



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

DEPARTMENT OF TREASURY
PROVINCE OF LIMPOPO

ANNUAL REPORT
2017/2018



"We are the best in what we do"

The heartland of southern Africa - development is about people!

**DEPARTMENT OF TREASURY
PROVINCE OF LIMPOPO**

VOTE NO. 05

**ANNUAL REPORT
2017/2018 FINANCIAL YEAR**

"We are the best in what we do"

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PART A:

GENERAL INFORMATION



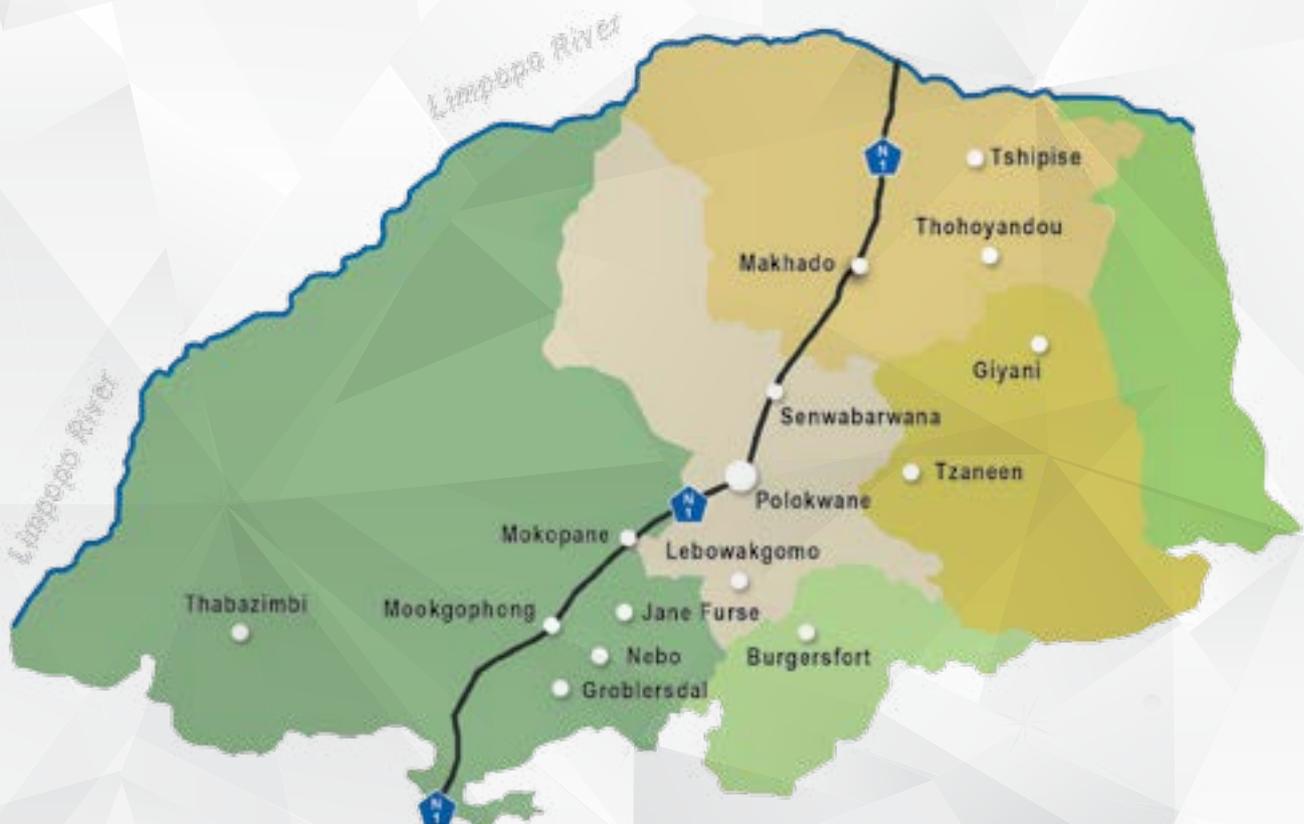


1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

AC	Audit Committee
AFS	Annual Financial Statements
AGSA	Auditor General of South Africa
AO	Accounting Officer
APP	Annual Performance Plan
BAS	Basic Accounting System
BBBEE	Broad Based Black Economic Empowerment
CAC	Central Audit Committee
CFO	Chief Financial Officer
CFS	Consolidated Financial Statements
DORA	Division of Revenue Act
DPSA	Department of Public Service and Administration
HOD	Head of Department
HR	Human Resource
HRD	Human Resource Development
IDIP	Infrastructure Delivery Improvement Programme
IFMS	Integrated Financial Management System
IYM	In-Year Monitoring
LDP	Limpopo Development Plan
LPT	Limpopo Provincial Treasury
MEC	Member of Executive Council
MFMA	Municipal Finance Management Act
MTEF	Medium Term Expenditure Framework
MISS	Minimum Information Security Standards
N/A	Not Applicable
NT	National Treasury
PFMA	Public Finance Management Act
PPP	Public Private Partnerships
PRF	Provincial Revenue Fund
QTR	Quarter
SAQA	South African Qualifications Authority
SCM	Supply Chain Management
SCOA	Standard Chart of Accountants
SCOPA	Standing Committee on Public Accounts
SDIP	Service Delivery Improvement Plan
SITA	State Information Technology Agency
SISP	Strategic Information System Plan
SITA	State Information Technology Agency
SLA	Service Level Agreement
SMME	Small Medium and Micro Enterprises
TR	Treasury Regulations
U-AMP	User Asset Management Plan



3. FOREWORD BY THE MEC

It is my pleasure to present the 2017/18 Limpopo Provincial Treasury Annual Report. The report includes the financial statements and performance of the Provincial Treasury, as well as the outputs and outcomes of the department against the targets set in our Annual Performance Plan (APP) for the year in review.

The provincial treasury is tasked by the Constitution and various pieces of statute to, amongst others;

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

We have managed to achieve most of the planned targets and outcomes as espoused in our Annual Performance Plan and have laid a good foundation to further improve going forward.

We would not have made this achievement without the staff of the Provincial Treasury, whose dedication and commitment I appreciate.

It is my pleasure to present the Annual Report for the financial year 2017/18.

Hon. RWN Tooley (MPL)
MEC for Finance



4. REPORT OF THE ACCOUNTING OFFICER

Overview of the operations of the department:

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

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

The Provincial Treasury is also entrusted in terms of Section 5 of the Municipal Finance Management Act (MFMA), Act 56 of 2003, as amended to

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

During the year under review Provincial Treasury managed to allocate and monitor the provincial budget appropriated to all departments. The province is still faced with a high percentage of the provincial budget that is been spent on Compensation of Employees, however during the year under review the province has managed to reduce the year on year percentage of the budget that is spent on Compensation of Employees to 68%, which is encouraging but will still require additional efforts in 2018/19 to reduce this further.

Provincial Treasury seconded officials to Mogalakwena and Collins Chabane Municipalities (LIM345) as well as to the Department of Education and Department of Sport, Arts and Culture in an endeavour to improve financial management in these institutions. Provincial Treasury also provided focused support to Thabazimbi Municipality, Roads Agency Limpopo and the Department of Health during the year under review. It was agreed that Provincial Treasury will be responsible for current salary costs of the support and seconded staff.

In an effort to improve financial management controls, Provincial Treasury implemented the National Treasury LOGIS financial system in all provincial departments with the exception of health institutions (hospitals), which we plan to complete in June 2018.

In order to improve assets management in all the departments, Provincial Treasury also implemented the BAUD asset system, this system replaced the use of Microsoft Excel to account for movable assets.

Provincial Treasury is also finalising the implementation of the BARNOWL Risk Management software, which will improve the province's ability to consolidate, monitor and report on all the departments risk management processes through a uniformed electronic system. The Transversal Risk Management Unit is also finalising the Provincial Strategic Risk Profile, which will be managed by the various clusters in the province.

Due to the low spending on infrastructure projects in the province, Provincial Treasury entered into an agreement with the Government Technical Advisory Centre (GTAC) to support our infrastructure departments to improve their capacity and ability to implement and manage infrastructure projects. This project has resulted in a steady improvement in the infrastructure spending trends over the last three financial years' form spending 87% of the infrastructure budget in 2015/16 to 94% in 2016/17 to 97% in 2017/18.



Provincial Treasury has developed a strategic municipal support strategy to assist municipalities that are experiencing financial sustainability challenges.

Our organisational structure has been reviewed in order to strengthen the support functions, specifically the municipal support unit and the shared internal audit services. The reviewed structure has been submitted to the Minister of the Department of Public Service and Administration for final concurrence, which was granted on 4 April 2018. Key posts will be filled in 2018/19.

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

4.2. OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT:

4.2.1. Departmental receipts

DEPARTMENTAL RECEIPTS	2017/18			2016/17		
	ESTIMATE R'000	ACTUAL AMOUNT COLLECTED R'000	(OVER)/UNDER COLLECTION R'000	ESTIMATE R'000	ACTUAL AMOUNT COLLECTED R'000	(OVER)/UNDER COLLECTION R'000
Tax receipts	-	-	-	-	-	-
Sale of goods and services other than capital assets	505	444	61	512	770	(258)
Transfers received	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	124	(124)
Interest, dividends and rent on land	329 232	345 154	(15 922)	356 357	398 695	(42 338)
Sale of capital assets	-	-	-	-	1 037	(1 037)
Financial transactions in assets and liabilities	673	709	(36)	5 659	7 280	(1 621)
TOTAL	330 410	346 307	(15 897)	362 528	407 906	(45 378)

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

During the 2017/18 financial year, the actual revenue collection was R346.3 million, against a target of R330.4 million. The over collection of R15.9 million can be attributed to the improved cash position within the Limpopo Province, which resulted in additional interest earned.

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

Irrecoverable debts to the value of eighteen (18) thousand rands were written off during the year under review. This was in line with the Debt policy, these debts were identified as being un-economical to recover and may cause unnecessary hardship to the parties involved.



4.2.2. Programme Expenditure

PROGRAMME NAME	2017/18			2016/17		
	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000
Administration	162 847	160 497	2 350	184 204	182 032	2 172
Sustainable Resource Management	88 025	87 450	575	97 524	94 516	3 008
Assets, Liabilities & SCM	94 807	93 353	1 454	86 492	85 092	1 400
Financial Governance	85 252	84 282	970	85 119	77 610	7 509
Financial Governance	85 119	77 610	7 509	81 086	78 390	2 696
Sub Total	430 931	425 582	5 349	453 339	439 250	14 089
Statutory	1 978	1 978	-	1 902	1 902	-
TOTAL	432 909	427 560	5 349	455 241	441 152	14 089

Programme 1: Administration

In 2017/18 Programme 1 spent a total amount of R162.4 million or 99.7% of its final appropriated budget of R162.8 million. (2016/17: R183.9 million or 99% of R186.1 million budget).

Programme 2: Sustainable Resource Management

In 2017/18 Programme 2 spent a total amount of R87.4 million or 99.3% of its final appropriated budget of R88 million. (2016/17: R94.5 million or 97% of R97.5 million budget).

Programme 3: Assets, Liabilities & Supply Chain Management

In 2017/18 Programme 3 spent a total amount of R93.3 million or 98.5% of its final appropriated budget of R94.8 million. (2016/17: R85.0 million or 98% of R86.5 million budget).

Programme 4: Financial Governance

In 2017/18 Programme 4 spent a total amount of R84.2 million or 98.9% of its final appropriated budget of R85.2 million. (2016/17: R77.6 million or 91% of R85.1 million budget).

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

• Compensation of Employees (COE)

The department spent R279.6 million, or 99.8% of its final COE appropriation of R280.1 million, during 2017/18 financial year (2016/17: R259.2 million or 97% of R266.4 million budget).

• Goods & Services

The department spent R114.1 million, or 96.7% of its final goods and services appropriation of R117.9 million, during 2017/18 financial year (2016/17: R139.8 million or 97% of R144.9 million budget). The underspending in 2017/18 was mainly on non-core items such as administration fees, computer services, consumables, travel and subsistence and venues and facilities.

• Transfers & Subsidies

An amount of R7.1 million, or 99.3% of the final transfers and subsidies appropriation of R7.2 million, was spent during 2017/18 financial year (2016/17: R8.6 million or 99% of R8.6 million budget).

• Capital Payments

The department spent R6.7 million or 88% of a final capital appropriation of R7.6 million during 2017/18 financial year. During the 2016/17 financial year, the department spent R8.5 million or 83% of the final capital budget of R10.2 million. The underspending is as a result of contracts for LAN network and computer hardware that was not finalised before year end.

4.2.3. Virements/roll overs

A virement was approved by the Accounting Officer and the Provincial Treasury in terms of section 43 of the Public Finance Management Act (Act 1 of 1999) and Treasury Regulations 6.3.1 through which a virement of R7.6 million was processed to address budget pressures in goods and services in Programme 3 from Programme 1 (R4.7 million), Programme 2 (R2.4 million) and Programme 4 (R0.5 million).

During 2017/18 Provincial Treasury received a rollover of R0.9 million for 2016/17 budget that was not spent, all these funds were spent in 2017/18.

4.2.3. Unauthorised, fruitless & wasteful expenditure

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

4.2.4. Future plans of the department

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

4.2.5. Public Private Partnerships (PPP)

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

4.2.6. Discontinued activities / activities to be discontinued

No activity was discontinued during the year under review.

4.2.7. New or proposed activities

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

4.2.8. Supply chain management

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

4.2.9. Gifts & Donations received in kind from non-related parties

Provincial Treasury, during 2017/18, received donations from the provincial banker, Standard Bank of South Africa as disclosed in Annexure 1C to the financial statements.

4.2.10. Exemptions & deviations received from the National Treasury

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

4.2.11. Events after the reporting date

Subsequent to the submission of the Annual Financial Statements, and prior to the date of approval, the contractual dispute claimant as disclosed in Annexure 2B filed a plea to amend their counter claim against the department to R250 million. The department has filed an amended special plea to the counter claim.

4.2.12. Other

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

4.2.13. Acknowledgement/s or Appreciation

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

4.2.14. Conclusion

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

4.2.15. Approval and sign off

The Annual Financial Statements set out on pages 84 to 126 have been approved by the Accounting Officer.

Mr GC Pratt CA (SA)
Accounting Officer
Limpopo Provincial Treasury
31 May 2018



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

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

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

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

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

The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

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

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

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

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 18 March 2018.

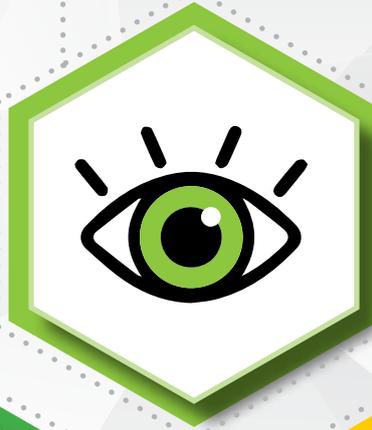
Yours faithfully

Mr GC Pratt CA (SA)
Accounting Officer
Limpopo Provincial Treasury
31 May 2018

6. STRATEGIC OVERVIEW

6.1. VISION

Excellence in public resource management for socio-economic development.



6.3. VALUES

Limpopo Provincial Treasury will be guided by the following values:

- Integrity
- Transparency
- Accountability
- Fairness
- Professionalism

6.2. MISSION

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



7. LEGISLATIVE & OTHER MANDATES

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

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

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

7.1. Constitutional Mandates

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

7.2. Legislative Mandates

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

SECTION	FUNCTION AND POWERS
18 (1)	A PROVINCIAL TREASURY MUST:
(a)	Prepare the provincial budget
(b)	Exercise control over the implementation of the provincial budget
(c)	Promote and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities of provincial departments and provincial public entities; and
(d)	Ensure its fiscal policies do not materially and unreasonably prejudice national economic policies.

18 (2)	A PROVINCIAL TREASURY
(a)	must issue provincial instructions not inconsistent with the Act
(b)	must enforce the PFMA and any prescribed national and provincial norms and standards, including any prescribed standards of generally recognized accounting practice and uniform classification systems, in provincial departments
(c)	must comply with annual DORA and monitor and assess the implementation of that Act in public entities
(d)	must monitor and assess implementation in provincial public entities of national and provincial 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 (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: <ul style="list-style-type: none"> (i) compliance with the MFMA by municipalities and municipal entities in the province; (ii) the preparation by municipalities in the province of their budgets; (iii) the monthly outcome of those budgets; and (iv) the submission of reports by municipalities in the province as required in terms of this Act;
(b)	may assist municipalities in the province in the preparation of their budgets
(c)	may exercise any powers and must perform any duties delegated to it by the National Treasury in terms of this Act and
(d)	may take appropriate steps if a municipality or municipal entity in the province commits a breach of this Act.

8. ORGANISATIONAL STRUCTURE



Hon. R.W.N Tooley

MEMBER OF THE EXECUTIVE
COUNCIL



Mr. G.C. Pratt

HEAD OF DEPARTMENT



Ms. L. Ebrahim

DEPUTY DIRECTOR GENERAL:
CORPORATE GOVERNANCE



Mr. H.M. Mawela

CHIEF FINANCIAL OFFICER



Mr. H. Petrie

CHIEF AUDIT EXECUTIVE



Mr. M. Phukuntsi

DEPUTY DIRECTOR GENERAL:
SUSTAINABLE RESOURCE
MANAGEMENT



Mr. M. Tema

ACTING DEPUTY DIRECTOR GENERAL:
FINANCIAL GOVERNANCE



Ms. F. Mabunda

ACTING DEPUTY DIRECTOR GENERAL:
ASSETS, LIABILITIES & SUPPLY
CHAIN MANAGEMENT

9. ENTITIES REPORTING TO THE MEC

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

PART B:

PERFORMANCE INFORMATION



1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 77 of the Report of the Auditor General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1. Service Delivery Environment

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 processes.
- 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.

MAIN SERVICES AND STANDARDS

MAIN SERVICES	BENEFICIARIES	CURRENT/ACTUAL STANDARD OF SERVICE	DESIRED STANDARD OF SERVICE	ACTUAL ACHIEVEMENT
Support and monitor departments to improve on their expenditure	13 Provincial Departments and 5 public entities	Partial compliance to financial regulations	100% compliance to legislation	13 provincial departments and 5 public entities supported. As at 31st March 2018, the provincial expenditure was R61.8 billion, or 98.7 percent of the adjusted budget R62.6 billion.
Support municipalities to improve audit outcomes	27 Municipalities	Partial compliance to financial regulations	100% compliance to financial regulations	9 municipalities received an unqualified audit opinion in 2016/17



CURRENT/ACTUAL ARRANGEMENTS	DESIRED ARRANGEMENTS	ACTUAL ACHIEVEMENTS
Meetings and reports	Reports, workshops & trainings	Reports, workshops & training held
Feedback done in departments	Feedback through reports analysis	Meetings and workshops held
Meetings and workshops	Meetings, reports & workshops	Meetings and workshops held. Reports submitted

CURRENT/ACTUAL INFORMATION TOOLS	DESIRED INFORMATION TOOLS	ACTUAL ACHIEVEMENTS
Service standards document	Service standards document	Quarterly service standards monitoring report submitted
SDIP document	SDIP document	Quarterly SDIP monitoring report approved and submitted
Service Charter	Service Charter	Service Charter approved
Annual Citizen's report	Annual Citizen's report	Annual Citizen's report approved

COMPLAINTS MECHANISM

CURRENT/ACTUAL COMPLAINTS MECHANISM	DESIRED COMPLAINTS MECHANISM	ACTUAL ACHIEVEMENTS
Premier Hotline	Premier Hotline	No complaints received
Presidential Hotline	Presidential Hotline	No complaints received

2.3. Organisational environment

During the period under review, the Limpopo Provincial Treasury experienced capacity challenges that resulted in it not fully delivering on its Annual Performance Plan. These capacity challenges emanate from the non-filling of funded vacant positions due to the delay in the approval of the Provincial Treasury organizational structure by Department of Public Service and Administration, which was only provided on 4 April 2018.

The Provincial Shared Internal Audit continues to experience high staff turnover which also had a negative impact on the ability of the unit to effectively deliver internal audit services.

2.4. Key policy developments and legislative changes

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

3. STRATEGIC OUTCOME ORIENTED GOALS

2017/18 was the third financial year in implementing the 2015/16 to 2019/20 Strategic Plan. In this Strategic Plan, Limpopo Provincial Treasury has two Strategic Outcome Oriented goals:

1. Strategic Partnership that enables effective execution of the department's legislative mandate by the 4 departmental programmes.

Strategic Outcome Oriented Goal number one contributes towards the achievement of National Outcome 12 of building an effective, efficient and development oriented public service as well as the National Development Plan (NOP) Chapter 13 objective of building a capable and developmental state.

2. Responsive, accountable, effective and efficient provincial and local government system.

Strategic Outcome Oriented Goal number two contributes towards the achievement of National Outcome 6 of skilled and capable workforce to support inclusive growth path and 9 of responsive, accountable, effective and efficient Local Government system.

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1. Programme 1: Administration

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

The programme has the following sub-programmes namely:

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



Strategic objectives, performance indicators, planned targets and actual achievements

The Strategic Objective of Administration is to enable the Department to deliver in line with the mandate by improving management practices on HR, Strategic Management and Financial Management to level 4 of MPAT standards by 2019/20. The department managed to achieve the average MPAT score of 3.21 for 2017/18 MPAT cycle, which is a regression from 2016/17 average MPAT score of 3.3.

STRATEGIC OBJECTIVES

PROGRAMME 1: ADMINISTRATION					
STRATEGIC OBJECTIVES	ACTUAL ACHIEVEMENT 2016/2017	PLANNED TARGET 2017/2018	ACTUAL ACHIEVEMENT 2017/2018	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2017/2018	COMMENT ON DEVIATIONS
STRATEGIC OBJECTIVE: ENABLE THE DEPARTMENT TO DELIVER IN LINE WITH THE MANDATE BY IMPROVING MANAGEMENT PRACTICES ON HR, STRATEGIC MANAGEMENT AND FINANCIAL MANAGEMENT TO LEVEL 4 OF MPAT STANDARDS BY 2019/20.					
Departmental average MPAT score	3.3	3.5	3.21	0.29	The 0.29 deviation is because of noncompliance on human resource management best practices and delays in filling of vacant positions.

Strategy to overcome areas of under performance

Department to develop MPAT 1.6 Improvement and Implementation plan to address all areas of underperformance that will be monitored on a monthly basis at EXCOM meetings.

PERFORMANCE INDICATORS

PROGRAMME 1: ADMINISTRATION							
PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2014/2015	ACTUAL ACHIEVEMENT 2015/2016	ACTUAL ACHIEVEMENT 2016/2017	PLANNED TARGET 2017/2018	ACTUAL ACHIEVEMENT 2017/2018	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2017/2018	COMMENT ON DEVIATIONS
Number of programmes monitored for compliance to institutional arrangements	4	4	4	4	4	0	N/A
Number of programmes monitored and supported on compliance to PMDS policies	4	4	4	4	4	0	N/A
Number of key services monitored in implementation of SDIP	3	3	3	3	3	0	N/A
Number of programmes supported in mitigation of the strategic risks	4	4	4	4	4	0	N/A
Number of prioritised ICT projects implemented in line with ICT Plan	2	3	4	2	2	0	N/A

PROGRAMME 1: ADMINISTRATION

PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2014/2015	ACTUAL ACHIEVEMENT 2015/2016	ACTUAL ACHIEVEMENT 2016/2017	PLANNED TARGET 2017/2018	ACTUAL ACHIEVEMENT 2017/2018	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2017/2018	COMMENT ON DEVIATIONS
Number of budget documents compiled and submitted	-	4	4	4	4	0	N/A
Number of financial statements compiled and submitted for review by Provincial Treasury in line with the reporting framework	-	4	4	4	4	0	N/A
% of supplier's valid invoices paid within 30 days	100%	100%	99.12%	100%	100%	0	N/A
Number of programmes supported in development of the Annual Performance Plans	-	-	-	4	4	0	N/A
Number of branch quarterly performance reports analyzed in line with Performance Information Management Frameworks and guidelines	-	-	-	24	24	0	N/A
Number of reconciliations done on the asset and inventory registers	-	-	12	12	12	0	N/A

Strategy to overcome areas of under performance

Not applicable.

Changes to planned targets

No changes to performance indicators and planned targets.

SUB-PROGRAMME EXPENDITURE

SUB- PROGRAMME NAME	2017/18			2016/17		
	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000
Office of the MEC	6 597	6 518	79	6 578	6 298	280
Management Services	9 913	9 890	23	9 312	9 302	10
Corporate Services	107 385	105 490	1 895	130 694	128 845	1 849
Financial Management	40 930	40 577	353	39 522	39 489	33
TOTAL	164 825	162 475	2 350	186 106	183 934	2 172

In 2017/18 Programme 1 spent a total amount of R162.5 million or 98.6% of its final appropriation budget of R164.8 million, including the statutory payments, (2016/17: R183.9 million or 98.8% of R186.1 million budget).

The underspending was mainly due to late filling of vacant funded posts, underspending on computer services and machinery and equipment capex.

4.2. Programme 2: Sustainable Resource Management

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

The Branch comprises of the following sub-programmes:

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

Strategic objectives, performance indicators, planned targets & actual achievements

The province managed to achieve Sustainable Resource Management strategic objective target of spending 98.70% of the provincial budget at the end of the financial year under review. Achievement of this strategic objective target contribute towards achievement of strategic outcome oriented goal number two by ensuring effective and efficient use of the provincial financial resources.

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT					
STRATEGIC OBJECTIVES	ACTUAL ACHIEVEMENT 2016/2017	PLANNED TARGET 2017/2018	ACTUAL ACHIEVEMENT 2017/2018	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2017/2018	COMMENT ON DEVIATIONS
STRATEGIC OBJECTIVE 1: TO ACHIEVE SUSTAINABLE FISCAL POLICY FOR THE PROVINCE DURING 2015/16 TO 2019/20					
% provincial annual expenditure achieved	98.0%	98.0%	98.70%	0.7%	The additional 0.70% expenditure was as a result of Provincial Treasury's strengthened provincial expenditure monitoring
Number of departmental budget plans that are credible	-	13 Departments	13 Departments	0	N/A
% provincial revenue collected	-	100%	107%	1.7%	More collection is influenced by more interest earned on bank balances and more proceeds received on sale of capital assets

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

STRATEGIC OBJECTIVES	ACTUAL ACHIEVEMENT 2016/2017	PLANNED TARGET 2017/2018	ACTUAL ACHIEVEMENT 2017/2018	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2017/2018	COMMENT ON DEVIATIONS
STRATEGIC OBJECTIVE 2: TO ACHIEVE ANNUAL IMPROVEMENT ON FINANCIAL MANAGEMENT AND EFFECTIVE GOVERNANCE IN 26 DELEGATED MUNICIPALITIES AND 3 MUNICIPAL ENTITIES BY 2019/20.					
Number of municipalities and entities with unqualified audit opinions	13 Municipalities and 3 Municipal Entities	15 Municipalities and 3 Municipal Entities	9 Municipalities and 3 Municipal Entities	6 municipalities	Completeness and accuracy of information, disclosure on AFS, Asset Management and governance matters are main challenges in municipalities

Strategy to overcome areas of under performance

Provincial Treasury will provide focused support in 2018/19 to municipalities that received Disclaimer and Adverse opinions to resolve areas of concern.

PERFORMANCE INDICATORS

PROGRAMME 2 : SUSTAINABLE RESOURCE MANAGEMENT

PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2014/2015	ACTUAL ACHIEVEMENT 2015/2016	ACTUAL ACHIEVEMENT 2016/2017	PLANNED TARGET 2017/2018	ACTUAL ACHIEVEMENT 2017/2018	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2017/2018	COMMENT ON DEVIATIONS
Number of Research documents produced to align the Provincial Fiscal Policy	7	7	7	7	7	0	N/A
Number of departments and public entities supported to ensure collection of the budgeted revenue	-	-	-	15	15	0	N/A
Number of budget documents compiled, tabled and gazetted in line with the set standards and National Treasury guidelines. (Main Appropriation Bill and Adjustment Budget)	2	2	2	2	2	0	N/A
Number of departments and public entities supported to ensure 98% spending	-	-	-	18	18	0	N/A

PROGRAMME 2 : SUSTAINABLE RESOURCE MANAGEMENT

PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2014/2015	ACTUAL ACHIEVEMENT 2015/2016	ACTUAL ACHIEVEMENT 2016/2017	PLANNED TARGET 2017/2018	ACTUAL ACHIEVEMENT 2017/2018	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2017/2018	COMMENT ON DEVIATIONS
Number of infrastructure departments supported in the implementation of the Infrastructure Delivery Management System to improve infrastructure service delivery	9	9	9	9	9	0	N/A
Number of Municipalities and Municipal Entities supported on budgeting and implementation	30	30	30	26 Municipalities and 3 Municipal Entities.	26 Municipalities and 3 Municipal Entities.	0	N/A

Strategy to overcome areas of under performance

Not applicable.

Changes to planned targets

No changes to performance indicators and planned targets.

SUB-PROGRAMME EXPENDITURE

SUB- PROGRAMME NAME	2017/18			2016/17		
	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000
Programme Support	10 559	10 460	99	15 307	15 238	69
Economic Analysis	2 828	2 687	141	2 127	1 800	327
Fiscal Policy	15 691	15 661	30	16 349	15 334	1 015
Budget Management	4 176	4 149	27	4 332	3 582	750
Public Management	8 720	8 649	71	9 166	8 508	658
Intergovernmental Relations	46 051	45 844	207	50 243	50 054	189
TOTAL	88 025	87 450	575	97 524	94 516	3 008

In 2017/18 Programme 2 spent a total amount of R87.4 million or 99.3% of its final appropriation budget of R88 million, (2016/17: R94.5 million or 96.9% of R97.5 million budget).

The underspending was mainly due to late filling of vacant funded posts. While the programme also underspent on other non-essential items within goods and services, such as consultants and travel & subsistence.

4.3. Programme 3: Assets Liabilities and Supply Chain Management

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

The Branch is comprised of the following Sub-programmes:

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

Strategic objectives, performance indicators, planned targets & actual achievements

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

STRATEGIC OBJECTIVES:

PROGRAMME 3: ASSETS, LIABILITIES AND SUPPLY CHAIN MANAGEMENT					
STRATEGIC OBJECTIVES	ACTUAL ACHIEVEMENT 2016/2017	PLANNED TARGET 2017/2018	ACTUAL ACHIEVEMENT 2017/2018	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2017/2018	COMMENT ON DEVIATIONS
STRATEGIC OBJECTIVE: TO PROVIDE POLICY DIRECTION AND SUPPORT TO 13 VOTES AND 5 PUBLIC ENTITIES ON ASSETS, LIABILITIES AND SUPPLY CHAIN MANAGEMENT TO ENSURE IMPROVEMENT OF AUDIT OUTCOMES BY 2019/20.					
Number of Votes and Public Entities complying with Assets and Inventory management prescripts	12 (8 votes and 4 public entities)	17 (12 votes and 5 public entities)	10 (6 Votes and 4 Public Entities complying with Asset Management.) (8 Votes and 2 Public Entities complying on Inventory Management)	7 (6 Votes and 1 Public Entity not fully complying on Asset Management). (4 Votes and 3 Public Entities not fully complying on Inventory Management)	Asset Management: Incomprehensive Asset Registers and one Public Entity not being available for proper assessment. Inventory Management: Internal controls are compromised due to capacity challenges at stores
Number of Votes and Public Entities complying with Banking and Cash Management prescripts	17 (12 votes and 5 public entities)	18 (13 votes and 5 public entities)	15 (10 Votes and 5 Public Entities complied with Banking and Cash Management prescripts)	3 (3 Votes -Social Development, Education and Community Safety)	2 Votes (Social Development, and Community Safety) overdraw their PMG accounts at 31 March 2018. Department of Education did not submit its 2018/19 Cash Projections by 28 February 2018.
Number of Votes and Public Entities complying with SCM prescripts	0 (0 votes and 0 public entities)	17 (12 votes and 5 public entities)	17 (12 votes and 5 public entities)	0	N/A



Strategy to overcome areas of under performance

Strengthen the monitoring & support function to non-complying public institutions to increase the level of compliance. Non-compliance letters to be issued to the three Votes that did not comply to cash management requirements. 3 Votes must provide remedial action plans which will be closely monitored by Treasury. Follow-up to be made with Social Development to recover outstanding funds from its Donor.

PROGRAMME / SUB-PROGRAMME: ASSET, LIABILITIES & SUPPLY CHAIN MANAGEMENT

PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2014/2015	ACTUAL ACHIEVEMENT 2015/2016	ACTUAL ACHIEVEMENT 2016/2017	PLANNED TARGET 2017/2018	ACTUAL ACHIEVEMENT 2017/2018	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2017/2018	COMMENT ON DEVIATIONS
Number of Votes and Public Entities supported on Asset Management	13	18	17	17	17	0	N/A
Number of Votes and Public Entities supported on cash management	18	18	18	18	18	0	N/A
Number of Votes and Public Entities supported on SCM processes	17	17	17	17	17	0	N/A
Number of votes and Public Entities Supported on contract management.	12	12	12	17	17	0	N/A
Number of votes and public entities supported on Central Supplier Database and PFM Enquiry - portal	-	-	-	17	18	1	Provincial Legislature was supported as an addition to the planned target.
Number of votes supported on financial system utilization	13	13	13	13	13	0	N/A
Number of LOGIS sites implemented	1	3	18	24	34	10	Change in implementation strategy

Strategy to overcome areas of under performance

Not applicable.

Changes to planned targets

No changes to performance indicators and planned targets.

SUB-PROGRAMME EXPENDITURE

SUB- PROGRAMME NAME	2017/18			2016/17		
	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000
Programme Support	1 827	1 824	3	1 312	1 131	181
Asset Management	13 749	13 749	-	13 395	12 721	674
Liabilities Management	9 561	9 524	37	8 867	8 621	246
Supply Chain Management	27 351	27 311	40	25 639	25 469	170
Support & Interlinked Financial Systems	42 319	40 945	1 374	37 279	37 150	129
TOTAL	94 807	93 353	1 454	86 492	85 092	1 400

In 2017/18 Programme 3 spent a total amount of R93.4 million or 98.5% of its final appropriation budget of R94.8 million, (2016/17: R85.1 million or 98.4% of R86.5 million budget).

The underspending was mainly computer services.

4.4. Programme 4: Financial Governance

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

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

The Branch is comprised of the following sub-programmes:

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

Strategic objectives, performance indicators, planned targets & actual achievements

Financial Governance supported votes and public entities to improve the audit outcomes for votes and public entities. During 2016/17 eight (8) votes and two (2) public entities obtained unqualified audit opinions.

STRATEGIC OBJECTIVES:

PROGRAMME 4: FINANCIAL GOVERNANCE					
STRATEGIC OBJECTIVES	ACTUAL ACHIEVEMENT 2016/2017	PLANNED TARGET 2017/2018	ACTUAL ACHIEVEMENT 2017/2018	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2017/2018	COMMENT ON DEVIATIONS
STRATEGIC OBJECTIVE: TO ACHIEVE ANNUAL IMPROVEMENTS IN AUDIT OUTCOMES IN 12 VOTES AND 5 PUBLIC ENTITIES BY 2019/20.					
Number of votes and public entities that achieved FCMCM level 3+.	-	7 votes and 3 public entities.	7 votes and 3 public entities.	0	N/A

Strategy to overcome areas of under performance

Not applicable.

PERFORMANCE INDICATORS:

PROGRAMME / SUB-PROGRAMME: FINANCIAL GOVERNANCE							
PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2014/2015	ACTUAL ACHIEVEMENT 2015/2016	ACTUAL ACHIEVEMENT 2016/2017	PLANNED TARGET 2017/2018	ACTUAL ACHIEVEMENT 2017/2018	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2017/2018	COMMENT ON DEVIATIONS
Number of courses conducted on transversal systems in line with National Treasury standards	86	104	89	107	111	4	4 additional courses were for LOGIS project (ad hoc requests)
Number of financial management short courses provided in line with SAQA.	11	6	12	10	10	0	N/A
Number of long-term financial management qualification programmes provided in Provincial Departments	2	2	0	1	1	0	N/A
Number of Votes and Public Entities supported in resolving AG audit findings to improve audit outcomes	8	18	18	17	17	0	N/A
Number of audit committee meetings supported to improve governance in votes	66	97	89	65	65	0	N/A
Number of Votes and Public Entities supported in preparing financial statements in line with the PFMA.	18	17	17	17	17	0	N/A

PROGRAMME / SUB-PROGRAMME: FINANCIAL GOVERNANCE

PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2014/2015	ACTUAL ACHIEVEMENT 2015/2016	ACTUAL ACHIEVEMENT 2016/2017	PLANNED TARGET 2017/2018	ACTUAL ACHIEVEMENT 2017/2018	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2017/2018	COMMENT ON DEVIATIONS
Number of consolidated Annual financial statements for Votes and for Public Entities submitted to the Auditor General	1	0	0	4	0	4	Awaiting prior years audit finalization
Number of provincial risk Profiles developed	-	-	0	1	0	1	Proposed Provincial Risk profile to be presented to the Executive Council for approval by end of 2018/19 Quarter 1.
Number of Votes and Public Entities supported on compliance with public sector Risk Management Framework	14	17	17	17	17	0	N/A
Number of three year strategic rolling and annual audit plans prepared by Provincial Internal Audits and approved by the Audit committee for the year 2018/19	12	12	12	12	12	0	N/A
Number of votes audited as per approved annual audits plans to improve the internal control, risk management and governance processes.	12	12	12	12	12	0	N/A
Number of annual internal Quality Assurance Improvement Programme (QAIP) implementation Report prepared to improve the quality of client service	1	1	1	1	1	0	N/A

Strategy to overcome areas of under performance

- Present the Provincial Risk Profile to the Executive Council for approval by end of the first Quarter of 2018/19
- Submit the four consolidated Annual Financial Statement to Auditor General upon completion of outstanding audits for prior financial years

Changes to planned targets

- No changes to performance indicators and planned targets



SUB-PROGRAMME EXPENDITURE

SUB- PROGRAMME NAME	2017/18			2016/17		
	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000
Programme Support	944	944	-	1 684	1 646	38
Accounting Services	16 618	15 616	402	16 154	14 431	1 723
Risk Management	11 212	11 048	164	12 832	9 920	2 912
Provincial Internal Audit	40 856	40 741	115	36 937	35 106	1 831
Norms and Standards	16 222	15 933	289	17 512	16 507	1 005
TOTAL	85 282	84 282	970	85 119	77 610	7 509

In 2017/18 Programme 4 spent a total amount of R84.3 million or 98.9% of its final appropriation budget of R85.3 million, (2016/17: R77.6 million or 91.2% of R85.1 million budget).

5. TRANSFER PAYMENTS

5.1. Transfer payments to public entities

- The department does not have public entities.

5.2. Transfer payments to all organisations other than public entities

- The department only paid bursaries to institutions of higher learning and licenses for motor vehicles

The table below reflects the transfer payments made for the period 1 April 2017 to 31 March 2018

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
Institutions of Higher Learning	Universities	Bursaries	N/A	4 500	4 500	N/A
Polokwane Municipality	Municipality	Licence Fees	N/A	3	3	N/A



The table below reflects the transfer payments which were budgeted for in the period 1 April 2017 to 31 March 2018, but no transfer payments were made.

NAME OF TRANSFEREE	PURPOSE FOR WHICH THE FUNDS WERE TO BE USED	AMOUNT BUDGETED FOR	REASONS FOR THE FUNDS UNSPENT BY THE ENTITY
N/A			

6. CONDITIONAL GRANTS

6.1. Conditional grants and earmarked funds paid

- The department does not receive any conditional grants.

7. DONOR FUNDS

7.1. Donor Funds Received

NAME OF DONOR/ IN KIND	PURPOSE OF DONOR	AMOUNT RECEIVED R'000
Standard Bank	Post Budget Breakfast	78
Standard Bank	Supply Chain Management Round Table Discussion	268
Standard Bank	Limpopo Strategic Supply Chain Management Workshop	80
TOTAL		426

8. CAPITAL INVESTMENT

8.1. Capital investment, maintenance and asset management plan

- Provincial Treasury does not have any capital investments.

PART C:

GOVERNANCE





1. INTRODUCTION

The department is committed to a high standard of governance in managing public finances and resources. The department utilises its resources effectively, efficiently and economically. Good corporate governance is an integral part of Provincial Treasury's operations. Accordingly, Provincial Treasury recognizes the need to conduct its business with integrity and therefore business and governance structures are in place to ensure a coherent and consistent governance approach.

During the year under review, the following were key corporate governance processes:

- Departmental Bid committees were appointed to ensure that procurement processes were fair, competitive, equitable, transparent and cost effective.
- All senior managers made full financial disclosures to the Executive Authority.
- Financial, human resource and other operational policies were in place and implemented during the year. These policies were reviewed.
- Provincial Treasury was kept abreast of all relevant legislation and regulations as well as major developments that could impact on its operations.
- A delegation framework for the functions assigned to the Executive Authority or the Accounting Officer in terms of the Public Finance Management Act, Treasury Regulations and Public Service Act and its regulations were developed and approved to enable the Accounting Officer, to delegate appropriate functions to relevant employees with adequate knowledge, skills and experience.

The Financial Governance branch is responsible for co-ordinating and managing the Cluster Audit Committees. The province has a two tier audit committee structure consisting of four clusters and a central audit committee. The Audit Committees meet on a quarterly basis to review department quarterly reports, culminating in a central audit committee which then accounts and reports to the MEC for Finance and the Executive Council.

2. RISK MANAGEMENT

Provincial Treasury has a risk management policy and strategy in place which was aligned to the 2017/18 Annual Performance Plan. Both operational and strategic risk assessments are conducted and risk mitigation plans are monitored on a continuous basis.

The Enterprise Risk Management unit continuously identify emerging risks and develops appropriate measures to address the risks.

The department has a functional and active Risk Management Committee that meets at least quarterly to address risk management matters and monitor the implementation of risk mitigation plans as well as risk management processes and timeously advise management on any emerging and/or new risks.

The department had appointed an independent Risk Committee Chairperson, who unfortunately resigned during the year, and has an independent Audit Committee that monitors the performance of the department including Risk Management and the effectiveness of the internal control system. The Risk Committee and Audit Committee meet at least quarterly.

Risk Management is also a standing item on the agenda of the monthly Executive Management Committee (EXCOM) meeting at which the unit provides the Department's management team with progress made in mitigating the Department's identified risks

3. FRAUD AND CORRUPTION

The department has an approved fraud prevention plan in place which applies to all employees, stakeholders, contractors, vendors/suppliers and anybody doing business with Limpopo Treasury.

Progress made in implementing the Fraud Prevention plan includes the following:

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

Mechanisms to report fraud and corruption is documented in the Fraud Prevention plan. All employees are encouraged to report any unethical conduct.

The following reporting channels are implemented:

- The reporting is done through Presidential & Premier Hotlines
- Internal reporting such as emails, supervisors, ethics office
- Whistle blowing awareness is conducted on how employees could blow the whistle and be protected by the Protected Disclosure Act.

Internal cases of alleged fraud and corruption are reported to the Accounting Officer and investigated. Based on the outcome of the investigation report, the Accounting Officer sanctions a decision.

4. MINIMISING CONFLICT OF INTEREST

All Senior Managers are compelled, in terms of the Public Service Act, to annually disclose all their financial interests. All employees are also encouraged to disclose any possible conflicts of interest that may exist. They are also advised not to conduct remunerative work outside the public service without first obtaining permission to do so from Executive Authority.

All supply chain officials, including bid committees, are also required to declare any conflict of interest prior to any bid being evaluated or adjudicated and all interview panel members are required to do the same in the short listing and interview process.

Where any non-disclosure of a conflict of interest is identified, the case is handed to the department's security and investigation unit for further investigation and if a conflict is confirmed the matter is processed through the department's disciplinary processes.

5. CODE OF CONDUCT

The Department, through its Labour Relations Unit, conducts information sessions on the Code of Conduct in the Public Service to its employees at least once per quarter. This is to ensure that employees are made aware of the Code of Conduct that they should adhere to and comply with.

Any transgression or breach of the Code of Conduct will involve the following process:

- The matter will be investigated, through Security Service Directorate.
- Once it is found that in deed an employee has committed an act of misconduct, the Security Service will submit its report to the Head of Department. The Head of Department will thereafter submit the report to Legal Service for advice to check if there is a case against the employee.
- If there is a case to charge an employee, Legal Service will advise and make a submission to the Head of Department for approval of a formal disciplinary hearing, including appointing a chairperson and employer representative.
- Once the Head of Department has approved the disciplinary hearing, the proceedings will start after drafting of Notice of Hearing by the Employer Representative and a date of the hearing has been set down.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Provincial Treasury conducts regular Occupational Health, Safety and Environment assessments as per the Employee Health and Wellness (EHW) Strategic Framework of the Department of Public Service and Administration (DPSA) and the requirements of the Occupational Health and Safety Act of 1993.

The nine (9) departmental facilities were assessed on a quarterly basis for any emerging risk, hazards and fire safety, amongst others. Based on these assessments operational mitigation plans are developed and approved by the HOD and submitted to the DPSA. The implementation of the operational plan is monitored by the Department.

Provincial Treasury also developed and implemented an emergency preparedness plan. Emergency evacuation drills and awareness sessions were conducted for employees.

First aiders, fire marshals and health and safety representatives were appointed and Occupational Health and Safety Committees were held on quarterly basis.



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

- Auxiliary Services Unit has developed a plan in line with GIAMA to address compliance issues with regard to Occupational Health, Safety and Environmental issues. Department of Public Works assists the Department (Auxiliary Services) in implementing the GIAMA plan (building maintenance)
- A partnership has also been established with Disaster Management Unit of Polokwane Municipality to ensure compliance with regard to emergency preparedness/ disaster management.

• Occupational Health, Safety and Environmental issues are discussed at the Departmental Risk Management Committee.

• The Department has developed a Business Continuity Plan (BCP) and Occupational Health, Safety and Environmental issues will form part of BCP.

The mitigation of identified Occupational Health and Safety issues has improved the working conditions of employees. Sanitation, hygiene and office cleanliness has improved thus reducing risk of occupational infections. Safety of the buildings and employee workstations has also improved thus reducing the risk of occupational injuries.

7. PORTFOLIO COMMITTEES

The Department attended the Portfolio Committee on Finance meetings as outlined below

- 08 September 2017 – Briefing the Committee on 2016/17 Annual Report, 2017/18 1st Quarter Performance and Provincial Revenue and Expenditure Reports.
- 01 December 2017- Briefing the Committee on the Adjustment budget, 2017/18 2nd Quarter Performance and Provincial Revenue and Expenditure Reports.
- 08 March 2018 – Briefing the Committee on 2018 Limpopo Appropriation Bill.
- 22 March 2018 – Briefing the Committee on 2017/18 3rd Quarter Performance and Provincial Revenue and Expenditure Reports.
- 27 March 2018 – National Treasury and NCOP briefing the Portfolio Committee on 2018 Division of Revenue Bill.

8. SCOPA RESOLUTIONS

The Provincial Treasury received a “Clean Audit” opinion in 2016/17.

RESOLUTION NO.	SUBJECT	DETAILS	RESPONSE BY THE DEPARTMENT	RESOLVED (YES/NO)
1	Significant uncertainties	A claim against the department regarding financial systems	The case is in the court's process	No
2	Financial statements, performance and annual reports	Material misstatements on commitments	Contract register had been put in place to correct this anomaly	Yes

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

Provincial Treasury received an unqualified audit opinion with no findings (Clean Audit) - there were no audit findings in the 2016/17 financial year.

NATURE OF QUALIFICATION, DISCLAIMER, ADVERSE OPINION AND MATTERS OF NON-COMPLIANCE	FINANCIAL YEAR IN WHICH IT FIRST AROSE	PROGRESS MADE IN CLEARING / RESOLVING THE MATTER
NA		

10. INTERNAL CONTROL UNIT

The unit prepared the audit action plan for both the Auditor General and Internal Audit findings. This action plan was monitored on a monthly basis to track progress in resolving the audit findings. Audit Steering Committee meetings were co-ordinated by the unit during the year.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

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

During the 2017/18 financial year, the Provincial Internal Audit was tasked with the provision of assurance in respect of the following activities:

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

Summary of Provincial Internal Audit work performed

RISK BASED AUDIT:

FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
Effectiveness of risk management	Recruitment and terminations	Performance Management System	Provincial Asset Management
Contract Management	Expenditure Management	Reliability and integrity of performance information	Transversal Supply Chain Management
Records Management	Transversal Governance Structures	Interim Financial Statements	Transversal Budget Management
Subsistence and Travel Allowances			

PERFORMANCE AUDIT

FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
None	None	None	None

INFORMATION SYSTEMS AUDIT

FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
None	None	None	BAUD

FRAUD AUDIT

FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
None	None	None	Ethics Transversal Ethics

11.1. Key activities and objectives of the Audit Committee

Audit Committee (AC) has satisfactorily performed its mandate as enshrined in Sections 76 (4) (d) and 77 of the Public Finance Management Act (Act No. 1 of 1999) read in conjunction with Treasury Regulations 3.1 which states that AC must, amongst others, review the following:

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

During the financial year 2017/2018, the AC has met at least five (5) times to perform its roles and responsibilities as stipulated in the AC Charter. No special AC Meeting was held during the current financial year. In addition, the AC held its AC Annual Strategic Planning Workshop from 29–30 January 2018 to review its 2017/2018 performance and plan for the 2018/2019 financial year. In addition to overseeing the work of all the four (4) Clusters, the Central Audit Committee (CAC) structure assumed the responsibility of monitoring the implementation of the resolutions taken during the AC Annual Strategic Planning Workshop.

During the AC Annual Strategic Planning workshop, five (5) departments were represented by their HODs and the HOD of Transport presented on behalf of all the twelve (12) departments on their expectations from the AC. The

AC members welcomed the recommendations by the clients (Departments) and adopted the recommendations as part of the Workshop resolutions to be monitored and implemented throughout the financial year 2018/2019. All the Cluster Chairpersons managed to meet all the respective MECs responsible for their Cluster departments to share and discuss all the AC matters/ concerns for their prompt intervention.

Moreover, the CAC Chairperson managed to attend all the EXCO meetings as invited by the Premier to report on the work of all the four (4) AC Clusters discussed during the CAC meetings. The CAC Chairperson also met with the Honourable MEC for Provincial Treasury after each CAC meeting to discuss the CAC report before being presented at EXCO.

During the execution and reporting of audit outcomes by AGSA, the CAC Chairperson met with AGSA Business Executive to discuss several concerns that emanated from the Cluster AC meetings for prompt and high level intervention.

Both the AC Charter and the Accounting Officers' Reporting Framework to the AC were reviewed and adopted during the AC Annual Strategic Planning Workshop. National Treasury 360 Degree Evaluation model was used to evaluate the work and performance of the AC. The final evaluation score yielded an average of 4.25 (from rating of 1 – 5) when combining the average scores of all the AC Stakeholders. This represented a slight decline from the previous evaluation period which yielded an average score of 4.27 rating.

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

The AGSA was not able to submit its Auditor General Audit Coverage Strategy for review by the AC during the March 2018 meetings as they were not finalised. The AGSA requested to present them during the AC Meetings of May 2018. The delay was partly attributed to the review/ changes in audit methodology by the AGSA. All the Internal Audit Three Year Rolling Plans Plus Annual Plans for all the 12 departments were approved during March 2018 AC Cluster Meetings.

Current AC Membership was appointed with effect from 01 February 2017 and will expire on 31 December 2019. Cluster 3 AC Member (Dr. Hlamalani Nelly Manzini) resigned from the AC composition with effect from 30 September 2017 due to high level deployment by National Government of the Republic of South Africa to India on diplomatic mission. The newly appointed AC members were inducted during February 2017 on the mandate of departments they are responsible for.

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 2017	Review of Fourth Quarterly Performance Information and Draft Annual Report (Including Draft Annual Financial Statements) before submission to the Auditor General	a. Performance Information, b. Draft Annual Financial Statements, c. Accounting Officer's Report to the AC (Financial & Non-Financial), d. Quarterly Risk Management Report, e. SCOPA Resolutions Implementation Progress, f. Auditor General Audit Findings Implementation Progress, g. Internal Audit Quarterly Progress Report.
2.	July 2017	Review of Draft Audit and Management Reports	a. Draft Management Reports, b. Draft Audit Reports.
3.	September 2017	Review of First Quarter Performance Reports (Financial and Non-Financial)	a. Accounting Officer's Report to the AC (Financial & Non-Financial), b. Quarterly Risk Management Report, c. SCOPA Resolutions Implementation Progress, d. Auditor General Audit Findings Implementation Progress, e. Internal Audit Quarterly Progress Report. f. Procurement Plans of the departments.
4.	November 2017	Review of Second Quarter Performance Reports (Financial & Non-Financial)	a. Accounting Officer's Report to the AC (Financial & Non-Financial), b. Quarterly Risk Management Report, c. SCOPA Resolutions Implementation Progress, d. Auditor General Audit Findings Implementation Progress, e. Internal Audit Quarterly Progress Report.
5.	February 2018	AC Annual Strategic Planning Workshop	a. Audit Committee Charter, b. Internal Audit Charter, c. Accounting Officer's Reporting Framework to the AC, d. Induction of the newly appointed AC Members, e. Reflection on the Status of the Previous Year AC Resolutions, f. 360 Degree AC Evaluation Feedback.
6.	March 2018	Approval of the Three Year Internal Audit Plan plus Annual Plan and Auditor General Audit Coverage Strategy	a. Accounting Officer's Report to the AC (Financial & Non-Financial), b. Quarterly Risk Management Report, c. SCOPA Resolutions Implementation Progress, d. Auditor General Audit Findings Implementation Progress, e. Internal Audit Quarterly Progress Report. f. Three Year Internal Audit Plans plus Annual Plans for 2017/2018.

11.2. Objectives of the audit committee

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

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

AUDIT COMMITTEE MEMBERS

INITIALS & SURNAME	QUALIFICATIONS	INTERNAL OR EXTERNAL MEMBER	IF INTERNAL, POSITION IN THE DEPARTMENT	DATE APPOINTED	DATE RESIGNED / TERMINATED	NO. OF MEETINGS ATTENDED (PROVINCIAL TREASURY)
M MCKENZIE	1. CA (SA) 2. M COM (Cum Laude) 3. B COM: Honours 4. B COM: Accounting 5. Adv. Cert. in Auditing	External	N/A	01 January 2014 01 February 2017	To Date (Reappointed on 01 February 2017)	05
M.A.F MOJA	1. MBL 2. Advanced Treasury Management 3. B COMM	External	N/A	01 February 2017	To Date	05
Dr N MANZINI	1. D. Litt et Phil. 2. MA: Cur 3. BA Honours: Cur 4. BA: Cur 5. Dip.: Nursing Admin 6. Dip.: Midwife 7. Dip.: Gen Nursing 8. Dip.: Interior Design 9. Adv. Dip in Primary Health Care Unit 10. Inter Health Leadership 11. Senior Executive Programme	External	N/A	01 February 2017	30 September 2017	03
P.S FOURIE	1. CA (SA) 2. IRBA Registered Auditor 3. B COM: Hon (Accounting) 4. B COM: Accounting 5. CTA	External	N/A	01 February 2017	To Date	05
A.N MHLONGO	1. CA (SA) 2. CIMA 3. CGCA 4. B COM: Honours 5. B COM: Accounting 6. Adv. Cert. in Taxation	External	N/A	01 February 2017	To Date	01 (Co-Opted)
M.I PETJE	1. M.Phil.: Adult Education 2. BA 3. B.ED 4. Diploma in Education 5. Labour Relations & Negotiations Programme 6. Senior Executive Program 7. MYGLOBE 8. Inter-governmental Fiscal Relations Program	External	N/A	01 February 2017	To Date	01 (Co-Opted)



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

REPORT OF THE AUDIT COMMITTEE ON

THE DEPARTMENT OF LIMPOPO PROVINCIAL TREASURY

We are pleased to present our report for the financial year ended 31 March 2018.

Audit Committee Structure

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

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) Section 77 of the Public Finance Management Act No 1 of 1999 as amended 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. The Audit Committee noted that the department did not change any of its accounting policies.

Stakeholder Engagement/s

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

- Head of Limpopo Provincial Treasury;
- Representatives of Limpopo Provincial Treasury;
- Representatives of Limpopo Provincial Internal Audit;
- Representatives of the Office of the Premier; and
- The Auditor-General South Africa (AGSA).

Compliance with the Relevant Laws and Regulations

The Department developed a list of relevant legislation they have to comply with. The Audit Committee monitored the department's compliance to the listed legislation and noted some areas of non-compliance. The Audit Committee advised management to procure a tool to monitor and ensure full compliance in an effective manner.

The Effectiveness of Internal Control

In order to meet its responsibility of providing reliable financial information, the entity maintain financial and operational systems of internal control. These controls are designed to provide reasonable assurance that transactions are concluded in accordance with management's authority, that the assets are adequately protected against material loss, unauthorised acquisition, use or disposition, and that the transactions are properly authorised and recorded. The Audit Committee has drawn the attention of management to issues raised in the previous year audit report and management report of the AGSA Auditor General as well as matters raised in the reports of internal audit in the current financial year. The Department has addressed most of the previous reported findings however, there is room for improvement. Management have expressed their commitment in dealing with the outstanding issues.

The Audit Committee expressed its concern over the slow process of addressing the irregular expenditure. The current status of resolving irregular expenditure as per guidelines issued by National Treasury is inadequate.

In-Year Monitoring and Monthly/Quarterly Reporting

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

The activities of the Department involve support to all departments and entities in the province and to execute their responsibilities fully they require commitment from all affected parties. Management developed a strategy to deal with various challenges faced by the departments and entities in the province and this has yielded satisfactory results. We will continue to monitor implementation and effectiveness of the strategy.

Risk Management

The Department has an approved risk management strategy in place. This strategy is the foundation for a continuous risk assessment process and for managing and monitoring of risks. Progress on the implementation of the risk management strategy was reported to the Audit Committee on a quarterly basis. Management has enhanced its risk and control procedures to improve the mechanisms for identifying and monitoring risks. There is an approved Risk Management Framework, an approved Fraud Prevention Plan and a properly constituted Risk Management Committee chaired by an Independent Chairperson.

The Audit Committee is satisfied with the improvement in the Risk Management System of the department and will continue to monitor its effectiveness.

Internal Auditing

During the year under review, a reasonable amount of internal audit work was performed in the Department. An internal audit plan for 2017/2018 was developed and executed by the Limpopo Provincial Internal Audit unit. The Audit Committee is satisfied that the Internal Audit function is operating effectively, and that it has taken into consideration the risks pertinent to the Department in its audits. Internal Audit has made significant progress with audits conducted in terms of its strategic three-year rolling internal audit plan. The adjusted audit plan for the current was completed. We as the Audit Committee believe that the internal audit unit provided necessary support to management and the Audit Committee.

Evaluation of Financial Statements and Performance Information

We have reviewed the audited Annual Financial Statements and the performance information report of the Department.

The Audit Committee concurs and accept the unqualified opinion of the AGSA Auditor General on the Financial Statements and the Performance Information Report of the Department.

The Audit Committee recommend that the report be read with the Annual Report of the Department.

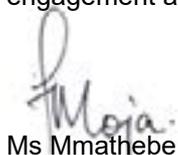
Auditor-General South Africa's Report

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

The AGSA expressed an unqualified audit opinion regarding the Annual Financial Statements and the Performance Information Report of the Department. This demonstrate a clean administration of the Department's resources.

CONCLUSION

I would like to thank all members of the Committee for their contribution, guidance and the professional way in which meetings were conducted. The Committee wishes to express to the MEC, Head of Department, management and staff of Limpopo Provincial Treasury and the office of Auditor-General South Africa, its sincere appreciation for the engagement and commitment shown during the year under review.



Ms Mmathebe Annah-Faith Moja
Chairperson of the Audit Committee
Department of Limpopo Provincial Treasury
7th August, 2018.

PART D:

HUMAN RESOURCE MANAGEMENT



1. INTRODUCTION

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

2. OVERVIEW OF HUMAN RESOURCES

The status of human resources in the department.

The Department had an approved funded organisational structure of 589 posts, of which 511 posts are filled inclusive of contract workers, our funded vacancy rate is 13.24%. The total number of permanent staff in the department as at 31 March 2017 was 415 employees.

The Human Resources of the Department reflects the demographics of the province in terms of Employment Equity. Overall the department has achieved its Equity target in terms of the 50/50 split in the staff complement between male and female. As at year end the Department had recorded an employment split of 51.52% females, however for Senior Management Service (SMS) the Department only achieved 40% employment of females. With regards to the employment of people with disabilities the department has not been able to achieve the 2% target and we only achieved 1.38%, however at the SMS level the Department exceeded the disability target and achieved 2.5%.

The development of our Human Capital is progressing well, currently 104 employees have enrolled with various tertiary institutions, 74 have registered for degrees and National diplomas, 04 have registered for Honours degrees and 26 for Masters and Ph.D. degrees, and we have enrolled employees on adult education and training (AET) and the overall training and development of employees is in line with our Personnel Development Plan (PDP).

Overall, we are becoming a younger organisation which is poised and geared towards a brighter future. Employees between the age of 30-39 represents 50% of Provincial Treasury's employees and employees at the ages between 20-29 represents 12% of the staff establishment and thus more than 60% of the staff establishment is below the age of 40 which augurs well for the future of the organisation.

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

The Human Resources priorities for the year under review are best articulated in the Human Resources plan of the department and are as follows, Aligned the current structure with the National Treasury and DPSA generic structures, Aligned HR needs with strategic business goals, Developed and implemented the Employment Equity Plan, Improved Recruitment and Retention, Reduced Compensation of Employees spend, Improved Performance Management and Development System and Continuously developed skills.

The impact of the implementation of these priorities improved the functioning of the department. The proposed organisational structure was aligned to the Treasury Generic structure and DPSA, Employment Equity plan was in place. The overall Equity target of 50/50 was met. From level 09-14 females were not well represented and were concentrated at the lower levels. The recruitment process has improved greatly and a Recruitment plan is in place and implemented (see the table on appointments), The reduction on the COE was realised. Draft PMDS policy in place.

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

The department plans to implement the following initiatives in order to position the department as an employer of choice, Develop and implement the retention strategy and align it to the recruitment strategy, Strive to achieve the Equity Plan targets, multi skill, train and develop employees in line with their Workplace Skills Plans (WSP) and Personal Development Plans, advocate for the centralization of the training budget, Implement the recently approved Provincial Treasury revised structure, consult with Office of the Premier to job evaluate newly created SMS posts, Develop and implement both succession plan and exit strategy. Analyse exit questionnaires,

Employee performance management.

The Department is currently implementing the Provincial PMDS policy and DPSA prescripts and frameworks on Performance management. For the financial year under review 415 permanent employees have entered concluded Performance Agreements and signed the mid-year reviews, except for employees on Incapacity leave. The department will process incentives for the 2017/18 financial year in line with the incentive policy framework.

All the employees are inducted and workshopped on PMDS, the PMDS directorate will ensure that all employees enter into Performance Agreements timeously and moderation committees sit to assess performance.

Employee wellness programmes

To have a dedicated and a healthy responsive workforce.

ACHIEVEMENTS

There is an Employee Health & Wellness sub-directorate under Transformation Services implementing the Employee Health & Wellness strategy as per DPSA framework. The strategy consists of the following:

HIV & AIDS, TB and STIs Management:

Proactive response such as educational and awareness sessions on HIV and AIDS prevention, condom use promotion, Stigma and discrimination based on HIV and AIDS status and gender-sensitive right based.

171 (M: 50; F: 121) employees were reached in this regard. 95 (M: 36; F: 59) employees tested for HIV, know their status and the likelihood for modifying the desired behaviour is anticipated. Male employees however participate less in HIV counselling and testing sessions and this is a concern nation-wide.

Health & Productivity Management:

4 sessions on integrated wellness screening of chronic diseases were coordinated. 222 (M: 87; F: 135) employees participated in checking for high blood pressure, glucose, TB, Body Mass Index and cholesterol. Awareness on life-style diseases mental health illnesses such as obesity, cancer and post-traumatic stress disorder were coordinated to minimise vulnerability of chronic illnesses, sick leaves and absenteeism as well as to enhance the long life expectancy of employees within LPT. 169 (M:71; F: 98) employees were reached.

SHERQ Management:

All 9 departmental buildings were inspected and monitored in terms of the OHS Act. 36 hazards were identified, assessed and a report was discussed with relevant stakeholders for corrective measures. Four (4) quarterly OHS committee meetings were held as required by the Act, 2 evacuation drills were conducted. The response on the evacuation showed that some employees are aware

about the emergency response expected while some still needs to be educated. Awareness sessions on OHS were conducted to 121 employees. O5 Injuries on duty were reported and attended.

Wellness Management:

Physical wellness is taking place in a form of sports and recreational activities. The following six (6) sporting codes were coordinated in 2017/18:

- football,
- netball,
- pool table,
- casino,
- aerobics and
- fun walk.

One hundred and fourteen (114) sports and recreational activities sessions coordinated. 863 (M: 702; F: 161) employees were reached. The total number of employees does not reflect the number of employees in a staff establishment. This implies that each employee might have been re-counted in number of sessions as the activities take place every Wednesday.

Thirty-six (36) spiritual wellness sessions, one (01) retirement planning session and one (01) EAP supervisory training sessions were also coordinated as organisational wellness mitigation strategies for low morale, absenteeism, ill-health and low conflict.

Gaps/challenges

- The geographical arrangement of the three workstations (Finance House, Ismini Towers and Internal Audit building) made it difficult to reach out to the majority of employees for all the health & wellness services.
- Lack of HIV and AIDS coordinator
- Male employees are participating less in health and wellness services arranged onsite

INTERVENTIONS

- Improve marketing for health & wellness services
- Facilitate the appointment for HIV and AIDS Coordinator
- Develop strategies to maximise male employees' participation on health and wellness screening services.

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

- The proposed organisational structure is aligned to the Treasury Generic structure and DPSA
- Employment Equity plan is in place
- The Overall Equity target of 50/50% met, however from levels 09-14 females are not well represented and only concentrated at lower level
- The recruitment process has improved greatly and a Recruitment plan is in place
- The reduction on the COE will be realised upon implementation of the revised structure
- Draft PMDS policy in place and awaiting consultation with organised labour

Challenges

- To ensure the achievement of EE targets as per EE plan.
- To align the succession planning to the exit strategy.
- To ensure correct placement of staff.
- To ensure the effective implementation of PMDS strategy

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1. Personnel related expenditure

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

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

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2017 and 31 March 2018

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	167 634	95 959	0	0	57.24	204
Assets, liabilities management	87 190	57 820	0	0	66.31	120
Financial governance	85 757	70 104	0	0	81.75	146
Sustainable resource management	90 426	53 779	0	0	59.47	112
TOTAL	432 909	277 806	0	0	64.17	583

Table 3.1.2 Personnel costs by salary band for the period 1 April 2017 and 31 March 2018

PROGRAMME	PERSONNEL EXPENDITURE (R'000)	% OF TOTAL PERSONNEL COST	NO. OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
Lower Skilled (Levels 1-2)	2 897	1	20	144 850
Skilled (Levels 3-5)	7 481	2.50	34	220 029
Highly Skilled Production (Levels 6-8)	50 483	17.10	126	400 659
Highly Skilled Supervision (Levels 9-12)	141 472	47.90	198	714 505
Senior Management (Levels 13-16)	55 174	18.70	47	1 173 915
Contract (Levels 6-8)	2 205	0.70	1	220 500
Contract (Levels 9-12)	13 183	4.50	17	775 471
Contract (Levels 13-16)	8 267	2.80	6	1 377 833
Contract Other	660	0.20	13	50 769
Periodical Remuneration	5 585	1.90	18	310 278
TOTAL	287 406		480	598 763

Table 3.1.3 Salaries, Overtime, Home Owners Allowance & Medical Aid by programme for the period 1 April 2017 & 31 March 2018

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
Program 1: Administration, Permanent	69 873	34.53	80	0.04	3 260	1.61	3 416	1.69
Program 2: Sustainable Resource Management, Permanent	38 735	19.15	0	0	1 690	0.84	667	0.33
Program 3: Assets & Liabilities Management, Permanent	41 844	20.68	0	0	1 339	0.66	1 540	0.76
Program 4: Financial Governance, Permanent	55 897	25.65	24	0	2 168	1.07	1 876	0.93
TOTAL	202 349	25	104	0.01	8 457	1.04	7 499	0.92

Table 3.1.4 Salaries, Overtime, Home Owners Allowance & Medical Aid by salary band for the period 1 April 2017 & 31 March 2018

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)	1 923	66.30	0	0.00	267	9.20	476	16.40
02 Skilled (Levels 3-5)	5 779	77.20	4	0.01	429	5.70	585	7.80
03 Highly Skilled Production (Levels 6-8)	41 175	80.70	52	0.00	1 598	3.10	2 452	4.80
04 Highly Skilled Supervision (Levels 9-12)	120 030	82.60	45	0.03	3 283	2.30	3 328	2.30
05 Senior Management (Levels 13-16)	47 779	83.50	0	0.00	1 740	3.00	506	0.90
11 Contract (Levels 3-5)	0	0.00	0	0.00	0	0.00	0	0.00
12 Contract (Levels 6-8)	2 205	94.90	0	0.00	0	0.00	0	0.00
13 Contract (Levels 9-12)	11 232	81.10	0	0.00	751	5.40	24	0.20
14 Contract (Levels 13-16)	7 201	84.00	0	0.00	385	4.50	56	0.70
18 Contract Other	659	98.90	2	0.30	0	0.00	0	0.00
19 Periodical Remuneration	1 411	23.40	0	0.00	0	0.00	0	0.00
TOTAL	239 394	81.10	103	0.04	8 453	2.90	7 428	2.50

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 2018

PROGRAMME	NUMBER OF POSTS ON APPROVED ESTABLISHMENT	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF EMPLOYEES ADDITIONAL TO THE ESTABLISHMENT
Program 1: Administration, Permanent	278	169	39.21	10
Program 2: Sustainable Resource Management, Permanent	90	51	43.33	14
Program 3: Assets & Liabilities Management, Permanent	104	86	17.31	0
Program 4: Financial Governance, Permanent	201	125	37.81	0
TOTAL	673	431	35.96	24

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2018

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	24	19	20.80	0
02 Skilled (Levels 3-5), Permanent	46	35	23.90	0
03 Highly Skilled Production (Levels 6-8), Permanent	231	126	45.50	0
04 Highly Skilled Supervision (Levels 9-12), Permanent	310	202	34.80	0
05 Senior Management (Levels 13-16), Permanent	63	49	22.20	0
09 Other, Contract	0	0	0.00	66
12 Contract (Levels 6-8), Permanent	0	0	0.00	1
13 Contract (Levels 9-12), Permanent	0	0	0.00	17
14 Contract (Levels 13-16), Permanent	0	0	0.00	6
TOTAL	674	431	36.10	90

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2018

CRITICAL OCCUPATION	NUMBER OF POSTS ON APPROVED ESTABLISHMENT	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF EMPLOYEES ADDITIONAL TO THE ESTABLISHMENT
Administrative Related, Permanent	101	91	9.90	0
Cashiers Tellers and Related Clerks, Permanent	3	3	0.00	0
Cleaners in Offices Workshops Hospitals etc., Permanent	29	28	3.40	0
Client inform Clerks (Switchboard Reception Clerks), Permanent	7	7	0.00	0
Finance and Economics Related, Permanent	41	37	9.80	0
Financial and Related Professionals, Permanent	157	134	14.60	11
Financial Clerks and Credit Controllers, Permanent	24	22	8.30	0
Head of Department/Chief Executive Officer, Permanent	1	1	0.00	0
Human Resources & organisational development & related professional, Permanent	17	15	11.80	0
Human Resources Clerks, Permanent	8	6	25.00	0
Human Resources Related, Permanent	9	7	22.20	0
Information Technology related, Permanent	1	1	0.00	0
Language Practitioners interpreters & other communication, Permanent	1	1	0.00	0
Library mail and related Clerks, Permanent	1	1	0.00	0
Logistical support personnel, Permanent	15	14	6.70	0
Material-recording and transport Clerks, Permanent	1	0	100.00	0

Messengers Porters and Deliverers, Permanent	9	8	11.10	0
Other administrat & related Clerks and organisers, Permanent	26	20	23.10	13
Other information technology personnel, Permanent	2	2	0.00	0
Other occupations, Permanent	1	1	0.00	0
Risk Management and Security services, Permanent	3	3	0.00	0
Secretaries & Other keyboard Operating clerks, Permanent	26	24	7.70	0
Security Officers, Permanent	1	1	0.00	0
Senior Managers, Permanent	38	31	18.40	1
Social work and Related Professionals, Permanent	2	2	0.00	0
Trade/industry advisers & other Related Profession, Permanent	2	2	0.00	2
TOTAL	526	462	12.20	27



Infograph on Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2018

3.3. Filling of SMS Posts

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

Table 3.3.1 SMS post information as on 31 March 2018

SMS LEVEL	TOTAL NUMBER OF FUNDED SMS POSTS	TOTAL NUMBER OF SMS POSTS FILLED	% OF SMS POSTS FILLED	TOTAL NUMBER OF SMS POSTS VACANT	% OF SMS POSTS VACANT
Director-General/ Head of Department	1	1	100	0	0
Salary Level 16	0	0	0	0	0
Salary Level 15	5	4	80	1	20
Salary Level 14	13	10	76	3	23
Salary Level 13	43	33	76	10	23
TOTAL	62	48	77	14	22

Table 3.3.2 SMS post information as on 30 September 2017

SMS LEVEL	TOTAL NUMBER OF FUNDED SMS POSTS	TOTAL NUMBER OF SMS POSTS FILLED	% OF SMS POSTS FILLED	TOTAL NUMBER OF SMS POSTS VACANT	% OF SMS POSTS VACANT
Director-General/ Head of Department	1	1	100	0	0
Salary Level 16	0	0	0	0	0
Salary Level 15	6	4	66	2	33
Salary Level 14	13	11	84	2	15
Salary Level 13	43	33	76	10	23
TOTAL	63	49	77	14	22
Contract level 13	0	0	0	0	0
Contract level 14	2	2	100	0	0
Contract Level 15	2	2	100	0	0
TOTAL	67	53	79	14	22

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2017 and 31 March 2018

SMS LEVEL	ADVERTISING	FILLING OF POSTS	
	NUMBER OF VACANCIES PER LEVEL ADVERTISED IN 6 MONTHS OF BECOMING VACANT	NUMBER OF VACANCIES PER LEVEL FILLED IN 6 MONTHS OF BECOMING VACANT	NUMBER OF VACANCIES PER LEVEL NOT FILLED IN 6 MONTHS BUT FILLED IN 12 MONTHS
Director-General/ Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	0	0	0
Salary Level 13	0	0	0
TOTAL	0	0	0

Contract level 13	0	0	0
Contract level 14	0	0	0
Contract Level 15	0	0	0
TOTAL	0	0	0

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2017 and 31 March 2018

REASONS FOR VACANCIES NOT ADVERTISED WITHIN SIX MONTHS	REASONS FOR VACANCIES NOT FILLED WITHIN TWELVE MONTHS
The department has embarked on processes to implement the new structure that was approved 4 April 2018	The department has embarked on processes to implement the new structure that was approved 4 April 2018

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed time frames for filling SMS posts within 12 months for the period 1 April 2017 and 31 March 2018

REASONS FOR VACANCIES NOT ADVERTISED WITHIN SIX MONTHS	REASONS FOR VACANCIES NOT FILLED WITHIN SIX MONTHS
Awaiting approval of new structure	Awaiting approval of new structure

3.4. Job Evaluation

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2017 and 31 March 2018

SALARY BAND	NUMBER OF POSTS ON APPROVED ESTABLISHMENT	NUMBER OF JOBS EVALUATED	% OF POSTS EVALUATED BY SALARY BANDS	POSTS UPGRADED		POSTS DOWNGRADED	
				NUMBER	% OF POSTS EVALUATED	NUMBER	% OF POSTS EVALUATED
Lower Skilled (Levels 1-2)	21	0	0	0	0	0	0
Skilled (Levels 3-5)	37	0	0	0	0	1	0
Highly skilled production (Levels 6-8)	143	0	0	1	0	0	0
Highly skilled supervision (Levels 9-12)	230	0	0	31	0	1	0
Senior Management Service Band A	36	0	0	0	0	0	0
Senior Management Service Band B	12	0	0	1	0	0	0
Senior Management Service Band C	7	0	0	0	0	0	0

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
Senior Management Service Band D	1	0	0	0	0	0	0
Other	42	0	0	0	0	0	0
Contract 6-8	37	0	0	0	0	0	0
Contract 9-12	17	0	0	0	0	0	0
Contract B and A	1	0	0	0	0	0	0
Contract B and B	2	0	0	0	0	0	0
Contract B and C	2	0	0	0	0	0	0
Contract B and D	1	0	0	1	0	0	0
TOTAL	589	0	0	34	0	2	0



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

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2017 and 31 March 2018

GENDER	AFRICAN	ASIAN	COLOURED	WHITE	TOTAL
Female	0	0	0	0	0
Male	0	0	0	0	0
TOTAL	0	0	0	0	0
Employees with a disability					0

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 2017 and 31 March 2018

OCCUPATION	NUMBER OF EMPLOYEES	JOB EVALUATION LEVEL	REMUNERATION LEVEL	REASON FOR DEVIATION
Labourers and Related	3	2	3	Res 3/2009
Other administration and Related	3	5	7	Res 3/2009
Financial Clerks and Related	4	6	7	Res 3/2009
Other administration and Related	4	7	8	Res 3/2009
Other administration and Related	2	7	10	Res 3/2009
Other administration and Related	1	8	9	Res 3/2009
Other administration and Related	1	8	10	Res 3/2009
Other administration and Related	13	9	10	Res 3/2009
Other administration and Related	6	11	12	Res 3/2009
Total number of employees whose salaries exceeded the level determined by job evaluation				37
PERCENTAGE OF TOTAL EMPLOYED (431)				8%

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 2017 and 31 March 2018

GENDER	AFRICAN	ASIAN	COLOURED	WHITE	TOTAL
Female	19	0	2	0	21
Male	16	0	0	0	16
TOTAL	0	0	0	0	37
Employees with a disability	0	0	0	0	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 2017 and 31 March 2018

SALARY BAND	NUMBER OF EMPLOYEES AT BEGINNING OF PERIOD-1 APRIL 2017	APPOINTMENTS AND TRANSFERS INTO THE DEPARTMENT	TERMINATIONS AND TRANSFERS OUT OF THE DEPARTMENT	TURNOVER RATE
01 Lower Skilled (Levels 1-2) Permanent	19	1	0	0.00
02 Skilled (Levels 3-5) Permanent	35	1	0	0.00
03 Highly Skilled Production (Levels 6-8) Permanent	129	12	4	3.10
04 Highly Skilled Supervision (Levels 9-12) Permanent	180	10	9	5.00
05 Senior Management Service Band A Permanent	31	0	0	0.00
06 Senior Management Service Band B Permanent	10	1	1	10.00
07 Senior Management Service Band C Permanent	5	0	1	20.00
08 Senior Management Service Band D Permanent	1	0	0	0.00
09 Other Permanent	42	15	40	95.20
12 Contract (Levels 6-8) Permanent	37	0	36	97.30
13 Contract (Levels 9-12) Permanent	17	2	2	11.80
14 Contract Band A Permanent	1	0	0	0.00
15 Contract Band B Permanent	2	0	0	0.00
16 Contract Band C Permanent	2	0	0	0.00
17 Contract Band D Permanent	1	0	0	0.00
TOTAL	512	42	93	18.20



Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2017 and 31 March 2018.

CRITICAL OCCUPATION	NUMBER OF EMPLOYEES AT BEGINNING OF PERIOD-APRIL 2017	APPOINTMENTS AND TRANSFERS INTO THE DEPARTMENT	TERMINATIONS AND TRANSFERS OUT OF THE DEPARTMENT	TURNOVER RATE
Administrative related, Permanent	86	13	3	3.50
Cashiers tellers and related clerks, Permanent	3	0	0	0.00
Cleaners in offices workshops hospitals etc. Permanent	27	1	0	0.00
Client inform clerks(switchboard reception inform clerks), Permanent	7	0	0	0.00
Finance and economics related, Permanent	35	0	1	2.90
Financial and related professionals, Permanent	123	7	6	4.90
Financial clerks and credit controllers, Permanent	24	1	1	4.20
Head of department/chief executive officer, Permanent	1	0	0	0.00
Human resources & organisational development & related professional, Permanent	15	0	0	0.00
Human resources clerks, Permanent	7	0	0	0.00
Human resources related, Permanent	6	0	0	0.00
Information technology related, Permanent	1	0	0	0.00
Language practitioners interpreters & other communication, Permanent	1	0	0	0.00
Library mail and related clerks, Permanent	1	0	0	0.00
Logistical support personnel, Permanent	11	0	0	0.00
Messengers porters and deliverers, Permanent	8	0	0	0.00
Other Administrative & related clerks and organisers, Permanent	86	15	77	89.50
Other information technology personnel, Permanent	2	0	0	0.00
Other occupations, Permanent	1	0	0	0.00
Risk management and security services, Permanent	3	0	0	0.00
Secretaries & other keyboard operating clerks, Permanent	27	1	0	0.00
Security officers, Permanent	1	0	0	0.00
Senior managers, Permanent	31	3	3	9.70
Social work and related professionals, Permanent	2	0	0	0.00
Trade/industry advisers & other related professions, Permanent	3	1	2	66.70
TOTAL	512	42	93	18.20



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

Table 3.5.3 Reasons why staff left the department for the period 1 April 2017 and 31 March 2018

TERMINATION TYPE	NUMBER	% OF TOTAL RESIGNATIONS
01 Death, Permanent	1	1.10
02 Resignation, Permanent	12	12.90
03 Expiry of contract, Permanent	72	77.40
04 Transfers, Permanent	1	1.10
06 Discharged due to ill health, Permanent	2	2.20
07 Dismissal-misconduct, Permanent	1	1.10
09 Retirement, Permanent	4	4.30
TOTAL	93	100.00
TOTAL NUMBER OF EMPLOYEES WHO LEFT AS A % OF TOTAL EMPLOYMENT		20.10



Table 3.5.4 Promotions by critical occupation for the period 1 April 2017 and 31 March 2018

OCCUPATION	EMPLOYEES 1 APRIL 2017	PROMOTIONS TO ANOTHER SALARY LEVEL	SALARY LEVEL PROMOTIONS AS A % OF EMPLOYEES BY OCCUPATION	PROGRESSIONS TO ANOTHER NOTCH WITHIN A SALARY LEVEL	NOTCH PROGRESSION AS A % OF EMPLOYEES BY OCCUPATION
Administrative related	86	2	2.30	35	40.70
Cashiers tellers and related clerks	3	0	0.00	2	66.70
Cleaners in offices workshops hospitals etc.	27	0	0.00	10	37.00
Client inform clerks (switchboard reception inform clerks)	7	0	0.00	4	57.10
Finance and economics related	35	3	8.60	20	57.10
Financial and related professionals	123	10	8.10	42	34.10
Financial clerks and credit controllers	24	0	0.00	10	41.70
Head of department/chief executive officer	1	0	0.00	1	100.00
Human resources & organisational development & related professions	15	0	0.00	2	13.30
Human resources clerks	7	1	14.30	1	14.30
Human resources related	6	1	16.70	1	16.70
Information technology related	1	0	0.00	0	0.00
Language practitioners interpreters & other communication	1	0	0.00	1	100.00
Library mail and related clerks	1	0	0.00	0	0.00
Logistical support personnel	11	2	18.20	1	9.10
Messengers Porters And Deliverers	8	0	0.00	2	25.00
Other Administrative & Related Clerks And Organisers	86	0	0.00	3	3.50
Other Information Technology Personnel.	2	0	0.00	2	100.00
Other Occupations	1	0	0.00	0	0.00
Risk Management And Security Services	3	0	0.00	1	33.30
Secretaries & Other Keyboard Operating Clerks	27	0	0.00	7	25.90
Security Officers	1	0	0.00	1	100.00
Senior Managers	31	0	0.00	25	80.60
Social Work And Related Professionals	2	0	0.00	1	50.00
Trade/Industry Advisers & Other Related Professions	3	0	0.00	2	66.70
TOTAL	512	19	3.70	174	34.00



Table 3.5.5 Promotions by salary band for the period 1 April 2017 and 31 March 2018

SALARY BAND	EMPLOYEES 1 APRIL 2017	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 OCCUPATION
01 Lower Skilled (Levels 1-2), Permanent	19	0	0.00	10	52.60
02 Skilled (Levels 3-5), Permanent	35	0	0.00	10	28.60
03 Highly Skilled Production (Levels 6-8), Permanent	129	1	0.80	42	32.60
04 Highly Skilled Supervision (Levels 9-12), Permanent	180	18	10.00	71	39.40
05 Senior Management (Levels 13-16), Permanent	47	0	0.00	38	80.90
09 Other, Permanent	42	0	0.00	0	0.00
12 Contract (Levels 6-8), Permanent	37	0	0.00	0	0.00
13 Contract (Levels 9-12), Permanent	17	0	0.00	2	11.80
14 Contract (Levels 13-16), Permanent	6	0	0.00	1	16.70
TOTAL	512	19	3.70	174	34.00

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 2018

PERFORMANCE INDICATOR	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
02 - Professionals	108	0	1	4	81	2	2	3	201
03 - Technicians and Associate professionals	51	0	0	0	53	0	0	1	105
09 - Labourers and related workers	7	0	0	0	29	0	0	0	36
05 - Service shop and market sales workers	1	0	0	1	2	0	0	0	4
04 - Clerks	27	0	0	0	55	1	0	0	83
01 - Senior officials and managers	17	1	1	2	11	0	1	0	33
TOTAL	211	1	2	7	231	3	3	4	462

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2018

PERFORMANCE INDICATOR	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
01 Top Management, Permanent	2	1	0	1	0	0	1	0	5
02 Senior Management, Permanent	20	0	1	2	18	0	1	0	42
03 Professionally qualified and experienced specialists and mid-management, Permanent	117	0	1	3	73	2	0	2	198
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	41	0	0	0	82	1	0	2	126
05 Semi-skilled and discretionary decision making, Permanent	15	0	0	0	19	0	0	0	34
06 Unskilled and defined decision making, Permanent	1	0	0	0	19	0	0	0	20
07 Not Available, Permanent	4	0	0	0	9	0	0	0	13
08 Contract (Top Management), Permanent	2	0	0	1	0	0	0	0	3
09 Contract (Senior Management), Permanent	2	0	0	0	0	0	1	0	3
10 Contract (Professionally Qualified), Permanent	7	0	0	0	10	0	0	0	17
11 Contract (Skilled Technical), Permanent	0	0	0	0	1	0	0	0	1
TOTAL	211	1	2	7	231	3	3	4	462

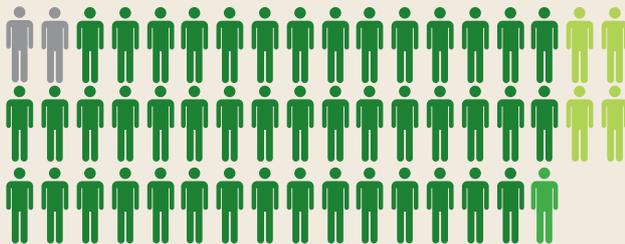
Table 3.6.3 Recruitment for the period 1 April 2017 to 31 March 2018

OCCUPATIONAL BAND	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
02 Senior Management, Permanent	0	0	0	0	1	0	0	0	1
03 Professionally qualified and experienced specialists and mid-management, Permanent	4	0	1	1	4	0	0	0	10
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	4	0	0	0	8	0	0	0	12
05 Semi-skilled and discretionary decision making, Permanent	1	0	0	0	0	0	0	0	1
06 Unskilled and defined decision making, Permanent	0	0	0	0	1	0	0	0	1
07 Not Available, Permanent	4	0	0	0	11	0	0	0	15
10 Contract (Professionally qualified), Permanent	1	0	0	0	1	0	0	0	2
TOTAL	14	0	1	1	26	0	0	0	42

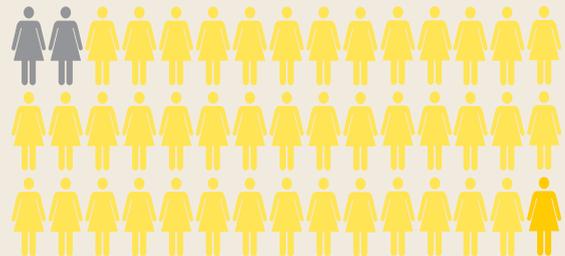
Table 3.6.4 Promotions for the period 1 April 2017 to 31 March 2018

OCCUPATIONAL BAND	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
01 Top Management, Permanent	2	1	0	0	0	0	0	0	3
02 Senior Management, Permanent	18	0	0	1	16	0	0	0	35
03 Professionally qualified and experienced specialists and mid-management, Permanent	49	0	0	2	38	0	0	0	89
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	13	0	0	0	29	1	0	0	43
05 Semi-skilled and discretionary decision making, Permanent	4	0	0	0	6	0	0	0	10
06 Unskilled and defined decision making, Permanent	1	0	0	0	9	0	0	0	10
08 Contract (Top Management), Permanent	0	0	0	1	0	0	0	0	1
10 Contract (Professionally qualified), Permanent	0	0	0	0	2	0	0	0	2
TOTAL	87	1	0	4	100	1	0	0	193
DISABLED	2	0	0	0	0	0	0	2	4

Male 92



Female 101



Infographic is based on Table 3.6.4 Promotions for the period 1 April 2017 to 31 March 2018

Table 3.6.5 Terminations for the period 1 April 2017 to 31 March 2018

OCCUPATIONAL BAND	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
01 Top Management, Permanent	0	0	1	0	0	0	0	0	1
02 Senior Management, Permanent	1	0	0	0	0	0	0	0	1
03 Professionally qualified and experienced specialists and mid-management, Permanent	5	0	0	0	4	0	0	0	9
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	3	0	0	0	1	0	0	0	4
07 Not Available, Permanent	17	0	0	0	23	0	0	0	40
10 Contract (Professionally qualified), Permanent	0	0	0	0	2	0	0	0	2
11 Contract (Skilled technical), Permanent	12	0	0	0	24	0	0	0	36
TOTAL	38	0	1	0	54	0	0	0	93



Table 3.6.6 Disciplinary action for the period 1 April 2017 to 31 March 2018

DISCIPLINARY ACTION	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Forgery	1	0	0	0	0	0	0	0	1
Doing Business with State	1	0	0	0	0	0	0	0	1
Doing Business with State	0	0		0	1	0	0	0	1
Making false statement under oath	0	0	0	0	1	0	0	0	1

Table 3.6.7 Skills development for the period 1 April 2017 to 31 March 2018

OCCUPATIONAL BAND	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Legislators, senior officials & managers	32	1	0	1	21	0	2	0	57
Professionals	76	0	0	0	69	2	0	0	147
Technicians & associate professionals	19	0	0	1	31	0	0	1	52
Clerks	22	0	0	0	58	1	0	1	82
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 & machine operators & assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	1	0	0	0	15	0	0	0	16
TOTAL	150	1	0	2	194	2	2	2	354
EMPLOYEES WITH DISABILITIES	1	0	0	0	3	0	0	0	4

3.7. Signing of Performance Agreements by SMS Members

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

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2017

SMS Level	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000
Director-General/ Head of Department	1	1	1	100
Salary Level 16	0	0	0	100
Salary Level 15	5	7	7	100
Salary Level 14	13	10	10	100
Salary Level 13	43	33	34	100
TOTAL	62	52	52	100

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2018

REASONS
NOT APPLICABLE

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2018

REASONS
NOT APPLICABLE

3.8. Performance Rewards

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

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2017 to 31 March 2018

RACE AND GENDER	BENEFICIARY PROFILE			COST	
	NUMBER OF BENEFICIARIES	NUMBER OF EMPLOYEES	% OF TOTAL WITHIN GROUP	COST (R'000)	AVERAGE COST PER EMPLOYEE
African					
Female	112	228	49.10	1 662.42	14 843
Male	102	209	48.80	1 917.30	18 797
Asian					
Female	0	3	0.00	0.00	0
Male	1	2	50.00	24.99	24 988
Coloured					
Female	3	3	100.00	53.40	17 800
Male	0	1	0.00	0.00	0
White					
Female	1	4	25.00	11.13	11 135
Male	3	7	42.90	87.03	29 010
Employees with disabilities	2	5	40.00	20.27	10 135
TOTAL	224	462	48.50	3 776.55	16 860

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2017 to 31 March 2018

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	
01 Lower Skilled (Levels 1-2)	11	20	55.00	37.68	3 426	0.01
02 Skilled (Levels 3-5)	15	34	44.10	92.92	6 194	0.03
03 Highly Skilled Production (Levels 6-8)	65	126	51.60	708.10	10 894	0.25
04 Highly Skilled Supervision (Levels 9-12)	111	198	56.10	2 332.24	21 011	0.84
09 Other	0	13	0.00	0	0	0.00
12 Contract (Levels 6-8)	0	1	0.00	0	0	0.00
13 Contract (Levels 9-12)	0	17	0.00	0	0	0.00
TOTAL	202	409	49.40	3 170.94	15 698	1.14

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2017 to 31 March 2018

CRITICAL OCCUPATION	BENEFICIARY PROFILE			COST	
	NUMBER OF BENEFICIARIES	NUMBER OF EMPLOYEES	% OF TOTAL WITHIN OCCUPATION	TOTAL COST (R'000)	AVERAGE COST PER EMPLOYEE
Financial Clerks And Credit Controllers	15	22	68.20	178.17	11 878
Human Resources Clerks	3	6	50.00	34.30	11 435
Security Officers	1	1	100.00	20.77	20 773
Messengers Porters And Deliverers	3	8	37.50	20.14	6 715
Human Resources & Organisat Developm & Relate Prof	5	15	33.30	106.49	21 297
Risk Management And Security Services	1	3	33.30	25.74	25 743
Finance And Economics Related	22	37	59.50	465.32	21 151
Logistical Support Personnel	12	14	85.70	142.34	11 862
Other Administrat & Related Clerks And Organisers	3	20	15.00	24.24	8 078
Other Occupations	0	1	0.00	0	0
Financial And Related Professionals	62	134	46.30	1 298.01	20 936
Administrative Related	39	91	42.90	604.76	15 507
Secretaries & Other Keyboard Operating Clerks	13	24	54.20	145.97	11 228
Cleaners In Offices Workshops Hospitals Etc.	12	28	42.90	44.39	3 699
Library Mail And Related Clerks	1	1	100.00	9.95	9 951
Human Resources Related	6	7	85.70	119.28	19 879
Trade/Industry Advisers & Other Related Profession	0	2	0.00	0	0
Cashiers Tellers And Related Clerks	3	3	100.00	34.71	11 570
Head Of Department/Chief Executive Officer	0	1	0.00	0	0
Language Practitioners Interpreters & Other Commun	1	1	100.00	8.97	8 966
Social Work And Related Professionals	2	2	100.00	34.81	17 405
Senior Managers	16	31	51.60	429.50	26 844
Client Inform Clerks(Switchb Recept Inform Clerks)	4	7	57.10	28.68	7 171
Other Information Technology Personnel.	0	2	0.00	0	0
Information Technology Related	0	1	0.00	0	0
TOTAL	224	462	48.50	3 776.55	16 860

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2017 to 31 March 2018

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	16	33	48.50	402.85	25 178	1.10
Band B	5	12	41.70	173.30	34 659	1.10
Band C	1	6	16.70	29.45	29 453	0.30
Band D	0	2	0.00	0	0	0.00
TOTAL	22	53	41.50	605.61	27 527	0.90

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 2017 and 31 March 2018

SALARY BAND	01 APRIL 2017		31 MARCH 2018		CHANGE	
	NUMBER	% OF TOTAL	NUMBER	% OF TOTAL	NUMBER	% CHANGE
Lower skilled	0	0.00	0	0.00	0	0.00
Highly skilled production (Lev. 6-8)	0	0.00	0	0.00	0	0.00
Highly skilled supervision (Levels 9-12)	0	0.00	0	0.00	0	0.00
Highly skilled supervision (Levels 9-12)	2	100.00	2	100.00	0	0.00
Contract (level 13-16)	0	0.00	0	0.00	0	0.00
TOTAL	2	100.00	2	100.00	0	0.00

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2017 and 31 March 2018

MAJOR OCCUPATION	01 APRIL 2017		31 MARCH 2018		CHANGE	
	NUMBER	% OF TOTAL	NUMBER	% OF TOTAL	NUMBER	% CHANGE
Professionals and managers	2	100.00	2	100.00	0	0.00
TOTAL	2	100.00	2	100.00	0	0.00

3.10. Leave utilisation

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

Table 3.10.1 Sick leave for the period 1 January 2017 to 31 December 2018

SALARY BAND	TOTAL DAYS	% DAYS WITH MEDICAL CERTIFICATION	NUMBER OF EMPLOYEES USING SICK LEAVE	% OF TOTAL EMPLOYEES USING SICK LEAVE	AVERAGE DAYS PER EMPLOYEE	ESTIMATED COST (R'000)
Contract (Levels 13-16)	13	100.00	2	0.50	7	59
Contract (Levels 6-8)	109	56.00	26	6.50	4	102
Contract (Levels 9-12)	101	89.10	12	3.00	8	297
Contract Other	39	74.40	17	4.30	2	6
Highly skilled production (Levels 6-8)	845	73.60	117	29.30	7	1 254
Highly skilled supervision (Levels 9-12)	1 043	86.10	154	38.60	7	2 775
Lower skilled (Levels 1-2)	100	94.00	15	3.80	7	47
Senior management (Levels 13-16)	160	84.40	32	8.00	5	615
Skilled (Levels 3-5)	147	83.00	24	6.00	6	115
TOTAL	2 557	80.70	399	100.00	6	5 271

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2017 to 31 December 2018

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)	123	100.00	1	12.50	123	158
Highly skilled supervision (Levels 9-12)	121	100.00	3	37.50	40	305
Lower skilled (Levels 1-2)	77	100.00	1	12.50	77	37
Senior management (Levels 13-16)	51	100.00	3	37.50	17	186
TOTAL	372	100.00	8	100.00	47	686

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 2017 to 31 December 2018

SALARY BAND	TOTAL DAYS TAKEN	NUMBER OF EMPLOYEES USING ANNUAL LEAVE	AVERAGE PER EMPLOYEE
Contract (Levels 13-16)	136	6	23
Contract (Levels 6-8)	480	39	12
Contract (Levels 9-12)	310	19	16
Contract Other	533	44	12
Highly skilled production (Levels 6-8)	2 954	141	21
Highly skilled supervision (Levels 9-12)	4 933	220	22
Lower skilled (Levels 1-2)	297	19	16
Senior management (Levels 13-16)	1 153	55	21
Skilled (Levels 3-5)	747	35	21
TOTAL	11 543	578	20

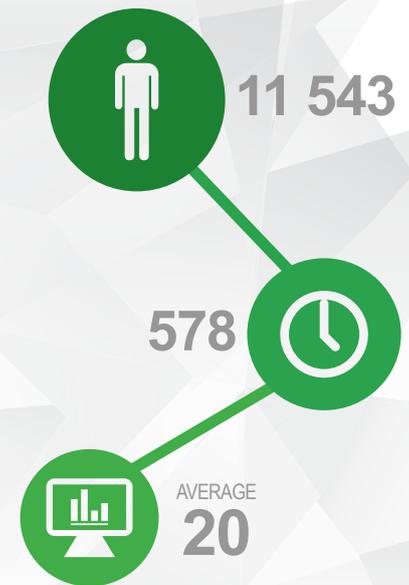


Table 3.10.4 Capped leave for the period 1 January 2017 to 31 December 2018

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 2018
Contract (Levels 13-16)	0	0	0	0
Contract (Levels 6-8)	0	0	0	0
Contract (Levels 9-12)	0	0	0	0
Highly skilled production (Levels 6-8)	5	1	5	97
Highly skilled supervision (Levels 9-12)	1	1	1	127
Lower skilled (Levels 1-2)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	76
Skilled (Levels 3-5)	0	0	0	108
TOTAL	6	2	3	114

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

Table 3.10.5 Leave payouts for the period 1 April 2017 and 31 March 2018

REASON	TOTAL AMOUNT (R'000)	NUMBER OF EMPLOYEES	AVERAGE PER EMPLOYEE (R'000)
Leave payout for 2017/18 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2016/17	2 473	17	145 471
Current leave payout on termination of service for 2017/18	45	1	45 000
TOTAL	2 517	18	139 833

3.11. HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

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

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

QUESTION	YES	NO	DETAILS, IF YES
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	YES		Ms RA Oliphant Director: Transformation Services
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	YES		A dedicated EHW sub-directorate has co-ordinators who coordinates the following units; HIV and AIDS – no co-ordinator OHS – Assistant Director Wellness management – Deputy Director Budget: R355 000,00
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	YES		An in-house Wellness Management is available for the employees. Key elements: <ul style="list-style-type: none"> • Do assessment and referral of employees for assistance • Provide short-term psycho-social counselling and support services • Provide Trauma debriefing • Management consultations • Facilitate EHW committee meetings. • Provide preventative and proactive programmes • Awareness campaigns and life skills education • Facilitate fitness and sport activities • Conduct mini surveys and needs analysis Monitor and evaluate programme implementation
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.	YES		Peer Educators committee members are as follows: Mr Mangoale M.J Ms Mokubela K.V Ms Serite T
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.		NO	
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.	YES		Employee Health & Wellness sub-directorate within Transformation Services Directorate implement HIV and AIDS program. HIV & AIDS, STI and TB 2017/18 operational plan was approved, implemented, monitored and evaluated to: address human rights issues such as stigma and discrimination, gender-based violence and HCT is provided onsite
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	YES		95 (M:36; F:59) employees participated in HCT. Employees responded well during leadership testing done by LPT executive management on the 16 November 2017. Male tested were more than women, which rarely occurred.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	YES		Monitoring is done through monthly, quarterly and annual reports. Integrated monitoring tool is completed on a monthly, quarterly and annual basis.

3.12. Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2017 and 31 March 2018

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 2017 and 31 March 2018

OUTCOMES OF DISCIPLINARY HEARINGS	NUMBER	% OF TOTAL
Correctional counselling	0	0
Verbal warning	0	0
Final Written warning	1	25%
Written warning	0	0%
Suspended without pay	2	50%
Fine	0	0
Demotion	0	0
Dismissal	1	25%
Not guilty	0	0
Case withdrawn	0	0
TOTAL	4	100%

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2017 and 31 March 2018

TYPE OF MISCONDUCT	NUMBER	% OF TOTAL
Forgery	1	25%
Doing business with state (Below level 12)	2	50%
Making false statement under oath	1	25%
TOTAL	4	100%

Table 3.12.4 Grievances logged for the period 1 April 2017 and 31 March 2018

GRIEVANCES	NUMBER	% OF TOTAL
Number of grievances resolved	13	86.6%
Number of grievances not resolved	2	13.3%
TOTAL NUMBER OF GRIEVANCES LODGED	15	100%

Table 3.12.5 Disputes logged with Councils for the period 1 April 2017 and 31 March 2018

DISPUTES	NUMBER	% OF TOTAL
Number of disputes upheld	0	0
Number of disputes dismissed	0	0
Number of disputes pending	1	100%
TOTAL NUMBER OF DISPUTES LODGED	1	100%

Table 3.12.6 Strike actions for the period 1 April 2017 and 31 March 2018

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 2017 and 31 March 2018

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

3.13. Skills development

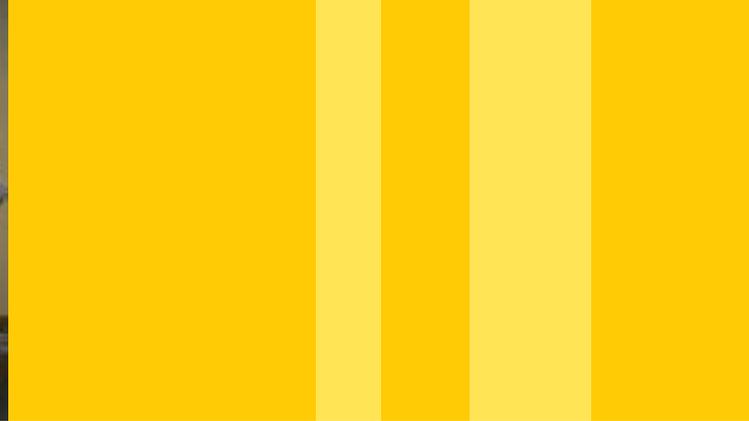
This section highlights the efforts of the department with regard to skills development .

Table 3.13.1 Training needs identified for the period 1 April 2017 and 31 March 2018

NATIONAL CATEGORY	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2017	TRAINING NEEDS IDENTIFIED AT START OF THE REPORTING PERIOD			
			LEARNERSHIPS	SKILLS PROGRAMMES & OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL
CHIEF EXECUTIVE, SENIOR OFFICIALS AND LEGISLATURE	FEMALE	3		MASTERS PROGRAMS		3
	MALE	2				2
	FEMALE	1		DEGREES/HONS		1
	MALE	1				1
	FEMALE	3		DIPLOMAS & PROGRAMMES		3
	MALE	1				1
	SHORT COURSES					
	FEMALE	1			ESSENTIAL TOOLS FOR EDITORS & JOURNALISTS ETHICS CERTIFICATION	1
		3				3
	MALE	1			ETHICS CERTIFICATION	1
	MALE	2			20TH IIASA	2
	FEMALE	1			PROJECT & RISK MANAGEMENT	1
	FEMALE	1			CPSI	1
	MALE	2			PREMIER CORPORATE GOVERNANCE CONFERENCE REPORT WRITING	2
	MALE	1			GARTNER SYMPOSIUM IT EXPO	1
	MALE	1			ACFE CONFERENCE	1
	FEMALE	2			CFMA AFRICAN INAUGURAL CONFERENCE IRMSA CONFERENCE	2
	MALE	1			PSTF CONFERENCE	1
	MALE	1			SAIPA CONFERENCE	1
	FEMALE	1			SMS CIP	1
FEMALE	1			SCOA	1	
MALE	1			IIASA CONFERENCE	1	
NATIONAL CATEGORY	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2017	TRAINING NEEDS IDENTIFIED AT START OF THE REPORTING PERIOD			
			LEARNERSHIPS	SKILLS PROGRAMMES & OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL
PROFESSIONALS	FEMALE	4		MASTERS PROGRAMMES		4
	MALE	5				5
	FEMALE	1		PHD		1
	MALE	0				0
	FEMALE	5		DEGREES/HONS		5
	MALE	1				1
	FEMALE	6		NATIONAL DIPLOMAS/ADV		6
	MALE	3				3
	FEMALE	20		PROGRAMMES		20
	MALE	15				15

SHORT COURSES

PROFESSIONALS	FEMALE	1	AUDIT & RISK CONFERENCE	1	
		1	IIASA CONFERENCE	1	
		1	STAKEHOLDER RELATIONSHIP	1	
		1	CPSI CONFERENCE	1	
		1	HIV/AIDS MANAGEMENT CONFERENCE	1	
		1	EAPA CONFERENCE	1	
		1	PSTF CONFERENCE	1	
		1	TRAINERS' LEARNING NETWORK	1	
		3	BUSINESS ETHICS & CORPORATE GOVERNANCE	3	
		3	REPORT WRITING	3	
		1	GOVTECH CONFERENCE	1	
		1	LOGISTICS MANAGEMENT	1	
		1	ETHICS CERTIFICATION	1	
		1	INTEGRATED PERFORMANCE MANAGEMENT & MEASUREMENT	1	
		1	ESSENTIAL TOOLS FOR EDITORS & JOURNALISTS	1	
		2	PFMA & TREASURY REGULATIONS	2	
		9	SCOA	9	
		7	ADV. ACQUISITION MANAGEMENT	7	
		1	MONITORING & EVALUATION	1	
		2	COMPULSORY INDUCTION PROGRAMME	2	
		MALE	3	AUDIT & RISK CONFERENCE	3
			1	THE FUTURE OF ACCOUNTING	1
			2	ASSET MANAGEMENT	2
			1	ANNUAL EMPLOYMENT EQUITY CONFERENCE	1
			1	ISACA CONFERENCE	1
			1	ACFE CONFERENCE	1
			1	INFORMATION SECURITY MANAGEMENT	1
			1	IRMSA CONFERENCE	1
			3	DEMAND AND ACQUISITION	3
			1	MONITORING & EVALUATION	1
			4	ASSET MANAGEMENT	4
		MALE	3	BUSINESS ETHICS & CORPORATE GOVERNANCE	3
		2	REPORT WRITING	2	
		2	SAIPA NATIONAL CONFERENCE	2	
		1	SAIOH ANNUAL CONFERENCE	1	
		1	GOVTECH CONFERENCE	1	
		3	SAAPAM	3	
		2	LOGISTICS MANAGEMENT	2	
		2	IPM CONVENTION	2	
		1	INTEGRATED PERFORMANCE MANAGEMENT & MEASUREMENT	1	
		1	ESSENTIAL TOOLS FOR EDITORS & JOURNALISTS	1	
		1	MICROSOFT EXCEL	1	
		12	SCOA	12	
		4	ADV. ACQUISITION MANAGEMENT	4	
		2	MONITORING & EVALUATION	2	
		3	COMPULSORY INDUCTION PROGRAMME	3	
PROFESSIONALS					



NATIONAL CATEGORY	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2017	TRAINING NEEDS IDENTIFIED AT START OF THE REPORTING PERIOD				
			LEARNERSHIPS	SKILLS PROGRAMMES & OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL	
TECHNICIANS AND ASSOCIATE PROFESSIONALS	FEMALE	0		MASTERS PROGRAMMES		0	
	MALE	0				0	
	FEMALE	1		DEGREE/HONS		1	
	MALE	0				0	
	FEMALE	1		NATIONAL DIPLOMA/ADV.		1	
	MALE	4				4	
	FEMALE	10		PROGRAMMES		10	
	MALE	5				5	
	SHORT COURSES						
		FEMALE	1		ISACA CONFERENCE		1
			1		GOVTECH CONFERENCE		1
		MALE	1		FRAUD & RISK MANAGEMENT		1
		FEMALE	11		IIASA TRAINING		11
		MALE	3				3
		FEMALE	7		COMPULSORY INDUCTION PROGRAMME		7
	MALE	7				7	

NATIONAL CATEGORY	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2017	TRAINING NEEDS IDENTIFIED AT START OF THE REPORTING PERIOD			
			LEARNERSHIPS	SKILLS PROGRAMMES & OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL
CLERKS	FEMALE	1		MASTERS PROGRAMMES		1
	MALE	0				0
	FEMALE	9		DEGREE/HONS		9
	MALE	2				2
	FEMALE	7		NATIONAL DIPLOMA/ADV.		7
	MALE	2				2
	FEMALE	34		PROGRAMMES		34
	MALE	15				15

SHORT COURSES

CLERKS	MALE	1		ANNUAL EMPLOYMENT EQUITY CONFERENCE		1
	MALE	1		CPSI CONFERENCE		1
	MALE	1		LOGISTICS MANAGEMENT		1
	FEMALE	1		MEETING & MINUTES TAKING		1
		1		PSYSSA CONFERENCE		1
		1		INFORMATION SECURITY MANAGEMENT		1
		1		DEMAND MANAGEMENT		1
		1		LOGISTICS MANAGEMENT		1
		1		IPM CONFERENCE		1
		1		ASSET MANAGEMENT		1
		1		IIASA		1
		FEMALE	7		COMPULSORY INDUCTION PROGRAMME	
	MALE	7				7
SERVICE AND SALES WORKERS	FEMALE	0				0
	MALE	0				0
SKILLED AGRICULTURE AND FISHERY WORKERS	FEMALE	0				0
	MALE	0				0
CRAFT AND RELATED TRADES WORKERS	FEMALE	0				0
	MALE	0				0
PLANT AND MACHINE OPERATORS AND ASSEMBLERS	FEMALE	0				0
	MALE	0				0
ELEMENTARY OCCUPATIONS	FEMALE	0		MASTERS PROGRAMMES		0
	MALE	0				0
	FEMALE	3		DEGREES/HONS		3
	MALE	1				1
	FEMALE	4		NATIONAL DIPLOMAS/ADV.		4
	MALE	0				0
	FEMALE	0		PROGRAMMES		0
	MALE	0				0
SHORT COURSES						
	FEMALE	15		COMPULSORY INDUCTION PROGRAMME		15
	MALE	1				1
SUB TOTAL	MALE	210				210
	FEMALE	152				152
TOTAL		362				362

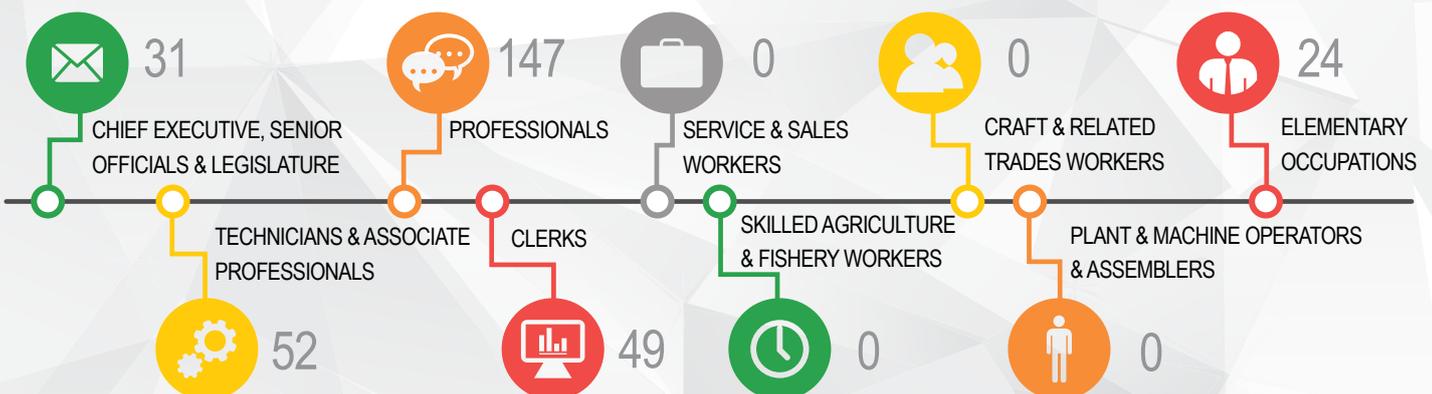




Table 3.13.2 Training provided for the period 1 April 2017 and 31 March 2018

NATIONAL CATEGORY	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2017	TRAINING NEEDS IDENTIFIED AT START OF THE REPORTING PERIOD			
			LEARNERSHIPS	SKILLS PROGRAMMES & OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL
CHIEF EXECUTIVE, SENIOR OFFICIALS AND LEGISLATURE	FEMALE	3		MASTERS PROGRAMS		3
	MALE	2				2
	FEMALE	1		DEGREES/HONS		1
	MALE	1				1
	FEMALE	3		DIPLOMAS & PROGRAMMES		3
	MALE	1				1
	SHORT COURSES					
	FEMALE	1			ESSENTIAL TOOLS FOR EDITORS & JOURNALISTS ETHICS CERTIFICATION	1
		3				3
	MALE	1			ETHICS CERTIFICATION	1
	MALE	2			20TH IIASA	2
	FEMALE	1			PROJECT & RISK MANAGEMENT	1
	FEMALE	1			CPSI	1
	MALE	2			PREMIER CORPORATE GOVERNANCE CONFERENCE REPORT WRITING	2
	MALE	1			GARTNER SYMPOSIUM IT EXPO	1
	MALE	1			ACFE CONFERENCE	1
	FEMALE	2			CFMA AFRICAN INAUGURAL CONFERENCE IRMSA CONFERENCE	2
	MALE	1			PSTF CONFERENCE	1
	MALE	1			SAIPA CONFERENCE	1
	FEMALE	1			SMS CIP	1
FEMALE	1			SCOA	1	
MALE	1			IIASA CONFERENCE	1	



NATIONAL CATEGORY	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2017	TRAINING NEEDS IDENTIFIED AT START OF THE REPORTING PERIOD				
			LEARNERSHIPS	SKILLS PROGRAMMES & OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL	
PROFESSIONALS	FEMALE	4		MASTERS PROGRAMMES		4	
	MALE	5				5	
	FEMALE	1		PHD		1	
	MALE	0				0	
	FEMALE	5		DEGREES/HONS		5	
	MALE	1				1	
	FEMALE	6		NATIONAL DIPLOMAS/ADVANCED		6	
	MALE	3				3	
	FEMALE	15		PROGRAMMES		15	
	MALE	8				8	
	SHORT COURSES						
		FEMALE	1		AUDIT & RISK CONFERENCE		1
			1		IIASA CONFERENCE		1
			1		STAKEHOLDER RELATIONSHIP		1
			1		CPSI CONFERENCE		1
			1		HIV/AIDS MANAGEMENT CONFERENCE		1
			1		EAPA CONFERENCE		1
			1		PSTF CONFERENCE		1
			1		TRAINERS' LEARNING NETWORK		1
			3		BUSINESS ETHICS & CORPORATE GOVERNANCE		3
			3		REPORT WRITING		3
			1		GOVTECH CONFERENCE		1
			1		LOGISTICS MANAGEMENT		1
			1		ETHICS CERTIFICATION		1
			1		INTEGRATED PERFORMANCE MANAGEMENT & MEASUREMENT		1
			1		ESSENTIAL TOOLS FOR EDITORS & JOURNALISTS		1
			2		PFMA & TREASURY REGULATIONS		2
			9		SCOA		9
			7		ADV. ACQUISITION MANAGEMENT		7
			1		MONITORING & EVALUATION		1

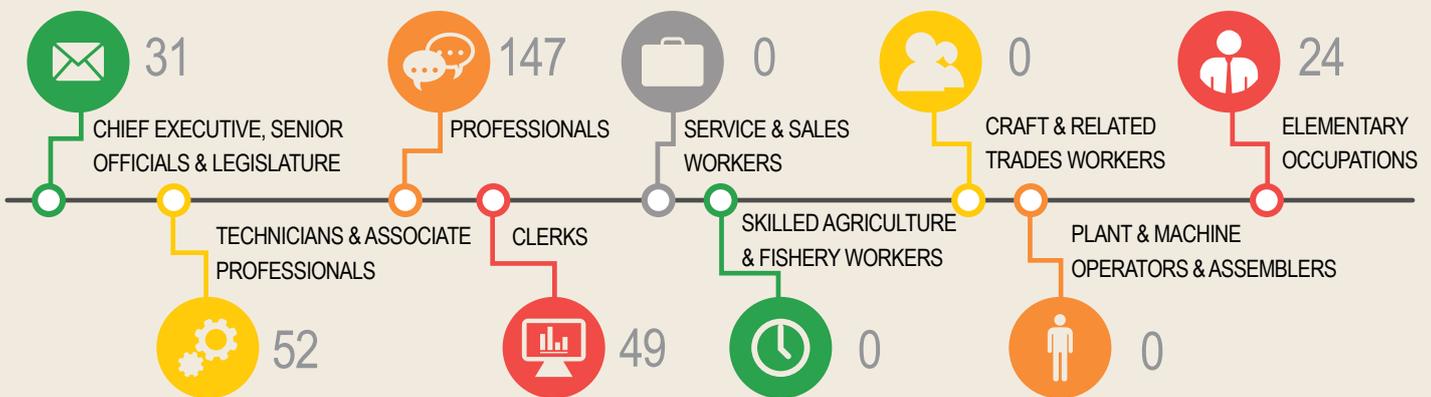
		SHORT COURSES				
PROFESSIONALS		2		COMPULSORY INDUCTION PROGRAMME	2	
	MALE	3		AUDIT & RISK CONFERENCE	3	
		1		THE FUTURE OF ACCOUNTING	1	
		2		ASSET MANAGEMENT	2	
		1		ANNUAL EMPLOYMENT EQUITY CONFERENCE	1	
		1		ISACA CONFERENCE	1	
		1		ACFE CONFERENCE	1	
		1		INFORMATION SECURITY MANAGEMENT	1	
		1		IRMSA CONFERENCE	1	
		3		DEMAND AND ACQUISITION	3	
		1		MONITORING & EVALUATION	1	
		4		ASSET MANAGEMENT	4	
	MALE	3		BUSINESS ETHICS & CORPORATE GOVERNANCE	3	
		2		REPORT WRITING	2	
		2		SAIPA NATIONAL CONFERENCE	2	
		1		SAIOH ANNUAL CONFERENCE	1	
		1		GOVTECH CONFERENCE	1	
	PROFESSIONALS		3		SAAPAM	3
			2		LOGISTICS MANAGEMENT	2
			2		IPM CONVENTION	2
		1		INTEGRATED PERFORMANCE MANAGEMENT & MEASUREMENT	1	
		1		ESSENTIAL TOOLS FOR EDITORS & JOURNALISTS	1	
		1		MICROSOFT EXCEL	1	
		12		SCOA	12	
		4		ADV. ACQUISITION MANAGEMENT	4	
		2		MONITORING & EVALUATION	2	
		3		COMPULSORY INDUCTION PROGRAMME	3	
FEMALE		0		MASTERS PROGRAMMES	0	
MALE		0			0	
FEMALE		1		DEGREE/HONS	1	
MALE		0			0	
FEMALE		1		NATIONAL DIPLOMA/ADV.	1	
MALE	4		4			
FEMALE	10		PROGRAMMES	10		
MALE	5			5		
		SHORT COURSES				
TECHNICIANS AND ASSOCIATE PROFESSIONALS	FEMALE	1		ISACA CONFERENCE	1	
		1		GOVTECH CONFERENCE	1	
	MALE	1		FRAUD & RISK MANAGEMENT	1	
	FEMALE	11		IIASA TRAINING	11	
	MALE	3			3	
	FEMALE	7		COMPULSORY INDUCTION PROGRAMME	7	
	MALE	7			7	



NATIONAL CATEGORY	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2017	TRAINING NEEDS IDENTIFIED AT START OF THE REPORTING PERIOD				
			LEARNERSHIPS	SKILLS PROGRAMMES & OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL	
CLERKS	FEMALE	1		MASTERS PROGRAMMES		1	
	MALE	0				0	
	FEMALE	9		DEGREE/HONS		9	
	MALE	2				2	
	FEMALE	7		NATIONAL DIPLOMA/ADV.		7	
	MALE	2				2	
	FEMALE	14		PROGRAMMES		14	
	MALE	3				3	
	SHORT COURSES						
		MALE	1		ANNUAL EMPLOYMENT EQUITY CONFERENCE		1
		MALE	1		CPSI CONFERENCE		1
			1		LOGISTICS MANAGEMENT		1
		FEMALE	1		MEETING & MINUTES TAKING		1
			1		PSYSSA CONFERENCE		1
			1		INFORMATION SECURITY MANAGEMENT		1
			1		DEMAND MANAGEMENT		1
			1		LOGISTICS MANAGEMENT		1
		1		IPM CONFERENCE		1	
		1		ASSET MANAGEMENT		1	
		1		IIASA		1	
SERVICE AND SALES WORKERS	FEMALE	0				0	
	MALE	0				0	
SKILLED AGRICULTURE AND FISHERY WORKERS	FEMALE	0				0	
	MALE	0				0	
CRAFT AND RELATED TRADES WORKERS	FEMALE	0				0	
	MALE	0				0	
PLANT AND MACHINE OPERATORS AND ASSEMBLERS	FEMALE	0				0	
	MALE	0				0	



NATIONAL CATEGORY	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2017	TRAINING NEEDS IDENTIFIED AT START OF THE REPORTING PERIOD				
			LEARNERSHIPS	SKILLS PROGRAMMES & OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL	
ELEMENTARY OCCUPATIONS	FEMALE	0		MASTERS PROGRAMMES		0	
	MALE	0				0	
	FEMALE	3		DEGREES/HONS		3	
	MALE	1				1	
	FEMALE	4		NATIONAL DIPLOMAS/ADV.		4	
	MALE	0				0	
	FEMALE	0		PROGRAMMES		0	
	MALE	0				0	
	SHORT COURSES						
		FEMALE	15		COMPULSORY INDUCTION PROGRAMME		15
	MALE	1				1	
SUB TOTAL	MALE	195				195	
	FEMALE	123				123	
TOTAL		302				302	

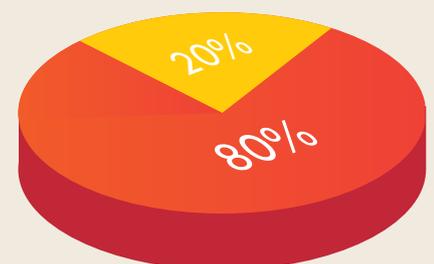


3.14. Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2017 and 31 March 2018

NATURE OF INJURY ON DUTY	NUMBER	% OF TOTAL
Required basic medical attention only	1	20%
Temporary Total Disablement	4	80%
Permanent Disablement	0	0
Fatal	0	0
TOTAL	5	100%



3.15. Utilisation of Consultants

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

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

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2017 and 31 March 2018

PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON PROJECT	DURATION (WORK DAYS)	CONTRACT VALUE IN RAND
N/A			
TOTAL NUMBER OF PROJECTS	TOTAL INDIVIDUAL CONSULTANTS	TOTAL DURATION (WORK DAYS)	CONTRACT VALUE IN RAND
N/A			

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2017 and 31 March 2018

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 2017 and 31 March 2018

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)	DONOR AND 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 2017 and 31 March 2018

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 2017 and 31 March 2017

SALARY BAND	NUMBER OF APPLICATIONS RECEIVED	NUMBER OF APPLICATIONS REFERRED TO THE MPSA	NUMBER OF APPLICATIONS SUPPORTED BY MPSA	NUMBER OF PACKAGES APPROVED BY DEPARTMENT
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
TOTAL	0	0	0	0

PART E:

FINANCIAL INFORMATION



1. REPORT OF THE AUDITOR GENERAL

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

Audit report

Limpopo Provincial Treasury

31 March 2018

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Limpopo Provincial Treasury set out on pages 84 to 124, which comprise the appropriation statement, the statement of financial position as at 31 March 2018, the statement of financial performance and, statement of changes in net assets, and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Limpopo Provincial Treasury as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standard and the requirements of the Public Finance Act of South Africa, 1999 (Act no. 1 of 1999) (PFMA) and Division of Revenue Act of South Africa, 2017 (Act no. 3 of 2017 (DoRA)).

Basis for opinion

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

Uncertainty relating to the future outcome of exceptional litigation

7. With reference to note 17 to the financial statements, the department is the defendant in a claim regarding financial systems. The department is opposing the claim as it believes the claim is unfounded. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements

Irregular expenditure

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

Other matter

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

Unaudited supplementary schedules

10. The supplementary information set out on pages 44 to 75 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

11. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with Modified Cash Standards and the requirements of the PFMA and DoRA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
12. In preparing the financial statements, the accounting officer is responsible for assessing the Limpopo Provincial Treasury's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

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

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

Report on the audit of the annual performance report

Introduction and scope

15. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
16. My procedures address the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning

documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

17. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2018:

Programmes	Pages in the annual performance report
Programme 2: Sustainable resource management	24 – 26
Programme 3: Assets, liabilities and supply chain management	27 – 29

18. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

19. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programmes:

- Programme 2: Sustainable resource management
- Programme 3: Assets, liabilities and supply chain management.

Other matter

20. I draw attention to the matter below.

Achievement of planned targets

21. Refer to the annual performance report on pages 21 to 32 for information on the achievement of planned targets for the year and explanations provided for the over achievement of a number of targets.

Report on the audit of compliance with legislation

Introduction and scope

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

23. I did not raise any material findings on compliance with specific matters in key legislations set out in the general notice issued in terms of the PAA.

Other information

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

Internal control deficiencies

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

Auditor General

Polokwane

02 August 2018



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

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

Financial statements

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

Communication with those charged with governance

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

I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.





LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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**LIMPOPO PROVINCIAL TREASURY
VOTE 5**

**APPROPRIATION STATEMENT
for the year ended 31 March 2018**

Appropriation per programme	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Voted funds and Direct charges									
Programme									
1. ADMINISTRATION	167 634	(76)	(4 711)	162 847	160 497	2 350	98.6%	184 204	182 032
2. SUSTAINABLE RESOURCE MANAGEMENT	90 426	-	(2 401)	88 025	87 450	575	99.3%	97 524	94 516
3. ASSETS, LIABILITIES & SCM	87 190	-	7 617	94 807	93 353	1 454	98.5%	86 492	85 092
4. FINANCIAL GOVERNANCE	85 757	-	(505)	85 252	84 282	970	98.9%	85 119	77 610
Programme sub total	431 007	(76)	-	430 931	425 582	5 349	98.8%	453 339	439 250
Statutory Appropriation	1 902	76	-	1 978	1 978	-	100.0%	1 902	1 902
Statutory Appropriation	1 902	76	-	1 978	1 978	-	100.0%	1 902	1 902
TOTAL	432 909	-	-	432 909	427 560	5 349	98.8%	455 241	441 152
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts				15 897				45 378	
Actual amounts per Statement of Financial Performance (Total)				448 806				500 619	
Add:									
Aid assistance									
Prior year unauthorised expenditure approved without funding									
Actual amounts per Statement of Financial Performance Expenditure					427 560				441 152

LIMPOPO PROVINCIAL TREASURY
VOTE 5

APPROPRIATION STATEMENT
for the year ended 31 March 2018

Appropriation per economic classification	2017/18					2016/17			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	398 664	(1 186)	609	398 087	393 701	4 386	98.9%	411 305	399 010
Compensation of employees	280 145	506	(506)	280 145	279 640	505	99.8%	266 454	259 219
Salaries and wages	243 453	868	(1)	244 320	246 750	(2 430)	101.0%	236 645	229 882
Social contributions	36 692	(362)	(505)	35 825	32 890	2 935	91.8%	29 809	29 337
Goods and services	118 519	(1 692)	1 115	117 942	114 061	3 881	96.7%	144 851	139 791
Administrative fees	4 975	130	303	5 408	5 092	316	94.2%	5 388	4 987
Advertising	1 125	-	(235)	890	868	22	97.5%	1 386	1 189
Minor assets	662	5	(333)	334	434	(100)	129.9%	710	504
Audit costs: External	4 947	(79)	(368)	4 500	4 499	1	100.0%	3 659	3 658
Catering: Departmental activities	1 820	(498)	(35)	1 287	1 200	87	93.2%	1 240	1 078
Communication (G&S)	3 890	498	(35)	4 388	4 386	2	100.0%	3 580	3 520
Computer services	25 060	1 322	6 217	32 599	30 744	1 855	94.3%	29 386	29 124
Consultants: Business and advisory services	18 534	(992)	(2 055)	15 487	15 298	189	98.8%	20 019	19 612
Legal services	1 868	(1 201)	-	667	666	1	99.9%	21 265	21 264
Contractors	1 346	(554)	(46)	746	625	121	83.8%	1 249	1 176
Agency and support / outsourced services	1 923	-	(85)	1 838	1 780	58	96.8%	1 825	1 670
Fleet services (including government motor transport)	1 110	(107)	-	1 003	-	-	-	-	-
Inventory: Fuel, oil and gas	1 953	174	(371)	1 756	1 645	111	93.7%	1 769	1 638
Consumable supplies	3 853	267	(224)	3 896	3 585	311	92.0%	5 513	5 089
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	94	-
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	23 486	462	(505)	23 443	23 422	21	99.9%	19 400	19 400
Transport provided: Departmental activity	70	-	(41)	29	29	-	100.0%	55	42
Travel and subsistence	15 452	(1 012)	(405)	14 035	13 424	611	95.6%	15 283	13 352
Training and development	2 977	-	(19)	2 958	2 821	137	95.4%	2 678	2 620
Operating payments	1 435	18	(446)	1 007	1 095	(88)	108.7%	1 981	1 873
Venues and facilities	2 333	(130)	(234)	1 969	1 761	208	89.4%	2 126	1 825
Rental and hiring	700	-	-	700	683	17	97.6%	-	-
Transfers and subsidies	6 601	1 166	(609)	7 158	7 111	47	99.3%	8 637	8 617
Provinces and municipalities	-	-	-	-	-	-	-	25	25
Municipalities	-	-	-	-	-	-	-	25	25
Municipal agencies and funds	-	-	-	-	-	-	-	25	25
Departmental agencies and accounts	4	-	-	4	4	-	100.0%	-	-
Departmental agencies (non-business entities)	4	-	-	4	4	-	100.0%	-	-
Public corporations and private enterprises	71	-	-	71	70	1	98.6%	-	-
Public corporations	71	-	-	71	70	1	98.6%	-	-
Subsidies on products and production (pc)	71	-	-	71	70	1	98.6%	-	-
Households	6 526	1 166	(609)	7 083	7 037	46	99.4%	8 612	8 592
Social benefits	1 545	1 166	(216)	2 495	2 510	(15)	100.6%	3 603	3 590
Other transfers to households	4 981	-	(393)	4 588	4 527	61	98.7%	5 009	5 002
Payments for capital assets	7 644	-	-	7 644	6 730	914	88.0%	10 246	8 494
Machinery and equipment	7 644	-	-	7 644	6 730	914	88.0%	7 746	7 536
Transport equipment	-	-	-	-	-	-	-	483	482
Other machinery and equipment	7 644	-	-	7 644	6 730	914	88.0%	7 263	7 054
Software and other intangible assets	-	-	-	-	-	-	-	2 500	968
Payment for financial assets	20 000	20	-	20 020	20 018	2	100.0%	25 053	25 031
	432 909	-	-	432 909	427 560	5 349	98.8%	455 241	441 152

LIMPOPO PROVINCIAL TREASURY
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APPROPRIATION STATEMENT
for the year ended 31 March 2018

	2017/18					2016/17				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Sub programme										
1. OFFICE OF THE MEC	4 339	280	-	4 619	4 540	79	98.3%	4 676	4 396	
2. MANAGEMENT SERVICES	9 531	382	-	9 913	9 890	23	99.8%	9 312	9 302	
3. CORPORATE SERVICES	112 224	(736)	(4 103)	107 385	105 490	1 895	98.2%	130 684	128 845	
4. FINANCIAL MANAGEMENT (OFFICE OF THE CFO)	41 540	(2)	(608)	40 930	40 577	353	99.1%	39 522	39 489	
	167 634	(76)	(4 711)	162 847	160 497	2 350	98.6%	184 204	182 032	
Economic classification										
Current payments	154 490	(970)	(4 318)	149 202	147 807	1 395	99.1%	170 052	168 104	
Compensation of employees	96 867	(298)	(466)	96 103	95 959	144	99.9%	92 925	92 913	
Salaries and wages	78 749	(353)	(466)	77 930	84 324	(6 394)	108.2%	82 617	82 606	
Social contributions	18 118	55	-	18 173	11 635	6 538	64.0%	10 308	10 307	
Goods and services	57 623	(672)	(3 852)	53 099	51 848	1 251	97.6%	77 127	75 191	
Administrative fees	481	48	(146)	383	356	27	93.0%	508	415	
Advertising	1 125	-	(235)	890	868	22	97.5%	1 102	909	
Minor assets	662	-	(333)	329	434	(105)	131.9%	683	504	
Audit costs: External	4 947	(79)	(368)	4 500	4 499	1	100.0%	3 659	3 658	
Catering: Departmental activities	273	-	(39)	234	233	1	99.6%	315	258	
Communication (G&S)	3 890	498	-	4 388	4 386	2	100.0%	3 580	3 520	
Computer services	3 815	-	(275)	3 540	3 025	515	85.5%	3 865	3 648	
Consultants: Business and advisory services	824	-	(45)	779	779	-	100.0%	290	286	
Legal services	1 868	(1 201)	-	667	666	1	99.9%	21 265	21 264	
Contractors	1 346	(554)	(46)	746	625	121	83.8%	1 249	1 176	
Agency and support / outsourced services	1 923	5	-	1 928	1 780	148	92.3%	6 170	6 170	
Fleet services (including government motor transport)	110	(107)	(3)	0	1 780	58	96.8%	1 825	1 670	
Inventory: Fuel, oil and gas	1 896	162	(371)	1 687	1 577	110	93.5%	1 687	1 606	
Consumable supplies	1 913	223	(177)	1 959	1 787	172	91.2%	3 087	2 961	
Operating leases	23 486	462	(505)	23 443	23 422	21	99.9%	19 400	19 400	
Property payments	70	-	(41)	29	29	-	100.0%	55	42	
Transport provided: Departmental activity	3 679	(129)	(531)	3 019	2 940	79	97.4%	3 493	3 138	
Travel and subsistence	2 977	-	(19)	2 958	2 821	137	95.4%	2 493	2 438	
Training and development	1 353	-	(446)	907	893	14	98.5%	1 624	1 617	
Operating payments	985	-	(187)	798	724	74	90.7%	598	511	
Venues and facilities	5 500	894	(393)	6 001	5 960	41	99.3%	6 393	6 380	
Transfers and subsides										
Provinces and municipalities	-	-	-	-	-	-	-	25	25	
Municipalities	-	-	-	-	-	-	-	25	25	
Municipal agencies and funds	4	-	-	4	4	-	100.0%	-	-	
Departmental agencies and accounts	4	-	-	4	4	-	100.0%	-	-	
Departmental agencies (non-business entities)	5 496	894	(393)	5 997	5 966	41	99.3%	6 368	6 355	
Households	515	894	-	1 409	1 429	(20)	101.4%	1 776	1 766	
Social benefits	4 981	-	(393)	4 588	4 527	61	98.7%	4 592	4 589	
Other transfers to households	7 644	-	-	7 644	6 730	914	88.0%	7 746	7 536	
Payments for capital assets										
Machinery and equipment	7 644	-	-	7 644	6 730	914	88.0%	7 746	7 536	
Transport equipment	-	-	-	-	-	-	-	483	482	
Other machinery and equipment	7 644	-	-	7 644	6 730	914	88.0%	7 263	7 054	
Payment for financial assets										
	167 634	(76)	(4 711)	162 847	160 497	2 350	98.6%	184 204	182 032	

LIMPOPO PROVINCIAL TREASURY
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APPROPRIATION STATEMENT
for the year ended 31 March 2018

	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Final Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme 2: SUSTAINABLE RESOURCE MANAGEMENT									
Sub programme									
1. PROGRAMME SUPPORT	12 441	128	(2 010)	10 559	10 460	99	99.1%	15 307	15 238
2. ECONOMIC ANALYSIS	2 896	(32)	(36)	2 828	2 687	141	95.0%	2 127	1 800
3. FISCAL POLICY	15 544	147	-	15 691	15 661	30	99.8%	16 349	15 334
4. BUDGET MANAGEMENT	3 894	282	-	4 176	4 149	27	99.4%	4 332	3 582
5. PUBLIC FINANCE	8 786	28	(94)	8 720	8 649	71	99.2%	9 166	8 508
6. INTERGOVERNMENTAL RELATIONS	46 865	(553)	(261)	46 051	45 844	207	99.6%	50 243	50 054
	90 426	-	(2 401)	88 025	87 450	575	99.3%	97 524	94 516
Economic classification									
Current payments	69 839	-	(2 140)	67 699	67 126	573	99.2%	72 433	69 446
Compensation of employees	54 285	(384)	(26)	53 875	53 779	96	99.8%	52 994	50 819
Salaries and wages	48 391	(283)	(26)	48 082	48 166	(84)	100.2%	47 393	45 474
Social contributions	5 894	(101)	-	5 793	5 613	180	96.9%	5 601	5 345
Goods and services	15 554	384	(2 114)	13 824	13 347	477	96.5%	19 439	18 627
Administrative fees	61	-	-	61	52	9	85.2%	161	125
Minor assets	-	5	-	5	-	5	-	-	-
Catering: Departmental activities	146	(30)	-	116	106	10	91.4%	304	260
Consultants: Business and advisory services	10 617	-	(2 010)	8 607	8 481	126	98.5%	13 371	13 371
Consumable: Stationery, printing and office supplies	551	204	(47)	708	705	3	99.6%	894	751
Travel and subsistence	3 466	144	(10)	3 600	3 371	229	93.6%	3 471	3 035
Training and development	-	-	-	-	-	-	-	40	37
Operating payments	9	-	-	9	8	1	88.9%	147	144
Venues and facilities	704	61	(47)	718	624	94	86.9%	1 046	904
Transfers and subsidies	587	-	(261)	326	324	2	99.4%	91	90
Public corporations and private enterprises	71	-	-	71	70	1	98.6%	-	-
Public corporations	71	-	-	71	70	1	98.6%	-	-
Subsidies on products and production (pc)	71	-	-	71	70	1	98.6%	-	-
Households	516	-	(261)	255	254	1	99.6%	91	90
Social benefits	516	-	(261)	255	254	1	99.6%	91	90
Payment for financial assets	20 000	-	-	20 000	20 000	-	100.0%	25 000	24 980
	90 426	-	(2 401)	88 025	87 450	575	99.3%	97 524	94 516

LIMPOPO PROVINCIAL TREASURY
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APPROPRIATION STATEMENT
for the year ended 31 March 2018

	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme 3: ASSETS, LIABILITIES & SCM									
Sub programme									
1. PROGRAMME SUPPORT	1 838	(21)	10	1 827	1 824	3	99.8%	1 312	1 131
2. PROVINCIAL ASSETS MANAGEMENT	13 341	-	408	13 749	13 749	-	100.0%	13 395	12 721
3. LIABILITIES MANAGEMENT	9 285	(279)	555	9 561	9 524	37	99.6%	8 867	8 621
4. PROVINCIAL SUPPLY CHAIN MANAGEMENT	28 310	(1 004)	45	27 351	27 311	40	99.9%	25 639	25 469
5. SUPPORT & INTERLINKED FINANCIAL SYSTEMS	34 416	1 304	6 599	42 319	40 945	1 374	96.8%	37 279	37 150
	87 190	-	7 617	94 807	93 353	1 454	98.5%	86 492	85 092
Economic classification									
Current payments	86 937	(7)	7 572	94 502	93 051	1 451	98.5%	85 374	83 979
Compensation of employees	58 246	(783)	491	57 954	57 820	134	99.8%	53 178	52 391
Salaries and wages	52 553	(783)	491	52 261	50 983	1 278	97.6%	46 865	46 249
Social contributions	5 693	-	-	5 693	6 837	(1 144)	120.1%	6 313	6 142
Goods and services	28 691	776	7 081	36 548	35 231	1 317	96.4%	32 196	31 588
Administrative fees	2 365	(60)	449	2 754	2 972	(218)	107.9%	2 519	2 421
Catering: Departmental activities	297	(47)	4	254	221	33	87.0%	135	120
Computer services	20 778	1 372	6 492	28 642	27 306	1 336	95.3%	25 132	25 099
Consumable supplies	25	-	-	25	24	1	96.0%	34	-
Consumable: Stationery, printing and office supplies	1 384	(204)	-	1 180	1 046	134	88.6%	1 417	1 310
Travel and subsistence	3 091	(261)	136	2 966	2 874	92	96.9%	2 877	2 559
Operating payments	-	-	-	-	80	(80)	-	52	50
Venues and facilities	51	(24)	-	27	25	2	92.6%	30	29
Rental and hiring	700	-	-	700	683	17	97.6%	-	-
Transfers and subsidies	253	-	45	298	296	2	99.3%	1 102	1 097
Households	253	-	45	298	296	2	99.3%	1 102	1 097
Social benefits	253	-	45	298	296	2	99.3%	685	684
Other transfers to households	-	-	-	-	-	-	-	417	413
Payment for financial assets	-	7	-	7	6	1	85.7%	16	16
	87 190	-	7 617	94 807	93 353	1 454	98.5%	86 492	85 092

LIMPOPO PROVINCIAL TREASURY
VOTE 5

APPROPRIATION STATEMENT
for the year ended 31 March 2018

Programme 4: FINANCIAL GOVERNANCE										
	2017/18					2016/17				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Sub programme	85 757	-	(505)	85 252	84 282	970	98.9%	85 119	77 610	
1. PROGRAMME SUPPORT	872	72	-	944	944	-	100.0%	1 684	1 646	
2. ACCOUNTING SERVICES	14 537	1 481	-	16 018	15 616	402	97.5%	16 154	14 431	
3. RISK MANAGEMENT	13 747	(2 535)	-	11 212	11 048	164	98.5%	12 832	9 920	
4. PROVINCIAL INTERNAL AUDIT	42 066	(705)	(505)	40 856	40 741	115	99.7%	36 937	35 106	
5. NORMS AND STANDARDS	14 535	1 687	-	16 222	15 933	289	98.2%	17 512	16 507	
	85 757	-	(505)	85 252	84 282	970	98.9%	85 119	77 610	
Economic classification										
Current payments	85 496	(285)	(505)	84 706	83 739	967	98.9%	81 544	75 579	
Compensation of employees	68 845	1 895	(505)	70 235	70 104	131	99.8%	66 455	61 194	
Salaries and wages	62 115	2 220	-	64 335	61 566	2 769	95.7%	58 125	53 908	
Social contributions	6 730	(325)	(505)	5 900	8 538	(2 638)	144.7%	7 330	7 286	
Goods and services	16 651	(2 180)	-	14 471	13 635	836	94.2%	16 089	14 385	
Administrative fees	2 068	142	-	2 210	1 712	498	77.5%	2 200	2 026	
Advertising	-	-	-	-	-	-	-	284	280	
Minor assets	-	-	-	-	-	-	-	22	-	
Catering: Departmental activities	1 104	(421)	-	683	640	43	93.7%	486	440	
Computer services	467	(50)	-	417	413	4	99.0%	389	377	
Consultants: Business and advisory services	7 093	(992)	-	6 101	6 038	63	99.0%	6 358	5 955	
Consumable supplies	32	12	-	44	44	-	100.0%	48	32	
Consumable: Stationery, printing and office supplies	5	44	-	49	47	2	95.9%	105	67	
Travel and subsistence	5 216	(766)	-	4 450	4 239	211	95.3%	5 442	4 620	
Training and development	-	-	-	-	-	-	-	145	145	
Operating payments	73	18	-	91	114	(23)	125.3%	158	62	
Venues and facilities	593	(167)	-	426	388	38	91.1%	452	381	
Transfers and subsidies	261	272	-	533	531	2	99.6%	1 051	1 050	
Households	261	272	-	533	531	2	99.6%	1 051	1 050	
Social benefits	261	272	-	533	531	2	99.6%	1 051	1 050	
Payments for capital assets	-	-	-	-	-	-	-	2 500	958	
Software and other intangible assets	-	-	-	-	-	-	-	2 500	958	
Payment for financial assets	-	13	-	13	12	1	92.3%	24	23	
	85 757	-	(505)	85 252	84 282	970	98.9%	85 119	77 610	

LIMPOPO PROVINCIAL TREASURY
VOTE 5

APPROPRIATION STATEMENT
for the year ended 31 March 2018

	2017/18				2016/17				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Direct charges									
Sub programme									
1. Statutory Appropriation	1 902	76	-	1 978	1 978	-	1	1 902	1 902
	1 902	76	-	1 978	1 978	-	100.0%	1 902	1 902
Economic classification									
Current payments	1 902	76	-	1 978	1 978	-	100.0%	1 902	1 902
Compensation of employees	1 902	76	-	1 978	1 978	-	100.0%	1 902	1 902
Salaries and wages	1 645	67	-	1 712	1 711	1	99.9%	1 645	1 645
Social contributions	257	9	-	266	267	(1)	100.4%	257	257
	1 902	76	-	1 978	1 978	-	100.0%	1 902	1 902

**LIMPOPO PROVINCIAL TREASURY
VOTE 5**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2018**

1 Detail of transfers and subsidies as per Appropriation Act (after Virement):

Detail of these transactions can be viewed in the note on Transfers and subsidies and Annexure 1 (A-B) to the Annual Financial Statements.

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

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

3 Detail on payments for financial assets

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

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

4.1 Per programme:	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
Administration	164825	162475	2350	1%
Sustainable Resource Management	88025	87450	575	1%
Assets, Liabilities and PSCM	94807	93353	1454	2%
Financial Governance	85252	84282	970	1%

4.2 Per economic classification:	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
Current expenditure				
Compensation of employees	280145	279640	505	0%
Goods and services	117942	114061	3881	3%
Transfers and subsidies				
Households	7158	7111	47	1%
Payments for capital assets				
Buildings and other fixed structures	7644	6730	914	12%
Payments for financial assets	20020	20018	2	0%

Goods and Services

The underspending in 2017/18 was mainly on non-core items such as administration fees, computer services, consumables, travel and subsistence and venues and facilities.

Capital Assets

The underspending is as a result of some capital items that could not be delivered before year end.

**LIMPOPO PROVINCIAL TREASURY
VOTE 5**

**STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2018**

	<i>Note</i>	2017/18 R'000	2016/17 R'000
REVENUE			
Annual appropriation	<u>1</u>	430 931	453 339
Statutory appropriation	<u>2</u>	1 978	1 902
Departmental revenue	<u>3</u>	15 897	45 378
TOTAL REVENUE		<u>448 806</u>	<u>500 619</u>
EXPENDITURE			
Current expenditure			
Compensation of employees	<u>4</u>	279 640	259 219
Goods and services	<u>5</u>	114 061	139 791
Total current expenditure		393 701	399 010
Transfers and subsidies			
Transfers and subsidies	<u>7</u>	7 111	8 617
Total transfers and subsidies		7 111	8 617
Expenditure for capital assets			
Tangible assets	<u>8</u>	6 730	7 536
Intangible assets	<u>8</u>	-	958
Total expenditure for capital assets		6 730	8 494
Payments for financial assets	<u>8</u>	20 018	25 031
TOTAL EXPENDITURE		<u>427 560</u>	<u>441 152</u>
SURPLUS/(DEFICIT) FOR THE YEAR		<u>21 246</u>	<u>59 467</u>
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds		5 349	14 089
Annual appropriation		5 349	14 089
Conditional grants		-	-
Departmental revenue and NRF Receipts	<u>13</u>	15 897	45 378
SURPLUS/(DEFICIT) FOR THE YEAR		<u>21 246</u>	<u>59 467</u>

Prior year figures restated under total current expenditure due to missprint.

**LIMPOPO PROVINCIAL TREASURY
VOTE 5**

**STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2018**

	Note	2017/18 R'000	2016/17 R'000
ASSETS			
Current Assets		6 548	16 467
Cash an cash equivalents	<u>9</u>	6 119	15 870
Receivables	<u>11</u>	429	597
Non-Current Assets		13	16
Receivables	<u>11</u>	13	16
TOTAL ASSETS		6 561	16 483
LIABILITIES			
Current Liabilities		6 253	16 202
Voted funds to be surrendered to the Revenue Fund	<u>12</u>	5 349	14 089
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>13</u>	36	1 858
Payables	<u>14</u>	868	255
Non-Current Liabilities			
TOTAL LIABILITIES		6 253	16 202
NET ASSETS		308	281
Represented by:			
Recoverable revenue		308	281
TOTAL		308	281

**LIMPOPO PROVINCIAL TREASURY
VOTE 5**

**STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2018**

NET ASSETS	Note	2017/18 R'000	2016/17 R'000
Recoverable revenue			
Opening balance		281	276
Transfers		27	5
Irrecoverable amounts written off	<u>6.1</u>	(174)	(51)
Debts recovered (included in departmental receipts)		(174)	(170)
Debts raised		201	226
Closing balance		308	281
TOTAL		308	281

**LIMPOPO PROVINCIAL TREASURY
VOTE5**

**CASH FLOW STATEMENT
for the year ended 31 March 2018**

	2017/18	2016/17
Note	R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts	779 216	862 110
Annual appropriated funds received	<u>1</u> 430 931	453 339
Statutory appropriated funds received	<u>2</u> 1 978	1 902
Departmental revenue received	<u>3</u> 1 153	8 174
Interest received	<u>3.2</u> 345 154	398 695
Net (increase)/ decrease in working capital	784	(146)
Surrendered to Revenue Fund	(362 218)	(447 488)
Current payments	(393 701)	(399 010)
Payments for financial assets	(20 018)	(25 031)
Transfers and subsidies paid	(7 111)	(8 617)
Net cash flow available from operating activities	<u>15</u> (3 048)	(18 182)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for capital assets	<u>8</u> (6 730)	(8 494)
Proceeds from sale of capital assets	<u>3.3</u> -	1 037
Net cash flows from investing activities	(6 730)	(7 457)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/ (decrease) in net assets	27	5
Net cash flows from financing activities	27	5
Net increase/ (decrease) in cash and cash equivalents	(9 751)	(25 634)
Cash and cash equivalents at beginning of period	15 870	41 504
Cash and cash equivalents at end of period	<u>16</u> 6 119	15 870

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Summary of significant accounting policies

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

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

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

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

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7	Revenue
7.1	<p>Appropriated funds</p> <p>Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).</p> <p>Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.</p> <p>The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.</p>
7.2	<p>Departmental revenue</p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>
8	Expenditure
8.1	Compensation of employees
8.1.1	<p>Salaries and wages</p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
8.1.2	<p>Social contributions</p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p>
8.2	<p>Other expenditure</p> <p>Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p>
8.3	<p>Accruals and payables not recognised Accruals and payables not recognised are recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department or in the case of transfers and subsidies when they are due and payable. Accruals and payables not recognised are measured at cost.</p>

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8.4	Leases
8.4.1	<p>Operating leases</p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>
8.4.2	<p>Finance leases</p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> • cost, being the fair value of the asset; or • the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.
9	<p>Cash and cash equivalents</p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.</p>
10	<p>Prepayments and advances</p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p>
11	<p>Loans and receivables</p> <p>Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.</p>
12	Financial assets
12.1	<p>Financial assets (not covered elsewhere)</p> <p>A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial.</p> <p>At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p>

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12.2	<p>Impairment of financial assets</p> <p>Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.</p>
13.	<p>Payables</p> <p>Loans and payables are recognised in the statement of financial position at cost.</p>
14	<p>Capital Assets</p>
14.1	<p>Movable capital assets</p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Biological assets are subsequently carried at fair value. Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p>
14.2	<p>Intangible assets</p> <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</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 that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p>

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15.	Provisions and Contingents
15.1	<p>Provisions</p> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
15.2	<p>Contingent liabilities</p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.</p>
15.3	<p>Contingent assets</p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.</p>
15.4	<p>Commitments</p> <p>Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.</p>
16	<p>Fruitless and wasteful expenditure</p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
17	<p>Irregular expenditure</p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.</p> <p>Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.</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>

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18	<p>Changes in accounting policies, accounting estimates and errors</p> <p>Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</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>Events after the reporting date</p> <p>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p>
20	<p>Recoverable revenue</p> <p>Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>
21	<p>Related party transactions</p> <p>A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.</p>
22	<p>Employee benefits</p> <p>The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.</p>

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1	Annual Appropriation	2017/18			2016/17	
		Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Final Appropriation R'000	Appropriation Received R'000
	Programmes					
	ADMINISTRATION	162 847	162 847	-	184 204	184 204
	SUSTAINABLE RESOURCE MANAGEMENT	88 025	88 025	-	97 524	97 524
	ASSETS, LIABILITIES & SCM	94 807	94 807	-	86 492	86 492
	FINANCIAL GOVERNANCE	85 252	85 252	-	85 119	85 119
	Total	430 931	430 931	-	453 339	453 339
				2017/18 R'000	2016/17 R'000	
2	Statutory Appropriation					
	MEMBERS' REMUNERATION			1 978	1 902	
				1 978	1 902	
	Actual Statutory Appropriation received			1 978	1 902	
				2017/18 R'000	2016/17 R'000	
3	Departmental Revenue					
	Sales of goods and services other than capital assets	<u>3.1</u>		444	770	
	Interest, dividends and rent on land	<u>3.2</u>		345 154	398 695	
	Sales of capital assets	<u>3.3</u>		-	1 037	
	Transactions in financial assets and liabilities	<u>3.4</u>		709	7 280	
	Transfer received	<u>3.5</u>		-	124	
	Total revenue collected			346 307	407 906	
	Less: Own revenue included in appropriation	<u>13</u>		330 410	362 528	
	Departmental revenue collected			15 897	45 378	
				2017/18 R'000	2016/17 R'000	
	3.1 Sales of goods and services other than capital assets	<u>3</u>				
	Sales of goods and services produced by the department			443	547	
	Sales by market establishment			93	89	
	Other sales			350	458	
	Sales of scrap, waste and other used current goods			1	223	
	Total			444	770	
				2017/18 R'000	2016/17 R'000	
	3.2 Interest, dividends and rent on land	<u>3</u>				
	Interest			345 154	398 695	
	Total			345 154	398 695	

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	Note	2017/18 R'000	2016/17 R'000
3.3 Sales of capital assets	<u>3</u>		
Tangible assets		-	1 037
Machinery and equipment	<u>26</u>	-	1 037
Total		<u>-</u>	<u>1 037</u>
		2017/18 R'000	2016/17 R'000
3.4 Transactions in financial assets and liabilities	<u>3</u>		
Other Receipts including Recoverable Revenue		709	7 280
Total		<u>709</u>	<u>7 280</u>
		2017/18 R'000	2016/17 R'000
3.5 Transfers received	<u>3</u>		
Public corporations and private enterprises		-	124
Total		<u>-</u>	<u>124</u>
		2017/18 R'000	2016/17 R'000
4 Compensation of Employees			
4.1 Salaries and wages			
Basic salary		198 337	183 927
Performance award		3 807	4 380
Service Based		190	558
Compensative/circumstantial		2 115	2 303
Periodic payments		140	-
Other non-pensionable allowances		42 161	38 712
Total		<u>246 750</u>	<u>229 880</u>
		2017/18 R'000	2016/17 R'000
4.2 Social Contributions			
Employer contributions			
Pension		25 352	22 788
Medical		7 501	6 518
Bargaining council		37	33
Total		<u>32 890</u>	<u>29 339</u>
Total compensation of employees		<u>279 640</u>	<u>259 219</u>
Average number of employees		597	514

Prior year figures restated under Service based, Compensative/ circumstantial and Other non-pensionable allowance due to SCOA classification.

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	Note	2017/18 R'000	2016/17 R'000
5 Goods and services			
Administrative fees		4 857	4 988
Advertising		868	1 188
Minor assets	<u>5.1</u>	435	504
Catering		1 200	1 077
Communication		4 386	3 519
Computer services	<u>5.2</u>	30 742	29 124
Consultants: Business and advisory services		15 297	19 612
Legal services		666	21 264
Contractors		625	1 177
Agency and support / outsourced services		241	-
Audit cost – external	<u>5.3</u>	4 499	3 658
Fleet services		1 781	1 670
Consumables	<u>5.4</u>	5 230	6 726
Property payments	<u>5.5</u>	23 422	25 569
Rental and hiring		684	-
Transport provided as part of the departmental activities		29	42
Travel and subsistence	<u>5.6</u>	13 421	13 354
Venues and facilities		1 763	1 826
Training and development		2 822	2 619
Other operating expenditure	<u>5.7</u>	1 093	1 874
Total		114 061	139 791

Re- instatement in line with SCOA - Agency and Support R 6170 to Property Payments:Other.

	Note	2017/18 R'000	2016/17 R'000
5.1 Minor assets	<u>5</u>		
Tangible assets		435	504
Machinery and equipment		435	504
Total		435	504

	Note	2017/18 R'000	2016/17 R'000
5.2 Computer services	<u>5</u>		
SITA computer services		10 740	14 665
External computer service providers		20 002	14 459
Total		30 742	29 124

	Note	2017/18 R'000	2016/17 R'000
5.3 Audit cost – external	<u>5</u>		
Regularity audits		4 499	3 658
Total		4 499	3 658

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	Note	2017/18 R'000	2016/17 R'000
5.4 Consumables	<u>5</u>		
Consumable supplies		1 645	1 638
Uniform and clothing		4	6
Household supplies		1 018	941
Building material and supplies		203	299
Communication accessories		5	-
IT consumables		84	205
Other consumables		331	187
Stationery, printing and office supplies		3 585	5 088
Total		5 230	6 726
		2017/18 R'000	2016/17 R'000
5.5 Property payments	<u>5</u>		
Municipal services		2 326	2 161
Property management fees		14 178	16 400
Property maintenance and repairs		416	127
Other		6 502	6 881
Total		23 422	25 569
		2017/18 R'000	2016/17 R'000
5.6 Travel and subsistence	<u>5</u>		
Local		13 024	13 304
Foreign		397	50
Total		13 421	13 354
		2017/18 R'000	2016/17 R'000
5.7 Other operating expenditure	<u>5</u>		
Professional bodies, membership and subscription fees		154	116
Resettlement costs		295	300
Other		644	1 458
Total		1 093	1 874
		2017/18 R'000	2016/17 R'000
6 Payments for financial assets			
Extension of loans for policy purposes		20 000	24 980
Debts written off	<u>6.1</u>	18	51
Total		20 018	25 031

As per the Executive Council Decision No. 64 of 2016/17, it was resolved that a transactional loan amount of R 20 million be availed to Musina Local Municipality to service their Eskom debt and other critical financial obligations.

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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	Note	2017/18 R'000	2016/17 R'000
6.1 Debts written off	<u>6</u>		
Nature of debts written off			
Recoverable revenue written off			
Fruitless and Wasteful Expenditure		-	13
Loss of Official Laptop		-	38
Total		-	51
Other debt written off			
Salary Related		18	-
Total		18	-
Total debt written off		<u>18</u>	<u>51</u>
	Note	2017/18 R'000	2016/17 R'000
7 Transfers and Subsidies			
Provinces and municipalities	28	3	25
Households	ANNEXURE 1B	7 108	8 592
Total		<u>7 111</u>	<u>8 617</u>
	Note	2017/18 R'000	2016/17 R'000
8 Expenditure for capital assets			
Tangible assets		6 730	7 536
Machinery and equipment	<u>26</u>	6 730	7 536
Intangible assets	<u>27</u>	-	958
Software		-	958
Total		<u>6 730</u>	<u>8 494</u>
8.1 Analysis of funds utilised to acquire capital assets - 2017/18			
		Voted Funds	Aid assistance
		R'000	R'000
Tangible assets		6 730	-
Machinery and equipment		6 730	-
Total		<u>6 730</u>	<u>-</u>
8.2 Analysis of funds utilised to acquire capital assets - 2016/17			
		Voted Funds	Aid assistance
		R'000	R'000
Tangible assets		7 536	-
Machinery and equipment		7 536	-
Intangible assets		958	-
Software		958	-
Total		<u>8 494</u>	<u>-</u>
		2017/18 R'000	2016/17 R'000
8.3 Finance lease expenditure included in Expenditure for capital assets			
Tangible assets			
Machinery and equipment		205	1 344
Total		<u>205</u>	<u>1 344</u>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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	Note	2017/18 R'000	2016/17 R'000
9 Cash and Cash Equivalents			
Consolidated Paymaster General Account		6 119	15 870
Total		<u>6 119</u>	<u>15 870</u>

	Note	2017/18 R'000	2016/17 R'000
10 Prepayments and Advances			

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

Prepayments are in respect of IT licences and maintenance renewals

	Note	2017/18			2016/17		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
11 Receivables							
Recoverable expenditure	<u>11.1</u>	-	-	-	2	-	2
Staff debt	<u>11.2</u>	281	13	294	266	16	282
Other debtors	<u>11.3</u>	148	-	148	329	-	329
Total		<u>429</u>	<u>13</u>	<u>442</u>	<u>597</u>	<u>16</u>	<u>613</u>

	Note	2017/18 R'000	2016/17 R'000
11.1 Recoverable expenditure (disallowance accounts)	<u>11</u>		
(Group major categories, but list material items)			
Pension Recoverable		-	2
Total		<u>-</u>	<u>2</u>

	Note	2017/18 R'000	2016/17 R'000
11.2 Staff debt	<u>11</u>		
(Group major categories, but list material items)			
Loss of Official Laptop		251	244
Overpayment on Salary		18	35
Cell Phone Debt		21	-
Tax debt		3	-
Other		1	3
Total		<u>294</u>	<u>282</u>

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	2017/18 R'000	2016/17 R'000
11.3 Other debtors	Note	
	<u>11</u>	
Sal: Income Tax	-	3
Overpayment On Salary	144	261
Other	4	65
Total	<u>148</u>	<u>329</u>
	Note	
11.4 Impairment of receivables	R'000	R'000
Estimate of impairment of receivables	-	206
Total	<u>-</u>	<u>206</u>
	Note	
12 Voted Funds to be Surrendered to the Revenue Fund	R'000	R'000
Opening balance	14 089	10 606
Transfer from statement of financial performance (as restated)	5 349	14 089
Paid during the year	(14 089)	(10 606)
Closing balance	<u>5 349</u>	<u>14 089</u>
	Note	
13 Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	R'000	R'000
Opening balance	1 858	30 834
Transfer from Statement of Financial Performance	15 897	45 378
Own revenue included in appropriation	330 410	362 528
Paid during the year	(348 129)	(436 882)
Closing balance	<u>36</u>	<u>1 858</u>
	Note	
14 Payables - current	R'000	R'000
Advances received	<u>14.1</u> 564	255
Other payables	<u>14.2</u> 304	-
Total	<u>868</u>	<u>255</u>
	Note	
14.1 Advances received	R'000	R'000
	<u>14</u>	
Other institutions	<u>Annexure 5</u> 564	255
Total	<u>564</u>	<u>255</u>
	Note	
14.2 Other payables	R'000	R'000
(Identify major categories, but list material amounts)	<u>14</u>	
Sal: Income Tax	296	-
Sal: Pension Fund	8	-
Total	<u>304</u>	<u>-</u>

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	Note	2017/18 R'000	2016/17 R'000
15 Net cash flow available from operating activities			
Net surplus/(deficit) as per Statement of Financial Performance		21 246	59 467
Add back non cash/cash movements not deemed operating activities		(24 294)	(77 649)
(Increase)/decrease in receivables		171	64
(Increase)/decrease in prepayments and advances		-	10
Increase/(decrease) in payables – current		613	(220)
Proceeds from sale of investments		-	(1 037)
Expenditure on capital assets		6 730	8 494
Surrenders to Revenue Fund		(362 218)	(447 488)
Own revenue included in appropriation		330 410	362 528
Net cash flow generated by operating activities		(3 048)	(18 182)

	Note	2017/18 R'000	2016/17 R'000
16 Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster General account		6 119	15 870
Total		6 119	15 870

	Note	2017/18 R'000	2016/17 R'000
17 Contingent liabilities and contingent assets			
17.1 Contingent liabilities			
Liable to	Nature		
Housing loan guarantees	Employees	635	818
Claims against the department		78 138	73 694
Intergovernmental payables (unconfirmed balances)		4 181	63
Total		82 954	74 575
Contingent assets		2017/18	2016/17
Nature of contingent asset	Note	R'000	R'000
Claims against a supplier		98 000	98 000
Over- Utilisation of Cell Phones and Other		296	-
Total		98 296	98 000

The supplier has a logged a counter claim against the department amounting to R 68,8 million as disclosed in Annexure 2B

	Note	2017/18 R'000	2016/17 R'000
18 Commitments			
Current expenditure			
Approved and contracted		92 321	53 192
		92 321	53 192
Capital Expenditure			
Approved and contracted		130	1 621
		130	1 621
Total Commitments		92 451	54 813

The department has entered into new contracts with SITA which will end in 2023, IBM in 2021, Pholile Business solutions in 2020, GTAC in 2020 and IDI in 2020.

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				2017/18		2016/17	
				R'000		R'000	
19	Accruals and payables not recognised						
	19.1 Accruals						
	Listed by economic classification	30 days	30+ days		Total		Total
	Goods and services	22 744			22 744		3 418
	Total	22 744	-		22 744		3 418
				2017/18		2016/17	
	Listed by programme level			R'000		R'000	
	Administration		<i>Note</i>	4 180		1 714	
	Sustainable Resources Management			7 168		213	
	Assets, Liabilities and Supply Chain Management			11 307		158	
	Financial Governance			89		1 333	
	Total			22 744		3 418	
	19.2 Payables not recognised						
	Listed by economic classification	30 days	30+ days		Total		Total
	Goods and services	1 799	13		1 812		2 129
	Total	1 799	13		1 812		2 129
				2017/18		2016/17	
	Listed by programme level			R'000		R'000	
	Administration		<i>Note</i>	114		9	
	Sustainable Resources Management			29		1 918	
	Assets, Liabilities and Supply Chain Management			1 600		39	
	Financial Governance			69		163	
	Total			1 812		2 129	
	<i>Included in the above totals are the following:</i>			2017/18		2016/17	
	Confirmed balances with departments		<i>Note</i>	R'000		R'000	
			<i>Annex 4</i>	8		14	
	Total			8		14	
				2017/18		2016/17	
	20 Employee benefits			R'000		R'000	
	Leave entitlement			12 062		11 615	
	Service bonus (Thirteenth cheque)			7 493		6 566	
	Performance awards			4 173		3 940	
	Capped leave commitments			33 603		32 979	
	Other			198		369	
	Total			57 528		55 469	

The leave entitlement amount is net of negative leave amounting to R 148 thousand due to some employees utilising their new leave cycle (Jan 2018 -Dec 2018) credits in excess of the days that had accrued to them as at 31 March 2018. Leaves captured after 31 March 2018 (R 101) has been factored into the leave entitlement amount. Included in other employee benefits is an amount in relation to long service awards.

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21 Lease commitments

21.1 Operating leases

2017/18	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	-	-	15 048	-	15 048
Later than 1 year and not later than 5 y	-	-	-	-	-
Later than five years	-	-	-	-	-
Total lease commitments	-	-	15 048	-	15 048

2016/17	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	-	-	14 832	-	14 832
Later than 1 year and not later than 5 y	-	-	-	-	-
Later than five years	-	-	-	-	-
Total lease commitments	-	-	14 832	-	14 832

21.2 Finance leases **

2017/18	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	-	-	-	138	138
Later than 1 year and not later than 5 y	-	-	-	45	45
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	183	183

2016/17	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	-	-	-	608	608
Later than 1 year and not later than 5 y	-	-	-	136	136
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	744	744

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

	Note	2017/18 R'000	2016/17 R'000
22 Irregular expenditure			
22.1 Reconciliation of irregular expenditure			
Opening balance		-	618
As restated		-	618
Add: Irregular expenditure - relating to current year		171	-
Less: Prior year amounts condoned		-	(618)
Irregular expenditure awaiting condonation		171	-
Analysis of awaiting condonation per age classification			
Current year		171	-
Total		171	-
22.2 Details of irregular expenditure – added current year (relating to current and prior years)		2017/18 R'000	
Incident	Disciplinary steps taken/criminal proceedings		
Non-compliance with SCM Processes		171	
Total		171	
22.3 Details of irregular expenditure under investigation (not included in the main note)		2017/18 R'000	
Incident			
Accelerated pay progression for	The matter is currently being investigated by Office of the Premier	3 186	
Total		3 186	
23 Fruitless and wasteful expenditure		2017/18 R'000	2016/17 R'000
23.1 Reconciliation of fruitless and wasteful expenditure			
Opening balance		-	44
Less: Amounts resolved		-	(44)
Closing balance		-	-

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	Note	2017/18 R'000	2016/17 R'000
24 Related party transactions			
Revenue received			
In kind goods and services provided/received			
Provided in kind			
Provincial Treasury renders transversal functions in relation to Audit Committees to all provincial departments, excluding the Provincial Legislature.			
Department of Education		602	691
Department of Social development		354	375
Office of The Premier		354	353
Department of Public Works		662	643
CoGHSTA		430	373
Department of Sport, arts & Culture		386	373
Department of Health		640	638
Department of Safety , Security & Liaison		366	363
Department of Agriculture		617	564
Department of Economic Development, Environment & Tourism		369	333
Department of Transport		368	333
Gateway Airport Authority Limited		-	81
Provincial Treasury renders transversal functions in relation to Internal Audit Services to all provincial departments, excluding the Provincial Legislature.			
Department of Education		6 373	2 515
Department of Social development		3 624	1 317
Office of The Premier		1 777	1 715
Department of Public Works		3 571	2 595
CoGHSTA		3 138	2 176
Department of Sport, arts & Culture		2 324	1 592
Department of Health		4 072	3 600
Department of Safety , Security & Liaison		1 719	1 111
department of Agriculture		2 984	1 965
Department of Economic Development, Environment & Tourism		2 201	2 881
Department of Transport		3 161	2 191
Provincial Treasury rendered services to Departments and Municipalities			
Department of Education		470	-
Received in kind			
Provincial Treasury received a service from Department			
Department of Education		1 371	-
Total		41 933	28 778

List related party relationships

1. Provincial Treasury has a related party relationship with the Department of Public Works, Roads & Infrastructure as Provincial Treasury is making use of the following government owned buildings rental free, 46 Hans Van Rensburg in Polokwane, the Tender Advice Centres at Giyani Government Complex in Mopani and at the Thoyandou Government Complex in Vhembe.
2. The department instituted section 18 of the Public Finance Management Act in the Department of Education.
3. Provincial Treasury is related to all the government departments in Limpopo because we are under common control of the Legislature.
4. Provincial Treasury paid the cost to implement the Asset Management System BAUD in all Provincial departments, however the cost cannot be quantified in terms of each department.
5. Provincial Treasury rendered support to a number of Municipalities, Public Entities and departments in the province, however the cost cannot be quantified in terms of each department.
6. Provincial Treasury has appointed the Government Technical Advisory Centre (GTAC) to assist infrastructure departments in the province, however the cost cannot be quantified in terms of each department.
7. Provincial Treasury has procured a provincial Risk Management Software which will be used by all Provincial departments at no cost at no cost.

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	No. of Individuals	2017/18 R'000	2016/17 R'000
25 Key management personnel			
Political office bearers (provide detail below)	1	1,978	1,902
Officials:			-
Level 15 to 16	8	10,732	10,925
Level 14 (incl CFO if at a lower level)	14	15,804	12,803
Family members of key management personnel	1	325	308
Total		28,839	25,938

26 Movable Tangible Capital Assets

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

	Value				Closing balance R'000
	Opening balance R'000	adjustments R'000	Additions R'000	Disposals R'000	
MACHINERY AND EQUIPMENT	41,919	-	6,700	133	48,486
Transport assets	8,952	-	-	-	8,952
Computer equipment	14,626	-	5,855	-	20,481
Furniture and office equipment	14,013	-	808	133	14,688
Other machinery and equipment	4,328	-	37	-	4,365
TOTAL MOVABLE TANGIBLE CAPITAL	41,919	-	6,700	133	48,486

Re-instatement in line with SCOA

Computer Equipment R 9 280 to Furniture and Office Equipment

Other Machinery & Equipment R 1 036 to Furniture and Office Equipment

Included in Furniture and other Office Equipment is an amount of R 7 857 relating to printers and scanners.

Movable Tangible Capital Assets under investigation

	Number	Value R'000
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	125	2,916

A total number of assets that were not verified at their respective locations are under investigation.

Additions

26.1 ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Cash	Non-cash	(Capital work-in-progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	6,729	176	(205)	-	6,700
Computer equipment	5,686	169	-	-	5,855
Furniture and office equipment	808	-	-	-	808
Other machinery and equipment	235	7	(205)	-	37
TOTAL ADDITIONS TO MOVABLE	6,729	176	(205)	-	6,700

Disposals

26.2 DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Sold for cash	Non-cash disposal	Total disposals	Cash received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	-	133	133	-
Furniture and office equipment	-	133	133	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	133	133	-

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26.3 Movement for 2016/17

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	45,165	-	6,193	9,439	41,919
Transport assets	11,206	-	482	2,736	8,952
Computer equipment	14,969	-	2,929	3,272	14,626
Furniture and office equipment	16,768	-	487	3,242	14,013
Other machinery and equipment	2,222	-	2,295	189	4,328
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	45,165	-	6,193	9,439	41,919

26.4 Minor assets

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

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	8,417	-	8,417
Additions	-	-	-	558	-	558
Disposals	-	-	-	63	-	63
TOTAL MINOR ASSETS	-	-	-	8,912	-	8,912

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

Minor Capital Assets under investigation

	Number	Value
		R'000
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	160	218

1. A total number of minor assets that were not verified at their respective locations are under investigation.

Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	9,591	-	9,591
Additions	-	-	-	503	-	503
Disposals	-	-	-	1,677	-	1,677
TOTAL MINOR ASSETS	-	-	-	8,417	-	8,417

26.5 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2017

	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	-	-	-	5,187	-	5,187
TOTAL MOVABLE	-	-	-	5,187	-	5,187

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26.6 S42 Movable Capital Assets

MAJOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2018

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
No of Assets	-	-	-	6	-	6
Value of the asset (R'000)	-	-	-	133	-	133

MINOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2018

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
No of Assets	-	-	-	19	-	19
Value of the asset (R'000)	-	-	-	63	-	63

MAJOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2017

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
No of Assets	-	-	-	89	-	89
Value of the asset (R'000)	-	-	-	2,238	-	2,238

MINOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2017

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
No of Assets	-	-	-	16	-	16
Value of the asset (R'000)	-	-	-	30	-	30

27 Intangible Capital Assets

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

	Value				
	Opening balance	adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	958	-	-	-	958
TOTAL INTANGIBLE CAPITAL ASSETS	958	-	-	-	958

Movement for 2016/17

27.1 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

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

**LIMPOPO PROVINCIAL TREASURY
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STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Polokwane Municipality	-	-	4	4	3	-	-
	-	-	4	4	3	-	-

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				2016/17 Division of Revenue Act	
	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		R'000
Polokwane Municipality	-	-	4	4	3	-	-	-	-	-	-	-	25
Total	-	-	4	4	3	-	-	-	-	-	-	-	25

LIMPOPO PROVINCIAL TREASURY
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ANNEXURE 1B
STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2016/17 Appropriation Act
	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	
HOUSEHOLDS	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Injury on Duty	15	-	-	15	10	67%	10
Leave Gratuity	2 551	-	-	2 551	2 571	101%	3 593
Bursaries(non Employees)	4 588	-	-	4 588	4 527	99%	5 009
	7 154	-	-	7 154	7 108		8 612
Total	7 154	-	-	7 154	7 108		8 612

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ANNEXURE 1C
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2017/18	2016/17
		R'000	R'000
Received in kind			
Standard Bank South Africa	Fiscal Policy Symposium	-	157
Standard Bank South Africa	Post Budget Breakfast	78	101
Centre for Public Service Innovation	CPSI Awards Prize	-	86
Standard Bank South Africa	Round Table Discussions on SCM	268	-
Standard Bank South Africa	Limpopo Strategic Supply Chain Management Workshop	80	-
Subtotal		426	344
TOTAL		426	344

LIMPOPO PROVINCIAL TREASURY
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ANNEXURE 2A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2018 - LOCAL

GUARANTOR INSTITUTION	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2017	Guarantees draw downs during the year	Guaranteed repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2018	Guaranteed interest for year ended 31 March 2018	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Housing								
Risima Housing Finance Corporation	Housing	-	818	-	183	-	635	-	-
	Subtotal	-	818	-	183	-	635	-	-
	Total	-	818	-	183	-	635	-	-

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ANNEXURE 2B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2018

NATURE OF LIABILITY	Opening balance 1 April 2017	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2018
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Contractual dispute by Supplier	66 694	2 189	-	-	68 883
GNT Security Services	-	1 755	-	-	1 755
Labour dispute by employee	7 000	500	-	-	7 500
Subtotal	73 694	4 444	-	-	78 138
TOTAL	73 694	4 444	-	-	78 138

LIMPOPO PROVINCIAL TREASURY
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ANNEXURE 3
CLAIMS RECOVERABLE

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Limpopo Economic Development, Environment and Tourism	-	418	-	-	-	418
Department of Rural development and Land Reform	22	-	-	-	22	-
Department of Health Bloemfontein	25	-	-	-	25	-
South West Gauteng VTEC	-	-	28	-	28	-
Limpopo Department Of Health	-	-	2	-	2	-
Limpopo Department of Sports Arts and Culture	22	-	-	-	22	-
Limpopo Department of Education	65	-	8	-	73	-
National Treasury	-	6	-	-	-	6
Limpopo Co- Operative Government, Human Settler	51	-	-	-	51	-
National School Of Government	44	-	-	-	44	-
Department of public works	-	-	392	-	392	-
	229	424	430	-	659	424
Total	229	424	430	-	659	424

LIMPOPO PROVINCIAL TREASURY
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 4
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Department of Health Limpopo	-	5	-	-	-	5
Government Printing Works	-	-	-	14	-	14
Department of Public Works Limpopo	-	9	-	-	-	9
National School of Government	-	-	-	8	-	8
Limpopo Legislature	-	-	-	20	-	20
Department of Sports Arts and Culture Limpopo	-	-	5	21	5	21
SAPS	8	-	-	-	8	-
Subtotal	8	14	5	63	13	77
Total Departments	8	14	5	63	13	77
OTHER GOVERNMENT ENTITY						
Current						
SARS	-	-	4 176	-	4 176	-
Subtotal	-	-	4 176	-	4 176	-
Total Other Government Entities	-	-	4 176	-	4 176	-
TOTAL INTERGOVERNMENTAL	8	14	4 181	63	4 189	77

LIMPOPO PROVINCIAL TREASURY
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

ANNEXURE 5
INTER-ENTITY ADVANCES RECEIVED (note 14)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017
	R'000	R'000	R'000	R'000	R'000	R'000
OTHER INSTITUTIONS						
Current						
Bank Seta	564	255	-	-	564	255
Subtotal	564	255	-	-	564	255
TOTAL						
Current	564	255	-	-	564	255

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