



ANNUAL REPORT 2020/21



KWAZULU-NATAL PROVINCE
OFFICE OF THE PREMIER
REPUBLIC OF SOUTH AFRICA





KWAZULU-NATAL PROVINCE

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REPUBLIC OF SOUTH AFRICA



Mr Sihle Zikalala
PREMIER OF KWAZULU-NATAL

VOTE 1

ANNUAL REPORT

2020/21 FINANCIAL YEAR



**GROWING
KWAZULU-NATAL
TOGETHER**

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A man in a dark suit and tie is seated in a black leather office chair, looking off to the side with a serious expression. He is positioned in front of a large window that reflects a modern building with a distinctive peaked roof. The entire image is overlaid with a semi-transparent green filter. A yellow banner with black dots at its ends is centered over the middle of the image.

PART A

GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION



PHYSICAL ADDRESS:

Moses Mabhida Building
300 Langalibalele Street
Pietermaritzburg, 3200



POSTAL ADDRESS:

Private Bag X 9037
Pietermaritzburg, 3201



TELEPHONE NUMBER/S:

033 341 3342



FAX NUMBER:

033 345 8490



EMAIL ADDRESS:

info@kznpremier.gov.za



WEBSITE ADDRESS:

www.kznonline.gov.za

2. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor General of South Africa
AO	Accounting Officer
BBBEE	Broad Based Black Economic Empowerment
CFO	Chief Financial Officer
MEC	Member of Executive Council
HOD	Head of Department
PFMA	Public Finance Management Act
TR	Treasury Regulations
MTEF	Medium Term Expenditure Framework
SMME	Small Medium and Micro Enterprises
SCM	Supply Chain Management
EU	European Union
SITA	State Information Technology Agency
SDIP	Service Delivery Improvement Plan
APP	Annual Performance Plan

3. FOREWORD BY THE PREMIER



MR S ZIKALALA

PREMIER
KWAZULU-NATAL PROVINCIAL GOVERNMENT

This Annual Report reflects on the extent to which government was able, over the past year, to deliver on its mandate commitments.

The mandate of the Office of the Premier is derived from the electoral mandate which is articulated in the Programme of Action.

The National Development Plan 2030 is localised through the KwaZulu Natal Provincial Growth and Development Strategy and Plan.

Taking its cue from this, the Medium-Term Strategic Framework takes a three-year outlook and enables government to better align planning, budgets and the delivery of services.

Against the backdrop of a struggling global economy and the Covid-19 pandemic, financial year 2020/2021 was one of the most testing in our history, and indeed that of the world.

These events tested KwaZulu-Natal's administrative capacity to the limit and while we emerged bruised, our hearts and minds remained fixed on delivering a better life for all.

One of the immediate effects of the Covid-19 pandemic was the readjustment of allocated budgets to accommodate unexpected expenditure. The lockdown negatively affected business activity and redefined the way we interact even with our own friends and family in the time of Covid-19.

In this regard, to a large measure budgets had to be deferred or reallocated to the urgent requirements for social support and economic relief provided to business.

In fulfilling its mandate as the coordinating and monitoring department in the province, the Office of the Premier has a responsibility to demonstrate leadership in key aspects of the provincial administration.

We are thus pleased that the Office of the Premier executed its mandate in terms of its programmes and was able to achieve 92% of its targets for the year.

The 2020/21 year was also defined by the overall improvement in the audit performance of the Office of the Premier where no findings were raised with OTP.

This is best demonstrated by the positive audit outcomes conducted by Treasury and the Auditor-General, where no findings were raised.

This was possible because the Office of the Premier strengthened controls and mitigated risks related to organizational performance, and developed Audit Improvement Plan and risk registers for continuous monitoring and review.

This consistent application resulted in better and improved performance of units as indicated by positive internal audit reports and Auditor General Audit Outcomes.

To coordinate our province's response to Covid-19 the Office of the Premier employed the Provincial Command Council for a structured and consistent programme on both the clinical approach and the communication side. Communication in particular played a key role in publicising key messaging around the Covid-19 and driving compliance with regulations and vaccination plans.

During the period our province rolled out the Economic Recovery and Transformation Plan which aims to kickstart economic growth on an inclusive level.

Tourism, the bread-basket of our province was badly affected by the lockdown and is on the verge of a slow but deliberate recovery. The lockdown led to the virtual collapse of the hospitality industry which is now being nursed back to life through various government interventions at provincial and national level.

The Office of the Premier is responsible for the Royal Household Trust a juristic person established through the Royal Household Trust Act (Act 2 of 2007) which facilitates services to His Majesty the King and the Royal household.

One of the most challenging moments this year was the passing in March of His Majesty King Goodwill Zwelithini kaBhekuzulu. His Majesty's passing was unexpected in the year in which he would have reached attained 50 years on the throne in 2021.

The sombre mood of the entire country and the world was reflected in the many events leading to the final internment of His Majesty.

These two major developments - the discovery of the coronavirus in KwaZulu-Natal and the His Majesty's demise - conspired to define a year of untold misery for our province.

Yet all indications point to a province with resilience and a will to survive against all the odds.

Key to transformation is the skills development drive which will see the empowerment of youth, women and people with disabilities.

The Human Resource Development Strategy is closely aligned to the Provincial Digital Strategy which will leapfrog the province into the Fourth Industrial Revolution. Technology has a key role in driving a future of an equal, non-racial, non-sexist and prosperous KwaZulu-Natal.

Using the Operation Sukuma Sakhe and the District Development Model the Office of the Premier focused on vulnerable groups such as women, people with disability, youth and farm workers and dwellers.

In this regard more remains to be done to end Gender Based Violence and Femicide which is still rampant in our province. The abuse of women, children and those with disabilities remains a scourge in our society.

Key to addressing abuse is economic empowerment. While the Youth Fund was not disbursed this year, other programmes continued.

These programmes included RASET, Operation Vula, the Poverty Eradication Master Plan (PEMP), dealing with HIV and AIDS, TB and dealing with attacks on those with albinism.

More challenges remain and we expect provincial government to work even harder to lead the country to a better KwaZulu-Natal.



MR S ZIKALALA

PREMIER

KWAZULU-NATAL PROVINCE

DATE: 30 September 2021

4. REPORT OF THE ACCOUNTING OFFICER



DR NONHLANHLA O MKHIZE

DIRECTOR – GENERAL
KWAZULU-NATAL PROVINCIAL GOVERNMENT

INTRODUCTION

The Annual Report of the Office of the Premier illustrates the activities of the department during the 2020/21 financial year as it strives towards implementing its vision “Growing Kwa-Zulu Natal together”. It provides the people of KwaZulu Natal with an opportunity to assess the progress made by the Office of the Premier in the 2020/21 financial year in its effort to serve its people.

The report also endeavours to demonstrate the departments' role as it delivers on its constitutional Mandate Section 125 (1) of the Constitution of the Republic of South Africa, 1966 (Act 108 of 1966) as amended.

1. GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

The Office of the Premier spent 91.3% of the appropriated budget of R634,094 million. The expenditure amounted to R578,700 million, resulting in a total under spending of R55,394 million at the financial year end. The table below reflects the appropriation of funds and spending against each Programme.

Programme	Budget 2020/21	Expenditure as at 31 March 2021	Variance	% Spent
	R'000	R'000	R'000	%
Programme 1: Administration	110,394	105,932	4,462	96.0%
Programme 2: Institutional Development	380,279	332,630	47,649	87.5%
Programme 3: Policy and Governance	143,421	140,138	3,283	97.7%
Total	634,094	578,700	55,394	91.3%

Programme 1: Administration

The expenditure for Programme 1: Administration amounted to R105,932 million and this amount is represented as 96.0% spent against a budget of R110,394 million. The total underspending for Programme 1 amounted to R4,462 million and was mainly due to the following reasons:

- Compensation of Employees was underspent by a minimal amount of R9 thousand.

- Goods and Services was underspent by R3,319 million primarily attributed to travel expenses, catering for meetings as well as other administrative expenses that had been greatly reduced due to more virtual meetings taking place as a result of the COVID-19 pandemic.
- Transfers and Subsidies was under spent by a minimal amount of R4 thousand.
- Payments for Capital Assets were underspent by R1,130 million due to the procurement of office furniture and equipment that had been ordered and were not delivered by suppliers prior to the financial year end. A rollover of funds has been requested for committed expenses amounting to R1,080 million.

Programme 2: Institutional Development

The expenditure for Programme 2: Institutional Development amounted to R332,630 million and this amount is represented as 87.5% spent against a budget of R380,279 million. The total underspending for Programme 2 amounted to R47,649 million and was mainly due to the following reasons:

- Compensation of Employees was underspent by R988 thousand as a result of posts such as the Director: Human Resource Support and the Director: Security Risk Management and Vetting that were advertised prior to the financial year end and was still undergoing the necessary recruitment processes for the filling of these posts.
- Goods and Services was underspent by R3,707 million predominately due to travel expenses, catering for meetings as well as other administrative expenses that had been greatly reduced due to more virtual meetings taking place as a result of the COVID-19 pandemic.
- Transfers and Subsidies was underspent by R1,690 million due to the late registration of students as a result of the academic year commencing in March 2021 due to the COVID-19 pandemic.
- Payments for Capital Assets was underspent by R41,264 million mainly as a result of software upgrades that had commenced during the last quarter of the financial year such as the Digital Transformation projects to enhance digital tracking for the Provincial Nerve Centre and other software projects such as E-Leave and E-submission to improve the flow of correspondence as well as DG Tracking to address audit findings. In addition, tools of trade in respect of computer equipment were also ordered to facilitate working remotely during the COVID-19 pandemic, however service providers were unable to deliver the equipment due to stock shortages and delivery thereof is anticipated during 2021/22. These projects will continue into 2021/22, for which approval has been requested from Provincial Treasury for a rollover of funds amounting to R40,866 million.

Programme 3: Policy and Governance

The expenditure for Programme 3: Policy and Governance amounted to R140,138 million and this amount is represented as 97.7% spent against a budget of R143,421 million. The total underspending for Programme 3 amounted to R3,283 million and was mainly due to the following reasons:

- Compensation of Employees was underspent by R167 thousand mainly due to the post of Director: Community Partnership and MRM that was advertised prior to the financial year end and the post is in the recruitment process to be filled.
- Goods and Services was underspent by R2,782 million mainly as a result of the COVID-19 pandemic, as a few events had to be scaled down to adhere to lockdown regulations thereby resulting in a reduction of catering and travel expenses. In addition, delays were encountered in terms of the appointment of a service provider for the Citizens Satisfaction Survey (CSS).
- Transfers and Subsidies was underspent by R233 thousand mainly due to retirement packages that were budgeted for based on estimated costs that did not materialize by the financial year end.
- Payments for Capital Assets was underspent by R101 thousand primarily attributed to office furniture and equipment that was ordered and not yet delivered by suppliers at the financial year end. A rollover of funds amounting to R39 thousand has been requested for these committed expenses.

Virement of Funds:

Programme	Adjusted Budget 2020/21	Shifting of Funds	Final Virement	Final Budget 2020/21
	R'000	R'000	R'000	R'000
Programme 1: Administration	110,155	184	55	110,394
Programme 2: Institutional Development	375,838	(184)	4,625	380,279
Programme 3: Policy and Governance	148,101	0	(4,680)	143,421
Total	634,094	0	0	634,094

Programme 1: Administration

- **Shifting of Funds:**
An amount of R184 thousand was shifted to Programme 1 within Compensation of Employees to cater for the realignment of functions within the Department and the subsequent transfer of officials in line with function shifts.
- **Virement of Funds:**
Savings of R55 thousand was identified against Payments for Capital Assets under Programme 2 due to office furniture that was not purchased. These savings were transferred to Programme 1 to cover office furniture requirements within the Premier Support sub-programme.

Programme 2: Institutional Development

- **Shifting of Funds:**
An amount of R184 thousand was shifted from Programme 2 to Programme 1 within Compensation of Employees to cater for the realignment of functions within the Department and the subsequent transfer of officials in line with function shifts.
- **Virement of Funds:**
Savings of R55 thousand was identified against Payments for Capital Assets under the Legal Services sub-programme, within Programme 2 as a result of office furniture that was not purchased. These funds were transferred to Programme 1 to cover office furniture requirements within the Premier Support sub-programme.

Offsetting the movement of funds to Programme 1, is an amount of R4,680 million that was moved from Programme 3 to Programme 2 to mainly cover the costs in respect of the panel vans that were purchased to serve as mobile offices in order to assist the youth with access to computer equipment and access to information. In addition, funds were also moved to Programme 2 to cater for additional computer equipment required.

Programme 3: Policy and Governance

- **Shifting of Funds:**
Funds were shifted across sub-programmes within Programme 3 to address Compensation of Employees to facilitate the realignment of functions within the Department.
- **Virement of Funds:**
An amount of R4,680 million was moved from Programme 3 to Programme 2 to mainly cover the costs in respect of the panel vans that were purchased to serve as mobile offices to assist the youth with access to computer equipment and access to information. In addition, funds were also moved to Programme 2 to cater for additional computer equipment required for officials to work remotely.

Economic Classification

Economic Classification	Adjusted Budget 2020/21	Shifting of Funds	Final Virement	Final Budget 2020/21
	R'000	R'000	R'000	R'000
Compensation of employees	319 335	0	(12 568)	306 767
Goods and services	242 313	(18 900)	(23 174)	200 239
Transfers and Subsidies	43 978	2 350	8 168	54 496
Payments for capital assets	28 468	16 550	23 017	68 035
Payments for financial assets	0		4 557	4 557
Total	634,094	0	0	634,094

- Shifting of Funds:**

An amount of R18,9 million was shifted from Goods and Services to Payments for Capital Assets to correctly allocate the budget for software upgrades such as the Digital Transformation projects to enhance digital tracking for the Provincial Nerve Centre and other software projects such as E-Leave and E-submission to improve the flow of correspondence as well as to implement DG Tracking to address audit findings.

An amount of R2,350 million was shifted from Payments for capital assets and was moved to Transfers and Subsidies to facilitate the transfer of the capital refurbishment budget to the Zulu Royal Household Trust (ZRHT) in line with the requirements of legislation that the ZRHT is responsible for refurbishments to the Royal Palaces. Provincial Treasury approval was obtained for the shifting of these funds.

The above shifting of funds resulted in the net amount of R16,550 million allocated to Payments for Capital Assets.

- Virement of Funds:**

Compensation of Employees was reduced by R12,568 million and the funds were allocated mainly to Transfers and Subsidies to increase the transfer payment to the Zulu Royal Household Trust by an amount of R8,168 million. An amount of R2,3 million was moved to Payments for Financial Assets to cover the debt write off in respect of the former Department of Royal Household. The balance of R2,1 million was allocated to Payments for Capital Assets to assist with the purchase of additional computer equipment that was required to facilitate officials working remotely.

Savings of R23,174 million was identified against Goods and Services mainly as a result of reduced administrative expenses such as stationery, catering, training and travel expenses that were greatly reduced as a result of officials working remotely during the COVID-19 pandemic lockdown. In addition, the non-finalization of additional office accommodation contributed to the underspending against Goods and Services. These savings were transferred to Payments for Capital Assets for software upgrades as well as to Payments for Financial Assets to cover the debt write off in respect of the former Department of Royal Household.

Transfers and Subsidies was increased by R8,168 million in respect of additional funds required by the Zulu Royal Household Trust for the purchase of vehicles for the Queens amounting to R5,158 million and to cover unanticipated expenses of R3 million arising from the COVID-19 pandemic in terms of additional PPE's and food parcels.

Payments for Capital Assets was increased by R23,017 million to mainly cover the costs in terms of the software upgrades in respect of the Digital Transformation projects to enhance digital tracking for the Provincial Nerve Centre and other software projects such as E-Leave and E-submission to improve the flow of correspondence as well as to implement DG Tracking to address audit findings. In addition, funds were allocated for the purchase of six panel vans and had to be equipped as mobile offices to assist the youth in rural areas with computer access and access to information.

Payments for Financial Assets was increased by R4,557 million mainly due to debts relating to the former Department of Royal Household that was taken over by the Office of the Premier when the former Department of Royal Household was dissolved during the 2014/15 financial year.

The above virement of funds and shifting of funds are all in line with Section 43 of the PFMA, as well as Section 6.3.1 of the Treasury Regulations.

Revenue:

The Office of the Premier collected R508 thousand, represented as 38.5% of the revenue budget of R1,321 million, resulting in a total over-collection of R813 thousand. The table below reflects the revenue budget and revenue collection against each revenue category.

Revenue Category	Revenue Budget 2020/21	Actual Revenue as at 31 March 2021	Variance (Over)/ Under	% Collected
	R'000	R'000	R'000	
Sales of goods and Services	304	178	126	58.6%
Interest, dividends & rent on land	1	46	(45)	4600.0%
Sale of Capital Assets	966	0	966	0%
Transactions in financial assets and liabilities	50	284	(234)	568.0%
Total	1,321	508	(813)	38.5%

- Sales of Goods and Services:**

Revenue received in this category relates to commission received on payroll deductions for insurance and other premiums from employees' salaries and tender fees. The revenue collected on this item amounted to R178 thousand and was under collected by R126 thousand mainly due to a reduction in deductions.

- Interest, dividends & rent on land:**

Interest was over collected by R45 thousand in respect of staff debts.

- Sales of Capital Assets:**

No auction sale was held due to reduced travelling mainly as a result of the lockdowns imposed during the COVID -19 pandemic. Departmental vehicles had therefore not reached their mileage in order to be written-off before the financial year end.

- Transactions in Financial Assets and Liabilities:**

An amount of R284 thousand is the net amount in terms of revenue collected for prior year recoveries as well as in relation to claims in respect of staff debts.

Transfer Payments:

In accordance with Section 38 (1) (j) of the Public Finance Management Act, the Office of the Premier obtained written assurance, from institutions to which transfer payments were made, that effective, efficient and transparent financial management and internal control systems were implemented. For the financial year ending 31 March 2021, transfer payments were made as tabulated below:

NAME OF INSTITUTION	AMOUNT TRANSFERRED	EXPENDITURE
The Zulu Royal Household Trust	R30,654 million	R30,654 million

The Zulu Royal Household Trust

The Zulu Royal Household Trust was established in 2009 as an entity in terms of the KZN Royal Household Trust Act, 2007 and will be governed by the KZN Royal Household Trust Bill, 2015 once enacted. The Zulu Royal Household Trust is responsible for operational costs in respect of the Royal Household.

The main appropriation budget was R20,136 million, however, a post adjustment approval was obtained from Provincial Treasury to increase the transfer payment to the Zulu Royal Household Trust by R10,518 million as additional funds were required for expenses relating to the COVID-19 pandemic as well as for the replacement of six vehicles. Included in the increase of R10,518 million, was also an amount of R2,350 million in respect of the capital infrastructure budget that was being transferred to the Trust as this function normally resides with the Trust as per Legislation.

Transfer payments totalling R30,654 million was therefore made to the Zulu Royal Household Trust by the financial year end.

IRREGULAR EXPENDITURE:

The Irregular Expenditure identified in the 2020/21 financial year is R10 851 million which was mainly due to non-compliance with prevailing government prescripts, more especially on Supply Chain Management.

FRUITLESS AND WASTEFUL EXPENDITURE:

The Office of the Premier incurred Fruitless and Wasteful Expenditure to the value of R103 000 thousand in the 2020/21 financial year. A concerted effort is made by the Department to prevent and reduce Fruitless and Wasteful Expenditure to result in the minimum value reported herein.

PUBLIC PRIVATE PARTNERSHIPS:

The Department has not entered into Public Private Partnerships during the 2020/21 financial year.

DISCONTINUED ACTIVITIES / ACTIVITIES TO BE DISCONTINUED:

The Department did not discontinue any activities during the 2020/21 Financial year.

CORPORATE GOVERNANCE ARRANGEMENTS

Policy Decisions

The role of the Office of the Premier is to ensure that Provincial Government is coordinated, aligned and integrated and is providing sound governance and leadership with a firm focus on poverty eradication, community empowerment and radical economic transformation.

In terms of the alignment to the National Development Plan and Medium Term Strategic Framework (MTSF) 2019-24, this office is aligned to the national and provincial priorities throughout all its plans.

The 2020-2021 was the first year of the new five - year strategic planning cycle, and implementation of the new National Framework for Strategic Planning.

The Department adopted the following impact statement for the five-year term: Transformed, Capable Ethical Developmental Provincial Administration. It aspires to achieve the following outcomes by 2025:

Outcome 1: Improved governance & accountability

Outcome 2: Improved co-ordination, integration and efficiency in government

Outcome 3: Inclusive stakeholder engagement & improved partnerships

Outcome 4: Professional & ethical provincial administration

In the 2020-21 year the Premier indicated that we are intensifying our efforts to improve audit outcomes, root out malfeasance, build social cohesion, and fight crime. We want to see all our municipalities prioritising

the delivery of basic services to our people, especially the provision of clean water and sanitation. Through Operation Siyahlola, we seek to identify weakness early in frontline service delivery points and to intervene on time to attend to weaknesses. Our crime fighting campaign, Operation Vala, will go far in ensuring that we confront and make a dent in violent crime, gender-based violence, and the proliferation of drugs.

Poor performance and corruption remain key focus areas and to this extent a Consequence Management Framework has been developed to address poor performance and irregularities that are hindering progress. A consequence management framework was approved by the Executive Council to ensure that there is effective and uniform consequence management in the Office of the Premier and in other Departments.

Priority was given to revitalising and strengthening Operation Sukuma Sakhe and its integration with the new District Delivery Model that national government launched the previous year.

The District Development Model is a practical Intergovernmental Relations (IGR) mechanism for all three spheres of government including State Owned Entities to plan jointly and act in unison. The Office of the Premier is required to provide oversight, coordinate through the Premiers Coordinating Forums and to receive and coordinate monitoring and evaluation reports. The model and its structures have played an integral part in fighting COVID-19. The virus has already impacted normal life in our Province and touched every corner, every home and every public space.

The Human Resource Turnaround Strategy has been adopted and will be supported by an integrated implementation plan to contribute towards a capable state.

The focus on National Priorities and electoral Mandate, as expressed through the Medium Term-Strategic Framework plans are transversal to the Office of the Premier by virtue of its Constitutional and Legislative mandates, and in particular in the context of its role to coordinate, legislate and provide strategic direction.

The MTSF 2019-2024 also includes the 7 Key Government Priorities, namely:

- Priority 1: Capable, ethical and developmental state
- Priority 2: Economic transformation and job creation
- Priority 3: Education, skills and health
- Priority 4: Consolidating social wage through reliable and basic services
- Priority 5: Spatial development, human settlements and local government
- Priority 6: Social cohesion and safe communities
- Priority 7: A better Africa and a better world

At Provincial level, priorities have been confirmed through the Premier's Priorities from inauguration speech delivered by the Premier of KwaZulu-Natal, Mr Sihle Zikalala - 27 May 2019, as follows:

- Priority No.1 – Basic Services
- Priority No.2 – Job Creation
- Priority No 3 – Growing the Economy
- Priority No.4 – Growing SMMEs and Cooperative
- Priority No. 5 – Education and Skills Development
- Priority No. 6 – Human Settlement and sustainable livelihood
- Priority No. 7 – Build a Peaceful Province
- Priority No. 8 – Build a caring and incorruptible government

Government has renewed focus on integrated planning and service delivery as an approach through the adoption of the District Development Model. Ethekwini is a pilot Metro, and the programme has been rolled out across all districts in KZN. The Office of the Premier is required to provide oversight, coordinate through the Premiers

Coordinating Forums and to receive and coordinate monitoring and evaluation reports. The District Development Model is a practical Intergovernmental Relations (IGR) mechanism for all three spheres of government including its State-Owned Entities to work jointly and to plan and act in unison. The model consists of a process by which joint collaborative planning and implementation is undertaken at district and metropolitan level together by all three spheres of government resulting in a single strategically One-District-One Plan to be finalised throughout KZN by March 2022.

The role of the Office of the Premier is as follows:

- Monitor the effective implementation of District Development Model within the Province.
- Oversee provincial policy and provincial sector planning and budgeting coherence according to national priorities and towards district/metro developmental impact.
- Ensure provincial sector alignment in district/metro Intergovernmental Working sessions and approving and adopting District Development Model, capacity building plans and shared resourcing initiatives.
- Facilitate the stakeholder sector organisation and representation in the District Technical Hub and clusters.
- Convene Premier's Coordinating Forum (PCF) Council and provide feedback and strategic guidance to municipalities.
- Receive and engage on-going reports via COGTA and PCF from the District/Metro Coordination Hubs packaged per district/metro.
- Receive and engage with impact monitoring report; and
- Facilitate the attendance of National Minister at PCF.

The Provincial Administration focus is embedded in all priorities. The Office of the Premier has a central role in leading the Provincial Administration in relation to Priority 1, Capable, Ethical and Developmental State, whilst also contributing to other priorities through its coordination and monitoring role. This also includes the work coordinated through PGDP Action Workgroup 7 and the Human Resource Development Council and Youth Chief Directorate in preparing our youth with skills aligned to the economic growth needs of the Province, and Action Workgroup 13 which drives the ICT and Broadband in KZN. Our Operation Sukuma Sakhe remains key to improving the social wage and health. To this extent, the Executive council has adopted the Digital Transformation strategy which aims to modernise the business of the state, whilst also facilitating the implementation of the National Broadband Strategy. The KwaZulu Natal Executive Council has approved the Provincial Digital Transformation Strategy that is aimed at ensuring digital migration. This will ensure that automated systems are in place. This will go a long way towards ensuring efficiency in the Office of the Premier.

The repositioning and strengthening of Operation Sukuma Sakhe will continue moving forward as it integrates with the new District Delivery Model. The District Development Model brings all three spheres of government together including State Owned Entities to plan, budget and implement jointly. In this model, the Office of the Premier will provide oversight, coordination, monitoring and evaluation. Government's approach to delivery requires a mass mobilisation of resources and partnerships, supported by a people centred and communication strategy that will engage citizens to be active participants in their development.

The COVID-19 pandemic has changed the face of our everyday lives and has forced us to revolutionise the manner in which we think and address issues. The pandemic has further highlighted strengths, weaknesses, opportunities and threats, captured in a risk adjusted strategy and recovery plans that will inform the way government responds to the plight of its citizens. A capable, ethical and developmental state remains a key priority for the centre of government to lead, coordinate, and promote people centred development. It includes embracing technology to allow remote interaction and delivery; forging partnerships with stakeholders to assist in the fight against the pandemic, and creating a space to consider more flexible approaches in policies, plans and resource utilization, whilst also monitoring compliance and promoting a safe and healthy workforce and workspace. It also requires a renewed focus on harvesting of all existing capacities and capabilities across all government spheres and organs of state.

To this extent, the Provincial Government adopted COVID Recovery Plans through its clusters with deliverables incorporated in the revised Annual Performance- and Operational Plans of Departments and Entities. These remain aligned to the MTSF, but adds key priorities required to combat COVID at the different levels.

Fraud and corruption remain a serious challenge and hence interventions relating to combatting and preventing fraud and corruption will be intensified. This will include measures seeking to expedite concluding forensic investigations and application of consequence management and instilling a culture of accountability at all levels, through the application of the Consequence Management Framework

Policy and planning alignment, as well as government wide monitoring and evaluation remain critical areas in terms of the mandate of the Office of the Premier, but also to support improved service delivery and innovation. Moving forward, policy and planning coordination will be strengthened to supporting strategic alignment with the NDP, MTSF and PGDS, assessment of quarterly performance of provincial departments, and strengthening the monitoring of service delivery, including Batho Pele principles compliance, as well as repositioning of the Nerve Centre for improved planning and monitoring systems, as well as improving the spatial dimension of service delivery in the Province. Similarly, macro-policy management needs to be strengthened to support sound policy development through the Socio-Economic Impact System (SEIAS) revitalisation, in partnership with the Presidency.

The Provincial Planning Commission has reviewed the Provincial Growth and Development Strategy to improve alignment to the priorities of the 6th Administration and to promote impact and outcome orientated delivery. The Action Working Groups remain a key instrument to shape, implement and monitor implementation. These institutional arrangements and monitoring tables will receive further attention moving forward to strengthen interventions.

Coordination and progress reports have been identified as critical tools to facilitate monitoring and to identify crucial interventions where needed. Moving forward, the Department will review its Evaluation Plan, and coordinate the Review of the Provincial Evaluation Plan to strengthen evidence informed policy making and to inform service delivery processes.

Improved co-ordination, integration and efficiency in our provincial government will be achieved through the implementation of a Provincial ICT Strategy which supports the fourth industrial revolution and we need to intensify programmatic interventions in the mainstreaming of a culture of human rights through integrated plans for vulnerable groups. Inclusive stakeholder engagement & improved partnerships will be enhanced through spearheading the District Development Model and endorsing the One-District, One-Plan, One-Budget philosophy.

Cost containment has been applied as far as possible and the reprioritisation of posts and projects is ongoing. This has requires innovative approaches, including reskilling and repositioning current resources to support more effective Intergovernmental Relations, the coordination and monitoring of the Poverty Eradication Master Plan (a support tool to the Provincial Growth and Development Plan); Inkululeko Projects; Operation Sukuma Sakhe and reviving the Moral Regeneration Movement.

Whilst economic and resource constraints remain a challenge facing government, the Department will continue to build strategic partnerships with all stakeholders, including the private sector, to increase delivery capacity in the Province. These partnerships are critical in ensuring that the strategic intent, vision and developmental path of the Province is achieved. Efforts will continue to streamline processes and to reduce duplication, whilst also improving social compacts and monitoring thereof.

Inclusive growth requires a more assertive approach in addressing our vulnerable groups and fight against Gender-based violence. The Department will continue to monitor progress on the implementation of a comprehensive Provincial Youth Empowerment Strategy, Human Resource Management Turn-around Strategy; and improved Communication Strategy, as well as intensifying efforts to support vulnerable groups and anti-Gender Based Violence and to facilitate deliberate interventions in policies and plans, with strengthened coordination, monitoring and evaluation. This includes working with Provincial Treasury to support the targeted and budgeted interventions for vulnerable groups.

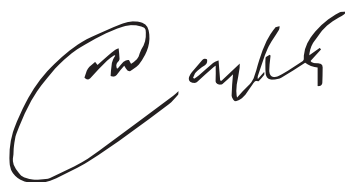
The Department will also lead the development of a Public Sector Development Chapter in the Provincial Human Resource Development Strategy to facilitate delivery against National Priority 1- A Capable, Ethical and Developmental State. This will include the repositioning of the Provincial Public Sector Training Academy

to deliver programmes that will strengthen the public sector in key areas requiring attention on an ongoing basis. An exercise to re-position the Public Service Academy is underway. This will ensure that the Academy is well restructured to be able to deliver programmes that are aligned to the priority of a capable, ethical and development state.

The Office of the Premier disputes the final audit issued by the AGSA on 31 August 2021, in respect of the two material audit findings, namely Procurement and contract management and Expenditure management. The Office of the Premier will be contesting the above-mentioned findings in terms of the formal complaint's resolution mechanism.

The Office of the Premier remains committed to ensure that Provincial Government is coordinated, aligned and integrated and is providing sound governance and leadership with a firm focus on a capable, ethical and developmental state and all national and provincial priorities, including poverty eradication, community empowerment and radical economic transformation. This also includes coordinating and providing continued support to coordinate and provide support in building our social fibre, and to ensure that social cohesion and moral regeneration is revived, in partnership with its citizens and His Majesty.

Yours faithfully



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DR NONHLANHLA O MKHIZE
DIRECTOR – GENERAL
KWAZULU-NATAL PROVINCIAL GOVERNMENT
DATE: 30 September 2021

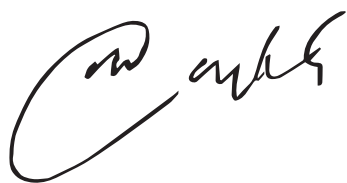
5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

- All information and amounts disclosed throughout the annual report are consistent.
- The annual report is complete, accurate and is free from any omissions.
- The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.
- The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.
- The Accounting Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
- The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2021.

Yours faithfully



.....
DR NONHLANHLA O MKHIZE
DIRECTOR – GENERAL
 KWAZULU-NATAL PROVINCIAL GOVERNMENT
 DATE: 30 September 2021

6. STRATEGIC OVERVIEW

6.1 Vision

The Office of the Premier will be the centre of governance, providing leadership towards achieving KZN Vision 2030

6.2 Mission

The mission of the department is to support the Premier in carrying out his constitutional mandate through:

- Promoting an integrated service delivery model;
- Enhancing cooperative governance within the Province;
- Effective stakeholder management and communication; and
- Enhancing performance management and accountability through monitoring and evaluation.

6.3 Values

In addition to the Batho Pele principles, the Office of the Premier will embrace the values of:

- Integrity;
- Professionalism;
- Accountability; and
- Ubuntu



7. LEGISLATIVE AND OTHER MANDATES

The mandates of the Office in its supportive role to the Premier are embodied in the country's Constitution, Public Service Act and other statutory provisions, National and Provincial policy papers and Cabinet Resolutions. The Office is also the custodian of the body of law applicable in the province.

Some of the legal mandates of the Office of the Premier, with a brief description of what they entail, are as follows:

7.1 Constitution of the Republic of South Africa, 1996

The Constitution provides for the Premier exercising the executive authority, together with the Executive Council, in the Province by:

The following functions are assigned to the Premier specifically:

- Assenting to and signing Bills;
- Referring Bill back to legislature for reconsideration of Bill's constitutionality;
- Referring Bill to Constitutional Court for a decision on the Bill's constitutionality;
- Summoning the legislature to an extraordinary sitting to conduct special business;
- Appointing commissions of inquiry; and
- Calling a referendum in the province in accordance with national legislation.

The following mandates are also assigned to the Premier by the Constitution:

- Appointing Members of Executive Council, assigning their powers and functions and dismissing them;
- Transferring functions of Members of the Executive Council; and
- Temporary assignment of a function of a Member of the Executive Council to another.

7.2 Public Service Act, 1994 and Public Service Regulations, 2001

The Premier has the following functions in terms of the Public Service Act:

To establish or abolish a department of the provincial administration;

To make determinations relating to the assignment, abolishment and transfer of functions of provincial departments; and

Dealing with the appointment and other career incidents of Heads of Department.

As the executing authority of the Office of the Premier, the Premier must exercise those competencies and duties regarding:

- The internal organization of department;
- Establishment of the department; and
- Recruitment, appointment, performance management, promotion, transfer and dismissal of officials and employees, which are assigned to him under the Act.

The Director-General has the following responsibilities as Head of the Provincial Administration:

- Secretary to the Executive Council (Provincial Cabinet);
- Intergovernmental relations between departments, other provincial administrations and national government, including co-ordinating conduct and legislation; and
- Giving strategic direction to the Provincial Administration with regard to:
 - Functions and organizational arrangements;
 - Employment, training, human resource management;
 - Salaries and conditions of service;
 - Labour relations;
 - Information management and technology; and
 - Transformation and reform.

7.3 Public Finance Management Act, 1999 and Treasury Regulations, 2001

The Premier, as executing authority of the Department, has the following functions in terms of the Public Finance Management Act, 1999:

- Ensuring that execution of statutory functions take place within available funds;
- Exercising control of public entities to ensure that it complies with the Act; and
- Tabling in the provincial legislature:
 - The Annual Financial Statements and Annual Report; and
 - The findings of a disciplinary board in respect of financial misconduct.

The Director-General, as Accounting Officer of the Department, has the following responsibilities and functions:

- When the annual budget is introduced, to submit measurable objectives to the legislature in regard to each main division of vote.
- The Accounting Officer must ensure that the department has and maintains:
 - Systems of financial and risk management and internal control;
 - A system of internal audit under the control and direction of an audit committee;
 - An appropriate procurement system; and
 - A system for evaluating all major capital projects prior to a decision on the matter.
- Responsible for the effective, efficient, economical and transparent use of resources of the department.

Must take appropriate steps to—

- Collect all money due to department;
- Prevent unauthorized, irregular, fruitless and wasteful expenditure and losses as a result from criminal conduct;
- Manage available working capital efficiently and economically,

- Responsibility for management of assets and liabilities;
- Budgetary control;
- Reporting responsibilities such as the submission of annual financial statements;
- Submission of required information to Treasury and the Auditor-General such as motivations for expenditure; and
- To draw up an inventory and submit supporting documentation when assets are transferred.

7.4 Labour Relations Act, 1995

The Act regulates the relationship between the department as employer and officials as employees and stipulates their respective rights and obligations. In particular, it provides for the collective agreements to be concluded in order to regulate matters such as the conduct of employees.

7.5 Basic Conditions of Employment Act, 1997

This Act establishes and makes provision for the regulation of basic conditions of employment in compliance with the obligations of the Republic as a member state of the International Labour Organisation.

7.5.1 Employment Equity Act, 1998

This legislation prohibits unfair discrimination in the workplace, provides for affirmative action, the submission of an Employment Equity Plan (EEP) and progress reports on monitoring the implementation of the EEP.

7.5.2 Skills Development Act, 1998

This Act enjoins the Department to develop a skills development strategy for the department, to implement the strategy and to utilize at least 1% of its payroll for the training and education of its employees with effect from 1 April 2000.

7.5.3 Promotion of Equality and Prevention of Unfair Discrimination Act, 2000

This Act binds the Department and prohibits unfair discrimination by it. It also contains a positive obligation on the Department to promote equality.

7.5.4 Promotion of Administrative Justice Act, 2000

In terms of this Act, all administrative decisions must be taken in accordance with the procedure prescribed in the Act or an equivalent procedure stipulated in another law. It also provides for judicial review of administrative action and remedies if any administrative action is not taken in accordance with the Act.

7.5.5 Promotion of Access to Information Act, 2000

Provides for access to any information held by the state or any information held by another person and that is required for the exercise or protection of any rights. It further provides for the procedure whereby information may be requested.

7.5.6 KwaZulu-Natal Commissions Act, 1999

This Act provides the framework for the appointment of Commissions of Inquiry by the Premier and the functioning of such commissions.

7.5.7 National Youth Commission Act, 1996

Section 7A of the Act provides that the Premier, as the Minister responsible for youth matters, be consulted on procedures and programmes to promote and maintain a sound working relationship between the Commission and the Province.

7.5.8 KwaZulu-Natal Youth Commission Act, 1999

This Act mandates the Premier to:

- Appoint the members of the KwaZulu-Natal Youth Commission in accordance with the procedure stipulated therein;
- Provide the Commission with such secretarial, administrative and other support as he may deem necessary;
- Designate an official in the Provincial Administration as the accounting officer of the Commission;
- Establish a youth development and empowerment fund;
- Make rules which shall govern the control of the Fund; and
- Make grants, with the approval of Cabinet, to the Commission for purposes of the integrated youth policy.

7.5.9 Electronic Communications and Transactions Act, 2002

In terms of section 28 of this Act, the Department may specify by notice in the Gazette the manner and format wherein data messages must be filed, the type of electronic signatures required, the appropriate control processes and procedures to ensure adequate security and confidentiality of data messages or payments.

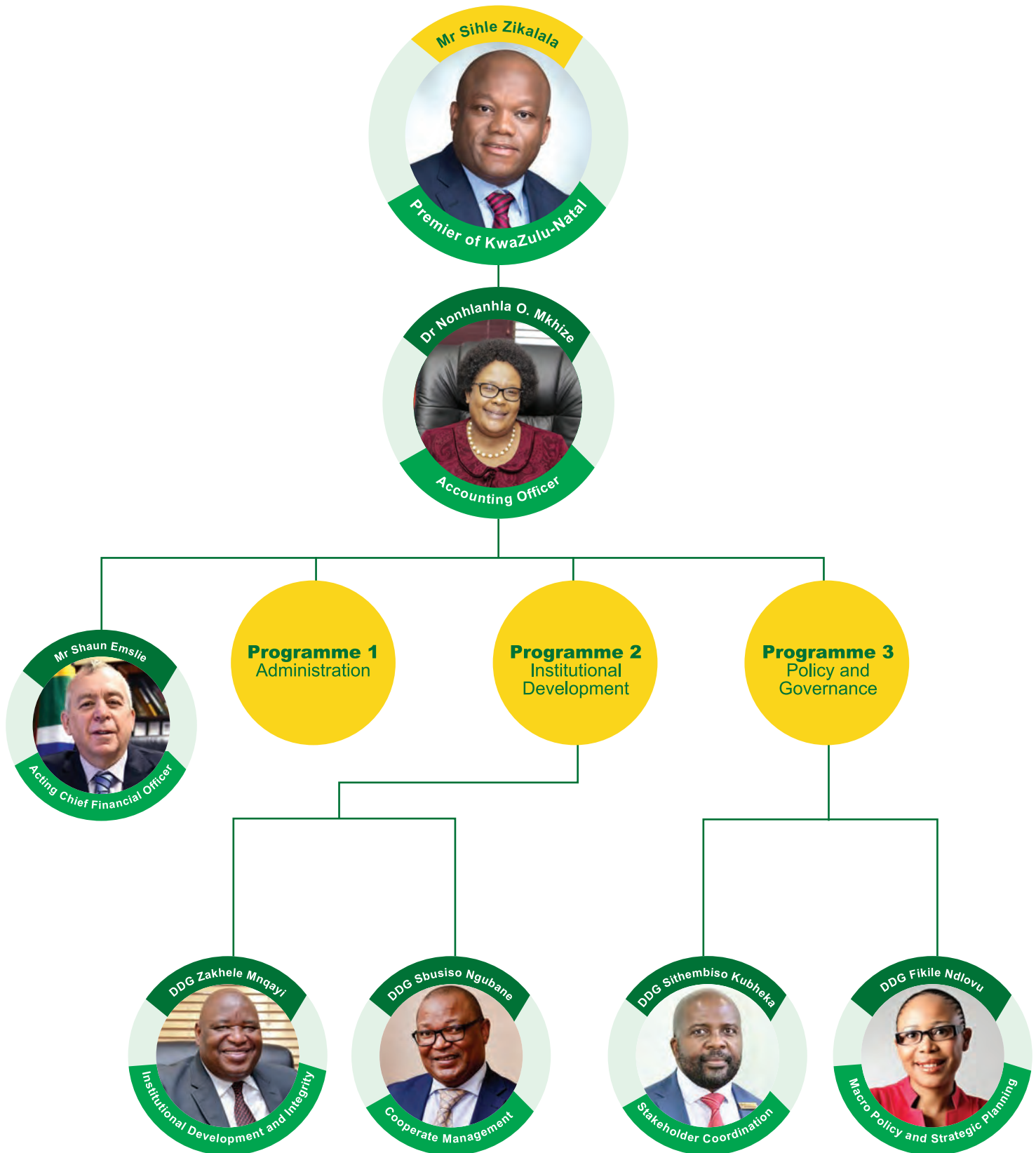
7.5.10 State Information Technology Agency Act, 1999

This law regulates the provision and procurement of goods and services relating to information technology in the Public Service.

7.5.11 Royal Household Trust Act, 2007

The Royal Household Trust is a juristic person established through the Royal Household Trust Act (Act 2 of 2007). The trust is further described as a Provincial entity subject to the provisions of the Public Finance Management Act (Act 1 of 1999).

8. ORGANISATIONAL STRUCTURE



An aerial photograph of a large-scale construction project, likely a stadium or arena, with a yellow overlay. The image shows the extensive steel framework of the building, with numerous cranes and construction equipment visible on the site. The yellow overlay covers the entire image, with a darker green banner in the center containing the text.

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 133 of the Report of the Auditor General, published as Part E: Financial Information.

1. PERFORMANCE INFORMATION BY PROGRAMME

1.1 Programme 1: Administration

PURPOSE

The objective of Programme 1 is to provide administrative support to the Premier, Executive Council and the Director-General in fulfilling their legislative and oversight function and in promoting good corporate governance.

The Programme comprises of the following Sub-Programmes:

- Premier Support
- Executive Council Support
- Director-General Support
- Financial Management
- Inter-governmental Relations

PROGRAMME 1: ADMINISTRATION (Original APP)

Programme / Sub-programme: Executive Support									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/ 2019	Audited Actual Performance 2019/ 2020	Planned Target 2020/ 2021	*Actual Achievement 2020/ 2021	Deviation from planned target to Actual Achievement for 2020/ 2021	Reasons for deviations	Reasons for revisions to Output/ Output Indicators/ Annual Targets
1.1 Improved Governance and Accountability.	Functional Executive Council	Number of Executive Council decision matrix implementation progress reports submitted to the Executive Council.	20	21	20	5	15	Q1 target was achieved as planned.	Target was reviewed for the remaining three quarters, due to the inclusion of the COVID-19 specific indicator in the re-tabled APP.
	Programme / Sub-programme: Financial Management								
	Audit Improvement	Percentage reduction of irregular expenditure.	R137,9m Rands irregular expenditure	44%	25% from 2019 baseline	0	25% from 2019 baseline	Target was set to be achieved in Q4.	Target was reviewed to 20% in the re-tabled APP to align with the Provincial Programme of Action (POA) target of 20% reduction of irregular expenditure.

Programme / Sub-programme: Executive Support									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/ 2019	Audited Actual Performance 2019/ 2020	Planned Target 2020/ 2021	*Actual Achievement 2020/ 2021	Deviation from planned target to Actual Achievement for 2020/ 2021	Reasons for deviations	Reasons for revisions to Output/ Output Indicators/ Annual Targets
1.2 Inclusive stakeholder engagement & improved partnerships.	Programme / Sub-programme: Inter-Governmental Relations								
	International Relations strategy implementation.	Number of International Relations and ODA Strategy implementation monitoring reports.	Not Applicable	Not Applicable	2	0	2	Target set to be achieved in Q2 and 4 respectively.	Target was reviewed to 1 in the re-tabled APP. This was due to reprioritization of human resources to focus on COVID-19 response coordination.
		Number of Twinning Agreements reviewed in line with the South African Foreign policy.	Not Applicable	18	10	0	10	Target was set to be achieved in Q4.	Target was reduced to 8 in the re-tabled APP. This was due to reprioritization of human resources to focus on COVID-19 response coordination.

In the originally tabled Annual Performance Plan until date of re-tabling (August 2020), a total of 4 indicators were reviewed in Programme 1. These were due to adjustments made as a result of COVID-19, which required the Department to intensify its coordination function in response to the pandemic.

PROGRAMME 1: ADMINISTRATION (Re- tabled APP)

Programme / Sub-programme: Executive Council								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/ 2019	Audited Actual Performance 2019/ 2020	Planned Target 2020/ 2021	**Actual Achievement 2020/ 2021	Deviation from planned target to Actual Achievement for 2020/ 2021	Reasons for deviations
1.1 Improved governance & accountability.	Functional Executive Council	Number of Executive Council decision matrix implementation progress reports submitted to the Executive Council.	20	21	9	10	1	An additional meeting was convened to process an urgent matter in preparation for the funeral of His Majesty the King in Q4.
		Number of Special Executive Council decision matrix implementation progress reports submitted to the Executive Council (COVID-19 related).	Not Applicable	Not Applicable	9	10	1	An additional meeting was convened to process matters related to the second wave.
	Programme / Sub-programme: Financial Management							
	Audit Improvement	Percentage of invoices paid within 30 days.	86%	92.7%	90%	79%	-11%	4th quarter preliminary output was 79% compared to the planned output of 90%. Challenges in receipt and processing of invoices by all units resulted in the variance.

Programme / Sub-programme: Executive Council								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/ 2019	Audited Actual Performance 2019/ 2020	Planned Target 2020/ 2021	**Actual Achievement 2020/ 2021	Deviation from planned target to Actual Achievement for 2020/ 2021	Reasons for deviations
		Percentage reduction of wasteful and fruitless expenditure.	R4000	99%	25% from 2019 baseline	R3332,76 (6431% increase)	6406% variance	There has been a year-on-year increase from R51.03 in 2019/20 to R3332.76, with an overall decrease of 17% from the 2018/19 baseline of R4000. The increase was due to two main areas, that of interest charges of Telkom accounts (fax lines) as well as ABSA (motor vehicle expenses). In addition, following the performance review, it was made clear that the Telkom account in respect of fax lines will be discontinued and notice to such effect has been issued to Telkom from June 2021. Members of staff who were responsible for incurring the interest i.r.o ABSA have been required to pay the interest charge themselves.

Programme / Sub-programme: Executive Council								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/ 2019	Audited Actual Performance 2019/ 2020	Planned Target 2020/ 2021	**Actual Achievement 2020/ 2021	Deviation from planned target to Actual Achievement for 2020/ 2021	Reasons for deviations
		Percentage reduction of irregular expenditure.	R137,9m Rands irregular expenditure.	44%	20% from 2019 baseline	84% reduction	64%	Irregular expenditure relating to previous year was R93 351m and the current year's preliminary figure for irregular expenditure for the 20/21 financial year is R14 935 870.28. Irregular expenditure from last year to this year has reduced by 84% due to internal control measures being effective and training conducted to staff.
1.2 Improved co-ordination, integration and efficiency in government.	Programme / Sub-programme: Inter-Governmental Relations							
	Strengthening IGR Structures	Number of PCF decision matrix implementation reports.	3	5	4	7	3	There were additional meetings that were convened to process urgent matters related to levels 4 and 5 of the national lockdown. These looked at other priority activities that were to be coordinated by Departments and municipalities.

Programme / Sub-programme: Executive Council								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/ 2019	Audited Actual Performance 2019/ 2020	Planned Target 2020/ 2021	**Actual Achievement 2020/ 2021	Deviation from planned target to Actual Achievement for 2020/ 2021	Reasons for deviations
1.3 Inclusive stakeholder engagement & improved partnerships.		Number of COHOD meeting decision matrixes implementation reports.	12	13	12	16	4	Due to the COVID-19 pandemic which was declared as a national disaster, OTP ensured close oversight of coordination of government programmes. This resulted in more COHOD engagements with Heads of Departments.
		Number of Special COHOD meeting decision matrixes implementation reports (COVID-19 related).	Not Applicable	Not Applicable	9	9	0	There is no deviation from set target.
	International Relations strategy implementation.	Number of International Relations and ODA Strategy implementation monitoring reports.	Not Applicable	Not Applicable	1	1	0	There is no deviation from set target.
		Number of Twinning Agreements reviewed in line with the South African Foreign policy.	Not Applicable	18	8	8	0	There is no deviation from set target.

Strategy to overcome areas of under performance

Overall, the Department reported underperformance on 2 indicators in Programme 1 (Financial Management). These were in the payment of invoices within 30 days and reduction of fruitless and wasteful expenditure. To address under performance, the Department has assumed the following measures:

- Payment of invoices within 30 days - EXCO took a decision to implement the distribution of monthly reports by Finance unit to each Branch, as well as weekly payment rejections from Finance where minimum audit standards are not met. In addition, Branch heads are implementing consequence management where required following various interventions including training.
- Reduction of fruitless and wasteful expenditure - EXCO took a decision to centralize all the Telkom payments in one unit namely Auxiliary Services following an audit by Internal Control Unit. In addition following the audit it was made clear that the Telkom account in respect of fax lines following discussion with Information Technology, the lines will be discontinued and notice to such effect has been issued to Telkom. In addition, members of staff who were responsible for incurring the interest in respect of ABSA have been required to pay the interest charge themselves. Whilst the percentage is high it must be viewed in context of materiality in rand value of the fruitless and wasteful expenditure.

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

There were no standardized outputs for the Office of the Premier in Programmes 1, 2 and 3.

Changes to planned targets

Targets were revised for indicators to address coordination requirements related to COVID-19. These included indicators on the constitution of special COHOD and Special Executive Council meetings to engage on and process COVID-19 matters.

Linking performance with budgets

All performance is linked to budget. A total of R19, 609m was cut from Programme 1 as part of the reprioritization exercise to address COVID-19 interventions in the Province.

Sub-programme expenditure

Sub- Programme Name	2020/21			2019/20		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Premier Support	26 244	24 568	1 676	33 955	33 411	544
Executive Council Support	12 216	11 484	732	15 655	14 772	883
Director General	18 910	18 037	873	17 662	17 116	546
Financial Management	35 605	35 482	123	36 478	32 507	3 971
Inter-Governmental Relations	17 419	16 361	1 058	34 642	34 080	562
Total	110 394	105 932	4 462	138 392	131 886	6 506

1.2 Programme 2: Institutional Development and Integrity Management

PROGRAMME 2A: STRATEGIC HUMAN RESOURCES (Original APP)

Sub-programme: Strategic Human Resource Management									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/ 2019	Audited Actual Performance 2019/ 2020	Planned Target 2020/ 2021	*Actual Achievement 2020/ 2021	Deviation from planned target to Actual Achievement for 2020/ 2021	Reasons for deviations	Reasons for revisions to Output/ Output Indicators/ Annual Targets
2.1.1 Improved governance & accountability.	Strengthened Labour Relations (Note this Output also links to the Outcome Ethical Professional & ethical provincial administration).	Number of quarterly reports on labour and disciplinary cases submitted to the Executive Council.	Not Applicable	1	4	1	3	Q1 target achieved as planned.	Target was reviewed (reduced) in anticipation of the focus of the Executive Council response on COVID-19.
2.1.2 Professional & ethical provincial administration.	Public Service Development: Public Service training sessions responding to the capacity needs of the public service.	Number of training sessions.	138	88	160	1	-159	Only 1 training took place in Q1 as a result of COVID-19 pandemic, which restricted physical training sessions	Target was reduced for Q2-Q4 in line with levels 4 and 5 of the national lockdown), where physical meetings were restricted. There were insufficient tools of trade for all officials to access online training.

Sub-programme: Strategic Human Resource Management									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/ 2019	Audited Actual Performance 2019/ 2020	Planned Target 2020/ 2021	*Actual Achievement 2020/ 2021	Deviation from planned target to Actual Achievement for 2020/ 2021	Reasons for deviations	Reasons for revisions to Output/ Output Indicators/ Annual Targets
		Number of structured partnerships established with institutions of higher learning.	Not Applicable	1	7	0	-7	No agreements were finalised in Q1 due to COVID-19 restrictions.	Target was reduced due to uncertainty around the COVID-19 pandemic and restrictions.
	Public Service Development: HRD Council meetings.	Number of reports on the implementation of the HRD Council resolutions.	1	1	3	0	-3	Target was set for Q2 to Q4. No target for Q1.	Target was reduced due to uncertainty around the COVID-19 pandemic and restrictions on meetings.

In the originally tabled Annual Performance Plan until date of re-tabling (August 2020), a total of 4 indicators were reviewed for Programme 2A. Training sessions and structured partnerships were not achieved due to restrictions posed by COVID-19.



PROGRAMME 2B: INSTITUTIONAL DEVELOPMENT AND INTEGRITY MANAGEMENT (Original APP)

Sub-programme: Special Programmes									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/ 2019	Audited Actual Performance 2019/ 2020	Planned Target 2020/ 2021	*Actual Achievement 2020/ 2021	Deviation from planned target to Actual Achievement for 2020/ 2021	Reasons for deviations	Reasons for revisions to Output/ Output Indicators/ Annual Targets
2.2.2 Improved coordination, integration and efficiency in government.	Provincial Security Coordination.	Number of Provincial Security Coordination Forum engagement reports.	Not Applicable	Not Applicable	4	1	3	Target set for Q1 was achieved.	Indicator was discontinued and priority given to capacity building of Security Managers in the province. This would in turn improve the performance of the Forum/ Departments.
2.2.4 Professional & ethical provincial administration.	Ethics and Integrity campaign (I Do Right).	Number of departmental awareness workshops on anti-fraud and anti-corruption.	Not Applicable	Not Applicable	14	1	-13	1 workshop took place in Q1. This was due to physical training restrictions posed by COVID-19.	Quarterly targets were revised from 14 to 7, for the remaining 3 quarters of 2020/21. This was due to limited meetings due to COVID-19.

Two indicators were reviewed for Programme 2B. Out of these, 1 was discontinued and the target was revised for the other.

PROGRAMME 2A: STRATEGIC HUMAN RESOURCES (Re-tabled APP)

Outcome	Output	Output Indicator	Audited Actual Performance 2018/ 2019	Audited Actual Performance 2019/ 2020	Planned Target 2020/ 2021	**Actual Achievement 2020/ 2021	Deviation from planned target to Actual Achievement for 2020/ 2021	Reasons for deviations
2.1.1 Improved governance and accountability.	Sub-programme: Strategic Human Resource Management							
	Strengthened Labour Relations (Note this Output also links to the Outcome Ethical Professional & ethical provincial administration).	Number of quarterly reports on labour and disciplinary cases submitted to the Executive Council.	Not Applicable	1	1	3	2	Routinely, reports are presented every quarter. More reports were therefore presented due to the availability of the Executive Council.
	Transversal Provincial HR Policies (Note this Output also links to the Outcome Ethical Professional & ethical provincial administration)	Number of reports on Technical HR support services on KZN HR policy matters.	4	4	4	4	0	No deviation from set target.
		Number of Human Resource compliance monitoring reports.	15	15	15	15	0	No deviation from set target.
	Sub-programme: ICT							
	ICT Governance.	Number of annual provincial ICT Governance assessment reports.	Not Applicable	1	1	1	0	No deviation from set target

Outcome	Output	Output Indicator	Audited Actual Performance 2018/ 2019	Audited Actual Performance 2019/ 2020	Planned Target 2020/ 2021	**Actual Achievement 2020/ 2021	Deviation from planned target to Actual Achievement for 2020/ 2021	Reasons for deviations
2.1.2 Improved co-ordination, integration and efficiency in government.	Sub-programme: Strategic Human Resource Management							
	Operations management productivity assessment reports (Note this Output also links to the Outcome Ethical Professional & ethical provincial administration)	Number of reports on the implementation of the Operations Management Framework.	Not Applicable	Not Applicable	3	3	0	No deviation from set target.
		Number of reports on productivity assessments.	Not Applicable	Not Applicable	4	1	-3	Report for Q1 looked at productivity in terms of implementation of the OMF. Reports for Q2-Q4 were compiled on productivity as a process. The actual measure of productivity is at an outcome level and is dependent on the implementation of Operations Management Framework. OMF is being implemented in Departments.

Outcome	Output	Output Indicator	Audited Actual Performance 2018/ 2019	Audited Actual Performance 2019/ 2020	Planned Target 2020/ 2021	**Actual Achievement 2020/ 2021	Deviation from planned target to Actual Achievement for 2020/ 2021	Reasons for deviations
								The focus has been on Pillars 1 and 2 of the framework and include Service delivery models, Business Process Management, Standard Operating Procedures, Service Standards, Service Delivery Charter and Organisational Development. The actual assessment of productivity where outputs are measured against quality and quantity inputs has not yet been undertaken. More work still needs to be done on the various building blocks prior to actually assessing productivity.
	Compliance with COVID-19 measures and other occupational diseases.	Number of COVID-19 Occupational Health and Safety Compliance Reports.	Not Applicable	Not Applicable	3	3	0	No deviation from set target.

Outcome	Output	Output Indicator	Audited Actual Performance 2018/ 2019	Audited Actual Performance 2019/ 2020	Planned Target 2020/ 2021	**Actual Achievement 2020/ 2021	Deviation from planned target to Actual Achievement for 2020/ 2021	Reasons for deviations
	Sub-programme: ICT							
	Digital Transformation (ICT Strategy).	Number of ICT Strategy Implementation monitoring reports.	Not Applicable	1	2	2	0	No deviation from set target.
		Strategy for Optimisation and Utilisation of Nerve Centre.	Not Applicable	Not Applicable	1	1	0	No deviation from set target.
2.1.4 Professional & ethical provincial administration.	Sub-programme: Strategic Human Resource							
	Public Service Development: Public Service Training Academy Revitalisation Strategy.	Number of Public Service Training Academy Revitalisation Plan's developed.	Not Applicable	Not Applicable	1	1	0	No deviation from set target.
	Public Service Development: Mentorship Programme.	Number of mentorship Programme developed.	Not Applicable	Not Applicable	1	1	0	No deviation from set target.



Outcome	Output	Output Indicator	Audited Actual Performance 2018/ 2019	Audited Actual Performance 2019/ 2020	Planned Target 2020/ 2021	**Actual Achievement 2020/ 2021	Deviation from planned target to Actual Achievement for 2020/ 2021	Reasons for deviations
	Public Service Development: Public Service training sessions responding to the capacity needs of the public service.	Number of training sessions co-ordinated by the Provincial Training Academy.	138	88	50	99	49	Provincial Training Academy collaborated with ICT unit to use virtual platforms such as Microsoft Teams to deliver training. Contact training sessions were conducted within COVID-19 measures and employees were further encouraged to register on e-learning via NSG. This resulted in increased output for the year.
		Number of structured partnerships established with institutions of higher learning.	Not Applicable	1	1	3	2	The HRDC was supposed to have signed one co-operation agreement with institutions of higher learning in Q3. However in August, two institutions (MUT and UKZN) signed the co-operation agreement. The process had been initiated in 2019/20 financial year.
	Public Service Development: HRD Council meetings.	Number of reports on the implementation of the HRD Council resolutions.	Not Applicable	1	2	2	0	No deviation from set target.

Outcome	Output	Output Indicator	Audited Actual Performance 2018/ 2019	Audited Actual Performance 2019/ 2020	Planned Target 2020/ 2021	**Actual Achievement 2020/ 2021	Deviation from planned target to Actual Achievement for 2020/ 2021	Reasons for deviations
2.1.3 Inclusive stakeholder engagement & improved partnerships.	Sub-programme: Communication Services							
	Annual Provincial & Departmental Communication support initiatives.	Number of monitoring reports on implementation of Provincial Communication Plan.	Not Applicable	0	3	3	0	No deviation from set target.
		Number of reports on provincial campaigns communicated.	Not Applicable	Not Applicable	4	4	0	No deviation from set target.



PROGRAMME 2B: INSTITUTIONAL DEVELOPMENT AND INTEGRITY MANAGEMENT (Re-tabled APP)

Sub-programme: Legal Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/ 2019	Audited Actual Performance 2019/ 2020	Planned Target 2020/ 2021	**Actual Achievement 2020/ 2021	Deviation from planned target to Actual Achievement for 2020/ 2021	Reasons for deviations
2.2.1 Improved governance & accountability.	Appropriate and constitutionally compliant Provincial Legislation.	Number of quarterly reports on Provincial Legislative programme.	4	4	4	4	0	No deviation from set target.
	Sub-programme: Special Programmes (Integrity Management)							
	Ethics and integrity of the Public Service.	Number of Premier's Reports on the status of Provincial Investigations.	Not Applicable	Not Applicable	3	3	0	No deviation from set target.
	Sub- Programme : Special Programmes (Security Services and Protocol)							
	Provincial Security Co-ordination Framework.	Number of Provincial Security Co-ordination Framework developed.	Not Applicable	Not Applicable	1	0	1	The Department prioritized the internal security policy. Provincial Framework has been reprioritized for 2021/22 financial year.
		Number of quarterly Minimum Physical Security Standards (MPSS) monitoring coordination reports.	4	4	4	4	0	No deviation from set target.
2.2.2 Improved co-ordination, integration and efficiency in government.	Sub- Programme : Special Programmes (Integrity Management)							
	Ombudsperson Coordination.	Number of OTP Ombudsperson reports.	2	2	4	4	0	No deviation from set target.

Sub-programme: Legal Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/ 2019	Audited Actual Performance 2019/ 2020	Planned Target 2020/ 2021	**Actual Achievement 2020/ 2021	Deviation from planned target to Actual Achievement for 2020/ 2021	Reasons for deviations
	Service delivery monitoring.	Number of quarterly intervention reports on the resolution of service delivery complaints.	4	3	4	4	0	No deviation from set target.
Sub- Programme : Special Programmes (Democracy Support)								
Mainstreaming a culture of human rights through integrated plans for vulnerable groups (Note this output also links with Outcome yielding Inclusive stakeholder engagement & improved partnerships.		Number of updated 5year strategic plans for each target group: 1 x gender equality; 1 x disability, 1 x children; and 1 x senior citizens.	Not Applicable	0	4	4	0	No deviation from set target.
		Number of coordination reports on the protection and empowerment of designated groups (1 x Women, 1 x Senior Citizens, 1 x Children and 1 x People with disabilities).	Not Applicable	12	16	16	0	No deviation from set target.

Sub-programme: Legal Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/ 2019	Audited Actual Performance 2019/ 2020	Planned Target 2020/ 2021	**Actual Achievement 2020/ 2021	Deviation from planned target to Actual Achievement for 2020/ 2021	Reasons for deviations
	Mainstreaming a culture of human rights through integrated plans for vulnerable groups.	Number of monitoring reports on the implementation of 365 days visible campaigns against GBV as part of the Provincial anti GBV and Femicide Plan.	Not Applicable	Not Applicable	4	4	0	No deviation from set target.
		Number of consolidated human rights violation monitoring reports.	2	4	4	4	0	No deviation from set target.
	Sub- Programme : Special Programmes (Youth Development)							
Youth Programmes Coordination (Note this output also links to the Outcome Inclusive stakeholder engagement & improved partnerships).	Number of Integrated Provincial Youth Development Strategy Implementation plans.	Not Applicable	Not Applicable	1	1	0	No deviation from set target.	
	Number of coordination reports on the implementation of provincial youth development plan.	Not Applicable	0	4	4	0	No deviation from set target	
	Number of progress reports on the rollout of the Youth Empowerment Fund.	Not Applicable	1	4	4	0	No deviation from set target	

Sub-programme: Legal Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/ 2019	Audited Actual Performance 2019/ 2020	Planned Target 2020/ 2021	**Actual Achievement 2020/ 2021	Deviation from planned target to Actual Achievement for 2020/ 2021	Reasons for deviations
2.2.4 Professional & ethical provincial administration.	Sub- Programme : Special Programmes (Integrity Management)							
	Ethics and Integrity campaign (I Do Right).	Number of reports on the "I Do Right Even When No-one is Looking" campaign.	4	1	3	3	0	No deviation from set target
		Number of quarterly progress reports (National Anti-corruption Hotline KZN cases).	4	4	4	4	0	No deviation from set target
		Percentage of provincial cases resolved from the National Anti-Corruption hotline (PSC)	Not Applicable	94%	80%	92%	12%	More cases were finalised against set targets during 2020/21. The nature of cases varies and the duration for processing determines the final output (finalization).
		Provincial Hotline established.	Not Applicable	Not Applicable	1	1	0	No deviation from set target
		Number of ethics workshops.	4	4	4	8	4	Additional ethics workshops were conducted due to special requests from Departments.

Sub-programme: Legal Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/ 2019	Audited Actual Performance 2019/ 2020	Planned Target 2020/ 2021	**Actual Achievement 2020/ 2021	Deviation from planned target to Actual Achievement for 2020/ 2021	Reasons for deviations
		Number of departmental awareness workshops on anti-fraud and anti-corruption.	Not Applicable	2	7	11	4	Additional awareness workshops on anti-fraud and anti-corruption were conducted due to special requests from Departments.
		Number of Fraud and Corruption reports.	4	4	4	4	0	No deviation from set target.
		Number of Lifestyle Audit reports.	Not Applicable	Not Applicable	3	3	0	No deviation from set target.
	Sub-programme: (Security Services and Protocol)							
		Number of capacity building sessions conducted for security managers in provincial departments	Not Applicable	1	4	3	1	The COVID 19 lockdown restricted physical interaction required and did not have access to virtual meetings.

A total of three targets were not achieved for the 2020/21 financial year. One was in Programme 2A (Strategic Human Resources) and two were in Programme 2B (Institutional Development and Integrity Management). Details on reasons for deviation are indicated in the table above and strategies to mitigate these are detailed below.

Strategy to overcome areas of under performance

The Department recorded under-performance in two indicators within Programme 2. To address under performance, the Department effected strategies listed below:

- **Reports on productivity assessments** - The implementation of Organizational Management Framework was undertaken in Departments. Reports indicated improvement in their functioning. The first phase of the Framework focused on improvement of business processes which is the first step towards productivity. The actual productivity assessment requires further work which could not be done as departments are still implementing the first pillars which are the backbone of improving productivity. As a corrective measure, the OMF will be implemented fully first, after which an assessment on productivity as will be conducted (outcome level). The indicator has been reviewed in the 2021/22 Annual Performance Plan.
- **Provincial Security Coordination Framework** - The Provincial document was not concluded at the end of the reporting period. The Departmental (OTP) Security Policy was prioritised, developed and approved during this time. The target has been set for 2021/22 to finalize the Provincial Security Framework.

- **Capacity building sessions conducted for security managers in Provincial Departments** - The target was not met in Q2 due to COVID-19 restrictions. The Department has invested in virtual training programmes and structured the content of courses/workshops to allow maximum benefit to trainees, even in cases of non-physical contact.

Changes to planned targets

Targets were revised for indicators after implementation challenges in the first quarter, which were related to COVID-19 restrictions. In most cases as highlighted in tables above, targets were reduced in the re-tabled APP, particularly in the area of Training sessions conducted by the Provincial training academy. The Department considered virtual options to undertake training and considered feasibility of undertaking such in reviewing the related target.

Linking performance with budgets

Targets not achieved were mainly driven through operational costs. There was no significant effect on the budget.

Sub-programme expenditure

Sub- Programme Name	2020/21			2019/20		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Strategic Human Resources	72 344	71 564	780	78 675	72 415	6 260
Information Communication Technology	160 679	120 501	40 178	86 580	82 852	3 728
Legal Services	12 311	11 936	375	12 439	12 209	230
Communication Services	53 342	51 380	1 962	68 040	51 551	16 489
Special Programmes	57 205	53 520	3 685	95 592	92 485	3 107
Forensic Investigations and Integrity Management	24 398	23 729	669	-	-	-
Total	380 279	332 630	47 649	341 326	311 512	29 814



Programme 3: Policy and Governance

PURPOSE

The purpose of this programme is to improve and facilitate the coordination and alignment of the transversal policies, strategies, short- and long-term plans and programmes as well as the reporting and monitoring of these for the Provincial Government. The programme also provides a co-ordinating role for all provincial stakeholders.

It comprises of two Branches, each with sub-programmes.

3a. Macro Policy and Strategic Management

- Provincial Policy Management

3b. Stakeholder Coordination

- Premier's Priority Programme
- King's Support and Royal Household



PROGRAMME 3A: STRATEGIC MANAGEMENT (Original APP)

Sub-programme: Provincial Policy Management									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/ 2019	Audited Actual Performance 2019/ 2020	Planned Target 2020/ 2021	*Actual Achievement 2020/ 2021	Deviation from planned target to Actual Achievement for 2020/ 2021	Reasons for deviations	Reasons for revisions to Output/ Output Indicators/ Annual Targets
3.1.1 Improved co-ordination, integration and efficiency in government.	SDIP reports.	Number of quarterly Service Delivery Improvement Plans (SDIP) implementation monitoring reports.	2	2	4	0	-4	Target was not met due to restricted interaction with communities, Departments and government facilities during level 5 of lockdown. This is required for information to be collected and reports to be developed.	Target was reviewed in the re-tabled APP, in anticipation of physical restrictions posed by COVID-19.
	Integrated MTSF report.	Number of MTSF reports.	1	1	1	1	0	Initially targeted for Q4 but achieved in Q1.	Target was revised to ensure there was the MTSF report for the 2nd quarter, which reflected performance for the previous financial year.

In Programme 3A, adjustments were made to quarterly target allocations for 2 indicators. Both were carried forward in the re-tabled APP, only with revised targets.

PROGRAMME 3B: STAKEHOLDER COORDINATION (Original APP)

Sub-programme: Stakeholder Coordination									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/ 2019	Audited Actual Performance 2019/ 2020	Planned Target 2020/ 2021	*Actual Achievement 2020/ 2021	Deviation from planned target to Actual Achievement for 2020/ 2021	Reasons for deviations	Reasons for revisions to Output/ Output Indicators/ Annual Targets
3.2.1 Improved governance & accountability.	Entity Oversight: Support Plan to His Majesty developed & linked to the budget.	Number of KZN Zulu Royal House Trust support plans developed.	Not Applicable	Not Applicable	1	1	0	Target achieved as planned.	Indicator name was changed slightly in the re-tabled APP to align Plan with support provided by Department to the King, inclusive of the Trust's support to the King.
3.2.2 Improved co-ordination, integration and efficiency in government.	PEMP Co-ordination.	Number of annual Implementation report on Phase IV of the PEMP Master Plan.	Not Applicable	Not Applicable	1	0	-1	Target was set for Q4 in the original APP (i.e. no target for Q1).	The target was reviewed to ensure accurate allocation in the right quarter. This was to ensure collation of all inputs from stakeholders for the previous financial year.

Sub-programme: Stakeholder Coordination									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/ 2019	Audited Actual Performance 2019/ 2020	Planned Target 2020/ 2021	*Actual Achievement 2020/ 2021	Deviation from planned target to Actual Achievement for 2020/ 2021	Reasons for deviations	Reasons for revisions to Output/ Output Indicators/ Annual Targets
3.2.3 Inclusive stakeholder engagement & improved partnerships.	Priority Programmes Co-ordinated.	Number of Rapid Response (RR) programmes coordinated.	Not Applicable	1	1	0	-1	Target was set for Q4 (i.e. no target for Q1).	The annual indicator was reviewed (discontinued) for the Annual Report as progress in this regard would be captured in quarterly reports.
	Izimbizo co-ordinated.	Number of Izimbizo co-ordination reports.	3	Not Applicable	4	0	-4	Q1 target was not achieved due to lockdown regulations, which prevented physical interaction.	The indicator name was adjusted to align with the definition.

In the original APP, a total of 2 indicators were adjusted and another 2 discontinued for Programme 3B.



PROGRAMME 3A: STRATEGIC MANAGEMENT (Re-tabled APP)

Sub-programme: Provincial Policy Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/ 2019	Audited Actual Performance 2019/ 2020	Planned Target 2020/ 2021	**Actual Achievement 2020/ 2021	Deviation from planned target to Actual Achievement for 2020/ 2021	Reasons for deviations
3.1.1 Improved governance and accountability.	Performance Reports of Departments.	Number of Performance Reports on departments.	4	4	4	4	0	No deviation from set target
	Priority Programmes Monitoring reports.	Number of reports on Provincial Priority Programmes.	Not Applicable	Not Applicable	4	4	0	No deviation from set target
3.1.2 Improved co-ordination, integration and efficiency in government.	SDIP reports.	Number of quarterly Service Delivery Improvement Plans (SDIP) implementation monitoring reports.	2	2	1	2	1	Over achievement was due to a Q1 report submitted in Q2, in alignment to the TID for the indicator, which was set on retrospective reporting.
	Siyahlola Reports.	Number of Siyahlola reports	Not Applicable	Not Applicable	4	4	0	No deviation from set target
	Co-ordination of Provincial Evaluation.	Number of reports on the Provincial Evaluation Plan.	Not Applicable	2	2	2	0	No deviation from set target
	Integrated MTSF report.	Number of MTSF reports.	1	1	1	1	0	No deviation from set target

Sub-programme: Provincial Policy Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/ 2019	Audited Actual Performance 2019/ 2020	Planned Target 2020/ 2021	**Actual Achievement 2020/ 2021	Deviation from planned target to Actual Achievement for 2020/ 2021	Reasons for deviations
	District Development Model reports	Number of oversight reports on the District Development Model /OSS.	Not Applicable	Not Applicable	4	4	0	No deviation from set target
	Policy and Research Coordination: Macro Policy & Research inventory.	Number of macro policy & research inventory reports.	Not Applicable	Not Applicable	2	2	0	No deviation from set target.
	Integrated Planning System: Consolidated planning alignment report.	Number of consolidated provincial strategic planning alignment reports.	1	1	1	1	0	No deviation from set target
	Integrated Planning System: Functional Planning Commission.	Number of reports on the implementation of the Provincial Planning Commission business plan.	Not Applicable	Not Applicable	4	4	0	No deviation from set target.
	Integrated Planning System: Reviewed Provincial Growth & development Strategy.	PGDS reviewed.	Not Applicable	Not Applicable	1	1	0	No deviation from set target.

Sub-programme: Provincial Policy Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/ 2019	Audited Actual Performance 2019/ 2020	Planned Target 2020/ 2021	**Actual Achievement 2020/ 2021	Deviation from planned target to Actual Achievement for 2020/ 2021	Reasons for deviations
3.1.4 Professional & ethical provincial administration	Batho Pele compliance reports.	Number of reports on level of compliance with Batho Pele principles.	2	2	2	3	1	Over achievement was due to a report submitted in Q3, when there was no target set. There was a concern over service delivery which prompted an intensive oversight by OTP, where a report was developed and recorded in Q3 performance.



PROGRAMME 3B: STAKEHOLDER COORDINATION (Re-tabled APP)

Sub-programme: Stakeholder Coordination								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/ 2019	Audited Actual Performance 2019/ 2020	Planned Target 2020/ 2021	**Actual Achievement 2020/ 2021	Deviation from planned target to Actual Achievement for 2020/ 2021	Reasons for deviations
3.2.1 Improved governance & accountability.	Entity Oversight: KZN Zulu Royal House Trust quarterly monitoring reports.	Number of KZN Zulu Royal House Trust quarterly monitoring reports	4	4	4	4	0	No deviation from set target
	Entity Oversight: KZN Zulu Royal House Trust Annual Performance Plan Assessment report.	. KZN Zulu Royal House Trust Annual Performance Plan assessment report.	0	1	1	1	0	No deviation from set target
	Entity Oversight: Support Plan to His Majesty developed & linked to the budget.	Number of His Majesty the King's support plans developed.	Not Applicable	Not Applicable	0	0	0	No set target in the re-tabled APP.
3.2.2 Improved co-ordination, integration and efficiency in government.	PEMP Co-ordination	Number of annual Implementation report on PEMP programme.	Not Applicable	Not Applicable	0	0	0	No set target in the re-tabled APP in 2022/ 2021.
		Number of quarterly coordination reports on progress with PEMP implementation by departments.	4	1	4	4	0	No deviation from set target.
	Reviewed OSS implemented.	Number of quarterly reports on the implementation of the revitalisation strategy of OSS.	4	4	4	4	0	No deviation from set target.

Sub-programme: Stakeholder Coordination								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/ 2019	Audited Actual Performance 2019/ 2020	Planned Target 2020/ 2021	**Actual Achievement 2020/ 2021	Deviation from planned target to Actual Achievement for 2020/ 2021	Reasons for deviations
3.2.3 Inclusive stakeholder engagement & improved partnerships.	Priority Programmes Co-ordinated.	Number of consolidated multi-sectorial intervention monitoring and coordination reports on HIV and AIDS & TB	4	4	4	4	0	No deviation from set target.
		Number of quarterly coordination reports on Inkululeko Development projects.	Not Applicable	Not Applicable	4	4	0	No deviation from set target.
		Number of Veteran support services coordination reports.	4	0	4	0	-4	The action plan for Veteran support was not finalized for the year. This affected reporting for the 4 quarters of 2020/21. Submitted reports were not guided by any document, and could therefore not be assessed.

Sub-programme: Stakeholder Coordination								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/ 2019	Audited Actual Performance 2019/ 2020	Planned Target 2020/ 2021	**Actual Achievement 2020/ 2021	Deviation from planned target to Actual Achievement for 2020/ 2021	Reasons for deviations
		Number of reports on the interventions of the Rapid Response programme.	Not Applicable	2	4	4	0	No deviation from set target.
	Strategic Partnership co-ordination reports.	Number of quarterly reports of District Multi-Sectoral Stakeholder engagements.	Not Applicable	Not Applicable	4	4	0	No deviation from set target.
		Number of reports on strategic engagements held with farm workers and farm dwellers.	Not Applicable	2	4	4	0	No deviation from set target.
		Number of MRM coordination reports.	4	4	4	4	0	No deviation from set target.
	Izimbizo co-ordinated	Number of Izimbizo, Sector & Stakeholder engagement co-ordination reports.	Not Applicable	3	3	3	0	No deviation from set target.

The Department did not achieve 2 targets in Programme 3 during 2020/21, under Stakeholder Coordination. These were on Veteran support and Izimbizo engagements conducted (Q1). Reasons for non-achievement are detailed in the tables for Stakeholder Coordination above.

Strategy to overcome areas of under performance

Veteran support services - Action plan was not finalized for the year, which affected reporting for the 4 quarters of 2020/21. Branch Management is to take consequence management action and ensure the finalization of the plan. The implementation of more aggressive performance management of individuals and consequence management will ensure that this is averted in the future.

Izimbizo - Due to restrictions of COVID-19, izimbizo could not be undertaken in Q1. The Department opted for virtual platforms to engage with communities. This strategy will be maintained in 2021/22 and where possible, reduced numbers of people will be accessed through physical engagement while complying with COVID-19 safety regulations.

Changes to planned targets

Changes were effected in the re-tabled Annual Performance Plan which excluded 1st quarter targets.

Linking performance with budgets

There was a total of R62 034m budget cut from Programme 3, with most reduction in Premier's Priority Programmes. This was commensurate with the reduction in targets, in light of COVID-19 restrictions.

Sub-programme expenditure

Sub- Programme Name	2020/21			2019/20		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Provincial Policy Management	37 366	35 517	1 849	48 615	48 073	542
Premier's Priority Programmes	32 303	31 201	1 102	107 199	106 689	510
Royal Household	73 752	73 420	332	79 440	75 440	4 000
Total	143 421	140 138	3 283	235 254	230 202	5 052



Reporting on the Institutional Response to the COVID-19 Pandemic

1. Internal COVID-19 interventions

The Office of the Premier implemented three main interventions in response to the COVID-19 pandemic. These were:

- i. Procurement of Personal Protective Equipment, including office cleaning material, machinery and gadgets.
- ii. Implementation of Departmental Health and Wellness programme to track effects of the pandemic in public servants.
- iii. Information and Communication Technology to provide the required ICT equipment to officials for remote working during lockdown.

2. External COVID-19 interventions

2.1 Coordination of the Provincial Command Council led by the Premier.

Externally, the Office of the Premier coordinated COVID-19 implementation intervention across the 4 Clusters of the Executive Council. Each of the provincial Departments was responsible for driving its own interventions, which will be reported individually by Departments in their Annual Reports. Broadly, interventions were developed for each of the Clusters to ensure coordination of government responses as:

- i. Social Cluster - Education, health, human settlements, food security and social relief
- ii. Economic Cluster - Business compliance and support.
- iii. Safety and Security Cluster- community safety, arrests for non-compliance including Gender Based Violence linked to the lockdown.
- iv. Governance Cluster - Occupational health and safety, water and sanitation, ICT and communications.

There was progressive implementation in the Social, governance and safety and Security Clusters. Challenges were observed in the Economic Cluster, with business compliance being the most challenging indicator to measure.

2.2 Coordination of the Provincial Health and Wellness programme to track effects of the pandemic in public servants.

2.3 Communication services to improve awareness about COVID-19.

3. Provincial Evaluation on COVID-19

A Rapid evaluation on the implementation of COVID-19 interventions in KZN is in progress. The study focuses on the implementation of the 4 Cluster programmes, including programme coordination, challenges, successes and budget. Results of the study will inform future planning on COVID-19.

Progress on institutional Response to the COVID-19 Pandemic.

Budget Programme	Intervention	Geographic location (Province/District/local municipality) (Where Possible)	No. of beneficiaries (Where Possible)	Disaggregation of Beneficiaries (Where Possible)	Total budget allocation per intervention (R'000)	Budget spent per intervention (R'000)	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
Programme 1	Coordination of the Provincial Command Council led by the Premier.	KZN	N/A	N/A	2 000	315	Most targets on the coordination of the Provincial Command Council (PCC) were exceeded.	i. There was increased awareness of the COVID-19 pandemic by communities. ii. There was improved coordination of government interventions as a result of the central, high-level structure (PCC), which was replicated at 11 Districts in the province. iii. Decisions taken and implemented as a result of the PCC improved governance in the province.
Programme 2	Procurement of Personal Protective Equipment, including office cleaning material, machinery and gadgets.	All OTP offices in KZN.	All OTP officials in KZN.	100% distribution.	2 520	2 793	The overall achievement of APP targets was partly a result of a clean, safe working environment which made it possible for officials to do their work.	A healthy work environment was created for employees.

	Coordination of the Provincial Health and Wellness programme to track effects of the pandemic in public servants.	All provincial Departments and municipalities.	Refer to table below.	Refer to statistics table below (Table B10).	Operational costs	Operational costs	APP targets for the occupational health and safety compliance reports were fully achieved during 2020/21.	COVID-19 Information dissemination to officials was improved, which in turn increased compliance levels by public servants. Compliance at Q4 was reported to be at 75%. This had a potential effect of increased awareness in both officials and their families. There was improved containment of the spread of the virus, as a result of health infrastructure and the compliance with health and safety protocols.
	Information and Communication Technology.	All OTP office.	All identified OTP officials.	About 95% of computer equipment (laptops, desktops, cellular phones and 3G routers procured in 2020/21 was delivered to OTP staff.	8 000	5 000, the remainder was allocated for the Cabinet Boardroom upgrade.	Targets on the implementation of the Provincial Communication Plan were fully achieved.	Improved work outputs were observed as a result of availability of ICT gadgets and equipment. There was also improved accessibility to communication platforms (TEAMS/ ZOOM) as a result of the ICT investment.

	Communication services.	Throughout KZN	All KZN communities.	Province-wide reach.	14 000	13 980	Targets for the implementation of the Provincial Communication Plan were fully achieved.	i. There was increased awareness of the COVID-19 pandemic by communities and public servants. ii. This was a result of intensified Radio and TV slots throughout the province. A Zulu radio drama was also featured nationally through KZN radio station (Ukhozi FM). iii. There was wide dissemination of information in Departments, including weekly online reads from the Desk of the President.
TOTAL					26 520	22 088		

COVID-19: KZN PUBLIC SERVICE STATUS AT 31 MARCH 2021

NO.	DEPARTMENT	POSITIVE CASES IDENTIFIED	ACTIVE CASES	RECOVERIES	DEATHS
1	Agriculture and Rural Development	161	45	103	13
2	Arts and Culture	44	0	43	1
3	Community Safety and Liaison	23	0	22	1
4	Cooperative Governance and Traditional Affairs	131	0	121	10
5	Economic Development, Tourism and Environmental Affairs	69	0	69	0
6	Education	3 957	197	3 486	274
7	Health	16 728	396	15 945	387
8	Human Settlements	83	0	81	2
9	Office of the Premier	46	0	45	1
10	Provincial Treasury	34	0	34	0
11	Public Works	100	77	0	23
12	Social Development	365	0	348	17
13	Sport and Recreation	33	1	31	1
14	Transport	365	36	303	26
	TOTAL	22 139	752	20 631	756

Table B10: KZN COVID-19 Status for 2020/21

TRANSFER PAYMENTS

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
KZN Zulu Royal House Trust	Consistent with the provisions of the KwaZulu Natal Zulu Royal House Trust Act (Act No.03 of 2018), the Trust administered for the benefit of the Monarch and the Royal Household, including, but not limited to: (i) Material welfare (ii) Educational needs; (iii) Aspirations; and (iv) Social wellbeing, befitting their status; and administrative support pertaining to- i. the personal and private activities of His Majesty, the Queens and other members of the Zulu Royal family; ii. the administration, maintenance and management of the Royal palaces and the Royal farms and His Majesty's farming operations	Funds are appropriated to the Office of the Premier (OTP) by the Provincial Legislature for the Trust, and transferred to the Trust in trenches by the Accounting Officer of the Office of the Premier to fulfil the obligation imposed upon by the Trust Act.	For the 2020/21 financial year, Ondini Royal Palace was a priority in terms of maintenance and repairs of infrastructure. The following was carried out in terms of our operational plan: - Land scaping of the soft infrastructure completed; - Installation of kitchen cupboards completed; - Procurement of garage doors for Ondini palace; - Most of the activities as per the Trust's operational plan were completed. These include the payment of stipends, medical aid, municipal accounts, school and tertiary fees for Princes and Princesses.
			Identification of business ventures to invest funds of the Trust in, under programme 3



TRANSFER PAYMENTS TO PUBLIC ENTITIES

Name of Public Entity	Key outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievement of the public entity
KZN Zulu Royal House Trust	- Effectively managed, and efficiently administered systems of the Trust. - Effectively maintained Royal residence's infrastructure, and effective management of farming operations. - Established businesses and investments for the Trust.	R30.654 million as departmental transfer from the Office of the Premier (OTP) to the in the 2020/21 financial period under budget VOTE 1.	R24.726 Million was spent by the Trust during 2020/21 financial year.	- Unqualified audit with matters - The Trust was able to Pay stipends for Royal Queens and farm aids, Payment of tuition fees for royal prince and Princess, Payment of medical aids and payment of cattle feeds and medical supplies. - Identification of a business venture to invest funds of the Trust in line with its fundraising and revenue generating strategy - Completion of a feasibility study on the identified business venture for the Trust.

Name of Transferee	Type of Organisation	Purpose for which funds were used	PFMA S 38(1) Compliance	Amount Budgeted for (R,000)	Amount Transferred (R,000)	Reasons for unspent funds
Zulu Royal House Trust	Public Entity	To cover for expenditures incurred by the Trust during 2020/21 financial year. Mainly Administration, Operations management and Fundraising.		R20.136 Million was budgeted for 2020/21 financial year, however the Trust budget was increased by R10.517 million (to cover for procurement of vehicles for royal queens and other capital expenditures) to R30.654 Million by year end.	The Trust received a total transfer of R30.654 Million for 2020/21 financial year	The under expenditure resulted from the delay in the procurement of vehicles for the Royal Queens and also outstanding capital expenditure invoices.

DONOR FUNDS

The table/s below details the donor funds received during for the period 1 April 2020 to 31 March 2021.

Name of donor	MERSETA
Full amount of the funding	R14,093,095.00
Period of the commitment	2015 - 2024
Purpose of the funding	To train artisans in the manufacturing and engineering sector in the MerSETA-funded Phase 2 and Phase 3 projects
Expected outputs	To train 1692 unemployed youth as artisans in the Province (600 for Phase 2 and 1092 for Phase 3)
Actual outputs achieved	13 learners trained for Phase 2 project (Training for Phase 3 has not started)
Amount received (R'000)	R14,093,095.00
Amount spent by the department (R'000)	R271,732.50 (for Phase 2)
Reasons for the funds unspent	Phase 3 project has not started and thus funds have not yet been spent
Monitoring mechanism by the donor	MerSETA monitors the project through their Quality Assurers and will also send their auditors to audit project implementation

CAPITAL INVESTMENT

Capital investment, maintenance and asset management plan Guideline

Departments are required to develop a Capital Investment and Asset Management Plan. The Estimates of National Expenditure / Estimates of Provincial Revenue and Expenditure should be used as a guide for departments to report on capital projects.

	2019/20			2020/21		
Infrastructure projects	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
New and replacement assets	4 000	0	4 000			
Existing infrastructure assets	7 589	8 033	-444	12 368	7 580	5 276
• Upgrades and additions	3 725	3 155	570			
• Rehabilitation, renovations and refurbishments	503	2 517	-2 014	8 900	5 365	3 535
• Maintenance and repairs	3 361	2 361	1 000	3 468	2 215	1 741
Infrastructure transfer						
Current						
Capital					2 350	
Infrastructure: Leases	12 169	14 215	-2 046	8 395	8 335	60
Total	23 758	22 248		20 763	18 265	5 336



PART C

GOVERNANCE

1. INTRODUCTION

Commitment by the department to maintain the highest standards of governance is fundamental to the management of public finances and resources. Users want assurance that the department has good governance structures in place to effectively, efficiently and economically utilize the state resources, which is funded by the tax payer.

2. RISK MANAGEMENT

To achieve the requirements of section 38(a) of the Public Finance Management Act, the Department has, as part of its risk management strategy, a Risk Management unit which is responsible for coordinating the effective implementation of risk management within the Department.

To ensure a well-structured approach to the implementation of risk management, the department has developed and approved a Risk Management Policy, Risk Management Strategy and Risk Appetite Statement.

The Accounting Officer has established a Risk Management Committee to oversee and monitor the implementation of the Risk Management Policy, Risk Management Strategy and Risk Appetite Statement. The objectives, authority, composition and roles and responsibility of the Risk Management Committee are defined by its Terms of Reference. This committee is, amongst other things, responsible for the following:

- Collaborating with the Accounting Officer and Executive Authority in setting an appropriate tone by supporting and being seen to be supporting the department's aspirations for effective management of risks;
- Review and recommend for the approval of the Accounting Officer the risk management policy; risk management strategy; risk management implementation plan; and the department's risk appetite;
- Review and recommend for the approval of the Accounting Officer the Fraud Prevention Plan and Implementation Plan;
- Review and recommend for approval of the Accounting Officer the Business Continuity Arrangements of the department;
- Review and recommend for the approval of the Accounting Officer the department's risk identification and assessment methodologies, after satisfying itself of their effectiveness in timeously and accurately identifying and assessing the department's risks;
- Evaluate the extent and effectiveness of risk management integration within the department;
- Monitor and assess the implementation of the risk management policy and strategy (including the implementation plan).
- Monitor and assess the implementation of the fraud prevention plan and business continuity policy (including associated implementation plans);
- Ensure that risk assessments happen on a regular basis to ensure the identification of emerging risks;
- Evaluate the completeness and credibility of the department's risk registers;
- Oversee the identification and implementation of the risk management action plans;
- Evaluate the effectiveness of the risk mitigation strategies implemented to address material risks of the department;
- Review all directorates risk registers and reports;
- Review the material findings and recommendations from assurance providers on the system of risk management and internal control; and monitor the implementation of such recommendations;
- Interact with the Provincial Audit and Risk Committee (CARC) to share information relating to material risks for their advice and input;

- Assist the CARC in reviewing and recommending disclosures on matters of risk in the annual reports and financial statements of the department;
- Assist the CARC in reviewing and recommending disclosures on matters of risk and risk management in the department's annual report;
- Assist the CARC in ensuring that the internal and external audit plans are aligned to the department's risk profile;
- Satisfying itself that it has appropriately addressed financial reporting risks, fraud risks, and IT risks as they relate to financial reporting;

The Cluster Audit and Risk Committee meet on a quarterly basis to independently review the department's risk management processes and advise the Accounting Officer and the Department on the adequacy and effectiveness thereof.

The implementation and improvement of risk management has had a positive impact on the operations of the Department. The following are some of the benefits that can be attributed to improved risk management processes:

- Greater awareness and compliance with prescripts;
- Greater awareness of the risk management policy and its effect on service delivery initiatives
- Enhanced monitoring and tracking of audit recommendations;
- Regular review and update of risk register;
- Coordinated approach to identification, recording, monitoring and reporting of risks

3. PORTFOLIO COMMITTEES

Provide commentary on the following:

- The dates of the meeting
- Matters raised by the Portfolio Committee and how has the department addressed these matters

4. SCOPA RESOLUTIONS

Indicate the dates SCOPA meetings were held.

During the 2020/21 financial the Standing Committee on Public Accounts (SCOPA) met with the Office of the Premier on 5th February 2021. The signed responses to resolutions were submitted to SCOPA in August 2020 and were further discussed during the meeting. They are as follows:

- Resolution 1/2020
- Resolution 2/2020
- Resolution 3/2020
- Resolution 4/2020
- Resolution 5/2020
- Resolution 6/2020
- Resolution 7/2020
- Resolution 8/2020
- Resolution 9/2020

SCOPA RESOLUTIONS

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
Resolution 1/2020	Irregular expenditure (relating to Resolution 01/2019 & Transversal Resolution 50/2019 & 57/2019)	The Committee noting that: The Office of the Premier has identified 554 cases of irregular expenditure to the value of R85.458 million in the 2017/18 financial year and R173.322 million in the 2018/19 financial year. A total of 364 cases to the value of R30.594 million have been finalised and these have been submitted to Provincial Treasury for condonation. The Committee resolves that: The Accounting Officer provide a progress report to the Committee by 12 August 2020 on the outcome of the outstanding investigations, consequence management applied in the completed cases, the outcome of the submission for condonation and the effectiveness of the steps taken to prevent a recurrence.	Reason for 18/19 Audit Qualification (Assets, Irregular Expenditure) The department's opinion has regressed from unqualified with findings on compliance, to a qualified opinion on irregular expenditure as a result of understatement of irregular expenditure by R89m. The reasons for the department incurring irregular expenditure were primarily attributed to the following: - • Tax Affairs not in order • Deviations not valid • Deviations not approved • Contract modified • Contract threshold expired/ exceeded • Invalid BBBEE • Transversal contract • Not procured through SITA • Local content not adhered to • Competitive bidding process not followed • Expired lease agreements • In order for the department to improve on disclosure of irregular expenditure and ensure the completeness thereof, OTP undertook the following exercise: • Completeness of 2018/2019 irregular Expenditure. • Identification of irregular for 2019/2020 via full voucher population audit (2951). • Investigations of all identified irregular expenditure for 2019/2020 as well as prior years. • Internal human resources being utilized in the identification process, supported by a resource from Provincial Treasury. • A dedicated team from each branch appointed to execute the exercise.	Yes

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)																		
			- Integrated IT system (MS Teams) was being utilized to facilitate coordination and integration of the identification process during the lockdown period. - Training undertaken on the IT system and irregular expenditure identification process to create internal capacity and create awareness. - Audit Coordinators in each branch appointed and reviewing all transactions. - Full population of payment vouchers have been reviewed and assessed for possible irregular expenditure and have been subjected to quality control. The investigations have been finalized and the department is currently implementing consequence measures as per report recommendations. In addition, financial management controls have been strengthened to prevent and minimize irregular expenditure. An updated summary of the Office of the Premier's Irregular Expenditure status is provided below: IRREGULAR EXPENDITURE <table><tr><th>FINANCIAL YEARS</th><th>ACTUAL IRREGULAR EXP 000</th><th>NO OF CASES</th></tr><tr><td>PRIOR 2018/19</td><td>83 604</td><td>312</td></tr><tr><td>2018/19</td><td>54 296 89 718 5 124</td><td>70 70 7</td></tr><tr><td>2018/19 TOTAL</td><td>149 138</td><td>459</td></tr><tr><td>2019/20 IRREGULAR EXP</td><td>102 834</td><td>347</td></tr><tr><td>FINAL TOTAL</td><td>335 576</td><td>1118</td></tr></table> Further to this, six submissions have been submitted to Provincial Treasury requesting condonement of identified Irregular Expenditure. The 7th submission is currently a work in progress. The details are as follows:	FINANCIAL YEARS	ACTUAL IRREGULAR EXP 000	NO OF CASES	PRIOR 2018/19	83 604	312	2018/19	54 296 89 718 5 124	70 70 7	2018/19 TOTAL	149 138	459	2019/20 IRREGULAR EXP	102 834	347	FINAL TOTAL	335 576	1118	
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Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)																														
			CONDONEMENT SUBMISSIONS <table> <tr> <th>SUBMISSION NO</th> <th>AMOUNT</th> <th>NO OF CASES</th> </tr> <tr> <td>SUBMISSION 1</td> <td>6 702</td> <td>9</td> </tr> <tr> <td>SUBMISSION 2</td> <td>24 544</td> <td>209</td> </tr> <tr> <td>SUBMISSION 3</td> <td>3 993</td> <td>15</td> </tr> <tr> <td>SUBMISSION 4*</td> <td>9 333</td> <td>15</td> </tr> <tr> <td>SUBMISSION 5</td> <td>54 296</td> <td>11</td> </tr> <tr> <td>SUBMISSION 6</td> <td>66 374</td> <td>253</td> </tr> <tr> <td>TOTAL</td> <td>165 242</td> <td>512</td> </tr> <tr> <td>SUBMISSION 7 (wip)</td> <td>20</td> <td>9</td> </tr> <tr> <td>TOTAL</td> <td>165 262</td> <td>521</td> </tr> </table> A training programme is being implemented on SCM procedures and contract management. Auxiliary Services Directorate has been relocated to the Financial Management Chief Directorate as additional capacity to deal with contract management amongst other functions. In addition, the post of Director Internal Control was advertised, interviews conducted and anticipated date to commence duties is 1 September 2020.	SUBMISSION NO	AMOUNT	NO OF CASES	SUBMISSION 1	6 702	9	SUBMISSION 2	24 544	209	SUBMISSION 3	3 993	15	SUBMISSION 4*	9 333	15	SUBMISSION 5	54 296	11	SUBMISSION 6	66 374	253	TOTAL	165 242	512	SUBMISSION 7 (wip)	20	9	TOTAL	165 262	521	
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TOTAL	165 262	521																																
Resolution 2/2020	Material underspending of budget (R58.11 million) (relating to Resolution 2/2019)	The Committee noting that: The transfer payment of R50 million to the KZN Growth Fund in 2018 was treated as an advance payment, which resulted in the budget reflecting as unspent and the amount having been returned to Provincial Treasury in 2019. Discussions are currently underway with Provincial Treasury for these funds to be re-allocated to the Office of the Premier.	Provincial Treasury met with the Auditor-General's Technical Team and resolved that the R50 million payment that was made to the KZN Growth Fund which was treated in error as an advance payment should therefore have reflected against the Departmental 2018/19 budget as being spent, thereby reducing the underspending for 2018/19 to RB,11 million. It was therefore recommended that the Department corrects the prior year amounts in the 2019/20 Annual Financial Statements to reflect the R50 million as being spent. A prior period transaction was processed in the 2019/20 Annual Financial Statements. The Advance Account was cancelled and the R50m was returned to the expenditure against the budget in Programme 2.																															

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		The Committee resolves that: The Accounting Officer report to the Committee by 12 August 2020 on the outcome of the discussions with Provincial Treasury to re-allocate the R50 million to the Office of the Premier and to provide a business plan on how the budget will be spent.	At the end of March 2020, the net amount due from the Revenue fund is R8.3 million. Arrangements will be made with the Provincial Revenue Fund for the reimbursement of this amount, as it reflects in the Annual Financial Statements, and will be allocated to the Exchequer Grant Account. The return of the funds will therefore not affect the current year's budget allocation. Furthermore, Provincial Treasury needs to reimburse the Department with R50 million through the Provincial Revenue Fund in order to rectify the accounting treatment of the advance payment. This will not have an impact on the Department's current year budget and will be handled through the Revenue Fund. The KZN Youth Empowerment Fund ("Youth Fund") is part of an intervention and concerted effort by the Provincial Government to create an enabling policy environment for youth development, empowerment and economic emancipation and job creation. The Office of the Premier committed R50 million towards the capitalization of this fund during the 2018/19 financial for possible funding of fifty (50) youth owned businesses in the province. Youth to be funded with a grant funding of an amount that is between R50 000.00 to R2 000 000.00 for start-up, growth or expansion in variety of sectors. There are priority sectors as per the PGDP that youth is encouraged to venture into. The KZN Growth Fund and Trust (KGFT) was appointed as the Fund Manager. The Business Plan The Youth Chief Directorate conducts roadshows together with other government departments for advocacy on products and services that are offered by government to the youth. During these roadshows, departments present detail of their programmes and provides guidance as well. This is done in preparation for the year ahead.	Yes

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			The Fund advertisement is then issued in different media modes, including social media which assist to raise awareness and create a hype around the Fund, inviting interested youth of the province to make formal applications. Since the Fund is targeting the entire youth of the province, applications are available through different platforms such as website, Local and Provincial Government offices. Completed applications are returned to the District Offices through Local Municipality offices for easy accessibility by youth. District municipality ensures that all applications reach the OTP by transporting or OTP collects them. All applicants that respond to the invitation are vigorously screened based on minimum requirements and the set criteria. They are then subjected to various committees for segregation of duty purposes. Shortlisted applications move to a next stage which is desktop assessment of business viability. This process is linked to a due diligence which includes site visits to applicants' business for physical assessment, interview and business knowledge. The due diligent is limited to businesses with potential and has prospect of viability. More information about the business is solicited during this stage which includes but not limited to, skills to operate the business, experience and off take agreements if applicable. This is done to ascertain that the investment (grant) would be safe and there will be return on investment.	

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			SWOT analysis on both the applicant and the business is conducted by the investment team which works under the supervision of the KGFT. The Investment Committee presents a deal that qualifies for the next stage to the Grant Evaluation Committee which consists of a minimum of three (3) and a maximum of seven (7) members. This committee provides technical support and secretariat to the Fund. Furthermore, they make recommendations to the Approval Committee. This is a final committee in the process. This committee consists of the Director General as the chairperson, Deputy Directors-General and HOD's of relevant Departments, including the KGFT CEO. This committee is responsible for policies and guidelines. They make final determination or approval on applications presented by the Grant Evaluation Committee. Successful businesses enter into a contract and adhere to terms and conditions as entailed in the terms of reference of the Fund. Disbursement is done directly to suppliers and entrepreneurs collect their equipment. Monitoring and evaluation of businesses is conducted for a period of three years after the disbursement of funds. Businesses are visited on a quarterly basis to check whether they still exist and in business, whether they still use the equipment for the purpose it was intended for. If the business ceases to exist within the first three years due to lack of interest by the entrepreneur, the equipment may be transferred to the next youth entrepreneur.	

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
Resolution 3/2020	Procurement and Contract Management (relating to Transversal Resolution 53/2019 & 62/2019)	The Committee noting that: A detailed Audit Improvement Plan was submitted to Provincial Treasury which includes specific action plans to address the audit findings on procurement and contract management and on other matters. The Committee resolves that: The Accounting Officer submit a copy of the Audit Improvement Plan to the Committee by 12 August 2020, together with a progress report on the implementation of the action plans.	There is an improvement of resolved actions to 95%. The Audit Improvement Plan is herewith attached. The framework on consequence management policy is in the process of being finalized. It has been presented to the Committee of Heads of Department as well as the Technical GSCEID Cluster. It will be presented at the next GSCEID Political cluster before it is submitted to the Provincial Executive Council for final approval. Regarding contract management, the Office of the Premier has implemented all the improvement measures identified in the audit improvement plan. These measures include the following: - Updating and monitoring contract management register. - Capacity within Contract Management Unit has been strengthened. This will assist in ensuring compliance and preventing irregular extension of contracts. - Contract Management Section undertakes monthly reconciliation of all contracts, which are then sent to each unit to complete and verify in order to track and monitor contracts. - Business units are reminded of contracts expiring in coming months for early initiation of SCM processes. - SCM and Contract Management Unit is working closely with Business Units in rolling out training and awareness campaigns on contract management processes.	Yes
			Through reconciliation and monitoring processes, the Office of the Premier has identified certain contracts in 19/20 financial year which have been extended in contravention of relevant prescripts. Such contracts have been recorded as irregular expenditure and consequence measures are being initiated.	

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
Resolution 4/2020	Forensic Investigations (relating to Transversal Resolution 54/2019)	The Committee noting that: The Office of the Premier had obtained legal opinion on the poor prospects of success in disciplinary, criminal and civil proceedings in relation to FR14/2013, FR18/2013, FR41/2013 and FR19/2015. PIAS were in the process of obtaining further legal opinion. The Committee resolves that: The Accounting Officer provide a progress report to the Committee by 12 August 2020 on the legal opinion obtained by PIAS and the discussions with Provincial Treasury on the way forward arising therefrom.	It was previously reported that Provincial Treasury was in the process of obtaining a further legal opinion on this matter. PAIS has advised that they are still awaiting those opinions.	Yes
Resolution 5/2020	Internal Investigations (relating to Transversal Resolution 55/2019)	The Committee noting that: One internal investigation relating to irregularities in the Public Service Training Academy was still in progress. The Integrity Management Unit had finalised six investigations and two were still in progress. The Committee resolves that: The Accounting Officer report to the committee by 12 August 2020 on:	a. The investigation at the Public Service Training Academy was completed by the Investigator. The draft investigation report was reviewed and sent back to the Investigator for outstanding field work. The completion of outstanding field work and submission of the report for approval is expected on 14 August 2020. b. The recommendations to all allegations have been included in the draft report. Recommendations have not been implemented yet since the report is still to be approved. c. The delays in concluding the report related to the non-availability of documents at Finance, non-availability of the Director: SCM for the interview of which the interview was then done with the Acting Director: SCM and outstanding field work after the report was completed and reviewed.	Yes

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		a. progress made in all internal investigations, as well as the anticipated time frames for completion; b. the outcome and recommendations for investigations completed, as well as steps taken to implement the recommendations; and the reasons for the delays in completing the investigations and steps taken to redress the delays.		
Resolution 6/2020	Risk Management (relating to Transversal Resolution 56/2019)	The Committee noting that: The Office of the Premier has implemented 77% of its risk mitigation plans in 2019/20 and that critical and major risks are being prioritised. The Committee resolves that: The Accounting Officer submit the risk register and a progress report on the implementation of all outstanding risk mitigation plans to the Committee by 12 August 2020.	The percentage of implementation has improved to 87%. The development of a Call Centre for Service Delivery Complaints Management is now at an advanced stage. Office of the Premier is collaborating with Microsoft to pilot several new systems, including an e-leave system, during the period 1 August to 30 September 2020. It is envisaged that the system will be procured if the pilot is a success. The Provincial IGR Strategy was approved by the Executive Council on the 29th July 2020. However, the Provincial International Relations and Official Development Assistance (ODA) Strategy has recently been updated in order to address pertinent issues i.e.: COVID-19 Risk Adjusted Strategy, District Development Model (DOM) and Official Development Assistance (ODA). These amendments are necessary in order to ensure relevance of the Provincial International Relations and ODA Strategy. The unit is currently finalising the numbering system and preparing to present it to the Director-General in preparation for onward ratification by the Technical Subcommittee for International Relations.	Yes

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			Where actions plans have not yet been implemented, supplementary measures have been initiated to facilitate uninterrupted service delivery. The supplementary measures have been implemented without compromising compliance and segregation of duties. Furthermore, the department has put measures in place to closely monitor the implementation of the risk register action plans.	
Resolution 7/2020	Rationalisation of Provincial Public Entities	The Committee noting that: The Department of Economic Development, Tourism and Environmental Affairs has submitted proposals on the rationalisation of Provincial Public Entities to the Executive Council. The review of the composition of the public entity Boards and the investigation into uniform Board Members' remuneration is currently underway. The outcome is dependent on the outcome of the rationalisation project. The Committee resolves that: The Accounting Officer report to the Committee by 12 August 2020 on progress made in the implementation of the proposals adopted by the Executive Council regarding the rationalisation of Provincial Public Entities.	The Provincial Department of Economic Development, Tourism and Environmental Affairs has established a Joint Management Committee to manage the Rationalisation Project. The Committee is chaired by the acting Head of Department for Economic Development, Tourism and Environmental Affairs, and includes all the Chief Executive Officers of the entities involved in the Rationalisation Project. In addition, Change Management Committees are being established for all the individual rationalisation processes, i.e. one for the process to merge I amalgamate Tourism KwaZulu-Natal and the KwaZulu-Natal Film Commission, one to merge the Boards of KwaZulu-Natal Gaming & Betting and the KwaZulu-Natal Liquor Authority, and one for the incorporation of the KwaZulu-Natal Sharks Board into the KwaZulu-Natal Nature Conservation Management Board (Ezemvelo KZN Wildlife). The processes are well underway, and a service provider is to be appointed to draft the relevant Bills, except for the Ezemvelo process, where the drafting of the Bill is well advanced. An Implementation Plan is being finalised in consultation with all the entities, and it is proposed that all the Bills will be submitted to the Provincial Legislature within the current Financial Year.	Yes

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
Resolution 8/2020	Irregular Expenditure of R25 706 000 incurred by Provincial Treasury in previous financial years (relating to Resolution 17/2019)	The Committee noting that: The Provincial Treasury has referred the investigation report relating to the irregular expenditure of R25.706 million incurred by Provincial Treasury in previous financial years for the implementation of the e-procurement tool to the Office of the Premier for action. The Office of the Premier has referred the report for an independent review. Provincial Treasury is awaiting the outcome of the review and the Premier's directive in this regard. The Committee resolves that: The Accounting Officer report to the Committee by 12 August 2020 on the outcome of the review and the Premier's directive.	This resolution relates to an investigation finalized by PIAS - Forensic: FROS/2017: Investigation into alleged procurement irregularities within Provincial Treasury. The PIAS unit finalized the investigation and issued the forensic report for implementation during March 2018. The Office of the Premier appointed a Chairperson and Employer Representative and accordingly charged the Head of Department for Provincial Treasury. The matter commenced but was adjourned as the Head of Department term of office had expired. The Office of the Premier therefore cannot proceed any further with the matter.	Yes
Resolution 9/2020	Royal Household Trust	The Committee noting that: The responses of the Royal Household Trust were inadequate and incomplete.	Resolution 04/2019: The matter was resolved by the resolution of the Board of Trustees based on the recommendations of the labour attorney representing the employer. The resolution was that there was no basis or justification to pay any additional benefits to employees as all employees were employed on a total cost to company (ToC) remuneration structure.	

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		The Committee resolves that: The Accounting Authority submit detailed, revised responses that adequately address Resolution 4/2019, 51/2019, 52/2019, 53/2019, 56/2019, 57/2019, 58/2019, 59/2019, 60/2019 and 62/2019 by 12 August 2020.	Resolution 51/2019: 1. Internal control processes have been strengthened to detect and prevent irregular expenditure by developing a procurement checklist to enforce compliance on every transaction. A strategic contract with a suitable supplier for procurement of cattle feeds is now in place to avoid a reoccurrence of the audit finding. 2. An irregular expenditure for 2018/19 financial year was as a result of cattle feeds that were procured from a preferred single supplier because of the nature and specification of the feeds required. A deviation from normal SCM processes was requested and approved by the acting Chief Executive Officer. However, a strategic contract with a suitable supplier is now in place to avoid a repeat finding of this nature. 3. An irregular expenditure reported in the annual financial statements for 2018/19 financial year has not been investigated due to capacity constraints, however, the Board resolved that a request be sent to the Office of the Premier (Integrity unit) for assistance with the investigation of the accumulated irregular expenditure. Disciplinary actions will be taken against any official/ employee found to be responsible for the irregular expenditure. 4. A request was sent to the Provincial Treasury requesting for an assistance with the investigation of the accumulated irregular expenditure, however, Treasury advised that it must be investigated internally. Due to capacity constraints, the Board resolved that a request be sent to the Office of the Premier {Integrity unit) for assistance with the investigation.	Yes

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			5. Details of disciplinary steps taken against any official/employee found to be responsible for the irregular expenditure will be given once the investigation is finalised. 6. Once the investigation is conducted and completed, a report on findings will indicate whether the irregular expenditure is related to fraud, corruption or other criminal conduct and appropriate actions to be taken against any official/employee found to be responsible for the irregular expenditure. Resolution 52/2019: 1. The prior year reported fruitless and wasteful expenditure was as a result of a. late departmental transfers which resulted to penalties being charged by suppliers and a meeting was held with the parent department to address the issue; b. Storage for kitchen cupboards that were procured to be installed in one of the palaces. 2. Steps taken to prevent a recurrence of fruitless and wasteful expenditure are as follow: - a. A service level agreement between the Trust and OTP has been amended to change disbursement of transfer payment from monthly to quarterly basis. b. The kitchen cupboards have been moved to a storage in the Trust new offices at Ulundi. 3. Free space to store the kitchen cupboards only became available in the current year because of relocation of the Trust offices from Durban to Ulundi.	

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			4. No disciplinary actions were taken because no member of staff was found to have deliberately transgressed the policy. Resolution 53/2019: 1. An Audit Improvement Plan including specific action plan to address findings on procurement and contract management was developed and submitted to the Provincial Treasury. 2. The Trust has appointed Audit and Risk Committee and amongst the responsibilities included in its charter are: - ▪ Review the risk management framework for identifying, assessing, monitoring and managing significant risks; ▪ Review the report of significant changes to the Trust's risk register Resolution 54/2019: No Forensic Investigations were conducted by the Trust in the 2018/19 financial year. Resolution 55/2019: No internal investigations were conducted by the Trust in the 2018/19 financial year. Resolution 56/2019: No risk assessment was conducted by the Trust in the 2018/19 financial year because there was no internal audit and audit and risk management committee in place. However, Risk management is one of the main responsibilities of the newly appointed Chief Financial Officer of the Trust and is included in the Trust operational plan. Furthermore, since the Audit and Risk Committee is now in place, amongst the responsibilities included in the charter are: -	

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			- Review the risk management framework for identifying, assessing, monitoring and managing significant risks; - Review the report of significant changes to the Trust's risk register - Assess and contribute to the audit planning processes relating to the risks of the Trust. Resolution 57/2019: There are no matters that were reported by the Auditor-General for investigation in the 2017/18 and 2018/19 audit report of the Trust. Resolution 58/2019: With the assistance of OTP, the Trust APP strategic objectives, targets and indicators have been re crafted to ensure adherence to the SMART principles and technical indicator descriptions have been developed to provide clear and unambiguous explanations. Resolution 59/ 2019: The critical management post of the Chief Financial Officer (CFO) is now filled. Resolution 60/2019: - The annual financial statements submitted for auditing by the Trust were prepared in accordance with generally recognised accounting practices in terms of section 40 of the PFMA and other prescribed financial reporting framework. No material misstatements were identified by the auditors on the Annual Financial Statement of the Trust. - N/A - N/A	

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			Resolution 61/2019: No finding was raised on non-payment of invoices within 30 days, all suppliers are paid within 30 days of the receipts of invoices. Resolution 62/2019: Each financial year the Trust develop an audit improvement strategy to address all issues raised by the Auditor-General to prevent the repeat of audit findings. To ensure effective implementation of the improvement strategy, the improvement strategy will form part of the Audit and Risk Management Committee agenda in all meetings.	

5. PRIOR MODIFICATIONS TO AUDIT REPORTS

In the 2019/20 regularity audit conducted the department had an unqualified audit opinion with the following findings on material non-compliance:

- Three quotes not obtained
- Tax non-compliant suppliers used
- Deviations on awards greater than R 500 000
- Contract extensions not within required thresholds
- Non-compliance with local content requirements
- Prevention of irregular expenditure
- Payments not made within 30 days.

A comprehensive Audit Improvement Plan was developed by the Department to address the root causes of the reported non-compliance. The Audit Improvement Plan is monitored on a monthly basis by the Branched Heads and the Internal Control unit. The Audit Improvement Plan has resulted in an increase in the first levels of assurance by Responsibility Managers and that has shifted focus from detection to prevention of non-compliance. Significant progress was achieved by the department in the implementation of the action plans which has led to an improved internal control environment. The effectiveness of the improvement measures is evidenced by the significant decline in material non-compliance.

The table below highlights the improvement measures that the Department implemented to achieve the noticeable improvement in the internal control environment:

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
Three quotes not obtained	2017/2018	• Supply Chain Management (SCM) compliance checklist was updated to addresses the areas of non-compliance that were identified by the AG. • Regular reminders are sent by the SCM unit to Responsibility Managers to alert SCM Staff on their critical delivery dates for the month. • SCM Circular was disseminated to officials in the Department which outlines the timeframes for units and SCM unit on the processing of procurement transactions. • All deviation submissions will be assessed and recommended by Director: SCM prior to CFO's recommendation and DG's approval. • All deviations for emergency and sole suppliers are approved by the Accounting Officer. All other deviations such as single source suppliers are referred to Provincial Treasury for prior approval as per the requirement of SCM IN 3 of 2016/17 par 8.5. • SCM officials and Responsibility Managers have been trained on the SCM Policy and SOPs.
Tax non-compliant suppliers used	2019/2020	
Deviations on awards greater than R 500 000	2019/2020	
Non-compliance with local content requirements	2019/2020	
Prevention of irregular expenditure	2018/2019	

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
		• An SCM compliance officer was appointed within the unit to conduct a compliance check of SCM processes prior to issuing of an order. • Consequence management processes have been initiated and are linked to the names of the responsible official(s). • SCM unit has developed a tracking document for all orders, invoices and conducts regular follow ups. • The Consequence Management Framework was drafted and approved by Cabinet and has been workshopped to all SMS Members. • Investigation of irregular expenditure and the condonation process is underway and is at an advanced stage of finalisation.
Contract extensions not within required thresholds	2018/2019	• Contract Management Section prepares monthly reconciliation of all contracts, which is sent to each unit to complete and verify in order to track and monitor contracts.
Payments not made within 30 days	2019/2020	• An Excel centralised invoice register is maintained where all goods and services invoices are to be submitted to SCM Unit for recording and processing and sent back to unit for RM certification. • Rejected payments, as per approved Circular FA 05 are being returned to the relevant Office of the DDG whereby a nominated official from each branch co-ordinates, manages and monitors the rejections sent to relevant RM's to ensure that they are amended without delays.

6. INTERNAL CONTROL UNIT

The Department's Internal Control Unit was established during the 2020-21 financial year. The unit currently consist of the Director: Internal Control and Deputy Director: Internal Control, who were both appointed in the middle of the financial year.

The purpose of the establishment the Internal Control Unit was to assist the Accounting Officer in ensuring that there are adequate internal controls in place to effectively and efficiently mitigate risks exposures in the Department.

The Internal Control unit played a pivotal role in the development of the Department's audit improvement plan to address the Auditor General's findings .The plan was developed to address the root causes of the internal control deficiencies identified during the audit and put in place control measures that will reduce the risk and eliminate repeat findings.

The main function of the unit has been to:

- Assist management in ensuring that there is a strong culture of control environment and that is rolled through the whole Department.
- Assess the state of implementation of internal controls on all processes of different sections/units of the Department,
- Assist management with the development and implementation of internal controls in all the sections/units of the department (including development of policies and procedures).
- Provide trainings, workshops and overall communication of the Department's controls, policies and procedures.
- Perform a continuous monitoring and evaluation of the state of implementation of the internal controls within the Department.

During the year the unit's activities have assisted the Department by continuously assessing the adequacy of internal controls and the effective implementation of them to ensure that a strong culture of control environment is maintained.

7. AUDIT COMMITTEE REPORT

The Committee reports that it has complied with its responsibilities arising from the Public Finance Management Act, No.1 of 1999 (PFMA), Treasury Regulations 3.1, including all other related prescripts, and is pleased to present its report for the financial year ended 31 March 2021.

The Provincial Audit and Risk Committee (PARC) is the shared audit and risk committee for the provincial departments, and is further sub-divided into three Cluster Audit & Risk Committees (CARC's) that provide oversight of key functions to the KZN Provincial Government Departments. The Office of the Premier is served by the Governance, State Capacity and Institutional Development (GSCID) Cluster Audit & Risk Committee.

The Committee has adopted appropriate formal terms of reference contained in its Audit and Risk Committee Charter and has regulated its affairs in compliance with this charter, and reports that it has discharged all of its responsibilities as contained therein.

1. Audit Committee Members and Attendance

The PARC and GSCID CARC consists of the members listed hereunder who have met as reflected below, in line with the approved terms of reference.

#	Name of Member	PARC Meetings Attended	GSCID CARC Meetings Attended
1.	Mr S Simelane (Acting Chairman of PARC and Economic CARC)	7 of 8	4 of 4
2	Mr V Ramphal	7 of 8	4 of 4
3.	Mr P Christianson	8 of 8	N/A*
4.	Ms T Njozela	8 of 8	N/A*
5.	Mr D O'Connor	8 of 8	N/A*
7.	Mr M Tarr	7 of 8	4 of 4

* refers to PARC members who did not serve on the GSCID CARC

2. The Effectiveness of Internal Control

The Committee has reviewed the reports of the Provincial Internal Audit Service (PIAS), the Audit Report on the Annual Financial Statements and Management Report of the Auditor General of South Africa (AGSA) and has noted with concern, the weaknesses in controls in the following areas:

- Supply Chain Management
- Contract Management
- Budget and Expenditure Management
- Failure to prevent irregular expenditure

The Committee considered the appropriateness of the planned interventions to improve the overall control environment and advised management to implement these timeously, to avoid the recurrence of audit findings.

3. Effectiveness of Internal Audit

PIAS activities were reviewed by the Committee during the PARC and CARC monitoring processes. The Committee evaluated PIAS reports detailing the assessment of the adequacy and effectiveness of controls designed to mitigate the risks associated with the operational and strategic activities of the Department.

The PIAS planned to conduct twelve (12) audit assignments for the period under review, of which 7 were finalised and five (5) were rolled over to the next financial year at the request of the Department and the formal approval from the Provincial Audit and Risk Committee.

The PIAS performed effectively during the period under review; notwithstanding concerns raised by the Committee in respect of the financial and human resource limitations imposed upon the unit. The Committee will monitor the progress made by the PIAS against its operational plans in order to ensure that it continues to fulfil its mandate and add value to the department.

4. Risk Management

The responsibilities of the Committee with respect to risk management are formally defined in its Charter. For the period under review, the Committee's responsibilities have been focused, amongst other things, on the quarterly review of the Department's risk register and monitoring progress against the risk management operational plan.

As at the end of the 2020/21 financial year, the Department's risk register status was as follows:

	Risk Grouping					Total
	Critical	Major	Moderate	Minor	Insignificant	
Number of Identified Risks	0	12	24	32	2	70
Number of Identified Action Plans	0	44	77	54	0	175
Number of Completed Action Plans	0	26	64	43	0	133
Completed Action Plans in %	N/A	59%	83%	80%	0%	76%

The Committee noted the progress made by the Department on the implementation of its risk mitigation plans with an overall completion rate of 76%. The Department is advised to promptly implement the remaining risk mitigations, particularly for risks classified as major.

The Committee commended the Department for 1) having a functional risk management committee which meets and is attended by its members on a regular basis and 2) completing 100% of its fraud prevention plan improvement plans. The Department is advised to ensure that all its risk management committee members complete the National Treasury's e-learning risk management course.

With regard to other risk-related improvement plans, the Department is urged to 1) improve its occupational health and safety (OHS) management practices at all its offices, and 2) ensure continuous functioning of the business continuity management steering committee.

With regard to the current COVID-19 pandemic, the Department is urged to ensure continued compliance with prescribed COVID-19 and OHS control measures that have been implemented in all of its offices, and to put the necessary contingency measures in order to minimise the negative impact the pandemic might have on the achievement of the Department's service delivery obligations.

5. Quality of in year management and monthly/quarterly reports

The Committee was satisfied with the content and quality of quarterly reports in respect of in year management and quarterly performance, prepared and issued by the Accounting Officer of the Department during the year under review in terms of the PFMA and the Division of Revenue Act.

However, the Committee notes with concern the material underspending of the budget relating to Programme 2, Institutional Development by R47,65 million and the material irregular expenditure incurred by the Department as a result of not complying with the SCM prescript. The Committee requested management to urgently implement appropriate improvement strategies in order to address the identified shortcomings with immediate effect.

6. Evaluation of Financial Statements

The Committee has:

- Reviewed and discussed the Annual Financial Statements, including the audit report, with the Accounting Officer, Auditor General and PIAS;
- Reviewed the Auditor General's Management Report;
- Reviewed the Department's processes for compliance with legal and regulatory provisions, where concerns have been noted around failure to prevent irregular expenditure as a result of non-compliance with supply chain management prescripts.
- Reviewed the conclusion on the usefulness and reliability of performance information resulting from the external audit of the Department.

7. Forensics Investigations

During the period under review, the Committee noted that there were twelve (12) forensic investigations reported, from 1 April 2020 to 31 March 2021, relating to alleged supply chain management and procurement irregularities and payment irregularities, which the Department had referred to the Forensic Investigation Unit.

The Committee noted the status of the twelve (12) forensic investigations as follows:

- Eight (8) of these investigations were completed; ie. Phase 1 was completed, and four (4) investigations are currently in-progress.
- Of the eight (8) Phase 1 completed investigations, seven (7) had disciplinary actions recommended and two (2) disciplinary cases has been actioned already however the Office of the Premier is awaiting the legal opinion to decide whether or not to proceed with the implementation of recommendations on four (4) investigations.
- One (1) criminal investigation was registered to the South African Police Service (SAPS) and is still under investigation.
- Six (6) criminal cases are to be registered.

The Office of the Premier is urged to promptly finalise the outstanding investigations and to implement the recommendations made in the finalised investigations.

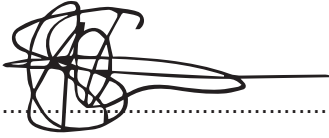
8. Auditor-General's Report

The Committee has monitored the implementation of corrective action plans to address the audit issues raised by the Auditor General in the prior year. The Committee has met with the Auditor General of South Africa to discuss and evaluate the audit issues that emanated from the current regulatory audit. The Committee will ensure that corrective actions in respect of the detailed findings emanating from the current regulatory audit continue to be monitored on a quarterly basis through the CARC processes.

The Committee accepts the Auditor General's Unqualified audit opinion on the Annual Financial Statements, and is of the opinion that the Audited Annual Financial Statements be accepted and read together with the report of the Auditor General.

9. Appreciation

The Committee wishes to express its appreciation to the Management of the Department, the Auditor General of South Africa, and the Provincial Internal Audit Services for the co-operation and support they have provided to enable us to compile this report.


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Mr SP Simelane

Chairman: Provincial Audit and Risk Committee

KWAZULU-NATAL PROVINCIAL GOVERNMENT

DATE: 30 September 2021

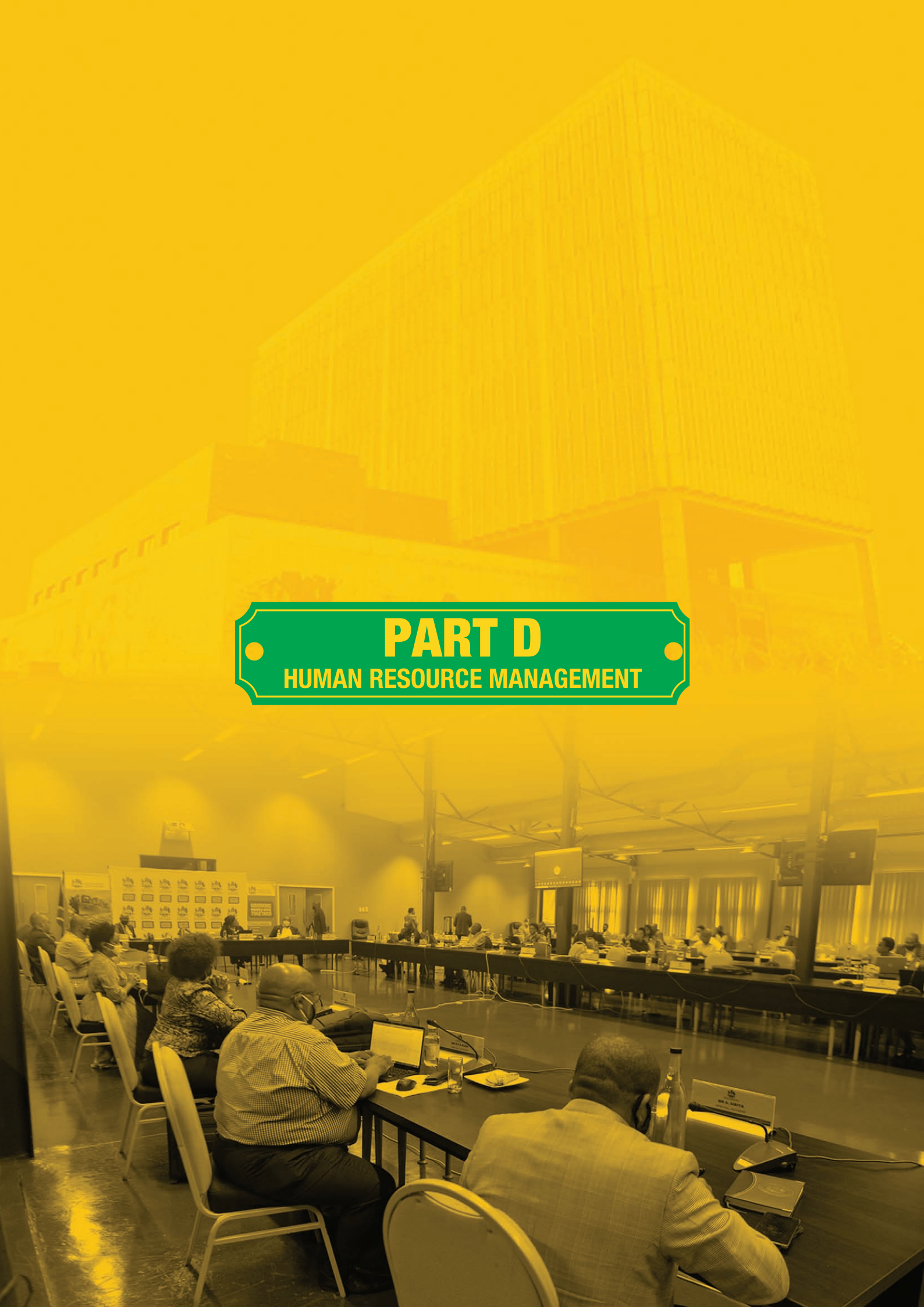
8. BBEE COMPLIANCE

As per section 13G(1) of the Broad Based Black Economic Empowerment Act 53 of 2003, "All spheres of government, public entities and organs of state must report on their compliance with broad-based black economic empowerment in their audited annual financial statements and annual reports required under the Public Finance Management Act of 1999."

Further more regulation 12(2) of the Broad Based Black Economic Empowerment Regulations indicates that, "The sphere of government, public entity or an organ of state must file the audited financial statements and annual report complied in terms of section 13G(1), with the Commission, in the prescribed FORM B-BBEE within thirty (30) days of the approval of such annual financial statements and annual report."

The KZN Department of Economic Development, Tourism and Environmental Affairs (EDTEA) is the responsible department to ensure compliance with the above legislation.

In 2020/21 the department advertised a tender for a service provider to conduct a B-BBEE verification process to all the fourteen departments and twelve public entities, at the time of printing the 2020/21 Annual Report this has not been finalized and is work in progress.



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

- 2.1 The status of human resources in the Office of the Premier (OTP).
- The OTP vacancy rate as at 31 March 2020 was 8%. The target for filling critical posts was met in terms of the Operational Plan.
- 2.2 Listed below are the Human resource priorities for the year under review and the impact of these:-
- (a) Effective and efficient Internal Human Resource Planning.
Impact: Compliance reports were submitted on time; HR planning meetings were held as scheduled; and policies were developed/reviewed as per targets in the Operational Plan. This resulted in the Department meeting its service delivery goals thus improving on its coordinating role.
 - (b) Effective and efficient Human Resource Administration services.
Impact: The target for the filling of critical posts was achieved; Workshops and audits on leave were conducted as per targets in the Operational Plan. Abuse of the leave system was minimised thus the challenge of absenteeism was addressed.
 - (c) Employment Equity, Affirmative Action and Diversity Management.
Impact: The Office of the Premier did not achieve the national employment equity targets in terms of 50% females at SMS. The percentage females at SMS was 39% as at 31 March 2020.
 - (d) Human Resource Information System.
Impact: The Departments is still using manual methods with regards to leave management and recruitment. The Department needs to strengthen this area going forward.
- 2.3 Workforce planning and key strategies to attract and recruit a skilled and capable workforce.
- (a) Human Resource compliance reports were submitted.
 - (b) Analysis of exit interviews reports was conducted and submitted to top management for decision-making.
 - (c) The performance management system was applied objectively.
- 2.4 Employee performance management
- (a) Approved Workplace Skills Plan was compiled as a basis for training interventions.
 - (b) Performance agreements were captured on Persal by the due date.
 - (c) The performance assessment process was finalised and performance incentives paid by the due dates.
- 2.5 Employee wellness programmes
- (a) Implementation of Employee Health and Wellness programmes to boost morale and encourage healthy lifestyle.
 - (b) Health Risk Management strategy (inclusive of HIV, AIDS and TB) was developed.

- 2.6 Highlight achievements and challenges faced by the department, as well as future human resource plans/goals
- (a) Effective and efficient Internal Human Resource Planning
 - (b) Effective and efficient Human Resource Administration services

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel related expenditure

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2020 and 31 March 2021

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
ADMINISTRATION	105 932.00	78 233.00	0.00	0.00	73.90	718.00
INSTITUTIONAL DEVELOPMENT	332 630.00	143 585.00	0.00	0.00	43.20	534.00
POLICY & GOVERNANCE	140 138.00	83 785.00	0.00	0.00	59.80	432.00
Total	578 700.00	305 603.00	0.00	0.00	52.80	534.00

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

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	4 977.00	1.60	32.00	155 531.00
Skilled (Levels 3-5)	25 726.00	8.20	112.00	229 696.00
Highly skilled production (Levels 6-8)	62 745.00	20.00	148.00	423 953.00
Highly skilled supervision (Levels 9-12)	109 266.00	34.90	148.00	738 284.00
Senior management (Levels >= 13)	67 516.00	21.60	55.00	1 227 564.00
Contract (Levels 3-5)	1 468.00	0.50	4.00	367 000.00
Contract (Levels 6-8)	6 149.00	2.00	38.00	161 816.00
Contract (Levels 9-12)	6 239.00	2.00	8.00	779 875.00
Contract (Levels >= 13)	19 232.00	6.10	14.00	1 373 714.00
Periodical Remuneration	2 276.00	0.70	12.00	189 667.00
Abnormal Appointment	1 177.00	0.40	1.00	1 177 000.00
TOTAL	306 773.00	98.00	572.00	536 316.00

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

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
ADMINISTRATION	56 695.00	84.10	382.00	0.60	1 322.00	2.00	2 044.00	3.00
INSTITUTIONAL DEVELOPMENT	120 509.00	83.00	592.00	0.40	3 119.00	2.10	5 912.00	4.10
POLICY & GOVERNANCE	82 518.00	82.00	109.00	0.10	2 453.00	2.40	3 558.00	3.50
TOTAL	259 723.00	82.90	1 083.00	0.30	6 893.00	2.20	11 514.00	3.70

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

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Lower skilled (Levels 1-2)	3 865.00	77.60	0.00	0.00	330.00	6.60	319.00	6.40
Skilled (Levels 3-5)	19 115.00	73.80	94.00	0.40	1 684.00	6.50	2 416.00	9.30
Highly skilled production (Levels 6-8)	49 062.00	77.00	310.00	0.50	2 340.00	3.70	4 602.00	7.20
Highly skilled supervision (Levels 9-12)	93 405.00	83.80	220.00	0.20	1 457.00	1.30	3 116.00	2.80
Senior management (Levels >= 13)	59 467.00	85.70	0.00	0.00	927.00	1.30	930.00	1.30
Contract (Levels 3-5)	1 207.00	82.20	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Levels 6-8)	5 979.00	96.40	169.00	2.70	0.00	0.00	0.00	0.00
Contract (Levels 9-12)	5 479.00	84.40	290.00	4.50	154.00	2.40	131.00	2.00
Contract (Levels >= 13)	19 112.00	95.00	0.00	0.00	0.00	0.00	0.00	0.00
Periodical Remuneration	1 855.00	81.00	0.00	0.00	0.00	0.00	0.00	0.00
Abnormal Appointment	1 177.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	259 723.00	82.90	1 083.00	0.30	6 893.00	2.20	11 514.00	3.70

3.2 Employment and Vacancies

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

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
ADMINISTRATION, Permanent	101.00	92.00	8.90	11.00
INSTITUTIONAL DEVELOPMENT, Permanent	295.00	269.00	8.80	33.00
POLICY & GOVERNANCE, Permanent	208.00	198.00	4.80	2.00
TOTAL	604.00	559.00	7.50	46.00

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

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower Skilled (Levels 1-2), Permanent	34.00	32.00	5.90	0.00
Skilled (Levels 3-5), Permanent	118.00	112.00	5.10	1.00
Highly Skilled Production (Levels 6-8), Permanent	165.00	148.00	10.30	2.00
Highly Skilled Supervision (Levels 9-12), Permanent	160.00	148.00	7.50	2.00
Senior Management (Levels >= 13), Permanent	63.00	55.00	12.70	1.00
Contract (Levels 3-5), Permanent	4.00	4.00	0.00	2.00
Contract (Levels 6-8), Permanent	38.00	38.00	0.00	29.00
Contract (Levels 9-12), Permanent	8.00	8.00	0.00	5.00
Contract (Levels >= 13), Permanent	14.00	14.00	0.00	4.00
Total	604.00	559.00	7.50	46.00

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

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
ADMINISTRATIVE RELATED, Permanent	192.00	177.00	7.80	8.00
ADVOCATES, Permanent	3.00	3.00	0.00	0.00
AGRICULTURE RELATED, Permanent	1.00	1.00	0.00	0.00
BUS AND HEAVY VEHICLE DRIVERS, Permanent	5.00	4.00	20.00	0.00
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC., Permanent	66.00	64.00	3.00	1.00

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
CLIENT INFORM CLERKS (SWITCHB RECEIPT INFORM CLERKS), Permanent	9.00	9.00	0.00	0.00
COMMUNICATION AND INFORMATION RELATED, Permanent	3.00	3.00	0.00	0.00
COMMUNITY DEVELOPMENT WORKERS, Permanent	3.00	3.00	0.00	0.00
COMPUTER SYSTEM DESIGNERS AND ANALYSTS., Permanent	1.00	1.00	0.00	0.00
FINANCE AND ECONOMICS RELATED, Permanent	22.00	21.00	4.50	0.00
FINANCIAL AND RELATED PROFESSIONALS, Permanent	1.00	0.00	100.00	0.00
FINANCIAL CLERKS AND CREDIT CONTROLLERS, Permanent	20.00	18.00	10.00	0.00
FOOD SERVICES AIDS AND WAITERS, Permanent	2.00	2.00	0.00	0.00
GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS, Permanent	2.00	2.00	0.00	0.00
HOUSEHOLD AND LAUNDRY WORKERS, Permanent	1.00	1.00	0.00	0.00
HOUSEKEEPERS LAUNDRY AND RELATED WORKERS, Permanent	2.00	2.00	0.00	0.00
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF, Permanent	5.00	4.00	20.00	0.00
HUMAN RESOURCES CLERKS, Permanent	14.00	14.00	0.00	0.00
HUMAN RESOURCES RELATED, Permanent	13.00	12.00	7.70	0.00
LANGUAGE PRACTITIONERS INTERPRETERS & OTHER COMMUN, Permanent	1.00	1.00	0.00	0.00
LEGAL RELATED, Permanent	1.00	1.00	0.00	0.00
LIGHT VEHICLE DRIVERS, Permanent	1.00	1.00	0.00	0.00
LOGISTICAL SUPPORT PERSONNEL, Permanent	6.00	5.00	16.70	0.00
MATERIAL-RECORDING AND TRANSPORT CLERKS, Permanent	3.00	3.00	0.00	0.00
MESSENGERS PORTERS AND DELIVERERS, Permanent	15.00	14.00	6.70	0.00
MOTOR VEHICLE DRIVERS, Permanent	1.00	1.00	0.00	0.00
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS, Permanent	51.00	46.00	9.80	30.00
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS, Permanent	20.00	18.00	10.00	1.00
OTHER OCCUPATIONS, Permanent	1.00	1.00	0.00	0.00

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
RISK MANAGEMENT AND SECURITY SERVICES, Permanent	1.00	1.00	0.00	0.00
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS, Permanent	52.00	47.00	9.60	2.00
SECURITY GUARDS, Permanent	22.00	22.00	0.00	0.00
SENIOR MANAGERS, Permanent	64.00	57.00	10.90	4.00
TOTAL	604.00	559.00	7.50	46.00

3.3 Filling of SMS Posts

Table 3.3.1 SMS post information as on 31 March 2021

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100	0	0
Salary Level 16	2	2	100	0	0
Salary Level 15	6	6	100	0	0
Salary Level 14	16	16	100	0	0
Salary Level 13	46	43	93	3	7
Total	71	68	96	3	4

Table 3.3.2 SMS post information as on 30 September 2020

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100	0	0
Salary Level 16	2	2	100	0	0
Salary Level 15	6	5	83	1	17
Salary Level 14	17	15	88	2	12
Salary Level 13	46	42	91	4	9
Total	72	65	90	7	10

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

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	1	0	1
Salary Level 14	4	4	0
Salary Level 13	5	2	3
Total	10	7	4

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

Reasons for vacancies not advertised within six months
Cost containment measures leading to posts being unfunded and the only way to fund is for the EXCO of the Department to prioritise posts the extremely critical posts and approval to be granted by the Premier in consultation with the MEC for Finance.
The above process often leads to delays in filling of posts in record time.

Reasons for vacancies not filled within twelve months
Cost containment measures leading to posts being unfunded and the only way to fund is for the EXCO of the Department to prioritise posts the extremely critical posts and approval to be granted by the Premier in consultation with the MEC for Finance.
The above process often leads to delays in filling of posts in record time.

3.4 Job Evaluation

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

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	34.00	0.00	0.00	0.00	0.00	0.00	0.00
Skilled (Levels 3-5)	118.00	0.00	0.00	0.00	0.00	0.00	0.00
Highly Skilled Production (Levels 6-8)	165.00	15.00	9.00	15.00	100.00	0.00	0.00
Highly Skilled Supervision (Levels 9-12)	160.00	0.00	0.00	2.00	100.00	0.00	0.00
Senior Management Service Band A	41.00	0.00	0.00	0.00	0.00	0.00	0.00
Senior Management Service Band B	15.00	0.00	0.00	0.00	0.00	0.00	0.00
Senior Management Service Band C	6.00	0.00	0.00	0.00	0.00	0.00	0.00
Senior Management Service Band D	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Levels 3-5)	4.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Levels 6-8)	38.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Levels 9-12)	8.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract Band A	7.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract Band B	3.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract Band C	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract Band D	3.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	604.00	15.00	2.48	17.00	100.00	0.00	0.00

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

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2020 and 31 March 2021

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a disability					0

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2020 and 31 March 2021

Gender	African	Asian	Coloured	White	Total
Female	4.00	0.00	0.00	0.00	4.00
Male	3.00	1.00	0.00	0.00	4.00
TOTAL	7.00	1.00	0.00	0.00	8.00
Employees with a disability	0	0	0	0	0

Total number of Employees whose salaries exceeded the grades determine by job evaluation	None
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3.5 Employment Changes

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

Salary band	Number of employees at beginning of period-1 April 2020	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower Skilled (Levels 1-2) Permanent	34.00	0.00	1.00	2.90
Skilled (Levels 3-5) Permanent	119.00	1.00	6.00	5.00
Highly Skilled Production (Levels 6-8) Permanent	145.00	6.00	11.00	7.60
Highly Skilled Supervision (Levels 9-12) Permanent	125.00	6.00	5.00	4.00
Senior Management Service Band A Permanent	36.00	2.00	2.00	5.60
Senior Management Service Band B Permanent	10.00	2.00	2.00	20.00
Senior Management Service Band C Permanent	4.00	1.00	0.00	0.00
Senior Management Service Band D Permanent	1.00	0.00	0.00	0.00
Contract (Levels 3-5) Permanent	11.00	3.00	10.00	90.90
Contract (Levels 6-8) Permanent	36.00	3.00	1.00	2.80
Contract (Levels 9-12) Permanent	8.00	2.00	1.00	12.50
Contract Band A Permanent	6.00	1.00	0.00	0.00
Contract Band B Permanent	3.00	1.00	1.00	33.30
Contract Band C Permanent	1.00	0.00	0.00	0.00
Contract Band D Permanent	3.00	0.00	0.00	0.00
TOTAL	542.00	28.00	40.00	7.40

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

Critical occupation	Number of employees at beginning of period-April 20	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
ADMINISTRATIVE RELATED Permanent	174.00	3.00	7.00	4.00
ADVOCATES Permanent	3.00	0.00	0.00	0.00
AGRICULTURE RELATED Permanent	1.00	0.00	0.00	0.00
BUS AND HEAVY VEHICLE DRIVERS Permanent	5.00	0.00	1.00	20.00
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC. Permanent	69.00	1.00	6.00	8.70
CLIENT INFORM CLERKS (SWITCHB RECEIPT INFORM CLERKS) Permanent	9.00	0.00	0.00	0.00
COMMUNICATION AND INFORMATION RELATED Permanent	1.00	2.00	0.00	0.00
COMMUNITY DEVELOPMENT WORKERS Permanent	3.00	0.00	0.00	0.00
COMPUTER SYSTEM DESIGNERS AND ANALYSTS. Permanent	1.00	0.00	0.00	0.00
FINANCE AND ECONOMICS RELATED Permanent	15.00	7.00	2.00	13.30
FINANCIAL AND RELATED PROFESSIONALS Permanent	1.00	0.00	1.00	100.00
FINANCIAL CLERKS AND CREDIT CONTROLLERS Permanent	17.00	1.00	1.00	5.90
FOOD SERVICES AIDS AND WAITERS Permanent	2.00	0.00	0.00	0.00
GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS Permanent	2.00	0.00	0.00	0.00
HOUSEHOLD AND LAUNDRY WORKERS Permanent	1.00	0.00	0.00	0.00
HOUSEKEEPERS LAUNDRY AND RELATED WORKERS Permanent	2.00	0.00	0.00	0.00
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF Permanent	4.00	0.00	0.00	0.00
HUMAN RESOURCES CLERKS Permanent	12.00	1.00	0.00	0.00
HUMAN RESOURCES RELATED Permanent	12.00	0.00	0.00	0.00
LANGUAGE PRACTITIONERS INTERPRETERS & OTHER COMMUN Permanent	1.00	0.00	0.00	0.00
LEGAL RELATED Permanent	1.00	0.00	0.00	0.00
LIGHT VEHICLE DRIVERS Permanent	7.00	0.00	6.00	85.70
LOGISTICAL SUPPORT PERSONNEL Permanent	4.00	0.00	0.00	0.00
MATERIAL-RECORDING AND TRANSPORT CLERKS Permanent	3.00	0.00	0.00	0.00

Critical occupation	Number of employees at beginning of period-April 20	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
MESSENGERS PORTERS AND DELIVERERS Permanent	18.00	0.00	4.00	22.20
MOTOR VEHICLE DRIVERS Permanent	2.00	0.00	1.00	50.00
OTHER ADMINISTRATION & RELATED CLERKS AND ORGANISERS Permanent	47.00	1.00	2.00	4.30
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS Permanent	2.00	2.00	3.00	150.00
OTHER OCCUPATIONS Permanent	1.00	0.00	0.00	0.00
RISK MANAGEMENT AND SECURITY SERVICES Permanent	0.00	1.00	0.00	0.00
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS Permanent	46.00	3.00	1.00	2.20
SECURITY GUARDS Permanent	22.00	0.00	0.00	0.00
SENIOR MANAGERS Permanent	54.00	6.00	5.00	9.30
TOTAL	542.00	28.00	40.00	7.40

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

Termination Type	Number	% of Total Resignations
Death, Permanent	6.00	15.00
Resignation, Permanent	11.00	27.50
Expiry of contract, Permanent	11.00	27.50
Retirement, Permanent	12.00	30.00
TOTAL	40.00	100.00

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

Occupation	Employees 1 April 2020	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	174.00	4.00	2.30	98.00	56.30
ADVOCATES	3.00	0.00	0.00	1.00	33.30
AGRICULTURE RELATED	1.00	0.00	0.00	0.00	0.00
BUS AND HEAVY VEHICLE DRIVERS	5.00	0.00	0.00	0.00	0.00
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC.	69.00	0.00	0.00	46.00	66.70
CLIENT INFORM CLERKS(SWITCHB RECEIPT INFORM CLERKS)	9.00	0.00	0.00	3.00	33.30
COMMUNICATION AND INFORMATION RELATED	1.00	0.00	0.00	1.00	100.00
COMMUNITY DEVELOPMENT WORKERS	3.00	0.00	0.00	0.00	0.00
COMPUTER SYSTEM DESIGNERS AND ANALYSTS.	1.00	0.00	0.00	0.00	0.00
FINANCE AND ECONOMICS RELATED	15.00	1.00	6.70	2.00	13.30
FINANCIAL AND RELATED PROFESSIONALS	1.00	0.00	0.00	0.00	0.00
FINANCIAL CLERKS AND CREDIT CONTROLLERS	17.00	1.00	5.90	7.00	41.20
FOOD SERVICES AIDS AND WAITERS	2.00	0.00	0.00	1.00	50.00
GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS	2.00	0.00	0.00	1.00	50.00
HOUSEHOLD AND LAUNDRY WORKERS	1.00	0.00	0.00	0.00	0.00
HOUSEKEEPERS LAUNDRY AND RELATED WORKERS	2.00	0.00	0.00	2.00	100.00
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF	4.00	0.00	0.00	4.00	100.00
HUMAN RESOURCES CLERKS	12.00	1.00	8.30	9.00	75.00
HUMAN RESOURCES RELATED	12.00	1.00	8.30	8.00	66.70
LANGUAGE PRACTITIONERS INTERPRETERS & OTHER COMMUN	1.00	0.00	0.00	0.00	0.00
LEGAL RELATED	1.00	0.00	0.00	1.00	100.00
LIGHT VEHICLE DRIVERS	7.00	0.00	0.00	0.00	0.00
LOGISTICAL SUPPORT PERSONNEL	4.00	1.00	25.00	3.00	75.00
MATERIAL-RECORDING AND TRANSPORT CLERKS	3.00	0.00	0.00	3.00	100.00
MESSENGERS PORTERS AND DELIVERERS	18.00	0.00	0.00	9.00	50.00
MOTOR VEHICLE DRIVERS	2.00	0.00	0.00	1.00	50.00

Occupation	Employees 1 April 2020	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
OTHER ADMINISTRATE & RELATED CLERKS AND ORGANISERS	47.00	0.00	0.00	7.00	14.90
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS	2.00	0.00	0.00	6.00	300.00
OTHER OCCUPATIONS	1.00	0.00	0.00	0.00	0.00
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS	46.00	0.00	0.00	28.00	60.90
SECURITY GUARDS	22.00	0.00	0.00	20.00	90.90
SENIOR MANAGERS	54.00	1.00	1.90	21.00	38.90
TOTAL	542.00	10.00	1.80	282.00	52.00

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

Salary Band	Employees 1 April 2020	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower Skilled (Levels 1-2), Permanent	34.00	0.00	0.00	30.00	88.20
Skilled (Levels 3-5), Permanent	119.00	0.00	0.00	65.00	54.60
Highly Skilled Production (Levels 6-8), Permanent	145.00	4.00	2.80	82.00	56.60
Highly Skilled Supervision (Levels 9-12), Permanent	125.00	4.00	3.20	77.00	61.60
Senior Management (Levels >= 13), Permanent	51.00	2.00	3.90	23.00	45.10
Contract (Levels 3-5), Permanent	11.00	0.00	0.00	0.00	0.00
Contract (Levels 6-8), Permanent	36.00	0.00	0.00	3.00	8.30
Contract (Levels 9-12), Permanent	8.00	0.00	0.00	1.00	12.50
Contract (Levels >= 13), Permanent	13.00	0.00	0.00	1.00	7.70
TOTAL	542.00	10.00	1.80	282.00	52.00

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 2020

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
SENIOR OFFICIALS AND MANAGERS	27.00	0.00	2.00	2.00	19.00	0.00	7.00	1.00	58.00
PROFESSIONALS	12.00	0.00	6.00	3.00	19.00	1.00	8.00	3.00	52.00
TECHNICIANS AND ASSOCIATE PROFESSIONALS	81.00	1.00	4.00	1.00	94.00	5.00	10.00	4.00	200.00
CLERKS	36.00	1.00	0.00	0.00	96.00	2.00	1.00	1.00	137.00
SERVICE SHOP AND MARKET SALES WORKERS	13.00	0.00	0.00	0.00	12.00	0.00	0.00	0.00	25.00
PLANT AND MACHINE OPERATORS AND ASSEMBLERS	6.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.00
LABOURERS AND RELATED WORKERS	46.00	0.00	0.00	0.00	35.00	0.00	0.00	0.00	81.00
TOTAL	221.00	2.00	12.00	6.00	275.00	8.00	26.00	9.00	559.00
Employees with disabilities	6.00	0.00	1.00	0.00	3.00	2.00	0.00	1.00	13.00

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Senior Management, Permanent	1.00	0.00	0.00	0.00	3.00	0.00	0.00	0.00	4.00
Professionally qualified and experienced specialists and mid-management, Permanent	4.00	0.00	0.00	0.00	2.00	0.00	0.00	0.00	6.00
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	2.00	0.00	0.00	0.00	4.00	0.00	0.00	0.00	6.00
Semi-skilled and discretionary decision making, Permanent	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Unskilled and defined decision making, Permanent	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Contract (Top Management), Permanent	1.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	2.00
Contract (Senior Management), Permanent	2.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	3.00
Contract (Professionally Qualified), Permanent	0.00	0.00	0.00	0.00	3.00	0.00	0.00	0.00	3.00
Contract (Skilled Technical), Permanent	14.00	0.00	0.00	0.00	14.00	0.00	0.00	0.00	28.00
Contract (Semi-Skilled), Permanent	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
TOTAL	1.00	0.00	0.00	0.00	3.00	0.00	0.00	0.00	4.00

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Senior Management, Permanent	1.00	0.00	0.00	0.00	3.00	0.00	0.00	0.00	4.00
Professionally qualified and experienced specialists and mid-management, Permanent	4.00	0.00	0.00	0.00	2.00	0.00	0.00	0.00	6.00
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	2.00	0.00	0.00	0.00	4.00	0.00	0.00	0.00	6.00
Semi-skilled and discretionary decision making, Permanent	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Contract (Senior Management), Permanent	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00
Contract (Professionally qualified), Permanent	1.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	2.00
Contract (Skilled technical), Permanent	2.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	3.00
Contract (Semi-skilled), Permanent	0.00	0.00	0.00	0.00	3.00	0.00	0.00	0.00	3.00
TOTAL	14.00	0.00	0.00	0.00	14.00	0.00	0.00	0.00	28.00
Employees with disabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00
Senior Management, Permanent	7.00	0.00	1.00	1.00	10.00	0.00	3.00	1.00	23.00
Professionally qualified and experienced specialists and mid-management, Permanent	26.00	0.00	3.00	1.00	36.00	1.00	9.00	5.00	81.00
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	24.00	0.00	2.00	0.00	51.00	3.00	3.00	3.00	86.00
Semi-skilled and discretionary decision making, Permanent	28.00	1.00	0.00	0.00	36.00	0.00	0.00	0.00	65.00
Unskilled and defined decision making, Permanent	20.00	0.00	0.00	0.00	10.00	0.00	0.00	0.00	30.00
Contract (Senior Management), Permanent	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Contract (Professionally qualified), Permanent	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Contract (Skilled technical), Permanent	2.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	3.00
TOTAL	111.00	1.00	6.00	2.00	144.00	4.00	15.00	9.00	292.00
Employees with disabilities	3.00	0.00	0.00	0.00	2.00	1.00	0.00	1.00	7.00

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management, Permanent	2.00	0.00	0.00	0.00	2.00	0.00	0.00	0.00	4.00
Professionally qualified and experienced specialists and mid-management, Permanent	3.00	0.00	0.00	0.00	2.00	0.00	0.00	0.00	5.00
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	4.00	0.00	1.00	0.00	6.00	0.00	0.00	0.00	11.00
Semi-skilled and discretionary decision making, Permanent	1.00	0.00	0.00	0.00	5.00	0.00	0.00	0.00	6.00
Unskilled and defined decision making, Permanent	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Contract (Senior Management), Permanent	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Contract (Professionally qualified), Permanent	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Contract (Skilled technical), Permanent	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Contract (Semi-skilled), Permanent	8.00	0.00	0.00	0.00	2.00	0.00	0.00	0.00	10.00
TOTAL	22.00	0.00	1.00	0.00	17.00	0.00	0.00	0.00	40.00
Employees with Disabilities	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	1.00

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

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Financial Misconduct	2.00	0.00	0.00	0.00	2.00	0.00	0.00	0.00	4.00
Fraud	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	1.00
Total	2.00	0.00	0.00	0.00	3.00	0.00	0.00	0.00	5.00

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

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	9	0	1	0	14	0	4	0	28
Professionals	29	0	3	1	32	0	9	4	78
Technicians and associate professionals	4	0	0	0	5	0	0	0	9
Clerks	30	0	0	0	27	2	0	0	59
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
Total	72	0	4	1	78	2	13	4	174
Employees with disabilities	0	0	0	0	0	0	0	0	0



3.7 Signing of Performance Agreements by SMS Members

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2021.

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	1	0.00	0.00
Salary Level 16	2	2	0.00	0.00
Salary Level 15	6	5	4.00	80.00
Salary Level 14	16	16	11.00	69.00
Salary Level 13	46	43	42.00	98.00
Total	71	68	54.00	79.00

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

Reasons
Two outstanding SMS Performance Agreements are for SMS members that are currently on Precautionary Suspension.
Employees at SMS level who have not entered into performance agreements are no legible for performance rewards.

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

Reasons
Not Applicable

3.8 Performance Rewards

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2020 to 31 March 2021

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	48.00	215.00	22.30	522.92	10 894.00
Female	71.00	272.00	26.10	968.68	13 643.00
Asian					
Male	3.00	11.00	27.30	39.26	13 086.00
Female	14.00	26.00	53.80	433.84	30 988.00
Coloured					
Male	0.00	2.00	0.00	0.00	0.00
Female	2.00	6.00	33.30	30.38	15 189.00
White					
Male	2.00	6.00	33.30	142.13	71 064.00
Female	3.00	8.00	37.50	118.32	39 440.00
Total	151.00	559.00	27.00	2 438.24	16 147.00

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

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	10.00	32.00	31.30	35.57	3 557.00	0.01
Skilled (Levels 3-5)	22.00	112.00	19.60	115.76	5 262.00	0.01
Highly Skilled Production (Levels 6-8)	51.00	148.00	34.50	536.60	10 522.00	0.01
Highly Skilled Supervision (Levels 9-12)	50.00	148.00	33.80	1 073.21	21 464.00	0.01
Contract (Levels 3-5)	0.00	4.00	0.00	0.00	0.00	0.00
Contract (Levels 6-8)	2.00	38.00	5.30	15.37	7 685.00	0.00
Contract (Levels 9-12)	0.00	8.00	0.00	0.00	0.00	0.00
TOTAL	135.00	490.00	27.60	1 776.51	13 159.00	0.01

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

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
FINANCIAL CLERKS AND CREDIT CONTROLLERS	3.00	18.00	16.70	41.88	13 959.00
HUMAN RESOURCES CLERKS	7.00	14.00	50.00	101.84	14 549.00
HOUSEHOLD AND LAUNDRY WORKERS	1.00	1.00	100.00	7.54	7 538.00
MESSENGERS PORTERS AND DELIVERERS	3.00	14.00	21.40	12.48	4 158.00
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF	2.00	4.00	50.00	30.73	15 365.00
RISK MANAGEMENT AND SECURITY SERVICES	0.00	1.00	0.00	0.00	0.00
FINANCE AND ECONOMICS RELATED	6.00	21.00	28.60	115.54	19 257.00
LOGISTICAL SUPPORT PERSONNEL	2.00	5.00	40.00	25.33	12 665.00
OTHER ADMINISTRATE & RELATED CLERKS AND ORGANISERS	4.00	46.00	8.70	93.61	23 403.00
HOUSEKEEPERS LAUNDRY AND RELATED WORKERS	0.00	2.00	0.00	0.00	0.00
OTHER OCCUPATIONS	0.00	1.00	0.00	0.00	0.00
LEGAL RELATED	1.00	1.00	100.00	9.01	9 015.00
ADMINISTRATIVE RELATED	56.00	177.00	31.60	937.18	16 735.00
COMMUNICATION AND INFORMATION RELATED	0.00	3.00	0.00	0.00	0.00
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS	21.00	47.00	44.70	235.12	11 196.00
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC.	16.00	64.00	25.00	62.02	3 876.00
HUMAN RESOURCES RELATED	5.00	12.00	41.70	68.96	13 791.00
LANGUAGE PRACTITIONERS INTERPRETERS & OTHER COMMUN	0.00	1.00	0.00	0.00	0.00
GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS	1.00	2.00	50.00	62.38	62 385.00
MATERIAL-RECORDING AND TRANSPORT CLERKS	1.00	3.00	33.30	5.20	5 200.00
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS	0.00	18.00	0.00	0.00	0.00
BUS AND HEAVY VEHICLE DRIVERS	0.00	4.00	0.00	0.00	0.00
SENIOR MANAGERS	13.00	57.00	22.80	577.34	44 411.00
ADVOCATES	0.00	3.00	0.00	0.00	0.00
CLIENT INFORM CLERKS (SWITCHB RECEIPT INFORM CLERKS)	1.00	9.00	11.10	3.02	3 022.00
COMPUTER SYSTEM DESIGNERS AND ANALYSTS.	0.00	1.00	0.00	0.00	0.00
LIGHT VEHICLE DRIVERS	0.00	1.00	0.00	0.00	0.00

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
MOTOR VEHICLE DRIVERS	1.00	1.00	100.00	8.30	8 299.00
SECURITY GUARDS	6.00	22.00	27.30	33.20	5 533.00
FOOD SERVICES AIDS AND WAITERS	1.00	2.00	50.00	7.54	7 538.00
COMMUNITY DEVELOPMENT WORKERS	0.00	3.00	0.00	0.00	0.00
AGRICULTURE RELATED	0.00	1.00	0.00	0.00	0.00
TOTAL	151.00	559.00	27.00	2 438.24	16 147.00

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

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	13.00	43.00	30.20	485.84	37 372.40	1.00
Band B	3.00	16.00	18.80	175.89	58 629.00	0.80
Band C	0.00	6.00	0.00	0.00	0.00	0.00
Band D	0.00	4.00	0.00	0.00	0.00	0.00
Total	16.00	69.00	23.20	661.73	41 358.00	0.70



3.9 Foreign Workers

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

Table 3.9.1 Foreign workers by salary band for the period 1 April 2020 and 31 March 2021.

Salary band	01 April 2019		31 March 2020		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0.00	0.00	0.00	0.00	0.00	0.00
Highly skilled production (Lev. 6-8)	0.00	0.00	0.00	0.00	0.00	0.00
Highly skilled supervision (Lev. 9-12)	0.00	0.00	0.00	0.00	0.00	0.00
Contract (level 9-12)	0.00	0.00	0.00	0.00	0.00	0.00
Contract (level 13-16)	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00	0.00

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

Major occupation	01 April 2020		31 March 2021		Change	
	Number	% of total	Number	% of total	Number	% Change
N/A	0.00	0.00	0.00	0.00	0.00	0.00
N/A	0.00	0.00	0.00	0.00	0.00	0.00

3.10 Leave utilisation

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

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	35.00	94.30	5.00	2.00	7.00	20.00
Skilled (Levels 3-5)	438.00	97.00	46.00	18.90	10.00	353.00
Highly skilled production (Levels 6-8)	595.00	91.10	80.00	32.80	7.00	924.00
Highly skilled supervision (Levels 9-12)	429.00	93.50	70.00	28.70	6.00	1 292.00
Top and Senior management (levels 13-16)	240.00	94.20	31.00	12.70	8.00	1 080.00
Contract (Levels 6-8)	32.00	93.80	10.00	4.10	3.00	16.00
Contract (Levels 9-12)	6.00	100.00	1.00	0.40	6.00	20.00
Contract (Levels 13-16)	2.00	100.00	1.00	0.40	2.00	10.00
Total	1 777.00	93.70	244.00	100.00	7.00	3 715.00

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

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	6.00	100.00	1.00	12.50	6.00	4.00
Skilled (Levels 3-5)	142.00	100.00	2.00	25.00	71.00	134.00
Highly skilled production (Levels 6-8)	40.00	100.00	3.00	37.50	13.00	61.00
Highly skilled supervision (Levels 9-12)	34.00	100.00	1.00	12.50	34.00	133.00
Senior management (Levels 13-16)	98.00	100.00	1.00	12.50	98.00	409.00
TOTAL	320.00	100.00	8.00	100.00	40.00	741.00

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

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	341.00	17.00	20.00
Skilled Levels 3-5)	1443.00	86.00	17.00
Highly skilled production (Levels 6-8)	2 637.00	134.00	20.00
Highly skilled supervision (Levels 9-12)	2 053.00	132.00	16.00
Senior management (Levels 13-16)	742.00	49.00	15.00
Contract (Levels 3-5)	16.00	1.00	16.00
Contract (Levels 6-8)	386.00	28.00	14.00
Contract (Levels 9-12)	27.00	3.00	9.00
Contract (Levels 13-16)	60.00	8.00	8.00
Contract Other	2.00	1.00	2.00
Total	7707.25	459.00	17.00

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

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2020
Lower skilled (Levels 1-2)	0.00	0.00	0.00	0.00
Skilled Levels 3-5)	0.00	0.00	0.00	76.00
Highly skilled production (Levels 6-8)	0.00	0.00	0.00	80.00
Highly skilled supervision (Levels 9-12)	0.00	0.00	0.00	53.00
Senior management (Levels 13-16)	0.00	0.00	0.00	80.00
Contract (Levels 3-5)	0.00	0.00	0.00	0.00
Contract (Levels 6-8)	0.00	0.00	0.00	0.00
Contract (Levels 9-12)	0.00	0.00	0.00	0.00
Contract (Levels 13-16)	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	71.00

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

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
ANNUAL - DISCOUNTING WITH RESIGNATION (WORKDAYS)	557.00	11.00	50 636.00
ANNUAL - DISCOUNTING: CONTRACT EXPIRY (WORKDAYS)	237.00	11.00	21 545.00
ANNUAL - DISCOUNTING: UNUSED VAC CREDITS (SUSPENSION)	124.00	1.00	124 000.00
ANNUAL - GRATUITY: DEATH/ RETIREMENT/MEDICAL RETIREMENT (WORKDAYS)	615.00	10.00	61 500.00
CAPPED - GRATUITY: DEATH/ RETIREMENT/MEDICAL RETIREMENT (WORKDAYS)	893.00	7.00	127 571.00
Total	2 426.00	29.00	334 616.00

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
There are no identified categories of employees at high risk.	None

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		Mr JM Gumede Director: Provincial Employee Health
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		Ms BB Mthembu Deputy Director: EHW Dr S Badul Deputy Director: PEHW Ms NW Ginah Assistant Director: SHERQ Ms CN Ndlovu Practitioner EHW Ms LB Zondi Administrator
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		Covid-19 workplace management strategies Promoting physical activities Promoting behaviour change Approved Policies and implementation On-site Voluntary HIV and AIDS Counselling Advice and guidance on financial management Awareness sessions and advocacy Provision of psychological support Appointment of a Designated EH&W Service provider

Question	Yes	No	Details, if yes
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	Yes		Mr FMA Safla Mr SB Emslie Finance Mr JM Gumede Provincial employee Health Mr O Msweli Labour Relations Ms B Cindi HR Support Mr Mkhize Security services Mr D Pillay Office support Auxiliary
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.	Yes		Relevant policies reviewed. No reports of discrimination on the basis of HIV/Aids were reported.
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		The approved policy HIV, AIDS and TB ensures that no employee or potential employee will be discriminated against due to their HIV status or perceived status. The policy induces that recourse in the form of grievance and or disciplinary action can be instituted. Employees can receive counselling for HIV and AIDS. In addition, the employee can seek psychosocial support from the Employee Wellness Programme. The Employee Wellness programme ensures that the highest degree of confidentiality is maintained and no breach in confidentiality occurs thus resulting in discrimination. Condom distribution is encouraged.

Question	Yes	No	Details, if yes
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes		The department has partnered with GEMS as the service provides for Healthcare Counselling and Testing for the following conditions: HIV, TB, BMI, Cholesterol, and Diabetes. These sessions are held every quarter and results are reported quarterly to the DPSA. Employees tested for HIV =66 Employees Screened for TB =372
8. Has the department developed measures/ indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		Reports are analysed quarterly and measures to alleviate the impact are discussed and implemented.



3.12 Labour Relations

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

Subject matter	Date
Total number of Collective agreements	None

Notes

- If there were no agreements, keep the heading and replace the table with the following:

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

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2020 and 31 March 2021.

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	0	0
Suspended without pay	1	33.33%
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	2	66.66%
Case withdrawn	0	0
Total	3	100%

Notes

If there were no agreements, keep the heading and replace the table with the following:

Total number of Disciplinary hearings finalised	3
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Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2020 and 31 March 2021.

Type of misconduct	Number	% of total
Financial Misconduct	4	80%
Fraud	1	20%
Total	5	100%

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

Grievances	Number	% of Total
Number of grievances resolved	5.00	62.50%
Number of grievances not resolved	3.00	37.50%
Total number of grievances lodged	8.00	100%

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

Disputes	Number	% of Total
Number of disputes upheld	0.00	0%
Number of disputes dismissed	1.00	20%
Number of disputes pending	4.00	80%
Total number of disputes lodged	5.00	100%

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

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 2020 and 31 March 2021.

Number of people suspended	5
Number of people who's suspension exceeded 30 days	5
Average number of days suspended	260
Cost of suspension(R'000)	R 3 594 034.52

3.13 Skills development

Table 3.13.1 Training needs identified for the period 1 April 2020 and 31 March 2021.

Occupational category	Gender	Number of employees as at 1 April 2020	Training needs identified at start of the reporting period			
			Learner-ships	Skills Programmes & other short courses	Other forms of training	Total
Senior Officials and Managers	Female	27.00	0.00	11.00	0.00	11.00
	Male	31.00	0.00	12.00	0.00	12.00
Professionals	Female	31.00	0.00	23.00	0.00	23.00
	Male	21.00	0.00	13.00	0.00	13.00
Technicians and associate professionals	Female	113.00	0.00	7.00	0.00	7.00
	Male	87.00	0.00	3.00	0.00	3.00
Clerks	Female	100.00	0.00	23.00	0.00	23.00
	Male	37.00	0.00	19.00	0.00	19.00
Service Shop and Market Sales workers	Female	12.00	0.00	0.00	0.00	0.00
	Male	13.00	0.00	0.00	0.00	0.00
Plant and machine operators and assemblers	Female	0.00	0.00	0.00	0.00	0.00
	Male	6.00	0.00	0.00	0.00	0.00
Labourers and Related Workers	Female	35.00	0.00	45.00	0.00	45.00
	Male	46.00	0.00	35.00	0.00	35.00
Sub Total	Female	318.00	0.00	109.00	0.00	109.00
	Male	241.00	0.00	82.00	0.00	82.00
Total		559.00	0.00	191.00	0.00	191.00



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

Occupational category	Gender	Number of employees as at 1 April 2020	Training provided within the reporting period			
			Learner-ships	Skills Programmes & other short courses	Other forms of training	Total
Senior officials and managers	Female	27.00	0.00	18.00	0.00	18.00
	Male	31.00	0.00	10.00	0.00	10.00
Professionals	Female	31.00	0.00	29.00	0.00	29.00
	Male	21.00	0.00	32.00	0.00	32.00
Technicians and associate professionals	Female	113.00	0.00	4.00	0.00	4.00
	Male	87.00	0.00	5.00	0.00	5.00
Clerks	Female	100.00	0.00	0.00	27.00	27.00
	Male	37.00	0.00	0.00	29.00	29.00
Service Shop and Market Sales workers	Female	12.00	0.00	0.00	0.00	0.00
	Male	13.00	0.00	0.00	0.00	0.00
Plant and machine operators and assemblers	Female	0.00	0.00	0.00	0.00	0.00
	Male	6.00	0.00	0.00	0.00	0.00
Labourers and related workers	Female	35.00	0.00	0.00	0.00	0.00
	Male	46.00	0.00	0.00	0.00	0.00
Sub Total	Female	318.00	0.00	51.00	27.00	78.00
	Male	241.00	0.00	47.00	29.00	76.00
Total		559.00	0.00	98.00	56.00	154.00



3.14 Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2020 and 31 March 2021.

Nature of injury on duty	Number	% of total
Required basic medical attention only	6.00	100.00
Temporary Total Disablement	0.00	0.00
Permanent Disablement	0.00	0.00
Fatal	0.00	0.00
Total	6.00	100.00



3.15 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2020 and 31 March 2021.

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (Levels 1-2)	0.00	0.00	0.00	0.00
Skilled Levels 3-5)	0.00	0.00	0.00	0.00
Highly skilled production (Levels 6-8)	0.00	0.00	0.00	0.00
Highly skilled supervision(Levels 9-12)	0.00	0.00	0.00	0.00
Senior management (Levels 13-16)	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00

PART E
FINANCIAL INFORMATION



AUDITOR-GENERAL OF SOUTH AFRICA

OFFICE OF THE PREMIER

**AUDIT REPORT FOR THE YEAR ENDING
31 MARCH 2021**

Report of the auditor-general to the KwaZulu-Natal Provincial Legislature on vote no. 1: Office of the Premier

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Office of the Premier set out on pages 138 to 235, which comprise the appropriation statement, statement of financial position as at 31 March 2021, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the 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 Office of the Premier as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

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 my report.
4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

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

Underspending of the budget

7. As disclosed in the notes to the appropriation statement, the department materially underspent the budget on programme 2 – institutional development by R47,65 million. The majority of underspending related to delays in software upgrades that only commenced during the last quarter of the financial year.

Responsibilities of the accounting officer for the financial statements

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

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

10. 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.
11. 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

12. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
13. My procedures address the usefulness and reliability of the reported performance information, which must be based on the department's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
14. 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 programme 2: institutional development presented on pages 33 to 47 of the annual performance report of the department for the year ended 31 March 2021.
15. 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.
16. I did not identify any material findings on the usefulness and reliability of the reported performance information for the selected programme.

Report on the audit of compliance with legislation

Introduction and scope

17. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the department's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
18. The material findings on compliance with specific matters in key legislation are as follows:

Procurement and contract management

19. Some of the contracts were extended or modified without the approval of a properly delegated official, as required by section 44 of the PFMA and treasury regulations 8.2.1 and 8.2.2. Similar non-compliance was also reported in the prior year.

Expenditure management

20. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R10,85 million, as disclosed in note 25 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure was caused by non-compliance with supply chain management legislation.

Other information

21. 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, accounting officer's report and the premier's foreword. The other information does not include the financial statements, the auditor's report and those selected programme presented in the annual performance report that have been specifically reported in this auditor's report.

22. 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 on it.
23. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
24. I did not receive all the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

25. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
26. Management did not fully review and monitor controls over the compliance with contract and expenditure management. Some of the non-compliance identified in the prior year was not fully addressed, resulting in repeat findings and irregular expenditure being reported.

Other reports

27. I draw attention to the following engagements which had, or could have, an impact on the matters reported in the department's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
28. Twelve investigations were conducted by the Office of the Premier Forensics Unit covering the period April 2012 to March 2020. These investigations related to procurement irregularities and alleged fraud and corruption. Four investigations were still in progress as at year-end and one was finalised during the year. Recommendations from the seven completed investigations are in the process of being implemented. One of the completed investigations resulted in internal disciplinary hearings and criminal proceedings against four employees. These proceedings were in progress at the date of this report.

Auditor-General

Pietermaritzburg
31 August 2021



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 programme and on the Office of the Premier's compliance with respect to the selected subject matters.

Financial statements

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

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.



ANNUAL FINANCIAL STATEMENTS

OFFICE OF THE PREMIER

FOR THE YEAR ENDED
31 MARCH 2021

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APPROPRIATION STATEMENT
for the year ended 31 March 2021

Appropriation per programme									
2020/21							2019/20		
Programme	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
1. ADMINISTRATION	110 155	184	55	110 394	105 932	4 462	96%	138 392	131 886
2. INSTITUTIONAL DEVELOPMENT	375 838	-184	4 625	380 279	332 630	47 649	87,5%	341 326	311 512
3. POLICY AND GOVERNANCE	148 101	-	-4 680	143 421	140 138	3 283	97,7%	235 254	230 202
Subtotal	634 094	-	-	634 094	578 700	55 394	91,3%	714 972	673 600
TOTAL	634 094	-	-	634 094	578 700	55 394	91,3%	714 972	673 600

2020/21					2019/20	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)						
Reconciliation with statement of financial performance						
ADD						
Departmental receipts	508		4 881			
NRF Receipts						
Aid assistance	14 093		1 115			
Actual amounts per statement of financial performance (total revenue)	648 695		720 968			
ADD						
Aid assistance		520				3 206
Prior year unauthorised expenditure approved without funding						
Actual amounts per statement of financial performance (total expenditure)		579 220				676 806

**APPROPRIATION STATEMENT
for the year ended 31 March 2021**

Appropriation per economic classification									
	2020/21						2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	561 648	(18 900)	(35 742)	507 006	496 034	10 972	97,8%	645 047	614 895
Compensation of employees	319 335	-	(12 568)	306 767	305 603	1 164	99,6%	300 121	295 891
Salaries and wages	279 977	43	(10 000)	270 020	269 286	734	99,7%	265 148	262 084
Social contributions	39 358	(43)	(2 568)	36 747	36 317	430	98,8%	34 973	33 807
Goods and services	242 313	(18 900)	(23 174)	200 239	190 431	9 808	95,1%	344 926	319 004
Administrative fees	855	-	115	970	771	199	79,5%	4 331	3 877
Advertising	35 880	-	5 762	41 642	41 254	388	99,1%	46 539	30 005
Minor assets	4 355	-	(2 606)	1 749	1 119	630	64,0%	1 003	506
Audit costs: External	4 500	-	146	4 646	4 646	-	100,0%	5 256	4 813
Bursaries: Employees	660	-	(534)	126	117	9	92,9%	755	229
Catering: Departmental activities	5 360	-	(1 454)	3 906	2 471	1 435	63,3%	5 699	5 476
Communication	14 097	-	(1 247)	12 850	12 643	207	98,4%	11 227	11 191
Computer services	70 460	(18 900)	(1 487)	50 073	50 040	33	99,9%	35 271	34 831
Consultants: Business and advisory services	3 348	-	(1 855)	1 493	1 370	123	91,8%	17 704	17 328
Infrastructure & planning services									
Legal services	1 673	-	(339)	1 334	1 081	253	81,0%	478	478
Contractors	16 668	-	(13 395)	3 273	2 390	883	73,0%	108 489	107 087
Agency and support / outsourced services	5 242	-	421	5 663	5 413	250	95,6%	548	498

APPROPRIATION STATEMENT
for the year ended 31 March 2021

Appropriation per economic classification									
	2020/21						2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Fleet services	7 947	-	(1 635)	6 312	6 312	-	100,0%	9 824	9 824
Inventory: Clothing material and supplies				-	-			-	-
Consumable supplies	5 371	-	2 641	8 012	7 066	946	88,2%	4 355	3 940
Consumable: Stationery, printing and office supplies	8 698	-	(142)	8 556	7 675	881	89,7%	6 674	6 219
Operating leases	18 372	-	(6 331)	12 041	10 990	1 051	91,3%	18 064	17 326
Property payments	17 435	-	1 358	18 793	18 228	565	97,0%	19 986	19 985
Transport provided: Departmental activity	1 132	-	(594)	538	495	43	92,0%	5 381	5 198
Travel and subsistence	16 466	-	(3 955)	12 511	11 244	1 267	89,9%	34 298	33 127
Training and development	2 083	-	(54)	2 029	1 466	563	72,3%	3 009	1 065
Operating payments	1 521	-	926	2 447	2 385	62	97,5%	867	861
Venues and facilities	190	-	1 085	1 275	1 255	20	98,4%	5 168	5 140
Transfers and subsidies	43 978	2 350	8 168	54 496	52 569	1 927	96,5%	49 201	49 200
Provinces and municipalities	136	-	12	148	148	-	100,0%	112	112
Provinces	136	-	12	148	148	-	100,0%	112	112
Provincial Revenue Funds	136	-	12	148	148	-	100,0%	9	9
Provincial agencies and funds	-	-	-	-	-	-	-	103	103
Departmental agencies and accounts	20 136	2 350	8 168	30 654	30 654	-	100,0%	19 086	19 086
Departmental agencies	20 136	2 350	8 168	30 654	30 654	-	100,0%	19 086	19 086

APPROPRIATION STATEMENT
for the year ended 31 March 2021

Appropriation per economic classification									
2020/21							2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Non-profit institutions									
Households	23 706	-	(12)	23 694	21 767	1 927	91,9%	30 003	30 002
Social benefits	3 417	-	280	3 697	3 435	262	92,9%	5 479	5 478
Other transfers to households	20 289	-	(292)	19 997	18 332	1 665	91,7%	24 524	24 524
Payments for capital assets	28 468	16 550	23 017	68 035	25 540	42 495	37,5%	20 515	9 296
Buildings and other fixed structures	8 900	(2 350)	(1 185)	5 365	5 365	-	100,0%	9 861	4 878
Buildings	8 900	(2 350)	(1 185)	5 365	5 365	-	100,0%	9 861	4 878
Other fixed structures				-	-			-	-
Machinery and equipment	19 568		8 302	27 870	20 175	7 695	72,4%	10 654	4 418
Transport equipment	1 666	-	11 247	12 913	12 907	6	100,0%	4 056	2 301
Other machinery and equipment	17 902		(2 945)	14 957	7 268	7 689	48,6%	6 598	2 117
Heritage assets				-	-			-	-
Intangible assets		18 900	15 900	34 800		34 800	-	-	-
Payments for financial assets			4 557	4 557	4 557	-	100%	209	209
TOTAL	634 094	-	-	634 094	578 700	55 394	91,3%	714 972	673 600

APPROPRIATION STATEMENT for the year ended 31 March 2021

Programme 1: ADMINISTRATION									
2020/21							2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. PREMIER SUPPORT	26 045	311	(112)	26 244	24 568	1 676	93,6%	33 955	33 411
2. EXECUTIVE COUNCIL SUPPORT	12 140	-	76	12 216	11 484	732	94,0%	15 655	14 772
3. DIRECTOR GENERAL	19 277	(1 334)	967	18 910	18 037	873	95,4%	17 662	17 116
4. FINANCIAL MANAGEMENT	36 169	(548)	(16)	35 605	35 482	123	99,7%	36 478	32 507
5. INTERGOVERNMENTAL RELATIONS	16 524	1 755	(860)	17 419	16 361	1 058	93,9%	34 642	34 080
Total for sub programmes	110 155	184	55	110 394	105 932	4 462	96,0%	138 392	131 886
Economic classification									
Current payments	107 807	184	(1 524)	106 467	103 139	3 328	96,9%	131 503	126 197
Compensation of employees	78 058	184	-	78 242	78 233	9	100,0%	78 057	75 313
Salaries and wages	69 444	227	(26)	69 645	69 645	-	100,0%	69 735	67 660
Social contributions	8 614	(43)	26	8 597	8 588	9	99,9%	8 322	7 653
Goods and services	29 749	-	(1 524)	28 225	24 906	3 319	88,2%	53 446	50 884
Administrative fees	364	-	3	367	349	18	95,1%	1 292	1 276
Advertising	100	-	2 733	2 833	2 804	29	99,0%	2	2
Minor assets	639	-	(276)	363	252	111	69,4%	361	116
Audit costs: External	4 500	-	146	4 646	4 646	-	100,0%	5 256	4 813
Catering: Departmental activities	2 954	-	(793)	2 161	1 225	936	56,7%	1 813	1 779
Communication	239	-	-	239	156	83	65,3%	160	153
Computer services	429	-	-	429	428	1	99,8%	883	751

APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 1: ADMINISTRATION									
	2020/21						2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consultants: Business and advisory services	211	-	-	211	211	-	100,0%	900	524
Legal services	121	-	121	242	121	121	50,0%	-	-
Contractors	9 008	-	(7 890)	1 118	339	779	30,3%	25 112	24 621
Agency & Support outsourced services	-	-	2 278	2 278	2 275	3	99,9%	60	60
Fleet Services	2	-	(2)	-	-	-	-	1	1
Inventory: clothing, material & accessories	-	-	-	-	-	-	-	-	-
Consumable supplies	1 536	-	2 386	3 922	3 833	89	97,7%	356	247
Consumable: Stationery, printing and office supplies	2 810	-	(333)	2 477	2 193	284	88,5%	2 123	1 998
Operating leases	1 623	-	(358)	1 265	1 042	223	82,4%	1 329	1 035
Property payments	620	-	446	1 066	737	329	69,1%	616	616
Transport provided: Departmental activity	-	-	94	94	94	-	100,0%	33	33
Travel and subsistence	4 348	-	(230)	4 118	3 805	313	92,4%	11 574	11 308
Training and development	20	-	(20)	-	-	-	-	22	-
Operating payments	205	-	38	243	243	-	100,0%	301	299
Venues and facilities	20	-	133	153	153	-	100,0%	1 252	1 252
Transfers and subsidies	1 338	-	-	1 338	1 334	4	99,7%	3 974	3 974
Households	1 338	-	-	1 338	1 334	4	99,7%	3 974	3 974
Social benefits	1 338	-	-	1 338	1 334	4	99,7%	3 974	3 974
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	1 010	-	1 572	2 582	1 452	1 130	56,2%	2 915	1 715

**APPROPRIATION STATEMENT
for the year ended 31 March 2021**

Programme 1: ADMINISTRATION									
2020/21							2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Machinery and equipment	1 010	-	1 572	2 582	1 452	1 130	56,2%	2 915	1 715
Transport equipment	-	-	634	634	634	-	100,0%	417	417
Other machinery and equipment	1 010	-	938	1 948	818	1 130	42,0%	2 498	1 298
Payments for financial assets	-	-	7	7	7	-	100,0%	-	-
TOTAL	110 155	184	55	110 394	105 932	4 462	96,0%	138 392	131 886

APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 1.1: PREMIER SUPPORT									
2020/21							2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	25 865	311	(174)	26 002	24 479	1 523	94,1%	30 554	30 379
Compensation of employees	20 795	311	-	21 106	21 106	-	100,0%	22 844	22 817
Salaries and wages	19 308	258	-	19 566	19 566	-	100,0%	21 342	21 336
Social contributions	1 487	53	-	1 540	1 540	-	100,0%	1 502	1 481
Goods and services	5 070	-	(174)	4 896	3 373	1 523	68,9%	7 710	7 562
Administrative fees	200	-	-	200	195	5	97,5%	690	690
Minor assets	32	-	-	32	6	26	18,8%	62	39
Catering: Departmental activities	320	-	-	320	3	317	0,9%	167	133
Communication	231	-	-	231	156	75	67,5%	149	149
Computer services	-	-	-	-	-	-	-	-	-
Consultants: Business and advisory services	-	-	-	-	-	-	-	15	15
Legal services	-	-	121	121	121	-	100,0%	-	-
Contractors	4	-	9	13	13	-	100,0%	8	8
Fleet services	-	-	-	-	-	-	-	1	1
Consumable supplies	160	-	-	160	83	77	51,9%	174	174
Consumable: Stationery, printing and office supplies	900	-	(174)	726	445	281	61,3%	423	415
Operating leases	400	-	-	400	221	179	55,3%	300	217
Property payments	620	-	-	620	291	329	46,9%	616	616
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 1.1: PREMIER SUPPORT									
2020/21							2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Travel and subsistence	2 203	-	(130)	2 073	1 839	234	88,7%	5 059	5 059
Training and development		-		-	-			-	-
Operating payments		-						46	46
Venues and facilities		-		-	-			-	-
Transfers and subsidies		-							
Households		-							
Social benefits		-							
Other transfers to households		-		-	-			-	-
Payments for capital assets	180	-	55	235	82	153	34,9%	906	537
Machinery and equipment	180	-	55	235	82	153	34,9%	906	537
Transport equipment									
Other machinery and equipment	180	-	55	235	82	153	34,9%	906	537
Payments for financial assets		-	7	7	7	-	100,0%	-	-
TOTAL	26 045	311	(112)	26 244	24 568	1 676	93,6%	33 955	33 411

APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 1.2: EXECUTIVE COUNCIL									
2020/21							2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	12 077	-	(571)	11 506	10 774	732	93,6%	15 538	14 704
Compensation of employees	8 939	-	-	8 939	8 933	6	99,9%	7 557	7 367
Salaries and wages	7 881	-	30	7 911	7 911	-	100,0%	6 529	6 529
Social contributions	1 058	-	(30)	1 028	1 022	6	99,4%	1 028	838
Goods and services	3 138	-	(571)	2 567	1 841	726	71,7%	7 981	7 337
Administrative fees	6	-	-	6	5	1	83,3%	88	88
Minor assets	45	-	-	45	-	45	-	47	15
Catering: Departmental activities	2 300	-	(830)	1 470	851	619	57,9%	1 396	1 396
Communication	8	-	-	8	-	8	-	10	3
Contractors	2	-	31	33	33	-	100,0%	4 112	3 657
Consumable supplies	30	-	-	30	18	12	60,0%	50	29
Consumable: Stationery, printing and office supplies	250	-	132	382	381	1	99,7%	342	342
Operating leases	320	-	-	320	280	40	87,5%	300	171
Travel and subsistence	177	-	35	212	212	-	100,0%	901	901
Operating payments	-	-	61	61	61	-	100,0%	-	-
Venues and facilities	-	-	76	76	76	-	100,0%	-	-
Transfers and subsidies	-	-	76	76	76	-	100,0%	-	-
Households	-	-	76	76	76	-	100,0%	-	-
Social benefits	-	-	76	76	76	-	100,0%	-	-
Payments for capital assets	63	-	571	634	634	-	100,0%	117	68
Machinery and equipment	63	-	571	634	634	-	100,0%	117	68
Transport equipment	-	-	634	634	634	-	100,0%	-	-

APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 1.2: EXECUTIVE COUNCIL									
2020/21								2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Other machinery and equipment	63	-	(63)	-	-	-	-	117	68
Payments for financial assets		-	-	-	-	-		-	-
TOTAL	12 140	-	76	12 216	11 484	732	94,0%	15 655	14 772

APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 1.3: DIRECTOR GENERAL									
2020/21							2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	19 048	(1 334)	167	17 881	17 878	3	100,0%	17 018	16 663
Compensation of employees	11 079	(1 334)	-	9 745	9 742	3	100,0%	10 166	9 811
Salaries and wages	10 074	(1 217)	34	8 891	8 891	-	100,0%	9 313	8 958
Social contributions	1 005	(117)	(34)	854	851	3	99,6%	853	853
Goods and services	7 969	-	167	8 136	8 136	-	100,0%	6 852	6 852
Administrative fees	101	-	8	109	109	-	100,0%	316	316
Advertising	-	-	2 756	2 756	2 756	-	100,0%	-	-
Minor assets	140	-	(139)	1	1	-	100,0%	29	29
Audit costs: External	-	-	1 310	1 310	1 310	-	100,0%	-	-
Catering: Departmental activities	160	-	(75)	85	85	-	100,0%	99	99
Consultants: Business and advisory services	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Contractors	6 000	-	(5 954)	46	46	-	100,0%	2 464	2 464
Agency and support/ outsourced services	-	-	-	-	-	-	-	60	60
Fleet Services	2	-	(2)	-	-	-	-	-	-
Consumable supplies	120	-	1 944	2 064	2 064	-	100,0%	31	31
Consumable: Stationery, printing and office supplies	280	-	(157)	123	123	-	100,0%	255	255
Operating leases	286	-	(82)	204	204	-	100,0%	251	251

**APPROPRIATION STATEMENT
for the year ended 31 March 2021**

Programme 1.3: DIRECTOR GENERAL									
2020/21							2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Property Payments	-	-	446	446	446	-	100,0%	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	8	8
Travel and subsistence	860	-	132	992	992	-	100,0%	2 987	2 987
Training and development	-	-	-	-	-	-	-	-	-
Operating Payments	-	-	-	-	-	-	-	53	53
Venues and facilities	20	-	(20)	-	-	-	-	299	299
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Payments for capital assets	229	-	800	1 029	159	870	15,5%	644	453
Machinery and equipment	229	-	800	1 029	159	870	15,5%	644	453
Transport Equipment	-	-	-	-	-	-	-	417	417
Other machinery and equipment	229	-	800	1 029	159	870	15,5%	227	36
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	19 277	(1 334)	967	18 910	18 037	873	95,4%	17 662	17 116

APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 1.4: FINANCIAL MANAGEMENT									
2020/21							2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	34 333	(548)	-	33 785	33 773	12	100,0%	34 127	30 684
Compensation of employees	26 373	(548)	-	25 825	25 825	-	100,0%	24 835	23 161
Salaries and wages	22 904	(545)	(90)	22 269	22 269	-	100,0%	21 333	20 117
Social contributions	3 469	(3)	90	3 556	3 556	-	100,0%	3 502	3 044
Goods and services	7 960	-	-	7 960	7 948	12	99,8%	9 292	7 523
Administrative fees	17	-	(5)	12	7	5	58,3%	50	34
Advertising	71	-	(23)	48	48	-	100,0%	2	2
Minor assets	242	-	(137)	105	105	-	100,0%	210	20
Audit costs: External	4 500	-	(1 164)	3 336	3 336	-	100,0%	5 256	4 813
Catering: Departmental activities	50	-	(43)	7	7	-	100,0%	2	2
Communication	-	-	-	-	-	-	-	1	1
Computer services	429	-	-	429	428	1	99,8%	883	751
Consultants: Business and advisory services	211	-	-	211	211	-	100,0%	885	509
Legal services	-	-	-	-	-	-	-	-	-
Contractors	2	-	3	5	4	1	80,0%	35	-
Agency and support/outsourced services	-	-	2 278	2 278	2 275	3	99,9%	-	-
Inventory: clothing & material supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	226	-	(31)	195	195	-	100,0%	101	13

APPROPRIATION STATEMENT for the year ended 31 March 2021

Programme 1.4: FINANCIAL MANAGEMENT									
2020/21							2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumable: Stationery, printing and office supplies	1 194	-	(447)	747	745	2	99,7%	902	785
Operating leases	528	-	(276)	252	252	-	100,0%	387	305
Property payments	-	-	-	-	-	-	-	-	-
Transport provided Dept Activities	-	-	-	-	-	-	-	25	25
Travel and subsistence	265	-	(173)	92	92	-	100,0%	329	63
Training and development	20	-	(20)	-	-	-	-	22	-
Operating payments	205	-	38	243	243	-	100,0%	202	200
Venues & facilities	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 338	-	(76)	1 262	1 258	4	99,7%	1 275	1 275
Households	1 338	-	(76)	1 262	1 258	4	99,7%	1 275	1 275
Social benefits	1 338	-	(76)	1 262	1 258	4	99,7%	1 275	1 275
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	498	-	60	558	451	107	80,8%	1 076	548
Machinery and equipment	498	-	60	558	451	107	80,8%	1 076	548
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	498	-	60	558	451	107	80,8%	1 076	548
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	36 169	(548)	(16)	35 605	35 482	123	99,7%	36 478	32 507

APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 1.5: INTERGOVERNMENTAL RELATIONS									
2020/21							2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	16 484	1 755	(946)	17 293	16 235	1 058	93,9%	34 266	33 767
Compensation of employees	10 872	1 755	-	12 627	12 627	-	100,0%	12 655	12 157
Salaries and wages	9 277	1 731	-	11 008	11 008	-	100,0%	11 218	10 720
Social contributions	1 595	24	-	1 619	1 619	-	100,0%	1 437	1 437
Goods and services	5 612	-	(946)	4 666	3 608	1 058	77,3%	21 611	21 610
Administrative fees	40	-	-	40	33	7	82,5%	148	148
Advertising	29	-	-	29	-	29	-	-	-
Minor assets	180	-	-	180	140	40	77,8%	13	13
Catering: Departmental activities	124	-	155	279	279	-	100,0%	149	149
Consultants: Business & Advisory services	-	-	-	-	-	-	-	-	-
Legal services	121	-	-	121	-	121	-	-	-
Contractors	3 000	-	(1 979)	1 021	243	778	23,8%	18 493	18 492
Consumable supplies	1 000	-	473	1 473	1 473	-	100,0%	-	-
Consumable: Stationery, printing and office supplies	186	-	313	499	499	-	100,0%	201	201
Operating leases	89	-	-	89	85	4	95,5%	91	91
Transport provided: Departmental activity	-	-	94	94	94	-	100,0%	-	-
Travel and subsistence	843	-	(94)	749	670	79	89,5%	2 298	2 298
Operating payments	-	-	-	-	-	-	-	-	-

**APPROPRIATION STATEMENT
for the year ended 31 March 2021**

Programme 1.5: INTERGOVERNMENTAL RELATIONS									
2020/21								2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Venues and facilities	-	-	92	92	92	-	100,0%	218	218
Transfers and subsidies								204	204
Households		-						204	204
Social benefits		-						204	204
Payments for capital assets	40	-	86	126	126	-	100,0%	172	109
Machinery and equipment	40	-	86	126	126	-	100,0%	172	109
Other machinery and equipment	40	-	86	126	126	-	100,0%	172	109
Payments for financial assets								-	-
Total	16 524	1 755	(860)	17 419	16 361	1 058	93,9%	34 642	34 080

APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 2: INSTITUTIONAL DEVELOPMENT									
2020/21							2019/20		
Sub programme	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
1. STRATEGIC HUMAN RESOURCES	74 911	688	(3 255)	72 344	71 564	780	98,9%	78 675	72 415
2. INFORMATION COM. TECHNOLOGY	143 489	580	16 610	160 679	120 501	40 178	75,0%	86 580	82 852
3. LEGAL SERVICES	12 234	139	(62)	12 311	11 936	375	97,0%	12 439	12 209
4. COMMUNICATION SERVICES	51 272	-	2 070	53 342	51 380	1 962	96,3%	68 040	51 551
5. SPECIAL PROGRAMMES	61 590	(1 503)	(2 882)	57 205	53 520	3 685	93,6%	95 592	92 485
6. FORENSIC INVESTIGATIONS AND INTEGRITY MANAGEMENT	32 342	(88)	(7 856)	24 398	23 729	669	97,3%	-	-
Total for sub programmes	375 838	(184)	4 625	380 279	332 630	47 649	87,5%	341 326	311 512
Economic classification									
Current payments	331 110	(19 084)	(18 193)	293 833	289 138	4 695	98,4%	308 953	284 233
Compensation of employees	146 857	(184)	(2 100)	144 573	143 585	988	99,3%	133 397	131 977
Salaries and wages	128 316	(184)	(2 093)	126 039	125 375	664	99,5%	116 045	115 122
Social contributions	18 541	-	(7)	18 534	18 210	324	98,3%	17 352	16 855
Goods and services	184 253	(18 900)	(16 093)	149 260	145 553	3 707	97,5%	175 556	152 256
Administrative fees	183	-	155	338	278	60	82,2%	1 627	1 189
Advertising	34 538	-	3 894	38 432	38 431	1	100,0%	43 916	27 382
Minor assets	2 721	-	(1 695)	1 026	796	230	77,6%	490	272
Bursaries: Employees	660	-	(534)	126	117	9	92,9%	755	229

APPROPRIATION STATEMENT for the year ended 31 March 2021

Programme 2: INSTITUTIONAL DEVELOPMENT									
2020/21							2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Catering: Departmental activities	1 318	-	(644)	674	533	141	79,1%	1 646	1 457
Communication	13 476	-	(914)	12 562	12 467	95	99,2%	11 043	11 014
Computer services	66 026	(18 900)	(1 827)	45 299	45 269	30	99,9%	19 521	19 213
Consultants: Business and advisory services	92	-	628	720	706	14	98,1%	12 463	12 463
Legal services	1 552	-	(460)	1 092	960	132	87,9%	478	478
Contractors	2 737	-	(1 771)	966	869	97	90,0%	16 852	15 941
Agency and support / outsourced services	4 942	-	(1 983)	2 959	2 865	94	96,8%	50	-
Fleet services	7 730	-	(2 193)	5 537	5 537	-	100,0%	7 768	7 768
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	3 339	-	(846)	2 493	1 800	693	72,2%	2 416	2 110
Consumable: Stationery, printing and office supplies	3 925	-	(636)	3 289	2 814	475	85,6%	3 390	3 086
Operating leases	15 621	-	(5 772)	9 849	9 581	268	97,3%	16 324	15 880
Property payments	16 815	-	424	17 239	17 003	236	98,6%	17 348	17 347
Transport provided: Departmental activity	1 132	-	(946)	186	143	43	76,9%	2 759	2 576
Travel and subsistence	5 488	-	(1 386)	4 102	3 478	624	84,8%	9 693	8 788
Training and development	1 858	-	(9)	1 849	1 466	383	79,3%	2 987	1 065
Operating payments	80	-	(16)	64	2	62	3,1%	496	492
Venues and facilities	20	-	438	458	438	20	95,6%	3 534	3 506

APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 2: INSTITUTIONAL DEVELOPMENT									
2020/21							2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	21 104	-	-	21 104	19 414	1 690	92,0%	25 297	25 296
Provinces and municipalities	136		12	148	148	-	100,0%	103	103
Provincial Revenue Funds	136	-	12	148	148	-	100,0%	-	-
Departmental agencies and accounts				-	-			103	103
Departmental agencies				-	-			-	-
Non-profit institutions									
Households	20 968	-	(12)	20 956	19 266	1 690	91,9%	25 194	25 193
Social benefits	679	-	280	959	934	25	97,4%	670	669
Other transfers to households	20 289	-	(292)	19 997	18 332	1 665	91,7%	24 524	24 524
Payments for capital assets	23 624	18 900	22 725	65 249	23 985	41 264	36,8%	6 868	1 775
Buildings and other fixed structures	6 550	-	(1 185)	5 365	5 365	-	100,0%	2 361	1 378
Buildings	6 550	-	(1 185)	5 365	5 365	-	100,0%	2 361	1 378
Other fixed structures									
Machinery and equipment	17 074	-	8 010	25 084	18 620	6 464	74,2%	4 507	397
Transport equipment	1 280	-	10 994	12 274	12 273	1	100,0%	1 755	-
Other machinery and equipment	15 794	-	(2 984)	12 810	6 347	6 463	49,5%	2 752	397
Software & Other Intangible Assets	-	18 900	15 900	34 800	-	34 800			
Payments for financial assets	-	-	93	93	93	-	100,0%	208	208
Total	375 838	(184)	4 625	380 279	332 630	47 649	87,5%	341 326	311 512

APPROPRIATION STATEMENT for the year ended 31 March 2021

Programme 2.1: STRATEGIC HUMAN RESOURCES									
2020/21							2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	74 097	688	(3 503)	71 282	70 677	605	99,2%	77 343	72 114
Compensation of employees	60 958	688	-	61 646	61 646	-	100,0%	62 404	61 804
Salaries and wages	52 663	688	324	53 675	53 675	-	100,0%	54 343	54 018
Social contributions	8 295	-	(324)	7 971	7 971	-	100,0%	8 061	7 786
Goods and services	13 139	-	(3 503)	9 636	9 031	605	93,7%	14 939	10 310
Administrative fees	72	-	1	73	41	32	56,2%	209	156
Advertising	850	-	242	1 092	1 092	-	100,0%	950	950
Minor assets	1 126	-	(580)	546	546	-	100,0%	378	247
Bursaries: Employees	660	-	(534)	126	117	9	92,9%	755	229
Catering: Departmental activities	617	-	(550)	67	15	52	22,4%	607	439
Communication	660	-	(345)	315	294	21	93,3%	573	545
Computer services	831	-	163	994	975	19	98,1%	1 100	1 094
Consultants: Business and advisory services	92	-	495	587	573	14	97,6%	-	-
Legal services	1 102	-	(460)	642	641	1	99,8%	5	5
Contractors	676	-	(151)	525	519	6	98,9%	2 039	1 228
Agency and support / outsourced services	55	-	(50)	5	-	5	-	50	-
Fleet services	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 2.1: STRATEGIC HUMAN RESOURCES									
2020/21							2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumable supplies	1 584	-	(338)	1 246	1 179	67	94,6%	123	24
Consumable: Stationery, printing and office supplies	1 001	-	(420)	581	469	112	80,7%	1 260	1 115
Operating leases	804	-	(39)	765	578	187	75,6%	1 028	790
Property payments		-						1	1
Travel and subsistence	1 999	-	(943)	1 056	996	60	94,3%	2 595	2 175
Training and development	990	-	6	996	996	-	100,0%	2 949	1 027
Operating payments		-						282	278
Venues and facilities	20	-	-	20	-	20	-	35	7
Transfers and subsidies	236	-	-	236	235	1	99,6%	139	139
Households	236	-	-	236	235	1	99,6%	139	139
Social benefits	236	-	-	236	235	1	99,6%	139	139
Payments for capital assets	578	-	245	823	649	174	78,9%	1 193	162
Buildings and other fixed structures		-						-	-
Buildings		-							
Machinery and equipment	578	-	245	823	649	174	78,9%	1 193	162
Transport equipment		-							
Other machinery and equipment	578	-	245	823	649	174	78,9%	1 193	162
Payments for financial assets	-	-	3	3	3	-	100,0%	-	-
Total	74 911	688	(3 255)	72 344	71 564	780	98,9%	78 675	72 415

APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 2.2: INFORMATION COM. TECHNOLOGY									
2020/21							2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	125 998	(18 320)	(9 800)	97 878	97 823	55	99,9%	81 365	80 897
Compensation of employees	15 399	580	-	15 979	15 970	9	99,9%	15 776	15 607
Salaries and wages	12 687	580	88	13 355	13 355	-	100,0%	13 314	13 145
Social contributions	2 712	-	(88)	2 624	2 615	9	99,7%	2 462	2 462
Goods and services	110 599	(18 900)	(9 800)	81 899	81 853	46	99,9%	65 589	65 290
Administrative fees	6	-	-	6	2	4	33,3%	11	11
Minor assets	1 330	-	(1 113)	217	217	-	100,0%	1	1
Catering: Departmental activities	15	-	(8)	7	-	7	-	-	-
Communication	12 723	-	(575)	12 148	12 146	2	100,0%	10 444	10 444
Computer services	62 695	(18 900)	500	44 295	44 292	3	100,0%	18 418	18 119
Consultants: Business and advisory services	-	-	1	1	1	-	100,0%	-	-
Contractors	158	-	(89)	69	63	6	91,3%	1 761	1 761
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Fleet services	7 480	-	(1 943)	5 537	5 537	-	100,0%	7 551	7 551
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	46	-	40	86	86	-	100,0%	35	35
Consumable: Stationery, printing and office supplies	315	-	142	457	443	14	96,9%	102	102
Operating leases	13 642	-	(5 047)	8 595	8 591	4	100,0%	14 662	14 662
Property payments	12 020	-	(1 577)	10 443	10 443	-	100,0%	12 361	12 361

APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 2.2: INFORMATION COM. TECHNOLOGY									
2020/21							2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Travel and subsistence	151	-	(115)	36	30	6	83,3%	107	107
Operating payments	18	-	(16)	2	2	-	100,0%	136	136
Transfers and subsidies	341	-	-	341	317	24	93,0%	517	516
Provinces and municipalities	136	-	12	148	148	-	100,0%	103	103
Provincial Revenue Funds	136	-	12	148	148	-	100,0%	103	103
Households	205	-	(12)	193	169	24	87,6%	414	413
Social benefits	205	-	(12)	193	169	24	87,6%	409	408
Other transfers to households	-	-	-	-	-	-	-	5	5
Payments for capital assets	17 150	18 900	26 410	62 460	22 361	40 099	35,8%	4 698	1 439
Buildings and other fixed structures	6 550	-	(1 185)	5 365	5 365	-	100,0%	2 361	1 378
Buildings	6 550	-	(1 185)	5 365	5 365	-	100,0%	2 361	1 378
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	10 600	-	11 695	22 295	16 996	5 299	76,2%	2 337	61
Transport equipment	1 280	-	10 994	12 274	12 273	1	100,0%	1 755	-
Other machinery and equipment	9 320	-	701	10 021	4 723	5 298	47,1%	582	61
Software and other intangible assets	-	18 900	15 900	34 800	-	34 800	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	143 489	580	16 610	160 679	120 501	40 178	75,0%	86 580	82 852

APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 2.3: LEGAL SERVICES									
2020/21							2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	12 172	139	-	12 311	11 936	375	97,0%	12 380	12 199
Compensation of employees	11 148	139	-	11 287	11 286	1	100,0%	11 288	11 226
Salaries and wages	9 800	139	39	9 978	9 978	-	100,0%	10 002	9 940
Social contributions	1 348	-	(39)	1 309	1 308	1	99,9%	1 286	1 286
Goods and services	1 024	-	-	1 024	650	374	63,5%	1 092	973
Administrative fees	1	-	-	1	1	-	100,0%	5	5
Minor assets	24	-	-	24	-	24	-	20	-
Catering: Departmental activities	-	-	-	-	-	-	-	6	-
Computer services	-	-	-	-	-	-	-	3	-
Legal services	450	-	-	450	319	131	70,9%	473	473
Contractors	-	-	-	-	-	-	-	5	-
Consumable supplies	13	-	-	13	-	13	-	16	-
Consumable: Stationery, printing and office supplies	317	-	-	317	187	130	59,0%	281	271
Operating leases	145	-	-	145	86	59	59,3%	155	129
Property Payments	-	-	-	-	-	-	-	1	-
Travel and subsistence	74	-	-	74	57	17	77,0%	127	95
Operating payments	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 2.3: LEGAL SERVICES									
2020/21								2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Households									
Social benefits		-						-	-
Other transfers to households		-						-	-
		-						-	-
Payments for capital assets	62	-	(62)					59	10
Machinery and equipment	62	-	(62)					59	10
Other machinery and equipment	62	-	(62)					59	10
Payments for financial assets		-	-					-	-
Total	12 234	139	(62)	12 311	11 936	375	97,0%	12 439	12 209

APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 2.4: COMMUNICATION SERVICES									
2020/21							2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	48 662	-	3 100	51 762	50 665	1 097	97,9%	67 794	51 305
Compensation of employees	12 204	-	(200)	12 004	11 309	695	94,2%	11 284	11 183
Salaries and wages	10 967	-	(200)	10 767	10 139	628	94,2%	9 980	9 879
Social contributions	1 237	-	-	1 237	1 170	67	94,6%	1 304	1 304
Goods and services	36 458	-	3 300	39 758	39 356	402	99,0%	56 510	40 122
Administrative fees	41	-	97	138	138	-	100,0%	185	185
Advertising	33 241	-	3 694	36 935	36 935	-	100,0%	42 559	26 201
Minor assets	55	-	-	55	25	30	45,5%	33	3
Catering: Departmental activities	69	-	-	69	17	52	24,6%	60	60
Communication	20	-	-	20	-	20	-	25	25
Consultants: Business and advisory services	-	-	-	-	-	-	-	10 625	10 625
Contractors	670	-	(636)	34	15	19	44,1%	3	3
Consumable supplies	95	-	-	95	16	79	16,8%	-	-
Consumable: Stationery, printing and office supplies	1 162	-	224	1 386	1 386	-	100,0%	1 280	1 280
Operating leases	250	-	(200)	50	43	7	86,0%	65	65
Property payments	10	-	-	10	-	10	-	10	10
Travel and subsistence	645	-	121	766	766	-	100,0%	1 255	1 255
Training and development	150	-	(15)	135	-	135	-	-	-
Operating payments	50	-	-	50	-	50	-	9	9

**APPROPRIATION STATEMENT
for the year ended 31 March 2021**

Programme 2.4: COMMUNICATION SERVICES									
2020/21								2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Venues and facilities		-	15	15	15	-	100,0%	401	401
Transfers and subsidies	110	-	-	110	110	-	100,0%	122	122
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Households	110	-	-	110	110	-	100,0%	122	122
Social benefits	110	-	-	110	110	-	100,0%	122	122
Payments for capital assets	2 500	-	(1 030)	1 470	605	865	41,2%	124	124
Machinery and equipment		-						124	124
Transport equipment		-						-	-
Other machinery and equipment	2 500	-	(1 030)	1 470	605	865	41,2%	124	124
Payments for financial assets		-						-	-
Total	51 272	-	2 070	53 342	51 380	1 962	96,3%	68 040	51 551

APPROPRIATION STATEMENT for the year ended 31 March 2021

Programme 2.5: SPECIAL PROGRAMMES									
2020/21							2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	38 067	(1 503)	(66)	36 498	34 594	1 904	94,8%	70 071	67 718
Compensation of employees	25 206	(1 503)	-	23 703	23 456	247	99,0%	32 645	32 157
Salaries and wages	22 140	(1 503)	33	20 670	20 670	-	100,0%	28 406	28 140
Social contributions	3 066	-	(33)	3 033	2 786	247	91,9%	4 239	4 017
Goods and services	12 861	-	(66)	12 795	11 138	1 657	87,0%	37 426	35 561
Administrative fees	53		44	97	73	24	75,3%	1 217	832
Advertising	447		(42)	405	404	1	99,8%	407	231
Minor assets	114			114	8	106	7,0%	58	21
Bursaries: Employees								-	-
Catering: Departmental Activities	587		(75)	512	493	19	96,3%	973	958
Communication	21		6	27	27		100,0%	1	-
Computer services								-	-
Consultants: Business and advisory services	-	-	42	42	42	-	100,0%	1 838	1 838
Legal services								-	-
Contractors	1 233	-	(895)	338	272	66	80,5%	13 044	12 949
Agency and support / outsourced services								-	-
Fleet services								217	217
Consumable supplies	1 225		(178)	1 047	519	528	49,6%	2 242	2 051

**APPROPRIATION STATEMENT
for the year ended 31 March 2021**

Programme 2.5: SPECIAL PROGRAMMES									
2020/21							2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumable: Stationery, printing and office supplies	590		(106)	484	271	213	56,0%	467	318
Operating leases	380		(166)	214	207	7	96,7%	414	234
Property payments	4 785		2 001	6 786	6 560	226	96,7%	4 975	4 975
Transport provided: Departmental activity	1 042		(856)	186	143	43	76,9%	2 759	2 576
Travel and subsistence	1 898		(264)	1 634	1 230	404	75,3%	5 609	5 156
Training and development	486			486	466	20	95,9%	38 69	38 69
Operating payments									
Venues and facilities	-	-	423	423	423	-	100,0%	3 098	3 098
Transfers and subsidies	20 289	-	(134)	20 155	18 490	1 665	91,7%	24 519	24 519
Non-profit institutions									
Households	20 289		(134)	20 155	18 490	1 665	91,7%	24 519	24 519
Social benefits	-	-	158	158	158	-	100,0%	-	-
Other transfers to households	20 289		(292)	19 997	18 332	1 665	91,7%	24 519	24 519
Payments for capital assets	3 234		(2 748)	486	370	116	76,1%	794	40
Machinery and equipment	3 234		(2 748)	486	370	116	76,1%	794	40
Transport equipment									
Other machinery and equipment	3 234		(2 748)	486	370	116	76,1%	794	40
Software & Other Intangible assets									
Payments for financial assets	-	-	66	66	66	-	100,0%	208	208
Total	61 590	(1 503)	(2 882)	57 205	53 520	3 685	93,6%	95 592	92 485

APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 2.6: FORENSIC INVESTIGATIONS AND INTEGRITY MANAGEMENT									
2020/21							2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	32 114	(88)	(7 924)	24 102	23 443	659	97,3%		
Compensation of employees	21 942	(88)	(1 900)	19 954	19 918	36	99,8%		
Salaries and wages	20 059	(88)	(2 377)	17 594	17 558	36	99,8%		
Social contributions	1 883	-	477	2 360	2 360	-	100,0%		
Goods and services	10 172	-	(6 024)	4 148	3 525	623	85,0%		
Administrative fees	10	-	13	23	23	-	100,0%		
Advertising	-	-	-	-	-	-	-		
Minor assets	72	-	(2)	70	-	70	-		
Catering: Departmental activities	30	-	(11)	19	8	11	42,1%		
Communications	52	-	-	52	-	52	-		
Computer Services	2 500	-	(2 490)	10	2	8	20,0%		
Consultants: Business and advisory services	-	-	90	90	90	-	100,0%		
Contractors	-	-	-	-	-	-	-		
Agency and Support/outsources services	4 887	-	(1 933)	2 954	2 865	89	97,0%		
Fleet services (including government motor transport)	250	-	(250)	-	-	-	-		
Consumable supplies	376	-	(370)	6	-	6	-		
Consumable: Stationery, printing and office supplies	540	-	(476)	64	58	6	90,6%		
Operating leases	400	-	(320)	80	76	4	95,0%		

APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 2.6: FORENSIC INVESTIGATIONS AND INTEGRITY MANAGEMENT									
2020/21								2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transport provided:	90	-	(90)	-	-	-	-	-	-
Departmental activity									
Travel and subsistence	721	-	(185)	536	399	137	74,4%		
Training and development	232			232	4	228	1,7%		
Operating payments	12	-	-	12	-	12	-		
Venues and facilities	-	-	-	-	-	-	-		
Transfers and subsidies	128	-	134	262	262	-	100,0%		
Households	128	-	134	262	262	-	100,0%		
Social benefits	-	-	-	-	-	-	-		
Payments for capital assets	100	-	(90)	10	-	10	-		
Machinery and equipment	100	-	(90)	10	-	10	-		
Other machinery and equipment	100	-	(90)	10	-	10	-		
Payments for financial assets	-	-	24	24	24	-	100,0%		
Total	32 342	(88)	(7 856)	24 398	23 729	669	97,3%		

APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 3: POLICY AND GOVERNANCE									
2020/21							2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. PROVINCIAL POLICY MANAGEMENT	39 686	962	(3 282)	37 366	35 517	1 849	95,1%	48 615	48 073
2. PREMIER'S PRIORITY PROGRAMMES	42 608	(962)	(9 343)	32 303	31 201	1 102	96,6%	107 199	106 689
3. ROYAL HOUSEHOLD	65 807	-	7 945	73 752	73 420	332	99,5%	79 440	75 440
Total for sub programmes	148 101	-	(4 680)	143 421	140 138	3 283	97,7%	235 254	230 202
Economic classification									
Current payments	122 731	-	(16 025)	106 706	103 757	2 949	97,2%	204 591	204 465
Compensation of employees	94 420	-	(10 468)	83 952	83 785	167	99,8%	88 667	88 601
Salaries and wages	82 217	-	(7 881)	74 336	74 266	70	99,9%	79 368	79 302
Social contributions	12 203	-	(2 587)	9 616	9 519	97	99,0%	9 299	9 299
Goods and services	28 311	-	(5 557)	22 754	19 972	2 782	87,8%	115 924	115 864
Administrative fees	308	-	(43)	265	144	121	54,3%	1 412	1 412
Advertising	1 242	-	(865)	377	19	358	5,0%	2 621	2 621
Minor assets	995	-	(635)	360	71	289	19,7%	152	118
Catering: Departmental activities	1 088	-	(17)	1 071	713	358	66,6%	2 240	2 240
Communication	382	-	(333)	49	20	29	40,8%	24	24
Computer services	4 005	-	340	4 345	4 343	2	100,0%	14 867	14 867
Consultants: Business and advisory services	3 045	-	(2 483)	562	453	109	80,6%	4 341	4 341

APPROPRIATION STATEMENT for the year ended 31 March 2021

Programme 3: POLICY AND GOVERNANCE									
2020/21							2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Contractors	4 923	-	(3 734)	1 189	1 182	7	99,4%	66 525	66 525
Agency & Support / outsourced services	300	-	126	426	273	153	64,1%	438	438
Fleet services	215	-	560	775	775	-	100,0%	2 055	2 055
Consumable supplies	496	-	1 101	1 597	1 433	164	89,7%	1 583	1 583
Consumable: Stationery, printing and office supplies	1 963	-	827	2 790	2 668	122	95,6%	1 161	1 135
Operating leases	1 128	-	(201)	927	367	560	39,6%	411	411
Property payments	-	-	488	488	488	-	100,0%	2 022	2 022
Transport provided: Departmental activity	-	-	258	258	258	-	100,0%	2 589	2 589
Travel and subsistence	6 630	-	(2 339)	4 291	3 961	330	92,3%	13 031	13 031
Training and development	205	-	(25)	180	-	180	-	-	-
Operating payments	1 236	-	904	2 140	2 140	-	100,0%	70	70
Venues and facilities	150	-	514	664	664	-	100,0%	382	382
Transfers and subsidies	21 536	2 350	8 168	32 054	31 821	233	99,3%	19 930	19 930
Provinces & municipalities	-	-	-	-	-	-	-	9	9
Provinces	-	-	-	-	-	-	-	9	9
Provincial Revenue Funds	-	-	-	-	-	-	-	9	9
Provincial agencies & funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	20 136	2 350	8 168	30 654	30 654	-	100,0%	19 086	19 086
Departmental agencies	20 136	2 350	8 168	30 654	30 654	-	100,0%	19 086	19 086

APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 3: POLICY AND GOVERNANCE									
2020/21							2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Households	1 400	-	-	1 400	1 167	233	83,4%	835	835
Social benefits	1 400	-	-	1 400	1 167	233	83,4%	835	835
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	3 834	(2 350)	(1 280)	204	103	101	50,5%	10 732	5 806
Buildings and other fixed structures	2 350	(2 350)	-	-	-	-	-	7 500	3 500
Buildings	2 350	(2 350)	-	-	-	-	-	7 500	3 500
Machinery and equipment	1 484	-	(1 280)	204	103	101	50,5%	3 232	2 306
Transport equipment	386	-	(381)	5	-	5	-	1 884	1 884
Other machinery and equipment	1 098	-	(899)	199	103	96	51,8%	1 348	422
Heritage assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	4 457	4 457	4 457	-	100,0%	1	1
Total	148 101	-	(4 680)	143 421	140 138	3 283	97,7%	235 254	230 202

APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 3.1: PROVINCIAL POLICY MANAGEMENT									
2020/21							2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	39 604	962	(3 282)	37 284	35 470	1 814	95,1%	48 057	48 020
Compensation of employees	28 306	962	-	29 268	29 268	-	100,0%	27 172	27 172
Salaries and wages	25 881	962	76	26 919	26 919	-	100,0%	25 064	25 064
Social contributions	2 425	-	(76)	2 349	2 349	-	100,0%	2 108	2 108
Goods and services	11 298	-	(3 282)	8 016	6 202	1 814	77,4%	20 885	20 848
Administrative fees	105	-	-	105	20	85	19,0%	142	142
Advertising	560	-	(188)	372	19	353	5,1%	22	22
Minor assets	141	-	-	141	36	105	25,5%	34	23
Catering: Departmental activities	129	-	-	129	31	98	24,0%	202	202
Communication	-	-	-	-	-	-	-	-	-
Computer services	4 000	-	343	4 343	4 343	-	100,0%	14 864	14 864
Consultants: Business and advisory services	2 930	-	(2 400)	530	421	109	79,4%	440	440
Contractors	-	-	1	1	1	-	100,0%	2 109	2 109
Infrastructure & planning services	-	-	-	-	-	-	-	-	-
Consumable supplies	139	-	-	139	5	134	3,6%	267	267
Consumable: Stationery, printing and office supplies	1 140	-	(1 000)	140	61	79	43,6%	350	324
Operating leases	630	-	-	630	140	490	22,2%	249	249
Transport provided: Departmental activity	-	-	-	-	-	-	-	99	99

APPROPRIATION STATEMENT for the year ended 31 March 2021

Programme 3.1: PROVINCIAL POLICY MANAGEMENT									
2020/21							2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Travel and subsistence	1 286	-	(615)	671	480	191	71,5%	2 009	2 009
Training and development	170	-	-	170	-	170	-	-	-
Operating payments	68	-	577	645	645	-	100,0%	-	-
Venues and facilities	-	-	-	645	645	-	-	98	98
Transfers and subsidies	-	-	-	-	-	-	-	37	37
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	37	37
Social benefits	-	-	-	-	-	-	-	37	37
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	82	-	-	82	47	35	57,3%	521	16
Machinery and equipment	82	-	-	82	47	35	57,3%	521	16
Other machinery and equipment	82	-	-	82	47	35	57,3%	521	16
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	39 686	962	(3 282)	37 366	35 517	1 849	95,1%	48 615	48 073

APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 3.2: PREMIER'S PRIORITY PROGRAMMES									
2020/21							2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	41 344	(962)	(8 783)	31 599	30 558	1 041	96,7%	104 853	104 764
Compensation of employees	31 579	(962)	(7 468)	23 149	23 072	77	99,7%	28 079	28 013
Salaries and wages	26 493	(962)	(5 057)	20 474	20 467	7	100,0%	25 285	25 219
Social contributions	5 086	-	(2 411)	2 675	2 605	70	97,4%	2 794	2 794
Goods and services	9 765	-	(1 315)	8 450	7 486	964	88,6%	76 774	76 751
Administrative fees	133	-	(21)	112	76	36	67,9%	703	703
Advertising	682	-	(677)	5	-	5		2 599	2 599
Minor assets	628	-	(409)	219	35	184	16,0%	32	9
Catering: Departmental activities	609	-	61	670	410	260	61,2%	2 038	2 038
Communication	102	-	(53)	49	20	29	40,8%	5	5
Computer services	5	-	(3)	2	-	2		3	3
Consultants: Business and advisory services	-	-	32	32	32	-	100,0%	3 373	3 373
Contractors	3 923	-	(3 457)	466	459	7	98,5%	59 445	59 445
Agency & support/outsourced services	300	-	126	426	273	153	64,1%	438	438
Fleet services	-	-	-	-	-	-		-	-
Consumable supplies	357	-	712	1 069	1 039	30	97,2%	893	893
Consumable: Stationery, printing and office supplies	523	-	2 127	2 650	2 607	43	98,4%	676	676
Operating leases	414	-	(167)	247	177	70	71,7%	102	102

APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 3.2: PREMIER'S PRIORITY PROGRAMMES									
2020/21								2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Property payments	-	-	-	153	153	-	-	-	-
Transport provided: Departmental activity	-	-	153	153	153	-	100,0%	2 438	2 438
Travel and subsistence	1 929	-	(474)	1 455	1 320	135	90,7%	3 675	3 675
Training and development	10	-	-	10	-	10	-	-	-
Operating payments	-	-	327	327	327	-	100,0%	70	70
Venues and facilities	150	-	408	558	558	-	100,0%	284	284
Transfers and subsidies	337	-	229	566	566	-	100,0%	81	81
Households	337	-	229	566	566	-	100,0%	81	81
Social benefits	337	-	229	566	566	-	100,0%	81	81
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	927	-	(810)	117	56	61	47,9%	2 265	1 844
Machinery and equipment	927	-	(810)	117	56	61	47,9%	2 265	1 844
Transport equipment	-	-	-	-	-	-	-	1 798	1 798
Other machinery and equipment	927	-	(810)	117	56	61	47,9%	467	46
Payments for financial assets	-	-	21	21	21	-	100,0%	-	-
Total	42 608	(962)	(9 343)	32 303	31 201	1 102	96,6%	107 199	106 689

APPROPRIATION STATEMENT for the year ended 31 March 2021

Programme 3.3: ROYAL HOUSEHOLD									
2020/21							2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	41 783	-	(3 960)	37 823	37 729	94	99,8%	51 681	51 681
Compensation of employees	34 535	-	(3 000)	31 535	31 445	90	99,7%	33 416	33 416
Salaries and wages	29 843	-	(2 900)	26 943	26 880	63	99,8%	29 019	29 019
Social contributions	4 692	-	(100)	4 592	4 565	27	99,4%	4 397	4 397
Goods and services	7 248	-	(960)	6 288	6 284	4	99,9%	18 265	18 265
Administrative fees	70	-	(22)	48	48	-	100,0%	567	567
Advertising		-				-	-	-	-
Minor assets	226	-	(226)			-	-	86	86
Bursaries		-				-	-	-	-
Catering: Departmental activities	350	-	(78)	272	272	-	100,0%	-	-
Communication	280	-	(280)			-	-	19	19
Consultants: Business and advisory services	115	-	(115)			-	-	528	528
Contractors	1 000	-	(278)	722	722	-	100,0%	4 971	4 971
Fleet services	215	-	560	775	775	-	100,0%	2 055	2 055
Consumable supplies		-	389	389	389	-	100,0%	423	423
Consumable: Stationery, printing and office supplies	300	-	(300)			-	-	135	135
Operating leases	84	-	(34)	50	50	-	100,0%	60	60
Property payments		-	488	488	488	-	100,0%	2 022	2 022

APPROPRIATION STATEMENT for the year ended 31 March 2021

Programme 3.3: ROYAL HOUSEHOLD									
2020/21							2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transport provided: Departmental activity		-	105	105	105	-	100,0%	52	52
Travel and subsistence	3 415	-	(1 250)	2 165	2 161	4	99,8%	7 347	7 347
Training and development	25	-	(25)					-	-
Operating payments	1 168	-		1 168	1 168	-	100,0%	-	-
Venues and facilities		-	106	106	106	-	100,0%	-	-
Transfers and subsidies	21 199	2 350	7 939	31 488	31 255	233	99,3%	19 812	19 812
Provinces & municipalities		-				-		9	9
Provinces		-				-		9	9
Provincial agencies and funds		-				-		-	-
Departmental agencies and accounts	20 136	2 350	8 168	30 654	30 654	-	100,0%	19 086	19 086
Departmental agencies	20 136	2 350	8 168	30 654	30 654	-	100,0%	19 086	19 086
Households	1 063	-	(229)	834	601	233	72,1%	717	717
Social benefits	1 063	-	(229)	834	601	233	72,1%	717	717
Other transfers to households		-				-		-	-
Payments for capital assets	2 825	(2 350)	(470)	5	-	5		7 946	3 946
Buildings and other fixed structures	2 350	(2 350)						7 500	3 500
Buildings	2 350	(2 350)						7 500	3 500
Other fixed structures		-							
Machinery and equipment	475	-	(470)	5	-	5		446	446
Transport equipment	386	-	(381)	5		5		86	86

APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 3.3: ROYAL HOUSEHOLD									
2020/21								2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Other machinery and equipment	89	-	(89)	4 436	4 436		100,0%	360	360
Payments for financial assets		-	4 436	4 436	4 436			1	1
Total	65 807	-	7 945	73 752	73 420	332	99,5%	79 440	75 440

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2021**

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

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

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

Detail of these transactions per programme 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 on 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 R'000	Variance as a % of Final Appropriation
PROGRAMME 1: ADMINISTRATION	110 394	105 932	4 462	4.0%

The total underspending for Programme 1 amounted to R4,462 million was mainly due to the following reasons:

- a. Compensation of Employees was underspent by a minimal amount of R9 thousand.
- b. Goods and Services was underspent by R3,319 million primarily attributed to travel expenses, catering for meetings as well as other administrative expenses that had been greatly reduced due to more virtual meetings taking place as a result of the COVID-19 pandemic.
- c. Transfers and Subsidies was underspent by a minimal amount of R4 thousand.
- d. Payments for Capital Assets were underspent by R1,130 million due to the procurement of office furniture and equipment that had been ordered and were not delivered by suppliers prior to the financial year end. A rollover of funds has been requested for committed expenses amounting to R1,080 million.

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2021**

	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
PROGRAMME 2: INSTITUTIONAL DEVELOPMENT	380 279	332 630	47 649	12,5%

The total underspending for Programme 2 amounted to R47,649 million was mainly due to the following reasons:

- a. Compensation of Employees was underspent by R988 thousand as a result of posts such as the Director: Human Resource Support and the Director: Security Risk Management and Vetting that were advertised prior to the financial year end and was still undergoing the necessary recruitment processes for the filling of these posts.
- b. Goods and Services was underspent by R3,707 million predominately due to travel expenses, catering for meetings as well as other administrative expenses that had been greatly reduced due to more virtual meetings taking place as a result of the COVID-19 pandemic.
- c. Transfers and Subsidies was underspent by R1,690 million due to the late registration of students as a result of the academic year commencing in March 2021 due to the COVID-19 pandemic.
- d. Payments for Capital Assets was underspent by R41,264 million mainly as a result of software upgrades that had commenced during the last quarter of the financial year such as the Digital Transformation projects to enhance digital tracking for the Provincial Nerve Centre and other software projects such as E-Leave and E-submission to improve the flow of correspondence as well as DG Tracking to address audit findings. In addition, tools of trade in respect of computer equipment were also ordered to facilitate working remotely during the COVID-19 pandemic, however service providers were unable to deliver the equipment due to stock shortages and delivery thereof is anticipated during 2021/22. These projects will continue into 2021/22, for which approval has been requested from Provincial Treasury for a rollover of funds amounting to R40,866 million.

	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
PROGRAMME 3: POLICY AND GOVERNANCE	143 421	140 138	3 283	2.3%

The total underspending for Programme 3 amounting to R3,283 million was mainly due to the following reasons:

- a. Compensation of Employees was underspent by R167 thousand mainly due to the post of Director: Community Partnership and MRM that was advertised prior to the financial year end and the post is in the recruitment process to be filled.
- b. Goods and Services was underspent by R2,782 million mainly as a result of the COVID-19 pandemic, as a number of events had to be scaled down to adhere to lockdown regulations thereby resulting in a reduction of catering and travel expenses. In addition, delays were encountered in terms of the appointment of a service provider for the Citizens Satisfaction Survey (CSS).
- c. Transfers and Subsidies was underspent by R233 thousand mainly due to retirement packages that were budgeted for based on estimated costs that did not materialize by the financial year end.
- d. Payments for Capital Assets was underspent by R101 thousand primarily attributed to office furniture and equipment that was ordered and not yet delivered by suppliers at the financial year end. A rollover of funds amounting to R39 thousand has been requested for these committed expenses.

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2021**

4.2 Per economic classification

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments				
Compensation of employees	306 767	305 603	1 164	0,4%
Goods and services	200 239	190 431	9 808	4,9%
Transfers and subsidies				
Provinces and municipalities	148	148	0	0,0%
Departmental agencies and accounts	30 654	30 654	0	0,0%
Higher education institutions				
Public corporations and private enterprises				
Foreign governments and international organisations				
Non-profit Institutions				
Households	23 694	21 767	1 927	8,1%
Payments for capital assets				
Buildings and other fixed structures	5 365	5 365	0	0.0%
Machinery and equipment	27 870	20 175	7 695	27,6%
Heritage assets	0	0	0	0,0%
Intangible assets	34 800	0	34 800	100,0%
Payment for Financial Assets	4 557	4 557	0	0,0%

Compensation of Employees:

The underspending of R1,164 million, reflected as 0,4% is mainly as a result of Director posts that were advertised prior to the financial year end and these posts are still undergoing the recruitment process.

Goods and Services:

The under spending of R9,808 million is primarily attributed to catering and travel expenses as well as other administrative costs such as stationery and printing and operating lease payments that were reduced as a result of officials working remotely and due to a greater number of virtual meetings taking place. In addition, delays were encountered in terms of the appointment of a service provider for the Citizens Satisfaction Survey (CSS).

Provinces & Municipalities:

An amount of R148 thousand was spent on vehicle licences.

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2021**

Departmental Agencies & Accounts:

Transfer payments amounting to R30,654 million was transferred to The Zulu Royal Household Trust (ZRHT). The transfer payments for the Zulu Royal Household Trust (ZRHT) was increased by R10,518 million during the financial year as approved by Provincial Treasury.

Households:

Households was underspent by R1,927 million mainly due to the late registration of students as a result of the academic year commencing in March 2021 due to the COVID-19 pandemic. In addition, retirement packages that were budgeted for based on estimated costs did not materialize by the financial year end which also contributed towards the underspending against Households.

An amount of R21,767 million was spent in respect of the following transfer payments:

- a. Staff exit costs in respect of leave gratuity pay-outs amounting to R2,346 million.
- b. PARMED: Medical aid claims for ex-parliamentarians amounting to R1,089 million.
- c. External Bursaries amounting to R18,332 million.

Buildings & Other fixed structures:

The amount of R5,365 million was primarily expended on the roof repairs to the Moses Mabhida Building and this project is anticipated to be completed during the 2021/22 financial year.

Machinery & Equipment:

Machinery and Equipment was underspent by R7,695 million largely as a result of tools of trade in respect of computer equipment that were procured to facilitate working remotely during the COVID-19 pandemic as well as boardroom office furniture. The service providers however were unable to deliver the equipment as a result of stock shortages and delivery thereof is anticipated during 2021/22. An approval has been requested from Provincial Treasury for a rollover of funds amounting to R7,185 million.

Software and other Intangible Assets:

Software and other Intangible Assets was underspent by R34,8 million largely as a result of software upgrades that had commenced during the last quarter of the financial year such as the Digital Transformation projects to enhance digital tracking for the Provincial Nerve Centre and other software projects such as E-Leave and E-submission to improve the flow of correspondence as well as to implement DG Tracking to address audit findings. These projects will continue into 2021/22, for which approval has been requested from Provincial Treasury for a rollover of funds amounting to R34,8 million.

Payments for financial Assets:

An amount of R4,557 million was written off in respect of debts relating to the former Department of Royal Household that was taken over by the Office of the Premier when the former Department of Royal Household was dissolved during the 2014/15 financial year.

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2021

	Note	2020/21 R'000	2019/20 R'000
REVENUE			
Annual appropriation	1	634 094	714 972
Statutory appropriation			
Departmental revenue	2	508	4 881
NRF Receipts			
Aid assistance	3	14 093	1 115
TOTAL REVENUE		648 695	720 968
EXPENDITURE			
Current expenditure			
Compensation of employees	4	305 602	295 891
Goods and services	5	190 430	319 004
Interest and rent on land			
Aid assistance			
Total current expenditure		496 032	614 895
Transfers and subsidies			
Transfers and subsidies	7	52 569	49 200
Aid assistance	3	520	3 206
Total transfers and subsidies		53 089	52 406
Expenditure for capital assets			
Tangible assets	8	25 542	9 296
Intangible assets			-
Total expenditure for capital assets		25 542	9 296
Unauthorised expenditure approved without funding		-	-
Payments for financial assets	6	4 557	209
TOTAL EXPENDITURE		579 220	676 806
SURPLUS/(DEFICIT) FOR THE YEAR		69 475	44 162

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2021

Reconciliation of Net Surplus/(Deficit) for the year

Voted funds	55 394	41 372
Annual appropriation	55 394	41 372
Conditional grants		
Departmental revenue and NRF Receipts	508	4 881
Aid assistance	13 573	-2 091
SURPLUS/(DEFICIT) FOR THE YEAR	69 475	44 162

STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2021

	Note	2020/21 R'000	2019/20 R'000
ASSETS			
Current assets		65 473	9 568
Unauthorised expenditure			-
Cash and cash equivalents	9	61 301	2
Other financial assets			-
Prepayments and advances	10		-
Receivables	11	4 172	9 566
Loans			-
Aid assistance prepayments			-
Aid assistance receivable			-
Non-current assets		439	439
Investments			-
Receivables	11	439	439
Loans			-
Other financial assets			-
TOTAL ASSETS		65 912	10 007
LIABILITIES			
Current liabilities		64 087	7 492
Voted funds to be surrendered to the Revenue Fund	12	47 089	-8 305
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	13	-266	-307
Bank overdraft	14	-	12 301
Payables	15	1 099	1 211
Aid assistance repayable			-
Aid assistance unutilised	3	16 165	2 592
Non-current liabilities			
Payables	16	183	183
TOTAL LIABILITIES		64 270	7 675
NET ASSETS		1 642	2 332

STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2021

	Note	2020/21 R'000	2019/20 R'000
Represented by:			
Capitalisation reserve		-	-
Recoverable revenue		1 642	2 332
Retained funds		-	-
Revaluation reserves		-	-
TOTAL		1 624	2 332

STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2021

NET ASSETS	Note	2020/21 R'000	2019/20 R'000
Capitalisation Reserves			
Opening balance		-	-
Transfers:		-	-
Movement in Equity		-	-
Movement in Operational Funds		-	-
Other movements		-	-
Closing balance		-	-
Recoverable revenue			
Opening balance		2 332	2 189
Transfers:		-690	143
Irrecoverable amounts written off	6	4 557	209
Debts revised		-460	
Debts recovered (included in departmental receipts)		-4 807	-135
Debts raised		20	69
Closing balance		1 642	2 332
Retained funds			
Opening balance		-	-
Transfer from voted funds to be surrendered (Parliament/ Legislatures ONLY)			
Utilised during the year			
Other transfers			
Closing balance		-	-
Revaluation Reserve			
Opening balance		-	-
Revaluation adjustment (Housing departments)			
Transfers			
Other			
Closing balance		-	-
TOTAL		1 642	2 332

CASH FLOW STATEMENT
for the year ended 31 March 2021

	2020/21 R'000	2019/20 R'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts	648 695	720 968
Annual appropriated funds received	634 094	714 972
Statutory appropriated funds received		-
Departmental revenue received	462	4 859
Interest received	46	22
NRF Receipts		-
Aid assistance received	14 093	1 115
Net (increase)/decrease in working capital	5 282	-45 223
Surrendered to Revenue Fund	-467	-70 171
Surrendered to RDP Fund/Donor		
Current payments	-496 032	-614 895
Interest paid	-	-
Payments for financial assets	-4 557	-209
Transfers and subsidies paid	-53 089	-52 406
Net cash flow available from operating activities	99 832	-61 936
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for capital assets	-25 542	-9 296
Proceeds from sale of capital assets	-	-
(Increase)/decrease in loans	-	-
(Increase)/decrease in investments	-	-
(Increase)/decrease in other financial assets	-	-
Net cash flows from investing activities	-25 542	-9 296
CASH FLOWS FROM FINANCING ACTIVITIES		
Distribution/dividend received	-	-
Increase/(decrease) in net assets	-690	143
Increase/(decrease) in non-current payables		-1 601
Net cash flows from financing activities	-690	-1 458
Net increase/(decrease) in cash and cash equivalents	73 600	-72 690
Cash and cash equivalents at beginning of period	-12 299	60 391
Unrealised gains and losses within cash and cash equivalents		
Cash and cash equivalents at end of period	61 301	-12 299

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

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	Basis of preparation The financial statements have been prepared in accordance with the Modified Cash Standard.
2	Going concern The financial statements have been prepared on a going concern basis.
3	Presentation currency Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.
4	Rounding Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5	Foreign currency translation 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.
6	Comparative information
6.1	Prior period comparative information 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.
6.2	Current year comparison with budget A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
7	Revenue
7.1	Appropriated funds Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.

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

7.2	Departmental revenue Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.
7.3	Accrued departmental revenue Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when: - it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and - the amount of revenue can be measured reliably. The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the department's debt write-off policy
8	Expenditure
8.1	Compensation of employees
8.1.1	Salaries and wages Salaries and wages are recognised in the statement of financial performance on the date of payment.
8.1.2	Social contributions Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. 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.
8.2	Other expenditure 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.
8.3	Accruals and payables not recognised Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.
8.4	Leases
8.4.1	Operating leases Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. The operating lease commitments are recorded in the notes to the financial statements.

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

8.4.2	Finance leases Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of: • 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	Aid Assistance
9.1	Aid assistance received Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value. Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.
9.2	Aid assistance paid Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.
10	Cash and cash equivalents Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. 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.
11	Prepayments and advances Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost. The department may elect to immediately expense the payment in accordance with the Chapter on Expenditure. This is usually the case when the recognition in the statement of Financial Position will have a negative impact on the Appropriation Statement and actual cash flows of the Department.
12	Loans and receivables General Departmental Assets and Liabilities 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.
13	Investments General Departmental Assets and Liabilities Investments are recognised in the statement of financial position at cost.

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

14	Payables Payables recognised in the statement of financial position are recognised at cost.
15	Financial Assets
15.1	Financial Assets Not covered elsewhere General Departmental Assets and Liabilities A Financial Assets is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial. At the reporting date, a department shall measure its financial asset 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
15.2	Impairment of financial assets General Departmental Assets and Liabilities 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.
16	Capital Assets
16.1	Immovable capital assets Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.
16.2	Movable capital assets 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. 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. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

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

16.3	Intangible assets 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. Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.
16.4	Project Costs: Work-in-progress Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid. Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register. Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.
17	Provisions and Contingents
17.1	Provisions 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.
17.2	Contingent liabilities 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.
17.3	Contingent assets 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.
17.4	Commitments 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.

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

18	Unauthorised expenditure Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either: • approved by Parliament or the Provincial Legislature with funding and the related funds are received; or • approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery. Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.
19	Fruitless and wasteful expenditure 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. Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery. 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.
20	Irregular expenditure Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note. Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable. Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.
21	Changes in accounting policies, accounting estimates and errors Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Changes in accounting estimates are applied prospectively in accordance with MCS requirements. 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.
22	Events after the reporting date 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.
23	Recoverable revenue 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.

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

24	Related party transactions 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 Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. 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.
25	Inventories At the date of acquisition, inventories are recognised at cost in the statement of financial performance. Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition. Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value. The cost of inventories is assigned by using the weighted average cost basis.
26	Employee benefits The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.
27	Transfers of functions Transfers of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer. Transfers of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.

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

1. Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted funds) and Provincial Departments:

	2020/21			2019/20	
	Final Ap- propriation	Actual Funds Re- ceived	Funds not requested/ not re- ceived	Final Ap- propriation	Appropri- ation re- ceived
	R'000	R'000	R'000	R'000	R'000
ADMINISTRATION	110 155	110 155	-	144 426	144 426
INSTITUTIONAL DEVELOPMENT	375 838	375 838	-	350 562	350 562
POLICY AND GOVERNANCE	148 101	148 101	-	219 984	219 984
Total	634 094	634 094	-	714 972	714 972

2. Departmental revenue

	<i>Note</i>	2020/21 R'000	2019/20 R'000
Tax revenue		-	-
Sales of goods and services other than capital assets	2.1	178	193
Fines, penalties and forfeits		-	-
Interest, dividends and rent on land	2.2	46	22
Sales of capital assets	2.3	-	-
Transactions in financial assets and liabilities	2.4	284	4 666
Transfer received		-	-
Total revenue collected		508	4 881
Less: Own revenue included in appropriation			
Departmental revenue collected		508	4 881

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021

2.1 Sales of goods and services other than capital assets

	Note	2020/21 R'000	2019/20 R'000
Sales of goods and services produced by the department		175	193
Sales by market establishment	2	12	11
Administrative fees		-	-
Other sales	2	163	182
Sales of scrap, waste and other used current goods		3	
Total		178	193

2.2 Interest, dividends and rent on land

	Note	2020/21 R'000	2019/20 R'000
Interest	2	46	22
Dividends			
Rent on land			
Total		46	22

2.3 Sales of capital assets

	Note	2020/21 R'000	2019/20 R'000
Tangible assets			
Buildings and other fixed structures		-	-
Machinery and equipment	2		
Rent on land		-	
Total			

2.4 Transactions in financial assets and liabilities

	Note	2020/21 R'000	2019/20 R'000
Loans and advances		-	-
Receivables		-	-
Other Receipts including Recoverable Revenue	2	284	4 666
Gains on GFECRA			
		284	4 666

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

2.5 Cash received not recognised (not included in the main note) – 2020/21

			2020/21
Name of entity	Amount received R'000	Amount paid to the revenue fund R'000	Balance R'000

Total

			2019/20
Name of entity	Amount received R'000	Amount paid to the revenue fund R'000	Balance R'000

Total

3. Aid assistance

	Note	2020/21 R'000	2019/20 R'000
Opening Balance		2 592	4 683
Prior period error			
As restated		2 592	4 683
Transferred from statement of financial performance		13 573	-2 091
Transfers to or from retained funds		-	-
Paid during the year		-	-
Closing Balance		16 165	2 592

Aids assistance is relating to MERSETA, National Skills Fund (NSF) and PESETA . The amount of R2 592 is a revenue balance brought forward, made up of R580 thousands for MERSETA, R324 thousands for PESETA and R1 687 mill for NSF. There has been expenditure of R272 relating to MERSETA and R248 refund for NSF project during the reporting period. Revenue of R14 093 was received from MERSETA during the 2020/21

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

3.1 Analysis of balance by source

		2020/21	2019/20
	<i>Note</i>	R'000	R'000
Aid assistance from RDP		-	-
Aid assistance from other sources	3	16 165	2 592
CARA		-	-
Closing balance		16 165	2 592

Aids assistance is relating to MERSETA, National Skills Fund (NSF) and PESETA. The amount of R16 165 is a revenue balance made up of R14 401 mill for MERSETA, R1 439 mill for NSF and R342 thousands for PESETA

3.2 Analysis of balance

		2020/21	2019/20
	<i>Note</i>	R'000	R'000
Aid assistance receivable		-	-
Aid assistance prepayments (not expensed)		-	-
Aid assistance unutilised	3	16 165	2 592
Aid assistance repayable		-	-
Closing balance		16 165	2 592
Aid assistance not requested/not received		-	-

Cash received from MERSETA, PESETA and (NSF). Funds will be spent in future financial years.

3.3 Aid assistance expenditure per economic classification

		2020/21	2019/20
	<i>Note</i>	R'000	R'000
Current		-	-
Capital		-	-
Transfers and subsidies		520	3 206
Total aid assistance expenditure		520	3 206

This amount of R520 thousands relates to the expenditure processed against the aids assistance received from MERSETA and the refund for National Skills Fund.

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

4. Compensation of employees

4.1 Salaries and Wages

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Basic salary	4	209 619	200 177
Performance award	4	2 565	5 052
Service Based	4	263	260
Compensative/circumstantial	4	4 330	5 504
Periodic payments	4	1 855	1 002
Other non-pensionable allowances	4	50 654	50 089
Total		269 286	262 084

The Compensative/Circumstantial amount relate to R1 083 Overtime & R3 247 Compensative/Circm, the Other non-pensionable allowances amount is made up of R30 419 non pensionable plus R6 892 Housing all plus R13 343 Service bonus.

4.2 Social contributions

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Employer contributions			
Pension	4	24 461	23 436
Medical	4	11 800	10 309
UIF	4	-	-
Bargaining council	4	55	62
Total		36 316	33 807
Total compensation of employees		305 602	295 891
Average number of employees	4	555	554

The number of employees has slightly increased as a result of new appointments.

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

5. Goods and services

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Administrative fees		771	3 877
Advertising		41 255	30 005
Minor assets	5.1	1 089	505
Bursaries (employees)		117	229
Catering		2 470	5 476
Communication		12 643	11 191
Computer services	5.2	50 039	34 830
Consultants: Business and advisory services		1 369	17 328
Legal services		1 081	479
Contractors		2 389	107 088
Agency and support / outsourced services		5 413	498
Audit cost – external	5.3	4 646	4 813
Fleet services		6 313	9 824
Consumables	5.4	14 771	10 159
Operating leases		10 991	17 326
Property payments	5.5	18 228	19 985
Transport provided as part of the departmental activities		495	5 199
Travel and subsistence	5.6	11 244	33 127
Venues and facilities		1 255	5 140
Training and development		1 466	1 065
Other operating expenditure	5.7	2 385	860
Total		190 430	319 004

5.1 Minor assets

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Tangible assets			505
Machinery and equipment	5	1 089	505
Total		1 089	505

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

5.2 Computer services

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
SITA computer services	5	13 250	14 902
External computer service providers	5	36 789	19 928
Total		50 039	34 830

5.3 Audit cost – External

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Regularity audits	5	4 646	4 813
Total		4 646	4 813

5.4 Consumables

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Consumable supplies	5	7 066	3 946
Uniform and clothing	5	275	80
Household supplies	5	5 289	3 567
Building material and supplies	5	70	33
Communication accessories	5	107	6
Other consumables	5	1 325	260
Stationery, printing and office supplies		7 705	6 213
Total		14 771	10 159

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

5.5 Property payments

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Municipal services	5	6 539	6 923
Property maintenance and repairs			
Other	5	11 689	13 062
Total		18 228	19 985

5.6 Travel and subsistence

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Local	5	11 244	25 125
Foreign	5		8 002
Total		11 244	33 127

5.7 Other operating expenditure

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Professional bodies, membership and subscription fees		-	-
Resettlement costs	5	1 472	850
Other	5	913	10
Total		2 385	860

6. Payments for financial assets

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Debts written off	6.1	4 557	209
Total		4 557	209

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

6.1 Debts written off

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Nature of debts written off			
Staff & Supplier Debt written off	6	4 557	209
Total		4 557	209
Total debt written off		4 557	209

The payment for financial assets relates to debts write offs. R223 thousands relates to staff debt write-offs. R1 084 mill relates to supplier debt write offs and R3 249 relates to claims recoverable.

7. Transfers and subsidies

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Provinces and municipalities		148	111
Departmental agencies and accounts	<i>Annex 1B</i>	30 654	19 086
Non-profit institutions			
Households	<i>Annex 1G</i>	21 767	30 003
Total		52 569	49 200

This note relates to KZN Royal Household Trust (Departmental agencies and accounts, employee benefits and claims against the state (transfers to households) as well as vehicle licences.

8. Expenditure for capital assets

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Tangible assets	8.1	25 542	9 296
Buildings and other fixed structures		5 366	4 878
Heritage assets			-
Machinery and equipment		20 176	4 418
Total		25 542	9 296

The building and other fixed structures relate to Capital refurbishments made to the Moses Mabhidla repairs to roof leaks and interior renovations project payments made to Department of Public Works.

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

8.1 Analysis of funds utilised to acquire capital assets – 2020/21

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	25 542		25 542
Buildings and other fixed structures	5 366		5 366
Heritage assets	-	-	-
Machinery and equipment	20 176	-	20 176
Total	25 542	-	25 542

8.2 Analysis of funds utilised to acquire capital assets – 2019/20

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	9 296		9 296
Buildings and other fixed structures	4 878	-	4 878
Heritage assets	-	-	-
Machinery and equipment	4 418	-	4 418
Total	9 296	-	9 296

9. Cash and cash equivalents

	Note	2020/21 R'000	2019/20 R'000
Consolidated Paymaster General Account		61 299	-
Cash on hand		2	2
Total		61 301	2

Consolidate PMG Account is made up of R74 670mil Bank Account: Dom; R-1 246 thousands Sal persal EBT control & -R12 125 thousand Outstanding payments

10. Prepayments and advances

10.1 Prepayments (Not Expensed)

Note	Amount as at 1 April 2020 R'000	Less: Amount expensed in the current year R'000	Add: Current Year prepayments R'000	Amount as at 31 March 2021 R'000
Goods and services	-	-	-	-
Total	-	-	-	-

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

Prepayments (Not Expensed)

	<i>Note</i>	Amount as at 1 April 2019	Less: Amount expensed in the current year	Add: Current Year prepayments	Amount as at 31 March 2020
		R'000	R'000	R'000	R'000
Goods and services		-			-
Total		-			-

10.2 Advances paid (Expensed)

	<i>Note</i>	Amount as at 1 April 2020	Less: Amount Received in the current year	Add: Current Year Advances	Amount as at 31 March 2021
		R'000	R'000	R'000	R'000
Public Entities		766	-766	-	-
Total		766	-766	-	-

Advances paid (Expensed)

	<i>Note</i>	Amount as at 1 April 2019	Less: Amount received in the current year	Add: Current Year Advances	Amount as at 31 March 2020
		R'000	R'000	R'000	R'000
Public Entities		50 000	-49 234	-	766
Total		50 000	-49 234	-	766

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

11. Receivables

	<i>Note</i>	2020/21			2019/20		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	11.1	42		42	3 344	-	3 344
Recoverable expenditure	11.2	422	439	861	632	439	1 071
Staff debt	11.3	613		613	908	-	908
Other receivables	11.4	3 095		3 095	4 682	-	4 682
Total		4 172	439	4 611	9 566	439	10 005

Other receivables is made up of mainly Supplier Debt and also includes T&S Advance.

11.1 Claims recoverable

	<i>Note</i>	2020/21	2019/20
	<i>11 and Annex 4</i>	R'000	R'000
National departments		-	-
Provincial departments		42	95
Public entities			3 249
Total		42	3 344

The R3 249 relates to the balance that was inherited from Royal Household upon its dissolution in the 2014/15 financial year.

11.2 Recoverable expenditure (disallowance accounts)

	<i>Note</i>	2020/21	2019/20
	<i>11</i>	R'000	R'000
Disallowances Damages & Losses: CA		1 241	997
Disallowances Damages & Losses Recovery		-1 241	-997
Disallowance Payment Fraud		439	439
Salary Reversal Control		278	265
Tax Debt		86	88
Salary Deduction Disallowance Account		13	4
GEHS Refund Control Account		2	-
Sal: Income Tax (Due by SARS)			-
Sal: Medical Aid		8	16
Online Travel		35	259
Total		861	1 071

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

11.3 Staff debt

	<i>Note</i>	2020/21	2019/20
	<i>11</i>	R'000	R'000
Employee Debt		81	94
Ex-Employee Debt		463	685
Bursary Debt		69	129
Total		613	908

Current = R613. No non-current.

11.4 Other receivables

	<i>Note</i>	2020/21	2019/20
	<i>11</i>	R'000	R'000
Supplier Debt		3 052	4 645
T & S Advance: Dom		43	37
Total		3 095	4 682

Only current transactions

11.5 Impairment of receivables

	<i>Note</i>	2020/21	2019/20
	<i>11</i>	R'000	R'000
Estimate of impairment of receivables		3 471	8 344
Total		3 471	8 344

The Impairments are made up as follows: Staff Debt - R457; Bursary Debt - R41; Supplier Debt - R2 973

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

12. Voted funds to be surrendered to the Revenue Fund

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Opening balance		-8 305	15 277
Prior period error			
As restated		-8 305	15 277
Transfer from statement of financial performance (as restated)		55 394	41 372
Add: Unauthorised expenditure for current year			-
Voted funds not requested/not received			-
Transferred to retained revenue to defray excess expenditure (PARLIAMENT/LEGISLATURES ONLY)			-
Paid during the year			-64 954
Closing balance		47 089	-8 305

Due to the processing of the R50 million prior period error in the 2019/20 financial year relating to the KZN youth fund, this note closed with a balance of -R8 305 as owing by the Revenue fund in 2019/20 hence the opening balance is -R8 305, no payment was made to Revenue Fund in the 2020/21 financial year. the closing balance is made up of the R55 394 Surplus and -R8 305 which will be refunded from the Revenue Fund

12.1 Prior period error

	<i>Note</i>	2019/20
		R'000
Nature of prior period error		
Relating to 2019/20 [affecting the opening balance]		-
		-
Total prior period errors		-

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

13. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Opening balance		-307	29
Prior period error			
As restated		-307	29
Transfer from Statement of Financial Performance (as restated)		508	4 881
Own revenue included in appropriation			
Transfer from aid assistance			
Transfer to voted funds to defray expenditure (Parliament/ Legislatures ONLY)			
Paid during the year		-467	-5 217
Closing Balance		-266	-307

14. Bank Overdraft

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Consolidated Paymaster General Account			12 301
Total		-	12 301

15. Payables – current

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Amounts owing to other entities		-	-
Advances received		-	-
Clearing accounts	15.1	1 099	1 211
Other payables			-
Total		1 099	1 211

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

15.1 Clearing accounts

	<i>Note</i>	2020/21	2019/20
	15	R'000	R'000
Sal: Bargaining Councils		1	1
Sal: Pension Fund		56	70
Sal: Income Tax		764	863
Sal: ACB Recall		155	154
Sal: Pension Recoverable		123	123
Total		1 099	1 211

15.2 Other payables

	<i>Note</i>	2020/21	2019/20
	15	R'000	R'000
		-	-
Total		-	-

16. Payables – non-current

		2020/21			2019/20	
		R'000	R'000	R'000	R'000	R'000
	<i>Note</i>	One to two years	Two to three years	More than three years	Total	Total
Advances received	16.1	-	-	183	183	183
Other payables		-	-	-	-	-
Total		-	-	183	183	183

16.1 Advances received

	<i>Note</i>	2020/21	2019/20
	16	R'000	R'000
Public entities		183	183
Other institutions			
Total		183	183

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

17. Net cash flow available from operating activities

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		69 475	44 162
Add back non cash/cash movements not deemed operating activities		30 357	-106 098
(Increase)/decrease in receivables – current		5 394	3 175
(Increase)/decrease in prepayments and advances			-
(Increase)/decrease in other current assets			
Increase/(decrease) in payables – current		-112	-48 398
Proceeds from sale of capital assets			-
Expenditure on capital assets		25 542	9 296
Surrenders to Revenue Fund		-467	-70 171
Net cash flow generated by operating activities		99 832	-61 936

18. Reconciliation of cash and cash equivalents for cash flow purposes

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Consolidated Paymaster General account		61 299	-12 301
Cash on hand		2	2
Total		61 301	-12 299

19. Contingent liabilities and contingent assets

19.1 Contingent liabilities

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Liable to Nature			
Claims against the department	<i>Annex 3B</i>	3 614	8 574
Intergovernmental payables (unconfirmed balances)	<i>Annex 5</i>		1 315
Other			
Total		3 614	9 889

The claims against the state are handled via the courts. It is uncertain as to the settlement amount or timing of any outflow until the cases are finalised. The Labour Appeal Court (LAC) declared the salary increases for the 2021/2022 financial year unlawful and invalid. The LAC ruling has been appealed and referred to the Constitutional Court. The ruling by the Constitutional Court will confirm if the department will be obligated to pay the salary increases in dispute.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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Contingent assets

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Nature of contingent asset		-	
Total		-	

20. Capital Commitments

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Capital expenditure			
Machinery and Equipment		7 224	3 424
Buildings & Other Fixed Structures		9 943	
Software and other intangible assets		34 702	
Total Commitments		51 869	3 424

Capital Commitments is made up of Machinery and Equipment of R7 224 million, department of Public Works projects of R9 943 and Software of R34 702

21. Accruals and payables not recognised
21.1 Accruals

			2020/21	2019/20
			R'000	R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	4 244	1 273	5 517	5 018
Transfers and subsidies				281
Capital assets	2 901		2 901	19
Other				
Total	7 145	1 273	8 418	5 318

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

	<i>Note</i> 21	2020/21 R'000	2019/20 R'000
Listed by programme level			
ADMINISTRATION		866	969
INSTITUTIONAL DEVELOPMENT		7 383	4 219
POLICY AND GOVERNANCE		169	130
Total		8 418	5 318

21.2 Payables not recognised

			2020/21 R'000	2019/20 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	882	1 988	2 870	3 102
Capital assets	111		111	49
Other				-
Total	993	1988	2 981	3 151

	<i>Note</i> 21	2020/21 R'000	2019/20 R'000
Listed by programme level			
ADMINISTRATION		43	93
INSTITUTIONAL DEVELOPMENT		2 932	2 416
POLICY AND GOVERNANCE		6	642
Total		2 981	3 151

	<i>Note</i>	2020/21 R'000	2019/20 R'000
Included in the above totals are the following:			
Confirmed balances with other departments	<i>Annex 5</i>	-	-
Total		-	-

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

22. Employee benefits

	Note	2020/21	2019/20
	4	R'000	R'000
Leave entitlement		25 773	16 932
Service bonus (Thirteenth cheque)		6 954	6 394
Performance awards		1 747	5 052
Capped leave commitments		11 913	12 772
Other		146	153
Total		46 533	41 303

At this stage the department is not able to reliably measure the long term portion of the long service awards.

23. Lease commitments
23.1 Operating leases

2020/21	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	12 279	1 540	13 819
Later than 1 year and not later than 5 years	-	-	15 768	1 230	16 998
Later than five years					
Total lease commitments	-	-	28 047	2 770	30 818

2019/20	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year			9 007	1 174	10 181
Later than 1 year and not later than 5 years				1 095	1 095
Later than five years	-	-			
Total lease commitments	-	-	9 007	2 269	11 276

The Operating leases relates to the leasing of official accommodation and parkades as well as photocopier machines.

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

23.2 Finance leases **

2020/21	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	9 342	9 342
Later than 1 year and not later than 5 years	-	-	-	3 639	3 639
Later than five years	-	-	-		
Total lease commitments	-	-	-	12 981	12 981

2019/20	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	5 471	5 471
Later than 1 year and not later than 5 years	-	-	-	553	553
Later than five years	-	-	-		
Total lease commitments	-	-	-	6 024	6 024

The Finance Leases relates to cell phone contracts with VODACOM and MTN.

24. Accrued departmental revenue

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
		-	-
Total		-	-

24.1 Analysis of accrued departmental revenue

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Opening balance		-	-
Less: amounts received		-	-
Add: amounts recorded			
Less: amounts written-off/reversed as irrecoverable			
Closing balance		-	-

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

25. Irregular expenditure

25.1 Reconciliation of irregular expenditure

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Opening balance		351 644	258 293
Prior period error			
As restated		351 644	258 293
Add: Irregular expenditure – relating to prior year		-	
Add: Irregular expenditure – relating to current year	25.2	10 851	93 351
Less: Prior year amounts condoned		-17 081	
Less: Current year amounts condoned		-200	
Less: Amounts not condoned and recoverable			
Less: Amounts not condoned and not recoverable			
Closing balance		345 214	351 644
Analysis of closing balance			
Current year		10 651	93 351
Prior years		334 563	258 293
Total		345 214	351 644

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

25.2 Details of irregular expenditure – added current year (relating to current and prior years)

Incident	Disciplinary steps taken/ criminal proceedings	2020/21 R'000	2019/20 R'000
Competitive bidding process not followed		2 573	
Contract expired		213	
Local content not adhered to		150	
Tax affairs not in order		80	
No Treasury Approval		713	
Contract threshold exceeded		6 795	
SBD4 not provided/false declaration		118	
3 quotations not obtained		14	
Element of cover quoting		4	
Supplier not registered on central supplier		50	
Irregularities in SCM processes		141	
Total		10 851	

25.3 Details of irregular expenditure condoned

Incident	Condoned by (relevant authority)	2020/21 R'000	2019/20 R'000
Current: MTN Contracts 20/21		200	
Prior: MTN Contracts 2017/18 to 2019/20		17 081	
Total		17 281	

25.4 Details of irregular expenditure under assessment (not included in the main note)

Incident	2020/21 R'000
Superior Technology	4 632
Phakamini trading	2 342
Total	6 974

Department received letter of condonement from Treasury

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

26. Fruitless and wasteful expenditure

26.1 Reconciliation of fruitless and wasteful expenditure

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Opening balance		576	576
Prior period error			
As restated		576	576
Fruitless and wasteful expenditure – relating to prior year			
Fruitless and wasteful expenditure – relating to current year		103	
Less: Amounts resolved		-	-
Less: Amounts transferred to receivables for recovery		-	-
Closing balance		679	576

26.2 Details of current and prior year fruitless and wasteful expenditure - added current year (under determination and investigation)

Incident	Disciplinary steps taken/criminal proceedings	2020/21
		R'000
Interest charged on late payments		3
Managing performance for excellence project		80
Recruitment and selection		20

Department received letter of condonement from Treasury

27. Key management personnel

	No. of Individuals	2020/21	2019/20
		R'000	R'000
Political office bearers (provide detail below)	1	2 260	2 260
Officials:			
Level 15 to 16	9	15 234	13 028
Level 14 (incl. CFO if at a lower level)	16	19 994	19 937
Family members of key management personnel	1	499	
Total		37 987	35 225

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

28. Provisions

	2020/21	2019/20
	R'000	R'000
Relates to Terry Street	5	5
Moses Mabhida – Roof leaks repairs	914	
M Parry vs MEC of Education settlement fees	133	
Total	1 052	5

28.1 Reconciliation of movement in provisions – 2020/21

	Provision 1	Provision 2	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	5			5
Increase in provision		914	133	1 047
Settlement of provision				
Unused amount reversed				
Reimbursement expected from third party				
Change in provision due to change in estimation of inputs				
Closing balance	5	914	133	1 052

Reconciliation of movement in provisions – 2019/20

	Provision 1	Provision 2	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	528	42	-	570
Increase in provision			-	
Settlement of provision	-523	-42	-	-565
Closing balance	5	-	-	5

29. Non-adjusting events after reporting date

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

30. Movable Tangible Capital Assets

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

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
HERITAGE ASSETS	22 167	-	-	-	22 167
Heritage assets	22 167	-	-	-	22 167
MACHINERY AND EQUIPMENT	140 700	-	21 354	117	161 937
Transport assets	64 366	-	12 907	-	77 273
Computer equipment	35 024	-	5 921	57	40 888
Furniture and office equipment	19 526	-	1 000	51	20 475
Other machinery and equipment	21 784	-	1 526	9	23 301
BIOLOGICAL ASSETS	84	-	-	-	84
Biological assets	84	-	-	-	84
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	162 951	-	21 354	117	184 188

1. The Heritage function was transferred to the Department of Arts & Culture as at 1/04/2019. The assets are pending transfer.
2. The other machinery and equipment is made up of audio visual & cellular phones

Movable Tangible Capital Assets under investigation

	2020/21	Value R'000
Machinery and equipment	2 806	52 519

The assets included under investigation require further review by the department. The Department plans to finalise the review by 31 March 2022,

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

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

	Cash*	Non-cash**	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
MACHINERY AND EQUIPMENT	20 176	1 068	-	110	21 354
Transport assets	12 907	-	-	-	12 907
Computer equipment	5 268	653	-	-	5 921
Furniture and office equipment	599	401	-	-	1 000
Other machinery and equipment	1 402	14	-	110	1 526
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	20 176	1 068	-	-	21 354

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

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-
Heritage Assets	-	-	-	-
MACHINERY AND EQUIPMENT	-	117	117	-
Transport assets	-	-	-	-
Computer equipment	-	57	57	-
Furniture and office equipment	-	51	51	-
Other machinery and equipment	-	9	9	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	117	117	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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'Non- cash disposal is in respect of capital assets of Gaming and Betting unit transferred to EDTEA, the unit was moved from OTP in 2020/21.

30.3 Movement for 2019/20

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

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
HERITAGE ASSETS	22 167	-	-	-	22 167
Heritage assets	22 167	-	-	-	22 167
MACHINERY AND EQUIPMENT	143 183	(5 049)	2 620	54	140 700
Transport assets	60 060	3 803	503	-	64 366
Computer equipment	48 641	(14 891)	1 322	48	35 024
Furniture and office equipment	23 309	(4 462)	685	6	19 526
Other machinery and equipment	11 173	10 501	110	-	21 784
BIOLOGICAL ASSETS	84	-	-	-	84
Biological assets	84	-	-	-	84
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	165 434	(5 049)	2 620	54	162 951

30.3.1 Prior period error

	Note	2019/20 R'000
Nature of prior period error		
Relating to 2019/20 (affecting the opening balance)		(5 049)
Adjustment to Transport Assets		3 803
Adjustment to Computer Equipment		(14 891)
Adjustment to Furniture, Office Equip Other Machinery and Equipment		6 039
Total		(5 049)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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30.4 Minor assets

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

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	75	-	17 084	-	17 159
Value adjustments	-	-	-	-	-	-
Additions	-	-	-	1 523	-	1 523
Disposals	-	-	-	61	-	61
TOTAL MINOR ASSETS	-	75	-	18 546	-	18 621

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	6 652	-	6 652
Number of minor assets at cost	-	-	-	7 923	-	7 923
TOTAL NUMBER OF MINOR ASSETS	-	-	-	14 575	-	14 575

Minor Capital Assets under investigation

	Number	Value
Machinery and equipment	8 761	8 706

The assets included under investigation require further review by the department. The Department plans to finalise the review by 31 March 2022.

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

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	75	-	14 815	-	14 890
Prior period error	-	-	-	1 786	-	1 786
Additions	-	-	-	506	-	506
Disposals	-	-	-	23	-	23
TOTAL MINOR ASSETS	-	75	-	17 084	-	17 159

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Number of R1 minor assets	-	-	-	4 245	-	4 245
Number of minor assets at cost	-	-	-	5 165	-	5 165
TOTAL NUMBER OF MINOR ASSETS	-	-	-	9 410	-	9 410

30.4.1 Prior period error	Note	2019/20 R'000
Nature of prior period error		
Relating to 2019/20 (affecting the opening balance)		1 786
Adjustments to Machinery and Equipment		1 786
Total		1 786

30.5 S42 Movable capital assets

MAJOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2021

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
No. of Assets	-	-	92	201	-	293
Value of the assets (R'000)	-	-	22 167	7 302	84	29 553

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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MINOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2021

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
No. of Assets	-	-	-	740	-	740
Value of the assets (R'000)	-	-	-	318	-	318

MAJOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2020

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
No. of Assets	-	-	92	222	-	314
Value of the assets (R'000)	-	-	22 167	7 599	84	29 850

MINOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2020

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
No. of Assets	-	-	-	875	-	875
Value of the assets (R'000)	-	-	-	417	-	417

31. Intangible Capital Assets

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

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	7 367	-	-	7 140	227
TOTAL INTANGIBLE CAPITAL ASSETS	7 367	-	-	7 140	227

Disposals

31.1 DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash Received Actual R'000
SOFTWARE	-	7 140	7 140	-
TOTAL DISPOSAL OF INTANGIBLE CAPITAL ASSETS	-	7 140	7 140	-

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

31.2 Movement for 2019/20
MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	14 261	-		6 894	7 367
TOTAL INTANGIBLE CAPITAL ASSETS	14 261	-		6 894	7 367

32. Immovable Tangible Capital Assets
MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000		R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	19 581	-	37	-	19 618
Dwellings	19 529	-	-	-	19 529
Non-residential buildings	52	-	-	-	52
Other fixed structures	-	-	37	-	37
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	19 581	-	37	-	19 618

32.1 Additions
ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	5 365	-	-8 223	2 895	37
Dwellings		-	-	-	
Non-residential buildings		-		-	-
Other fixed structures	5 365		- 8 223	2 895	37
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	5 365	-	-8 223	2 895	37

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

Movement in 2019/20

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

	Opening Balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
BUILDING AND OTHER FIXED STRUCTURES	15 542	-	4 039	-	19 581
Dwellings	15 490	-	4 039	-	19 529
Non-residential buildings	52	-	-	-	52
Other fixed structures	-	-	-	-	-
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	15 542	-	4 039	-	19 581

32.3 Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2021

	Note	Opening balance 1 April 2020 R'000	Current Year WIP R'000	Ready for use (Assets to the AR) / Contracts terminated R'000	Closing balance 31 March 2021 R'000
	<i>Annexure 7</i>				
Heritage assets		4 667	-	-	4 667
Buildings and other fixed structures		4 142	8 223	-	12 365
TOTAL		8 809	8 223	-	17 032

The current year expenditure of R 8 223 relates to leaking roof and interior renovations in Moses Mabhidla building.

Age analysis on ongoing projects	Number of projects		2020/21
	Planned Construction not started	Planned Construction started	Total
0 to 1 Year	1	1	8 223
1 to 3 Years	-	1	4 142
3 to 5 Years	-	-	-
Longer than 5 Years	-	1	4 667
Total	1	3	17 032

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

Planned construction not started - Relates to Parkside Project

Planned construction started, 0 to 1 year - relates to leaking roof and interior renovations in Moses Mabhida building and Parkside project that never commenced

Planned construction started, longer than 5 years - Relates to Heritage assets transferred to Arts and Culture in 218/19, however the assets are still reflected in OTP books and will be transferred at a future date, the transfer certificate has not yet signed by the HOD of the receiving Department.

Payables not recognised relating to Capital WIP	Note	2020/21 R'000	2019/20 R'000
Amounts relating to progress certificates received but not paid at year end and therefore not included in Capital work-in progress		2 895	
Total		2 895	

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2020

Note	Opening balance 1 April 2019	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2020
Annexure 7	R'000	R'000	R'000	R'000	R'000
Heritage assets	4 667	-	-	-	4 667
Buildings and other fixed structures	3 303	-	839	-	4 142
TOTAL	7 970	-	839	-	8 809

Age analysis on ongoing projects	Number of projects		2019/20
	Planned Construction not started	Planned Construction started	Total
0 to 1 Year	-	-	-
1 to 3 Years	-	1	4 142
3 to 5 Years	-	-	-
Longer than 5 Years	-	1	4 667
Total	-	2	8 809

The planning and construction of the King Shaka Statue has been a long-term creative project involving lengthy research and consultation with all stakeholders, especially the Royal Family by the artist. The artist was requested to undertake additional adjustments to ensure that the statue's suitably resembles King Shaka. In April 2019 the Heritage function was transferred to the Department of Arts and Culture (Proclamation 5). The Office of the Premier consequently did not have a budget to continue with the project in the 2019/20 financial year. Once all Heritage Assets are formally transferred to the Department of Arts and Culture, the project will be completed.

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

S42 Immovable assets

32.4 Assets to be transferred in terms of S42 of the PFMA – 2020/21

	Number of assets	Value of assets R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	-
Dwellings		
Non-residential buildings		
Other fixed structures		
HERITAGE ASSETS	1	4 667
Heritage assets	1	4 667
TOTAL	1	4 667

Assets to be transferred in terms of S42 of the PFMA – 2019/20

	Number of assets	Value of assets R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	-
Dwellings		
Non-residential buildings		
Other fixed structures		
HERITAGE ASSETS	1	4 667
Heritage assets	1	4 667
TOTAL	1	4 667

33. Principle Agent Arrangement

	Note	2020/21 Fee paid R'000	2019/20 R'000
33.1 Department acting as the principle FUNDS UNSPENT WITH AGENTS			
KZN Growth Fund Trust			766
FUNDI			119
Total			885

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

34. Prior period errors

34.1 Correction of prior period errors

	<i>Note</i>	Amount bef error correction 2019/20 R'000	Prior period error 2019/20 R'000	Restated Amount R'000
--	-------------	--	---	--------------------------------------

Expenditure:

9

Net effect

	<i>Note</i>	Amount bef error correction R'000	Prior period error R'000	Restated Amount R'000
Movable tangible Capital Assets	30.3	168 000	-5 049	162 951
				-
Net effect		168 000	-5 049	162 951

	<i>Note</i>	Amount bef error correction R'000	Prior period error R'000	Restated Amount R'000
--	-------------	--	---	--------------------------------------

Liabilities:

18

Net effect

	<i>Note</i>	Amount bef error correction R'000	Prior period error R'000	Restated Amount R'000
--	-------------	--	---	--------------------------------------

Other:

31

Net effect

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

35. Transfer of functions and mergers

35.1 Transfer of functions

Gaming & Betting has been transferred to KZN Dept. of Economic Development & Tourism effective 1/04/2019. A delay was experienced in the transferring of the assets due to logistical challenges at EDTEA. The hand-over certificate was finally signed by the HOD of the Office of the Premier and EDTEA as at 31/03/2021 after a final asset list was prepared and verified.

Forensic Unit was moved from Provincial Treasury to Office of the Premier in 2020/21 financial year

The Assets related to the transfer are as follows:

From Provincial Treasury to OTP: + R1 067mill (Capital) + R287thousands (Current) totalling to R1 354mill
From OTP to EDTEA: - R117thousands (Capital) + R61thousands (Current) totalling R178thousands

35.1.1 Statement of Financial Position

	Note	Balance before transfer date:	Functions (transferred) / received	Functions (transferred) / received	Functions (transferred) / received	Balance after transfer date
		Bal per dept 2019/20	Dept name (Art and Culture)	Dept name (Edtea)	Dept name (Specify)	
		R'000	R'000	R'000	R'000	R'000
ASSETS		-	-	-	-	-
Current Assets		-	-	-	-	-
Unauthorised expenditure		-	-	-	-	-
Fruitless and wasteful expenditure		-	-	-	-	-
Cash and cash equivalents		-	-	-	-	-
Other financial assets		-	-	-	-	-
Prepayments and advances		-	-	-	-	-
Receivables		-	-	-	-	-
Loans		-	-	-	-	-
Aid assistance receivable		-	-	-	-	-

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

Note

Balance before transfer date:
Bal per dept 2019/20
R'000

Functions (transferred) / received
Dept name (Art and Culture)
R'000

Functions (transferred) / received
Dept name (Edtea)
R'000

Functions (transferred) / received
Dept name (Specify)
R'000

Balance after transfer date
R'000

Non-Current Assets

Investments

Receivables

Loans

Other financial assets

TOTAL ASSETS

LIABILITIES

Current Liabilities

Voted funds to be surrendered to the Revenue Fund

Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

Bank Overdraft

Payables

Aid assistance repayable

Aid assistance unutilised

Non-Current Liabilities

Payables

TOTAL LIABILITIES

NET ASSETS

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

35.1.2 Notes

Note	Balance before transfer date: Bal per dept 2019/20	Functions received from Provincial Treasury	Functions (transferred) To EDTEA	Functions (transferred) / received Dept name (Specify)	Balance after transfer date
	R'000	R'000	R'000	R'000	R'000
Contingent liabilities	-	-	-	-	-
Contingent assets	-	-	-	-	-
Capital commitments	-	-	-	-	-
Accruals	-	-	-	-	-
Payables not recognised	-	-	-	-	-
Employee benefits	-	-	-	-	-
Lease commitments – Operating lease	-	-	-	-	-
Lease commitments – Finance lease	-	-	-	-	-
Accrued departmental revenue	-	-	-	-	-
Irregular expenditure	-	-	-	-	-
Fruitless and wasteful expenditure	-	-	-	-	-
Impairment	-	-	-	-	-
Provisions	-	-	-	-	-
Movable tangible capital assets	162 951	1 067	-117	-	163 901
Immovable tangible capital assets	-	-	-	-	-
Intangible capital assets	-	-	-	-	-

Provide a reference to the proclamation or declaration giving effect to the transfer of functions.

EDTEA =PROCLAMATION 5 of 2018 & PT= Resolution that was taken by the Provincial Executive Council at the meeting which took place on the 10th June 2020

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

ANNEXURE 1B STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION			TRANSFER		2020/21
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred
	R'000	R'000	R'000	R'000	R'000	%
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
PROV DA: KZN ROYAL HOUSEHOLD TRUST						30 654
TOTAL	-	-	-	-	-	30 654

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

ANNEXURE 1F
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2020/21
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	
	-	-	-	-	-	-	
TOTAL	-	-	-	-	-	-	

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

ANNEXURE 1G STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2019/20
	Adjusted Appropriation Act	Roll Overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	
Transfers							
H/H: Empl s/ben: post-retirement benefits	-	-	-	-	1 089	-	3 529
H/H: Empl s/ben: leave gratuity	-	-	-	-	2 346	-	1 949
H/H: Bursaries (Non-Employee)	-	-	-	-	18 332	-	24 520
H/H: Claims against state (Cash)	-	-	-	-	-	-	5
Other	-	-	-	-	-	-	-
TOTAL	-	-	-	-	21 767	-	30 003

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

ANNEXURE 1H
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2020/21	2019/20
		R'000	R'000
Received in cash			
Government Employees Medical Aid Scheme	PPE (500 Fabric Masks, 500 Surgical Gloves, 3 Sanitisers 5 litres, 6 Temperature monitoring devices: Received by JM Gumede, Employee Health & Wellness	18	
Subtotal		18	-
Received in kind			
Subtotal			
TOTAL		18	-

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

ANNEXURE 1I STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000	REVENUE R'000	EXPENDI- TURE R'000	PAID BACK ON/BY 31 MARCH R'000	CLOSING BALANCE R'000
Received in cash						
MERSETA	Apprenticeships	(580)	(14 093)	272	-	(14 401)
NATIONAL SKILLS FUND	KZN Literacy Project	(1 687)	-	248	-	(1 439)
PESETA	Internship & work integrated	(324)				(324)
Subtotal		(2 592)	(14 093)	520	-	(16 164)

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

ANNEXURE 1J
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2020/21	2019/20
	R'000	R'000
Made in kind		
Supply Chain Management: Donation to purchasing catering equipment: Supplier Development	100	
Financial Accounting: '2x Bereavement floral arrangement bouquet @ R300 each totalling 600	1	
TOTAL	101	-

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

ANNEXURE 3B STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2021

Nature of Liability	Opening Balance 1 April 2020 R'000	Liabilities incurred during the year R'000	Liabilities cancelled/ reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31 March 2021 R'000
Claims against the department					
M Pary vs MEC for Education (Claim 9965/2010)	5 400	-	5 400	-	-
Emerald Fire Trading as De La Sol Cocktail Bar vs OTP (20159/15)	2 265		-	-	2 266
Thandi Norman vs The Premier & Another	216		-	-	216
Lindi April vs Premier (D1169/16)	293		-	-	293
Matt Engineering CC vs The Premier	-		-	-	-
DE Wagner vs Premier and the SAPS	400			-	400
Anesco CC Vs OTP and Charles Mkhize		155			155
Tactical security CC vs OTP		284			284
Subtotal	8 574	439	-	-	3 614
Other: Inter Departmental Accounts Payable: Unconfirmed balance					
KZN PROVINCIAL GOVERNMENT – TRANSPORT	15		15	-	-
KZN PROVINCIAL GOVERNMENT - LEGISLATURE	379		379	-	-
KZN PROVINCIAL GOVERNMENT – WORKS	-		-	-	-
NATIONAL TRANSPORT	-		-	-	-
NATIONAL DEPARTMENT OF JUSTICE & CONSTITUTIONAL DEV	38		38	-	-
KZN PROVINCIAL GOVERNMENT – SOCIAL DEVELOPMENT	800		800	-	-
KZN PROVINCIAL GOVERNMENT GOVT PRINTING WORKS	-		-	-	-
KZN PROVINCIAL GOVT HEALTH	83		83	-	-
NATIONAL DEPARTMENT SAPS	-		-	-	-
NATIONAL DEPARTMENT LABOUR	-		-	-	-
Subtotal	1 315	-	-1 315	-	-
TOTAL	9 889	439	-6 715	-	3 614

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

ANNEXURE 4 CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2020/21 *	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
KZN PROVINCIAL GOVERNMENT - COGTA		50	-	-		50	-	-
KZN PROVINCIAL GOVERNMENT - TRANSPORT			34	45	34	45	-	-
KZN PROVINCIAL GOVERNMENT – HUMAN SETTLEMENTS				-		-	-	-
NATIONAL DEPT: RURAL DEV & LAND REFORM				-		-		
KZN PROVINCIAL GOVERNMENT – TREASURY				-		-		
NATIONAL DEPT: SAP				-		-		
KZN PROVINCIAL GOVERNMENT SOCIAL DEVELOPMENT	8		-	-	8	-		
	8	50			42	95		-
Other Government Entities								
ROYAL HOUSEHOLD TRUST	-	3 249	-	-		3 249		
	-	-				3 249		
TOTAL	8	3 299	34	45	42	3 344		

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

ANNEXURE 5 INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2020/21 *	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
KZN DEPARTMENT OF HEALTH				83		83		9 095
KZN DEPARTMENT OF ARTS & CULTURE		1000		-		1000		
KZN DEPARTMENT OF TRANSPORT		23		15		38		11 634
KZN DEPARTMENT OF PUBLIC WORKS		758		-		758		2 554
KZN DEPARTMENT OF LEGISLATURE				379		379		
KZN PROVINCIAL TREASURY								487
KZN DEPARTMENT OF SOCIAL DEVELOPMENT				800		800		446
NATIONAL DEPARTMENT OF JUSTICE AND CONSTITUTIONAL DEVELOPMENT				38		38		558
NATIONAL GOVERNMENT TRANSPORT								
NATIONAL SAPS	86				86			
NATIONAL DEPARTMENT OF LABOUR								
SUBTOTAL	86	1 781		1 315	86	3 096		24 774
Non-Current								
KZN PROVINCIAL GOVERNMENT – TRANSPORT	-	-	-	-	-	-	-	-
SUBTOTAL	-	-	-	-	-	-	-	-
TOTAL DEPARTMENTS	86	1 781	-	1 315	86	3 096		24 774
TOTAL INTERGOVERNMENTAL PAYABLES	86	1 781		- 1 315	86	3 096		24 774

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

ANNEXURE 7 MOVEMENT IN CAPITAL WORK IN PROGRESS

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
HERITAGE ASSETS	4 667	-	-	4 667
Heritage assets	4 667	-	-	4 667
MACHINERY AND EQUIPMENT	-	-	-	-
Transport assets				
Computer equipment				
Furniture and office equipment				
Other machinery and equipment				
BUILDINGS AND OTHER FIXED STRUCTURES	4 142	8 223		12 365
Dwellings				-
Non-residential buildings	4 142	8 223	-	12 365
Other fixed structures	-	-	-	-
TOTAL	8 809	8 223	-	17 032

The Heritage function was transferred to the Department of Arts and Culture from the end of the 2018/19 Financial year. The terry street project has been completed but awaiting completion certificate, 2 New planned projects in the current financial year. The status of the projects are as follows: Planned construction started - Relates to repairs to the leaking roof in Moses Mabhida & Interior renovations

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

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance	Prior period error	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	4 667	-	-	-	4 667
Heritage assets	4 667	-	-	-	4 667
MACHINERY AND EQUIPMENT					
Transport assets					
Computer equipment					
Furniture and office equipment					
Other machinery and equipment					
BUILDINGS AND OTHER FIXED STRUCTURES	3 303	-	1 378	(539)	4 142
Dwellings		-	539	(539)	-
Non-residential buildings	3 303	-	839	-	4 142
Other fixed structures					
TOTAL	7 970	-	1 378	(539)	8 809

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

ANNEXURE 8B
INTER-ENTITY ADVANCES RECEIVED (note 21 AND note 22)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020
	R'000	R'000	R'000	R'000	R'000	R'000

Public entities

Non-Current

Advances received	-	-	183		183	
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Subtotal	-	-	183	-	183	
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TOTAL						
Non-current	-	-	183		183	

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

ANNEXURE 11
COVID 19 RESPONSE EXPENDITURE
Per quarter and in total

Expenditure per economic classification	2020/21					2019/20
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of employees	297	1 149	444	15 299	17 189	-
Goods and services						
Advert: Promotional	-	-	-	4 632	4 632	-
Advert: Marketing	-	229	-	9 000	9 229	-
Catering: Departmental Activities	99	197	18	-	314	-
L/PVT Firm: Legal Advice services	-	121	-	-	121	-
Contractors: Transport/Reluctant Contractor	-	129	-	-	129	-
Contractors: Medical Supplies	35	35	-	-	-	-
Cons Supply: Medical Supplies	-	35	-	901	936	-
Cons Supply: Uniforms/Protective clothing & clothes	68	9	-	174	251	-
Cons Housing Supply: Disposable Paper/Plastic	-	-	-	20	20	-
Cons Housing Supply: Wash/Clean detergent	84	475	-	416	975	-
Cons: SP&OS: Stationery	-	-	-	36	36	-
Operating Lease: other machinery & equipment	11	11	-	-	-	-
F&O/EQP < R5000: Office Furniture	-	-	426	-	426	-
Train & Dev: Non-Employees	-	-	-	120	120	-
Transfers and subsidies	-	-	-	-	-	-
List all applicable SCOA level 4 items						
Expenditure for capital assets	-	-	-	148	148	-
List all applicable SCOA level 4 items	-	-	-	148	148	-

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

Expenditure per economic classification	2020/21					2019/20
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Emergency/Rescue Equipment						
Other expenditure not listed above	-	-	-	-	-	-
List all applicable SCOA level 4 items						
TOTAL COVID 19 RESPONSE EXPENDITURE	297	1 149	444	15 447	17 337	-
<i>Include discussion where deemed relevant</i>						



KWAZULU-NATAL PROVINCE

OFFICE OF THE PREMIER
REPUBLIC OF SOUTH AFRICA

Provincial Government Communication

Private Bag X9037, PIETERMARITZBURG, 3200

300 Langalibalele Street, Pietermaritzburg, 3200

Tel: +27 (0) 33 341 3300

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