response to DPSA Circular No. 14 of 2022, the SDIP has undergone a comprehensive review to incorporate any previously overlooked components. The revised SDIP was promptly submitted to the DPSA on 31 March 2022. The identified key services are designed to provide support and monitoring for conditional grants related to infrastructure spending by the Department of Public Works, Roads and Infrastructure, COGHSTA, Department of Education, and 22 municipalities. These interventions aim to enhance expenditure management, accountability, and audit outcomes by reducing unauthorized, irregular, fruitless, and wasteful expenditure. Regular monitoring of the two key services occurs through the presentation of SDIP implementation reports during EXCOM sessions.

Following the termination of the National State of Disaster, as proclaimed by the President on 4 April 2022, the department has smoothly transitioned from Covid-19 regulations and directives. Former Covid-19 structures, including the Compliance Officer and Covid-19 Steering Committee, have ceased operations. The management of exposure to SARS-Cov-2 in the workplace now adheres to the Code of Good Practice, which was signed by the Minister of the Department of Employment and Labour on 15 March 2022, along with the National Department of Health (NDoH) Regulations. These guidelines serve as the authoritative framework for managing Covid-19 exposure within the department's eight buildings. In compliance with Section 17 of the Occupational Health and Safety Act (Act 85 of 1993), Occupational Health and Safety Representatives have been appointed to diligently monitor and safeguard the health and safety of employees within the working environment. Furthermore, quarterly assessments of departmental buildings are conducted to proactively identify occupational hazards, mitigate associated risks, and implement necessary control measures.

## 2.4. KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

On Wednesday, 16 February 2022 at 10h00, the Constitutional Court handed down judgment in the application for leave to appeal against a judgment and order of the Supreme Court of Appeal. This application was brought by the Minister of Finance (Minister) against Afribusiness NPC, and concerned the validity of the Preferential Procurement Regulations, 2017 (Procurement Regulations) promulgated by the Minister of Finance on 20 January 2017 in terms of section 5 of the Preferential Procurement Policy Framework Act (ProcurementAct).

Leave to appeal was granted, however, the appeal was dismissed with costs.

National Treasury advised as follows:

- tenders advertised before 16 February 2022 be finalised in terms of the procurement regulations;
- tenders advertised on or after 16 February 2022 be held in abeyance; and
- no tenders to be advertised

This judgement resulted in a procurement standstill in the province, with effect from 16 February 2022 and into the 2022/23 financial year, unless institutions had applied for and received an exemption in terms of Section 3 of the Preferential Procurement Policy Framework Act from the Minister of Finance or new regulations were promulgated. In order to normalise procurement organs of state did apply and received exemption from the Minister of Finance and also developed and approved their own Preferential Procurement Policies as prescribed in section 2 of the PPPFA

On the 4 of November 2022 the Minister Finance, in terms of section 5, read with section 2(1)(b)(i) and (ii) and 2(1)(c), of the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000), published the Preferential Procurement Regulations 2022, in Gazette Number 47452. The regulations were applicable with effect from 16 January 2023.

The Procurement Regulations 2022 prescribe that a organ of state must, in the tender documents, stipulate the applicable preference point system to be used to score tenders, the specific goal for which a point may be awarded, and the number of points that will be awarded for each goal, and proof of the claim for such goal.

The regulations prescribe the two preference point systems to be used, either the 80/20 or 90/10 depending on the value of the tenders and the respective formulas and criteria to be used. Further the regulations prescribe what an organ of state must include in the tender documents if it is unclear whether the 80/20 or 90/10 preference point system applies. The regulations further regulate how to deal with two or more tenders that score the equal total

number of points (deadlock) and what remedies are available to an organ of state should a tender submit false information.



### 3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The department performs its activities to achieve the impact of strengthened capability and accountability of provincial departments, public entities and municipalities by 2030. The department contributed towards achievement of this impact by making significant progress on achievements of the departmental outcomes. The department managed to achieve 40% of its outcomes as at the mid-term of the current strategic plan period, whereby four (4) out of ten (10) outcome indicators were fully achieved with no challenges and six (6) were partially achieved. The department managed to support provincial public institutions, in an endeavour to improve audit outcomes. The 2020 - 2025 Strategic Plan was not revised during 2022/23 final year; however, the 2022/23 APP has been revised with minor changes on performance indicators.



### 4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

#### 4.1. PROGRAMME 1: ADMINISTRATION

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

The programme has the following sub-programmes namely:

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

## Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Sustainable support services and good governance was identified as one of the outcomes of this programme, achieving the outputs on capacity programmes implemented and ICT Steering Committee supported which contributed towards the achievement of MTSF priority number one (1) of Building a Capable, Ethical and Developmental State.

The department also achieved the output of successful financial management services through timeous payment of suppliers.

**Table 4.1.1: Report against the originally tabled Annual Performance Plan (No revisions to the Programme Indicators)**

PROGRAMME / SUB-PROGRAMME: ADMINISTRATION								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Sustainable support services and good governance	Capacity Building Programmes Implemented	Number of capacity building programmes implemented	4	4	4	4	0	N/A
	Decrease in % on vacancy rate	% on vacancy rate attained	N/A	N/A	10%	22.01%	+12.01%	Delays due to GPSSBC clarity and decision.  Increase in vacancies due to terminations
	ICT Steering Committee supported to ensure compliance with CGICTPF	ICT Steering Committee meetings held in compliance with CGICTPF	N/A	N/A	4	4	0	N/A
Departmental unqualified audit outcome	Successful Financial Management Services.	% of supplier's valid invoices paid within 30 days.	100%	100%	100%	100%	0	N/A



## Linking performance with budgets

### Sub-programme expenditure

Administration	2022/23			2021/22		
	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	7,955	7,443	512	6,726	6,463	263
Management Services	9,912	9,769	143	10,841	10,609	232
DDG: Corporate Management Services	10,754	10,363	391	8,901	8,751	150
Corporate Management Services	42,913	42,147	766	42,384	39,454	2,930
Information Management	66,708	62,741	3,967	55,968	52,502	3,466
Financial Management	41,125	39,844	1,281	32,628	31,999	629
<b>Total</b>	<b>179,367</b>	<b>172,307</b>	<b>7,060</b>	<b>157,448</b>	<b>149,778</b>	<b>7,670</b>





## 4.2. PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

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

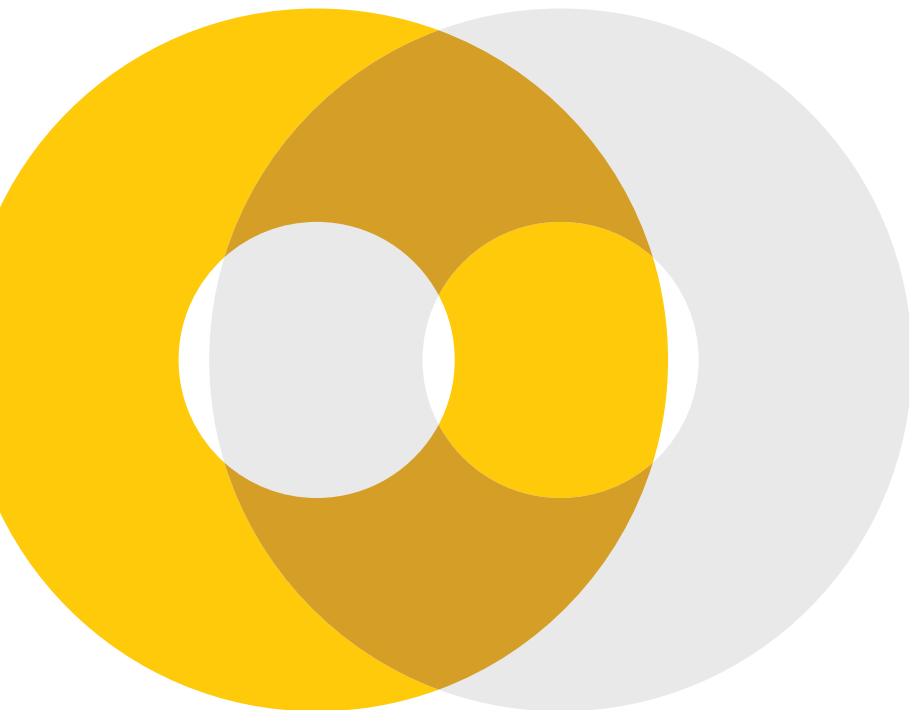
The programme comprises of the following sub-programmes:

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

### **Outcomes, outputs, output indicators, targets and actual achievements**

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

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



**Table 4.2.1: Report against the originally tabled Annual Performance Plan (No revisions to programme indicators)**

PROGRAMME / SUB-PROGRAMME: SUSTAINABLE RESOURCE MANAGEMENT								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Sustainable Fiscal Policy for the province by 2025	Improved Economic Research.	Number of Research documents produced to align the Provincial Fiscal Policy.	7	7	7	7	0	N/A
	Increased Provincial Own Revenue.	Number of revenue assessments conducted to ensure collection of set target.	4	4	4	4	0	N/A
	Budget documents tabled in line with the set standards and National Treasury.	Number of budget documents tabled in line with the set standards and National Treasury.	2	3	2	2	0	N/A
	Consolidated IYM reports produced in line with sec32 of PFMA.	Number of consolidated in year monitoring reports in line with section 32 of PFMA.	12	12	12	12	0	N/A
	Infrastructure reporting model assessment reports produced.	Number of Infrastructure Reporting Model assessments conducted in infrastructure departments.	108	108	108	108	0	N/A
	Infrastructure assessment reports on support to Local Government produced.	Number of infrastructure assessments on support to local government to optimize MIG performance conducted.	4	4	4	4	0	N/A
Unqualified Audit Outcomes of Provincial Departments, Public Entities and Municipalities.	Municipal Governance structures coordinated	Number of Municipal Governance Structures coordinated	4	4	4	4	0	N/A



## Linking performance with budgets

### Sub-programme expenditure

Sustainable Resource Management	2022/23			2021/22		
	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	2,437	2,414	23	2,251	2,205	46
Economic and Fiscal Policy Oversight	4,708	4,665	43	6,631	5,949	682
Budget and Public Finance Management	14,333	13,694	639	11,345	11,050	295
Municipal Finance and Governance	28,972	26,713	2,259	23,402	23,204	198
Infrastructure Management & Public Privat Partnership	11,331	11,263	68	10,263	10,206	57
<b>Total</b>	<b>61,781</b>	<b>58,749</b>	<b>3,032</b>	<b>53,892</b>	<b>52,614</b>	<b>1,278</b>



### 4.3. PROGRAMME 3: ASSETS, LIABILITIES AND SUPPLY CHAIN MANAGEMENT

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

The programme is comprised of the following sub-programmes:

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

#### **Outcomes, outputs, output indicators, targets and actual achievements**

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

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



**Table 4.3.1: Report against the originally tabled Annual Performance Plan (No revisions to programme indicators)**

PROGRAMME / SUB-PROGRAMME: ASSETS, LIABILITIES AND SUPPLY CHAIN MANAGEMENT								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Unqualified Audit Outcomes of Provincial Departments, Public Entities and Municipalities.	Provincial SCM assessments conducted in provincial departments and public entities.	Number of asset management assessments conducted in Votes and Public Entities.	64	64	64	64	0	N/A
		Number of cash management assessments conducted in Votes and Public Entities.	67	64	64	64	0	N/A
		Number of SCM assessments conducted in Votes and Public Entities	64	64	64	64	0	N/A
Increased economic participation of youth, Women, Military Veterans and Persons with Disability (SMMEs).	Procurement spent analysis assessments conducted in provincial public institutions in line with Limpopo Procurement Strategy targets.	Number of assessments conducted in Votes and Public Entities on strategic procurement targets of Limpopo Procurement Strategy.	64	64	64	64	0	N/A

**Linking performance with budgets**

**Sub-programme expenditure**

Assets, Liabilities & SCM	2022/23			2021/22		
	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
<b>DDG: Assets, Liabilities &amp; SCM</b>	1,872	1,839	33	2,300	2,270	30
<b>Assets &amp; Liabilities Management</b>	18,962	17,733	1,229	18,486	17,983	503
<b>Provincial Supply Chain Management</b>	25,510	25,132	378	23,436	23,434	2
<b>Total</b>	<b>46,344</b>	<b>44,704</b>	<b>1,640</b>	<b>44,222</b>	<b>43,687</b>	<b>535</b>



#### 4.4. PROGRAMME 4: FINANCIAL GOVERNANCE

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

The programme is comprised of the following sub-programmes:

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

#### **Outcomes, outputs, output indicators, targets and actual achievements**

The department successfully implemented the outputs of effective utilization of financial systems, accurate and timely financial statements, improved oversight over governance reporting of departments by Audit Committees, improved provincial performance, improved utilization of financial management systems and improved risk management. Support was provided to provincial departments and public entities in an endeavour to improve audit outcomes and contribute towards achievements of MTSF priority no.1 of “capable, ethical and developmental state”.



**Table 4.4.1: Report against the originally tabled Annual Performance Plan (No revisions to the Programme Indicators)**

PROGRAMME / SUB-PROGRAMME: FINANCIAL GOVERNANCE									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	
Unqualified Audit Outcomes of provincial departments, public entities and municipalities	Transversal Systems courses conducted.	Number of courses conducted on transversal systems in Votes.	84	97	72	108	+36	<p>Extra courses were conducted in the 1<sup>st</sup> quarter (13), 2<sup>nd</sup> quarter (12), 3<sup>rd</sup> quarter (04) and 4<sup>th</sup> quarter (07) due to the following reasons:</p> <ul style="list-style-type: none"> <li>• preparation of the implementation of assets module training.</li> <li>• For colleagues in departments could utilize the BAS recurring functionality.</li> <li>• Extra LOGIS training were conducted ss per request by the Department of Health</li> </ul>	
	Financial Statements assessments conducted in Votes.	Number of financial statement assessments conducted in Votes.	44	44	44	44	0	N/A	
	Audit Committee reports submitted to Votes.	Number of Audit Committee reports submitted to Votes.	60	67	55	55	0	N/A	
	Assessments conducted on provincial risk profile and public sector risk management compliance.	Number of assessments for Votes and Public Entities conducted on provincial risk profile for presentation at HOD's forum.	2	4	4	4	4	0	N/A
		Number of public sector risk management framework compliance assessments conducted in Votes and Public Entities.	64	56	64	64	64	0	N/A



PROGRAMME / SUB-PROGRAMME: FINANCIAL GOVERNANCE								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
	Improved Utilization of Financial Management Systems.	Number of financial system utilization assessments conducted in Votes.	44	44	44	44	0	N/A
	Irregular Expenditure condonement requests considered and reduction in reported provincial irregular expenditure.	% of provincial irregular expenditure condonement requests considered by Provincial Treasury in terms of the National Treasury irregular expenditure framework.	N/A	100%	100%	100%	0%	N/A

### Linking performance with budgets

#### Sub-programme expenditure

Financial Governance	2022/23			2021/22		
	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	25,600	24,668	932	26,559	25,084	1,475
Accounting Services	19,134	15,807	3,327	15,868	15,304	564
Financial Management Information Systems	29,516	27,044	2,472	27,072	24,888	2,184
<b>Total</b>	<b>74,250</b>	<b>67,519</b>	<b>6,731</b>	<b>69,499</b>	<b>65,276</b>	<b>4,223</b>



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

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

The Branch is comprised of the following sub-programmes:

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

Outcomes, outputs, output indicators, targets and actual achievements

**Table 4.5.1: Report against the originally tabled Annual Performance Plan (No revisions to the Programme Indicators)**

PROGRAMME / SUB-PROGRAMME: FINANCIAL GOVERNANCE								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Unqualified Audit Outcomes of provincial departments, public entities and municipalities.	Cluster Based Audit Plans prepared.	Number of Cluster Based Annual Audit Plans approved by Audit Committee	4	4	4	4	0	N/A
	Audit reports provided to clients Departments.	% of internal Audits finalized in terms of the approved Audit Plans	97%	97%	100%	101%	+1%	4 additional audits were undertaken in the 1 <sup>st</sup> quarter (TCS Follow Up, SAC Follow Up, ARD Follow Up and PRI Verification of Public Servants doing business with organs of state).  One (01) extra audit conducted in the 4 <sup>th</sup> quarter as per Management request.

**PROGRAMME / SUB-PROGRAMME: FINANCIAL GOVERNANCE**

Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
	Internal Quality Assurance Improvement Programme (QAIP) Implementation Report prepared.	Number of annual internal Quality Assurance Improvement Programme (QAIP) Implementation Reports prepared to improve the quality of client services.	1	1	1	1	0	N/A



**Linking performance with budgets**

**Sub-programme expenditure**

Shared Internal Audit Services	2022/23			2021/22		
	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	41,453	40,015	1,438	39,849	39,540	309
<b>Total</b>	<b>41,453</b>	<b>40,015</b>	<b>1,438</b>	<b>39,849</b>	<b>39,540</b>	<b>309</b>

**Strategy to overcome areas of under performance**

The Department to Fast track filling of posts in the 2023/24 financial year and to resolve disputes raised by organised labour.

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

N/A



**5. TRANSFER PAYMENTS**

**5.1 TRANSFER PAYMENTS TO PUBLIC ENTITIES**

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

## 5.2. Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2022 to 31 March 2023

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

The table below reflects the transfer payments which were budgeted for in the period 1 April 2022 to 31 March 2023, 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 does not have conditional grants.



## 7. DONOR FUNDS

### 7.1. DONOR FUNDS RECEIVED

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



## 8. CAPITAL INVESTMENT

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

Limpopo Provincial Treasury does not have capital investments.

# PART C: GOVERNANCE





## 1. INTRODUCTION

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

Throughout the reviewed period, the department actively undertook key activities to bolster the effectiveness of its governance management process. These activities include:

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

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



## 2. RISK MANAGEMENT

The Provincial Treasury has established an approved Risk Management Policy and Strategy, which aligns with the 2022/23 Annual Performance Plan. This framework provides a structured approach to managing risks effectively.

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

Regular risk assessments are conducted at both strategic and operational levels, and the department monitors the implementation of risk mitigation plans on an ongoing basis.

To facilitate effective risk management implementation, the department maintains a functional and active Risk Management Committee. This committee convenes quarterly, or as necessary, to address risk management processes and provide advice to the Executive Management. It is chaired by an External Independent Chairperson who submits quarterly reports to the Accounting Officer and Audit Committee.

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

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



## 3. FRAUD AND CORRUPTION

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

- SMS members declare their personal interests annually
- Pre-employment screening (Suitability Checks) is conducted to candidates and contractors before appointment (Pre-employment and vetting of employees



Induction /Orientation of new employees related to security matters.

- Awareness workshops are conducted on fraud and corruption
- Information security systems are in place to ensure the protection of personnel, physical, computer and communication security measures protect sensitive information

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

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

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

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



#### 4. MINIMISING CONFLICT OF INTEREST

- All designated employees are required to submit Financial Disclosures on an annual basis. Designated employees are SMS and other groups as identified by DPSA
- The submissions are scrutinized for any conflicts and contraventions of the Public Service Regulations.
- Where transgressions or conflicts are found, it is dealt with in terms of the Public Service Disciplinary Code, Public Service Regulations and the Public Service Act.



#### 5. CODE OF CONDUCT

During the fiscal year 2022/23, the Provincial Treasury adhered to the Department of Public Service Administration prescribed Code of Conduct. In order to enhance employee awareness and understanding of the Code, informative sessions were conducted throughout the year. It is worth noting that there were no reported cases of misconduct within the department during the specified period.

However, in the event that a breach of the Code of Conduct occurred and was deemed to be of a serious nature, the matter would have been escalated to the Security Service Directorate for formal investigation. For less severe breaches, supervisors would have received guidance from the Labour Relations department on the appropriate course of action to follow.

Should an investigation find evidence of a breach of the Code of Conduct, a report would be

forwarded to Labour Relations. Subsequently, Labour Relations would submit the report to the Head of Department for approval of a format disciplinary inquiry. This process entails the appointment of a chairperson and an employer representative to oversee the proceedings. Once the disciplinary inquiry is concluded and an employee is found guilty, the chairperson would submit the outcomes to the Department for implementation.

To ensure the effective implementation of ethical standards within the department, an active and functional Ethics Committee is in place. This committee convenes quarterly or as necessary to address ethics-related matters and identify and monitor potential ethical risks.



## 6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Occupational Health, Safety and Environment was implemented as per the Occupational Health and Safety Act of 1993, Public Service Regulations and DPSA Employee Health and Wellness (EH&W) Strategic Framework, and COVID-19 Directives. Thus the Departmental Safety, Health, Environment, Risk and Quality Management (SHERQM) policy was reviewed to accommodate COVID-19 Directives and submitted to Department of Employment and Labour. The same applied with operational plan which was signed by the HOD and submitted to OTP and DPSA. Key Performance Areas (KPA) on the operational plan were outlined in order to implement the objectives of Safety, Health, Environment, Risk and Quality Management (SHERQM) as per the DPSA EH&W Strategic Framework.

The following are in place to ensure compliance:

- OHS is a standing item in Risk Management Committee which meet quarterly, and OHS reports were presented and discussed.
- OHS Committee was reviewed and additional SMS members from the discontinued COVID-19 Steering Committee were nominated and appointed by the Head of Department (HoD).
- OHS Committee meets quarterly to discuss OHS reports.
- Quarterly OHS reports are compiled and submitted to Records and Auxiliary Services Directorate.
- Action plan based on the OHS reports findings and recommendations was developed and implemented.
- Meetings with Records and Auxiliary Services and Transformation Services to discuss progress on the action plan held. These meetings are co-chaired by the Chief Directors Corporate Services and Information Management.
- A plan based on the reviewed risk assessment to manage exposure to SARS-COV-2 in the workplace was developed and implemented. All workplaces monitored on quarterly for implementation of COVID-19 health and safety measures as per Code of practice: managing exposure to SARS-COV-2 in the workplace.

- The Department had sought assistance from Disaster Management of Polokwane Municipality with regard to implementing emergency evacuation measures.
- Awareness sessions on emergency evacuation plans conducted during Branch meetings
- Emergency evacuation drill conducted
- Injuries on duty are managed as per the Compensation of Occupational Injuries and Diseases Act of 1993.

Departmental facilities were monitored on a quarterly basis as per the KPAs. Monitoring reports are compiled and identified hazards are discussed with the relevant stakeholders. 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.



## 7. PORTFOLIO COMMITTEES

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

- 20 April 2022 - Briefing by the NCOP and National Treasury on 2022 Division of Revenue.
- 7 June 2022 - 2021/22 4<sup>th</sup> Quarter Performance report and 2022/23 Annual Performance Plan and Budget.
- 17 November 2022 - Briefings on 2022 Division of Revenue Amendment Bill and submission of the Division of Revenue for 2023/24 financial year
- 14 March 2023 - Briefing on 2022/23 2<sup>nd</sup> and 3<sup>rd</sup> Quarter Performance Reports and Limpopo Adjustments Appropriation Amendment Bill.



## 8. SCOPA RESOLUTIONS

Resoluti on No.	Subject	Details	Response by the department	Resolved (Yes/ No)
1.	Exceptional Litigation	Department in a claim and counter claim against the supplier of financial systems	The matter was heard by the Gauteng North High court and judgement was awarded in favour of the Department. The supplier appealed against the judgement and the appeal was heard on the 8 February 2023 and judgement was reserved. Judgement is awaited.	No

Resoluti on No.	Subject	Details	Response by the department	Resolved (Yes/ No)
2.	Irregular expenditure	<p>The Department of Public Service and Administration (DPSA) issued an Incentive Policy Framework for employees on salary levels 1 – 12 and those covered by OSD in 2012. Implementation of the policy in the Limpopo Provincial Government commenced during 2015/2016 financial year and there was no consistency in the application of the provisions of the Policy in all the provincial departments. This late implementation was due to lack of clarity on the interpretation of the policy by departments and the subsequent insistence by the Labour Unions that their members must be paid.</p> <p>Due to the interpretation challenges with the DPSA Policy Provincial Treasury requested the DPSA to provide clarity and guidelines on how to practically implement the DPSA policy.</p> <p>The response from DPSA did not clarify the how to deal with the challenges being faced Provincial Treasury (LPT) subsequently did not consider the policy inner limits but ensured that it remained within the policy outer limits of 2% of the wage bill. LPT disclosed this fact to the Auditor General and was advised that the implementation was irregular. LPT subsequently disclosed the whole amount paid of R3.186m in the LPT annual report as irregular expenditure. DPSA then issued another Incentive Policy Framework</p>	<p>Due to the different applications of the provisions of the Incentive Policy Framework, various consultations ensued between the departments, including OTP, LPT as well as the DPSA on the best way to apply the policy. OTP, LPT and Coghsta approached the Labour Court during 2018 to seek a declaratory order favouring their interpretation of certain clauses of the Incentive Policy and ordering the repayments of the payments effected as a result of their interpretation of the policy, as well as a judicial review of the decision to effect payments irregularly.</p> <p>The Public Servants Association (PSA) and NEHAWU opposed this application. The Court concluded that the Policy was a collective agreement and consequently refused to grant the applicants a declaratory as well as the judicial review. The court further indicated the matter must be dealt with in terms of Section 24 of the Labour Relations Act. The court dismissed the application. Provincial Government then referred the matter or dispute over the</p>	No

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/ No)
		<p>in 2017 which excluded the accelerated pay progression, which was the burning issue in the withdrawn policy, however Departments had already partially implemented the withdrawn policy which is now the subject of the irregularity. Because of this abrupt withdrawal of the policy, departments were left stranded. and the damage was already done in departments.</p>	<p>interpretation and application of a collective agreement to the PSCBC in terms of the Dispute Resolution Procedure of the PSCBC. On the 21 September 2021 and the PSCBC contended that since there was no dispute, the matter could not serve before and no relief could be provided to the predicament on the correct application of the Policy. The PSCBC further indicated that the Chamber lacked jurisdiction to handle the matter and it was removed from the agenda.</p> <p>Based on the confusion caused by lack of clarity during the implementation of the Incentive policy, and the subsequent withdrawal of the Policy by the DPSA without providing the correct interpretation, the department therefore has requested the Office of the Auditor General to reconsider the disclosed irregular expenditure of R3.186m and allow LPT to remove the amount so disclosed.</p>	

Resoluti on No.	Subject	Details	Response by the department	Resolved (Yes/ No)
3.	Reviewing of funding on our 3D public entities. GAAL and LEDA.	The Provincial Treasury has implemented the budget reduction to 3D entities, namely LEDA and GAAL in line with House resolution	It is apparent that the budget reductions will worsen the financial health of the 3D entities (LEDA and GAAL) and that it may be essential for the 3D entities to brief the house on their sustainability status.	No
4.	Venda Building Society	The proceedings found that both officials were guilty of not complying with the municipal rules and regulation, both officials were imposed with sanction of demotion The sanctions were imposed accordingly by LPT and the matter was closed.	The AO has requested a legal opinion from Office of the Premier on whether the sanction handed down in the matter may be reviewed more than 2 years later and whether such review will not be considered as unfair labour practice.	No
5.	Assistance by Treasury to municipalitie s, entities and departments to improve and issues on unwanted expenditure.	<p>Municipalities, entities and departments were assisted hence the improvement in the number of clean audits in departments and municipalities. All disclaimer opinions eliminated in the provincial administration. The Provincial Departments achieved the following audit outcomes for the financial year 2021/22: Three (3) Clean Audits, Seven (7) Unqualified Audits, and two (2) Qualified Audits. Only 1 department has regressed from a Clean audit to Unqualified.</p> <p>The Public entities achieved the following audit outcomes: One Clean audit, two (2) unqualified audits, two (2) Qualified. One public entity improved from Adverse to Qualified.</p> <p>The Departments of Education and Health received qualified audit</p>	<p>Provincial Treasury has developed an Audit Improvement Strategy</p> <p>Focussed support to Education to resolve infrastructure disclosure matters and to Health to review asset classification matters are being provided. Hands-on support is also being provided to GAAL to resolve prior year findings prior to 2022/23 audit process.</p> <p>Provincial Treasury has also strengthened the municipal support capacity and implemented a UIFW expenditure reduction strategy.</p>	No



Resoluti on No.	Subject	Details	Response by the department	Resolved (Yes/ No)
		<p>outcomes. There is still a need for continuous monitoring and support to ensure that these trends are improved.</p> <p>The province, for the first time, achieved two clean audits in the municipal space in 2021/22. The two clean audits were achieved by Waterberg District Municipality, who retained their 2020/21 Clean Audit status and Capricorn District Municipality, who improved from an unqualified opinion in 2020/21 and regained their 2019/20 clean audit status.</p> <p>The province also further retained 11 unqualified audit opinions and had 2 improvements from qualified to unqualified audit opinions in 2021/22. The province still had 6 municipalities that retained their qualified audit opinion status and 4 municipalities that regressed from unqualified audit opinions to qualified audit opinions and 1 municipality that improved from a disclaimed audit opinion to a qualified opinion. Unfortunately the province remained with 1 disclaimed audit opinion in the Mopani District Municipality, which will require focussed support in 2022/23 municipal financial year ending 30 June 2023 in order to address the disclaimed matters. The province will continue to provide assistance to further improve this status in 2022/23 and 2023/24 municipal financial year.</p>		



Resoluti on No.	Subject	Details	Response by the department	Resolved (Yes/ No)
		The VBS investigation report was handed over to the various implicated municipalities to implement the recommendations and to the HAWKS for further investigation and prosecution.		



## 9. PRIOR MODIFICATIONS TO AUDIT REPORTS

Provincial Treasury received a “Clean Audit” report (unqualified audit opinion with no findings) for 2016/17, 2017/18, 2018/19, 2019/20, 2020/21 and 2021/22 financial years and thus did not have any prior modifications.



## 10. INTERNAL CONTROL UNIT

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



## 11. INTERNAL AUDIT AND AUDIT COMMITTEES



### 11.1. KEY ACTIVITIES

The Audit Committee (AC) activities are outlined in the approved AC Charter which requires that an Annual Schedule be finalised and approved as a guideline for the AC activities of that particular financial year. The AC has satisfactorily performed its mandate as enshrined in Sections 76 (4) (d) and 77 of the Public Finance Management Act (Act No. 1 of 1999) read in conjunction with Treasury Regulations 3.1 which states that AC must, amongst others, review the following:

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

### **11.1.1. Impact of COVID-19 on Audit Committee Activities**

COVID-19 had presented a significant threat to humanity. However, the State's decision to mandate virtual meetings has had a positive impact on the work of the Audit Committees (AC). The Provincial Accountant General's (PAG's) office has observed budget savings within the AC primarily due to reduced expenses related to accommodation and travel, due to utilisation of virtual platforms. While virtual meetings lack certain essential tools to effectively monitor participation by all AC stakeholders, it is essential to uphold the principles of good governance. This challenge becomes more pronounced when evaluating the AC's performance using the National Treasury 360 Degree evaluation tool. Nonetheless, the PAG's office has been actively ensuring that the AC remains a valuable oversight and governance structure.

Significant progress has been made in terms of connectivity, with fewer disruptions caused by network issues compared to the previous financial year. However, load shedding continues to pose a significant challenge as it intermittently affects the network, resulting in temporary connectivity issues. Furthermore, the new cell phone contract has brought notable improvements in data allocation and connectivity to Virtual Platforms.

### **11.2. Audit Committee Meetings**

During the financial year 2022/2023, the AC met five (5) times to perform its roles and responsibilities as stipulated in the AC Charter. All the AC meetings have taken place as planned through 2022/2023 AC Annual Schedule. As resolved during the 2022 AC Annual Strategic Planning Workshop, briefing sessions between Members of Executive Council (MECs) and Cluster Chairpersons were held from 27 – 28 October 2022 and 10 November 2022. The briefing sessions were held virtually and afforded all the AC Chairpersons a slot

with each MEC of the Department they serve to discuss all the pertinent issues affecting their Department. Two (2) Central Audit Committee (CAC) meetings were held physically including the very last CAC held 07 December 2022 to bid farewell to the outgoing CAC members and Cluster Chairpersons. A plan is in place to hold one of the Cluster AC meetings physically as part of strengthening oversight on the work of Departments by the Acs.

### **11.3. 2023 Audit Committee Annual Strategic Planning Workshop and Orientation Program**

The 2023 AC Annual Strategic Planning Workshop was held face-to-face to discuss numerous issues affecting the work of the AC during 06 – 08 February 2023. The Strategic Planning workshop included an Orientation Program for all new AC members to familiarise themselves with the Limpopo Provincial Government operations including taking them through what is expected from them as the newly appointed AC members in their respective roles. Departments were requested to prepare presentations on their mandate to brief the newly appointed AC members. Honourable MEC for Treasury who was also Acting Premier presented at the workshop to outline the Executive Council (EXCO) expectations to the newly appointed AC members and made a commitment that the AC is enjoying unconditional support from EXCO.

In an effort to enhance and integrate risk-based audit approach, the Independent Risk Management Committee Chairpersons were represented by Risk Committee Chairperson of COGHSTA who presented an overview of Provincial Risk Management including progress made on the Provincial Risk Profile. The three (3) day workshop has resulted in the members taking a total of eight (8) resolutions coupled with thirty-eight (38) resolutions that were carried forward from the 2022 AC annual strategic planning workshop which makes up a total of forty-five (45) resolutions to be implemented by various AC stakeholders. Slow implementation of the AC resolutions remains a concern. A continued professional development (CPD) item was rendered by the Institute of Internal Audit South Africa (IIASA) as required by the AC Charter that AC members must be provided with CPD hours. All the protocol documents such as the AC Charter, Internal Audit Charter, and Reporting Frameworks were reviewed and adopted during day two (2) of the workshop.

### **11.4. CAC Chairperson Meetings**

During the current financial year, the CAC Chairperson managed to attend one (1) Executive Council (EXCO) meeting during August 2022. Great emphasis is made that the CAC Chairperson be invited to attend EXCO and Head of Departments Forum meetings at least quarterly to present CAC Reports detailing all the Clusters AC activities. Invitations to these structures are welcomed and strategic in nature as they provide an opportunity for the CAC

Chairperson to interact with Executive Authorities and Accounting Officers of all the Departments. As per best practices and PFMA/ Treasury Regulations provisions, the CAC Chairperson was part of the panellist for the appointment of the new Chief Audit Executive (CAE) to head the Shared Internal Audit Services (SIAS) and was also involved in the recruitment process to appoint the seventeen (17) new AC Members.

### **11.5. 360 Degree Audit Committee Evaluation Feedback**

National Treasury 360 Degree Evaluation tool was used to evaluate the work and performance of the AC. The final evaluation yielded an average score of 4.72 (from a rating scale between 1 to 5) when combining the average scores of all the AC Stakeholders. This represented a slight improvement from the previous evaluation period which yielded an average score of 4.71 rating. The AC stakeholders who participated in the performance evaluation of the AC included Provincial Internal Audit, External AC Members and Management (Accounting Officers, Chief Risk Officers, Chief Financial Officers, Head of Internal Controls and GITO). Auditor General South Africa as an AC stakeholder could not participate in the performance review of the AC, mentioning that they do their own evaluation in the management report of each Department to protect and maintain their independence.

In comparison to the average scores of the three (3) stakeholders (AC; SIAS; and Management), it must be noted that SIAS has recorded a highest average score of 4.97 as compared to 4.92 in the last financial year followed by the AC with the second highest average score of 4.61 while Management remained steady at an average score of 4.5. The following were critical issues that Departments felt were not robustly engaged to their satisfaction by the AC members:

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

It remains priority of the AC members to deal with the above issues as they conclude the current PFMA audit and start a new session. The newly appointed AC members were robustly orientated with the mandate of each Department with most Hon. MECs taking a lead role and attending the induction and orientation program for their respective Departments. This was

## 11.6. Audit Committee Membership

Current AC Membership was appointed with effect from 01 January 2023 and will expire on 31 December 2025. A total of 17 AC members were appointed during 2022 AC membership recruitment process. Total number of female AC members are seven (7) while a total number of male AC members are ten (10) represented as: 58.8% males and 41.2% females. This is a decline in the appointment of female candidates as the previous year the number stood at eight (8) and it has currently decreased to seven (7). There is a strong need to improve female recruitment into the Limpopo AC membership.

## 11.7. The following table stipulate the nature and activities of each AC meeting/event held:

NO.	PERIOD	NATURE OF THE AC MEETING	INFORMATION / DOCUMENTS REVIEWED
1.	May 2022	Review of Fourth Quarterly Performance Information and Draft Annual Report (Including Draft Annual Financial Statements) before submission to the Auditor General	<ul style="list-style-type: none"> <li>Annual Performance Report,</li> <li>Draft Annual Financial Statements,</li> <li>Fourth Quarterly Risk Management Report,</li> <li>Fourth Quarterly Internal Audit Progress Report.</li> </ul>
2.	June 2022	CAC Meeting to consider Clusters AC Reports	<ul style="list-style-type: none"> <li>Clusters AC Reports reporting on matters pertaining to Draft Annual Performance Report including Draft AFS</li> </ul>
3.	July 2022	Review of Draft Audit and Management Reports	<ul style="list-style-type: none"> <li>Draft Management Reports,</li> <li>Draft External Audit Reports.</li> </ul>
4.	August 2022	CAC Meeting to consider Clusters AC Reports	<ul style="list-style-type: none"> <li>Clusters AC Reports on matters pertaining to External Audit Reports.</li> </ul>
5.	August / September 2022	Review of First Quarter Performance Information including Financial & Non - Financial Reports	<ul style="list-style-type: none"> <li>First Quarter Accounting Officer's Report to the AC (Financial &amp; Non - Financial),</li> <li>First Quarter Risk Management Report,</li> <li>SCOPA Resolutions Implementation Progress,</li> <li>Auditor General Audit Findings Implementation Progress,</li> <li>First Quarter Internal Audit Report</li> </ul>
6.	September 2022	CAC Meeting to consider Clusters AC Reports	<ul style="list-style-type: none"> <li>Clusters AC Reporting on matters concerning to First Quarter Reports</li> </ul>
7.	October / November 2022	AC Briefing Sessions between AC Chairpersons and Hon. MECs to discuss AC Matters.	Chairpersons and Hon. MECs to discuss

NO.	PERIOD	NATURE OF THE AC MEETING	INFORMATION / DOCUMENTS REVIEWED
8.	November 2022	Review of Second Quarter Performance Reports (Financial and Non-Financial)	<ul style="list-style-type: none"> <li>• Second Quarter Accounting Officer's Report to the AC (Financial &amp; Non-Financial),</li> <li>• Second Quarter Risk Management Report,</li> <li>• SCOPA Resolutions Implementation Progress,</li> <li>• Auditor General Audit Findings Implementation Progress,</li> <li>• Second Quarter Internal Audit Report.</li> </ul>
9.	December 2022	CAC Meeting to consider Clusters AC Reports	<ul style="list-style-type: none"> <li>• Clusters AC Reports on matters pertaining to Second Quarter Audit Committee Reports as per paragraph 7 above.</li> </ul>
10.	February 2023	AC Annual Strategic Planning Workshop	<ul style="list-style-type: none"> <li>• Approval of the Audit Committee Charter,</li> <li>• Approval of the Internal Audit Charter,</li> <li>• Review of the Accounting Officer's Reporting Framework to the AC,</li> <li>• AC Improvement Plan by Clusters AC Chairpersons</li> <li>• Reflection on the Status of the Previous Year AC Resolutions,</li> <li>• 360 Degree AC Evaluation Feedback.</li> </ul>
11.	March 2023	Third Quarterly Departmental Reports and approval of the Three-Year Internal Audit Plan, Annual Internal Audit Plan and Auditor General Audit Coverage Strategy	<ul style="list-style-type: none"> <li>• All information under No. 5,</li> <li>• Three Year Internal Audit Plans and Annual Internal Audit Plans for 2022/2023.</li> <li>• Auditor General Audit Coverage Strategies</li> </ul>
12.	March 2023	CAC Meeting to consider Clusters AC Reports	<ul style="list-style-type: none"> <li>• Clusters AC Reports on matters pertaining to Third Quarter AC Reports as per paragraph 11 above.</li> </ul>

### 11.8. Objectives of the Audit Committee

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

- the availability of a well-resourced, functional and sustained internal audit function;
- sound relationship with all assurance providers, oversight structures and other stakeholders;
- effective and efficient Internal and External Audit processes;
- promotion of sound functional interaction between the internal audit and other assurance providers;
- that there is adequate and effective corporate governance, encompassing fraud and risk management, information technology, internal control, financial management and reporting systems;



- 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.

## Audit Committee Membership

Name	Qualifications	Internal or external	If internal, position in the Department	Date Appointed	Date Resigned	No. of Meetings Attended (LPT)
<b>PREVIOUS CLUSTER 2 AUDIT COMMITTEE MEMBERS FROM APRIL 2022 TO DECEMBER 2022.</b>						
S.A NGOBENI	<ul style="list-style-type: none"> <li>• Masters in Commerce: Taxation</li> <li>• Master in Business Administration (MBA)</li> <li>• UNISA - B Compt (honours) CTA</li> <li>• B Com Accounting</li> <li>• Directors Programme</li> <li>• Certificate in Portfolio Management &amp; Investment Analysis.</li> <li>• Higher Diploma in Computer Auditing.</li> <li>• Certificate in Mining Taxation</li> </ul>	External	N/A	01 February 2017  Re-appointed 01 February 2020	N/A	5
S.P MZIZI	<ul style="list-style-type: none"> <li>• ACG (CGISA)</li> <li>• ACMA, CGMA (CIMA)</li> <li>• Post Grad Diploma: Corporate Law</li> <li>• B Com Hons: Financial Management</li> <li>• BTech: Cost and Management Accounting</li> <li>• Post Graduate Certificate in</li> </ul>	External	N/A	01 Feb 2020	N/A	5

Name	Qualifications	Internal or external	If internal, position in the Department	Date Appointed	Date Resigned	No. of Meetings Attended (LPT)
<b>PREVIOUS CLUSTER 2 AUDIT COMMITTEE MEMBERS FROM APRIL 2022 TO DECEMBER 2022.</b>						
	<ul style="list-style-type: none"> <li>• Management Accounting Post Graduate Certificate in</li> <li>• Corporate Governance Higher Diploma in Education</li> </ul>					
M.G MATHABATHE	<ul style="list-style-type: none"> <li>• Certified Internal Auditor (CIA)</li> <li>• Post-Grad. Diploma: Internal Audit</li> <li>• B Tech Internal Audit</li> <li>• Advanced Diploma in Accounting Sciences</li> <li>• N Dip Auditing</li> <li>• Cert. Information System Auditor (CISA)</li> <li>• Cert. Information Security Manager (CISM)</li> </ul>					
K.M RAMUKUMBA	<ul style="list-style-type: none"> <li>• CA (SA)</li> <li>• MBA.</li> <li>• B Com: Honours (Fin. Acc.)</li> <li>• B Com: Financial Accounting</li> <li>• Project Management Certificate</li> <li>• Advanced Banking Services Certificate</li> </ul>	External	N/A	01 February 2017  Re-appointed 01 February 2020	N/A	5

Name	Qualifications	Internal or external	If internal, position in the Department	Date Appointed	Date Resigned	No. of Meetings Attended (LPT)
<b>CURRENT CLUSTER 2 AUDIT COMMITTEE MEMBERS. WITH EFFECT FROM JANUARY 2023</b>						
TC MODIPANE	<ul style="list-style-type: none"> <li>• CA (SA)</li> <li>• B Com Honours (CTA)</li> <li>• B Com (Accounting)</li> <li>• Higher Diploma in Auditing</li> <li>• Certificate in Business Development Systems SAICA GRAP Certificate</li> </ul>	External	N/A	01 February 2020 Re-appointed 01 January 2023	N/A	1
M.F. KEKANA	<ul style="list-style-type: none"> <li>• CA (SA) Qualified Executive Coach (South African Business)</li> <li>• Coaches and COMENSA (Coaches and Mentors of South Africa)</li> <li>• Advanced Certificate in Auditing</li> <li>• Bcom Accounting Honours/ CTA Degree Bcompt. Accounting Degree</li> </ul>	External	N/A	01 January 2023	N/A	1
ADV. L.T NEVONDWE	<ul style="list-style-type: none"> <li>• Bachelor of Laws (LLB) (Univen)</li> <li>• Masters of Laws (LLM) (Univen)</li> </ul>	External	N/A	01 January 2023	N/A	1

Name	Qualifications	Internal or external	If internal, position in the Department	Date Appointed	Date Resigned	No. of Meetings Attended (LPT)
A.M.M BADIMO	<ul style="list-style-type: none"> <li>• Master in Business Administration (MBA)</li> <li>• Master of Science</li> <li>• B. Science: Hons Computer Science</li> <li>• B. Science: Computer Science</li> <li>• CISM (Certified Information Security Manager)</li> <li>• CGEIT (Certified in the Governance of Enterprise IT)</li> <li>• CISA (Certified Information Systems Auditor)</li> <li>• CRISC (Certified in Risk and Information Systems Control)</li> <li>• Cobol Programming Diploma</li> <li>• PMP (Project Management Professional)</li> <li>• Cert. IT Auditing</li> <li>• COBIT 5</li> <li>• ITIL Foundation</li> <li>• Certified ISO 22301 Lead Implementer</li> <li>• Certified ISO 22301 Business Continuity Management Lead Auditor</li> <li>• Certified ISO 27001 ISMS Lead Auditor</li> <li>• Certified Blockchain Expert (CBE)</li> <li>• F. Inst D (IoDSA)</li> </ul>	EXTERNAL	N/A	<p>13 April 2019 - 31 December 2020</p> <p>Re-appointed 01 January 2021</p> <p>Re-Appointed 01 February 2023.</p>	N/A	1



### REPORT OF THE AUDIT COMMITTEE ON LIMPOPO PROVINCIAL TREASURY

We are pleased to present our report for the financial year ended 31 March 2023.

#### **Audit Committee Structure**

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

#### **Audit Committee Responsibility**

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

#### **Stakeholder Engagement/s**

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

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

#### **Audit Committee Skills Development**

A strategic 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' system of internal controls conducted by the internal audit and AGSA during the financial year ended 31 March 2023, 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 current internal control systems is not fully effective as significant deficiencies were reported by AGSA.

The Department generally has a good control environment, however the high vacancy rate in the department is making it difficult for the internal controls to be fully implemented which has resulted in the regression from clean audit outcomes to unqualified with audit opinion the year under review.

## **Risk Management**

The Audit committee reviewed the department' policies on risk management and strategy (including IT Governance) and monitored the implementation of risk management policy and strategy and concluded that there is a room for improvement in filling of critical vacant positions, and in so far as department' risk management maturity level in capacitation of the risk management unit and funding of the risk management activities. The department' risk maturity level is satisfactory and measures should be put in place to get to a level where risk management is fully embedded in the culture of the department with a proactive approach to risk management in all aspects of the business.

## **In-Year Management and Monthly/Quarterly Report**

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

## **Internal Audit**

The Audit committee:

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

## **Combined assurance**

The Audit committee reviewed the plans and reports of the external and internal auditors and other assurance providers including management and concluded that the internal audit unit should finalise the 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 complied with the enabling laws and regulations as well as its departmental policies and standard operating procedures, with the exception of procurement and contract management related to IT goods and services which were not procured through SITA as required by treasury regulation 16A6.3(e) and section 7(3) of the State Information Technology Agency Act 88 of 1998 (SITAAct).



### **Evaluation of Annual Financial Statements**

Following the review by the Audit Committee of the annual financial statements for the year ended 31 March 2023 before and after the audit, the committee is of the view that, annual financial statements fairly present, in all material respect, the financial position of the department for the year under review and can be incorporated into the annual report.

### **Evaluation of Annual Performance Report**

Following the review by the Audit Committee of the annual performance report for the year ended 31 March 2023 before and after the audit, the committee is of the view that, annual performance report can be incorporated into the annual report.

### **Consideration of the Final Audit report**

The Audit Committee considered final audit report and concurs with the AGSA' unqualified audit opinion. The department is encouraged to continue sustaining great efforts towards clean administration and governance while working on resolving the non-compliance identified during the audit.

### **Conclusion**

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

- establishing a stable leadership that is committed to a robust control environment and effective governance;
- diligently observe basic discipline of accounting and records management;
- sufficient management review and supervisory checks;
- closely monitoring the implementation of the audit action plan, internal audit action plan and audit committee recommendations;
- persistently inculcating a culture of ethical leadership, good governance, and accountability;
- ensuring management act on the recommendations of all the oversight structures to strengthen internal controls and improve governance;
- advocating for swift consequences for all reported irregularities and poor performance; and
- ensuring that all critical vacancies are filled.

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

**Tebogo Modipane CA (SA)**  
**Chairperson of the Audit Committee**  
**Limpopo Provincial Treasury**

**10 August 2023**



### 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, Industry and Competition.

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

# **PART D:** **HUMAN** **RESOURCE** **MANAGEMENT**





## 1. INTRODUCTION

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



## 2. OVERVIEW OF HUMAN RESOURCES

### 2.1 The status of Human Resources in the department

The Limpopo Provincial Treasury was in its fourth year of implementation of the approved Organisational structure effective from 01 April 2019 and the structure has 536 posts. The total permanent number of staff on the establishment as at 31 March 2023 is 384.

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 215 Females which translate to 56% and 169 males which translates to 44% The department has 47 SMS members of which 24 are females and this translates to 51.1% and 23 Males (49.9%). With regard to people with disabilities the department is at 1.8% on overall employees and 2% at SMS level.

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

The Department had to reduce and reprioritize its vacancies to be included in the approved 2022/23 recruitment plan.

During 2022/2023, 94 employees participated on skills development programmes. The department awarded 21 bursaries for internal employees in 2022/23 to be registered for academic studies with institutions of higher learning.

The department appointed 30 interns in January 2023 as part of the youth development programme. Three (3) additional Chartered Accountant (CA) trainees were appointed on 1 February 2023 increasing the total the number of CA trainees to eighteen (18). Seven (7) Work Integrated Learners (WIL) were afforded opportunities

to complete their required eighteen (18) month experiential learning in the department from respective TVET colleges.

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

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

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

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

## **2.4 EMPLOYEE PERFORMANCE MANAGEMENT**

The department complies with the Employee Performance Management policies by ensuring that employees enter into performance agreements at the beginning of the financial year and that annual reviews were done in line with DPSA directives and the Performance Management and Development Policies. The performance of all the employees were assessed and monitored on the basis of the signed performance instruments and performance incentives were processed. All SMS members submitted their 2022/23 Performance Agreements by due date and their 2022/23 mid – year reviews were submitted by February 2023.

## 2.5 EMPLOYEE WELLNESS PROGRAMMES

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

The programme has successfully implemented the following initiatives:

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

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

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

Some of the key achievements included the maintenance of the Department's accreditation with SAICA and the implementation of Health and Safety Protocols to ensure continuity of business activities with minimal interruptions.

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







### 3. HUMAN RESOURCES OVERSIGHT STATISTICS

#### 3.1. Personnel related expenditure

**Table 3.1.1 Personnel expenditure by programme for the period 1 April 2022 and 31 March 2023**

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 (statutory included)	172 307	101 111	1 077	0	58,70	535
SUSTAINABLE RESOURCE MANAGE	58 749	54 389	0	0	92,60	989
ASSETS, LIABILITIES & SUPPLY CHAIN MANAGEMENT	44 704	38 487	0	0	86,10	916
FINANCIAL GOVERNANCE	67 519	39 032	217	0	57,80	558
SHARED INTERNAL AUDIT SERVICES	40 015	38 168	0	0	95,40	707
<b>Total as on Financial Systems (BAS)</b>	<b>383 294</b>	<b>271 187</b>	<b>1 294</b>	<b>0</b>	<b>70,80</b>	<b>661</b>



### 3. HUMAN RESOURCES OVERSIGHT STATISTICS

**Table 3.1.2 Personnel costs by salary band for the period 1 April 2022 and 31 March 2023**

Salary band	Personnel expenditure including Transfers (R'000)	% of total personnel cost	Average Personnel Cost per Employee (R)	Number of Employees
01 Lower skilled (Levels 1-2)	3 999	1,40	210 474	19
02 Skilled (Levels 3-5)	7 179	2,50	326 318	22
03 Highly skilled production (Levels 6-8)	51 038	17,70	554 761	92
04 Highly skilled supervision (Levels 9-12)	142 842	49,60	945 974	151
05 Senior management (Levels >= 13)	59 338	20,60	1 289 957	46
11 Contract (Levels 3-5)	349	0,10	174 500	2
13 Contract (Levels 9-12)	8 852	3,10	421 524	21
14 Contract (Levels >= 13)	3 985	1,40	1 992 500	2
18 Contract Other	548	0,20	18 897	29
19 Periodical Remuneration	5 597	1,90	215 269	26
<b>TOTAL</b>	<b>283 726</b>	<b>98,60</b>	<b>692 015</b>	<b>410</b>

**Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2022 and 31 March 2023**

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	85 771	82,20	2	0	2 959	2,80	4 016	3,80
PROGRAM 2: SUSTAINABLE RESOURCE MANAGEMENT	46 773	84,20	0	0	1 287	2,30	743	1,30
PROGRAMME 3: ASSETS & LIABILITIES MANAGEMENT	33 122	79,00	0	0	931	2,20	947	2,30
PROGRAMME 4: FINANCIAL GOVERNANCE	33 216	70,40	0	0	854	1,80	1 311	2,80
PROGRAMME 5: SHARED INTERNAL AUDIT SERVICES	31 499	81,40	0	0	1 588	4,10	1 570	4,10
<b>TOTAL</b>	<b>230 381</b>	<b>80,10</b>	<b>0</b>	<b>0</b>	<b>7 619,00</b>	<b>2,60</b>	<b>8 588</b>	<b>3,00</b>



**Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2022 and 31 March 2023**

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
01 Lower skilled (Levels 1-2)	2 613	65,30	0	0	355	8,90	748	18,70
02 Skilled (Levels 3-5)	5 297	73,60	0	0	439	6,10	638	8,90
03 Highly skilled production (Levels 6-8)	40 031	78,10	0	0	1 825	3,60	3 407	6,60
04 Highly skilled supervision (Levels 9-12)	118 243	81,60	0	0	2 952	2,00	3 381	2,30
05 Senior management (Levels >= 13)	51 044	84,30	0	0	2 028	3,30	358	0,60
11 Contract (Levels 3-5)	333	95,40	0	0	0	0	0	0
13 Contract (Levels 9-12)	8 729	96,40	0	0	0	0	0	0
14 Contract (Levels >= 13)	3 544	83,80	0	0	20	0,50	56	1,30
18 Contract Other	547	99,10	0	0	0	0	0	0
19 Periodical Remuneration	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>230 381</b>	<b>80,10</b>	<b>0</b>	<b>0</b>	<b>7 619</b>	<b>2,60</b>	<b>8 588</b>	<b>3,00</b>



### 3.2. EMPLOYMENT AND VACANCIES

The tables in this section summarise the position with regard to employment and vacancies. The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

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

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

***Table 3.2.1 Employment and vacancies by programme as on 31 March 2023***

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
PROGRAMME 1: ADMINISTRATION, Permanent	220	141	36%	47
PROGRAM 2: SUSTAINABLE RESOURCE MANAGEMENT, Permanent	87	55	36.7%	0
PROGRAM 3: ASSETS & LIABILITIES MANAGEMENT, Permanent	71	42	40.8%	0
PROGRAM 4: FINANCIAL GOVERNANCE, Permanent	81	45	44.5%	0
PROGRAM 5: SHARED INTERNAL AUDIT SERVICES	77	54	29.8%	0
<b>TOTAL</b>	<b>536</b>	<b>337</b>	<b>28%</b>	<b>47</b>

**Table 3.2.2 Employment and vacancies by salary band as on 31 March 2023**

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
01 Lower Skilled (Levels 1-2), Permanent	28	20	28%	0
02 Skilled (Levels 3-5), Permanent	33	22	33%	29
03 Highly Skilled Production (Levels 6-8), Permanent	149	92	38%	0
04 Highly Skilled Supervision (Levels 9-12), Permanent	263	155	41%	18
05 Senior (Levels >= 13), Permanent	63	48	24%	0
<b>TOTAL</b>	<b>536</b>	<b>337</b>	<b>38%</b>	<b>47</b>

**Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2023**

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
FINANCE AND ECONOMICS RELATED	5	3	40%	0
FINANCIAL AND RELATED PROFESSIONALS	143	99	30,8%	0
HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER	1	1	0%	0
INFORMATION TECHNOLOGY RELATED	1	1	0%	0
OTHER INFORMATION TECHNOLOGY PERSONNEL	2	2	0%	0
SENIOR MANAGERS	56	40	28,6%	0
<b>TOTAL</b>	<b>208</b>	<b>146</b>	<b>29.8%</b>	<b>0</b>



### 3.3 FILLING OF POSTS

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

**Table 3.3.1 SMS post information as on 31 March 2023**

SMS Level	Total number of funded and unfunded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100%	0	0%
Salary Level 16	0	0	0%	0	0%
Salary Level 15	5	4	80%	1	20%
Salary Level 14	13	12	92%	1	7.6%
Salary Level 13	44	30	68%	14	31.8%
<b>Total</b>	<b>63</b>	<b>47</b>	<b>74.6%</b>	<b>16</b>	<b>25%</b>

**Table 3.3.2 SMS post information as on 30 September 2022**

SMS Level	Total number of funded and unfunded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100%	0	0%
Salary Level 16	0	0	0%	0	0%
Salary Level 15	5	4	80%	1	20%
Salary Level 14	13	11	85%	2	15%
Salary Level 13	44	30	68%	14	35%
<b>Total</b>	<b>63</b>	<b>46</b>	<b>73%</b>	<b>17</b>	<b>27%</b>

**Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2022 and 31 March 2023**

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



**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 2022 and 31 March 2023**

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

Department first needs approval to fill from Provincial Personnel Policy Framework in terms of the Approved Recruitment Plan before vacancies can be advertised

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

Disputes raised by organised labour delayed the filling of posts in the department

**Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2022 and 31 March 2023**

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

Approval of the 2022/23 Recruitment Plan was beyond the Department's control as approval is granted by the Provincial Personnel Management Committee

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

Disputes by organised labour remained unresolved as at the end of the financial year which delayed the filling of the posts

### 3.4. JOB EVALUATION

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

**Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2022 and 31 March 2023**

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
01 Lower Skilled (Levels 1-2)	28	0	0	0	0	0	0
02 Skilled (Levels 3-5)	33	0	0	0	0	0	0
03 Highly Skilled Production (Levels 6-8)	149	0	0	0	0	0	0
04 Highly Skilled Supervision (Levels 9-12)	264	0	0	0	0	0	0
05 Senior Management Service Band A	44	0	0	0	0	0	0
06 Senior Management Service Band B	12	0	0	0	0	0	0
07 Senior Management Service Band C	5	0	0	0	0	0	0
08 Senior Management Service Band D	1	0	0	0	0	0	0
<b>TOTAL</b>	<b>536</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</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 2022 and 31 March 2023***

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Employees with a disability					0

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

***Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2022 and 31 March 2023***

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS	1	5	6	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	2	9	10	Res 3/2009
<b>Total number of employees whose salaries exceeded the level determined by job evaluation</b>				<b>5</b>
<b>Percentage of total employed (337)</b>				<b>1.5%</b>

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 2022 and 31 March 2023***

Gender	African	Asian	Coloured	White	Total
Female	3	0	0	0	0
Male	2	0	0	0	0
<b>Total</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Employees with a disability					0

### 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 2022 and 31 March 2023**

Salary band	Number of employees at beginning of period- 1 April 2022	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
01 Lower Skilled (Levels 1-2) Permanent	19	0	0	0
02 Skilled (Levels 3-5) Permanent	25	0	3	12
03 Highly Skilled Production (Levels 6-8) Permanent	105	0	11	10,50
04 Highly Skilled Supervision (Levels 9-12) Permanent	160	3	11	6,90
05 Senior Management Service Band A Permanent	26	3	2	7,70
06 Senior Management Service Band B Permanent	9	0	0	0
07 Senior Management Service Band C Permanent	4	1	1	25
Other Permanent	0	30	0	0
08 Senior Management Service Band D Permanent	1	0	0	0
Contracts	22	9	6	27,70
<b>TOTAL</b>	<b>371</b>	<b>46</b>	<b>35</b>	<b>9,40</b>

**Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2022 and 31 March 2023**

Critical occupation	Number of employees at beginning of period- April 2022	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
FINANCE AND ECONOMICS RELATED Permanent	28	0	0	0
FINANCIAL AND RELATED PROFESSIONALS Permanent	85	0	8	9,40
HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER Permanent	1	0	0	0
INFORMATION TECHNOLOGY RELATED Permanent	1	0	0	0
OTHER INFORMATION TECHNOLOGY PERSONNEL. Permanent	2	0	0	0
SENIOR MANAGERS Permanent	30	5	4	13,30
<b>TOTAL</b>	<b>147</b>	<b>5</b>	<b>12</b>	<b>8,16</b>

**Table 3.5.3 Reasons why staff left the department for the period 1 April 2022 and 31 March 2023**

Termination Type	Number	% of Total Resignations
02 Resignation, permanent	13	37,10
03 Expiry of contract, Permanent	4	11,40
09 Retirement, Permanent	18	51,40
<b>TOTAL</b>	<b>35</b>	<b>100%</b>

**Table 3.5.4 Promotions by critical occupation for the period 1 April 2022 and 31 March 2023**

Occupation	Employees 1 April 2022	to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
FINANCE AND ECONOMICS RELATED	28	0	0	2	7,10
FINANCIAL AND RELATED PROFESSIONALS	85	1	1,20	61	71,80
HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER	1	0	0	0	0,00
INFORMATION TECHNOLOGY RELATED	1	0	0	1	100,00
OTHER INFORMATION TECHNOLOGY PERSONNEL.	2	0	0	2	100,00
SENIOR MANAGERS	30	3	10,00	26	86,70
<b>TOTAL</b>	<b>147</b>	<b>4</b>	<b>1,90</b>	<b>92</b>	<b>62.60</b>

**Table 3.5.5 Promotions by salary band for the period 1 April 2022 and 31 March 2023**

Salary Band	Employees 1 April 2022	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
01 Lower Skilled (Levels 1-2), Permanent	19	0	0	19	100
02 Skilled (Levels 3-5), Permanent	25	0	0	13	52
03 Highly Skilled Production (Levels 6-8), Permanent	105	0	0	61	58
04 Highly Skilled Supervision (Levels 9-12), Permanent	160	3	1,90	94	58
05 Senior Management (Levels >= 13), Permanent	40	4	10,00	30	75
<b>TOTAL</b>	<b>349</b>	<b>7</b>	<b>1,90</b>	<b>217</b>	<b>62.17</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 2023**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
01 - SENIOR OFFICIALS AND MANAGERS	18	0	1	1	20	0	1	1	42
02 - PROFESSIONALS	61	0	2	1	56	0	1	3	124
03 - TECHNICIANS AND ASSOCIATE PROFESSIONALS	40	0	0	1	52	1	0	0	94
04 - CLERKS	41	0	0	0	59	0	0	94	100
05 - SERVICE SHOP AND MARKET SALES WORKERS	0	0	0	1	1	0	0	0	2
08 - PLANT AND MACHINE OPERATORS AND ASSEMBLERS	1	0	0	0	0	0	0	0	1
09 - LABOURERS AND RELATED WORKERS	1	0	0	0	20	0	0	0	21
<b>Total</b>	<b>162</b>	<b>0</b>	<b>3</b>	<b>4</b>	<b>208</b>	<b>1</b>	<b>2</b>	<b>4</b>	<b>384</b>
<b>Employees with disabilities</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>





**Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2023**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
01 Top Management, Permanent	3	0	0	0	1	0	1	0	5
02 Senior Management, Permanent	17	0	1	1	20	0	1	1	41
03 Professionally qualified and experienced specialists and mid-management, Permanent	81	0	2	2	64	0	0	2	151
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	26	0	0	0	64	1	0	1	92
05 Semi-skilled and discretionary decision making, Permanent	11	0	0	0	11	0	0	0	22
06 Unskilled and defined decision making, Permanent	1	0	0	0	18	0	0	0	19
Contracts	23	0	0	1	30	0	0	0	54
<b>TOTAL</b>	<b>162</b>	<b>0</b>	<b>3</b>	<b>4</b>	<b>208</b>	<b>1</b>	<b>2</b>	<b>4</b>	<b>384</b>

**Table 3.6.3 Recruitment for the period 1 April 2022 to 31 March 2023**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
01 Top Management, Permanent	1	0	0	0	0	0	0	0	1
02 Senior Management, Permanent	1	0	0	0	2	0	0	0	3
03 Professionally qualified and experienced specialists and mid-management, Permanent	0	0	0	0	3	0	0	0	3
<b>TOTAL</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>
<b>Employees with disabilities</b>	0	0	0	0	1	0	0	0	1

**Table 3.6.4 Promotions for the period 1 April 2022 to 31 March 2023**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
01 Top Management, Permanent	1	0	0	0	0	0	1	0	2
02 Senior Management, Permanent	17	0	0	1	12	0	1	1	32
03 Professionally qualified and experienced specialists and mid-management, Permanent	47	0	2	1	47	0	0	0	97
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	20	0	0	0	40	0	0	1	61
05 Semi-skilled and discretionary decision making, Permanent	8	0	0	0	5	0	0	0	13
06 Unskilled and defined decision making, Permanent	1	0	0	0	18	0	0	0	19
<b>Employees with disabilities</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>

**Table 3.6.5 Terminations for the period 1 April 2022 to 31 March 2023**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
01 Top Management, Permanent	1	0	0	0	0	0	0	0	1
02 Senior Management, Permanent	2	0	0	0	0	0	0	0	2
03 Professionally qualified and experienced specialists and mid-management, Permanent	8	0	0	0	3	0	0	0	11
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	4	0	0	0	7	0	0	0	11
05 Semi-skilled and discretionary decision making, Permanent	1	0	0	0	2	0	0	0	3
other	4	0	0	0	3	0	0	0	7
<b>TOTAL</b>	<b>20</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>35</b>

**Table 3.6.6 Disciplinary action for the period 1 April 2022 to 31 March 2023**

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

**Table 3.6.7 Skills development for the period 1 April 2022 to 31 March 2023**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials, and managers	20	0	0	0	25	0	0	0	45
Professionals	7	0	0	0	10	0	0	0	17
Technicians and associate professionals	8	0	0	0	15	0	0	0	23
Clerks	25	0	0	0	40	0	0	0	65
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>60</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>90</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>150</b>
<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

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

**Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2022**

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	1	1	100%
Salary Level 16	0	0	0	0%
Salary Level 15	5	4	4	100%
Salary Level 14	13	9	9	100%
Salary Level 13	44	26	25	96%
<b>Total</b>	<b>63</b>	<b>40</b>	<b>39</b>	<b>97%</b>

**Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2023**

Reasons
There was a dispute between the supervisor and supervisee regarding Key Result Areas.

**Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2023**

Reasons
The dispute was settled internally, and a Performance Agreement is presented

### 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 (cash bonus) by race, gender and disability for the period 1 April 2022 to 31 March 2023**

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
<b>African</b>	0	0	0	0	0
Male	0	159	0	0	0
Female	0	204	0	0	0
<b>Asian</b>	0	0	0	0	0
Male	0	3	0	0	0
Female	0	2	0	0	0

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
<b>Coloured</b>	0	0	0	0	0
Male	0	0	0	0	0
Female	0	1	0	0	0
<b>White</b>	0	0	0	0	0
Male	0	4	0	0	0
Female	0	4	0	0	0
Employees with Disability	0	7	0	0	0
<b>Total</b>	<b>0</b>	<b>384</b>	<b>0</b>	<b>0</b>	<b>0</b>

***Table 3.8.2 Performance Rewards (cash bonus) by salary band for personnel below Senior Management Service for the period 1 April 2022 to 31 March 2023***

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	0	19	0	0	0	0
Skilled (level 3-5)	0	22	0	0	0	0
Highly skilled production (level 6-8)	0	92	0	0	0	0
Highly skilled supervision (level 9-12)	0	151	0	0	0	0
Other	0	52	0	0	0	0
<b>Total</b>	<b>0</b>	<b>336</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

***Table 3.8.3 Performance Rewards (cash bonus) by critical occupation for the period 1 April 2022 to 31 March 2023***

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
FINANCE AND ECONOMICS RELATED	0	3	0	0	0
FINANCIAL AND RELATED PROFESSIONALS	0	99	0	0	0
HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER	0	1	0	0	0
INFORMATION TECHNOLOGY RELATED	0	1	0	0	0
OTHER INFORMATION TECHNOLOGY PERSONNEL.	0	2	0	0	0
SENIOR MANAGERS	0	40	0	0	0
<b>Total</b>	<b>0</b>	<b>146</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2022 to 31 March 2023**

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	0	30	0	0	0	0
Band B	0	12	0	0	0	0
Band C	0	4	0	0	0	0
Band D	0	2	0	0	0	0
<b>Total</b>	<b>0</b>	<b>48</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 3.9. FOREIGN WORKERS

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

**Table 3.9.1 Foreign workers by salary band for the period 1 April 2022 and 31 March 2023**

Salary band	01 April 2022		31 March 2023		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Lev. 6-8)	0	0	0	0	0	0
Highly skilled supervision (Lev. 9-12)	1	0.2%	1	0.2%	1	0
<b>Total</b>	<b>1</b>	<b>0.2%</b>	<b>1</b>	<b>0.2%</b>	<b>1</b>	<b>0</b>

**Table 3.9.2 Foreign workers by major occupation for the period 1 April 2022 and 31 March 2023**

Major occupation	01 April 2022		31 March 2023		Change	
	Number	% of total	Number	% of total	Number	% Change
Professionals and managers	1	0.2%	1	0.2%	1	0
	1	0.2%	1	0.2%	1	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 2022 to 31 December 2023***

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Highly skilled production (Levels 6-8)	827	80,90	94	34,30	9	1 473
Highly skilled supervision (Levels 9-12)	818	87,00	117	42,70	7	2 488
Lower skilled (Levels 1-2)	71	90,10	18	6,60	4	41
Senior management (Levels 13-16)	184	87,50	22	8,00	8	848
Skilled (Levels 3-5)	172	91,90	23	8,40	7	163
<b>TOTAL</b>	<b>2 072</b>	<b>85,10</b>	<b>274</b>	<b>100</b>	<b>8</b>	<b>5 013</b>

***Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2022 to 31 December 2022***

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)
Highly skilled production (Levels 6-8)	103	100	3	60	34	161
Highly skilled supervision (Levels 9-12)	32	100	1	20	32	94
Senior management (Levels 13-16)	51	100	1	20	51	213
<b>TOTAL</b>	<b>186</b>	<b>100</b>	<b>5</b>	<b>100</b>	<b>37</b>	<b>468</b>

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

***Table 3.10.3 Annual Leave for the period 1 January 2022 to 31 December 2023***

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Contract (Levels 13-16)	47	3	16
Contract (Levels 3-5)	3	1	3
Contract (Levels 9-12)	263	17	15
Highly skilled production (Levels 6-8)	3 028	105	29
Highly skilled supervision (Levels 9-12)	4 614	169	27
Lower skilled (Levels 1-2)	374	19	20
Senior management (Levels 13-16)	1 168	47	25
Skilled (Levels 3-5)	729	25	29
<b>TOTAL</b>	<b>10 226</b>	<b>386</b>	<b>26</b>

***Table 3.10.4 Capped leave for the period 1 January 2022 to 31 December 2023***

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2023
Highly skilled production (Levels 6-8)	0	0	0	70
Highly skilled supervision (Levels 9-12)	0	0	0	115
Lower skilled (Levels 1-2)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	52
Skilled (Levels 3-5)	0	0	0	127
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>97</b>

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

**Table 3.10.5 Leave pay-outs for the period 1 April 2023 and 31 March 2023**

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
ANNUAL - DISCOUNTING WITH RESIGNATION (WORK DAYS)	150	6	25
ANNUAL - DISCOUNTING: CONTRACT EXPIRY (WORK DAYS)	94	1	94
ANNUAL - GRATUITY: DEATH/RETIREMENT/MEDICAL RETIREMENT(WORK	1 159	20	57.95
CAPPED - GRATUITY: DEATH/RETIREMENT/MEDICAL RETIREMENT(WORK	6 302	18	350.111
<b>TOTAL</b>	<b>7 705</b>	<b>45</b>	<b>171.222</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
<p><b>Field workers</b></p> <ul style="list-style-type: none"> <li>• Shared Internal Audit Staff</li> <li>• Municipal Finance &amp; Governance staff</li> <li>• Budget &amp; Public Finance management staff</li> <li>• Provincial Supply Chain Management staff</li> <li>• Assets &amp; Liability Management Staff</li> <li>• Communication Services Staff</li> </ul>	<ul style="list-style-type: none"> <li>• Education and awareness sessions on HIV and AIDS, STI's and TB management in the workplace conducted.</li> <li>• HCT campaigns conducted.</li> <li>• Medical screening for chronic illnesses provided.</li> <li>• Regular distribution of male and female condoms</li> </ul>

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
<p><b>Cleaners</b></p>	<ul style="list-style-type: none"> <li>• Education and awareness sessions on HIV and AIDS, STI's and TB management in the workplace conducted.</li> <li>• HCT campaigns conducted</li> <li>• Medical screening for chronic illnesses provided</li> <li>• Education and awareness sessions on housekeeping conducted.</li> <li>• Educational sessions and awareness on how to use cleaning detergents conducted.</li> <li>• Provision of protective clothing e.g. PVC hand gloves and respiratory mask, work suits and safety shoes and education on how to use protective clothing.</li> </ul>
<p><b>Interns, Learnership and Experiential Learners</b></p>	<ul style="list-style-type: none"> <li>• Educational sessions on GBV &amp; TB conducted.</li> <li>• HCT campaigns and medical screening for chronic illnesses provided</li> </ul>

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

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	x		Dr TS Mathebula Director: Transformation Services
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.		x	A dedicated unit: Employee Health and Wellness is available. Its structure comprises of 03 staff members, i.e. Deputy Director (Vacant); Assistance Director: Wellness Management (vacant) and Assistance Director: OHS. The designated post is vacant  Annual budget of R466 000.00 shared with other two units (Change Management and Service Delivery; and Gender Focal Point and Diversity Management)
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	x		<ul style="list-style-type: none"> <li>• Mental Health</li> <li>• COVID-19 Management</li> <li>• Communicable and non-communicable diseases</li> <li>• HIV, TB and STI Management</li> </ul> and psychosocial interventions.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	x		The department has a Peer Educator's Programme as an intervention to HIV and AIDS programmes. They are: -Ms Makgomo Mathosa -Ms Kedibone Mokubela -Ms Tukisho Serite -Mr MJ Mangoale -Ms Q Nefolovhodwe
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.		x	Provincial Human Resource Management and Development Policies: Employee Health and Wellness Policies – <ul style="list-style-type: none"> <li>• HIV, AIDS, STIs and TB management policy</li> <li>• Employment Equity</li> </ul>
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV -positive from discrimination? If so, list the key elements of these measures.	x		<ul style="list-style-type: none"> <li>• A dedicated Employee Health and Wellness programme</li> <li>• Educational sessions on Human rights</li> <li>• Mainstreaming of HIV and AIDS in the core business of the department</li> </ul>
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	x		<ul style="list-style-type: none"> <li>• 83 employees benefitted on integrated wellness programs and 37 attended HIV and AIDS Counselling and Testing</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.	x		Onsight integrated wellness has been coordinated.

### 3.12. LABOUR RELATIONS

***Table 3.12.1 Collective agreements for the period 1 April 2022 and 31 March 2023***

Total number of Collective agreements	None
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The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

***Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2022 and 31 March 2023***

Outcomes of disciplinary hearings	Number	% of total
Correctional ounselling	None	N/A
Verbal warning	None	N/A
Writen warning	None	N/A
Final writen warning	None	N/A
Suspended without pay	None	N/A
Fine	None	N/A
Demotion	None	N/A
Dismissal	None	N/A
Not guilty	1	100%
Case withdrawn	None	N/A
<b>Total</b>	<b>1</b>	<b>100%</b>

***Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2022 and 31 March 2023***

Type of misconduct	Number	% of total
Victimization	1	100%
<b>Total</b>	<b>1</b>	<b>100%</b>

***Table 3.12.4 Grievances logged for the period 1 April 2022 and 31 March 2023***

Grievances	Number	% of Total
Number of grievances resolved	1	100%
Number of grievances not resolved	0	100%
<b>Total number of grievances lodged</b>	<b>1</b>	<b>100%</b>

***Table 3.12.5 Disputes logged with Councils for the period 1 April 2022 and 31 March 2023***

Disputes	Number	% of Total
Number of disputes upheld	0	0
Number of disputes dismissed	0	0
<b>Total number of disputes lodged</b>	<b>0</b>	<b>0</b>

**Table 3.12.6 Strike actions for the period 1 April 2022 and 31 March 2023**

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 2022 and 31 March 2023**

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

### 3.13. SKILLS DEVELOPMENT

This section highlights the efforts of the department regarding skills development.

Occupational category	Gender	Number of employees as at 1 April 2023	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	24	0	8	0	8
	Male	23	0	8	0	8
Professionals	Female	77	0	10	0	10
	Male	95	0	10	0	10
Technicians and associate professionals	Female	46	0	5	0	5
	Male	23	0	5	0	5
Clerks	Female	28	0	16	0	16
	Male	16	0	16	0	16
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	3	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	36	5	0	0	5
	Male	13	5	0	0	5
Sub Total	Female	214	5	39	0	44
	Male	170	5	39	0	44
<b>Total</b>		<b>384</b>	<b>20</b>	<b>78</b>	<b>0</b>	<b>88</b>



**Table 3.13.2 Training provided for the period 1 April 2022 and 31 March 2023**

Occupational category	Gender	Number of employees as at 1 April 2023	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials, and managers	Female	24	0	10	0	10
	Male	23	0	10	0	10
Professionals	Female	77	0	15	0	15
	Male	95	0	15	0	15
Technicians and associate professionals	Female	46	0	1	0	1
	Male	23	0	1	0	1
Clerks	Female	28	0	13	0	13
	Male	16	0	13	0	13
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	3	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	36	8	0	0	8
	Male	13	8	0	0	8
Sub Total	Female	214	8	39	0	47
	Male	170	8	39	0	47
<b>Total</b>		<b>384</b>	<b>16</b>	<b>78</b>	<b>0</b>	<b>94</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 2022 and 31 March 2023**

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0%
Temporary Total Disablement	3	0.8%
Permanent Disablement	0	0%
Fatal	0	0%
<b>Total</b>	<b>3</b>	<b>0.8%</b>

### 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 2022 and 31 March 2023**

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Forensic investigation	1	6 Months	R850,340

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
1	1	6 Months	R850,340

**Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2022 and 31 March 2023**

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 2022 and 31 March 2023**

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 2022 and 31 March 2023***

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 2022 and 31 March 2023***

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

# **PART E:** **PFMA** **COMPLIANCE** **REPORT**

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

## 1.1. IRREGULAR EXPENDITURE

### a) Reconciliation of irregular expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	3 186	3 186
Add: Irregular expenditure confirmed	-	-
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
<b>Closing balance</b>	<b>3 186</b>	<b>3 186</b>

The Department of Public Service and Administration (DPSA) issued an Incentive Policy Framework for employees on salary levels 1 – 12 and those covered by OSD in 2012.

Implementation of the policy in the Limpopo Provincial Government commenced during 2015/2016 financial year and there was no consistency in the application of the provisions of the Policy in all the provincial departments. This late implementation was due to lack of clarity on the interpretation of the policy by departments and the subsequent insistence by the Labour Unions that their members must be paid.

It became apparent that departments were interpreting the policy differently, especially on the threshold advocated by the Incentive Policy. The threshold related to the application of the inner and outer limits, as well as the directive to ensure that departments, when implementing the awarding of pay progression, do not exceed 2% of their wage bill when they implement the payments.

During the first year of implementation, 2015/2016, Office of the Premier (OTP) received a finding of irregular expenditure due to their interpretation and implementation of the Incentive Policy. During the same audit period, Limpopo Provincial Treasury (LPT) noted that it had applied the same principles as the Office of the Premier, even though LPT did not exceed the 2% of their wage bill when awarding the pay progression. LPT disclosed this fact to the Auditor General. An amount of R3.186m was subsequently disclosed in the LPT annual report as irregular expenditure, under investigation.

Due to the different applications of the provisions of the Incentive Policy Framework, various consultations ensued between the departments, including OTP, LPT as well as the DPSA on the best way to apply the policy. It must be noted that departments continued to pay their employees during these consultations, based on their own interpretations.

OTP issued two circulars, 18 of 2014 and 02 of 2016 on the implementation of the Incentive policy, putting more emphasis on the threshold that all Accounting Officers must ensure that in their implementation of the policy and the subsequent awarding of pay progression, they do not exceed the 2% of their Department's wage bill. Provincial Treasury further requested OTP to provide clarity on the correct application of the Policy as per a letter dated 05 September 2017. OTP responded in a set of two letters dated 6 October and 23 October 2017 respectively where in the latter OTP indicated that the Provincial Government will seek a declaratory order from the Court for the retrospective and prospective relief in respect of overpayments.

Another letter was addressed to the DPSA on the 10 June 2015 to request direction on the methodology to be used in order to determine the number of employees eligible for the awarding of 2 and 3 notches pay progression.

When no clarity could be provided through all these engagements and confusion continued in departments, LPT took a decision during the 2016/2017 financial year to cease the implementation of the policy and stopped paying subsequent accelerated pay progression payments. LPT only implemented the policy and made payments for the 2012/2013, 2013/2014, 2014/2015 and 2015/2016 years.

DPSA responded on the 9 November 2015 and noted in their response that the most important criteria in determining the number of non OSD employees to be awarded 2 to 3 notches pay progression is based on the fact that the cost of awarding pay progression (regardless of awarding one, two or three notches to both OSD and non OSD employees) does not exceed 2% of the specific Department's wage bill for any given financial year.

The different application of the Policy continued to cause confusion in departments, where OTP, LPT and Coghsta approached the Labour Court during 2018 to seek a declaratory order favouring their interpretation of certain clauses of the Incentive Policy and ordering the repayments of the payments effected as a result of their interpretation of the policy, as well as a judicial review of the decision to effect payments irregularly. The Public Servants Association (PSA) and NEHAWU opposed this application.

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

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

Senior Counsel further remarked in the opinion that depending on the outcome of such a dispute, if the interpretation is in favour of the Limpopo Provincial Government, it can then institute civil proceedings to recover the overpayments from the employees.

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

The Limpopo Provincial Government put more reliance on both the Labour Court and the Bargaining Council (PSCBC) to provide clarity, especially on the irregularity of the application of the policy and the subsequent payment of employees. After they could not provide that assistance, the confusion was exacerbated.

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

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



About four legal opinions were sought on this matter since 2017 and they all advocated for a possible recovery of overpayments for irregular payments made to employees. This approach was based on how the opinion providers interpreted the provision of the policy. The only leg that is missing in this matter is the DPSA. The DPSA has failed to assist by providing the correct interpretation of the provisions of a policy, which they authored.

The departments were left trying to search for the correct interpretation. This remains a gap, which was never closed, and it seems it will never be closed after the withdrawal of the policy. Based on the confusion caused by lack of clarity during the implementation of the Incentive policy, and the subsequent withdrawal of the Policy by the DPSA without providing the correct interpretation, the department therefore has requested the Office of the Auditor General to reconsider the disclosed irregular expenditure of R3.186m and allow LPT to remove the amount so disclosed.

**b) Reconciling notes**

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure that was under assessment in 2022/23	-	-
Irregular expenditure that relates to 2022/23 and identified in 2022/23	-	-
Irregular expenditure for the current year	-	-
<b>Total</b>	-	-

**c) Details of current and previous year irregular expenditure (under assessment, determination, and investigation)**

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	-
<b>Total</b>	-	-

**d) Details of current and previous year irregular expenditure condoned**

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure condoned	-	-
<b>Total</b>	-	-

**e) Details of current and previous year irregular expenditure removed - (not condoned)**

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure NOT condoned and removed	-	-
<b>Total</b>	-	-

f) Details of current and previous year irregular expenditure recovered

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure recovered	-	-
<b>Total</b>	-	-

g) Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure written off	-	-
<b>Total</b>	-	-

**Additional disclosure relating to Inter-Institutional Arrangements**

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

Description
N/A
<b>Total</b>

i) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution *is* responsible for the non-compliance)

Description	2022/2023	2021/2022
	R'000	R'000
N/A		
<b>Total</b>		

j) Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
N/A

## 1.2 Fruitless and wasteful expenditure

### a) Reconciliation of fruitless and wasteful expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	-	-
Add: Fruitless and wasteful expenditure confirmed	-	-
Less: Fruitless and wasteful expenditure written off	-	-
Less: Fruitless and wasteful expenditure recoverable	-	-
<b>Closing balance</b>	-	-

### b) Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 20XX/YY	-	-
Fruitless and wasteful expenditure that relates to 20XX/YY and identified in 20YY/ZZ	-	-
Fruitless and wasteful expenditure for the current year	-	-
<b>Total</b>	-	-

### c) Details of current and previous year fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	-
<b>Total</b>	-	-

### d) Details of current and previous year fruitless and wasteful expenditure recovered

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure recovered	-	-
<b>Total</b>	-	-

### e) Details of current and previous year fruitless and wasteful expenditure not recovered and written off

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure written off	-	-
<b>Total</b>	-	-

**f) Details of current and previous year disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure**

Disciplinary steps taken	
N/A	
<b>Total</b>	

**1.3. UNAUTHORISED EXPENDITURE**

**a) Reconciliation of unauthorised expenditure**

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	-	-
Add: unauthorised expenditure confirmed	-	-
Less: unauthorised expenditure approved with funding	-	-
Less: unauthorised expenditure approved without funding	-	-
Less: unauthorised expenditure recoverable	-	-
Less: unauthorised not recovered and written off	-	-
<b>Closing balance</b>	-	-

**b) Reconciling notes**

Description	2022/2023	2021/2022
	R'000	R'000
Unauthorised expenditure that was under assessment in 20XX/YY	-	-
Unauthorised expenditure that relates to 20XX/YY and identified in 20YY/ZZ	-	-
Unauthorised expenditure for the current year	-	-
<b>Total</b>	-	-

**c) Details of current and previous year unauthorised expenditure (under assessment, determination, and investigation)**

Description	2022/2023	2021/2022
	R'000	R'000
Unauthorised expenditure under assessment	-	-
Unauthorised expenditure under determination	-	-
Unauthorised expenditure under investigation	-	-
<b>Total</b>	-	-

#### 1.4. Additional disclosure relating to material losses in terms of PFMA Section 40(3)(b)(I) &(iii))

##### a) Details of current and previous year material losses through criminal conduct

Material losses through criminal conduct	2022/2023	2021/2022
	R'000	R'000
Theft	-	-
Other material losses	-	-
Less: Recovered	-	-
Less: Not recovered and written off	-	-
<b>Total</b>	-	-

##### b) Details of other material losses

Nature of other material losses	2022/2023	2021/2022
	R'000	R'000
<i>(Group major categories, but list material items)</i>	-	-
<b>Total</b>	-	-

##### c) Other material losses recovered

Nature of losses	2022/2023	2021/2022
	R'000	R'000
<i>(Group major categories, but list material items)</i>	-	-
<b>Total</b>	-	-

##### d) Other material losses written off

Nature of losses	2022/2023	2021/2022
	R'000	R'000
<i>(Group major categories, but list material items)</i>	-	-
<b>Total</b>	-	-

## 2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	2916	95 492
Invoices paid <b>within</b> 30 days or agreed period	2915	95 482
Invoices paid <b>after</b> 30 days or agreed period	1	10
Invoices older than 30 days or agreed period ( <i>unpaid and without dispute</i> )	-	-
Invoices older than 30 days or agreed period ( <i>unpaid and in dispute</i> )	-	-

### 3. SUPPLY CHAIN MANAGEMENT

#### 3.1. Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
N/A				
<b>Total</b>				

#### 3.2. Contract variations and expansions

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

# **PART F:** **FINANCIAL** **INFORMATION**





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

## Report on the audit of the separate financial statements

### Opinion

1. I have audited the separate financial statements of the Limpopo Provincial Treasury as set out on pages 123 to 162, which comprise the appropriation statement, separate statement of financial position as at 31 March 2023, separate statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the separate financial statements, including a summary of significant accounting policies.
2. In my opinion, the separate financial statements present fairly, in all material respects, the financial position of the Limpopo Provincial Treasury as at 31 March 2023, 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 1 of 1999 (PFMA) and the Division of Revenue Act 5 of 2022 (DoRA).
3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the separate financial statements section of my report.
4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Emphasis of matter

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

#### An uncertainty relating to the future outcome of exceptional litigation

7. With reference to note 16 to the financial statements, the department is the defendant in various legal claims involving suppliers. The department is opposing these claims, as it believes it has reasonable grounds to defend them. The ultimate outcome of these matters could not be determined and no provision for any liability that may result was made in the financial statements.

## Other matters

8. I draw attention to the matter/s below. My opinion is not modified in respect of these matters.

### National Treasury Instruction Note No. 4 of 2022-23: PFMA Compliance and Reporting Framework

9. On 23 December 2022 National Treasury issued *Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23* in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure (UIFW expenditure). Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note 30 to the financial statements. Furthermore, the movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of the department. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now included as part of other information in the annual report of the department. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

### Unaudited supplementary schedules

10. The supplementary information set out on pages 163 to 172 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

## Responsibilities of the accounting officer for the separate financial statements

11. The accounting officer is responsible for the preparation and fair presentation of the separate financial statements in accordance with the MCS, the requirements of the PFMA and DoRA and for such internal control as the accounting officer determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

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

## Responsibilities of the auditor-general for the audit of the separate financial statements

13. My objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error; and



to issue an auditor’s report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

14. A further description of my responsibilities for the audit of the separate financial statements is included in the annexure to this auditor’s report.

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

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

16. I selected the following programmes presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected programmes that measures the department’s performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Sustainable resource management	35 - 37	The purpose of this programme is to provide sustainable resource management services to the provincial departments and provincial public entities.
Assets, liabilities and supply chain management	38 - 39	The purpose of the programme is to oversee the management of assets, liabilities and supply chain management to provincial departments and public entities.
Financial governance	40 - 42	The purpose of the programme is to promote accountability and compliance with financial norms and standards as contained in the Public Finance Management Act.

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

18. I performed procedures to test whether:

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

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

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

### **Other matter**

21. I draw attention to the matter below.

#### **Achievement of planned targets**

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

### **Report on compliance with legislation**

23. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the department's compliance with legislation.

24. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.



25. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the department, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
26. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

#### **Procurement and Contract management**

27. Some of the IT related goods and services, classified as mandatory, were not procured through SITA as required by treasury regulation 16A6.3(e) and section 7(3) of the State Information Technology Agency Act 88 of 1998 (SITA Act).

#### **Other information in the annual report**

28. The accounting officer is responsible for the other information included in the annual report which includes the audit committee's report. The other information referred to does not include the separate financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
29. My opinion on the separate financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
30. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the separate financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
31. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

#### **Internal control deficiencies**

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

33. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.

34. Critical vacant positions in the department are not filled

*Auditor - General*

Polokwane

31 July 2023



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## Annexure to the auditor's report

The annexure includes the following:

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

### Auditor-general's responsibility for the audit

#### Professional judgement and professional scepticism

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

#### Financial statements

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

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



## Communication with those charged with governance

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

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

## Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Treasury regulation	Regulation 16A6.2(a) & (b); 16A8.3; 16A8.4; 16A9.1(d); 16A3.2; R16A6.3 (a) and (b); 16A9.1(e); 16A9.2(a)(ii); 16A6.6; 16A6.3(a)(i); 16A6.3(e); 16A.7.1; 16A.7.3; 16A.7.6; 16A.7.7; 16A9.1(f); 16A9.1(b)(ii)  Regulation 8.2.1; 8.2.2; 8.1.1; 8.2.3; 8.4.1  Regulation 9.1.1; 9.1.4  Regulation 6.3.1(a) & (d); 6.3.1(b) & (d); 6.3.1(c); 6.4.1(b)  Regulation 15.10.1.2(c)  Regulation 19.6.1; 19.8.4  Regulation 10.1.1(a); 10.1.2  Regulation 7.2.1  Regulation 11.4.1; 11.4.2  Regulation 11.5.1  Regulation 17.1.1  Regulation 18.2  Regulation 4.1.1; 4.1.3  Regulation 12.5.1  Regulation 5.1.1; 5.2.3(a); 5.2.1; 5.2.3(d); 5.3.1
Preferential Procurement Policy Framework Act	Definition "acceptable tender" Section 2(1)(a) & (b); 2(1)(f)
Preferential Procurement regulation 2017	Under functionality Regulation 6(8) Regulation 5(1); 5(3); 5(6); 5(7) Regulation 4(1) & 4(2) Regulation 9(1) Regulation 8(2); 8(5) Regulation 7(8) Regulation 10(1) & (2) Regulation 11(1)
Public Finance Management Act	Section 38(1)(b); 38(1)(c)(ii); 38(1)(c)(i); 38(1)(h)(iii) Section 45(b) Section 57(b) Section 44 Section 39(1)(a); 39(2)(a) Section 43(4) Section 40(1)(c)(i); 40(1)(b)

Legislation	Sections or regulations
	Instruction Note 3 of 2021/22 par. 4.3; 4.4; par. 4.4 (c); par. 4.4.(d)
Supply Chain Management instruction notes	Instruction note 2 para 3.2.24(b) (applicable to awards before January 2023)
Preferential Procurement regulation 2022	Regulation 4(4)
Construction Industry Development Board Act	Section 18(1) Regulation 17; Regulation 25(7A)
Preferential Procurement regulation 2011	Regulation 9(1);
National Treasury Instruction notes	Note 4 of 2015/16 par. 3.4 Note 11 of 2020/21 par. 3.1 Note 11 of 2020/21 par. 3.4 (b) Note 11 of 2020/21 par. 3.9 Note 5 of 2020/21 par 5.3; par 4.8; par 4.9
Standard Bidding Document	6.2 issued in 2015/16
SITA Act	Section 7(3)
Practice Notes	Note 5 of 2009/10 par. 3.3
Public Service regulation	Regulation 18(1),(2)
Prevention and Combating of Corrupt Activities Act	Section 34(1)
Public Service Regulations	Regulation 25(1)(e)(i) and (iii)

# **ANNUAL FINANCIAL STATEMENTS VOTE 5: LIMPOPO PROVINCIAL TREASURY**

Date authorised for issue: 31 MAY 2023

Authorised by:  \_\_\_\_\_

**(LIMPOPO PROVINCIAL TREASURY)  
VOTE 5**

**ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2023**

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**(LIMPOPO PROVINCIAL TREASURY)  
VOTE 5**

**APPROPRIATION STATEMENT  
for the year ended 31 March 2023**

Appropriation per programme	2022/23						2021/22		
	Adjusted Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final budget %	Final Budget R'000	Actual Expenditure R'000
<b>Voted funds and Direct charges</b>									
Programme									
1. ADMINISTRATION	176 251	(56)	1 079	177 274	170 214	7 060	96,0%	155 470	147 800
2 SUSTAINABLE RESOURCE MANAGEMENT	61 044	-	737	61 781	58 749	3 032	95,1%	53 892	52 614
3 ASSETS, LIABILITIES AND SUPPLY CHAIN MANAGEMENT	45 871	-	473	46 344	44 704	1 640	96,5%	44 222	43 687
3 FINANCIAL GOVERNANCE	76 614	-	(2 364)	74 250	67 519	6 731	90,9%	69 499	65 276
5 SHARED INTERNAL AUDIT SERVICES	41 378	-	75	41 453	40 015	1 438	96,5%	39 849	39 540
<b>Programme sub total</b>	<b>401 158</b>	<b>(56)</b>	<b>-</b>	<b>401 102</b>	<b>381 201</b>	<b>19 901</b>	<b>95,0%</b>	<b>362 932</b>	<b>348 917</b>
Statutory Appropriation	2 037	56	-	2 093	2 093	-	100,0%	1 978	1 978
MEMBERS' REMUNERATION	2 037	56	-	2 093	2 093	-	100,0%	1 978	1 978
<b>TOTAL</b>	<b>403 195</b>	<b>-</b>	<b>-</b>	<b>403 195</b>	<b>383 294</b>	<b>19 901</b>	<b>95,1%</b>	<b>364 910</b>	<b>350 895</b>
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts				448 849				256 064	
Actual amounts per Statement of Financial Performance (Total Expenditure)				852 044	383 294			620 974	350 895



(LIMPOPO PROVINCIAL TREASURY)  
VOTE 5

APPROPRIATION STATEMENT  
for the year ended 31 March 2023

Appropriation per economic classification	2022/23					2021/22			
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>381 598</b>	<b>(365)</b>	<b>(485)</b>	<b>380 748</b>	<b>363 074</b>	<b>17 674</b>	<b>95,4%</b>	<b>354 382</b>	<b>343 780</b>
Compensation of employees	274 881	(165)	(485)	274 231	271 187	3 044	98,9%	279 122	273 807
Salaries and wages	243 261	(3 231)	417	240 447	238 905	1 542	99,4%	245 189	241 183
Social contributions	31 620	3 066	(902)	33 784	32 282	1 502	95,6%	33 933	32 624
Goods and services	106 717	(200)	-	106 517	91 887	14 630	86,3%	75 260	69 973
Administrative fees	1 474	2	-	1 476	1 194	282	80,9%	1 660	1 375
Advertising	652	204	-	856	836	20	97,7%	456	456
Minor assets	313	58	-	371	370	1	99,7%	19	19
Audit costs: External	3 912	1 866	-	5 778	5 778	-	100,0%	4 191	4 044
Bursaries: Employees	1 119	-	-	1 119	1 095	24	97,9%	503	502
Catering: Departmental activities	493	248	-	741	553	188	74,6%	66	37
Communication (G&S)	5 196	35	-	5 231	4 001	1 230	76,5%	4 069	3 951
Computer services	14 766	7 296	-	22 062	21 246	816	96,3%	20 636	18 964
Consultants: Business and advisory services	16 313	(5 545)	(1 849)	8 919	6 924	1 995	77,6%	6 529	6 376
Legal services	605	-	885	1 490	1 354	136	90,9%	300	177
Contractors	507	106	-	613	312	301	50,9%	95	87
Fleet services (including government motor transport)	1 827	59	-	1 886	1 860	26	98,6%	1 465	1 237
Consumable supplies	1 237	579	15	1 831	1 637	194	89,4%	1 053	719
Consumable: Stationery, printing and office supplies	4 636	331	-	4 967	3 469	1 498	69,8%	2 488	1 946
Operating leases	19 497	(3 346)	949	17 100	16 308	792	95,4%	14 926	14 546
Property payments	14 798	(989)	-	13 809	13 240	569	95,9%	11 487	11 253
Travel and subsistence	12 903	(488)	-	12 415	8 071	4 344	65,0%	2 726	1 933
Training and development	3 225	(478)	-	2 747	1 294	1 453	47,1%	1 368	1 356
Operating payments	532	81	-	613	541	72	88,3%	554	421
Venues and facilities	2 692	(244)	-	2 448	1 780	668	72,7%	669	574
Rental and hiring	20	25	-	45	24	21	53,3%	-	-
<b>Transfers and subsidies</b>	<b>8 529</b>	<b>365</b>	<b>485</b>	<b>9 379</b>	<b>9 258</b>	<b>121</b>	<b>98,7%</b>	<b>6 186</b>	<b>5 038</b>
Provinces and municipalities	600	-	78	678	593	85	87,5%	515	475
Municipalities	600	-	78	678	593	85	87,5%	515	475
Municipal bank accounts	600	-	78	678	593	85	87,5%	451	451
Municipal agencies and funds	-	-	-	-	-	-	-	64	24
Departmental agencies and accounts	774	-	-	774	773	1	99,9%	1 230	722
Departmental agencies	774	-	-	774	773	1	99,9%	1 230	722
Households	7 155	365	407	7 927	7 892	35	99,6%	4 441	3 841
Social benefits	7 155	365	407	7 927	7 892	35	99,6%	4 441	3 841
<b>Payments for capital assets</b>	<b>13 068</b>	<b>-</b>	<b>-</b>	<b>13 068</b>	<b>10 962</b>	<b>2 106</b>	<b>83,9%</b>	<b>4 342</b>	<b>2 077</b>
Machinery and equipment	13 068	-	-	13 068	10 962	2 106	83,9%	4 300	2 077
Transport equipment	1 000	1 850	-	2 850	2 031	819	71,3%	-	-
Other machinery and equipment	12 068	(1 850)	-	10 218	8 931	1 287	87,4%	4 300	2 077
Software and other intangible assets	-	-	-	-	-	-	-	42	-
	<b>403 195</b>	<b>-</b>	<b>-</b>	<b>403 195</b>	<b>383 294</b>	<b>19 901</b>	<b>95,1%</b>	<b>364 910</b>	<b>350 895</b>

(LIMPOPO PROVINCIAL TREASURY)  
VOTE 5

APPROPRIATION STATEMENT  
for the year ended 31 March 2023

Programme 1: ADMINISTRATION	2022/23		2021/22		Expenditure as % of final budget	2022/23		2021/22	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget		Actual Expenditure	Variance	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000		R'000	R'000	R'000	R'000
<b>Sub programme</b>									
1. OFFICE OF THE M.E.C.	5 349	513	-	5 862	5 350	512	4 748	4 485	
2. MANAGEMENT SERVICES	10 475	(563)	-	9 912	9 769	143	10 841	10 609	
3. DEPUTY DIRECTOR GENERAL : CORPORATE MANAGEMENT SERVICES	9 669	185	900	10 754	10 363	391	8 901	8 751	
4. CORPORATE SERVICES	49 757	(6 844)	-	42 913	42 147	766	42 384	39 454	
5. INFORMATION MANAGEMENT	63 463	3 066	179	66 708	62 741	3 967	55 968	52 502	
6. FINANCIAL MANAGEMENT	37 538	3 587	-	41 125	39 844	1 281	32 628	31 999	
	<b>176 251</b>	<b>(56)</b>	<b>1 079</b>	<b>177 274</b>	<b>170 214</b>	<b>7 060</b>	<b>155 470</b>	<b>147 800</b>	
<b>Economic classification</b>									
<b>Current payments</b>	<b>163 989</b>	<b>(56)</b>	<b>1 849</b>	<b>165 782</b>	<b>160 890</b>	<b>4 892</b>	<b>148 074</b>	<b>143 809</b>	
Compensation of employees	99 240	144	-	99 384	99 018	366	100 710	98 952	
Salaries and wages	90 342	(2 922)	-	87 420	87 112	308	88 364	87 147	
Social contributions	8 898	3 066	-	11 964	11 906	58	12 346	11 805	
Goods and services	64 749	(200)	1 849	66 398	61 872	4 526	47 364	44 857	
Advertising	652	204	-	856	836	20	456	456	
Minor assets	313	58	-	371	370	1	19	19	
Audit costs: External	3 912	1 866	-	5 778	5 778	-	4 191	4 044	
Bursaries: Employees	1 119	-	-	1 119	1 095	24	503	502	
Catering: Departmental activities	109	68	-	177	137	40	45	21	
Communication (G&S)	5 165	35	-	5 200	3 973	1 227	4 038	3 921	
Computer services	5 751	2 016	-	7 767	7 705	62	3 884	3 841	
Consultants: Business and advisory services	633	(55)	-	578	458	120	387	239	
Legal services	605	(177)	885	1 354	1 354	136	300	177	
Contractors	507	-	-	330	312	18	95	87	
Fleet services (including government motor transport)	1 827	59	-	1 886	1 860	26	1 465	1 237	
Consumable supplies	1 207	579	15	1 801	1 637	164	1 053	719	
Consumable: Stationery, printing and office supplies	2 331	51	-	2 382	2 168	214	995	931	
Operating leases	19 497	(3 346)	949	17 100	16 308	792	14 926	14 546	
Property payments	14 798	(989)	-	13 809	13 240	569	11 487	11 253	
Travel and subsistence	3 779	(278)	-	3 501	2 720	781	1 738	1 230	
Training and development	1 581	(318)	-	1 263	1 077	186	1 079	1 071	
Operating payments	502	81	-	583	513	70	542	409	
Venues and facilities	461	(79)	-	382	307	75	161	154	
Rental and hiring	-	25	-	25	24	1	-	-	
<b>Transfers and subsidies</b>	<b>4 394</b>	<b>(770)</b>	<b>(770)</b>	<b>3 624</b>	<b>3 507</b>	<b>117</b>	<b>3 727</b>	<b>2 586</b>	
Provinces and municipalities	600	-	78	678	593	85	515	475	
Municipalities	600	-	78	678	593	85	515	475	
Municipal bank accounts	600	-	78	678	593	85	451	451	
Municipal agencies and funds	774	-	-	774	773	1	64	24	
Departmental agencies and accounts	774	-	-	774	773	1	1 230	722	
Departmental agencies	3 020	-	(848)	2 172	2 141	31	1 982	1 389	
Households	3 020	-	(848)	2 172	2 141	31	1 982	1 389	
Social benefits	<b>7 868</b>	<b>-</b>	<b>-</b>	<b>7 868</b>	<b>5 817</b>	<b>2 051</b>	<b>3 669</b>	<b>1 405</b>	
<b>Payments for capital assets</b>	<b>7 868</b>	<b>-</b>	<b>-</b>	<b>7 868</b>	<b>5 817</b>	<b>2 051</b>	<b>3 627</b>	<b>1 405</b>	
Machinery and equipment	1 000	1 850	-	2 850	2 031	819	-	-	
Transport equipment	6 868	(1 850)	-	5 018	3 786	1 232	3 627	1 405	
Other machinery and equipment	-	-	-	-	-	-	-	-	
Software and other intangible assets	-	-	-	-	-	-	42	-	
	<b>176 251</b>	<b>(56)</b>	<b>1 079</b>	<b>177 274</b>	<b>170 214</b>	<b>7 060</b>	<b>155 470</b>	<b>147 800</b>	

(LIMPOPO PROVINCIAL TREASURY)  
VOTE 5

APPROPRIATION STATEMENT  
for the year ended 31 March 2023

	Programme 2: SUSTAINABLE RESOURCE MANAGEMENT									
	2022/23					2021/22				
	Adjusted Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final budget %	Final Budget R'000	Actual Expenditure R'000	
<b>Sub programme</b>										
1. <u>DEPUTY DIRECTOR GENERAL: SUSTAINABLE RESOURCE MANAGEMENT</u>	2 208	-	229	2 437	2 414	23	99,1%	2 251	2 205	
2. <u>ECONOMIC AND FISCAL POLICY OVERSIGHT</u>	6 167	-	(1 459)	4 708	4 665	43	99,1%	6 631	5 949	
3. <u>BUDGET AND PUBLIC FINANCE MANAGEMENT</u>	14 000	-	333	14 333	13 694	639	95,5%	11 345	11 050	
4. <u>MUNICIPAL FINANCE AND GOVERNANCE IN THE LOCAL GOVERNMENT SPHERE</u>	29 454	-	(482)	28 972	26 713	2 259	92,2%	23 402	23 204	
5. <u>INFRASTRUCTURE MANAGEMENT AND PUBLIC PRIVATE PARTNERSHIP</u>	9 215	-	2 116	11 331	11 263	68	99,4%	10 263	10 206	
	<b>61 044</b>	<b>-</b>	<b>737</b>	<b>61 781</b>	<b>58 749</b>	<b>3 032</b>	<b>95,1%</b>	<b>53 892</b>	<b>52 614</b>	
<b>Economic classification</b>										
<b>Current payments</b>	<b>60 544</b>	<b>-</b>	<b>673</b>	<b>61 217</b>	<b>58 185</b>	<b>3 032</b>	<b>95,0%</b>	<b>53 270</b>	<b>51 998</b>	
Compensation of employees	51 875	-	2 522	54 397	54 389	8	100,0%	52 112	51 225	
Salaries and wages	46 864	-	1 875	48 739	48 734	5	100,0%	46 703	45 819	
Social contributions	5 011	-	647	5 658	5 655	3	99,9%	5 409	5 406	
Goods and services	8 669	-	(1 849)	6 820	3 796	3 024	55,7%	1 158	773	
Administrative fees	-	2	-	2	2	-	100,0%	-	-	
Catering: Departmental activities	118	-	-	118	27	91	22,9%	15	14	
Consultants: Business and advisory services	2 679	-	(1 849)	830	125	705	15,1%	127	122	
Consumable: Stationery, printing and office supplies	990	-	-	990	628	362	63,4%	643	358	
Travel and subsistence	3 747	(2)	-	3 745	2 128	1 617	56,8%	301	220	
Training and development	13	-	-	13	-	13	-	-	-	
Operating payments	-	-	-	-	-	-	-	12	12	
Venues and facilities	1 102	-	-	1 102	886	216	80,4%	60	47	
Rental and hiring	20	-	-	20	-	20	-	-	-	
<b>Transfers and subsidies</b>	<b>500</b>	<b>-</b>	<b>64</b>	<b>564</b>	<b>564</b>	<b>-</b>	<b>100,0%</b>	<b>622</b>	<b>616</b>	
Households	500	-	64	564	564	-	100,0%	622	616	
Social benefits	500	-	64	564	564	-	100,0%	622	616	
	<b>61 044</b>	<b>-</b>	<b>737</b>	<b>61 781</b>	<b>58 749</b>	<b>3 032</b>	<b>95,1%</b>	<b>53 892</b>	<b>52 614</b>	

(LIMPOPO PROVINCIAL TREASURY)  
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APPROPRIATION STATEMENT  
for the year ended 31 March 2023

	Programme 3: ASSETS, LIABILITIES AND SUPPLY CHAIN MANAGEMENT									
	2022/23					2021/22				
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure	
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
<b>Sub programme</b>										
1. <u>DEPUTY DIRECTOR GENERAL: ASSETS, LIABILITIES &amp; SUPPLY CHAIN MANAGEMENT</u>	2 945	-	(1 073)	1 872	1 839	33	98,2%	2 300	2 270	
2. <u>ASSETS AND LIABILITIES MANAGEMENT</u>	19 737	-	(775)	18 962	17 733	1 229	93,5%	18 486	17 983	
3. <u>PROVINCIAL SUPPLY CHAIN MANAGEMENT</u>	23 189	-	2 321	25 510	25 132	378	98,5%	23 436	23 434	
	<b>45 871</b>	<b>-</b>	<b>473</b>	<b>46 344</b>	<b>44 704</b>	<b>1 640</b>	<b>96,5%</b>	<b>44 222</b>	<b>43 687</b>	
<b>Economic classification</b>										
<b>Current payments</b>	<b>44 271</b>	<b>-</b>	<b>(409)</b>	<b>43 862</b>	<b>42 224</b>	<b>1 638</b>	<b>96,3%</b>	<b>43 782</b>	<b>43 248</b>	
Compensation of employees	38 899	-	(409)	38 490	38 487	3	100,0%	41 062	41 060	
Salaries and wages	35 129	-	(1 088)	34 041	34 039	2	100,0%	36 254	36 254	
Social contributions	3 770	-	679	4 449	4 448	1	100,0%	4 808	4 806	
Goods and services	5 372	-	-	5 372	3 737	1 635	69,6%	2 720	2 188	
Administrative fees	1 455	-	-	1 455	1 174	281	80,7%	1 650	1 375	
Catering: Departmental activities	235	168	-	403	365	38	90,6%	5	1	
Consumable supplies	30	-	-	30	-	30	-	-	-	
Consumable: Stationery, printing and office supplies	1 315	-	-	1 315	588	727	44,7%	850	657	
Travel and subsistence	1 991	(168)	-	1 823	1 374	449	75,4%	95	73	
Venues and facilities	346	-	-	346	236	110	68,2%	120	82	
<b>Transfers and subsidies</b>	<b>1 600</b>	<b>-</b>	<b>882</b>	<b>2 482</b>	<b>2 480</b>	<b>2</b>	<b>99,9%</b>	<b>440</b>	<b>439</b>	
Households	1 600	-	882	2 482	2 480	2	99,9%	440	439	
Social benefits	1 600	-	882	2 482	2 480	2	99,9%	440	439	
	<b>45 871</b>	<b>-</b>	<b>473</b>	<b>46 344</b>	<b>44 704</b>	<b>1 640</b>	<b>96,5%</b>	<b>44 222</b>	<b>43 687</b>	

(LIMPOPO PROVINCIAL TREASURY)  
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APPROPRIATION STATEMENT  
for the year ended 31 March 2023

	1		2		3		4		5		6		7		8		9		
	Adjusted Budget		Shifting of Funds		Virement		Final Budget		Actual Expenditure		Variance		Expenditure as % of final budget		Final Budget		Actual Expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Programme 4: FINANCIAL GOVERNANCE</b>																			
<b>Sub programme</b>																			
1. <u>DEPUTY DIRECTOR GENERAL: FINANCIAL GOVERNANCE</u>	31 140	(5 197)	(343)	25 600	24 668	932	96,4%	26 559	25 084										
2. <u>ACCOUNTING SERVICES</u>	20 080	-	(946)	19 134	15 807	3 327	82,6%	15 868	15 304										
3. <u>FINANCIAL MANAGEMENT INFORMATION SYSTEMS</u>	25 394	5 197	(1 075)	29 516	27 044	2 472	91,6%	27 072	24 888										
	<b>76 614</b>	<b>-</b>	<b>(2 364)</b>	<b>74 250</b>	<b>67 519</b>	<b>6 731</b>	<b>90,9%</b>	<b>69 499</b>	<b>65 276</b>										
<b>Economic classification</b>																			
<b>Current payments</b>	<b>69 394</b>	<b>(365)</b>	<b>(2 526)</b>	<b>66 503</b>	<b>59 828</b>	<b>6 675</b>	<b>90,0%</b>	<b>67 603</b>	<b>63 381</b>										
Compensation of employees	44 590	(365)	(2 526)	41 699	39 032	2 667	93,6%	44 297	41 865										
Salaries and wages	36 615	(365)	(874)	35 376	34 149	1 227	96,5%	38 314	36 645										
Social contributions	7 975	-	(1 652)	6 323	4 883	1 440	77,2%	5 983	5 220										
Goods and services	24 804	-	-	24 804	20 796	4 008	83,8%	23 306	21 516										
Administrative fees	19	-	-	19	18	1	94,7%	10	-										
Catering: Departmental activities	31	11	-	42	23	19	54,8%	1	1										
Communication (G&S)	31	-	-	31	28	3	90,3%	31	30										
Computer services	8 338	5 280	-	13 618	12 894	724	94,7%	16 186	14 582										
Consultants: Business and advisory services	12 400	(5 490)	-	6 910	6 341	569	91,8%	6 015	6 015										
Contractors	-	283	-	283	-	283	-	-	-										
Consumable: Stationery, printing and office supplies	-	280	-	280	85	195	30,4%	-	-										
Travel and subsistence	1 541	(39)	-	1 502	811	691	54,0%	446	312										
Training and development	1 631	(160)	-	1 471	217	1 254	14,8%	289	285										
Operating payments	30	-	-	30	28	2	93,3%	-	-										
Venues and facilities	783	(165)	-	618	351	267	56,8%	328	291										
<b>Transfers and subsidies</b>	<b>2 020</b>	<b>365</b>	<b>162</b>	<b>2 547</b>	<b>2 546</b>	<b>1</b>	<b>100,0%</b>	<b>1 223</b>	<b>1 223</b>										
Households	2 020	365	162	2 547	2 546	1	100,0%	1 223	1 223										
Social benefits	2 020	365	162	2 547	2 546	1	100,0%	1 223	1 223										
<b>Payments for capital assets</b>	<b>5 200</b>	<b>-</b>	<b>-</b>	<b>5 200</b>	<b>5 145</b>	<b>55</b>	<b>98,9%</b>	<b>673</b>	<b>672</b>										
Machinery and equipment	5 200	-	-	5 200	5 145	55	98,9%	673	672										
Other machinery and equipment	5 200	-	-	5 200	5 145	55	98,9%	673	672										
	<b>76 614</b>	<b>-</b>	<b>(2 364)</b>	<b>74 250</b>	<b>67 519</b>	<b>6 731</b>	<b>90,9%</b>	<b>69 499</b>	<b>65 276</b>										

(LIMPOPO PROVINCIAL TREASURY)  
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APPROPRIATION STATEMENT  
for the year ended 31 March 2023

	Programme 5: SHARED INTERNAL AUDIT SERVICES									
	2022/23					2021/22				
	Adjusted Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final budget %	Final Budget R'000	Actual Expenditure R'000	
<b>Sub programme</b>										
<b>1. DEPUTY DIRECTOR GENERAL: SHARED INTERNAL AUDIT SERVICES</b>	41 378	-	75	41 453	40 015	1 438	96,5%	39 849	39 540	
	41 378	-	75	41 453	40 015	1 438	96,5%	39 849	39 540	
<b>Economic classification</b>										
<b>Current payments</b>	41 363	-	(72)	41 291	39 854	1 437	96,5%	39 675	39 366	
Compensation of employees	38 240	-	(72)	38 168	38 168	-	100,0%	38 963	38 727	
Salaries and wages	32 583	-	504	33 087	33 087	-	100,0%	33 869	33 633	
Social contributions	5 657	-	(576)	5 081	5 081	-	100,0%	5 094	5 094	
Goods and services	3 123	-	-	3 123	1 686	1 437	54,0%	712	639	
Catering: Departmental activities	-	1	-	1	1	-	100,0%	-	-	
Computer services	677	-	-	677	647	30	95,6%	566	541	
Consultants: Business and advisory services	601	-	-	601	-	601	-	-	-	
Travel and subsistence	1 845	(1)	-	1 844	1 038	806	56,3%	146	98	
<b>Transfers and subsidies</b>	15	-	147	162	161	1	99,4%	174	174	
Households	15	-	147	162	161	1	99,4%	174	174	
Social benefits	15	-	147	162	161	1	99,4%	174	174	
	41 378	-	75	41 453	40 015	1 438	96,5%	39 849	39 540	



**(LIMPOPO PROVINCIAL TREASURY)  
VOTE 5**

**APPROPRIATION STATEMENT  
for the year ended 31 March 2023**

	1		2		3		4		5		6		7		8		9		
	Adjusted Budget		Shifting of Funds		Virement		Final Budget		Actual Expenditure		Variance		Expenditure as % of final budget		Final Budget		Actual Expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000	R'000	
<b>Direct charges</b>																			
<b>Sub programme</b>																			
1. MEMBERS' REMUNERATION	2 037			56	-		2 093		2 093	2 093	-			1		1 978		1 978	
	<b>2 037</b>			<b>56</b>	<b>-</b>		<b>2 093</b>		<b>2 093</b>	<b>2 093</b>	<b>-</b>			<b>100,0%</b>		<b>1 978</b>		<b>1 978</b>	
<b>Economic classification</b>																			
<b>Current payments</b>	<b>2 037</b>			<b>56</b>			<b>2 093</b>		<b>2 093</b>	<b>2 093</b>				<b>100,0%</b>		<b>1 978</b>		<b>1 978</b>	
Compensation of employees	2 037			56			2 093		2 093	2 093				100,0%		1 978		1 978	
Salaries and wages	1 728			56			1 784		1 784	1 784				100,0%		1 685		1 685	
Social contributions	309			-			309		309	309				100,0%		293		293	
	<b>2 037</b>			<b>56</b>			<b>2 093</b>		<b>2 093</b>	<b>2 093</b>				<b>100,0%</b>		<b>1 978</b>		<b>1 978</b>	

**(LIMPOPO PROVINCIAL TREASURY)  
VOTE 5**

**NOTES TO THE APPROPRIATION STATEMENT  
for the year ended 31 March 2023**

**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 (1A-1C) 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 Budget	Actual Expenditure	Variance	Variance as a % of Final Budget	
R'000	R'000	R'000	%	
ADMINISTRARION	177274	170214	7060	4%

The underspending in the current year can be attributed to non filling of vacant funded positions, low spending on non core goods and services and delays in the delivery of procured motor vehicle and laptops before the end of the financial year,

SUSTAINABLE RESOURCE MANAGEMENT	61781	58749	3032	5%
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The underspending is primarily due low spending on non core goods and services items.

ASSETS, LIABILITIES AND SUPPLY CHAIN MANAGEMENT	46344	44704	1640	4%
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The underspending in the current year is primarily due to low spending on non core goods and services items.

FINANCIAL GOVERNANCE	74250	67519	6731	9%
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The underspending in the current year is primarily due to the delays in filling vacant funded positions and low spending on goods and services items.

SHARED INTERNAL AUDIT SERVICES	41453	40015	1438	3%
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The underspending is due to non-appointment of service provider to conduct external quality assurance review for internal audit and low spending on other non core goods and services items.

**(LIMPOPO PROVINCIAL TREASURY)  
VOTE 5**

**NOTES TO THE APPROPRIATION STATEMENT  
for the year ended 31 March 2023**

**4,2 Per economic classification:**

<b>Final Budget</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Variance as a % of Final Budget</b>
<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>

**Current expenditure**

Compensation of employees	274231	271187	3044	1%
Goods and services	106517	91887	14630	14%
Interest and rent on land				

**Transfers and subsidies**

Provinces and municipalities	678	593	85	13%
Departmental agencies and accounts	774	773	1	0%
Households	7927	7892	35	0%

**Payments for capital assets**

Machinery and equipment	13068	10962	2106	16%
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**COE** : Delay in filling of funded vacant posts.

**Goods & Services**: Underspending on non core items such as on travel and subsistence, consumables and non-appointment of Internal Audit external quality assurance reviewer.

**Payment of Capital assets**: - Delay in delivery of Laptops, Furniture and Motor Vehicle.

**(LIMPOPO PROVINCIAL TREASURY)  
VOTE 5**

**STATEMENT OF FINANCIAL PERFORMANCE  
for the year ended 31 March 2023**

	Note	2022/23 R'000	2021/22 R'000
<b>REVENUE</b>			
Annual appropriation	1	401 102	362 932
Statutory appropriation	2	2 093	1 978
Departmental revenue	3	448 849	256 064
<b>TOTAL REVENUE</b>		<b>852 044</b>	<b>620 974</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	4	271 187	273 807
Goods and services	5	91 887	69 973
<b>Total current expenditure</b>		<b>363 074</b>	<b>343 780</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	6	9 258	5 038
<b>Total transfers and subsidies</b>		<b>9 258</b>	<b>5 038</b>
<b>Expenditure for capital assets</b>			
Tangible assets	7	10 962	2 077
<b>Total expenditure for capital assets</b>		<b>10 962</b>	<b>2 077</b>
<b>TOTAL EXPENDITURE</b>		<b>383 294</b>	<b>350 895</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>468 750</b>	<b>270 079</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted Funds		19 901	14 015
Annual appropriation		19 901	14 015
Departmental revenue and NRF Receipts	12	448 849	256 064
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>468 750</b>	<b>270 079</b>

**(LIMPOPO PROVINCIAL TREASURY)  
VOTE 5**

**STATEMENT OF FINANCIAL POSITION  
as at 31 March 2023**

	<i>Note</i>	2022/23 R'000	2021/22 R'000
<b>ASSETS</b>			
<b>Current Assets</b>		<b>22 064</b>	<b>13 936</b>
Cash and cash equivalents	<u>8</u>	19 599	11 563
Receivables	<u>10</u>	2 465	2 373
<b>Non-Current Assets</b>		<b>19</b>	<b>327</b>
Receivables	<u>10</u>	19	327
<b>TOTAL ASSETS</b>		<b>22 083</b>	<b>14 263</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>21 951</b>	<b>14 088</b>
Voted funds to be surrendered to the Revenue Fund	<u>11</u>	19 901	14 015
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>12</u>	1 484	14
Payables	<u>13</u>	566	59
<b>TOTAL LIABILITIES</b>		<b>21 951</b>	<b>14 088</b>
<b>NET ASSETS</b>		<b>132</b>	<b>175</b>
<b>Represented by:</b>			
Recoverable revenue		132	175
<b>TOTAL</b>		<b>132</b>	<b>175</b>

(LIMPOPO PROVINCIAL TREASURY)  
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STATEMENT OF CHANGES IN NET ASSETS  
as at 31 March 2023

NET ASSETS	Note	2022/23 R'000	2021/22 R'000
<b>Recoverable revenue</b>			
Opening balance		175	140
Transfers		(43)	35
Debts recovered (included in departmental receipts)		(52)	(60)
Debts raised		9	95
Closing balance		<u>132</u>	<u>175</u>
<b>TOTAL</b>		<u><u>132</u></u>	<u><u>175</u></u>

**(LIMPOPO PROVINCIAL TREASURY)  
VOTE 5**

**CASH FLOW STATEMENT  
for the year ended 31 March 2023**

	<b>Note</b>	<b>2022/23 R'000</b>	<b>2021/22 R'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		<b>852 044</b>	<b>620 974</b>
Annual appropriated funds received	1	401 102	362 932
Statutory appropriated funds received	2	2 093	1 978
Departmental revenue received	3	1 782	1 256
Interest received	3.2	447 067	254 808
Net (increase)/ decrease in working capital		415	(1 502)
Surrendered to Revenue Fund		(461 394)	(276 702)
Current payments		(363 074)	(343 780)
Transfers and subsidies paid		(9 258)	(5 038)
<b>Net cash flow available from operating activities</b>	<b>14</b>	<b>18 733</b>	<b>(6 048)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	7	(10 962)	(2 077)
(Increase)/decrease in non-current receivables	10	308	176
<b>Net cash flows from investing activities</b>		<b>(10 654)</b>	<b>(1 901)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/ (decrease) in net assets		(43)	35
<b>Net cash flows from financing activities</b>		<b>(43)</b>	<b>35</b>
Net increase/ (decrease) in cash and cash equivalents		8 036	(7 914)
Cash and cash equivalents at beginning of period		11 563	19 477
<b>Cash and cash equivalents at end of period</b>	<b>15</b>	<b>19 599</b>	<b>11 563</b>



**(LIMPOPO PROVINCIAL TREASURY)  
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2023**

1	Annual Appropriation	2022/23			2021/22		
		Final	Actual Funds	Funds not	Final	Appropriation	Funds not
		Budget	Received	requested/ not received	Budget	Received	requested/ not received
Programmes	R'000	R'000	R'000	R'000	R'000	R'000	
	1) ADMINISTRATION	177 274	177 274	-	155 470	155 470	-
	2) SUSTAINABLE RESOURCE MANAGEMENT	61 781	61 781	-	53 892	53 892	-
	3) ASSETS, LIABILITIES AND SUPPLY CHAIN MANAGEMENT	46 344	46 344	-	44 222	44 222	-
	4) FINANCIAL GOVERNANCE	74 250	74 250	-	69 499	69 499	-
	5) SHARED INTERNAL AUDIT SERVICES	41 453	41 453	-	39 849	39 849	-
	<b>Total</b>	<b>401 102</b>	<b>401 102</b>	<b>-</b>	<b>362 932</b>	<b>362 932</b>	<b>-</b>

2	Statutory Appropriation	2022/23	2021/22
		R'000	R'000
	MEMBERS' REMUNERATION	2 093	1 978
		<b>2 093</b>	<b>1 978</b>
	Actual Statutory Appropriation received	2 093	1 978

3	Departmental Revenue	Note	2022/23	2021/22
			R'000	R'000
	Sales of goods and services other than capital assets	3.1	260	269
	Interest, dividends and rent on land	3.2	447 067	254 808
	Transactions in financial assets and liabilities	3.3	1 522	987
	Total revenue collected		<b>448 849</b>	<b>256 064</b>
	<b>Departmental revenue collected</b>		<b>448 849</b>	<b>256 064</b>

The main sources of revenue in the year were parking fees, commission on insurance, interest on favourable bank balance as well as recovery of previous year expenditure

3.1	Sales of goods and services other than capital assets	Note	2022/23	2021/22
			R'000	R'000
	Sales of goods and services produced by the department	3	255	269
	Sales by market establishment		95	100
	Other sales		160	169
	Sales of scrap, waste and other used current goods		5	-
	<b>Total</b>		<b>260</b>	<b>269</b>

The item above comprise of parking fees, commission on insurance as well as sale of scrap

3.2	Interest, dividends and rent on land	Note	2022/23	2021/22
			R'000	R'000
	Interest	3	447 067	254 808
	<b>Total</b>		<b>447 067</b>	<b>254 808</b>

The above amount is for interest earned on favourable bank balance.

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	Note	2022/23 R'000	2021/22 R'000
<b>3.3 Transactions in financial assets and liabilities</b>	<u>3</u>		
Other Receipts including Recoverable Revenue		1 522	987
<b>Total</b>		<u>1 522</u>	<u>987</u>

The above amount was a recovery of previous years expenditure incurred on a seconded official

	Note	2022/23 R'000	2021/22 R'000
<b>3.4 Transfers received</b>			
<b>3.4.1 Donations received in-kind (not included in the main note)</b>	<u>3</u>		
<i>(Treasury Regulation 21.2.4)</i>			
<i>List in-kind donations received</i>			
Venues and Facilities		37	-
Wheelchairs		-	62
Budget day		-	290
School Uniform		155	-
<b>Total</b>		<u>192</u>	<u>352</u>

Donation in kind received from SBSA for venues and facilities as well as school uniform from ABSA. Prior year figure restated as it was erroneously reported on inventory.

	Note	2022/23 R'000	2021/22 R'000
<b>4 Compensation of Employees</b>			
<b>4.1 Salaries and wages</b>			
Basic salary		189 129	190 895
Performance award		-	1 291
Service Based		301	327
Compensative/circumstantial		1 933	644
Other non-pensionable allowances		47 542	48 025
<b>Total</b>		<u>238 905</u>	<u>241 182</u>

The total salaries and wages paid to employees for the department during the year under review.

	Note	2022/23 R'000	2021/22 R'000
<b>4.2 Social Contributions</b>			
<b>Employer contributions</b>			
Pension		23 624	23 827
Medical		8 615	8 754
Bargaining council		43	44
<b>Total</b>		<u>32 282</u>	<u>32 625</u>
<b>Total compensation of employees</b>		<u>271 187</u>	<u>273 807</u>
Average number of employees		373	404

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*Employer contributions on pensions, medical and other employees benefits made during the year under review.*

	Note	2022/23 R'000	2021/22 R'000
<b>5 Goods and services</b>			
Administrative fees		1 194	1 375
Advertising		836	456
Minor assets	5.1	370	19
Bursaries (employees)		1 095	502
Catering		553	37
Communication		4 001	3 951
Computer services	5.2	21 246	18 964
Consultants: Business and advisory services		6 924	6 376
Legal services		1 354	177
Contractors		312	87
Audit cost – external	5.3	5 778	4 044
Fleet services		1 860	1 237
Consumables	5.4	5 106	2 665
Operating leases		16 308	14 546
Property payments	5.5	13 240	11 253
Rental and hiring		24	-
Travel and subsistence	5.6	8 071	1 933
Venues and facilities		1 780	574
Training and development		1 294	1 356
Other operating expenditure	5.7	541	421
<b>Total</b>		<b>91 887</b>	<b>69 973</b>

*The main cost drivers during the year under review were Lease of Office buildings, Security Services, Cell Phone contracts, Audit fees and Sita services amongst others. The increase from prior year expenditure was mainly as a result of officials being in the office full time and providing their transversal functions of supporting departments, Entities, Municipalities and also performing internal audits.*

**5.1 Minor assets**

**Tangible capital assets**

Machinery and equipment

**Total**

Note	2022/23 R'000	2021/22 R'000
<u>5</u>	<b>370</b>	<b>19</b>
	370	19
	<b>370</b>	<b>19</b>

*The expenditure above was for office furniture (Chairs) purchased during the year.*

**5.2 Computer services**

SITA computer services

External computer service providers

**Total**

Note	2022/23 R'000	2021/22 R'000
<u>5</u>	14 553	12 121
	6 693	6 843
	<b>21 246</b>	<b>18 964</b>

*The expenditure above is for SITA Data Lines, Mainframe services, ext computer services as well as software licenses.*

**5.3 Audit cost – external**

Regularity audits

**Total**

Note	2022/23 R'000	2021/22 R'000
<u>5</u>	5 778	4 044
	<b>5 778</b>	<b>4 044</b>

*The above expenditure is for regularity audits conducted in the department.*

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	Note	2022/23 R'000	2021/22 R'000
<b>5.4 Consumables</b>	<u>5</u>		
Consumable supplies		1 637	719
Uniform and clothing		-	17
Household supplies		344	428
IT consumables		312	-
Other consumables		981	274
Stationery, printing and office supplies		3 469	1 946
<b>Total</b>		<b>5 106</b>	<b>2 665</b>

*The disclosed expenditure above is for printing papers, toners and computer peripherals whilst also fuel for generator due to load shedding contributed immensely to the increase*

	Note	2022/23 R'000	2021/22 R'000
<b>5.5 Property payments</b>	<u>5</u>		
Municipal services		2 974	2 181
Property maintenance and repairs		1 067	244
Other		9 199	8 828
<b>Total</b>		<b>13 240</b>	<b>11 253</b>

*The above expenditure is for leases of office buildings and security services amongst others which increased due to escalation rates.*

	Note	2022/23 R'000	2021/22 R'000
<b>5.6 Travel and subsistence</b>	<u>5</u>		
Local		7 959	1 933
Foreign		112	-
<b>Total</b>		<b>8 071</b>	<b>1 933</b>

*The expenditure above is for officials accomodation, travel claims and daily allowance and the steep increase is as a results of officials in transversal unit supporting departments and municipalities.*

	Note	2022/23 R'000	2021/22 R'000
<b>5.7 Other operating expenditure</b>	<u>5</u>		
Professional bodies, membership and subscription fees		308	273
Resettlement costs		164	11
Other		69	137
<b>Total</b>		<b>541</b>	<b>421</b>

*The disclosed expenditure is for members affiliation to professional bodies as well as resettlement costs for appointed officials.*

	Note	2022/23 R'000	2021/22 R'000
<b>5.8 Remuneration of members of a commission or committee of inquiry (Included in Consultants: Business and advisory services)</b> <i>(Treasury Regulation 20.2.4)</i>			
<b>Name of Commission / Committee of inquiry</b>			
Risk Committee		121	186
Cluster Audit Committees		5 281	5 185
<b>Total</b>		<b>5 402</b>	<b>5 371</b>

*The disclosed expenditure above is for Risk Chairperson as well as Audit Committee members claims.*

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	Note	2022/23 R'000	2021/22 R'000
<b>6 Transfers and Subsidies</b>			
Provinces and municipalities	26	593	475
Departmental agencies and accounts	ANNEXURE 1B	773	722
Households	ANNEXURE 1C	7 892	3 841
<b>Total</b>		<b>9 258</b>	<b>5 038</b>

The above expenditure is for municipal rates and taxes, renewal of motor vehicle licenses as well as leave gratuities paid to former employees.

	Note	2022/23 R'000	2021/22 R'000
<b>6.1 Donations made in kind (not included in the main note)</b>			
<i>List in-kind donations made</i>	ANNEXURE 1D		
Wheelchairs			62
School Uniform		155	-
Computer hardware: Major Assets (Kgaogelo Disability Center)		15	-
Office Furniture: Major Assets (Kgaogelo Disability Center)		6	-
Computer hardware: Major Assets ( Stop Gender Based Violence)		27	-
Office Furniture: Major Assets (Stop Gender Based Violence)		11	-
Office Furniture: Minor Assets (Kgaogelo Disability Center)		6	-
Computer hardware: Minor Assets ( Stop Gender Based Violence)		6	-
Office Furniture: Minor Assets (Stop Gender Based Violence)		6	-
<b>Total</b>		<b>232</b>	<b>62</b>

Prior year figure restated as it was erroneously reported on inventory. Donations made in kind to various institutions

	Note	2022/23 R'000	2021/22 R'000
<b>7 Expenditure for capital assets</b>			
<b>Tangible capital assets</b>		<b>10 962</b>	<b>2 077</b>
Machinery and equipment	23	10 962	2 077
<b>Total</b>		<b>10 962</b>	<b>2 077</b>

The expenditure above is for office furniture purchased, motor vehicles, handheld scanners and also laptops.

**7.1 Analysis of funds utilised to acquire capital assets - 2022/23**

	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
<b>Tangible capital assets</b>	<b>10 962</b>	<b>-</b>	<b>10 962</b>
Machinery and equipment	10 962	-	10 962
<b>Total</b>	<b>10 962</b>	<b>-</b>	<b>10 962</b>

The expenditure above is for office furniture purchased, motor vehicles, handheld scanners and also laptops.

**7.2 Analysis of funds utilised to acquire capital assets - 2021/22**

	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
<b>Tangible capital assets</b>	<b>2 077</b>	<b>-</b>	<b>2 077</b>
Machinery and equipment	2 077	-	2 077
<b>Total</b>	<b>2 077</b>	<b>-</b>	<b>2 077</b>

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	2022/23 R'000	2021/22 R'000
<b>7.3 Finance lease expenditure included in Expenditure for capital assets</b>		
<b>Tangible capital assets</b>		
Machinery and equipment	1 184	144
<b>Total</b>	<b>1 184</b>	<b>144</b>

The above expenditure is for photocopier machines leased to the department

	2022/23 R'000	2021/22 R'000
<b>8 Cash and Cash Equivalents</b>		
Consolidated Paymaster General Account	19 599	11 563
<b>Total</b>	<b>19 599</b>	<b>11 563</b>

The balance on the paymaster general bank account.

	2022/23 R'000	2021/22 R'000			
<b>9 Prepayments and Advances</b>					
<b>9.1 Prepayments (Expensed)</b> ("prepayments expensed" not permitted from 1 April 2023)					
	'Balance as at 1 April 2022 R'000	Less: Received in the current year R'000	Add/Less: Other R'000	Add: Current Year prepayments R'000	Amount as at 31 March 2023 R'000
<i>Listed by economic classification</i>					
Goods and services	-	-	-	1 281	1 281
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 281</b>	<b>1 281</b>

Prepayments made for lease of office buildings for the month of April

	'Balance as at 1 April 2021 R'000	Less: Received in the current year R'000	Add/Less: Other R'000	Add: Current Year prepayments R'000	Amount as at 31 March 2022 R'000
<b>Prepayments (Expensed)</b>					
<i>Listed by economic classification</i>					
Goods and services	1 253	-1 253	-	-	-
<b>Total</b>	<b>1 253</b>	<b>-1 253</b>	<b>-</b>	<b>-</b>	<b>-</b>

		2022/23	2021/22				
	Note	Current R'000	Non-current R'000	Total R'000	Current R'000	Non-current R'000	Total R'000
<b>10 Receivables</b>							
Claims recoverable	10.1	-	-	-	-	-	-
Recoverable expenditure	10.2	21	-	21	115	-	115
Staff debt	10.3	166	19	185	178	20	198
Other receivables	10.4	2 278	-	2 278	2 080	307	2 387
<b>Total</b>		<b>2 465</b>	<b>19</b>	<b>2 484</b>	<b>2 373</b>	<b>327</b>	<b>2 700</b>

The above amounts are for staff debts relating to loss of office equipments and damage to state properties.

	2022/23 R'000	2021/22 R'000
<b>10.1 Claims recoverable</b>		
Provincial departments	-	115
<b>Total</b>	<b>-</b>	<b>115</b>

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	Note	2022/23 R'000	2021/22 R'000
<b>10.2 Recoverable expenditure</b>	<u>10</u>		
(Group major categories, but list material items)			
Salary Related		21	-
<b>Total</b>		<u>21</u>	<u>-</u>

*Amounts to be recovered for sal tax and medical aid contributions made on behalf of employees.*

	Note	2022/23 R'000	2021/22 R'000
<b>10.3 Staff debt</b>	<u>10</u>		
(Group major categories, but list material items)			
Loss of Official Laptop		127	128
Overpayment on salary		12	27
Tax Debt		17	13
Leave Without Pay		28	28
Other		1	2
<b>Total</b>		<u>185</u>	<u>198</u>

*Employees debts emanating from loss of official laptops, tax debt and overpaymnt on salaries.*

	Note	2022/23 R'000	2021/22 R'000
<b>10.4 Other receivables</b>	<u>10</u>		
(Group major categories, but list material items)			
Statutory Appropriation receivables		-	-
Unauthorised expenditure		-	-
Irregular expenditure		-	-
Fruitless and wasteful expenditure		-	-
Tax Debt		2	2
Overpayment on Salary		2 237	2 318
Other		39	67
<b>Total</b>		<u>2 278</u>	<u>2 387</u>

*Debts for former employees of the department which emanated from salary overpayment.*

	Note	2022/23 R'000	2021/22 R'000
<b>11 Voted Funds to be Surrendered to the Revenue Fund</b>			
Opening balance		14 015	19 025
Transfer from statement of financial performance (as restated)		19 901	14 015
Paid during the year		<u>(14 015)</u>	<u>(19 025)</u>
<b>Closing balance</b>		<u>19 901</u>	<u>14 015</u>

*The disclosed amount above is for equitable share unspent by the department.*



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	Note	2022/23 R'000	2021/22 R'000
<b>12 Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund</b>			
Opening balance		14	1 627
Transfer from Statement of Financial Performance (as restated)		448 849	256 064
Paid during the year		(447 379)	(257 677)
<b>Closing balance</b>		<b>1 484</b>	<b>14</b>

*The amount represents the departmental own revenue not paid over to the revenue fund.*

	Note	2022/23 R'000	2021/22 R'000
<b>13 Payables - current</b>			
Clearing accounts	13.1	566	-
Other payables	13.2	-	59
<b>Total</b>		<b>566</b>	<b>59</b>

	Note	2022/23 R'000	2021/22 R'000
<b>13.1 Clearing accounts</b>	<u>13</u>		
Salary Related		566	-
<b>Total</b>		<b>566</b>	<b>-</b>

*Amounts to be paid over to third parties.*

	Note	2022/23 R'000	2021/22 R'000
<b>13.2 Other payables</b>	<u>13</u>		
Salary Related		-	59
<b>Total</b>		<b>-</b>	<b>59</b>

	Note	2022/23 R'000	2021/22 R'000
<b>14 Net cash flow available from operating activities</b>			
Net surplus/(deficit) as per Statement of Financial Performance		468 750	270 079
Add back non cash/cash movements not deemed operating activities		(450 996)	(276 127)
(Increase)/decrease in receivables		(92)	274
Increase/(decrease) in payables – current		507	(1 776)
Expenditure on capital assets		10 962	2 077
Surrenders to Revenue Fund		(461 394)	(276 702)
<b>Net cash flow generated by operating activities</b>		<b>18 733</b>	<b>(6 048)</b>

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	Note	2022/23 R'000	2021/22 R'000
<b>15 Reconciliation of cash and cash equivalents for cash flow purposes</b>			
Consolidated Paymaster General account		19 599	11 563
<b>Total</b>		<u>19 599</u>	<u>11 563</u>

The above disclosed amount is the balance on the departmental bank account

	Note	2022/23 R'000	2021/22 R'000
<b>16 Contingent liabilities and contingent assets</b>			
<b>16.1 Contingent liabilities</b>			
<b>Liable to</b>			
<b>Nature</b>			
Housing loan guarantees	Employees	107	107
Claims against the department	Annex 2A	251 755	251 755
<b>Total</b>	Annex 2B	<u>251 862</u>	<u>251 862</u>

Contingent liabilities on provided housing state guarantee issued for employees as well as counter claim lodged against the department by the supplier for breach of contract

	Note	2022/23 R'000	2021/22 R'000
<b>16.2 Contingent assets</b>			
<b>Nature of contingent asset</b>			
Claims against a supplier		98 486	98 000
Over-utilisation of cell phones		131	188
<b>Total</b>		<u>98 617</u>	<u>98 188</u>

Claims lodged by the department against the supplier for breach of contract as well as over utilisation of official cell phones.

	Note	2022/23 R'000	2021/22 R'000
<b>17 Capital commitments</b>			
Machinery and equipment		2 407	827
<b>Total</b>		<u>2 407</u>	<u>827</u>

The outstanding capital commitments are for Office furniture, printers, motor vehicles, laptops and access points.

		2022/23 R'000	2021/22 R'000
<b>18 Accruals and payables not recognised</b>			
<b>18.1 Accruals</b>			
<b>Listed by economic classification</b>			
	30 days	30+ days	Total
Goods and services	1 636	2 355	3 991
<b>Total</b>	<u>1 636</u>	<u>2 355</u>	<u>3 991</u>

Late submission of invoices and fuel claims by employees

	Note	2022/23 R'000	2021/22 R'000
<b>Listed by programme level</b>			
Administration		3 447	1 939
Sustainable Resources Management		223	60
Assets, liabilities and Supply Chain Management		83	-
Financial Governance		162	28
Shared Internal Audit Services		76	14
<b>Total</b>		<u>3 991</u>	<u>2 041</u>

Late submission of invoices and travel claims by employees

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**18.2 Payables not recognised**

Listed by economic classification	30 days	30+ days	Total	Total
Goods and services	125		125	144
Other	-	-	-	615
<b>Total</b>	<b>125</b>	<b>-</b>	<b>125</b>	<b>759</b>

Listed by programme level	Note	2022/23 R'000	2021/22 R'000
Administration		71	2
Sustainable Resources Management		1	615
Assets, liabilities and Supply Chain Management		18	-
Financial Governance		14	117
Shared Internal Audit Services		21	25
<b>Total</b>		<b>125</b>	<b>759</b>

*Invoices and travel claims submitted on the last day of scheduled BAS run*

**Included in the above totals are the following:**

	Note	2022/23 R'000	2021/22 R'000
Confirmed balances with departments	Annex 4	-	615
<b>Total</b>		<b>-</b>	<b>615</b>

**19 Employee benefits**

	Note	2022/23 R'000	2021/22 R'000
Leave entitlement		12 364	16 001
Service bonus		6 969	7 019
Capped leave		19 673	25 265
Other		7 024	302
<b>Total</b>		<b>46 030</b>	<b>48 587</b>

*The leave entitlement is net of negative leave of R210 thousands due to some employees utilising their new leave cycle (1 January 2023-31 December 2023) credits in excess of the leave days accrued to them as at 31 March 2023. Leaves captured after 31 March 2023 (R17) has been factored into leave entitlement amount. Included in other employee benefits is an amount in relation to long service awards, over time, acting allowance and pay progression estimate.*

*Employee benefits "other" include overtime, acting allowance which was accrued but paid to respective employees as well as Pay Progression liability.*

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20 Lease commitments

20.1 Operating leases

2022/23	Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	15 749	-	15 749
Later than 1 year and not later than 5 years	-	-	629	-	629
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>16 378</b>	<b>-</b>	<b>16 378</b>

2021/22	Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	15 521	-	15 521
Later than 1 year and not later than 5 years	-	-	4 367	-	4 367
Later than five years	-	-	-	-	-
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>19 888</b>	<b>-</b>	<b>19 888</b>

The department has a lease contract with TALAS properties for office and parking space at 27 Hans van rensburg at a cost of R295 464.81 from October 22 till May 2023, and then at R314 670.02 from June 2023 till May 2024, for the other buildings the department does not have a standing contract and as per scenario 3 of the MCS guide, management has decided to continue to occupy the buildings for a determined lease term and no further progress has been made hence the potential lease commitment is being calculated based on the past practice.

20.2 Finance Leases

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

2021/22	Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	72	72
Later than 1 year and not later than 5 years	-	-	-	79	79
Later than five years	-	-	-	-	-
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>151</b>	<b>151</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.

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	<i>Note</i>	2022/23 R'000	2021/22 R'000
<b>21 Related party transactions</b>			
<b>Revenue received</b>			
<b>In kind goods and services provided/received</b>			
Provincial Treasury renders transversal functions in relation to Audit Committees to all provincial departments, excluding the Provincial Legislature.			
Department of Education		583	629
Department of Social Development		428	444
Office of the Premier		376	389
Department of Public Works		650	603
CoGHSTA		406	373
Department of Sports, Arts & Culture		376	389
Department of Health		673	653
Department Transport Community Safety		385	374
Department of Agriculture		613	583
Department of Economic Development, Environment & Tourism		385	374
Provincial Treasury renders transversal functions in relation to Internal Audit Services to all provincial departments, excluding the Provincial Legislature.			
Department of Education		5 088	4 658
Department of Social Development		3 946	3 721
Office of the Premier		2 099	2 803
Department of Public Works		3 234	5 626
CoGHSTA		3 050	2 828
Department of Sport, Art & Culture		2 971	3 025
Department of Health		4 543	3 831
Department Transport Community Safety		4 477	3 009
Department of Agriculture		3 442	3 276
Department of Economic Development, Environment & Tourism		3 025	2 798
Provincial Treasury renders services to departments and municipalities			
Department of Agriculture, Land Reform and Rural Development		-	659
Modimolle - Mookgopong Municipality		206	-
Department of Sport, Art & Culture		85	-
<b>Total</b>		<b>41 041</b>	<b>41 045</b>

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List related party relationships and the nature thereof

1. Provincial Treasury has a related party relationship with the Department of Public Works, Roads and Infrastructure as Provincial Treasury is making use of government owned buildings rental free.
2. Provincial Treasury is related to all government departments in Limpopo because we are under common control of the Legislature.
3. Provincial Treasury paid the cost to implement the Asset Management System BAUD for all provincial departments however the cost cannot be quantified in terms of each department.
4. Provincial Treasury rendered support to a number of Municipalities, Public entities and departments in the province, however the cost cannot be quantified.
5. Provincial Treasury has appointed The Government and Technical Advisory Centre (GTAC) to assist infrastructure departments and municipalities in the province, however the cost cannot be quantified for each institution.
6. Provincial Treasury has sourced a provincial Risk Management Software which is used by all Provincial departments at no cost.
7. Limpopo Provincial Treasury seconded officials to Modimolle - Mookgopong Municipality.
8. Limpopo Provincial Treasury provided 2000 RFID Tags to Limpopo Department of Sport, Arts and Culture at no cost.

	2022/23 R'000	2021/22 R'000
<b>22 Key management personnel</b>		
Political office bearers (provide detail below)	2 093	1 978
Officials:		
Level 15 to 16	10 434	12 023
Level 14 (incl CFO)	15 040	13 066
Level 13	11 049	10 262
Family members of key management personnel	-	144
<b>Total</b>	<b>38 980</b>	<b>37 473</b>

**23 Movable Tangible Capital Assets**

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023**

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	57 128		9 778	234	66 672
Transport assets	9 469	-	2 031	-	11 500
Computer equipment	34 562	-	2 134	119	36 577
Furniture and office equipment	7 284	-	5 321	95	12 510
Other machinery and equipment	5 813	-	292	20	6 085
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>57 128</b>	<b>-</b>	<b>9 778</b>	<b>234</b>	<b>66 672</b>

The total expenditure to date is R 10. 962 million and total assets are R 9.778 million with a difference of R 1. 184 million which is for leased assets. Included in the disposals amounting to R234 thousands is the amount of assets amounting to R 59 thousand which were disposed through donations and R 175 thousand which were disposed through write offs.

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**23.1 Movement for 2021/22**

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022**

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
<b>MACHINERY AND EQUIPMENT</b>	56 379	-	1 165	416	57 128
Transport assets	9 469	-	-	-	9 469
Computer equipment	33 928	-	1 050	416	34 562
Furniture and office equipment	7 284	-	-	-	7 284
Other machinery and equipment	5 698	-	115	-	5 813
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>56 379</b>	<b>-</b>	<b>1 165</b>	<b>416</b>	<b>57 128</b>

**23.2 Minor assets**

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

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	-	9 217	-	9 217
Additions	-	-	-	380	-	380
Disposals	-	-	-	18	-	18
<b>TOTAL MINOR CAPITAL ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9 579</b>	<b>-</b>	<b>9 579</b>
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	72	-	72
Number of minor assets at cost	-	-	-	4 503	-	4 503
<b>ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4 575</b>	<b>-</b>	<b>4 575</b>

*Included in the additions are assets amounting to R8 thousands which were fair valued and included in the Asset register as non-cash additions and also an amount of R2 thousands which is for non-cash additions. Assets amounting to R18 thousands were disposed through donations.*

**Minor assets**

**MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022**

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	-	9 220	-	9 220
Prior period error	-	-	-	5	-	5
Additions	-	-	-	13	-	13
Disposals	-	-	-	21	-	21
<b>TOTAL MINOR CAPITAL ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9 217</b>	<b>-</b>	<b>9 217</b>
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	72	-	72
Number of minor assets at cost	-	-	-	4 363	-	4 363
<b>CAPITAL ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4 435</b>	<b>-</b>	<b>4 435</b>

*Prior year figure restated by 1 due to rounding off and assets which were erroneously disposed in the previous years but were verified in the current verification cycle.*



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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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23.2.1	Prior period error	<i>Note</i>	2021/22 R'000
	Nature of prior period error		
	Relating to 2016/17: Restated assets previously written off		5
			5
	<b>Total</b>		5

*Assets which were erroneously disposed in the previous years but were verified in the current verification cycle.*

**23.3 Movable tangible capital assets written off**

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

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	175	-	175
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	-	-	-	175	-	175

**MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2022**

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	432	-	432
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	-	-	-	432	-	432

*Assets written off were lost and not recoverable*

**24 Intangible Capital Assets**

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

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
SOFTWARE	638	-	-	638
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	638	-	-	638

**Movement for 2021/22**

**24.1 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022**

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

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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25 Prior period errors

		2021/22		
	Note	Amount bef error correction R'000	Prior period error R'000	Restated amount R'000
25.1 Correction of prior period errors <i>(Aid assistance, etc.)</i>				
<i>services, Tangible capital assets, etc.)</i>				
Transfers and subsidies	9		62	62
<b>Net effect</b>		<b>-</b>	<b>62</b>	<b>62</b>

*Donation received in kind was erroneously disclosed as inventory and now has been restated as Transfers made.*

*departmental revenue, Movable tangible capital assets, etc.)*

Minor Assets-Machinery and Equipment	37	9 212	5	9 217
Inventory-Non Cash Addition	43	62	(62)	-
Inventory-Non Cash Disposal	43	(62)	62	-
<b>Net effect</b>		<b>9 212</b>	<b>5</b>	<b>9 217</b>

*Assets which were erroneously disposed in the previous years but were verified in the current verification cycle.*

*Wheelchairs received as donation and transferred were erroneously disclosed under Inventory.*

*and they are being reclassified as transfers and subsidies as there is no economic benefit to be derived from them by the department.*

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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26 STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	2022/23					2021/22		
	GRANT ALLOCATION		TRANSFER			Re-allocations by National Treasury or National Department	DORA and other transfers	Actual Transfer
	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld			
R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Polokwane Municipality	678	-	-	678	593	-	515	475
	678	-	-	678	593	-	515	475

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

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27 BROAD BASED BLACK ECONOMIC EMPOWERMENT PERFORMANCE

27 COVID 19 RESPONSE EXPENDITURE  
Goods and services  
Total

	2022/23 R'000	2021/22 R'000
	-	331
	-	331

Note  
ANNEXURE 5

### 3.1. ACCOUNTING POLICIES

#### Summary of significant accounting policies

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

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

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

<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>Comparative information</b></p>
<b>5.1</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</b>	<p><b>Revenue</b></p>
<b>6.1</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. 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>6.2</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>6.3</b>	<p><b>Accrued departmental revenue</b></p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> <li>• it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and</li> <li>• the amount of revenue can be measured reliably.</li> </ul> <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p> <p>Write-offs are made according to the department's debt write-off policy.</p>
<b>7</b>	<b>Expenditure</b>
<b>7.1</b>	<b>Compensation of employees</b>
<b>7.1.1</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>7.1.2</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>7.2</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>7.3</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 at cost at the reporting date.</p>
<b>7.4</b>	<b>Leases</b>
<b>7.4.1</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. Operating lease payments received are recognised as departmental revenue.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>

7.4.2	<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. Finance lease payments received are recognised as departmental revenue.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <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>
8	<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>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.</p>
9	<p><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 if paid was budgeted for or immaterial</p>
10	<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>
11	<p><b>Financial assets</b></p>
11.1	<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>
11.2	<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>



12	<p><b>Payables</b></p> <p>Payables recognised in the statement of financial position are recognised at cost.</p>
13	<p><b>Capital Assets</b></p>
13.1	<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>
13.3	<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.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p>
14	<p><b>Provisions and Contingents</b></p>
14.1	<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>

14.2	<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>
14.2	<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>
14.4	<p><b>Capital commitments</b></p> <p>Capital commitments are recorded at cost in the notes to the financial statements.</p>
15	<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>
16	<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> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables or written off.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
17	<p><b>Irregular expenditure</b></p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed after its assessment. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.</p> <p>Irregular expenditure is reduced from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off.</p> <p>Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>

18	<p><b>Changes in accounting estimates and errors</b></p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p>
19	<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>
20	<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>
21	<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>
22	<p><b>Related party transactions</b></p> <p>Related party transactions within the MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>Full compensation of key management personnel is recorded in the notes to the financial statements.</p>
30	<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)  
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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Annexure 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT			2021/22			
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	DoRA and other transfers	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Polokwane Municipality	678	-	-	678	593	-	-	-	-	-	-	515	475
<b>Total</b>	678	-	-	678	593	-	-	-	-	-	-	515	475

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

ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2021/22	
	Adjusted budget	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Final Budget	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Skills Development Levy	774	-	-	774	773	100%	1 230	722
<b>Total</b>	<b>774</b>	<b>-</b>	<b>-</b>	<b>774</b>	<b>773</b>		<b>1 230</b>	<b>722</b>

The department contributes 1% of its total wage bill for skills development levy

(LIMPOPO PROVINCIAL TREASURY)  
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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ANNEXURE 1C  
STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE			2021/22	
	Adjusted Budget	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Final Budget	Actual Transfer	
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
<b>HOUSEHOLDS</b>									
<b>Transfers</b>									
Injury on Duty	-	-	-	-	-	-	20	5	
Leave Graruity	7 542	-	-	7 542	7 877	104%	4 401	3 814	
Claims Against Department	20	-	-	20	15	75%	20	22	
	7 562	-	-	7 562	7 892		4 441	3 841	
<b>Total</b>	7 562	-	-	7 562	7 892		4 441	3 841	

The above expenditure is for leave gratuities paid for former employees upon resignation or on retirement and claims against the state.

**ANNEXURE 1D**  
**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2022/23	2021/22
		R'000	R'000
<b>Received in kind</b>			
Standard Bank South Africa	Venues and facilities	37	-
Standard Bank South Africa	Wheelchairs	-	62
Standard Bank South Africa	Venues and facilities	-	290
ABSA	School Uniform	155	-
<b>Subtotal</b>		<b>192</b>	<b>352</b>
<b>TOTAL</b>		<b>192</b>	<b>352</b>

Donations in kind received from SBSA in the form of Venues and facilities for Public Service Day as well as school uniform from ABSA



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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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ANNEXURE 1E

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

NATURE OF GIFT, DONATION OR SPONSORSHIP	2022/23	2021/22
	R'000	R'000
<b>Made in kind</b>		
Standard Bank (Wheelchairs)		62
ABSA (School Uniform)	155	-
Computer hardware: Major Assets (Kgaogelo Disability Center)	15	-
Office Furniture: Major Assets (Kgaogelo Disability Center)	6	-
Computer hardware: Major Assets (Stop Gender Based Violence)	27	-
Office Furniture: Major Assets (Stop Gender Based Violence)	11	-
Office Furniture: Minor Assets (Kgaogelo Disability Center)	6	-
Computer hardware: Minor Assets ( Stop Gender Based Violence)	6	-
Office Furniture: Minor Assets ( Stop Gender Based Violence)	6	-
<b>TOTAL</b>	<b>232</b>	<b>62</b>
Donations made in kind to Mansori School, Kgaogelo Disability Centre and Stop Gender Based Violence amongst others		

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ANNEXURE 2A  
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2023 - LOCAL

GUARANTOR INSTITUTION	Guarantee in respect of	Original	Opening	Guarantees	Guaranteed	Revaluation	Closing	Revaluations	Accrued
		guaranteed	balance 1	draw downs	repayments/ cancelled/ reduced	due to foreign	balance 31	due to	guaranteed
		capital	April 2022	during the	during the	currency	March 2023	inflation rate	interest for
		amount	R'000	year	year	movements	R'000	movements	year ended 31
		R'000		R'000	R'000	R'000		R'000	March 2023
									R'000
	<b>Housing</b>								
Risima Housing Finance Corporation	Housing	-	107	-	-	-	107	-	-
	Subtotal	-	107	-	-	-	107	-	-
	<b>Total</b>	-	107	-	-	-	107	-	-

Housing guarantees provided to employees with financial institutions.

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ANNEXURE 2B  
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2023

NATURE OF LIABILITY	Opening balance 1 April 2022	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2023
	R'000	R'000	R'000	R'000	R'000
<b>Claims against the department</b>					
Contractual Dispute by Supplier	250 000	-	-	-	250 000
Breach of Security Service contract	1 755	-	-	-	1 755
<b>Subtotal</b>	251 755	-	-	-	251 755
<b>TOTAL</b>	251 755	-	-	-	251 755
Counter claim lodged against the department by the service provider for breach of contract and contractual dispute.					

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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ANNEXURE 3  
CLAIMS RECOVERABLE

GOVERNMENT ENTITY	Confirmed balance		Unconfirmed balance		Total	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022
	R'000	R'000	R'000	R'000	R'000	R'000
<b>DEPARTMENTS</b>						
Limpopo Department of Economic Development		71	-	-	-	71
Limpopo Department of Sport, Arts and Culture		-	-	1 478	-	1 478
Limpopo Department of Agriculture, Land Reform and Rural Development		44	-	-	-	44
	-	115	-	1 478	-	1 593
<b>OTHER GOVERNMENT ENTITIES</b>						
Modimolle-Mookgophong Municipality			216	216	216	216
SARS			-	820	-	820
SAPS	68		-	-	68	-
	68	-	216	1 036	284	1 036
<b>Total</b>	68	115	216	2 514	284	2 629

Claims for expenditure incurred on officials who were seconded to municipalities while employed by the department.

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2023

ANNEXURE 4  
INTER-GOVERNMENT PAYABLES

	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022
	R'000	R'000	R'000	R'000	R'000	R'000
<b>GOVERNMENT ENTITY</b>						
<b>DEPARTMENTS</b>						
Current						
Limpopo Department of Agriculture, Land Reform and Rural Development		615	-	-	-	615
<b>Subtotal</b>						
<b>Total Departments</b>	-	615	-	-	-	615
<b>TOTAL INTERGOVERNMENTAL PAYABLES</b>	-	615	-	-	-	615

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2023**

**ANNEXURE 5**  
**COVID 19 RESPONSE EXPENDITURE**  
Per quarter and in total

Expenditure per economic classification	APRIL	MAY	JUN	JUL	AUG	SEPT	Subtotal	OCT	NOV	DEC	Subtotal	JAN	FEB	MAR	Subtotal	2022/23	2021/22	
	2022	2022	2022	2022	2022	2022	Q1	2022	2022	2022	Q3	2023	2023	2023	Q4	TOTAL	TOTAL	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
<b>Compensation of employees</b>	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
<b>Goods services</b>	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	331	.
<i>Please list all the applicable SCCOA level 4 items:</i>																		
Consumable Supplies	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	308	.
Property Payments	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	22	.
Contractors	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	1	.
<b>TOTAL COVID 19 RESPONSE EXPENDITURE</b>	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	331	.



**LIMPOPO**

PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

**PROVINCIAL TREASURY**

# ANNUAL REPORT 2022/23

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