destea

department of economic, small business development, tourism and environmental affairs

FREE STATE PROVINCE

DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS

FREE STATE PROVINCE

VOTE NO. 3

ANNUAL REPORT

2020/2021 FINANCIAL YEAR

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PART A: GENERAL INFORMATION

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FREE STATE PROVINCE

1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

Acronyms	Description
AIDS	Acquired Immune Deficiency Syndrome
AMKPI	Asset Management Key Performance Indicator
APP	Annual Performance Plan
AQMP	Air Quality Management Plan
BAS	Basic Accounting System
BBBEE	Broad Based Black Economic Empowerment
CCCU	Central Communication Coordinating Unit
DCC	Departmental Consultative Committee
DESTEA	Department of Economic, Small Business Development, Tourism and Environmental Affairs
DM	District Municipality
DMP	Demand Management Plan
EIA	Environmental Impact Assessment
EIP	Environmental Implementation Plan
EHWP	Employee Health and Wellness Programme
EMC	Environmental Management Committee
EPWP	Expanded Public Works Programme
ETEYA	Emerging Tourism Entrepreneur of the Year Awards
EXCO	Executive Council
FDC	Free State Development Corporation
FS	Free State
FSGDS	Free State Growth and Development Strategy
GDP	Gross Domestic Product
GIAMA	Government Immovable Asset Management Act
HIV	Human Immune Deficiency Virus
HOD	Head of Department
HR	Human Resource
ICT	Information Communication Technology

IDP	Integrated Development Plan
IEMFFS	Integrated Environmental Management Framework of Free State
ITC	Information Technology and Communication
IWMP	Integrated Waste Management Plan
LED	Local Economic Development
MEC	Member of the Executive Council
MSP	Master Systems Plan
MTSF	Medium-Term Strategic Framework
MTEF	Medium-Term Expenditure Framework
NEMA	National Environmental Management Act
NSSD	National Strategy on Sustainable Development
PA	Protected Area
PP	Procurement Plan
PMDS	Performance Management Development System
PFMA	Public Finance Management Act
PGDS	Provincial Growth and Development Strategy
PMG	Pay Master General
PSBAC	Provincial Small Business Advisory Council
RIDS	Regional Industrial Development Strategy
SDIP	Service Delivery Improvement Plan
SITA	State Information Technology Agency
SMME	Small, Medium and Micro Enterprise
SMS	Senior Management Services
SRI	Social Responsibility Initiatives
Stats SA	Statistics South Africa
DTI	Department of Trade and Industry
UAMP	User Asset Management Plan
VCCT	Voluntary and Confidential Counselling and Testing
WIS	Waste Information System
LOGIS	Logistics Information System
CSD	Central Supplier Database

3. FOREWORD BY THE MEC

The report contained in the ensuing pages will provide an honest feedback on how, as the Department, we performed against the plans we put in place for the period under review.

As we outline our performance we will also reiterate our commitment to and the challenges we encountered towards the fulfilment of our department's mandate which is "to champion economic activities in the Free State in order to ensure that the government programmes make a difference in the lives of our people."

The past financial year will go down in history as the most challenging year for service delivery in the recent past. No amount of scenario planning would prepare us for the unprecedented arrival of Covid-19 which not only derailed the plans but had devastating effect on lives and livelihoods in the world, country and our province. The pandemic had an impact on every single life, business, sector and industry, with people losing their earnings, work and businesses. The total shutdown as a result of the National Disaster Management Act brought the economy to its knees and small enterprises were the hardest hit.

The biggest challenge was to ensure a balance between saving lives and protecting livelihoods. This we had to without compromising the three focal areas of our programme of action which are.

- A transformed and growing economy
- Sustainable environment management
- Capable, ethical and developmental organization

Like all other sectors, the public sector had to review its priorities and readjust its budgetary allocations accordingly. To this end, we introduced the Economic Recovery Relief Programme to mitigate the devastation of the pandemic on SMME, particularly those in townships and rural areas. The incentive schemes and support programme initiated were for both formal and informal businesses.

The incentive schemes were divided into the following categories:

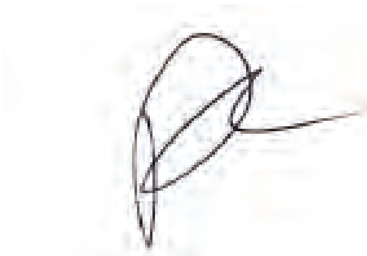
- Risk-Sharing Incentive Scheme
- Enterprise Support Incentive Scheme
- Manufacturing Support Incentive Scheme
- Spaza Shops and General Dealers Support
- Informal Business Support and Waste pickers

We can report that despite the budgetary constraints, a number of business were assisted and jobs that would otherwise be lost were saved and in some instances new ones created. A number of these enterprises also received non-financial support in the form of access to markets campaign where they were offered an opportunity to advertise their services and products.

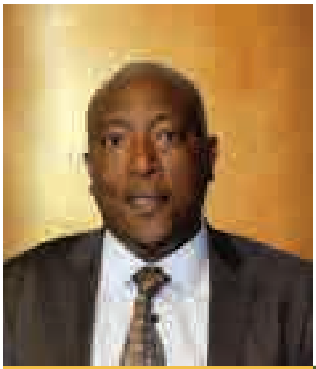
In view of its dependence on people's movement, the tourism sector collapsed during this period of lockdown where business activity was as low as 5%. Affected sub-sectors were travel agencies, travel services, tour guides, restaurants, events and hospitality. We are thankful that the National Department of Tourism, to some extent, was able to keep some of these businesses afloat with cash injection.

During this very difficult time, we were, albeit on low key, able to maintain our environmental management programmes ongoing. Waste management, bio diversity management and environmental law enforcement programmes continued to avoid further environmental degradation which would be very difficult to reverse post Covi-19.

We are indeed grateful to members of staff in essential services who kept home fires burning when, due to regulations, we could not operate on full complement. We are indebted to them and wish to thank them for ensuring that our aim of building a capable, ethical and professional organization remains on track



M. Mohale (MPL)
MEC of the Department of Economic, Small Business Development, Tourism and Environmental Affairs
31 July 2021



4. REPORT OF THE ACCOUNTING OFFICER

- **Overview of the operations of the department:**

The mandate of the Department of Economic, Small Business Development, Tourism and Environmental Affairs is to coordinate and oversee economic development activities whilst ensuring sustainable use of natural resources and caring for the environment in the Free State.

Our programme of action for the year under review was derived from the National Development Plan, the Free State Growth and Development Strategy, the State of the Nation Address, the State of the Province Address and the department's Budget Vote. Furthermore, the South African Economic Reconstruction and Recovery Plan was at the centre of our programme of action to rebuild the economy which was devastated by the Covid-19 pandemic.

The report contained in this document will outline the activities and achievements of the department which focussed primarily on:

1. Building a transformed and inclusive economy
2. Re-industrialization of the Free State Economy
3. Attracting Foreign Direct Investment
4. Improve Business Regulation and Consumer Protection
5. Re-positioning the Free State province as a Tourism destination of choice
6. Environmental and Biodiversity Management
7. Enhance administrative and fiscal discipline
8. Improve entity oversight

The accomplishment of our programme of action primarily depends on collaboration with other stakeholders like: National and Provincial Departments, State agencies, Municipalities, Institutions of Higher Learning and organized business formations.

In our effort to improve service delivery to the People of the Free State, the department established a Customer Care office whose primary aim is deal complaints and complements from the public as well as to ensure quality service delivery. The current overall budget cuts on public sector wage bill has meant that some of the critical vacant posts could not be filled in the year under review. However, the department implemented internal rearrangement of available resources to ensure that the department continues to fulfil its mandate.

- **Overview of the financial results of the department:**
    - **Departmental receipts**

Departmental receipts	2019/2020			2020//2021		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services including capital assets	22, 715	23, 238	(527)	18,585	10,989	7,596
Fines penalties and forfeits	889	1, 743	(851)	400	108	292
Interest dividends and rent on land	13	17	(4)	14	8	6
Financial transactions in assets and liabilities	797	1, 341	(544)	217	532	(315)
Total	**24, 414**	**26, 339**	**(1, 925)**	**19,216**	**11,637**	**7,579**

- **Sales of Goods & Services**

The Department held an annual auction for live game and hunting packages in March 2020 but these animals were delivered in the 2020/21 financial year. The sales of game carcasses resulted in revenue worth R7,6 million in 2020/21. The Department continues to use game management plans to determine the quantity of game that must be sold on an annual basis and ensure generation of revenue while preserving wildlife. This is done through an annual game auction as well sales of game to the public through culling activities. Most of the Departmental resorts were used as quarantine sites by the Department of Health for free, as a result of the outbreak of the corona virus (Covid-19) pandemic. This resulted in the Department being unable to meet the revenue target.

- **Fines, Penalties and Forfeits**

Revenue from this item is dependent on the successful recovery of fines because companies have the right to make representations for the fines to be reduced or completely cancelled. This process sometimes takes time to get concluded. Three cases resulted in a collection of R100 000.
Financial Transactions in Assets and Liabilities
The following item resulted in over-collection:
R186 763.00 from "unallocated credits". This is revenue that was deposited into the Departmental bank account without using the approved reference numbers. The Departmental revenue policy provides for the use of a revenue item called "unallocated credits" for recording this income.

- **Programme Expenditure**

Programme Name	2019/2020			2020/2021		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	165 145	164 312	833	173 251	174 703	(1 452)
Environmental Affairs	181 289	167 299	13 990	190 190	190 124	66
Economic Development	288 260	277 522	10 738	243 799	242 996	803
Tourism	10 888	10 207	681	7 248	7 221	27
TOTAL	**645 582**	**619 340**	**26 242**	**614 488**	**615 044**	**(556)**

  - **Virements/Roll overs**

Rollovers requested:

Earmarked funding/IEA/REA	Amount Requested for Roll-over (R)
No rollover request for 2020/2021 financial year	0.00
Total	**0.00**

Virements:

Programme	Amount (R'000)
Administration	598
Environmental Affairs	(1 877)
Economic Development	1 279
Tourism	-

- **A description of the reasons for unauthorised, fruitless and wasteful expenditure and the amounts involved as well as steps taken to address and prevent a recurrence:**

  - The Department incurred an unauthorized expenditure of R1 452m during the financial year under review as a result of overspending under fleet management. The Department will engage with Treasury on the direct charge by Fleet Management for the amount due in order to ensure that only payments made are based on the available budget.

- **Future plans of the department:**
  - Future plans of the department are explained in the 2021/22 Annual Performance Plan.

- **Public Private Partnerships**
  - The department currently do not have any PPP's, however, it intends to explore PPP opportunities for various economic development initiatives.

- **Discontinued activities / activities to be discontinued**
  - None
- **New or proposed activities**
  - Support of enterprises in the Waste Economy.
  - Support and expansion of infant industries.
  - Focus on establishing value chains in sectors where the FS has both comparative and competitive advantages.
- **Supply chain management**

  The Department has shifted some of the officials within supply chain in order to strengthen other key units within the Directorate. This will assist in terms of ensuring that the challenges which resulted in backlogs on procurement are addressed as well as limiting on the total number of irregular expenditure cases reported.

  There were no unsolicited bids or proposals appointed for the year under review.
- **Gifts and Donations received in kind from non-related parties**

  The Department received donations in kind from the Provincial Treasury relating to PPE.
- **Exemptions and deviations received from the National Treasury**
  - None
- **Appreciation**
  - I thank the Executive Council of the Province led by the Honorable Premier SH Ntombela for their leadership, the MEC Makalo Mohale for strategic guidance and support, Senior Management of the Department, and staff in general for their support and dedication to serve.

Dr M Nokwequ
Accounting Officer
Department of Department of Economic, Small Business Development, Tourism and Environmental Affairs
Date: 31 July 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 M Nokwequ
Accounting Officer
Date 31 July 2021

6. STRATEGIC OVERVIEW

6.1 Vision

"A transformed economy and a prosperous society that is living in harmony with its natural resources".

6.2 Mission

"To lead environmentally sustainable economic growth and transformation for the benefit of the Free State province and its citizens, through coordination, integration and mobilization of opportunities, efforts and resources."

6.3 Values

- Excellence
- Focussed
- Responsive
- Innovative
- Decency
- Conscientiousness

7. LEGISLATIVE AND OTHER MANDATES

7.1 CONSTITUTIONAL MANDATE

The DESTEA's constitutional mandates have been derived from Schedules 4 and 5 of the Constitution of the Republic of South Africa, which requires the Department to oversee and administer the following:

1. Trade
2. Tourism
3. Casinos, racing, gambling and wagering
4. Consumer protection
5. Environment
6. Industrial promotion
7. Nature conservation
8. Provincial public enterprises
9. Liquor licences and control of undertakings that sell liquor to the public
10. Small business development

Furthermore, the Department's constitutional mandate is derived from Section 24 of the Constitution, which emphasises that, everyone has the right:

a. to an environment that is not harmful to their health or well-being; and

b. to have the environment protected, for the benefit of present and future generations, through reasonable legislative and other measures that:

   i. prevent pollution and ecological degradation;

ii. promote conservation; and

iii. secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development.

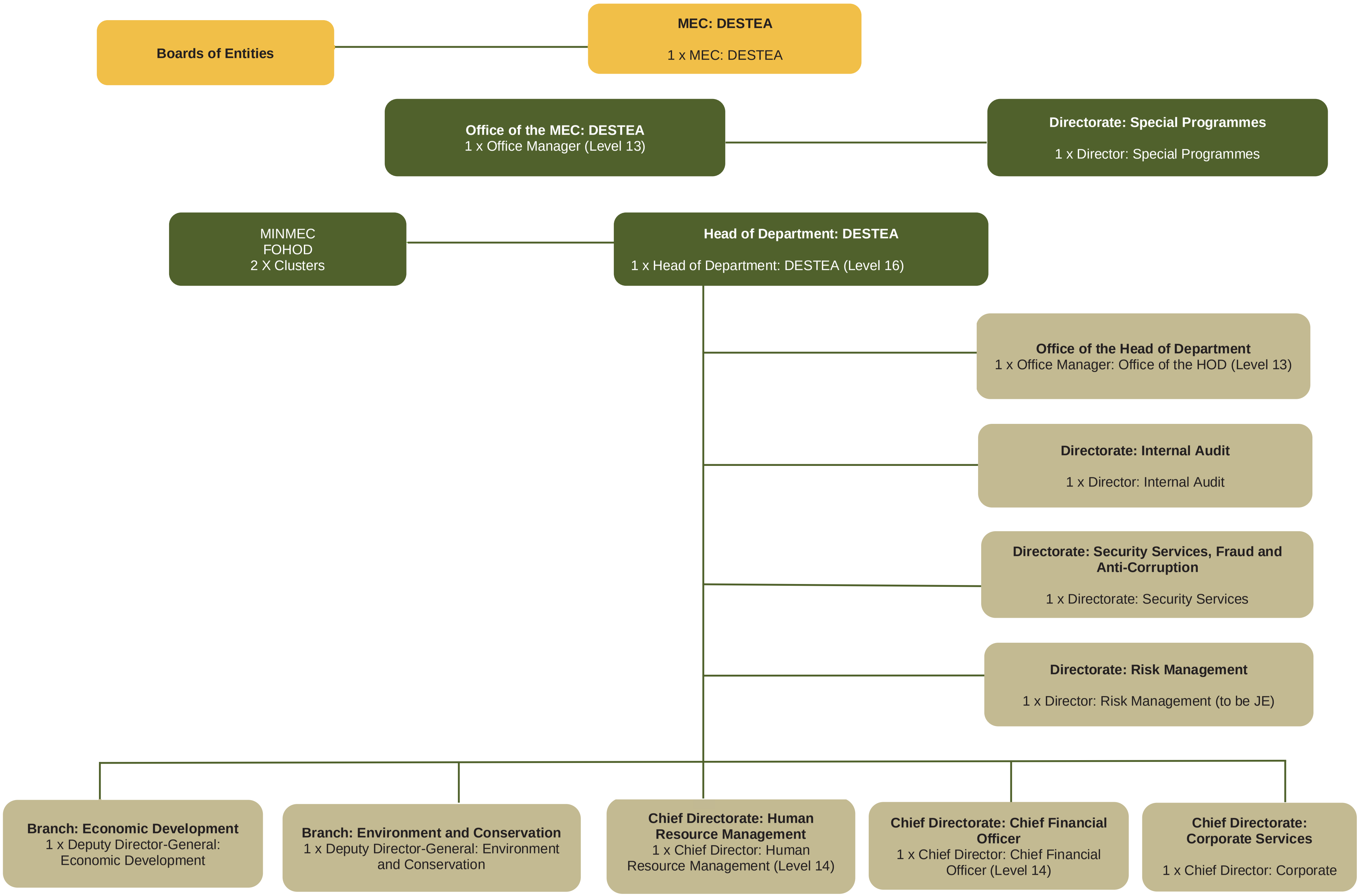
7.2. LEGISLATIVE MANDATE

The table below indicates core legislative mandates that are applicable to departmental programmes and objectives.

Programme Name and Core Function:	Legal Mandate	Implications
Economic Development: **SMME Development**	• National Small Business Act, 1996 (Act No. 102 of 1996) and Amendments • Business Act 1991, (Act No. 71 of 1991)	Promote policy objectives, facilitate strategy implementation and align programmes to encourage SMME development in the Province.
	• Broad Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)	Promoting Broad Based Economic Empowerment in the Province.
Economic Development: **Gambling & Betting Administration**	• Free State Gambling and Liquor Act	The Act replaces Free State Gambling and Racing Act, 1996 (Act No. 6 of 1996)
Economic Development: **Consumer Protection**	• Free State Consumer Affairs (Unfair Business Practices) Act, 1998 (Act No. 14 of 1998) • Consumer Protection Act No 68 of 2008	Investigation, control and prohibition of unfair business practices. Referral of matters in terms of the National Consumer Affairs Act.
Economic Development: **Compliance Monitoring**	• Credit Agreement Act1980, (Act No. 75 of 1980)	Business compliance monitoring and redress.
Economic Development: **Liquor Administration**	• Liquor Act 1989, (Act No. 27 0f 1989) • National Liquor Act, 2003 (Act No. 59 of 2003)	Regulating the micro-manufacturing, retailing and distribution of liquor in the Province.
Economic Development: **Trade Inspection**	• Trade Metrology Act, 1973 (Act No. 77 of 1973) • Credit Agreement Act, 1980 (Act No. 75 of 1980)	Ensure compliance with trade metrology and credit agreement regulations.
Environmental Affairs: **Protected Areas Management**	• National Environmental Management Act, 1998(Act No.107 of 1998) and Amendments	Coordination of the implementation, regulation and administration of all mandates entrusted to other sub-programmes and ensure monitoring thereof.
	• Environmental Conservation Act, 1989 (Act No. 7 of 1989) • Free State Nature Conservation Ordinance , 1969 (Ordinance No. 8 of 1969)	Promoting conservation in the Province.
	• Environmental Management: Biodiversity Act, 2004 (Act No. 10 of 2004)	Ensuring Biodiversity protection in the Province.
	• National Environmental Management: Protected Areas Act, 2003 (Act No.57 of 2003)	Providing an efficient framework for the management of protected areas.

Programme Name and Core Function:	Legal Mandate	Implications
	• National Heritage Recourses Act, 1999 (Act No. 25 of 1999) • World Heritage Conservation Act, 1999 (Act No. 49 of 1999)	Ensuring the protection and effective management of National Heritage and World Heritage Sites.
	• Game Theft Act, 1991 (Act No. 105 of 1991)	Providing a framework for the implications of game theft.
	• National Water Act, 1998 (Act No. 36 of 1998)	Providing a regulating framework on water usage in the Province.
	• National Environmental Management: Waste Act, 2008 (Act No.59 of 2008)	Ensuring effective waste management in the Province.
	• National Environmental Management: Air Quality Act, 2005 (Act No. 39 of 2005)	Ensuring the prevention of air pollution in the Province.
	• Veldt and Forest Fire Act, 1998 (Act No. 101 of 1998)	Provide a regulatory framework for the prevention and combat of veldt and forest fires.
	• Conservation of Agricultural Resources Act, 1983 (Act No. 43 of 1983)	Ensuring the conservation of vital agricultural resources in the Province.
	• Animal Protection Act, 1962 (Act No.71 of 1962) • Spatial Planning and Land Management Act No. 16 of 2013 (SPLUMA)	Ensuring the protection of various animal species in the Province To improve spatial planning and land management practises.
Tourism	• Tourism Act No. 3 of 2014 • Free State Tourism Authority Act, 2005 (Act No. 3 of 2005) • Tourism second amendment Act No.70 of 2000	To make provision for the promotion of tourism in the Republic; and further to regulate and rationalize the tourism industry Provide legal and operational framework for tourism promotion and development in the Province. Act provides for training and registration of tourist guides; and make provision for a code of conduct and ethics for tourist guides.

8. ORGANISATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE MEC

The information furnished in this section should correlate with information provided in the related party transactions disclosure note to the financial statements and the information on the entities.

The table below indicates the entities that report to the MEC:

Name of entity	Legislative Mandate	Financial Relationship	Nature of Operations
Free State Development Corporation (incorporating the Maluti a Phofung SEZ)	Free State Development Corporation Amendment Act 4 of 2010	Transfer Payment	Finance and advance economic growth and development, Black Economic Empowerment and SMME development and growth. Promote investment and trade within the Province and to identify, analyse, publicize and market investment and trade opportunities in the provincial economy
Free State Gambling, Liquor and Tourism Authority	Free State Gambling, Liquor Act 6 of 2010 and Tourism Authority Act 4 of 2011	Transfer Payment	Regulate the gambling and racing activities in the Province on behalf of the Provincial Department. Reduce socio-economic and other costs of alcohol abuse. Regulate the micro-manufacturing and retail sale of liquor or methylated spirits. Promote tourism and increase market share in the tourism industry and to coordinate marketing activities of all role players. Market major sport events for tourism promotion.

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PART B: PERFORMANCE INFORMATION

1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs certain audit procedures on the performance information to pride 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 130 of the Report of the Auditor General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

The table below outlines the main problem statements and the current status quo in the provincial economy:

Problem Statement	Data
The Free State province exhibits poor economic growth .	The Free State Growth and Development Strategy (FSGDS) aims at increasing the provincial economic growth rate from 2.5% in 2011 to 7 % in 2030. The Free State Province had a total Gross Domestic Product (GDP) of R 251 billion (in current prices) and in terms of total contribution towards South Africa the Free State Province ranked eighth relative to all the regional economies to the total South Africa GDP. The Province recorded a decline in its annual growth rate (-0.27%) in 2019. In contrast, South Africa achieved a growth rate of 0.15% in 2019. Fezile Dabi had the highest average annual economic growth, averaging 2.14% between 2009 and 2019, when compared to the rest of the regions within the Free State. Xhariep had the second highest average annual growth rate of 1.91%. Lejweleputswa is the only region in the province that recorded a decline in its average annual growth rate of (-1.45%) between 2009 and 2019. The greatest contributor to the provincial economy is the Mangaung Metropolitan Municipality with a share of 40.15% or R 101 billion, increasing from R 50.9 billion in 2009. The economy with the lowest contribution is the Xhariep District Municipality with R 8.37 billion growing from R 4.55 billion in 2009. The Free State's contribution to the national economy is 5% in 2019; this is lower than its contribution of 5.4% in 2009. It is forecast that the provincial economy's GDP will grow at an average annual rate of -0.61% from 2019 to 2024 compared to South Africa's growth of -0.20%.

Problem Statement	Data
Unemployment in the Free State province is high	The FSGDS aims at reducing the unemployment rate from 32% in 2012 to 6% by 2030. The Free State's official unemployment rate was recorded at 25.3% in Q2:2020, 2.0 percentage points higher than the National official unemployment rate of 23.3%. The expanded unemployment rate for the province recorded at 41.2% for Q2:2020. The percentage of young persons aged 15–24 years who were not in employment, education or training (NEET) increased from 30,4% in Q1: 2019 to 32,4% in Q1: 2020 and for the aged group 15-34 increased from 39.3% Q1: 2019 to 42.6% Q1:2020. All the industries year-on-year recorded employment losses in quarter 2 2020 comparing it with quarter 2 2019. The highest employment losses were recorded in Trade (53 000), Community & Social Services (35 000) followed by Private Households (27 000). When comparing unemployment rates among regions within Free State Province, Lejweleputswa District Municipality has indicated the highest unemployment rate of 46.3% in 2019, which has increased from 29.7% in 2009. Mangaung Metropolitan Municipality had the lowest unemployment rate of 26.2% in 2019, which increased from 22.2% in 2009.
Problem Statement	**Data**
The structure of the Provincial economy limits job creation	The FSGDS, identifies agriculture, mining, manufacturing, transport and tourism as the key drivers that will ensure inclusive economic growth and sustainable job creation. The Provincial Economic Development Approach (PEDA) argues that investing in these productive sectors will serve as a catalyst to services sectors and thereby stimulate economic growth and job creation in the whole economy. Over a ten year period 2009 and 2019, the Gross Value Added (GVA) in the trade sector had the highest average annual growth rate in Free State at 1.93%. However, the average annual growth rate of agriculture and mining declined with -2.62% and of -0.47% respectively. Manufacturing and Transport recorded increases of 1.18% and 1.17%. Employment, between Q2:2019 and Q2:2020 (year-on-year) in the Free State's agriculture, mining, manufacturing and transport sectors have declined by 4.0%, 10.7%, 13.1% and 10.8% respectively.

Problem Statement	Data
Economic activity is concentrated in specific areas resulting in low levels of economic activity in the rest of the province	Mangaung Metropolitan Municipality, Fezile Dabi and Thabo Mofutsanyana District Municipalities are high performing municipalities towards economic growth in the Province. While other municipalities in the province have on average contributed positively towards economic growth, their performance is below average. Fezile Dabi had the highest average annual economic growth, averaging 2.14% between 2009 and 2019, when compared to the rest of the regions within Free State. The Xhariep District Municipality had the second highest average annual growth rate of 1.91%. Lejweleputswa District Municipality had the lowest average annual growth rate of -1.45% between 2009 and 2019. Metsimaholo Local Municipality which is considered the economic hub of Fezile Dabi District Municipality recorded the highest average annual growth of 2.5% in 2019. Mangaung Metro recorded 1.3% followed by Dihlabeng with 1.0%. Means of production, such as plant, machinery and equipment; land and labour, are enabling environment factors that are necessary for the production of economic value. Of key importance is the legislative and policy framework, economic and social infrastructure as well as investment and export promotion.
Problem Statement	**Data**
Increasing environmental concerns	Environmental concerns that need to be addressed are climate change and land use and biodiversity conservation. Climate projection for Southern Africa shows that the greatest increase in mean temperature will possibly occur over the central interior where the Free State is located. The arid and semi-arid regions and the western interior are very likely to experience an increase of 2 to 3°C in maximum temperature. The dominant land use in the Free State is agriculture which accounts for 90% of the total area of the province. There is also significant urbanisation taking place.

Problem Statement	Data
Lack of state capacity	There is a need to manage continuity and change at leadership and senior management. The lack of structured training and development programmes for staff and councillors on finance, economics, technical and project management etc., have in most cases weakened governance mechanisms. According to the Auditor-General report, the vacancy levels at senior management level in the Free State were the highest in the country. The development of appropriate human resources and human resource capacity to support governance are two of the most challenging areas in the province. A real attempt to attract the best skills to the local government sphere is required.
Problem Statement	**Data**
High poverty levels, income inequality and low incomes	Poverty remains a huge socio-economic challenge facing the province. The FSGDS aims to reduce the number of people living in poverty to 0% in 2030. In 2019, there were 1.74 million people living in poverty, using the upper poverty line definition, across Free State - this is 0.68% lower than the 1.75 million in 2009. The percentage of people living in poverty has decreased from 63.92% in 2009 to 60.30% in 2019, which indicates a decrease of 3.62 percentage points. The total number of grants paid grew from approximately 850 000 in 2010 to 1 020 107 in April 2019 (35% of the Province's population). The Gini coefficient is a summary of income inequality. According to the FSGDS, the Free State province aims to reduce its Gini coefficient to 0.3 in 2030. Despite this, the provincial Gini-Coefficient has increased marginally to 0.62 over the ten-year period from 2009 to 2019 indicating an increase in income inequality. When segmenting the Free State Province into population groups, it can be seen that the Gini coefficient for the African population group increased the most amongst the population groups with an average annual growth rate of 0.33%. The per capita income for Free State (R 58,300) is lower than that of the South Africa as a whole which is R 60,800. The White population group has the highest per capita income, with R 243,000, relative to the other population groups. The population group with the second highest per capita income within Free State is the Asian population group (R 123,000), where the Coloured and the African population groups had a per capita income of R 69,000 and R 37,100 respectively.

Problem Statement	Data
The Free State province is currently not achieving its tourism goals given its attractive tourism resource base and offerings.	Day trip expenditure for South Africa in 2019 increased from R19,4 billion in Quarter 1 (January to March 2019) to R19,8 billion in Quarter 2 (April – June 2019), whilst overnight expenditure increased from R16,2 billion in Quarter 1 to R17,6 billion in Quarter 2. The main destination for day trips in Q1: 2019 was Limpopo (26.3%), followed by Gauteng (19.9%) and Western Cape (15.8%). Free State (3.4%) had the least number of day trips travellers in Quarter 1. An increase of 0.6 percentage points in the number of day trips is recorded in Quarter 2 (from 3.4 % to 4.0%). Statistics furthermore indicates that Free State was the second least popular destination in both Quarters 1 and 2 2019 after the Northern Cape. The number of trips by tourists visiting Free State from other regions in South Africa has decreased at an average annual rate of -1.76% from 2009 (2.32 million) to 2019 (1.94 million). The tourists visiting from other countries increased at a relatively high average annual growth rate of 5.50% (from 407 000 in 2009 to 696 000 in 2019). International tourists constitute 26.38% of the total number of trips, with domestic tourism representing the balance of 73.62%. The total number of tourists visiting Free State, however decreased at an average annual rate of -0.33% from 2009 (2.73 million) to 2019 (2.64 million).
COVID 19 Impact	The impact of COVID-19, not only on the operations of the organization, but also to the environment in which it needs to deliver its mandate, has been severe. The Free State economy was harshly impacted by local trade limitations, but also by the downturn in the global economy. This resulted in most FS businesses reverting to a survivalist mode, with little to no growth and new employment. Certain sectors have since been able to recover slowly, but other like tourism and hospitality are struggling with the recovery process. In an effort to mitigate this status quo, the department will continue with support services to SMME's in the province, which includes various incentives (Provincial Treasury budget allocations allowing), as well as a number of regulatory services which contributes to economic development. Furthermore, the department will actively contribute (Provincial Treasury budget allocations allowing) to relevant interventions, as explained in the National Reconstruction and Recovery Plan.

Policy Environment

The mandate of the Department emanates from national and provincial policies as well as legislative frameworks, as described in our 2020 – 2025 Strategic Plan. In addition to the policies and legislation mention in the Strategic Plan of the Department, the Presidency has developed a National Development Plan (NDP) Vision 2030. This plan, which maps out the direction South Africa should take to achieve Vision 2030, was considered when developing the 2019/20 Annual Performance Plan. The main relevant themes emphasised by the NDP includes:

- Economy and employment
- Economic infrastructure
- Transitioning to a low carbon economy
- Inclusive rural economy
- Positioning South Africa in the world

The Medium Term Strategic Framework (MTSF), the Nine Point Plan of Government, the Provincial Growth and Development Strategy and the Provincial Programme of Action has also been encapsulated in the content of this plan.

There were no changes to the Strategic Plan during the 2020/21 financial year.

Demand for services

The demand for environmental services is largely driven by the legislative mandate of the department to protect and sustain the natural resources of the province. The services provided by the department in this regard therefore focusses in the main on the enforcement of environmental legislation, the management of bio-diversity and climate change, as well as environmental awareness and education.

The demand for economic related services is attributable to both push and pull factors. The macro-economic policies of government has resulted in the rendering of certain services in order to achieve the various policy objectives, such as tourism and industrial development. On the other hand, the current low GDP and GVA levels in the province, coupled with significantly high levels of unemployment has necessitated the delivery of certain services, such as SMME support, mining town support and township revitalization.

2.2 Service Delivery Improvement Plan

The department has completed a service delivery improvement plan where two main services were identified. The tables below highlight the service delivery plan and the achievements to date for both services.

Main services and standards:

Management of the Protected Areas: Reserves and Resorts

Main services	Beneficiaries	Current / actual standard of service	Desired standard of service	Actual achievement
Management of the Protected Areas: Reserves and Resorts.	General Public including tourists / adventures.	R7, 724m (22.11%) of the original budget of R34, 927m was used for infrastructure development used.	Use 100% of the allocated budget.	R30,001m (99,6%) of the original budget of R30,113m was used.

Batho Pele arrangements with beneficiaries (Consultation access etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
	Consultation	
Monthly Meetings	Monthly Meetings convened by Infrastructure Development and Maintenance Manager Annual meeting with role-players – Reserve and Resort management, Infrastructure component and SCM to discuss and finalise priorities and budgeting. Result is a fully functioning and up to date UAMP report.	Monthly virtual meetings held with Department of Public Works and Infrastructure.
	Courtesy	
Constant feedback through monthly infrastructure reports	Constant feedback through monthly infrastructure reports. Improved communication with all role-players required.	Progress Report provided.
	Access	
Site Meetings	Regular Site Meetings convened by Infrastructure Development and Maintenance Manager.	Regular Site Meetings were conducted with Department of Public Works and Contractor on Sandveld Project: water reticulation and sewerage.
	Information	
Place Advertisement in newspapers, e-tender.	Place Advertisement in newspapers, CSD website. Compulsory on-site pre-bid meetings for all large Infrastructure Development and Maintenance projects.	Two Adverts made on: The Development of Infrastructure Framework. The Appointment of a Consultant.

Current/actual arrangements	Desired arrangements	Actual achievements
	Openness and Transparency	
Open and Transparent Tendering System. Apply PAJA and PAIA.	Open and Transparent Tendering System. Apply PAJA and PAIA. Appointment of reputable, experienced contractors with the required financial and human resource capacity for large Infrastructure Development and Maintenance Projects.	Open and Transparent Tendering System. Apply PAJA and PAIA.
	Redress	
Apply PAJA and PAIA.	Apply PAJA and PAIA provision.	No challenges that needed redress. Provision made under PAJA and PAIA.
	Value for Money	
Infrastructure is completed within the agreed budget and timeframe and that there's Return on Investment.	Infrastructure is completed to the required standard, within the agreed budget and timeframe, and that there is a Return on Investment. Ensure that all infrastructure remains in a good, serviceable condition through the implementation of scheduled maintenance projects.	Improved infrastructure expected to lead to increase in revenue. The fence project at Sandveld to improve security of the Department's biological assets and infrastructure.

Human resource

Current/actual arrangements	Desired arrangements	Actual achievements
2 Officials	Appoint a Manager for Infrastructure Development and Maintenance (level of DD?, preferably with a QS qualification) Fully utilize the DESTEA Construction / Maintenance Team according to an approved construction / maintenance schedule rather than on an *Ad Hoc basis*.	Consultants appointed to increase output and to improve efficiency and effectiveness of the section.
Training	Construction / Maintenance team officials to complete Induction Course (Module 2) and attend additional training courses according to training needs assessment.	Skills transfer through on-job training by the consultants.

Service delivery and monitoring

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Service Charter Provision	Service Charter Provision Complaints and. Compliments Box at all service points. Complaints Mechanism for each service point. Direct complaints mechanism – e-mail link to Deputy Directors: Reserves and Resorts.	Service Charter Posters with complaints mechanism displayed at Head Office and the reserves and resorts. Complaints and Compliments box placed at the reserves and resorts.

Black Industrialist Scheme

Main services	Beneficiaries	Current / actual standard of service	Desired standard of service	Actual achievement
Black Industrialist	SMMEs Manufacturers	Assisted 2 black industrialists.	Assist 2 Black industrialists.	2 Black Industrialists Assisted.

Batho Pele arrangements with beneficiaries (Consultation access etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
Consultation		
Quarterly meetings with the Black industrialists and dti Black Industrialist unit.	Quarterly meetings with prospective Black industrialists and the dti Black Industrialist unit.	One Capacity Building Session on the scheme held that was facilitated by the dtic.
Courtesy		
Feedback on progress is provided to beneficiaries.	Feedback on progress is provided to beneficiaries.	Feedback provided to all applicants.
Access		
Assistance provided from Head Office and the Service Centers only.	Assistance provided from Head Office and the Service Centers only.	The workshop was Virtual which helped increase participation.
Information		
Information is accessible to Black Industrialists through leaflets; place information on departmental website; the use of adverts.	Information is accessible to Black Industrialists through leaflets; place information on departmental website; the use of adverts.	Invitations were issued to municipalities to spread the information to prospective industrialists.
Openness and Transparency		
Provide feedback in the annual report. Apply PAJA and PAIA.	Provide feedback in the annual report Apply PAJA and PAIA.	Open adjudication process where there's representation from DFIs.
Redress		
Apply PAJA and PAIA.	Apply PAJA and PAIA.	Referrals for unsuccessful applications are made to other programmes like Enterprise Support Incentive.
Value for Money		
n/a	Job Creation	Funding to the value of R6, 8 million approved for agro-processing and manufacturing of transformers.
Human Resource		
3 officials	n/a	3 officials

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
Conduct Districts reach-out programme to enlist prospective Black Industrialists.	Conduct Districts reach-out programme to enlist prospective Black Industrialists.	Facilitated one Black Industrialist session for the municipalities in partnership with the DTI.

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Service Charter Provision	Service Charter Provision Complaints and. Compliments Box at all service points. Complaints Mechanism for each service point.	Service Charter Posters with complaints mechanism displayed at Head Office and Service Centres. Complaints and Compliments box placed at all Service Centres. Developed template for complaints mechanism for each service centre.

2.3 Organisational environment

Programme structure

There were no changes in the programme structure of the Department, which is illustrated in the table below:

Programme	Sub programme
1. **Administration**	1.1 Office of the MEC 1.2 Management Services 1.3 Financial Management 1.4 Corporate Services
2. **Environmental Affairs**	2.1 Environmental Policy, Planning and Coordination 2.2 Compliance and Enforcement 2.3 Environmental Quality Management 2.4 Biodiversity Management 2.5 Environmental Empowerment Services
3. **Economic and Small Business Development**	3.1 Integrated Economic Development 3.2 Economic Planning 3.3 Small Business Development
4. **Tourism**	4.1 Tourism Planning 4.2 Tourism Growth and Development 4.3 Tourism Sector Transformation

Personnel

As at 31 March 2021, the Department had a workforce of 696, this is inclusive of 676 permanent employees and 20 contract workers. The current vacancy rate is standing at 7.32% which is below the benchmark of 10%.

The total number of employees who left the department is 30 which translates into 4.31% of the total workforce. The figure is lower than the national benchmark of 8%. It can also be indicated that the figure has gone down as compared to last year where the department was standing at 5.38%. Of the 30 officials who left the department, 6 resigned, 2 were transferred, 10 left due to normal / compulsory retirement, 3 left due to early retirement, 8 were a result of death and 1 dismissal.

The majority of employees who left the department are due to retirement. The significant high number of attrition is of concern due to the fact that the department is unable to retain its employees, especially those that are leaving voluntarily (resignations and or transfers). As a result, the department is unable to reduce its vacancy rate.

The age profile of the department is of a major concern in terms of critical occupation, and measures needs to be put in place in order to address anticipated retirement in some programmes such as Environmental Branch where it will be losing majority of its employees. Of the 696 employees, 128 (18.39%) are between the ages of 18 and 35 years (youth), 101 (14.51%) are between the ages of 36 and 39, 229 (32.90%) are between the ages of 40 and 49, 204 (29.31%) are between the ages of 50 and 59, 34 (4.89%) are between the ages of 60 and 65. One hundred and twenty five (125) of these employees will be retiring in the next 5-10 years through normal and/or compulsory retirement. Of this number, 93 (74.40%) are from Environmental Management Branch, 22 (17.60%) from Administration and 10 (8%) are from Economic Development. In recruiting within these branches, attention will have to be put in attracting youth, especially in certain entry level posts where experience is not a requirement. Measures need to also be put in place to vigorously implement succession planning as the department will be losing key personnel as well as critical skills in the next 1-5 years.

4 grievances were lodged during 2020/21 financial year, of the 4 grievances lodged, 2 were resolved within 30 days and 2 were resolved outside the prescribed time-frames. 4 other grievances lodged emanated from the previous financial year and were resolved during this financial year.

3 misconduct cases were reported during the 2020/21 financial year, 2 were finalised during the year in review and 1 is outstanding. There are 19 misconduct cases emanating from the previous financial years of which 16 are handled as mass disciplinary hearings, 2 cases were finalised during 2020/21 financial year and 1 is pending. The 16 mass hearings are pending as well. The factors which contributed to the misconduct cases not finalised within 90 days were as follows:

- Non-availability of presiding officers or alleged offenders;
- Postponement of disciplinary hearings;
- Long investigations due to non-availability of external people to be interviewed.
- Veracity of documents needed by alleged transgressors through *points in limine*, which delays process.
- National State of Disaster on Covid-19 and lockdown alert levels which prevented disciplinary hearings being held in line with social distancing directive.

2.4 Key policy developments and legislative changes

There were no major changes to policies and legislation, during the period under review, which had a major impact on operations.

The Department continued with implementation of the following:

1. All environmental policies and legislation.
2. Trade related policies.
3. Economic development policies, including SMMEs and cooperatives development. Consumer protection and business regulations policies and legislation.
4. Tourism related policies.

The table below explains the various areas contained in the NDP, MTSF and FSGDS to which the Department contributed during the past year:

NDP	MTSF	FSGDS
Chapter 3: Economy and employment	Outcome 4: Decent employment through inclusive growth	Driver 3: Expand and diversify manufacturing opportunities
Chapter 5: Environmental sustainability	Outcome 6: An efficient, competitive and responsive infrastructure network (SIP's and SEZ's)	Driver 5: Harness and increase tourism potential and opportunities
Chapter 13: Building a capable and developmental state	Outcome 10: Protect and enhance our environmental assets and national resources	Driver 12: Integrate environmental concerns into growth and development planning
Chapter 14: Fighting Corruption	Outcome 12: An efficient, effective and developmental orientated public service	Driver 15: Foster good governance to create a conducive climate for growth and development

3. PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

In order for the Department to fulfil its mandate, it has committed to achieving the following impacts and outcomes:

Impact 1	A transformed economy
Outcomes	Increased tourism market share Reduced illicit economic activity and corruption Transformed economic structure Increased private sector investment Sustainable job creation Improved economic growth

Impact 2	Sustainable environmental management
Outcomes	Improved investment and growth in the Biodiversity Economy Effective bio-diversity management Reduced provincial waste disposal to landfills Reduced greenhouse gas emissions Effective mitigation of climate change in vulnerable sectors (agriculture, forestry health, water, human settlements, biodiversity)

Impact 3	A capable, ethical and developmental organization
Outcomes	Functional and integrated organization Ethical,capable and professional workforce Improved governance

Impact: A transformed economy

Outcome	Outcome Indicator	Responsibility	Five Year Target	Measured Cumulative 2021 Status
1. Improved economic growth	i. Rate of economic growth (GDP)	IED	3.2%	-6.8% in 2020[1]
2. Sustainable job creation.	i. Official unemployment rate	IED	23% 277 500 unemployed	33.4% 374 000 unemployed[2]
3. Increased private sector investment.	i. Rate of investment as % of GDP	IED	FDI 5.8% of FS GDP	FDI 4.7% of FS GDP[3]
	ii. Foreign direct investment in FS	IED	R10.9 billion in FS or increased FDI by 30% from 8.4bn baseline	R13.0 billion in FS[4]

1. IHS Markit Regional eXplorer version 2070
2. Statistics South Africa. 2021. QLFS Q4:2020
3. Total International Trade as % of GDP used as proxy for FDI as % of GDP (IHS Markit Regional eXplorer 2070 (2.6p))
4. Total International Trade used as proxy for FDI as % of GDP (IHS Markit Regional eXplorer 2070 (2.6p))

4. Transformed economic structure.	i. % of FS businesses owned by black entrepreneurs	IED	50% of land black owned, 20% black ownership of mines 30% of black owned tourism facilities	Black land ownership=29%[5] Black mine ownership=13%[6] Tourism – No data available as at the date of reporting.
	ii. FS competitiveness outlook	SBD	Free State competitiveness ranked seventh out of nine regional economies contributing to National GDP	Free State competitiveness is ranked eighth out of nine regional economies contributing to National GDP[7]
5. Reduced illicit economic activity and corruption	i. FS consumer confidence results	SBD	South Africa's Consumer Confidence Index (CCI) data at 25.00%	South Africa's Consumer Confidence Index (CCI) data was reported at -12.000 % Point in Dec 2020[8]
6. Increased tourism market share	i. Percentage growth in tourism contribution towards provincial GDP	TOURISM	15% of GDP	5.7% of GDP[9]

5. Based on 2019 Land Audit Report: 11% African; 13% Coloured and 5% Indian
6. From 72 mines on DMRE database, 9 mines are owned by Blacks
7. Based on regional economy's relative size vis-à-vis other provincial economies (IHS Markit Regional eXplorer 2070 (2.6p))
8. CEIC data 2021
9. Based on Tourism Expenditure as % of FS GDP (IHS Markit Regional eXplorer 2070 (2.6p))

Impact: Sustainable environmental management

Outcome	Outcome Indicator	Responsibility	Five Year Target	Measured Cumulative 2021 Status
1. Effective mitigation of climate change in vulnerable sectors (agriculture, forestry health, water, human settlements, biodiversity)	Number of climate change adaptation plans for vulnerable sectors implemented.	EA	1 Strategy and 6 Plans implemented	0
2. Reduced greenhouse gas emissions	Number of municipalities with the capacity to implement climate change programmes	EA	15 municipalities	2
	Number of municipalities with access to climate change funding/financing (green climate fund, climate adaptation fund)	EA	9 municipalities	3
3. Reduced provincial waste disposal to landfills	Number of municipal with landfills operating illegally.	EA	Zero operating illegally	8
	Waste generation tonnage	EA	4 156 921.35 tons (25% reduction)	30% reduction when comparing 2019 to 2020 5,883,234.5 tons
4. Effective bio-diversity management	Protected species poaching occurrences	EA	Zero occurrences	1 Occurrence
	Hectares in the FS conservation estate	EA	1 067 585ha or 15.5% increase	959 811ha
5. Improved investment and growth in the Biodiversity Economy	Number of black game farmers	EA	80 black game farmers	52
	Percentage wildlife production units	IED	25% increase in wildlife production units to 30%	Zero % increase.

Impact: A capable, ethical and developmental organization

Outcome	Outcome Indicator	Responsibility	Five Year Target	Measured Cumulative 2021 Status
Functional and integrated organization	Organizational integration levels	HR	Expected depth of integration = Level 4 (Collaboration)	Level 1 (Awareness only)
Ethical,capable and professional workforce	Occurrence of corruption cases in the department	SECURITY AND ANT-CORRUPTION	Zero cases	0
Improved governance	Annual audit outcomes	CFO	Clean Audit	Qualified Opinion

The Department contributed significantly to the following Outcomes, as highlighted in the table below:

NDP	MTSF	Highlights
Chapter 3: Economy and employment	Outcome 4: Decent employment through inclusive growth	Continues support to new and existing SMME's through relief and recovery incentives. Trade and investment promotion via Free State Development Corporation. Education and support to client on Consumer Right. Strengthened partnerships with DFIs. Continues tourism promotion and marketing.
Chapter 5: Environmental sustainability	Outcome 10: Protect and enhance our environmental assets and national resources	Expansion of land under conservation. Upgrade of certain resorts and reserves. Continues enforcement of environmental legislation. Promotion of waste recycling. Promotion of green cities and municipalities.

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1 Programme 1: Administration

To provide leadership and strategic management in accordance with Policy and Legislation and to provide appropriate support service to other programmes.

Sub-Programmes:

Programme	Sub Programme
Administration	1. Office of the MEC 2. Management Services 3. Financial Management 4. Corporate Services

This programme contributed to the following priorities:

- **NDP:**
  - Chapter 13: Building a capable and developmental state
  - Chapter 14: Fighting Corruption
- **MTSF:**
  - Outcome 12: An efficient, effective and developmental orientated public service
- **FSGDS**:
  - Driver 15: Foster good governance to create a conducive climate for growth and development.

Management Services

Programme: Administration								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2018/2019**	**Actual Achievement 2019/2020**	**Planned Target 2020/2021**	**Achievement 2020/2021**	**Deviation from planned target 2020/2021**	**Reasons for Deviations**
Sub Programme: Strategic Planning, Monitoring and Evaluation and Service Delivery Improvement								
Ethical, capable and professional workforce	**Improved programme / project effectiveness through evaluations**	Number of evaluated programmes / projects with recommend.	-	-	1	1	n/a	n/a
	Revised Operations Management Framework (OMF) Blocks	Number of OMF Blocks revised.	-	4	4	4	n/a	n/a
	Integrated planning documents	Number of strategic planning documents developed.	2	2	2	2	n/a	n/a

Sub Programme: Security and Anti-Fraud								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2018/2019**	**Actual Achievement 2019/2020**	**Planned Target 2020/2021**	**Achievement 2020/2021**	**Deviation from planned target 2020/2021**	**Reasons for Deviations**
Ethical, capable and professional workforce	**Visible campaigns on ethics**	Number of campaigns conducted	4	4	4	4	n/a	n/a

Improved governance	**National Hotline cases investigated**	Percentage of hotline cases investigated	-	-	100% of received cases	100%	n/a	n/a
	Fraud and corruption cases referred to SAPS	Percentage of fraud and corruption cases referred to SAPS	-	-	100% of cases where corruption or fraud was identified	100%	n/a	n/a
Sub Programme: Internal Audit and Risk Management								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2018/2019**	**Actual Achievement 2019/2020**	**Planned Target 2020/2021**	**Achievement 2020/2021**	**Deviation from planned target 2020/2021**	**Reasons for Deviations**
Improved governance	**Approved Strategic Internal Audit documents for governance oversight**	Number of strategic documents developed	2	3	3	3	n/a	n/a
		Number of status analysis reports with recommendations developed	-	-	13	13	n/a	n/a
	Consolidated Risk register	Strategic risk register aligned to the Department's strategic outcomes	-	-	1	1	n/a	n/a

Ethical, capable and professional workforce	**Efficient business continuity**	Develop a Business Continuity Policy for the department	-	-	1	1	n/a	n/a
		Facilitate a Business Impact Analysis	-	-	1	1	n/a	n/a
		Develop and roll out a Business Continuity Plan	-	-	0	-	-	-

Financial Management

Sub Programme: Financial Accounting								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2018/2019**	**Actual Achievement 2019/2020**	**Planned Target 2020/2021**	**Achievement 2020/2021**	**Deviation from planned target 2020/2021**	**Reasons for Deviations**
Improved governance	**Annual Financial Statements developed**	Number of Annual Financial Statements developed	1	1	1	1	n/a	n/a
	Interim Financial Statements developed	Number of Interim Financial Statements developed	3	3	3	3	n/a	n/a
Sub Programme: Management Accounting								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2018/2019**	**Actual Achievement 2019/2020**	**Planned Target 2020/2021**	**Achievement 2020/2021**	**Deviation from planned target 2020/2021**	**Reasons for Deviations**

Functional and integrated organization	**Fragmented budgeting reduced**	Percentage reduction in budget shifts	-	-	50%	50%	n/a	n/a
	Slow spending patterns reduced	Number of departmental budget reprioritizations conducted to reduce slow spending areas	-	-	4	4	n/a	n/a
	Effective spending of maintenance budgets ensured	Number of maintenance budgets managed	-	-	4	4	n/a	n/a
Improved governance	**Continuous budget and expenditure consultations with directorates conducted**	Number of consultations and advice sessions conducted	-	-	108	108	n/a	n/a
	Implementation of audit action plans monitored	Number of Audit Action Plan deviation reports compiled	-	-	12	12	n/a	n/a

Sub Programme: Supply Chain Management, Fleet and Assets								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2018/2019**	**Actual Achievement 2019/2020**	**Planned Target 2020/2021**	**Achievement 2020/2021**	**Deviation from planned target 2020/2021**	**Reasons for Deviations**
Functional and integrated organization	**Consolidated procurement plan**	A consolidated procurement plan aligned to the Department's strategic outcomes and budget	1	1	1	1	n/a	n/a
	Consolidated sourcing strategy	Percentage increase in procurement spend savings due to sourcing strategy	-	-	20%	20%	n/a	n/a
	Consolidated DESTEA Asset Register	Number of consolidated asset registers prepared for AGSA audit	-	-	1	1	n/a	n/a
	Consolidated DESTEA fleet account	Number of fleet accounts prepared for AGSA audit	-	-	1	1	n/a	n/a
	Compliant and conducive Office Facilities	Number of compliance reports on Office Facilities	-	-	5	5	n/a	n/a
	Modernised SCM business processes	Number of modernised SCM processes	-	-	1	1	n/a	n/a
Improved public participation and stakeholder engagement	**Reduced non-compliance with 30 day payment requirements**	Percentage reduction in non-payment / delayed payments to service providers	-	-	100%	100%	n/a	n/a
	Reduced irregular expenditure	Percentage reduction in irregular expenditure	-	-	50%	50%	n/a	n/a

Transformed economic structure	**Pre-qualification criteria on tender adverts applied**	Number of long-term contracts awarded to FS black SMMEs	-	-	3	3	n/a	n/a
	Procurement spend on SMME's ring-fenced	Percentage of procurement spend on SMMEs relating to DESTEA's 15 most procured-items	88.36%	80.66%	70%	70%	n/a	n/a
	Local sourcing promoted	Number of procurement requests with a local content and production requirement	-	-	5	5	n/a	n/a

Corporate Services

Sub Programme: Corporate Services								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2018/2019**	**Actual Achievement 2019/2020**	**Planned Target 2020/2021**	**Achievement 2020/2021**	**Deviation from planned target 2020/2021**	**Reasons for Deviations**
Ethical, capable and professional workforce	**Skills audit and re-skilling conducted**	Number of skills audits conducted to optimise workforce productivity	-	-	0	-	-	-
		Number of re-skilling programmes implemented	-	-	0	-	-	-
	Newly appointed public servants inducted	Percentage of newly appointed officials inducted to ensure effective and efficient workforce	-	-	100%	100%	n/a	n/a

Functional and integrated organization	**Organisational structure revised to optimize service delivery**	Number of organizational re-alignment proposals to improve core business service delivery	-	-	2	2	n/a	n/a
Improved governance	**Talent managed and developed**	Number of training programmes conducted to ensure competent workforce	-	-	2	2	n/a	n/a
		Percentage reduction in vacancy rates of core business functions	-	-	5%	5%	n/a	n/a
	Improved organizational productivity	Percentage increase in organizational productivity levels	-	-	5%	5%	n/a	n/a
	Comprehensive Health and Wellness Programme provided	Number of HIV Testing Services (HTS) Campaigns conducted	2	2	2	2	n/a	n/a
		Number of Health Risk Assessment (HRA) Campaigns conducted	2	2	2	2	n/a	n/a

Sub Programme: Communication and ICT

Outcomes	Outputs	Output Indicators	Actual Achievement 2018/2019	Actual Achievement 2019/2020	Planned Target 2020/2021	Achievement 2020/2021	Deviation from planned target 2020/2021	Reasons for Deviations
Functional and integrated organization	**Improved network connectivity**	Percentage remote offices with fully functional network connectivity	-	-	30%	30%	n/a	n/a
	Organizational capacity to articulate and communicate programmes and impacts strengthened	Number of communication toolkits for middle and senior management developed and disseminated	-	-	4	4	n/a	n/a

Improved public participation and stakeholder engagement	**Departmental programmes and activities marketed and promoted**	Number of media activations to improve the uptake of departmental products and services	-	17	16	16	n/a	n/a
		Percentage of economically active population in the FS reached	77%	75.5%	70%	70%	n/a	n/a
	Public opinion of the organization monitored	Number of surveys conducted to determine public opinion of the organization	-	-	1	1	n/a	n/a
	Public opinion of the organization improved	Number of newsletters and / or publications on departmental achievements produced and disseminated	4	4	4	4	n/a	n/a
Improved governance	**Business processes modernized**	Number of departmental business processes modernized	3	4	3	3	n/a	n/a
	Business continuity ensured	Number of disaster management programmes managed	-	-	1	1	n/a	n/a

Strategies to overcome areas of underperformance:

- **N/A**

Linking performance with budgets

Sub- Programme Name	2019/20			2020/21		
	Final Appropriation	Actual Expenditure	(Over) / Under Expenditure	Final Appropriation	Actual Expenditure	(Over) / Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the MEC	11 590	11 444	146	11 650	11 915	(265)
Management Services	44 053	43 748	305	35 112	42 789	(7 677)
Financial Management	62 521	63 544	(1 023)	85297	75 937	9 360
Corporate Services	46 981	45 576	1 405	41 192	44 062	(2 870)
TOTAL	165 145	1640 312	833	173 251	174 703	(1 452)

Programme 2: Environmental Affairs and Conservation

To implement and monitor legislation and policies in the areas of Air Quality, Biodiversity, Climate Change, Compliance Monitoring, Environmental Impact, Protected Areas, Pollution Control, Protected Areas and Waste Management.

Sub-Programmes:

Programme	Sub Programme
Environmental Affairs and Conservation	Environmental Policy Planning and Coordination Compliance and Enforcement Environmental Quality Management Biodiversity Management Environmental Empowerment Services

This programme contributed to the following priorities:

- **NDP:**
  - Chapter 5: Environmental Sustainability
- **MTSF:**
  - Outcome 10: Protect and enhance our environmental assets and national resources
- **FSGDS:**
  - Driver 12: Integrate environmental concerns into growth and development planning.

Environmental Policy Planning and Coordination

Programme: Environmental Affairs								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2018/2019**	**Actual Achievement 2019/2020**	**Planned Target 2020/2021**	**Achievement 2020/2021**	**Deviation from planned target 2020/2021**	**Reasons for Deviations**
Sub Programme: Environmental Policy Planning and Coordination								
Effective mitigation of climate change in vulnerable sectors (agriculture, forestry health, water, human settlements, biodiversity)	**Climate Change Response and Adaptation Strategy developed**	Provincial climate change Response and Adaption Strategy revised	-	-	1	1	n/a	n/a
		Number of climate change adaptation plans for vulnerable sectors developed based on COP 25 Determinations	-	-	1	1	n/a	n/a
	Climate change managed	Number of climate change response interventions implemented	4	1	1	1	n/a	n/a
		Number of environmental research projects completed: - Green issue research - Brown issue research	4	4	5	6	+1	Due to one research project initiated in previous years, but finalized in the current financial year.

Programme: Environmental Affairs								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2018/2019**	**Actual Achievement 2019/2020**	**Planned Target 2020/2021**	**Achievement 2020/2021**	**Deviation from planned target 2020/2021**	**Reasons for Deviations**
Sub Programme: Environmental Policy Planning and Coordination								
	Municipalities supported	Facilitate access to climate change funding for municipalities	-	-	5	5	n/a	n/a
		Mangaung	-	-	1	1	n/a	-
		Xhariep	-	-	1	1	n/a	
		Lejweleputswa	-	-	1	1	n/a	
		Fezile Dabi	-	-	1	1	n/a	
		Thabo Mofutsanyane	-	-	1	1	n/a	
		Number of district municipalities supported to implement climate change adaptation strategies	-	-	3	4	+1	Additional invitation was received from a municipality
	Ecological sensitive areas spatially mapped	Number of areas spatially mapped	-	-	1	2	+1	Internal request was received from Biodiversity Management Unit.

Compliance and Enforcement

Programme: Environmental Affairs								
	Outputs	**Output Indicators**	**Actual Achievement 2018/2019**	**Actual Achievement 2019/2020**	**Planned Target 2020/2021**	**Achievement 2020/2021**	**Deviation from planned target 2020/2021**	**Reasons for Deviations**
Sub Programme: Compliance and Enforcement								
Effective bio-diversity management	**NEMA and SEMA's enforced in the Free State**	Number of completed green issues criminal investigation handed to NPA for prosecution	10	3	3	3	n/a	n/a
		Number of completed brown issue criminal investigations handed to the NPA for prosecution	3	3	3	3	n/a	n/a
		Number of administrative enforcement issued for non-compliance with environmental legislation	9	14	12	14	+2	The target of 12 for the year was based on previous year trends. More transgressions of NEMA and relevant directives were experienced, as identified via compliance inspections. Therefore unplanned administrative notices had to be issued.

		Percentage of administrative enforcement notices complied with	-	-	50%	72%	+22%	Better municipal compliance to notices
		Number of inspections conducted for brown issues	40	36	20	28	+8	More Inspections were conducted to improve compliance with environmental legislation.
		Number of compliance inspections conducted for green issues	414	515	100	310	+210	More Inspections were conducted to improve compliance with environmental legislation. -
		Mangaung	-	-	20	47	+27	
		Xhariep	-	-	20	23	+3	
		Lejweleputswa	-	-	20	93	+73	
		Fezile Dabi	-	-	20	92	+72	
		Thabo Mofutsanyane	-	-	20	55	+35	
		Percentage of compliance to legal obligations in respect of licensed rhino facilities inspected	-	-	70%	100%	+30%	Rhino facilities performed above the standard national norm.
		Increase in the number of EMIs (Green scorpions) at provincial level to be able to deal with compliance issues	-	-	3	3	n/a	n/a

Environmental Quality Management

Programme: Environmental Affairs								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2018/2019**	**Actual Achievement 2019/2020**	**Planned Target 2020/2021**	**Achievement 2020/2021**	**Deviation from planned target 2020/2021**	**Reasons for Deviations**
Sub Programme: Environmental Quality Management								
Reduced greenhouse gas emissions	**AQMP's developed or revised**	Number of air quality management plans developed / revised	-	-	1	1	n/a	n/a
	AQMO's designated	Number of district and metro municipalities which has fully designated Air Quality Officers	-	-	1	1	n/a	n/a
	Atmospheric emission licenses verified	Percentage of Atmospheric Emissions Licenses verified	-	-	100%	100%	n/a	n/a
	Functioning government owned air quality monitoring stations	Number of government owned ambient air quality monitoring stations meeting minimum data requirements and reporting to the SAAQIS	-	-	1	1	n/a	n/a

Programme: Environmental Affairs								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2018/2019**	**Actual Achievement 2019/2020**	**Planned Target 2020/2021**	**Achievement 2020/2021**	**Deviation from planned target 2020/2021**	**Reasons for Deviations**
Sub Programme: Environmental Quality Management								
Reduced provincial waste disposal to landfills	**Effective waste management**	Number of waste landfill sites environmentally audited	12	7	25	25	n/a	n/a
		Number of municipal landfills / disposal sites legalized	-	-	5	1	-4	Less applications were received from municipalities than planned
		Mangaung	-	-	1	0	-1	-
		Xhariep	-	-	1	1	n/a	
		Lejweleputswa	-	-	1	0	-1	
		Fezile Dabi	-	-	1	0	-1	
		Thabo Mofutsanyane	-	-	1	0	-1	
		Tonnage of waste diverted from landfill sites	-	-	5t	53.72t	+48.72t	The target of 5t for the year was based on historic trends reported by municipalities. More waste diversion was reported during the current financial year, therefore more unplanned tonnage is reported.

Programme: Environmental Affairs								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2018/2019**	**Actual Achievement 2019/2020**	**Planned Target 2020/2021**	**Achievement 2020/2021**	**Deviation from planned target 2020/2021**	**Reasons for Deviations**
Sub Programme: Environmental Quality Management								
	Effective waste management	Percentage of waste license applications finalized within legislated timeframes	100%	0%	80%	100%	+20%	All applications received in Q2 & Q3 were finalised within the legislated time frame. For quarters 1 and 4 there was no opportunity to demonstrate.
	Effective waste management	Number of municipalities supported with the implementation of separation at source	-	-	2	3	+1	Additional municipalities showed interest.
	Plastic waste managed	Number of initiatives taken to reduce the impact of plastic waste	-	-	1	1	n/a	n/a
	Awareness created on waste management (3R's-Reduce, Re-use, Recycle)	Number of waste management awareness sessions conducted for the public	-	-	20	20	n/a	n/a

Programme: Environmental Affairs								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2018/2019**	**Actual Achievement 2019/2020**	**Planned Target 2020/2021**	**Achievement 2020/2021**	**Deviation from planned target 2020/2021**	**Reasons for Deviations**
Sub Programme: Environmental Quality Management								
Effective bio-diversity management	**EIA applications processed**	Percentage of complete EIA applications finalized within legislated timeframes	100%	70%	60%	84%	+24%	Good quality reports and availability of consultants.
	Developers and general public informed on EIA matters	Number of sessions conducted on EIA matters	-	-	5	5	n/a	n/a
	Illegal activities penalized	Number of section 24G application finalized	3	3	1	4	+3	Due to improved cooperation from consultants and applicants, more applications were finalized.

Programme: Environmental Affairs								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2018/2019**	**Actual Achievement 2019/2020**	**Planned Target 2020/2021**	**Achievement 2020/2021**	**Deviation from planned target 2020/2021**	**Reasons for Deviations**
Sub Programme: Environmental Quality Management								
Sustainable job creation	**Waste recycling initiatives concluded**	Number of awareness workshops for waste pickers	-	-	5	5	n/a	n/a
		Number of waste management recycling enterprises trained	-	-	5	18	+13	More waste enterprises were available at the landfill sites during planned training sessions
		Number of recycling facilities and buy-back centres supported with equipment and / or infrastructure	-	-	1	1	n/a	n/a
		Mangaung	-	-	1	0	-1	-
		Xhariep	-	-	0	1	+1	
		Lejweleputswa	-	-	0	0	n/a	
		Fezile Dabi	-	-	0	0	n/a	
		Thabo Mofutsanyane	-	-	0	0	n/a	
		Number of indirect jobs created via green economy initiatives (Non-EPWP)	-	-	75	90	+15	Portable waste management created more jobs than originally planned.

Biodiversity Management

Programme: Environmental Affairs								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2018/2019**	**Actual Achievement 2019/2020**	**Planned Target 2020/2021**	**Achievement 2020/2021**	**Deviation from planned target 2020/2021**	**Reasons for Deviations**
Sub Programme: Biodiversity Management								
Effective bio-diversity management	**Management of state owned conservation areas improved**	Percentage of area of state managed protected areas assess with METT score above 67%	100%	100%	70%	100%	+30%	The target of 70% is an MTSF prescribed target. Due to the department's commitment and relevant resources allocation, 100% of protected areas received a METT score higher than 70%.
	Compliance with NEMA and SEMA's	Number of permits issued	3115	3664	1500	2839	+1339	The target of 1500 for the year was based on previous year trends. Additional unplanned applications were received and therefore more permits were issued.
	Increased land in the conservation estate for restoration purposes	Number of hectares added to the conservation estate	1381	24078	1500	7398	+5898	Improved participation and commitments by landowners.
	Protected species poaching occurrences reduced	Number of Green Muzzle Operations conducted	-	-	12	15	+3	Additional patrols were conducted for illegal fishing
		Number of Admission of Guilt fines issued	12	9	5	5	n/a	n/a

Programme: Environmental Affairs								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2018/2019**	**Actual Achievement 2019/2020**	**Planned Target 2020/2021**	**Achievement 2020/2021**	**Deviation from planned target 2020/2021**	**Reasons for Deviations**
Sub Programme: Biodiversity Management								
Improved investment and growth in the Biodiversity Economy	**Biodiversity economy initiatives intensified**	Number of biodiversity economy initiatives implemented	2	2	1	1	n/a	n/a
		Number of youth, women, and PDI's participating in the wildlife economy, eco-tourism and bioprospecting / trade and value chains via DESTEA programmes	-	-	20	120	+100	Instruction issued by ADDG to focus more on this indicator, and to optimize human resources in this focus area
	Black game farmers increased	Number of black game farmers supported	-	18	40	60	+20	Unexpected number of invitees turned out
		Number of abattoirs upgraded / constructed to deal with game meat	-	-	1	1	n/a	n/a
		Number of BEE taxidermists facilities supported	-	-	1	1	n/a	n/a
		Number of BEE professional hunters capacitated to operate	-	-	2	2	n/a	n/a
	Improved biodiversity planning	Biodiversity plans updated	-	-	1	1	n/a	n/a

Programme: Environmental Affairs								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2018/2019**	**Actual Achievement 2019/2020**	**Planned Target 2020/2021**	**Achievement 2020/2021**	**Deviation from planned target 2020/2021**	**Reasons for Deviations**
Sub Programme: Biodiversity Management								
Sustainable job creation	**SMME's supported through resort and reserve infrastructure development and maintenance**	Number of contractors benefiting from infrastructure development and maintenance	-	-	10	10	n/a	n/a
	Increased job creation for designated groups	Number of job opportunities created through infrastructure development and maintenance	-	-	50	46	-4	Some work was performed by the DESTEA Maintenance Team

Environmental Empowerment Services

Programme: Environmental Affairs								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2018/2019**	**Actual Achievement 2019/2020**	**Planned Target 2020/2021**	**Achievement 2020/2021**	**Deviation from planned target 2020/2021**	**Reasons for Deviations**
Sub Programme: Environmental Empowerment Services								
Effective mitigation of climate change in vulnerable sectors (agriculture, forestry health, water, human settlements, biodiversity)	**Climate change educational programmes implemented**	Number of environmental community awareness activities conducted	64	76	15	21	+6	Additional invitations received from stakeholders.
		Number of environmental capacity building activities conducted	25	26	20	21	+1	Additional request from Vaal Park Recycling
	Eco Schools Programme implemented	Number of schools registered in the eco-schools programme	142	198	100	100	n/a	n/a
	Environmental Education Strategy implemented	Number of students placed on the work integrated learning programme	-	-	20	20	n/a	n/a

Programme: Environmental Affairs								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2018/2019**	**Actual Achievement 2019/2020**	**Planned Target 2020/2021**	**Achievement 2020/2021**	**Deviation from planned target 2020/2021**	**Reasons for Deviations**
Sub Programme: Environmental Empowerment Services								
Increased economic growth	**Clean towns promoting investment**	Number of towns cleaned	10	6	25	25	n/a	n/a
	Renewable energy promoted	Number of initiatives implemented to promote the use of renewable energy in FS communities	-	-	1	2	+1	1 for the year was based on previous year trends. More opportunity presented itself in the year.
	Eco-tourism (Green Passport Project) promoted	Number of initiatives implemented to promote eco-tourism in FS communities	-	-	5	6	+1	Additional invitation received from Zamani Public School.
Sustainable job creation	**Job creation via environmental programmes**	Number of work opportunities created through Environmental Programs (EPWP) with focus on Women, Youth and People with Disabilities	1000	605	300	429	+129	The target was reduced during re-tabling in June 2020, however more candidates were eventually accommodate due to relaxing of Covid-19 restrictions from Q3 onwards.

Strategies to overcome areas of underperformance:

- Filling of vacancies
- Support to municipalities on waste management matters

Performance in relation to Standardized Outputs and Output Indicators for Sectors with concurrent functions:

- There were no official standardized indicators for the environmental sector during the 2020/21 financial year.

Linking performance with budgets

2019/20				2020/21		
Sub- Programme Name	**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
Environmental Policy Planning and Coordination	2 733	2 316	417	3 701	2 037	1 664
Compliance and Enforcement	17 708	16 593	1 115	13 975	15 663	(1 688)
Environmental quality Management	48 513	34 771	13 742	47 806	46 490	1 316
Biodiversity Management	101 513	103 171	(1 658)	115 114	116 401	(1 287)
Environmental Empowerment Services	10 823	10 448	375	9 594	9 533	61
Total	181 289	167 299	13 990	190 190	190 124	66

4.3. Programme 3: Economic and Small Business Development

To enhance economic development, small business develop growth in the province through financial and non-financial support programmes.

Sub-Programmes:

Programme	**Sub Programme**
Economic Development	Integrated Economic Development Economic Research and Planning Small Business Development

Integrated Economic Development

Programme: Economic and Small Business Development								
Outcome	**Outputs**	**Output Indicators**	**Actual Achievement 2018/2019**	**Actual Achievement 2019/2020**	**Planned Target 2020/2021**	**Achievement 2020/2021**	**Deviation from planned target 2020/2021**	**Reasons for Deviations**
Sub Programme: Integrated Economic Development								
Improved economic growth	**Access to markets via various platforms**	Number of enterprises assisted with access to markets	-	40	20	20	n/a	n/a
	FS digital industry (4IR) supported	Number of opportunities created in digitalization	-	1	1	1	n/a	n/a
	Industrialization in the identified priority sectors accelerated	Number of industrialization projects realized	-	-	1	1	n/a	n/a
	Provincial agro-processing expanded	Number of agro-processing partnerships facilitated	-	-	1	2	+1	Additional request from Manufacturing Association.
	SMME's in mining towns supported	Number of mining town support initiatives concluded	-	-	10	10	n/a	n/a
	Provincial Mining Symposium hosted	Number of mining symposiums hosted	-	-	1	1	n/a	n/a
	Innovation in FS business promoted	Number of initiatives to encourage innovation	-	-	1	2	+1	External request from Eagle Fleet.
	Intra-continental export agreements facilitated	Number of export agreements concluded	-	-	2	1	-1	Engagements could not take place due to closed borders.

Programme: Economic and Small Business Development								
Outcome	**Outputs**	**Output Indicators**	**Actual Achievement 2018/2019**	**Actual Achievement 2019/2020**	**Planned Target 2020/2021**	**Achievement 2020/2021**	**Deviation from planned target 2020/2021**	**Reasons for Deviations**
Sub Programme: Integrated Economic Development								
Sustainable job creation	**Value chains in the identified priority sectors supported**	Number of value chains supported	-	4	3	3	n/a	n/a
	Creation of job opportunities facilitated	Number of jobs created	-	-	5	12	+7	Additional 7 was for temporary jobs that were required after funding was provided.
	Government and private sector procurement localized	Number of procurement localization initiatives completed	-	-	1	1	n/a	n/a
	National Economic Support Programmes facilitated in the province	Number of national economic support programmes facilitated in the province	-	-	3	1	-2	Due to reprioritization of national funds.
Increased private sector investment	**Innovation supported by focussed investments**	Number of investment projects facilitated	-	1	4	4	n/a	n/a
	Incentive guidelines (incl. tax incentives) developed	Provincial business incentive guideline developed	-	-	1	1	n/a	n/a
	A Trade and Investment Strategy developed and implemented for the province	Number of trade and investment strategies implemented	-	-	1	1	n/a	n/a

Programme: Economic and Small Business Development								
Outcome	**Outputs**	**Output Indicators**	**Actual Achievement 2018/2019**	**Actual Achievement 2019/2020**	**Planned Target 2020/2021**	**Achievement 2020/2021**	**Deviation from planned target 2020/2021**	**Reasons for Deviations**
Sub Programme: Integrated Economic Development								
Transformed economic structure	**Invest SA One Stop Shop facilitated**	Number of Invest SA one stop shops facilitated	-	-	1	1	n/a	n/a
	Business ownership patterns in FS changed	Number of interventions to change ownership patterns concluded	-	-	1	1	n/a	n/a
	Favourable cost of doing business in the Free State	Number of interventions concluded to improve the cost of doing business in FS	-	-	1	1	n/a	n/a

Economic Planning

Programme: Economic and Small Business Development								
Outcome	**Outputs**	**Output Indicators**	**Actual Achievement 2018/2019**	**Actual Achievement 2019/2020**	**Planned Target 2020/2021**	**Achievement 2020/2021**	**Deviation from planned target 2020/2021**	**Reasons for Deviations**
Sub Programme: Economic Planning								
Improved economic growth	**Provincial economic development approach finalized**	Provincial economic approach developed	-	-	1	1	n/a	n/a
	SMMEs supported through risk sharing incentives	Number of SMMEs supported through risk sharing incentives	-	-	10	14	+4	More applications were received.
	Municipalities supported with integrated development planning and local economic planning	Number of municipalities supported	-	8	23	23	n/a	n/a
	Black industrialists supported through incentive programmes	Number of black industrialists supported through incentives	-	-	2	2	n/a	n/a
	Improved compliance with the Consumer Protection Act	Number of pro-active inspections conducted on business compliance with various industry standards	143	76	240	588	+348	Reprioritization of resources.
	Evidence for decision-making on improving economic growth in the Free State	Number of research documents on various economic indicators	-	-	4	4	n/a	n/a
	Socio-economic impact studies on DESTEA programmes / projects	Number of impact study reports on the socio-economic impact of DESTEA programmes / projects developed	-	-	1	1	n/a	n/a

Programme: Economic and Small Business Development								
Outcome	**Outputs**	**Output Indicators**	**Actual Achievement 2018/2019**	**Actual Achievement 2019/2020**	**Planned Target 2020/2021**	**Achievement 2020/2021**	**Deviation from planned target 2020/2021**	**Reasons for Deviations**
Sub Programme: Economic Planning								
Sustainable job creation	**Direct jobs created**	Number of direct jobs created	-	-	80	104	+24	Increased budget and high number of applications were approved.
		Number of municipalities assisted with the review and updating of bi-laws	-	-	8	0	-8	Dependant on third parties such as municipalities and COGTA.
	Capacity building interventions conducted at municipalities	Number of LED capacity building interventions at municipal level	-	8	10	13	+3	More municipalities were interested.
	Business competitiveness improved	Number of interventions to improve competitiveness concluded	-	-	8	8	n/a	n/a
	Labour intensive sectors and industries in FS identified	List of labour intensive sectors and industries in the FS	-	-	1	1	n/a	n/a

Programme: Economic and Small Business Development								
Outcome	**Outputs**	**Output Indicators**	**Actual Achievement 2018/2019**	**Actual Achievement 2019/2020**	**Planned Target 2020/2021**	**Achievement 2020/2021**	**Deviation from planned target 2020/2021**	**Reasons for Deviations**
Sub Programme: Economic Planning								
Transformed economic structure	**Economic concentrations reduced**	Number of interventions to reduce economic concentrations concluded	-	-	8	2	-6	Reprioritization of human resources.
	Barriers for new entrants reduced	Number of interventions to reduce barriers to new entrants concluded	-	-	8	2	-6	Reprioritization of human resources.
	A better understanding of a transformed FS economic structure	A research based proposal on a transformed FS economy developed	-	-	1	1	n/a	n/a
	In depth understanding of the elements of a transformed FS economic structure	Number of research documents on the various elements of a transformed FS economic structure	-	-	2	2	n/a	n/a

Programme: Economic and Small Business Development								
Outcome	**Outputs**	**Output Indicators**	**Actual Achievement 2018/2019**	**Actual Achievement 2019/2020**	**Planned Target 2020/2021**	**Achievement 2020/2021**	**Deviation from planned target 2020/2021**	**Reasons for Deviations**
Sub Programme: Economic Planning								
Reduced illicit economic activity and corruption	**FS consumers protected against illicit activities and corruption**	Number of consumer complaints received	-	129	60	136	+76	More complaints received based on the demand of various activities brought about by COVID-19.
		Number of consumer awareness sessions conducted	40	36	60	32	-28	Reprioritization of human resources.
	Consumer disputes resolved within prescribed timeframes	Number of consumer complaints resolved within prescribed timeframes	-	62	60	67	+7	Optimization of resources (interns).
Ethical, capable and professional workforce	**Coordinated research and functioning platforms**	Number of research platforms coordinated	-	-	3	3	n/a	n/a
	Updated and maintained Research Output Repository	Number of repository updates	-	-	4	4	n/a	n/a
Ethical, capable and professional workforce	**In depth understanding of investment rate (including FDI) in the FS economy**	Number of research reports on the investment rate (including FDI) in FS developed	-	-	1	1	n/a	n/a

Small Business Development

Programme: Economic and Small Business Development								
Outcome	**Outputs**	**Output Indicators**	**Actual Achievement 2018/2019**	**Actual Achievement 2019/2020**	**Planned Target 2020/2021**	**Achievement 2020/2021**	**Deviation from planned target 2020/2021**	**Reasons for Deviations**
Sub Programme: Small Business Development								
Improved economic growth	**SMME's assisted with micro enterprise incentives (financial and non-financial)**	No of SMME's assisted with micro enterprise incentives	-	-	1000	738	-262	Due to funds reprioritization.
	SMME sustainability developed	Percentage of previous year supported SMME's sustainable after 12 months	-	-	50%	50%	n/a	n/a
	Rural and township hubs established	Number of hubs established	-	-	2	2	n/a	n/a
	Tuckshop retail agreements facilitated	Number of retail agreements facilitated for tuckshops	-	-	10	10	n/a	n/a
	Township and rural town economies developed	Rand value invested in township and rural areas (R'000)	-	-	R7m	R50m	+R43m	Due to funds reprioritization.
	BBBEE promoted	Number of BBBEE interventions conducted	-	4	3	3	n/a	n/a
	FS Stokvels supported	Number of initiatives to promote stokvels	-	-	1	1	n/a	n/a
		Number of stokvels trained in business principles	-	-	50	64	+14	More stokvels attended the training.

Programme: Economic and Small Business Development								
Outcome	**Outputs**	**Output Indicators**	**Actual Achievement 2018/2019**	**Actual Achievement 2019/2020**	**Planned Target 2020/2021**	**Achievement 2020/2021**	**Deviation from planned target 2020/2021**	**Reasons for Deviations**
Sub Programme: Small Business Development								
Sustainable job creation	**Indirect jobs created**	Number of indirect jobs created	-	-	200	537	+337	Due to financial support on the 738 enterprises.
	Skills and entrepreneurial training for young people not in employment ensured	Number of training and skills development initiatives facilitated	-	-	1	1	n/a	n/a
	Financial sector (FDI funding for new entrants) transformed	Number of transformation initiatives facilitated	-	-	1	1	n/a	n/a
Increased private sector investment	**Ease of doing business in the Free State improved**	Number of red tape reduction interventions completed	-	4	23	0	-23	The Department had initially planned to implement 23 Red tape reduction measures within the 23 local municipalities during the year under review as part of the Annual Performance Plan Indicators. However, more consumer complaints were received during the year relating to various activities brought about by COVID-19 which amongst others included illicit trade. The Department therefore focused more on complaints relating to reduction of illicit trade.

Strategies to overcome areas of underperformance:

-
- Increased support to municipalities
- Reprioritization of resources within the baseline

Reporting on the Institutional Response to the COVID-19 Pandemic:

Budget Programme	Intervention	Geographic location	Number of beneficiaries	Disaggregation of beneficiaries	Total budget allocation per intervention (R'000)	Budget spent per intervention (R'000)	Contribution to the outputs in the APP	Immediate outcomes
Environmental Affairs and Conservation	COVID Relief Funding	FS Province	738 enterprises	n/a			SMME support	Enterprises assisted with funding to recover from the impact of COVID-19.

Linking performance with budgets

2019/20				2020/21		
Sub- Programme Name	**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
Integrated Economic Development	102 619	93 304	9 315	38 967	38 978	(11)
Economic Research and Planning	149 586	148 695	891	144 634	143 040	1 594
Small Business Development	36 055	35 523	532	60 198	60 978	(780)
Total	288 260	277 522	10 738	243 799	242 996	803

4.4. Programme 4: Tourism

To ensure adequate planning, growth, development and transformation in the Tourism Industry.

Sub-programmes:

Programme	Sub Programme
Tourism	1. Tourism Planning 2. Tourism Growth and Development 3. Transformation of Tourism Sector

This programme contributed to the following priorities:

- **NDP:**
  - Chapter 3: Economy and employment
- **MTSF:**
  - Outcome 4: Decent employment through inclusive growth
- **FSGDS:**
  - Driver 5: Harness and increase tourism potential and opportunities

Tourism Planning

Programme: Tourism								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2018/2019**	**Actual Achievement 2019/2020**	**Planned Target 2020/2021**	**Achievement 2020/2021**	**Deviation from planned target 2020/2021**	**Reasons for Deviations**
Sub Programme: Tourism Planning								
Increased tourism market share	**Provincial Tourism Strategy**	Provincial Tourism Master Plan developed	-	-	1	1	n/a	n/a
	Provincial Tourism Sector Implementation Plan, focussing on tourism service exports and value-adding)	Provincial Tourism Sector Implementation Plan developed	-	-	1	1	n/a	n/a
	Key tourism role-players monitored	Develop and maintain a comprehensive FS tourism database accommodating tourist guide details, tour operator details, accommodation establishment details and tourist transport enterprise details, travel agents and visitor information centres	-	-	1	1	n/a	n/a

Tourism Growth and Development

Programme: Tourism								
Outcome	**Outputs**	**Output Indicators**	**Actual Achievement 2018/2019**	**Actual Achievement 2019/2020**	**Planned Target 2020/2021**	**Achievement 2020/2021**	**Deviation from planned target 2020/2021**	**Reasons for Deviations**
Sub Programme: Tourism Growth and Development								
Increased tourism market share	**Tourism marketing supported in conjunction with FSGLTA**	Number of Visitor Information Centres supported	2	3	5	5	n/a	n/a
		Number of tourism enterprises supported with access to funding	-	-	222	258	+36	Due to National Tourism Relief Fund
	Implementation of Tourism Development Support Programmes facilitated	Number of Tourism Development Support Programmes facilitated in the Province	-	-	8	8	n/a	n/a
		Vredefort Dome partnership revitalized	-	-	1	1	n/a	n/a
		Kimberley / Jagersfontein route partnership established	-	-	1	0	-1	Jagersfontein Big Hole not safe to use
Increased private sector investment	**Strategic investment partnerships established**	Number of investment partnerships finalized	-	-	2	2	n/a	n/a
Transformed economic structure	**An inclusive tourism sector**	Number of market access opportunities created for tourism enterprises in the province	-	8	8	8	n/a	n/a
	Tourism pre-grading assessments provided	Number of enterprises supported with pre-grading assessments FSGLTA to identify enterprises for pre-grading assessments and report to DESTEA	-	-	24	24	n/a	n/a

Programme: Tourism								
Outcome	**Outputs**	**Output Indicators**	**Actual Achievement 2018/2019**	**Actual Achievement 2019/2020**	**Planned Target 2020/2021**	**Achievement 2020/2021**	**Deviation from planned target 2020/2021**	**Reasons for Deviations**
Sub Programme: Tourism Growth and Development								
Improved economic growth rate	**Township tourism promoted in conjunction with FSGLTA**	Number of Kasi Tourism events facilitated	5	5	2	2	n/a	n/a
	Cultural / Heritage tourism in the FS, with emphasis on the youth, promoted	Number of cultural / heritage tourism programmes facilitated	1	1	1	1	n/a	n/a
Reduced illicit economic activity and corruption	**Regular operations in conjunction with PROVJOINT relating to illegal activities**	Number of operations conducted in partnership with PROVJOINTS	-	4	8	8	n/a	n/a
	Tourism Safety Initiative implemented	Number of tourism hotspots identified for policing purposes	-	10	10	11	+1	Additional request from NDT

Tourism Sector Transformation

Programme: Tourism								
Outcome	**Outputs**	**Output Indicators**	**Actual Achievement 2018/2019**	**Actual Achievement 2019/2020**	**Planned Target 2020/2021**	**Achievement 2020/2021**	**Deviation from planned target 2020/2021**	**Reasons for Deviations**
Sub Programme: Tourism Sector Transformation								
Transformed economic structure	**Women prioritized in tourism programmes**	Number of women supported through tourism programmes	-	-	10	10	n/a	n/a
	Tourism specific training provided	Number of training sessions conducted	-	8	8	8	n/a	n/a
	Platforms mobilized to network, expand businesses and professional horizons (Women in Tourism Programme)	Number of platforms mobilized	-	-	3	3	n/a	n/a
	National Social Responsibility Implementation Programme promoted in the FS	Number of local SRI projects monitored	-	-	1	1	n/a	n/a
		Number of workshops conducted to encourage the geographical spread of tourism products, with a bias towards rural areas	-	-	4	4	n/a	n/a
		Number of Community Tourism Organizations supported	-	-	2	2	n/a	n/a
	Service Excellence in the FS Tourism industry improved	Number of service excellence awareness sessions facilitated	-	-	1	1	n/a	n/a

Strategies to overcome areas of underperformance:

- **n/a**

Linking performance with budgets

2019/20				2020/21		
Sub- Programme Name	**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**
Tourism Planning	4 141	3 803	338	2 792	2 723	69
Tourism Growth and Development	3 957	3 727	230	2 751	2 846	(95)
Transformation of Tourism Sector	2 790	2 677	113	1 705	1 652	53
Total	10 888	10 207	681	7 248	7 221	27

5. TRANSFER PAYMENTS

5.1. Transfer payments to public entities

As part of the departmental transfer process, the three entities of the department provided assurances that they implement effective, efficient and transparent financial management and internal controls systems, as required by the PFMA and Treasury Regulations.

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity (R'000)	Amount spent by the public entity (R'000)	Achievements of the public entity
Free State Gambling, Liquor and Tourism Authority	To promote legally compliant, responsible, sustainable and transformed gaming and liquor industries through effective licensing, regulating and reporting on the activities of the industries, and to position the Free State Province as a tourist destination of choice.	R100 253	R100 253	Liquor license renewal The renewal period Started 01 January A total of 4385 licenses were renewed. The board approved a total of 98 licence applications for the year. The Tourism marketing strategy has been finalised. The Entity hosted a media launch in Clarens and interacted with consumer centric activities. The Authority conducted 978 compliance inspection, 52 Revenue Audits, throughout the Province.

Free State Development Corporation (incl. MAPSEZ)	Investment Facilitation and Management	R26 268	R26 268	1 Black Industrialist- Furniture Manufacturing
Total		R126 521	R126 521	

5.2. Transfer payments to all organisations other than public entities

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds unspent by the entity
DESTEA	Private Enterprises	Operational Expenditure	Yes	R73 117	R35 994	Delays in procurement due to Covid-19
Total				R73 117	R35 994	

The table below reflects the transfer payments which were budgeted for in the period 1 April 2020 to 31 March 2021.

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
Various SMME's and Chambers	Operational Expenditure	R73 117	R35 994	Delays in procurement due to Covid-19

6. CONDITIONAL GRANTS

6.1. Conditional grants and earmarked funds paid

Grants And Earmarked Funds	Current Budget (R'000)	Total Expenditure (R'000)
Conditional Grant		
EPWP (integrated)	2 256	2 256
Total Conditional Grant	2 256	2 256
Earmarked Funds		
Covid-19 Response Funds	40 062	46 052
Enterprise Support (Covid-19)	50 868	44 290
Maluti Sez (Fdc)	17 000	17 000
Waste Management	1 560	1 560
Youth Enter Inovo (Rural Enterp)	14 800	14 736
Grand Total	**124 290**	**123 639**

6.2 Conditional grants and earmarked funds received

The table below details the conditional grants and ear marked funds received during for the period 1 April 2020 to 31 March 2021.

Conditional Grant EPWP:

Department who transferred the grant	National Department of Public Works
Purpose of the grant	To alleviate unemployment, delivery goods and services labour-intensively and to provide work experience and training.
Expected outputs of the grant	Job creation
Actual outputs achieved	429 jobs created
Amount per amended DORA (R'000)	R 2 256 000
Amount received (R'000)	R2 256 000
Reasons if amount as per DORA was not received	n/a
Amount spent by the department (R'000)	R2 256 000
Reasons for the funds unspent by the entity	n/a
Reasons for deviations on performance	n/a
Measures taken to improve performance	n/a
Monitoring mechanism by the receiving department	Treasury Infrastructure Review Model.

7. DONOR FUNDS

7.1. Donor Funds Received

n/a

8. CAPITAL INVESTMENT

8.1. Capital investment, maintenance and asset management plan

8.1.1. Asset Management Plan

By the end of the financial year 2020/2021, the following processes had been finalised:

The Asset Management team has ensured that the corrections for the issues that have been raised by Auditor General are corrected. 80% of the issues raised in 2020/2021 financial year have corrected. The team is ensuring that all the matters are being resolved.

8.1.2. Infrastructure Projects

	2019/2020			2020/2021		
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**
Upgrades and additions	91	91	-	8 702	8 750	(48)
Rehabilitation renovations and refurbishments	2 790	2 791	(1)	-	-	-
Maintenance and repairs	5 481	4 843	638	21 299	21 251	48
Total	**8 362**	**7 723**	**637**	**30 001**	**30 001**	**-**

8.1.3. Plans to close down or down-grade any current facility

There are no plans to close down or down-grade any of the current facilities.

8.1.4. Progress made on the maintenance of infrastructure

8.1.4.1. General maintenance

The department intended to renovate and maintain identified facilities in order to be able to compete with other private facilities. As explained in the table above, expenditure was incurred on upgrades, refurbishment and general maintenance at resorts and reserves across the province.

8.1.4.2. Major maintenance projects

The following major maintenance projects are receiving attention:

- The department has concentrated on the maintenance so that the revenue can be improved. The budget for the maintenance was increased during the financial year. The department was repairing the staff houses of different Resorts and Reserves. The houses need more attention and budget allocated is not sufficient.
- The design for bulk infrastructure at Sandveld was completed in the financial year and the tender for construction will be done in 2021/2022 financial year through Public Works.
- The department has only done maintenance and Sandveld project in order to make an impact and complete project within the timeframe as planned. The department had to reprioritize within in order to budget for the construction.

8.1.5. Details on how asset holding has changed during the period under review (incl. Information on disposals, scrapping and losses)

An amount of R107 574.13 of damages and losses were written off.

Departmental asset holding

The following changes in the departmental asset holding were observed:

Classification	Opening	Additions	Disposal	Adjustment	Closing	Effect
Major Assets	R36 990 000	R2 087 669.07	(R402 082.61)	(R338 458.08)	R38 337 128.38	Increase
Minor Assets	R26 317 000	R243 042.29	(R98 724.58)	(R681 432.11)	R25 779 885.60	Decrease
TOTAL	**R63 307 000**	**R2 330 711.36**	**(R500 807.19)**	**(R1 019 890.19)**	**R64 117 013.98**	Increase

Disposals

There was no revenue collected during 2020/2021 financial year as there were no disposal for the financial year. The assets that were in poor condition were identified, but not yet disposed. The plan have be drawn to dispose the assets in 2021/2022 financial year.

8.1.6. Current status of capital assets

The current state of departmental capital assets in terms of percentages is as follows:

- Good: 40,11%, i.e. R25 747262.99 out of R64 191 630.49
- Fair: 58, 28%, i.e. R37 410 882.25 out of R64 191 630.49
- Poor: 1, 61%, i.e. R 1 033 485.25 out of R64 191 630.49

destea
department of
economic, small business development,
tourism and environmental affairs
FREE STATE PROVINCE

PART C: GOVERNANCE

1. INTRODUCTION

The Department constantly strives to improve its internal processes to ensure effectiveness and efficiency of business processes. Measures have been put in place to popularise and address issues such as the conflict of interest, code of conduct and the health safety environment. Below is an account of processes followed to address these issues.

2. RISK MANAGEMENT

- The department's 2020/21 risk management policy and strategy were approved by the Risk Management Committee on the 5th June 2021.
- 2020/21 Risk Registers were approved on 5th June 2021, the risk management unit monitored the implementation of risk management mitigation strategies on quarterly basis. Emerging risk which were identified were reported to both management and risk management committee on quarterly basis.
- Risk Management's Chairpersons report is compiled on quarterly basis and presented to the Audit Committee to brief them on the progress made in implementation of risk management strategies
- Some risk were mitigated however there has been slow implementation of mitigation strategies due to the emerging of the pandemic risk that had an impact on service delivery.

Risk Management Committee

- Risk Management Committee had 4 quarterly meeting and one special meeting where member of Audit Committee were invited. The purpose of the meeting was to ensure that risk are managed to the acceptable level and to advice the department accordingly.

3. FRAUD AND CORRUPTION

- The department's fraud prevention plan and the progress made in implementing the fraud prevention plan:
    - The fraud prevention plan is the department's way of preventing fraud from both internal and external stakeholders. The key pillars of fraud prevention plan are:
        - Prevention
        - Detection
        - Investigation
        - Resolution
    - The department has not received any cases internally and from National Anti-Corruption Hotline in the 2020-21 financial year. This could be due to awareness campaigns which the directorate conduct throughout the year. The directorate will be adding awareness through corporate communication on regular bases to impart knowledge to officials in the department.
    - Previously, the unit used to conduct its awareness campaign in a manner which included physical security, information security, ethics issues and fraud and anti-corruption matters at the same time. From the 2021-22 financial year awareness campaigns on fraud and anti-corruption matters, including all policies, will be conducted separately to give it the time and attention it deserves.
- Mechanisms in place to report fraud and corruption and how these operate.eg: Whistle blowing - The need for officials to make confidential disclosure about suspect fraud and corruption:

- Manual Reporting system is currently a mechanism in place to report fraud and corruption issues in the department. This mechanism is influenced by Protected Disclosures Amendment Act, no. 5 of 2017, which encourages an official, service provider, contractor or members of the public to report serious wrong doing in the workplace without their identity being disclosed. Through awareness campaigns conducted by the Unit, all officials are encouraged to report according to the options which appear on the manual reporting system. The following information is on the manual reporting system:

    - The abovementioned stakeholders can send emails to the following officials or visit their offices113 St Andrew Street, Bloemfontein and even call the following contact numbers:

        - Mr AT Kotsi : kotsia@destea.gov.za
        - Fourth Floor: 4-25
          051 400 4766 082 379 3545

        - Mr MW Montsitsi : montsitsim@destea.gov.za
        - Ground Floor: G-31
          051 400 4717 082 808 5475

    - All the information is recorded and treated with utmost confidentiality to ensure the protection of the WHISTLE BLOWER.
    - Public Service Commission provides another platform where National Ant-Corruption Hotline number 0800 701 701 can be called by a whistle blower to report a case.

- How these cases are reported and what action is taken?

    - Internal cases are reported to the security, fraud and anti-corruption Directorate where cases will be investigated with the permission of the accounting officer. The action to be taken will obviously depend on the merits of the case.

    - Cases from National Anti-Corruption Hotline are sent to the office of the HOD by Office of the Premier. The Security Manager will then be instructed and authorised by Head of Department to investigate the case.

4. MINIMISING CONFLICT OF INTEREST

All officials in Finance and SCM have signed the disclosure forms and declared their interest. Monitoring is done during the financial year.

5. CODE OF CONDUCT

The Code of Conduct is an instrument that is used in the Public Service to promote and maintain a high standard of professional ethics and good governance. It serves as a guideline to all public servants in various categories, levels and controls the relations in various ways, namely:

a) The relationship with the legislature and the executive;

b) The relationship between the department and the public;

c) The relationship between the employees at different levels;

d) The performance of duties; and

e) Personal conduct and private interest.

The implementation of the code ensures that there is uniformity in the Public Service with regard to service delivery. It also improves loyalty and brings control, compliance as well as prevention of corruption.

Employees in the department are trained biannually on Public Service Code of Conduct Manual. The Code of Conduct outlines the procedure to be followed in case of any breach of any conditions of the Code of Conduct. All instances of non-compliance with the Code of Conduct are, therefore, treated seriously by the department and, depending on the nature of misconduct, the necessary disciplinary action are taken against the perpetrators.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

According to the Occupational Health and Safety Act no 181 of 1993, Occupational health and Safety aims “to provide for the health and safety of persons at work and all persons entering work premises against hazards to health and safety arising out of or in connection with the activities of persons at work; to establish an advisory council for occupational health and safety; and to provide for matters connected therewith”.

The following are some of the examples of risks/hazards that have been identified and addressed through this Act:

- **Mechanical hazards** e.g. moving parts or energy sources a broad range of machinery and equipment are high source of danger (can cause cuts, crush injuries, amputations and fractures). Inspection of machinery is conducted biannually to check service dates and to replace damaged or worn out machines

- **Ergonomic hazards** e.g. working in cramp positions or spaces, poor lighting, poor seating, or standing for long period (exposure to eye strain, backache, wrist strain and sore shoulders.

  Biannual inspection was conducted and department was given contravention notice to correct the matters, employees have been encouraged to procure ergonomic chairs when replacing their office furnishers to minimise backache, wrist strain and sore shoulders. These employees were also provided with pamphlets /documented information that encourages good seating positions.

- **Emergency Preparedness and Evacuation Plans** - Draft plan was developed and OHS Representatives were appointed so as to assist the department during emergency. The Department has also put in place evacuation plans in all floors in case of emergency.

- **Compliance with the OHS requirements:**

The department has established an Occupational Health and Safety (OHS) Committee to oversee health and safety matters in departmental institutions. The new committee comprises of employees and managers who will ensure compliance until the year 2022. The challenge facing the committee and the department is the gap identified with regards to the delay in addressing health and safety hazards identified. Lack of Personal Protective Equipment in some institutions compromises health and safety of employees. Non-compliance resulted in the Department receiving contravention notice in many instances. To ensure compliance, managers were requested to prioritise the health threatening hazards with the available limited budget.

In response to COVID 19, the Department has put the following measures in place:

- Guidelines and Protocols on how to deal with COVID 19 in the DESTEA and all its institutions. Training on the guidelines and protocols and on hand washing was provided to all employees in the department.
- The department procured all relevant PPE including hand sanitisers, surface disinfectant, hand soap, cloth masks, safety goggles, thermos scanners with batteries and battery chargers to deal with COVID19 pandemic.
- All employees were also provided with surgical masks on a daily basis until two cloth masks were provided. As the country has now moved to Alert level 1, all employees have resumed to work from office, except those with uncontrollable comorbidities as well as those who are 60 years and older and have one or more uncontrollable comorbidity.
- A committee dealing with COVID 19 is appointed and ensures that the department comply with all regulations.
- The Compliance Officer and the Concerns and Complain Manager are appointed to ensure all matters relating to COVID 19 are attended to.
- Disinfection of the building is done as the department gets positive cases.
- Daily screening is conducted at the workplace to ensure that everyone entering the work premises is cleared from COVID 19 and won't expose anyone to the virus. All suspected cases are referred for testing and advised to stay at home until they receive results.
- Frontlines in the department, the Occupational Health and Safety team is provided with PPE, to protect themselves that include face masks, sanitisers, and safety goggles and face shield. Furthermore, everyone is hand sanitised throughout the day as sanitiser stands are placed in strategic places for easy accessibility.

7. PORTFOLIO COMMITTEES

The Portfolio Committee raised the following issues during the year under review:

- Job creation
- Environmental compliance
- Small business development
- Waste management concerns at municipal level

8. SCOPA RESOLUTIONS

RES.	PAR	DESCRIPTION (RESOLUTION ONLY)	DEPARTMENT RESPONSE TO RESOLUTION	TREASURY PRELIM ASSESSMENT	
				STATUS	IMMEDIATE ACTION REQUIRED
NEW RESOLUTIONS					
5/2018		Irregular Expenditure The Portfolio Committee noted with concern that the full extent of irregular expenditure is still in the process of being determined. The Portfolio Committee resolved that the Accounting Officer must:			

	(a)	Ensure that investigations are finalised within 60 days from the Tabling of these resolutions and that proper records are kept for audit purposes.	The Department finalized some of the investigations and submitted them to the AGSA during the audit. The AGSA raised some concerns where they differed with the Department of certain parts of the reports. The Department then decided to hand over some of the completed reports for independent investigations by PWC, who are currently busy. Some of the investigations are transversal in nature and awaiting final reports from other Departments. The remaining cases within the Department will be finalized and concluded by February 2020. New identified cases are investigated within 60 days after discovery. The Department is struggling to find the information to finalize the cases which dates back from 2012/13 financial year. As a result, this cases are still sitting on the register. The Department is targeting to complete the investigation of all the cases by February 2021. Investigation reports will be submitted as and when cases are finalized. The report on consequent management will be attached when the investigation report is submitted to the Portfolio Committee.	In progress	-
	(b)	Ensure that the investigation report is submitted to the Portfolio Committee within 30 days after finalisation of the investigation; and	-	Pending (a) above	-
	(c)	Indicate instances where consequent management will be applied against transgressors	-	Pending (a) above	-

	2	**Departmental Revenue** The Portfolio Committee raised a concern on the state,utilsation and viability of the Philip Saunders Resort due to the rental contract lawsuit against Rantshoareng Hotel Group and C-squared. The portfolio Committee resolved that the Accounting Officer should:			
	(a)	Consult relevant stakeholders to follow-up the status of the legal processes for the recovery of the outstanding debt related to Phillip Saunders.	The Department has served legal summons against the tenant for the arrear rent but the tenant has lodged a counter-claim. The arguments will be heard in court once a court date has been set.	In progress	-
	3	**Appointment of a Chief Executive Officer for the Free State Development Corporation (FDC)** The Portfolio Committee was concerned that the current CEO of FDC is being appointed on a month to month contract pending the appointment of a new CEO. Furthermore, the Committee noted that the post was advertised during May 2018 and has still not yet been permanently filled. The Portfolio Committee resolved that the Member of the Executive Council (MEC) must:			
	(a)	Ensure that the post is re-advertised and appointment of the new CEO is concluded before 31 March 2019.	The CEO appointed with effect from the 1st April 2020	Completed	-
	4	**Appointment of the new Board of Directors for the Free State Development Corporation (FDC)** The Portfolio Committee was concerned that the term of the current Board of Directors was extended during 2015 for the period ending in 2018. Furthermore, the Portfolio Committee was concerned about a possible conflict of interest of the former chairperson of the board with a service provider (i.e. VOX) appointed for the installation of Broadband. The Committee resolved that the MEC must:			
	(a)	Prioritise and ensure the appointment of a credible Board in line with applicable legislature requirements.	The Board has been appointed with effect from April 2020. Background checks were done before appointments was made.	Completed	-
	(b)	Perform background checks on possible financial interest of the new members before serving on the Board of the FDC	-	Completed	-

	5	**<u>Economic boosting events</u>** The Portfolio Committee was concerned about the spending on events which aims to boost the economy of the Free State province through eradication of unemployment and GDP growth for the province. The economic impact of these events is not known as the financial and economic analysis (i.e. return on investments, economic spin-off, value for money) is not done after the events have taken place: The Committee resolved that:			
	(a)	A credible research report on the viability of the events is provided to the Committee before the approval/tabling of the budget; and	The Research has not yet started due to budget constraints.	In progress	-
	(b)	The Accounting Officer submits a financial and economic analysis report (projected vs actual results) on all events conducted during 2017/18.	Financial and economic analysis could not be submitted as the Research has not yet been sanctioned due to budget constraints	In progress	-
	(c)	Management should re-consider the current arrangement for the implementation of National Tourism Career Expo (NTCE) through the use of an implementing agent (IA) who is unable to provide documentation in support of expenditure incurred.	The Department has discontinued the use of implementing agents.	Completed	-
	6	**<u>High Management turnover</u>** The Portfolio Committee was concerned about the high turnover rate on senior manager level resulting in lack of oversight over the implementation of internal controls and addressing the material misstatements on financial statements. The change in leadership (new Chief Financial Officer, Accounting Officer and the MEC) has also resulted in instability thus causing delays in addressing prior period findings raised by the AGSA with previous year audits, also remained a concern. The Committee resolved that the Accounting Officer must:			
	(a)	Develop a strategy for retention and appointment of SMS members.	There is a strategy in place for the retention and appointment of SMS members. The Department is further using the directive from the DPSA in terms of the minimum requirements for the appointment of SMS members. The position of the CFO and HOD were filled in 2017 and 2018 respectively.	In progress	-

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

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
Occurrence of expenditure	2019/20	• The contract concerned has expired
Prepayments	2019/20	• Supporting documents received and reconciliations performed to determine the unspent portion

10. INTERNAL CONTROL UNIT

The function of Internal Control unit is to ensure that the Department has and maintains effective, efficient and transparent systems of internal controls through enforcing compliance with financial management policies and procedures. Internal Control unit is thus responsible for the implementation and functioning of internal control systems within the Department. Internal Control functions are performed in individual sections of the Financial Management Chief Directorate. For the Financial Accounting directorate the Internal Control function is performed in terms of the verification of financial transaction documentation, and ensuring the availability of credible and verifiable supporting documentation for internal and external audit purposes.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

Key activities and objectives of internal audit

Internal audit unit is independent of management and reports administratively to the Accounting Officer and functionally to the Audit Committee. Internal Audit Charter and a three year risk based rolling strategic and annual plans were prepared by the Internal Audit Directorate and approved by the Audit Committee. The Audit Committee is of the opinion that the control environment needs improvement to provide reasonable assurance that risks are appropriately managed and that applicable legislation is adhered to. Management has implemented corrective actions were possible to ensure controls are in place and operating as intended.

Summary of audit work done

Internal audit has completed 15 audits for 2020/21 financial year.

The following internal audit work was completed during the year under review:

- PFMA Checklists
- KM Claims
- 2019/20 Annual Financial Statements
- Portable Waste Management Verification
- 1st Quarter 2020/21 Interim Financial Statements
- 2nd Quarter 2020/21 Interim Financial Statements

- 3rd Quarter 2020/21 Interim Financial Statements
- 2019/20 Audit and Management reports Action Plans
- SMME's Supported
- 1st and 2nd 2020/21 Quarterly Targets
- 3rd 2020/21 Quarterly Targets
- Waste Management
- Transfer Payments
- Follow up Audits
- Economic Recovery Incentive

The following were areas of concern:

Incorrect evidence on reported quarterly targets achieved.

- Non-implementation by managers on the agreed corrective actions resulted from internal audit findings.
- Non-finalisation on the investigation on irregular expenditure and Fruitless and Wasteful expenditure.
- Late update of the asset register.

Management is currently working towards resolving the above areas of concern.

Key activities of the audit committee

The Audit Committee's scope of work is determined by the requirements of **Treasury Regulation 3.1.10.** Accordingly, and in line with this section, the Committee's objectives was to assess and advise, among other things, on the following matters:

- Effectiveness of internal control system;
- Activities and effectiveness activities of the internal audit function, including its annual work programme, coordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations;
- Risk areas of the Department's operations as covered in the scope of internal and external audits;
- Adequacy, reliability and accuracy of the financial information provided to Management and other users of such information; and
- Any accounting and auditing concerns identified as a result of internal and external audits;
- The Department's compliance with legal and regulatory provisions.

Audit Committee Members and Attendees

During 2020/21 financial year, the term of the following Audit Committee ended on 30 October 2020. The members met 05 times as per its approved terms of reference.

Names	Qualifications	Internal or External	If Internal, position in the department	Date appointed	Date resigned	No of meetings attended
Mr. W Rooifontein (Chairperson)	B Com Hons.	External	N/A	01 July 2017	30 October 2020	05
Mr. H Mohane	MSc (Agricultural Economics) Mcom (Economics)	External	N/A	01 July 2017	30 October 2020	05
Dr. M Nvuma	PHD Environmental Science – Solid Waste Management	External	N/A	01 April 2018	30 October 2020	05
Ms. KF Finger	BCom Economics	External	N/A	01 April 2018	30 October 2020	05

New Audit Committee was appointed in October 2020 and consisted of the following members listed hereunder as per its approved terms of reference.

Names	Qualifications	Internal or External	If Internal, position in the department	Date appointed	Date resigned	No of meetings attended
Ms. D Ewertse (Chairperson)	CTA	External	N/A	01 October 2020	None	03
Dr. M Nvuma	PHD Environmental Science – Solid Waste Management	External	N/A	01 October 2020	None	03
Ms. KF Finger	BCom Economics	External	N/A	01 October 2020	None	03
Dr. T Sithibe	Dr of Business Leadership	External	N/A	01 October 2020	None	02
Ms. F Muller	MBA	External	N/A	01 October 2020	None	03

AUDIT COMMITTEE REPORT

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

Audit Committee Responsibility

The Committee reports that it has operated and performed its oversight responsibilities independently and objectively in compliance with section 38 (1) (a) of the PFMA and Treasury Regulations 3.1. The Audit Committee has adopted appropriate formal terms of reference in its Audit Committee Charter.

The Committee has also regulated its affairs in compliance with the Charter and has discharged its responsibilities as contained therein. The Audit Committee is an advisory Committee of the Department operating with an independent and objective overview role.

The Effectiveness of Internal Control

The system of internal control applied by the Department over risk management is effective, efficient and transparent. However, deficiencies were noted in controls in certain areas as reported by the Internal Auditors.

Although issues raised by the Auditor-General involving internal controls were responded to, management still need to ensure the elimination of these matters, paying particular attention to those raised repeatedly in previous financial periods, and the Audit Committee has reviewed the management comments in this regards and made recommendations to further improve management control mechanisms.

From the various reports of the Internal Auditors it was noted that no further matters, other than the matters reported, were reported that indicates material deficiencies in the system of internal control or any deviations. Accordingly, we can report that the system of internal control for the period under review was inefficient and ineffective to ensure that objectives of the department were achieved.

In-Year Management and Monthly/Quarterly Report

Quarterly financial as well as non- financial reports were discussed at quarterly meetings and submitted to Provincial as required by the PFMA. These reports were reviewed by the Audit Committee and recommendations were implemented to improve the usefulness of the reports.

Evaluation of Financial Statements

We reviewed and considered the following and discussed during the period under review i.e. 31 March 2021:

- Annual Financial Statements for the year;
- Information of the predetermined objectives to be included in the Annual Report for the year; and
- Compliance with legal and regulatory provisions.

The Committee made certain recommendations to enhance the usefulness in some instances identified.

Auditor General's Report

The Audit Committee has considered the Auditor General's (AG) report on the audit conducted for the 2020/21 financial year. The Audit Committee concurs and accepts AG's conclusion and the annual financial statements and is of the opinion that statements must be read together with the report of the AG.

Ms. D Ewertse
Chairperson of the Audit Committee
Economic, Small Business Development, Tourism and Environmental Affairs

destea
department of economic, small business development, tourism and environmental affairs
FREE STATE PROVINCE

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

- **Organisational structure**

The review process of organisational structure is still underway and was also presented and submitted to the Office of the Premier of the Free State in March 2020 for submission to the Minister of Public Service and Administration. The progress is that the proposed structure is awaiting the Director-General and the Premier of the Province to endorse and sign it off and thereafter it will be submitted to the Minister of Public Service and Administration (MPSA) for concurrency.

- **The status of human resources in the department.**

As at 31 March 2021, the Department had a workforce of 696, this is inclusive of 676 permanent employees and 20 contract workers. The current vacancy rate is standing at 7.32% which is below the benchmark of 10%. This percentage will decrease as soon as the department can advertise natural attrition posts for 2020/2021 financial year. Despite the fact that the department only advertised 2 posts during 2020/2021, it continued to fill the 74 of 78 posts that were advertised during 2019/2020 financial year and as a result, 61 posts were filled.

The total number of employees who left the department is 30 which translates into 4.31% of the total workforce. The figure is lower than the national benchmark of 8%. It can also be indicated that the figure has gone down as compared to last year where the department was standing at 5.38%. Of the 30 officials who left the department, 6 resigned, 2 were transferred, 10 left due to normal / compulsory retirement, 3 left due to early retirement, 8 were a result of death and 1 dismissal. The majority of employees who left the department are due to retirements and the department experienced a high number of deaths as compared to previous years. The significant high number of attrition is of concern due to the fact that the department is unable to retain its employees, especially those that are leaving voluntarily (resignations and or transfers). As a result, the department is unable to reduce its vacancy rate. Reduction in compensation budget has also led to the department not being able to replace the lost skill.

The age profile of the department is of a major concern in terms of critical occupation, and measures needs to be put in place in order to address anticipated retirement in some programmes such as Environmental Branch which will be losing the majority of its employees. Of the 696 employees, 128 (18.39%) are between the ages of 18 and 35 years (youth), 101 (14.51%) are ages of 36 and 39, 229 (32.90%) are between the ages of 40 to 49, 204 (29.31%) are between the ages of 50 to 59, 34 (4.89%) are between the ages of 60 to 65. One hundred and twenty five (125) of these employees will be retiring in the next 5-10 years through normal and/or compulsory retirement. Of this number, 93 (74.40%) are from Environmental Management Branch, 22 (17.60%) from Administration and 10 (8%) are from Economic Development. In recruiting within these branches, attention will have to be put in attracting youth, especially in certain entry level posts where experience is not a requirement. Measures need to also be put in place to vigorously implement succession planning as the department will be losing key personnel as well as critical skills in the next 1-5 years.

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

As an ongoing process to capacitate and develop its employees, the department had planned to roll out 6 training programmes.

Due to budget pressures, the department had to adjust the APP and reprioritise its targets, which led to the reworking of the targets from 6 to 2, including COVID challenges that inundated the department.

There was no significant achievement in respect of training and development seeing that planned targets were not exceeded due to the budget changes and COVID19 impact, those of the trainings provided were able to equip employees with knowledge and skills thereby enhancing productivity in terms of service delivery. Furthermore, no part time bursaries were awarded for the 2020/2021 financial year.

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

In attracting skilled and capable workforce, DESTEA makes use of various national print media and Public Service and Administration Website as well as Departmental website to recruit prospective employees from salary levels 9–16. During the interviews, SMS members undergo technical exercise where after they undergo competency assessment to identify potential or gaps in a candidate. Identified gaps are then included in the SMS member's Performance Development Plan to address these gaps.

- **Employee performance management**

During the 2020/21 performance cycle, majority of employees entered into performance agreements. Of the 30 SMS members that were in service as of 31 May 2020, 28 (93.33%) entered into performance agreement. The reasons for non-submission of two SMS members are that one member did not adhere to the due date, whereas the other went on retirement on the 31 October 2020. The department further resolved long outstanding backlog in terms of payment of SMS outcome for the financial year 2015/2016 of which the assessment outcome was implemented in 2020/21 and cost of these outcomes will be reported under performance rewards in the tables under Human Resources Management. Meanwhile the 2019/20 performance assessment outcomes have been finalised by the Moderation Committee and recommended for payment. Payment for the 2019/20 for employees on salary levels 2 -12 was approved on 18 March 2021 and for the SMS has not yet been approved.

- **Employee wellness programmes (EHWP)**

Through EHWP, the DESTEA ensures that treatment, care and support is provided to employees and their families. This is done through the implementation of a comprehensive Employee Health and Wellness Programme which comprise of four pillars, namely; the HIV/AIDS, TB & STI Management, Health and Productivity Management (HPM), Wellness Management (WM) and Safety, Health, Environment, Risk and Quality Management (SHERQ).

The objectives of this programme includes, amongst others the development of a healthy lifestyle in all settings, to collaborate with all stakeholders, to establish partnerships for the implementation of a comprehensive health and wellness programme. Furthermore, the objective is to empower and capacitate wellness champions to promote and monitoring the comprehensive wellness programme.

The EHWP offers different services including amongst others, HIV Testing Services, Health Risk Assessments, Occupational health and Safety inspections, Psycho-social wellness (counselling), Physical wellness (Sports and Recreation) and different educational awareness campaigns. Some of the activities carried out during 2020-21 financial year include continuous employee and family psycho social support, HIV Testing Services, Health Risk Assessment of various chronic diseases, health lifestyle information sessions on HIV, domestic violence, work life balance, healthy nutrition, general health and financial wellbeing.

To support employees needing treatments of different chronic diseases, employees were referred to different health institutions for enrolment in the Disease Management Programme (DMP). Employees and their families were provided with counselling.

The DESTEA strives to comply with the Occupational Health and Safety Act and its regulations. To ensure safety and minimise risk, eliminate hazards in the workplace, health and safety inspections were conducted. The identified risks were investigated, attended to and others needing finances prioritised for the new financial year. SHERQ policy was reviewed and approved by the Head of Department after consultations with employees and unions.

- **Highlights / achievements and challenges faced by the department, as well as future human resource plans /goals:**

  - Highlight / achievements:

    One-hundred and four (104) Standard Operating Procedures were developed in responding to Auditor-General's query in that business processes are not effectively documented. Majority of these SOPs were in the line functions namely the Environment and Conservation Branch, Economic Development Branch and Tourism Development and Support Directorate.

    EHWP

    Review of two of the EHWP policies was achieved. The EHWP unit managed to provide support services to employees even during the pandemic. This includes screening and testing of COVID 19, Health Risk Assessments and HIV Testing Services.

    HRM

    To this effect the HRM Directorate was able to facilitate the recruitment of 61 people and as a result the vacancy rate has been reduced significantly.

  - **Challenges faced by the department:**

    EHWP

    - The delay in appointing the EHWP Service Provider hampers service delivery. Appointing the service provider will create an opportunity to roll out a more comprehensive Services that will be accessible to all employees and their families at all times in their preferred languages.
    - Limited resources that includes high shortage of staff and unavailability of GG transport compromises effective service delivery. A gap in conducting medical surveillance contributes to improper placement of employees and eventually affects their health and wellbeing, leading to a drop in productivity.
    - Non-compliance with the OHS Act also posed a challenge during the financial year under review.

    HRM

    - High vacancy rate, especially within the Environmental Management Branch.
    - Non-filling of vacant funded posts within the prescribed time frame.
    - Reduction in the compensation budget which results in the department not being able to fill posts vacated as a result of natural attrition.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1. Personnel related expenditure

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

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

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

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services Expenditure (R'000)	Personnel Expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	174 704	119 624	358	624	68.5%	509
Environmental Affairs	190 124	117 088	36	14 736	61.6%	328
Economic Development	242 995	37 056	0	2 064	15.2%	407
Tourism	7 221	6 548	0	0	90.7%	504
TOTAL	**615 044**	**280 316**	**394**	**17 424**	**45.5%**	**403**

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
Contract (Levels 1-2)	141	0	1	141 000
Contract (Levels 3-5)	910	0.30	5	182 000
Contract (Levels 6-8)	3,860	1.30	12	321 667
Contract (Levels 9-12)	4,786	1.70	6	797 667
Contract (Levels 13-16)	4,719	1.60	4	1 179 750
Contract Other	955	0.30	19	50 263
Periodic Remuneration	356	0.10	9	39 556
Lower skilled (Levels 1-2)	2,894	1	17	170 235
Skilled (Levels 3-5)	78,180	27	349	224 011
Highly skilled production (Levels 6-8)	68,287	23.60	166	411 367
Highly skilled supervision (Levels 9-12)	82,525	28.50	111	743 468

Salary band	Personnel Expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee
Senior management (Levels 13-16)	38,929	13.40	28	1 390 321
Total	**286,542**	**98.90**	**727**	**394 143**

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	101,002	81	157	0	4,562	4	6,351	5
Economic development	31,113	82	-	-	888	2	1,438	4
Environmental affairs	91,808	76	988	1	4,606	4	9,172	8
Tourism	5,276	78	-	-	213	3	441	7
TOTAL	**229,199**	**79**	**1,146**	**0**	**10,269**	**4**	**17,403**	**6**

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
Contract (Levels 1-2)	140	99	-	-	-	-	-	-
Contract (Levels 3-5)	910	100	-	-	-	-	-	-
Contract (Levels 6-8)	3,695	95	-	-	-	-	63	2
Contract (Levels 9-12)	4,191	88	5	0	146	3	44	1
Contract (Levels >= 13)	4,089	86	-	-	224	5	-	-
Contract Other	954	100	-	-	-	-	-	-

Lower skilled (Levels 1-2)	2,078	72	-	-	234	8	331	11
Skilled (Levels 3-5)	55,905	71	514	1	4,870	6	9,564	12
Highly skilled production (Levels 6-8)	54,080	79	88	0	2,482	4	4,676	7
Highly skilled supervision (Levels 9-12)	69,308	82	539	1	1,484	2	2,640	3
Senior management (Levels >= 13)	33,848	85	-	-	832	2	86	0
19 Periodical Remuneration	-	-	-	-	-	-	-	-
TOTAL	**229,199**	**79**	**1,146**	**0**	**10,269**	**4**	**17,403**	**6**

3.2. Employment and Vacancies

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.
This information is presented in terms of three key variables:

- programme
- salary band
- critical occupations

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	257	235	8.56%	3
Environmental Affairs	382	357	6.54%	1
Economic Development	98	91	7.14%	0
Tourism	14	13	7.14%	0
Total	**751**	**696**	**7.32%**	**4**

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 (1-2)	18	18	0%	0
Skilled(3-5)	366	353	3.55%	0
Highly skilled production (6-8)	198	178	10.10%	0
Highly skilled supervision (9-12)	134	118	11.94%	1
Senior management (13-16)	35	29	17.14%	3

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Total	**751**	**696**	**7.32%**	**4**

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
Top Management (15-16)	2	1	50%	0
Senior Management (13-14)	33	28	15.15%	3
Middle Management & Professionals (11-12)	56	51	8.93%	0
Junior Management & Supervisors (8-10)	134	118	11.94%	1
Administrative Office Workers & related (5-7)	255	234	8.24%	0
Elementary & Semi Skilled (1-4)	271	264	2.58%	0
Total	**751**	**696**	**7.32%**	**4**

3.3 Filling of SMS Posts

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

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%	01	0%
Salary Level 16	0	0	0%	0	0%
Salary Level 15	1	0	0%	1	100%
Salary Level 14	6	4	66.67%	2	33.33%
Salary Level 13	27	24	88.89%	3	11.11%
Total	**35**	**29**	**82.86%**	**6**	**17.14%**

Table 3.3.2 SMS post information as on 30 September 2020

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100%	0	0%
Salary Level 16	0	0	0%	0	0%
Salary Level 15	1	0	0%	1	100%
Salary Level 14	7	4	57.14%	3	42.86%
Salary Level 13	26	25	96.15%	1	3.85%
Total	**35**	**30**	**88.71%**	**5**	**14.29%**

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

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

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 twelve months
No SMS post was advertised during 2020/2021 financial year.

Reasons for vacancies not filled within six months
Budgetary constraints

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2020 and 31 March 2021

Reasons for vacancies not advertised within six months
Approval was not granted to advertise post due to budgetary constraints.

Reasons for vacancies not filled within six months
Request to advertise was submitted but approval was not granted by the Premier to budgetary constraints.

3.4 Job Evaluation

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

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

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels1-2)	18	0	0	0	0	0	0
Skilled (Levels 3-5)	366	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	198	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	134	0	0	0	0	0	0
Senior Management Service Band A	27	0	0	0	0	0	0
Senior Management Service Band B	6	0	0	0	0	0	0
Senior Management Service Band C	1	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Total	**751**	**0**	**0**	**0**	**0**	**0**	**0**

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

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

Gender	African	Asian	Coloured	White	Total
Female	5	0	0	1	6
Male	8	0	0	7	15
Total	**13**	**0**	**0**	**8**	**21**

Employees with a disability	0

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

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

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Deputy Director	1	11	13	The official was transferred with the retention of her salary level.
Assistant Director	3	9	12	The official was transferred with the retention of her salary level.
Trade Advisor	1	7	12	The official was transferred with the retention of her salary level.
Registry Clerk	1	5	4	The official was transferred with the retention of her salary level due to restructuring.
Total number of employees whose salaries exceeded the level determined by job evaluation				6
Percentage of total employed				0.86%

The following table summarises the beneficiaries of the above in terms of race, gender, and disability.

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

Gender	African	Asian	Coloured	White	Total
Female	3	0	0	0	3
Male	3	0	0	0	3
Total	**6**	**0**	**0**	**0**	**6**
Employees with a disability					
Employees with a disability	1	0	0	0	1

3.5 Employment Changes

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

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

Salary Band	Number of employees at beginning of period-April 2020	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	18	0	0	0%
Skilled (Levels3-5)	321	45	18	0.4%
Highly skilled production (Levels 6-8)	172	6	5	0.83%
Highly skilled supervision (Levels 9-12)	114	3	4	1.33%
Senior Management Service Bands A	22	2	2	1%
Senior Management Service Bands B	5	0	1	0%
Senior Management Service Bands C	0	0	0	0%
Senior Management Service Bands D	1	0	0	0%
Contracts	16	5	0	0%
Total	**669**	**61**	**30**	**0.49%**

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 2020	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Top Management (15-16)	1	0	0	0%
Senior Management (13-14)	27	2	3	1.5%
Middle Management & Professionals (11-12)	46	1	2	2%
Junior Management & Supervisors (8-10)	115	2	3	1.5%

Administrative Office Workers & related (5-7)	232	10	9	0.90%
Elementary & Semi Skilled (1-4)	232	41	13	0.32%
Contracts	16	5	0	0%
TOTAL	**669**	**61**	**30**	**0.49%**

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

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

Termination Type	Number	% of Total Resignations
Death	8	26.67%
Resignation	6	20%
Expiry of contract	0	0%
Dismissal – operational changes	0	0%
Dismissal – misconduct	1	3.33%
Dismissal – inefficiency	0	0%
Discharged due to ill-health	0	0%
Retirement	13	43.33%
Transfer to other Public Service Departments	2	6.67%
Other	0	0%
Total	**30**	**4.31%**
Total number of employees who left as a % of total employment	4.31%	-

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
Top Management (15-16)	1	0	0%	0	0
Senior Management (13-14)	27	0	0%	0	0
Middle Management & Professionals (11-12)	46	1	2.17%	3	6.25%

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
Junior Management & Supervisors (8-10)	115	4	3.47%	18	16.65%
Administrative Office Workers & related (5-7)	232	2	0.86%	0	0
Elementary & Semi Skilled (1-4)	232	0	0%	0	0
Contracts	16	0	0%	0	0
TOTAL	**669**	**7**	**6.5%**	**21**	**22.9%**

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)	18	0	0%	0	0
Skilled (Levels3-5)	321	1	0.31%	0	0
Highly skilled production (Levels 6-8)	172	2	1.16%	11	6.39%
Highly skilled supervision (Levels 9-12)	114	4	3.51%	10	0
Senior Management (Level 13-16)	28	0	0%	0	8.77%
Contracts	16	0	0%	0	0
Total	**669**	**7**	**1.05%**	**21**	**15.16%**

3.6 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2021

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	36	2	0	5	23	1	0	0	67
Professionals	1	0	0	2	0	0	0	1	4
Technicians and associate professional	50	2	0	22	40	0	0	7	121
Clerks	110	0	0	7	113	3	0	7	240
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	155	13	0	1	92	3	0	0	264
Total	**352**	**17**	**0**	**37**	**268**	**7**	**0**	**15**	**696**
Employees with disabilities	**6**	**0**	**0**	**2**	**3**	**0**	**0**	**0**	**11**

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

Occupational Band	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top Management	4	0	0	0	1	0	0	0	5
Senior Management	13	0	0	1	10	0	0	0	24
Professionally qualified and experienced specialists and mid-management	24	2	0	6	17	1	0	1	51
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	48	3	0	21	39	0	0	7	118

Occupational Band	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Semi-skilled and discretionary decision making	110	1	0	5	110	1	0	7	234
Unskilled and defined decision making	155	13	0	1	92	3	0	0	264
Total	**354**	**19**	**0**	**34**	**269**	**5**	**0**	**15**	**696**
Employees with disabilities	**6**	**0**	**0**	**2**	**3**	**0**	**0**	**0**	**11**

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

Occupational Band	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	3	0	0	0	0	0	0	0	3
Professionally qualified and experienced specialists and mid-management	1	0	0	0	1	0	0	0	2
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	0	0	0	1	0	0	0	3
Semi-skilled and discretionary decision making	8	0	0	0	3	0	0	0	11
Unskilled and defined decision making	26	0	0	0	16	0	0	0	42
Total	**40**	**0**	**0**	**0**	**21**	**0**	**0**	**0**	**61**
Employees with disabilities	**0**	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**1**

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

Occupational Band	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0

Occupational Band	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Professionally qualified and experienced specialists and mid-management	0	0	0	0	1	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	0	0	0	3	0	0	0	5
Semi-skilled and discretionary decision making	1	0	0	0	0	0	0	0	1
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	**3**	**0**	**0**	**0**	**4**	**0**	**0**	**0**	**7**
Employees with disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

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

Occupational Band	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	1	0	0	1	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management	2	0	0	0	0	0	0	0	2
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	1	2	0	0	0	3
Semi-skilled and discretionary decision making	4	0	0	0	5	0	0	0	9
Unskilled and defined decision making	9	0	0	0	4	0	0	0	13
Contracts	0	0	0	0	0	0	0	0	0

Occupational Band	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Total	**17**	**0**	**0**	**2**	**11**	**0**	**0**	**0**	**30**
Employees with Disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

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

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Written warning	0	0	0	0	0	0	0	0	**0**
Final Written warning	2	0	0	0	1	0	0	0	**2**

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

Occupational category	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Legislators, senior officials and managers	8	0	0	0	6	0	0	0	**14**
Professionals	0	0	0	0	0	0	0	0	**0**
Technicians and associate professionals	6	0	0	1	4	0	0	0	**11**
Clerks	12	0	0	0	17	0	0	0	**29**
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	**26**	**0**	**0**	**1**	**27**	**0**	**0**	**0**	**54**

3.7. Signing of Performance Agreements by SMS Members

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

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2020

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	1	1	3.44%
Salary Level 16	0	0	0	0%
Salary Level 15	1	0	0	0%
Salary Level 14	7	4	3	75.%
Salary Level 13	26	25	23	92.00%
Total	**35**	**30**	**28**	**93.33%**

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

Reasons
Non Compliance by the employee and retirement

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

Reasons
Official will forfeit performance rewards

3.8 Performance

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

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2015 and 31 March 2016

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	9	317	2,83	490	54444
Female	5	236	2,11	311	62200
Asian					

Male	0	0	0	0	0
Female	0	0	0	0	0
Coloured					
Male	0	16	0	0	0
Female	0	6	0	0	0
White					
Male	2	48	4,16	145	72500
Female	0	19	0	0	0
Total	**16**	**642**	**2,49**	**946**	**59125**

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2015 to 31 March 2016

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (level 3-5)	0	0	0	0	0	0
Highly skilled production (level 6-8)	0	0	0	0	0	0
Highly skilled supervision (level 9-12)	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2015 to 31 March 2016

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Legislators, senior officials and managers	16	135	11,85	**946**	**59125**
Technicians and associate professionals	0	0	0	0	0
Administrative Office Workers	0	177	0	0	0
Elementary occupations	0	362	0	0	0
Total	**16**	**674**	**2,37**	**946**	**59125**

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2015 to 31 March 2016

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	14	23	61%	761	54314	0,36
Band B	1	4	25%	834	834	0,39
Band C	1	2	50%	103	103	49,14
Band D	0	1	0	0	0	0
Total	**16**	**30**	**53.33%**	**1698**	**10612**	**0,81**

3.9. Foreign Workers

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

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

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

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	0	0	0	0	0

3.10. Leave utilisation

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

Table 3.10.1 Sick leave for the period 1 January 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 days/ number of employees	Estimated Cost (R'000)
Lower Skills (Level 1-2)	27	3.86%	7	1%	3.85	**115**

Skilled (levels 3-5)	1009	144.34%	88	26.89%	5.36	**695**
Highly skilled production (levels 6-8)	518	74.10%	74	10.58%	7	**584**
Highly skilled supervision (levels 9 -12)	308	44.06%	50	7.05%	6.16	**696**
Top and Senior management (levels 13-16)	108	15.45%	11	1.57%	9.81	**471**
Total	**1970**	**281.83%**	**330**	**47.21**	**5.96**	**2534**

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 sick leave**	**% of total employees using sick leave**	**Average days per employee**	**Estimated Cost (R'000)**
Lower skilled (Levels 1-2)	0	0	0	0	0	**0**
Skilled (Levels 3-5)	95	13.59	6	0.85%	15.83	**52**
Highly skilled production (Levels 6-8)	7	1%	2	0.28%	3.5	**9**
Highly skilled supervision (Levels 9-12)	0	0	0	0	0	**0**
Senior management (Levels 13-16)	0	0	0	0	0	**0**
Total	**102**	**14.59%**	**8**	**1.14%**	**12.75**	**61**

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

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

Salary band	**Total days taken**	**Number of Employees using annual leave**	**Average per employee**
Lower skilled (Levels 1-2)	315	17	18.52
Skilled Levels 3-5)	6 288	335	18.77
Highly skilled production (Levels 6-8)	3 484	169	20.61
Highly skilled supervision(Levels 9-12)	2 306.46	111	20.77
Senior management (Levels 13-16)	528	28	18.85
Total	**12 921.46**	**660**	**19.57**

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	0	0	0
Skilled Levels 3-5)	1	1	1	19.87
Highly skilled production (Levels 6-8)	0	0	0	31.59
Highly skilled supervision(Levels 9-12)	2	1	2	40.32
Senior management (Levels 13-16)	0	0	0	17.28
Total	**3**	**2**	**1.50**	**27.80**

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

Table 3.10.5 Leave pay-outs for the period 1 April 2020 and 31 March 2021

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave pay-out for 2019/20 due to non-utilisation of leave for the previous cycle	696	17	41
Capped leave pay-outs on termination of service for 2018/19	1759	9	196
Current leave pay-out on termination of service for 2018/19	386	15	26
Total	**2841**	**41**	**263**

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
1. Game Capturers	Education and awareness programmes on financial management, stress management, HIV/AIDS, healthy lifestyle, condom demonstration and distribution, review on policies and workshops thereof
2. Cleaners	Education and awareness programmes on financial management, stress management, HIV/AIDS, healthy lifestyle, condom demonstration and distribution, review on policies and workshops thereof
3. Interns and Leaners	Education and awareness programmes on financial management, stress management, HIV/AIDS, healthy lifestyle, condom demonstration and distribution, review on policies and workshops thereof

4.	Employees on contract	Education and awareness programmes on financial management, stress management, HIV/AIDS, healthy lifestyle, condom demonstration and distribution, review on policies and workshops thereof
5.	Low level employees	Education and awareness programmes on financial management, stress management, HIV/AIDS, healthy lifestyle, condom demonstration and distribution, review on policies and workshops thereof
6.	Employees living in Resorts and Reserves away from their families	Education and awareness programmes on financial management, stress management, HIV/AIDS, healthy lifestyle, condom demonstration and distribution, review on policies and workshops thereof

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**		Director: OHRD Mr T. Selemela
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**		Five(5) employees are appointed in this component: Annual budget:R1.2M
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**		HIV Testing Services Health Risk Assessment Promotion of healthy lifestyle Provide Psycho-Social support to employees and families Information sessions on different health and wellness topics Occupational Health and Safety inspections

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		**OFFICIAL**	**INSTITUTION**
			MR T. Selemela	DESTEA Chairperson
			MS LGB Molefe	DESTEA Deputy Chairperson
			MR M. Sebotloane	DESTEA SHERQ Officer, Secretary
			MS D Khanye	Seekoevlei Reserve
			MR E Mangayi	Seekoevlei Resort
			MR M.Tladi	Koppies Reserve
			MR SD Telane	Sterkfontein Resort
			MR M. Mosia	Sterkfontein Reserve
			MR S Mohlabane	Maria Moroka Reserve
			Mr Phera	Maria Moroka Reserve
			MS V Ramotsabi	Maria Moroka Resort
			MR PS Mokhele	Sandveld Reserve
			MR J Tabake	Sandveld Resort
			MR PP Matlokotsi	Lejweleputswa Service Center
			MR T Seisho	Erfernis Dam
			MR H Seleke	Willem Pretorious Resort
			MR S Tsekeli	Willem Pretorious Reserve
			MR M Jacobs	Gariep Resort
			MR MJ Stefans	Gariep Reserve
			MS P D Molahloe	TDR Resort
			MR M Dlamini	TDR Reserve
			MR L A Dichaba	Kalkfontein
			MR T Motaung	Caledon
			MR M A Sefatsa	Rustfontein
			MR T Boleme	Soetdoring Resort
			MS K Ntebele	Soetdoring Reserve
			MR M. Nonyane	Game Capture
			MR J Tshehlo	Bathurst
			MR D RAmmelein	Construction & Maintenance Team
			MS M. Motlhabane	Thabanchu Service Centre
			MR T. Khauhelo	Corporate Services
			MR M. NTjoboko	Consumer Protection
			MS L. Tsotetsi	Finance, Transport & Asset
			MS M. Moneri	SCM
			MR T Mohlomi	Environmental Affairs
			MS M. Seqhobane	Communications, Risk Management & InternaL Audit
			MS M. Mashiloane	Tourism
			MS L. Mosikili	Economic DEV & SPME
			MS M. Maloisane	Security Services
			MS T. Sebetlele	Nature Conservation

Question	Yes	No	Details, if yes
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/ practices so reviewed.	**No**		Safety Health Environment Risk and Quality Policy (SHERQ) Health and Productivity Policy (HPM) HIV/AIDS &TB, STI Management Policy
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	**Yes**		The HIV/AIDS , TB and STI Management policy is in place Basic Condition of Employment Act Health and Productivity Policy is in place Sexual Harassment Policy is in place
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	**Yes**		SEPT-OCTOBER 2020 Results 80 employees tested for HIV 24 Women, all Negative 56 Males, 55 negative, 1 positive
8. Has the department developed measures/ indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/ indicators.	**Yes**		Performance is measured through SPME Quarterly reports are submitted to management Annual reports are submitted to DPSA

3.12. Labour Relations

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

Subject matter	Date
None	

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

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 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	2	**66.7**
Suspended without pay	1	**33.3**
Fine	0	**0**
Demotion	0	**0**
Dismissal	0	**0**
Not guilty	0	**0**
Case withdrawn	0	**0**
Total	**3**	**100**

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
Theft	2	33.2
Performing remunerative work	1	16.7
Insubordination	1	16.7
Absenteeism	1	16.7
Other	1	16.7
TOTAL	**6**	**100**

Table 3.12.3.1 Total misconduct cases for the period 1 April 2020 - 31 March 2021

Type of misconduct	Number of cases outstanding 01 April 2020	Number of cases added in 2020/21	Number of cases finalised in 2020/21	Number of Cases outstanding 31 March 2021
Performing remunerative work	1	1	1	1
Insubordination	0	1	0	1
Absenteeism	0	1	1	0
Fraud	1	0	1	0
TOTAL	**1**	**0**	**0**	**1**

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

Grievances	Number	% of Total
Number of grievances resolved	4	100
Number of grievances not resolved	0	0
Total number of grievances lodged	**4**	**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	13	93
Number of disputes dismissed	1	7
Total number of disputes lodged	**14**	**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	1
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	1.83
Cost of suspension(R'000)	R123

3.13 Skills development

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

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

Occupational category	Gender	Number of employees as at 1 April 2020	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	11	0	3	0	3
	Male	18	0	0	0	0
Professionals	Female	17	0	1	0	1
	Male	30	0	0	0	0
Technicians and associate professionals	Female	45	0	1	0	1
	Male	72	0	0	0	0
Clerks	Female	123	0	1	0	1
	Male	116	0	0	0	0

Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	83	0	0	0	0
	Male	154	0	0	0	0
Sub Total	Female	279	0	0	0	0
	Male	390	0	0	0	0
Total		**669**	**0**	**6**	**0**	**6**

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

Occupational category	Gender	Number of employees as at 1 April 2020	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	11	0	3	0	3
	Male	18	0	0	0	0
Professionals	Female	17	0	1	0	1
	Male	30	0	0	0	0
Technicians and associate professionals	Female	45	0	1	0	1
	Male	72	0	0	0	0
Clerks	Female	123	0	1	0	1
	Male	116	0	0	0	0
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	83	0	0	0	0
	Male	154	0	0	0	0
Sub Total	Female	279	0	0	0	0
	Male	390	0	0	0	0
Total		**669**	**0**	**6**	**0**	**6**

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	7	7
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	**7**	**7**

3.15 Utilisation of Consultants

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

(a) The rendering of expert advice;

(b) The drafting of proposals for the execution of specific tasks; and

(c) The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a department.

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

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Project Management	1	7 Months	ECSA Rates (Hourly)

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
n/a	1	7 Months	ECSA Rates (Hourly)

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

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
n/a			

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2020 and 31 March 2021

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

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
n/a			

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

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
n/a			

3.16 Severance Packages

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

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

destea
department of economic, small business development, tourism and environmental affairs
FREE STATE PROVINCE

PART E: FINANCIAL INFORMATION

Report of the auditor-general to the Free State Legislature on vote no. 3: Department of Economic, Small Business Development, Tourism and Environmental Affairs

Qualified opinion

1. I have audited the financial statements of the Department of Economic, Small Business Development, Tourism and Environmental Affairs, set out on pages 139 to 220, which comprise the appropriation statement, statement of financial position as at 31 March 2021, the 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, except for the effects and possible effects of the matters described in the basis for qualified opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Department of Economic, Small Business Development, Tourism and Environmental Affairs 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 1 of 1999 (PFMA) and the Division of Revenue Act 10 of 2020 (Dora).

Basis for qualified opinion

Goods and services

3. In 2020, I was unable to obtain sufficient appropriate audit evidence for goods and services as the department could not provide adequate supporting evidence that goods and services paid for were received and correctly accounted for. I was unable to confirm the goods and services by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to goods and services, stated at R116 794 000 in note 5 to the financial statements. My audit opinion on the financial statements for the period ended 30 June 2020 was modified accordingly. My opinion on the current year financial statements was also modified because of the possible effect of this matter on the comparability of the goods and services for the current period.

Prepayments and advances

4. The department did not recognise prepayments and advances, disclosed in sub-note 11.2, in accordance with MCS chapter 9, *General departmental assets and liabilities*, as the prepayment incurred was not correctly accounted for when it was paid to private enterprises. Consequently, prepayment and advances were understated by R6 875 621 (2020: R11 108 710 overstated) in note 11 to the financial statements. In addition, there was an impact on the deficit for the period and the accumulated surplus.

Context for the opinion

5. 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.

6. 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.

7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Material uncertainty relating to going concern/ financial sustainability

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

9. As disclosed in note 38 to the financial statements, the department had accruals and payables not recognised of R3 926 000 and capital commitments of R3 848 000 as at 31 March 2021. The voted funds to be surrendered to the revenue fund also exceeded cash and cash equivalents by R19 349 000. These events or conditions, along with other matters as set forth in note 38, indicate that a material uncertainty exists that may cast significant doubt on the department's ability to continue as a going concern.

Emphasis of matters

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

Irregular expenditure

11. As disclosed in note 25 to the annual financial statements, the department incurred irregular expenditure R9 303 000 (2020: R9 720 000) due to non-compliance with supply chain management requirements.

Contingent Liabilities

12. With reference to note 19.1 to the financial statements, the department is the defendant in several claims, which the department is opposing. The ultimate outcome of these matters could not be determined and no provision for any liability that may result was made in the financial statements.

Restatement of corresponding figures

13. As disclosed in note 33 to the financial statements, the corresponding figures for 31 March 2020 was restated as a result of an error in the financial statements of the department at, and for the year ended, 31 March 2021.

Subsequent events

14. I draw attention to note 29 to the financial statements, which deals with subsequent events and specifically the possible effects of the future implications of Covid-19 on the department's future prospects, performance, and cash flows.

Other matter

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

Unaudited supplementary schedules

16. The supplementary information set out on pages 221 to 234 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

17. 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 Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

18. 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

19. 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.

20. 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

21. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

22. 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.

23. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the department's annual performance report for the year ended 31 March 2021:

Programme	Pages in the annual performance report
Programme 2 – Environmental Affairs	49 - 65

24. I performed procedures to determine whether the reported performance information was properly presented and whether the 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.

25. The material findings on the usefulness and reliability of the performance information of the selected programmes are as follows:

Programme 2 – environmental affairs

Various indicators

26. I was unable to obtain sufficient appropriate audit evidence that clearly defined the predetermined source information and method of collection or that related systems and processes were established to enable consistent measurement and reliable reporting of the actual achievement of the indicators listed below. This was due to a lack of measurement definitions and processes. I was unable to confirm whether these indicators were well-defined and verifiable by alternative means. As a result, I was unable to audit the reliability of the achievements reported in the annual performance report of the listed indicators.

Indicator descriptions	Reported achievements
Facilitate access to climate change funding for municipalities	5
Percentage of compliance to legal obligations in respect of licensed rhino facilities inspected	100%

Various indicators

27. I was unable to obtain sufficient appropriate audit evidence for the reported achievements of three of the 55 indicators relating to this programme. This was due to the lack of accurate and complete records. I was unable to confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements in the annual performance report for the indicators listed below:

Indicator descriptions	Reported achievements
Tonnage of waste diverted from landfill sites	53,72t
Number of recycling facilities and buy-back centres supported with equipment and/or infrastructure	1
Number of BEE taxidermist's facilities supported	1

Other matters

28. I draw attention to the matters below.

Achievement of planned targets

29. Refer to the annual performance report on pages 39 to 81 for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 26 and 27 of this report.

Adjustment of material misstatements

30. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of Programme 2 – environmental affairs.

As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

31. 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.

32. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements

33. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework or supported by full and proper records, as required by section 40(1)(a) and (b) of the PFMA. Material misstatements of current assets, expenditure, and disclosure items identified by the auditors in the submitted financial statements were corrected and the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified opinion.

Expenditure management

34. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R9 303 000, 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 the applicable supply chain management regulations.

Consequence management

35. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure, as required by section 38(1)(h)(iii) of the PFMA. This was because investigations into irregular expenditure were not performed.

36. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred fruitless and wasteful expenditure, as required by section 38(1)(h)(iii) of the PFMA. This was because investigations into fruitless and wasteful expenditures were not performed.

37. Investigations were not conducted into all allegations of financial misconduct committed by some of the officials, as required by treasury regulation 4.1.1.

Strategic planning and performance management

38. Specific information systems were not implemented to enable the monitoring of progress made towards achieving targets, core objectives, and service delivery, as required by public service regulation 25(1)(e)(i) and (iii).

Revenue management

39. Effective and appropriate steps were not taken to collect all money due, as required by section 38(1)(c)(i) of the PFMA.

Procurement and contract management

40. Some of the quotations were awarded to suppliers whose tax matters had not been declared by the South African Revenue Services to be in order, as required by treasury regulation 16A9.1(d).

41. The contracts to procure Covid-19 Personal Protective Equipment (PPE) items were expanded in excess of the prescribed thresholds without obtaining prior written approval from the relevant treasury as required by paragraph 3.2 of National Treasury Instruction Note 5 of 2020/21.

42. In some instances, the Covid19 PPE items were not procured by following the institution's normal procurement processes, as required by paragraph 3.1 of National Treasury Instruction Note 11 of 2020-21.

43. In some instances, the prices of Covid19 PPE items procured through the institution's normal processes were in excess of prices prescribed on Annexure A, as required by paragraphs 3.4(c) and 3.9 of National Treasury Instruction Note 11 of 2020-21.

Other information

44. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report, and the selected programme presented in the annual performance report that has been specifically reported in this auditor's report.

45. My opinion on the financial statements and findings on the reported performance information and compliance with legislation does not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

46. 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.

47. I did not receive the other information prior to the date of this auditor’s report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor’s report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

48. 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 basis for the qualified opinion, the findings on the annual performance report, and the findings on compliance with legislation included in this report.

49. Management did not review and monitor compliance with applicable legislation, which resulted in a high volume of contraventions of legislation.

50. Management did not implement proper record keeping in a timely manner to ensure that complete, relevant, and accurate information is accessible and available to support financial and performance reporting.

51. Management did not prepare accurate and complete financial and performance reports that are supported and evidenced by reliable information, due to weak internal controls over the processing of transactions and safeguarding of supporting documents.

52. Senior management did not provide adequate supervisory and monitoring controls over financial reporting and compliance with legislation. This was mainly due to the lack of consequence management, as no action was taken against non-compliance and incorrect reporting.

Auditor General

Bloemfontein

02 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 the selected programme and on the department’s compliance with respect to the selected subject matters.

Financial statements

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

   - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
   - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for 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 Department of Economic, Small Business Development, Tourism and Environmental Affairs 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 communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions are taken to eliminate threats or safeguards applied.

ANNUAL FINANCIAL STATEMENTS FOR THE DEPARTMENT OF ECONOMIC SMALL BUSINESS DEVELOPMENT TOURISM AND ENVIRONMENTAL AFFAIRS

For the year ended
31 March 2021

Date authorized for issue: 03 August 2021

Authorized by:

Dr M Nokwequ
Accounting Officer
Department of Department of Economic, Small Business Development, Tourism and Environmental Affairs

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Appropriation per programme									
	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
Programme									
1. Administration	172 653	-	598	173 251	174 703	(1 452)	100.8%	165 145	164 312
2. Environmental Affairs	192 067	-	(1 877)	190 190	190 124	66	100.0%	181 289	167 299
3. Economic Development	242 520	-	1 279	243 799	242 996	803	99.7%	288 260	277 522
4. Tourism	7 248	-	-	7 248	7 221	27	99.6%	10 888	10 207
TOTAL	**614 488**			**614 488**	**615 044**	**(556)**	**100.1%**	**645 582**	**619 340**

	2020/21		2019/20	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)				
Reconciliation with statement of financial performance				
Actual amounts per statement of financial performance (total revenue)	**614 488**		**645 582**	
ADD				
Aid assistance				-
Actual amounts per statement of financial performance (total expenditure)		**615 044**		**619 340**

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	**397 786**	**(70)**	**(1 576)**	**396 140**	**397 282**	**(1 142)**	**100.3%**	**418 111**	**394 763**
Compensation of employees	281 414	(1 195)	-	280 219	280 316	(97)	100.0%	280 461	277 969
Salaries and wages	243 470	(1 149)	494	242 815	237 811	5 004	97.9%	239 081	237 211
Social contributions	37 944	(46)	(494)	37 404	42 505	(5 101)	113.6%	41 380	40 758
Goods and services	116 372	1 125	(1 576)	115 921	116 966	(1 045)	100.9%	137 650	116 794
Administrative fees	623	(69)	-	554	493	61	89.0%	1 058	715
Advertising	4 842	258	200	5 300	4 982	318	94.0%	10 710	9 998
Minor assets	1 070	(578)	-	492	242	250	49.4%	713	376
Audit costs: External	7 356	400	-	7 756	7 712	44	99.4%	6 158	6 063
Bursaries: Employees	386	139	-	525	518	7	98.7%	1 348	1 342
Catering: Departmental activities	304	32	(67)	269	185	84	68.8%	2 436	2 178
Communication	7 088	723	-	7 811	6 928	883	88.7%	2 343	3 536
Computer services	7 438	(28)	-	7 410	7 291	119	98.4%	5 752	5 555
Consultants: Business and advisory services	17 595	164	(985)	16 774	17 425	(651)	103.9%	24 995	12 154
Legal services	477	56	-	533	530	3	99.4%	404	394
Contractors	7 191	(106)	(292)	6 793	6 610	183	97.3%	11 560	10 659
Agency and support / outsourced services	1 837	(1 225)	300	912	2 811	(1 899)	308.2%	25 377	17 038
Fleet services	6 232	57	(210)	6 079	5 003	1 076	82.3%	7 080	7 933
Inventory: Materials and supplies	-	-	-	-	-	-	-	61	31
Inventory: Other supplies	150	(141)	-	9	13	(4)	144.4%	204	204
Consumable supplies	19 953	(20)	-	19 933	18 596	1 337	93.3%	4 108	3 966

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
Consumable: Stationery printing and office supplies	1 490	(460)	-	1 030	470	560	45.6%	2 029	1 792
Operating leases	9 083	-	-	9 083	14 242	(5 159)	156.8%	8 205	9 958
Property payments	16 924	1 592	(22)	18 494	16 424	2 070	88.8%	4 671	3 562
Travel and subsistence	4 195	(1 339)	-	2 856	3 914	(1 058)	137.0%	10 226	11 934
Training and development	(7)	439	-	432	358	74	82.9%	5 326	5 015
Operating payments	979	(189)	-	790	889	(99)	112.5%	657	606
Venues and facilities	45	(26)	-	19	3	16	15.8%	511	365
Rental and hiring	1 121	1 446	(500)	2 067	1 327	740	64.2%	1 718	1 420
Transfers and subsidies	**199 171**	**1 171**	**1 749**	**202 091**	**201 600**	**491**	**99.8%**	**216 432**	**214 443**
Departmental agencies and accounts	100 482	(4)	(105)	100 373	100 323	50	100.0%	118 929	118 856
Departmental agencies and accounts	100 482	(4)	(105)	100 373	100 323	50	100.0%	118 929	118 856
Public corporations and private enterprises	96 788	1 268	1 880	99 936	99 385	551	99.4%	95 942	94 283
Public corporations	23 000	1 268	2 000	26 268	26 268	-	100.0%	74 404	65 490
Other transfers to public corporations	23 000	1 268	2 000	26 268	26 268	-	100.0%	74 404	65 490
Private enterprises	73 788	-	(120)	73 668	73 117	551	99.3%	21 538	28 793
Other transfers to private enterprises	73 788	-	(120)	73 668	73 117	551	99.3%	21 538	28 793
Non-profit institutions	211	-	(7)	204	187	17	91.7%	477	311

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**
Households	1 690	(93)	(19)	1 578	1 705	(127)	108.0%	1 084	993
Social benefits	1 690	(93)	(19)	1 578	1 705	(127)	108.0%	564	496
Other transfers to households	-	-	-	-	-	-	-	520	497
Payments for capital assets	**17 411**	**(1 127)**	**(173)**	**16 111**	**16 039**	**72**	**99.6%**	**11 019**	**10 121**
Buildings and other fixed structures	13 420	(1 656)	(48)	11 716	11 670	46	99.6%	6 323	6 723
Buildings	1 420	3 449	(48)	4 821	4 775	46	99.0%	6 232	6 723
Other fixed structures	12 000	(5 105)	-	6 895	6 895	-	100.0%	91	-
Machinery and equipment	3 991	529	(125)	4 395	4 369	26	99.4%	4 354	3 398
Transport equipment	23	-	-	23	-	23	-	-	-
Other machinery and equipment	3 968	529	(125)	4 372	4 369	3	99.9%	4 354	3 398
Intangible assets	-	-	-	-	-	-	-	342	-
Payments for financial assets	**120**	**26**	**-**	**146**	**123**	**23**	**84.2%**	**20**	**13**
TOTAL	**614 488**	**-**	**-**	**614 488**	**615 044**	**(556)**	**100.1%**	**645 582**	**619 340**

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. Office of the MEC	10 592	450	608	11 650	11 915	(265)	102.3%	11 590	11 444
2. Management Services	35 290	(178)	-	35 112	42 789	(7 677)	121.9%	44 053	43 748
3. Financial Management	85 219	288	(210)	85 297	75 937	9 360	89.0%	62 521	63 544
4. Corporate Services	41 552	(560)	200	41 192	44 062	(2 870)	107.0%	46 981	45 576
Total for sub programmes	**172 653**	**-**	**598**	**173 251**	**174 703**	**(1 452)**	**100.8%**	**165 145**	**164 312**
Economic classification									
Current payments	**168 551**	**(405)**	**598**	**168 744**	**170 236**	**(1 492)**	**100.9%**	**161 118**	**160 949**
Compensation of employees	118 917	-	608	119 525	119 624	(99)	100.1%	115 664	115 574
Salaries and wages	102 208	-	608	102 816	102 603	213	99.8%	99 688	99 549
Social contributions	16 709	-	-	16 709	17 021	(312)	101.9%	15 976	16 025
Goods and services	49 634	(405)	(10)	49 219	50 612	(1 393)	102.8%	45 454	45 375
Administrative fees	568	(59)	-	509	487	22	95.7%	896	638
Advertising	3 576	381	200	4 157	4 051	106	97.5%	5 124	4 516
Minor assets	450	(122)	-	328	169	159	51.8%	420	334
Audit costs: External	7 356	400	-	7 756	7 712	44	99.4%	6 158	6 063
Bursaries: Employees	386	139	-	525	518	7	98.7%	1 348	1 342
Catering: Departmental activities	129	(4)	-	125	68	57	54.4%	917	808
Communication	7 504	1	-	7 505	6 364	1 141	84.8%	1 821	2 994
Computer services	7 248	(532)	-	6 716	6 598	118	98.2%	5 752	5 332
Consultants: Business and advisory services	997	(249)	-	748	625	123	83.6%	806	664
Legal services	475	58	-	533	530	3	99.4%	404	394
Contractors	737	(125)	-	612	524	88	85.6%	906	648

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**
Fleet services	6 232	57	(210)	6 079	5 003	1 076	82.3%	5 080	5 153
Inventory: Materials and supplies	-	-	-	-	-	-	-	61	31
Consumable supplies	1 541	501	-	2 042	1 708	334	83.6%	502	418
Consumable: Stationery printing and office supplies	795	(212)	-	583	277	306	47.5%	1 182	1 115
Operating leases	9 083	-	-	9 083	14 242	(5 159)	156.8%	6 205	6 867
Property payments	615	(429)	-	186	144	42	77.4%	100	74
Travel and subsistence	1 239	(75)	-	1 164	1 034	130	88.8%	4 054	4 424
Training and development	438	(43)	-	395	358	37	90.6%	3 365	3 300
Operating payments	257	(89)	-	168	199	(31)	118.5%	344	249
Venues and facilities	8	(3)	-	5	1	4	20.0%	-	-
Rental and hiring	-	-	-	-	-	-	-	11	11
Transfers and subsidies	**724**	**(97)**	**-**	**627**	**626**	**1**	**99.8%**	**528**	**441**
Departmental agencies and accounts	4	(4)	-	-	-	-	-	4	-
Departmental agencies	4	(4)	-	-	-	-	-	4	-
Households	720	(93)	-	627	626	1	99.8%	524	441
Social benefits	720	(93)	-	627	626	1	99.8%	124	111
Other transfers to households	-	-	-	-	-	-	-	400	330

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
Payments for capital assets	**3 258**	**502**	**-**	**3 760**	**3 743**	**17**	**99.5%**	**3 489**	**2 916**
Machinery and equipment	3 258	502	-	3 760	3 743	17	99.5%	3 489	2 916
Other machinery and equipment	3 258	502	-	3 760	3 743	17	99.5%	3 489	2 916
Payments for financial assets	**120**	**-**	**-**	**120**	**98**	**22**	**81.7%**	**10**	**6**
TOTAL	**172 653**	**-**	**598**	**173 251**	**174 703**	**(1 452)**	**100.8%**	**165 145**	**164 312**

1.1 Office of the MEC

	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	**10 566**	**450**	**608**	**11 624**	**11 885**	**(261)**	**102.3%**	**11 450**	**11 354**
Compensation of employees	9 760	-	608	10 368	10 850	(482)	104.6%	9 348	9 570
Goods and services	806	450	-	1 256	1 035	221	82.5%	2 102	1 784
Transfers and subsidies	**20**	**-**	**-**	**20**	**19**	**1**	**95.0%**	**100**	**86**
Households	20			20	19	1	95.0%	100	86
Payments for capital assets	**6**	**-**	**-**	**6**	**11**	**(5)**	**183.3%**	**36**	**-**
Machinery and equipment	6	-	-	6	11	(5)	183.3%	36	-
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4**	**4**
TOTAL	**10 592**	**450**	**608**	**11 650**	**11 915**	**(265)**	**102.3%**	**11 590**	**11 444**

1.2 Management 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
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**34 812**	**(268)**	**-**	**34 544**	**42 202**	**(7 658)**	**122.2%**	**43 339**	**43 113**
Compensation of employees	32 241	-	-	32 241	40 497	(8 256)	125.6%	38 527	38 997
Goods and services	2 571	(268)	-	2 303	1 705	598	74.0%	4 812	4 116
Transfers and subsidies	**580**	**(47)**	**-**	**533**	**560**	**(27)**	**105.1%**	**300**	**265**
Households	580	(47)	-	533	560	(27)	105.1%	300	265
Non-profit institution									
Payments for capital assets	**(102)**	**137**	**-**	**35**	**27**	**8**	**77.1%**	**414**	**370**
Machinery and equipment	(102)	137	-	35	27	8	77.1%	414	370
TOTAL	**35 290**	**(178)**	**-**	**35 112**	**42 789**	**(7 677)**	**121.9%**	**44 053**	**43 748**

1.3 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
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**82 815**	**183**	**(210)**	**82 788**	**73 546**	**9 242**	**88.8%**	**60 405**	**61 964**
Compensation of employees	51 105	-	-	51 105	39 161	11 944	76.6%	39 273	38 634
Goods and services	31 710	183	(210)	31 683	34 385	(2 702)	108.5%	21 132	23 330
Transfers and subsidies	**2**	**(2)**	**-**	**-**	**-**	**-**	**-**	**2**	**-**
Departmental agencies and accounts	2	(2)	-	-	-	-	-	2	-

1.3 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
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	**2 282**	**107**	**-**	**2 389**	**2 386**	**3**	**99.9%**	**2 112**	**1 580**
Machinery and equipment	2 282	107	-	2 389	2 386	3	99.9%	2 112	1 580
Payments for financial assets	**120**	**-**	**-**	**120**	**5**	**115**	**4.2%**	**3**	**-**
TOTAL	**85 219**	**288**	**(210)**	**85 297**	**75 937**	**9 360**	**89.0%**	**62 521**	**63 544**

1.4 Corporate 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
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	**40 358**	**(770)**	**200**	**39 788**	**42 603**	**(2 815)**	**107.1%**	**45 924**	**44 518**
Compensation of employees	25 811	-	-	25 811	29 116	(3 305)	112.8%	28 516	28 373
Goods and services	14 547	(770)	200	13 977	13 487	490	96.5%	17 408	16 145
Transfers and subsidies	**122**	**(48)**	**-**	**74**	**47**	**27**	**63.5%**	**126**	**90**
Departmental agencies and accounts	2	(2)	-	-	-	-	-	2	-
Households	120	(46)	-	74	47	27	63.5%	124	89
Payments for capital assets	**1 072**	**258**	**-**	**1 330**	**1 319**	**11**	**99.2%**	**928**	**966**
Machinery and equipment	1 072	258	-	1 330	1 319	11	99.2%	928	966
Payment for financial assets	**-**	**-**	**-**	**-**	**93**	**(93)**	**-**	**3**	**2**
TOTAL	**41 552**	**(560)**	**200**	**41 192**	**44 062**	**(2 870)**	**107.0%**	**46 981**	**45 576**

Programme 2: Environmental Affairs									
	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. Environmental Policy Planning and Coordination	3 990	(289)	-	3 701	2 037	1 664	55.0%	2 733	2 316
2. Compliance and Enforcement	13 707	182	86	13 975	15 663	(1 688)	112.1%	17 708	16 593
3. Environmental Quality Management	47 465	1 587	(1 246)	47 806	46 490	1 316	97.2%	48 513	34 771
4. Biodiversity Management	117 311	(1 480)	(717)	115 114	116 401	(1 287)	101.1%	101 513	103 171
5. Environmental Empowerment Services	9 594	-	-	9 594	9 533	61	99.4%	10 823	10 448
Total for sub programmes	**192 067**	**-**	**(1 877)**	**190 190**	**190 124**	**66**	**100.0%**	**181 289**	**167 299**
Economic classification									
Current payments	**177 209**	**2 142**	**(1 604)**	**177 747**	**177 575**	**172**	**99.9%**	**174 797**	**161 364**
Compensation of employees	117 002	-	86	117 088	117 088	-	100.0%	118 127	116 219
Salaries and wages	101 269	-	86	101 355	97 474	3 881	96.2%	98 616	97 335
Social contributions	15 733	-	-	15 733	19 614	(3 881)	124.7%	19 551	18 884
Goods and services	60 207	2 142	(1 690)	60 659	60 847	172	99.7%	56 670	45 145
Administrative fees	13	(1)	-	12	3	9	25.0%	34	6
Advertising	43	41	-	84	55	29	65.5%	256	234
Minor assets	468	(407)	-	61	21	40	34.4%	264	31
Catering: Departmental activities	19	(8)	-	11	10	1	90.9%	444	426
Communication	165	(13)	-	152	151	1	99.3%	358	379
Computer services	190	504	-	694	693	1	99.9%	-	223
Consultants: Business and advisory services	13 931	869	(876)	13 924	14 736	(812)	105.8%	24 003	11 366
Contractors	6 247	33	(292)	5 988	5 900	88	98.5%	6 308	5 875

Programme 2: Environmental Affairs

	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
Agency and support / outsourced services	236	(47)	-	189	2 116	(1 927)	1119.6%	6 880	6 817
Fleet services (including government motor transport)	-	-	-	-	-	-	-	2 000	2 780
Inventory: Other supplies	150	(141)	-	9	13	(4)	144.4%	204	204
Consumable supplies	18 309	(525)	-	17 784	16 871	913	94.9%	3 331	3 336
Consumable: Stationery printing and office supplies	422	(265)	-	157	92	65	58.6%	572	459
Operating leases	-	-	-	-	-	-	-	2 000	3 091
Property payments	16 239	2 021	(22)	18 238	16 210	2 028	88.9%	4 571	3 488
Travel and subsistence	2 341	(1 302)	-	1 039	1 983	(944)	190.9%	3 278	4 519
Training and development	-	36	-	36	-	36	-	188	185
Operating payments	314	(100)	-	214	306	(92)	143.0%	311	356
Rental and hiring	1 120	1 447	(500)	2 067	1 327	740	64.2%	1 667	1 370
Transfers and subsidies	**1 256**	**-**	**(225)**	**1 031**	**1 099**	**(68)**	**106.6%**	**2 497**	**2 255**
Departmental agencies and accounts	225	-	(105)	120	70	50	58.3%	150	81
Departmental agencies	225	-	(105)	120	70	50	58.3%	150	81
Public corporations and private enterprises	120	-	(120)	-	-	-	-	1 500	1 500
Non-profit institutions	161	-	-	161	144	17	89.4%	477	311
Households	750	-	-	750	885	(135)	118.0%	370	363
Social benefits	750	-	-	750	885	(135)	118.0%	370	327
Other transfers to households	-	-	-	-	-	-	-	-	36

Programme 2: Environmental Affairs

	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
Payments for capital assets	**13 602**	**(2 168)**	**(48)**	**11 386**	**11 425**	**(39)**	**100.3%**	**3 985**	**3 673**
Buildings and other fixed structures	13 020	(2 156)	(48)	10 816	10 864	(48)	100.4%	2 881	3 281
Buildings	1 020	2 949	(48)	3 921	3 969	(48)	101.2%	2 790	3 281
Other fixed structures	12 000	(5 105)	-	6 895	6 895	-	100.0%	91	
Machinery and equipment	582	(12)	-	570	561	9	98.4%	762	392
Transport equipment	23	-	-	23	-	23	-		
Other machinery and equipment	559	(12)	-	547	561	(14)	102.6%	752	392
Intangible assets	-	-	-	-	-	-	-	342	-
Payments for financial assets	**-**	**26**	**-**	**26**	**25**	**1**	**96.2%**	**10**	**7**
Total	**192 067**	**-**	**(1 877)**	**190 190**	**190 124**	**66**	**100.0%**	**181 289**	**167 299**

2.1 Environmental Policy Planning and Coordination

	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	**3 846**	**(289)**	**-**	**3 557**	**1 894**	**1 663**	**53.2%**	**2 733**	**2 316**
Compensation of employees	3 494	-	-	3 494	1 832	1 662	52.4%	1 943	2 081
Goods and services	352	(289)	-	63	62	1	98.4%	790	235
Transfers and subsidies	**144**	**-**	**-**	**144**	**143**	**1**	**99.3%**	**-**	**-**
Households	144	-	-	144	143	1	99.3%	-	-
TOTAL	**3 990**	**(289)**	**-**	**3 701**	**2 037**	**1 664**	**55.0%**	**2 733**	**2 316**

2.2 Compliance and Enforcement

	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**13 539**	**204**	**86**	**13 829**	**15 518**	**(1 689)**	**112.2%**	**17 226**	**16 334**
Compensation of employees	12 428	-	86	12 514	14 006	(1 492)	111.9%	15 571	14 639
Goods and services	1 111	204	-	1 315	1 512	(197)	115.0%	1 655	1 695
Transfers and subsidies	**73**	**-**	**-**	**73**	**73**	**-**	**100.0%**	**40**	**36**
Households	73	-	-	73	73	-	100.0%	-	-
Payments for capital assets	**95**	**(22)**	**-**	**73**	**72**	**1**	**98.6%**	**442**	**223**
Machinery and equipment	95	(22)	-	73	72	1	98.6%	150	-
Software and intangible asset	-	-	-	-	-	-	-	292	223
TOTAL	**13 707**	**182**	**86**	**13 975**	**15 663**	**(1 688)**	**112.1%**	**17 708**	**16 593**

2.3 Environmental Quality 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
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**47 140**	**1 587**	**(1 126)**	**47 601**	**46 286**	**1 315**	**97.2%**	**48 403**	**34 656**
Compensation of employees	12 097	-	-	12 097	10 841	1 256	89.6%	12 713	11 408
Goods and services	35 043	1 587	(1 126)	35 504	35 445	59	99.8%	35 690	23 248
Transfers and subsidies	**325**	**-**	**(120)**	**205**	**204**	**1**	**99.5%**	**100**	**99**
Public corporations and private enterprises	120	-	(120)	205	204	1	99.5%	100	99
Households	205	-	-	205	204	1	99.5%	-	-

2.3 Environmental Quality 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
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Payments for capital assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**10**	**16**
Machinery and equipment	-	-	-	-	-	-	-	10	16
TOTAL	**47 465**	**1 587**	**(1 246)**	**47 806**	**46 490**	**1 316**	**97.2%**	**48 513**	**34 771**

2.4 Biodiversity 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
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**103 239**	**654**	**(564)**	**103 329**	**104 488**	**(1 159)**	**101.1%**	**96 188**	**97 851**
Compensation of employees	79 916	-	-	79 916	81 322	(1 406)	101.8%	79 849	79 956
Goods and services	23 323	654	(564)	23 413	23 166	247	98.9%	16 339	17 895
Transfers and subsidies	**553**	**-**	**(105)**	**448**	**535**	**(87)**	**119.4%**	**1 980**	**1 908**
Departmental agencies and accounts	225	-	(105)	120	70	50	58.3%	150	81
Public corporations and private enterprises	-	-	-	-	-	-	-	1 500	1 500
Households	328	-	-	328	465	(137)	141.8%	330	327
Payments for capital assets	**13 519**	**(2 160)**	**(48)**	**11 311**	**11 353**	**(42)**	**100.4%**	**3 335**	**3 405**
Building and other fixed structures	13 020	(2 156)	(48)	10 816	10 864	(48)	100.4%	2 881	3 281
Machinery and equipment	499	(4)	-	495	489	6	98.8%	454	347

2.4 Biodiversity 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
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Software and other intangible assets	-	-	-	-	-	-	-	-	(223)
Payments for financial assets	**-**	**26**		**26**	**25**	**1**	**96.2%**	**10**	**7**
TOTAL	**117 311**	**(1 480)**	**(717)**	**115 114**	**116 401**	**(1 287)**	**101.1%**	**101 513**	**103 171**

2.5 Environmental Empowerment Service									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**9 445**	**(14)**	**-**	**9 431**	**9 389**	**42**	**99.6%**	**10 248**	**10 207**
Compensation of employees	9 067	-	-	9 067	9 087	(20)	100.2%	8 051	8 135
Goods and services	378	(14)	-	364	302	62	83.0%	2 197	2 072
Transfers and subsidies	**161**	**-**	**-**	**161**	**144**	**17**	**89.4%**	**377**	**212**
Non-profit institutions	161	-	-	161	144	17	89.4%	377	212
Payments for capital assets	**(12)**	**14**	**-**	**2**	**-**	**2**	**-**	**198**	**29**
Machinery and equipment	(12)	14	-	2	-	2	-	148	29
Software and other intangible asset	-	-	-	-	-	-	-	50	-
TOTAL	**9 594**	**-**	**-**	**9 594**	**9 533**	**61**	**99.4%**	**10 823**	**10 448**

Programme 3:Economic and Small Business 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
Sub programme									
1. Integrated Economic Development	37 562	400	1 005	38 967	38 978	(11)	100.0%	102 619	93 304
2. Economic Research and Planning	145 053	(400)	(19)	144 634	143 040	1 594	98.9%	149 586	148 695
3. Small Business Development	59 905	-	293	60 198	60 978	(780)	101.3%	36 055	35 523
Total for sub programmes	**242 520**	**-**	**1 279**	**243 799**	**242 996**	**803**	**99.7%**	**288 260**	**277 522**
Economic classification									
Current payments	**44 828**	**(1 807)**	**(570)**	**42 451**	**42 294**	**157**	**99.6%**	**71 308**	**62 243**
Compensation of employees	38 797	(1 046)	(694)	37 057	37 056	1	100.0%	39 082	39 002
Salaries and wages	34 272	(1 000)	(200)	33 072	32 245	827	97.5%	34 206	34 197
Social contributions	4 525	(46)	(494)	3 985	4 811	(826)	120.7%	4 876	4 805
Goods and services	6 031	(761)	124	5 394	5 238	156	97.1%	32 226	23 241
Administrative fees	40	(9)	-	31	2	29	6.5%	116	64
Advertising	1 124	(154)	-	970	876	94	90.3%	5 245	5 163
Minor assets	145	(42)	-	103	52	51	50.5%	29	10
Catering: Departmental activities	75	112	(67)	120	95	25	79.2%	859	731
Communication	(273)	278	-	5	222	(217)	4440.0%	164	163
Consultants: Business and advisory services	2 443	(232)	(109)	2 102	2 064	38	98.2%	125	124
Legal services	2	(2)	-	-	-	-	-	-	-
Contractors	42	67	-	109	104	5	95.4%	3 075	2 988
Agency and support / outsourced services	1 601	(1 178)	300	723	695	28	96.1%	18 497	10 221
Consumable supplies	100	4	-	104	15	89	14.4%	151	111

Programme 3:Economic and Small Business 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
Consumable: Stationery printing and office supplies	263	27	-	290	101	189	34.8%	223	171
Property payments	70	-	-	70	70	-	100.0%	-	-
Travel and subsistence	401	(56)	-	345	556	(211)	161.2%	2 359	2 472
Training and development	(446)	446	-	-	-	-	-	909	695
Operating payments	408	-	-	408	384	24	94.1%	1	1
Venues and facilities	36	(22)	-	14	2	12	14.3%	473	328
Transfers and subsidies	**197 141**	**1 268**	**1 974**	**200 383**	**199 831**	**552**	**99.7%**	**213 407**	**211 747**
Departmental agencies and accounts	100 253	-	-	100 253	100 253	-	100.0%	118 775	118 775
Departmental agencies	100 253	-	-	100 253	100 253	-	100.0%	118 775	118 775
Public corporations and private enterprises	96 668	1 268	2 000	99 936	99 385	551	99.4%	94 442	92 783
Public corporations	23 000	1 268	2 000	26 268	26 268	-	100.0%	74 404	65 490
Other transfers to public corporations	23 000	1 268	2 000	26 268	26 268	-	100.0%	74 404	65 490
Private enterprises	73 668	-	-	73 668	73 117	551	99.3%	20 038	27 293
Other transfers to private enterprises	73 668	-	-	73 668	73 117	551	99.3%	20 038	27 293
Non-profit institutions	50	-	(7)	43	43	-	100.0%	-	-
Households	170	-	(19)	151	150	1	99.3%	190	189
Social benefits	170	-	(19)	151	150	1	99.3%	70	58
Other transfers to households	-	-	-	-	-	-	-	120	131
Payments for capital assets	**551**	**539**	**(125)**	**965**	**871**	**94**	**90.3%**	**3 545**	**3 532**

Programme 3:Economic and Small Business 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
Building and other fixed structures	400	500	-	900	806	94	89.6%	3 442	3 442
Buildings	400	500	-	900	806	94	89.6%	3 442	3 442
Machinery and equipment	151	39	(125)	65	65	-	100.0%	103	90
Other machinery and equipment	151	39	(125)	65	65	-	100.0%	103	90
Total	**242 520**	**-**	**1 279**	**243 799**	**242 996**	**803**	**99.7%**	**288 260**	**277 522**

3.1 Integrated Economic 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
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	**12 411**	**(1 307)**	**(870)**	**10 234**	**10 756**	**(522)**	**105.1%**	**19 822**	**19 394**
Compensation of employees	9 550	(1 046)	(694)	7 810	8 433	(623)	108.0%	8 210	8 153
Goods and services	2 861	(261)	(176)	2 424	2 323	101	95.8%	11 612	11 241
Transfers and subsidies	**25 000**	**1 668**	**2 000**	**28 668**	**28 157**	**511**	**98.2%**	**82 797**	**73 910**
Departmental agencies and accounts	-	-	-	-	-	-	-	1 000	1 000
Public corporations and private enterprises	25 000	1 668	2 000	28 668	28 157	511	98.2%	81 797	72 883
Public Corporations	23 000	1 268	2 000	26 268	26 268	-	100.0%	74 404	65 490
Private enterprises	2 000	400	-	2 400	1 889	511	78.7%	7 393	7 393
Households	-	-	-	-	-	-	-	-	27
Payments for capital assets	**151**	**39**	**(125)**	**65**	**65**	**-**	**100.0%**	**-**	**-**

3.1 Integrated Economic 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
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Machinery and equipment	151	39	(125)	65	65	-	100.0%	-	-
TOTAL	**37 562**	**400**	**1 005**	**38 967**	**38 978**	**(11)**	**100.0%**	**102 619**	**93 304**

3.2 Economic Planning

	2020/21							2017/18	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	**8 962**	**-**	**-**	**8 962**	**8 229**	**733**	**91.8%**	**19 036**	**10 867**
Compensation of employees	8 068	-	-	8 068	7 435	633	92.2%	9 246	8 900
Goods and services	894	-	-	894	794	100	88.8%	9 790	1 967
Transfers and subsidies	**136 091**	**(400)**	**(19)**	**135 672**	**134 811**	**861**	**99.4%**	**127 080**	**134 356**
Departmental agencies and accounts	100 253	-	-	100 253	100 253	-	100.0%	117 775	117 775
Public corporations and private enterprise	35 668	(400)	-	35 268	34 408	860	97.6%	9 195	16 450
Households	170	-	(19)	151	150	1	99.3%	110	131
Payments for capital assets	-	-	-	-	-	-	-	**3 470**	**3 472**
Building and other fixed structures	-	-	-	-	-	-	-	3 442	3 442
Machinery and equipment	-	-	-	-	-	-	-	28	30
TOTAL	**145 053**	**(400)**	**(19)**	**144 634**	**143 040**	**1 594**	**98.9%**	**149 586**	**148 695**

3.3 Small Business 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
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	**23 455**	**(500)**	**300**	**23 255**	**23 309**	**(54)**	**100.2%**	**32 450**	**31 982**
Compensation of employees	21 179	-	-	21 179	21 188	(9)	100.0%	21 626	21 949
Goods and services	2 276	(500)	300	2 076	2 121	(45)	102.2%	10 824	10 033
Transfers and subsidies	**36 050**	**-**	**(7)**	**36 043**	**36 863**	**(820)**	**102.3%**	**3 530**	**3 481**
Public corporations and private enterprises	36 000	-	-	36 000	36 820	(820)	102.3%	3 450	3 450
Non-profit institutions	50		(7)	43	43	-	100.0%	80	31
Payments for capital assets	**400**	**500**	**-**	**900**	**806**	**94**	**89.6%**	**75**	**60**
Machinery and equipment	400	500	-	900	806	94	89.6%	75	60
TOTAL	**59 905**	**-**	**293**	**60 198**	**60 978**	**(780)**	**101.3%**	**36 055**	**35 523**

Programme 4:Tourism

	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. Tourism Planning	2 599	193	-	2 792	2 723	69	97.5%	4 141	3 803
2.Tourism Growth and Development	2 770	(19)	-	2 751	2 846	(95)	103.5%	3 957	3 727
3.Tourism Sector Transformation	1 879	(174)	-	1 705	1 652	53	96.9%	2 790	2 677
Total for sub programmes	**7 248**	**-**	**-**	**7 248**	**7 221**	**27**	**99.6%**	**10 888**	**10 207**

DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 3
APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

Programme 4:Tourism	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	**7 198**	**-**	**-**	**7 198**	**7 177**	**21**	**99.7%**	**10 888**	**10 207**
Compensation of employees	6 698	(149)	-	6 549	6 548	1	100.0%	7 588	7 174
Salaries and wages	5 721	(149)	-	5 572	5 489	83	98.5%	6 571	6 130
Social contributions	977	-	-	977	1 059	(82)	108.4%	1 017	1 044
Goods and services	500	149	-	649	629	20	96.9%	3 300	3 033
Administrative fees	2	-	-	2	1	1	50.0%	11	8
Advertising	99	(10)	-	2	1	1	-	85	85
Minor assets	7	(7)	-	-	-	-	-	1	-
Catering: Departmental activities	81	(68)	-	13	12	1	92.3%	216	213
Communication	(308)	457	-	149	191	(42)	128.2%	-	-
Consultants: Business and advisory services	224	(224)	-	-	-	-	-	61	-
Contractors	165	(81)	-	84	82	2	97.6%	1 272	1 148
Consumable supplies	3	-	-	3	2	1	66.7%	124	101
Consumable: Stationery printing and office supplies	10	(10)	-	-	-	-	-	52	47
Travel and subsistence	214	94	-	308	341	(33)	110.7%	536	519
Training and development	1	-	-	1	-	1	-	864	835
Venues and facilities	1	(1)	-	-	-	-	-	38	37

Programme 4:Tourism									
	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
Rental and hiring	1	(1)	-	-	-	-	-	40	39
Transfers and subsidies	**50**	**-**	**-**	**50**	**44**	**6**	**88.0%**	**-**	**-**
Households	50	-	-	50	44	6	88.0%	-	-
Social benefits	50	-	-	50	44	6	88.0%	-	-
TOTAL	**7 248**	**-**	**-**	**7 248**	**7 221**	**27**	**99.6%**	**10 888**	**10 207**

4.1 Tourism Planning									
	2019/20							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	**2 549**	**193**	**-**	**2 742**	**2 723**	**19**	**99.3%**	**4 141**	**3 803**
Compensation of employees	2 110	-	-	2 110	2 110	-	100.0%	2 167	2 020
Goods and services	439	193	-	632	613	19	97.0%	1 974	1 783
Transfers and subsidies	**50**	**-**	**-**	**50**	**-**	**50**	**-**	-	-
Households	50	-	-	50	-	50	-	-	-
TOTAL	**2 599**	**193**	**-**	**2 792**	**2 723**	**69**	**97.5%**	**4 141**	**3 803**

4.2 Tourism Growth and 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
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**2 770**	**(19)**	**-**	**2 751**	**2 802**	**(51)**	**101.9%**	**3 957**	**3 727**
Compensation of employees	2 734	-	-	2 734	2 786	(52)	101.9%	3 744	3 497
Goods and services	36	(19)	-	17	16	1	94.1%	213	230
Transfers and subsidies	**-**	**-**	**-**	**-**	**44**	**(44)**	**-**	-	-
Households	-	-	-	-	44	(44)	-	-	-
TOTAL	**2 770**	**(19)**	**-**	**2 751**	**2 846**	**(95)**	**103.5%**	**3 957**	**3 727**

4.3 Tourism Sector Transformation

	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**1 879**	**(174)**	**-**	**1 705**	**1 652**	**53**	**96.9%**	**2 790**	**2 677**
Compensation of employees	1 854	(149)	-	1 705	1 652	53	96.9%	1 677	1 657
Goods and services	25	(25)	-	-	-	-	-	1 113	1 020
TOTAL	**1 879**	**(174)**	**-**	**1 705**	**1 652**	**53**	**96.9%**	**2 790**	**2 677**

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 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**
Administration	173 251	174 703	(1 452)	-0.84%
Environmental Affairs	190 190	190 124	66	0.03%
Economic and Small Business Development	243 799	242 996	803	0.33%
Tourism	7 248	7 221	27	0.37%

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	280 219	280 316	(97)	-0.03%
Goods and services	115 921	116 966	(1 045)	-0.90%
Transfers and subsidies				
Departmental agencies and accounts	100 373	100 323	50	0.05%
Public corporations and private enterprises	99 936	99 385	551	0.55%
Non-profit institutions	204	187	17	8.33%
Households	1 578	1 705	(127)	-8.05%

Payments for capital assets				
Buildings and other fixed structures	11 716	11 670	46	0.39%
Machinery and equipment	4 395	4 369	26	0.59%
Payments for financial assets	146	123	23	15.75%

The department has spent 100% of budget.

4.3 Per conditional grant	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation R'000
EPWP	2 256	2 256	-	0%

DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 3
STATEMENT OF FINANCIAL PERFORMANCE AS AT 31 MARCH 2021

	Note	2020/21	2019/20
		R'000	R'000
REVENUE			
Annual appropriation	1	614 488	645 582
Departmental revenue	2	-	-
TOTAL REVENUE		**614 488**	**645 582**
EXPENDITURE			
Current expenditure			
Compensation of employees	4	280 316	277 969
Goods and services	5	116 966	116 794
Aid assistance	3	-	-
Total current expenditure		**397 282**	**394 763**
Transfers and subsidies			
Transfers and subsidies	7	201 600	214 443
Aid assistance	3	-	-
Total transfers and subsidies		**201 600**	**214 443**
Expenditure for capital assets			
Tangible assets	8	16 039	10 121
Intangible assets	8	-	-
Total expenditure for capital assets		**16 039**	**10 121**
Payments for financial assets	**6**	123	13
TOTAL EXPENDITURE		**615 044**	**619 340**
SURPLUS/(DEFICIT) FOR THE YEAR		**(556)**	**26 242**

Reconciliation of Net Surplus/(Deficit) for the year

Voted funds		(556)	26 242
Annual appropriation		(556)	26 242
Conditional grants		-	-
Departmental revenue and NRF Receipts	*14*	-	-
Aid assistance	*3*	-	-
SURPLUS/(DEFICIT) FOR THE YEAR		**(556)**	**26 242**

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Note	2020/21 R'000	2019/20 R'000
ASSETS			
Current assets		**2 649**	**27 346**
Unauthorised expenditure	*9*	1 452	-
Cash and cash equivalents	*10*	94	9 415
Prepayments and advances	*11*	-	9 010
Receivables	*12*	1 103	8 921
Non-current assets		**17 091**	**107**
Receivables	*12*	17 091	107
TOTAL ASSETS		**19 740**	**27 453**
LIABILITIES			
Current liabilities		**19 517**	**27 222**
Voted funds to be surrendered to the Revenue Fund	*13*	18 138	26 242
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	*14*	32	841
Bank overdraft	*15*	1 273	-
Payables	*16*	-	65
Aid assistance unutilised	*3*	74	74
TOTAL LIABILITIES		**19 517**	**27 222**
NET ASSETS		**223**	**231**

	Note	2020/21 R'000	2019/20 R'000
Represented by:			
Recoverable revenue		223	231
TOTAL		**223**	**231**

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

	Note	2020/21 R'000	2019/20 R'000
Recoverable revenue			
Opening balance		231	864
Transfers:		(8)	(633)
Irrecoverable amounts written off	*6.1*	15	13
Debts revised		-	-
Debts recovered (included in departmental receipts)		(274)	(800)
Debts raised		251	154
Closing balance		**223**	**231**
TOTAL		**223**	**231**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

	Note	2020/21 R'000	2019/20 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		**618 466**	**659 100**
Annual appropriated funds received	1.1	614 488	645 582
Departmental revenue received	*2*	3 970	13 501
Interest received	*2.3*	8	17
Net (increase)/decrease in working capital		15 311	(3 156)
Surrendered to Revenue Fund		(21 446)	(53 815)
Current payments		(395 830)	(394 763)
Payments for financial assets		(123)	(13)
Transfers and subsidies paid		(201 600)	(214 443)
Net cash flow available from operating activities	*17*	**14 778**	**(7 090)**
CASH FLOWS FROM INVESTING ACTIVITIE			
Payments for capital assets	*8*	(16 039)	(10 121)
Proceeds from sale of capital assets	*2.4*	7 659	12 821
(Increase)/decrease in non-current receivables	*12*	(16 984)	1 593
Net cash flows from investing activities		**(25 364)**	**4 293**
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(8)	(633)
Net cash flows from financing activities		**(8)**	**(633)**
Net increase/(decrease) in cash and cash equivalents		(10 594)	(3 430)
Cash and cash equivalents at beginning of period		9 415	12 845
Cash and cash equivalents at end of period	*18*	**(1 179)**	**9 415**

PART A: ACCOUNTING POLICIES

Summary of significant accounting policies The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information. The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation. Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.	
1	**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	**Comparative information**
5.1	**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.
5.2	**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.
6	**Revenue**
6.1	**Appropriated funds** Appropriated funds comprise of departmental allocations. 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 the revenue fund at the reporting date is recognised as a payable in the statement of financial position.

6.2	**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.
6.3	**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
7	**Expenditure**
7.1	**Compensation of employees**
7.1.1	**Salaries and wages** Salaries and wages are recognised in the statement of financial performance on the date of payment.
7.1.2	**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.
7.2	**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.
7.3	**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.
7.4	**Leases**
7.4.1	**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. Operating lease payments received are recognised as departmental revenue. The operating lease commitments are recorded in the notes to the financial statements.

7.4.2	**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. Finance lease payments received are recognised as departmental revenue. 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.
8	**Aid Assistance**
8.1	**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.
8.2	**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.
9	**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.
10	**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. Prepayments and advances are expensed in the statement of financial performance when goods/services are delivered to the department and when expenditure reports/ proof of payments are presented to the department.
11	**Receivables** Receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.

12	**Financial assets**
12.1	**Financial assets (not covered elsewhere)** A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.
12.2	**Impairment of financial assets** 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.
13	**Payables** Payables recognised in the statement of financial position are recognised at cost.
14	**Capital Assets**
14.1	**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.
14.2	**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 2005 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.

14.3	**Recording and removal requirements for capital assets that could not be found during the asset verification exercise** Assets that could not be found during the asset verification exercise are documented in a loss control register. These discrepancies are followed up and investigated. The outcome of the investigation will determine whether the asset has been lost stolen or possibly sold but not updated. Where the asset has been lost or stolen the authorisation process should be followed to allow for the asset to be written off and the asset register updated. This write-off is disclosed in the note for Assets written-off. Where the process has not been completed the department must include a narrative with a summary of assets that could not be found and are under investigation. These assets will remain in the asset register until the investigation is complete and the outcome of that investigation will determine the way forward regarding the treatment of these assets.
14.4	**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 2005 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.
14.4	**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.
15	**Provisions and Contingents**
15.1	**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.

15.2	**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.
15.3	**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.
15.4	**Capital commitments** Capital commitments are recorded at cost in the notes to the financial statements.
16	**Unauthorised expenditure** Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either: • approved by the Provincial Legislature with funding and the related funds are received; or • approved by 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.
17	**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 or written off. 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.
18	**Irregular expenditure** Irregular expenditure is recorded in the notes to the financial statements when confirmed after its assessment. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note. Irregular expenditure is reduced from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off. 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.

19	**Changes in accounting estimates and errors** 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.
20	**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.
21	**Principal-Agent arrangements** The department is party to a principal-agent arrangement for the payment of the EPWP participant's stipends with the FSGLTA. In terms of the arrangement the department is the principal and is responsible for the transfer of funds to the FSGLTA so that the FSGLTA can process the stipends of the EPWP participants. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.
22	**Departures from the MCS requirements** Management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard.
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.
24	**Related party transactions** Related party transactions within the MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.
25	**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.

PART B: EXPLANATORY NOTES

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 Appropriation	Actual Funds Received	Funds not requested/not received	Final Appropriation	Appropriation received	Funds not requested /not received
	R'000	R'000	R'000	R'000	R'000	
Administration	170 853	170 853	-	165 145	165 145	-
Environmental Affairs	190 299	190 299	-	181 289	181 289	-
Economic and Small Business Development	246 088	246 088	-	288 260	288 260	-
Tourism	7 248	7 248	-	10 888	10 888	-
Total	**614 488**	**614 488**	**-**	**645 582**	**645 582**	**-**

1.2 Conditional grants

	Note	2020/21	2019/20
		R'000	R'000
Total grants received	47	2 256	2 279
Provincial grants included in Total Grants received		2 256	2 279

2. Departmental revenue

	Note	2020/21	2019/20
		R'000	**R'000**
Sales of goods and services other than capital assets	2.1	3 330	10 417
Fines, penalties and forfeits	2.2	108	1 743
Interest, dividends and rent on land	2.3	8	17
Sales of capital assets	2.4	7 659	12 821
Transactions in financial assets and liabilities	2.5	532	1 341
Total revenue collected		**11 637**	**26 339**
Less: Own revenue included in appropriation	14	11 637	26 339
Departmental revenue collected		-	-

2.1 Sales of goods and services other than capital assets

	Note	2020/21	2019/20
	2	**R'000**	**R'000**
Sales of goods and services produced by the department		3 321	10 402
Sales by market establishment		8	14
Administrative fees		1 549	2 083
Other sales		1 764	8 305
Sales of scrap, waste and other used current goods		9	15
Total		**3 330**	**417**

2.2 Fines, penalties and forfeits

	Note	2020/21	2019/20
	2	**R'000**	**R'000**
Fines		108	1 743
Total		**108**	**1 743**

2.3 Interest, dividends and rent on land

	Note	2020/21	2019/20
	2	R'000	R'000
Interest		8	17
Total		**8**	**17**

2.4 Sale of capital assets

	Note	2020/21	2019/20
	2	R'000	R'000
Tangible assets			
Biological assets	30	7 659	12 821
Total		**7 659**	**12 821**

2.5 Transactions in financial assets and liabilities

	Note	2020/21	2019/20
	2	R'000	R'000
Receivables		211	229
Other Receipts including Recoverable Revenue		321	1 112
Total		**532**	**1 341**

3. Aid assistance

	2020/21	2019/20
	R'000	R'000
Opening Balance	74	74
Prior period error	-	-
As restated	74	74
Transferred from statement of financial performance	-	-
Paid during the year	-	-
Closing Balance	**74**	**74**

3.1 Analysis of balance by source

	Note	2020/21	2019/20
	Note	R'000	R'000
Aid assistance from other sources		74	74
Closing balance	*3*	**74**	**74**

3.2 Analysis of balance

	Note	2020/21	2019/20
	Note	R'000	R'000
Aid assistance unutilised		74	74
Closing balance	*3*	**74**	**74**

3.3 Donations received in kind (not included in the main note)

	Note	2020/21	2020/21
		R'000	R'000
List in kind donations received			
PPE (Provincial Treasury)		945	-
Total		**945**	**-**

4. Compensation of employees

4.1 Salaries and Wages

	2020/21	2019/20
	R'000	R'000
Basic salary	193 031	188 679
Performance award	94	3 987
Service Based	1 251	686
Compensative/circumstantial	4 191	6 870
Periodic payments	-	-
Other non-pensionable allowances	39 245	36 990
Total	**237 812**	**237 212**

4.2 Social contributions

	2020/21	2019/20
	R'000	R'000
Employer contributions		
Pension	24 645	24 357
Medical	17 562	16 283
Bargaining council	73	66
Insurance	224	51
Total	**42 504**	**40 757**
Total compensation of employees	**280 316**	**277 969**
Average number of employees	677	654

5. Goods and services

	Note	2020/21	2019/20
		R'000	R'000
Administrative fees		493	716
Advertising		4 982	9 998
Minor assets	*5.1*	242	378
Bursaries (employees)		518	1 342
Catering		185	2 177
Communication		6 928	3 536
Computer services	*5.2*	7 291	5 556
Consultants: Business and advisory services		17 425	12 155
Legal services		530	394
Contractors		6 612	10 658
Agency and support / outsourced services		2 811	17 037
Audit cost – external	*5.3*	7 712	6 063
Fleet services		5 003	7 932
Inventory	*5.4*	13	234
Consumables	*5.5*	19 063	5 757
Operating leases		14 242	9 958
Property payments	*5.6*	16 425	3 563
Rental and hiring		1 327	1 420
Travel and subsistence	*5.7*	3 915	11 934
Venues and facilities		2	364
Training and development		358	5 016
Other operating expenditure	*5.8*	889	606
Total		**116 966**	**116 794**

5.1 Minor assets

	Note	2020/21	2019/20
	5	R'000	R'000
Tangible assets			
Machinery and equipment		242	378
Total		**242**	**378**

5.2 Computer services

	Note	2020/21	2019/20
	5	R'000	R'000
SITA computer services		1 507	1 532
External computer service providers		5 784	4 024
Total		**7 291**	**5 556**

5.3 Audit cost – External

	Note	2020/21	2019/20
	5	R'000	R'000
Regularity audits		7 712	6 063
Total		**7 712**	**6 063**

5.4 Inventory

	Note	2020/21	2019/20
	5	R'000	R'000
Other supplies	*5.4.1*	13	234
Total		**13**	**234**

5.4.1 Other supplies

	Note	2020/21	2019/20
	5.4	R'000	R'000
Ammunition and security supplies		13	203
Assets for distribution		-	31
Sports and recreation		-	31
Total		**13**	**234**

5.5 Consumables

	Note	2020/21	2019/20
	5	R'000	R'000
Consumable supplies		18 594	3 964
Uniform and clothing		519	1 312
Household supplies		17 025	786
Building material and supplies		388	1 178
IT consumables		4	18
Other consumables		658	670
Stationery, printing and office supplies		469	1 793
Total		**19 063**	**5 757**

5.6 Property payments

	Note	2020/21	2019/20
	5	R'000	R'000
Property maintenance and repairs		16 414	3 518
Other		11	45
Total		**16 425**	**3 563**

5.7 Travel and subsistence

	Note	2020/21	2019/20
	5	R'000	R'000
Local		3 663	10 142
Foreign		252	1 792
Total		**3 915**	**11 934**

5.8 Other operating expenditure

	Note	2020/21	2019/20
	5	R'000	R'000
Professional bodies, membership and subscription fees		27	32
Resettlement costs		23	131
Other		839	443
Total		**889**	**606**

6. Payments for financial assets

	Note	2020/21	2019/20
		R'000	R'000
Material losses through criminal conduct		108	-
Theft	6.2	108	-
Debts written off	6.1	15	13
Total		**123**	**13**

6.1 Debts written off

	Note	2020/21	2019/20
	6	R'000	R'000
Recoverable revenue written off			
Salary overpayments		15	13
Total debt written off		**15**	**13**

6.2 Details of theft

	Note	2020/21	2019/20
	6	**R'000**	**R'000**
Nature of theft			
Movable assets (Laptops, camera, data projector, toolbox)		108	-
Total		**108**	**-**

7. Transfers and subsidies

	Note	2020/21 R'000	2019/20 R'000
Departmental agencies and accounts	*Annexure 1B*	100 323	118 856
Public corporations and private enterprises	*Annexure 1D*	99 385	94 283
Non-profit institutions	*Annexure 1F*	187	311
Households	*Annexure 1G*	1 705	993
Total		**201 600**	**214 443**

8. Expenditure for capital assets

	Note	2020/21 R'000	2019/20 R'000
Tangible assets		16 039	10 121
Buildings and other fixed structures	*31*	11 670	6 723
Machinery and equipment	*30*	4 369	3 398
Total		**16 039**	**10 121**

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

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	16 039	-	16 039
Buildings and other fixed structures	11 670	-	11 670
Machinery and equipment	4 369	-	4 369
Total	**16 039**	**-**	**16 039**

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

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	10 121	-	10 121
Buildings and other fixed structures	6 723	-	6 723
Machinery and equipment	3 398	-	3 398
Total	**10 121**	**-**	**10 121**

8.3 Finance lease expenditure included in Expenditure for capital assets

	2020/21	2019/20
	R'000	R'000
Tangible assets		
Machinery and equipment	2 282	1 550
Total	**2 282**	**1 550**

9. Unauthorised expenditure

9.1 Reconciliation of unauthorised expenditure

	2020/21	2019/20
	R'000	R'000
Opening balance		1 167
Prior period error		-
As restated		1 167
Unauthorised expenditure – discovered in the current year (as restated)	1 452	
Less: Amounts approved by Legislature with funding	-	(1 167)
Closing balance	**1 452**	**-**
Analysis of closing balance		
Unauthorised expenditure awaiting authorisation	1 452	-
Total	**1 452**	**-**

9.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification

	2020/21	2019/20
	R'000	R'000
Current	1 452	-
Total	**1 452**	**-**

9.3 Analysis of unauthorised expenditure awaiting authorisation per type

	2020/21	2019/20
	R'000	R'000
Unauthorised expenditure relating to overspending of the vote or a main division within a vote	1 452	-
Total	**1 452**	**-**

9.4 Details of unauthorised expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2020/21
		R'000
Overspending on a main division within a vote	Under investigation	1 452
Total		**1 452**

10. Cash and cash equivalents

	2020/21	2019/20
	R'000	R'000
Consolidated Paymaster General Account	-	9 343
Cash receipts	-	2
Cash on hand	94	70
Total	94	9 415

11. Prepayments and advances

	Note	2020/21	2019/20
		R'000	R'000
Travel and subsistence		-	96
Advances paid (Not expensed)	*11.1*	-	8 914
Total		**-**	**9 010**

11.1 Advances paid (Not expensed)

	Note	Balance as at 1 April 2020	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advances	Balance as at 31 March 2021
	11	R'000	R'000	R'000	R'000	R'000
Public entities		8 914	-	(8 914)	-	-
Total		**8 914**	**-**	**(8 914)**	**-**	**-**

11.2 Prepayments (Expensed)

	Balance as at 1 April 2020	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year prepayments	Balance as at 31 March 2021
	R'000	R'000	R'000	R'000	R'000
Transfers and subsidies	25 293	(9 721)	-	37 123	52 695
Total	**25 293**	**(9 721)**	**-**	**37 123**	**52 695**

Prepayments (Expensed)

	Balance as at 1 April 2019	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year prepayments	Balance as at 31 March 2020
	R'000	R'000	R'000	R'000	R'000
Transfers and subsidies	-	-	-	25 293	25 293
Total	**-**	**-**	**-**	**25 293**	**25 293**

12. Receivables

		2020/21			2019/20		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
	Note						
Claims recoverable	12.1	953	16 830	17 783	8 641	-	8 641
Recoverable expenditure	12.2	1	-	1	74	-	74
Staff debt	12.3	149	261	410	206	107	313
Total		**1 103**	**17 091**	**18 194**	**8 921**	**107**	**9 028**

12.1 Claims recoverable

	Note	2020/21	2019/20
	12 and Annex 4	**R'000**	**R'000**
Provincial departments		953	355
Public entities		16 830	7 916
Private enterprises		-	370
Total		**17 783**	**8 641**

12.2 Recoverable expenditure (disallowance accounts)

	Note	2020/21	2019/20
	12	**R'000**	**R'000**
Disallowed Damages & Losses (CA)		-	40
Sal: Tax Debt:(CA)		1	34
Total		**1**	**74**

12.3 Staff debt

	Note	2020/21	2019/20
	12	**R'000**	**R'000**
Bursary Debt (Employee and Non-employee)		110	130
Tax Debt		23	10
Employee Debt		-	4
Ex-employee Debt		2	2
Salary Overpayment		254	146
Losses		21	21
Total		**410**	**313**

12.4 Impairment of receivables

	2020/21	2019/20
	R'000	R'000
Estimate of impairment of receivables	16 895	7 975
Total	**16 895**	**7 975**

The impairment of receivables is based on all debts older than 3 years less the debts with active instalment repayments.

Included is the impairment of the FDC debt. Management is of the opinion that the amount will not be collected as the FDC is experiencing significant financial difficulties. The amount of R16 830 000 is wholly impaired as there have been no payments in the recent past and there is no payment agreement in place. There is no contractual agreement in place and it can therefore not be assumed that the FDC will honour the debt and thus the debt is impairment. The department's debt collection processes also indicate non-recovery.

A restatement has been made to include the impairment of the FDC debt which is wholly impaired.

13. Voted funds to be surrendered to the Revenue Fund

	Note	2020/21	2019/20
		R'000	R'000
Opening balance		26 242	26 999
Prior period error			-
As restated		26 242	26 999
Transfer from statement of financial performance (as restated)		(556)	26 242
Add: Unauthorised expenditure for current year	*9*	1 452	-
Voted funds not requested/not received	*1.1*	-	-
Paid during the year		(9 000)	(26 999)
Closing balance		**18 138**	**26 242**

14. Departmental revenue to be surrendered to the Revenue Fund

	2020/21	2019/20
	R'000	R'000
Opening balance	841	1 318
Prior period error		-
As restated	841	1 318
Transfer from Statement of Financial Performance (as restated)	-	-
Own revenue included in appropriation	11 637	26 339
Paid during the year	(12 446)	(26 816)
Closing balance	**32**	**841**

15. Bank Overdraft

	Note	2020/21	2019/20
		R'000	R'000
Consolidated Paymaster General Account		1 273	-
Total		**1 273**	**-**

16. Payables – current

	Note	2020/21	2019/20
		R'000	R'000
Clearing accounts	*16.1*	-	65
Total		**-**	**65**

16.1 Clearing accounts

	Note	2020/21	2019/20
	16	R'000	R'000
SAL: GEHS Refund Control Acc: CL		-	51
SAL: Garnishee Order: CL		-	14
Total		**-**	**65**

17. Net cash flow available from operating activities

	2020/21	2019/20
	R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance	(556)	26 242
Add back non cash/cash movements not deemed operating activities	15 334	(33 332)
(Increase)/decrease in receivables	7 818	(3 357)
(Increase)/decrease in prepayments and advances	9 010	(1 027)
(Increase)/decrease in other current assets	-	1 167
Increase/(decrease) in payables – current	(65)	61
Proceeds from sale of capital assets	(7 659)	(12 821)
Expenditure on capital assets	16 039	10 121
Surrenders to Revenue Fund	(21 446)	(53 815)
Voted funds not requested/not received	-	-
Own revenue included in appropriation	11 637	26 339
Net cash flow generated by operating activities	**14 778**	**(7 090)**

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

	2020/21	2019/20
	R'000	R'000
Consolidated Paymaster General account	(1 273)	9 343
Cash receipts	-	2
Cash on hand	94	70
Total	**(1 179)**	**9 415**

19. Contingent liabilities and contingent assets

19.1 Contingent liabilities

Liable to	Nature	Note	2020/21 R'000	2019/20 R'000
Claims against the department		*Annex 3B*	603	1 019
Total			**603**	**1 019**

The Labour Appeal Court (LAC) declared the salary increases for the 2020/2021 financial year unlawful and invalid. The LAC ruling has been appealed and referred to the Constitutional Court. The ruling by the Constitutional Court will confirm if the department will be obligated to pay the salary increases in dispute.

The department is a defendant in the following two cases:
1. RV Ntili vs DESTEA and Mr M Malakoane: On 2 December 2017 at or near Bloemspruit, on the N8 Bloemfontein, a series of collisions occurred between the plaintiff's vehicle and a vehicle that was being driven by the 2nd defendant. As a result of the aforesaid collision, the plaintiff suffered damages to the sum of R296 960. The plaintiff prays for judgement against the 1st defendant and 2nd defendant, jointly and severally, one to pay and the other to absolved for:
(a) payment of the sum of R296 960
(b) Interest thereon at the prescribed rate of 10% per annum from date of service if summons to date of payment
(c) costs of suit
(d) Further and/or alternative relief.

2. Letstatsi la Africa vs DESTEA: On the 8th of August 2018 the defendant issued permits for the exportation of cheetahs to China. After the issuing of the permits the plaintiff proceeded to make arrangements with the exporting country and airport for the exportation of the cheetahs to China. The defendant despite issuing the permits and rendering refused that of the animals be exported. During the alleged verification period after the permits were already issued and approved one cheetah died prior to it being boarded onto the exporting airplane. As a result of the negligence and/or intentional actions of the defendant the plaintiff suffered damages in the amount of R305 900 being a reasonable price of the Cheetah. Despite proper demand, the defendant has failed and or refused to pay the amount. The plaintiff claims judgement against the defendant for:
(a) payment of the sum of R305 900
(b) Interest thereon at the prescribed rate of 10.5% a tempore morae
(c) Costs of suit (d) further and/or alternative relief.

19.2 Nature of contingent asset

	Note	2020/21	2019/20
		R'000	R'000
Total		**-**	**-**

There is a probable inflow of economic benefits due to the department as the Department of Health used some of the departmental resorts as COVID 19 quarantine sites. As at 31 March 2021 total probable revenue due to the department is about R7m.

20. Capital commitments

	2020/21	2019/20
	R'000	R'000
Buildings	3 848	5 588
Total	**3 848**	**5 588**

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	1 478	2 149	3 627	123
Other	123	-	123	-
Total	**1 601**	**2 149**	**3 750**	**123**

	2020/21 R'000	2019/20 R'000
Listed by programme level		
Administration	3 716	123
Environmental Affairs	34	-
Economic Development	-	-
Tourism	-	-
Total	**3 750**	**123**

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	176	-	176	15 196
Capital assets	-	-	-	3 291
Total	**176**	**-**	**176**	**18 487**

	2020/21 R'000	2019/20 R'000
Listed by programme level		
Administration	176	14 235
Environmental Affairs	-	4 252
Economic Development	-	-
Tourism	-	-
Total	**176**	**18 487**

	Note	2020/21	2019/20
Included in the above totals are the following:		R'000	R'000
Confirmed balances with other departments	*Annex 5*	124	29
Confirmed balances with other government entities	*Annex 5*	3 062	7 752
Total		**3 186**	**7 781**

A restatement has been made to disclose the prior year amount for the confirmed balances with other government entities.

22. Employee benefits

	2020/21	2019/20
	R'000	R'000
Leave entitlement	17 951	12 388
Service bonus	7 669	7 654
Performance awards	9 737	10 419
Capped leave	5 326	6 277
Other	806	864
Total	**41 489**	**37 602**

"There is a long term portion of the long service award. The provision on the long service awards provision disclosed above does not include the long term portion of the long service awards." Included in other is long service awards and overtime due but not yet paid as at 31 March. Included in leave entitlement are negative leave credits with a total amount of R157 309,18

23. Lease commitments

23.1 Operating leases

2020/21	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	8 839	8 839
Later than 1 year and not later than 5 years	-	-	-	20 581	20 581
Later than five years	-	-	-	8 642	8 642
Total lease commitments	**-**	**-**	**-**	**38 062**	**38 062**

2019/20	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	5 250	5 250
Later than 1 year and not later than 5 years	-	-	-	4 137	4 137
Later than five years	-	-	-	-	-
Total lease commitments	**-**	**-**	**-**	**9 387**	**9 387**

The major operating lease of the department are the fleet.

23.2 Finance leases **

2020/21	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	2 842	2 842
Later than 1 year and not later than 5 years	-	-	-	1 626	1 626
Total lease commitments	**-**	**-**	**-**	**4 468**	**4 468**

2019/20	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	2 414	2 414
Later than 1 year and not later than 5 years	-	-	-	3 525	3 525
Later than five years	-	-	-	-	-
Total lease commitments	**-**	**-**	**-**	**5 939**	**5 939**

The major finance leases of the department are the photocopiers and the cell phones.

24. Accrued departmental revenue

	2020/21	2019/20
	R'000	R'000
Sales of goods and services other than capital assets	23 399	22 014
Total	**23 399**	**22 014**

24.1 Analysis of accrued departmental revenue

	2020/21	2019/20
	R'000	R'000
Opening balance	22 014	19 439
Add: amounts recorded	1 385	2 575
Closing balance	**23 399**	**22 014**

24.2 Impairment of accrued departmental revenue

	2020/21	2019/20
	R'000	R'000
Estimate of impairment of accrued departmental revenue	16 480	15 732
Total	**16 480**	**15 732**

Impairment is assessed at each reporting date and is based on the following:

(a) Where there have not been payments in the recent past and management is of the opinion that the amount will not be collected the amount is wholly impaired. This does not apply where there is a payment agreement

(b) Where there are contractual agreements in place it is assumed that the parties will honour the agreements and thus debt is impaired based contractual agreement.

(c) Where department's debt collection processes indicate non-recovery such debt will be impaired.

A restatement was made on the impairment as the interest charged for Rantsoareng was incorrectly calculated.

25. Irregular expenditure

25.1 Reconciliation of irregular expenditure

	Note	**2020/21**	**2019/20**
		R'000	**R'000**
Opening balance		106 511	104 919
Prior period error			(8 128)
As restated		106 511	96 791
Add: Irregular expenditure – relating to prior year		1 515	8 750
Add: Irregular expenditure – relating to current year		7 788	970
Closing balance		**115 814**	**106 511**

Analysis of closing balance		
Current year	7 788	970
Prior years	108 026	105 541
Total	**115 814**	**106 511**

25.2 Details of current and prior year irregular expenditure – added current year (under determination and investigation)

Incident	Disciplinary steps taken/ criminal proceedings	2020/21 R'000
Goods and Services: Non-compliance with section 67 of PFMA	Under investigation	1 515
Goods and Services: Payments made on telephone contract	Under investigation	4 098
Goods and Services: SBD Forms not attached	Under investigation	199
Good and services: Department did not have signed and completed SBD 4 forms for the following awards	Under investigation	270
Goods and services : The following awards were made to suppliers who were not tax compliant at the time of the award (bid evaluation/deviation)	Under investigation	3 221
Total		**9 303**

25.3 Details of irregular expenditures under assessment (not included in the main note)

Incident	2020/21 R'000
Possible splitting of orders	991
Three (3) quotations were not obtained	70
Awards were made to suppliers who were not tax compliant at the time of the award (bid evaluation/deviation)	486
Contract does not relate to the procurement of PPE items	15 671
Payments were not as per approved delegations	5 667
Awards made were not approved by a properly delegated official	1 008
Total	**23 893**

25.4 Prior period error

	Note	2019/20
		R'000
Nature of prior period error		
Relating to 2019/20 *[affecting the opening balance]*		(8 128)
Expenditure incurred on expired transversal contract which was extended on month to month basis.		(4 169)
DoJ		(3 918)
Non-compliance tax status found on CSD report for winning bidders		(41)
Total prior period errors		**(8 128)**

The transactions were classified as irregular expenditure but after consultations between Treasury and the AGSA it was concluded that they do not constitute irregular expenditure.

26 Fruitless and wasteful expenditure

26.1 Reconciliation of fruitless and wasteful expenditure

	Note	2020/21	2019/20
		R'000	R'000
Opening balance		2 931	2 931
Prior period error			-
As restated		2 931	2 931
Closing balance		**2 931**	**2 931**

27 Related party transactions

The related parties of the department are the Free State Development Corporation and the Free State Gambling Liquor and Tourism Authority which are the entities under the control of the MEC.
The department received services in kind from DPWI as DPWI pays rent on behalf of the department and also does project management for all infrastructure projects of the department above R10m

28 Key management personnel

	No. of Individuals	2020/21	2019/20
		R'000	R'000
Political office bearers (provide detail below)	1	1 978	1 963
Officials:			
Level 15 to 16	1	2 176	2 187
Level 14 (incl CFO if at a lower level)	6	8 201	6 674
Family members of key management personnel	-	-	-
Total		**12 355**	**10 824**

29. Non-adjusting events after reporting date

	2020/21
Nature of event	**R'000**
The declaration of a national state of disaster due to the COVID-19 pandemic and the associated regulations promulgated by the Minister of Cooperative Governance and Traditional Affairs had unavoidable effect on the operations of the department. The collectability of money by the department from the rendering of services such as boarding services were negatively impacted resulting in a decrease in the revenue collected in the first quarter of the 2020/21 financial year. This also had an impact on the total revenue collection of the department for the 2020/21 financial year.	-
Total	**-**

30 Movable Tangible Capital Assets

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

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**35 954**	**(338)**	**2 087**	**(393)**	**37 310**
Transport assets	4 700	-	-	-	4 700
Computer equipment	12 101	-	851	(266)	12 686
Furniture and office equipment	10 271	-	470	-	10 741
Other machinery and equipment	8 882	(338)	766	(127)	9 183
SPECIALISED MILITARY ASSETS	**1 036**	**-**	**-**	**(10)**	**1 026**
Specialised military assets	1 036	-	-	(10)	1 026
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**36 990**	**(338)**	**2 087**	**(403)**	**38 336**

Movable Tangible Capital Assets under investigation

	Number	Value R'000
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	1 091	13 516
Specialised military assets	23	204

These assets could not be found during the assets verification. They will be sent to different heads of components for investigations.

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
MACHINERY AND EQUIPMENT	**4 369**	**-**	**(2 282)**	**-**	**2 087**
Transport assets	-	-	-	-	-
Computer equipment	851	-	-	-	851
Furniture and office equipment	470	-	-	-	470
Other machinery and equipment	3 048	-	(2 282)	-	766
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	**4 369**	**-**	**(2 282)**	**-**	**2 087**

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
MACHINERY AND EQUIPMENT		**(393)**	**(393)**	
Computer equipment		(266)	(266)	
Other machinery and equipment		(127)	(127)	

SPECIALISED MILITARY ASSETS	**(10)**	**(10)**	
Specialised military assets	(10)	(10)	
BIOLOGICAL ASSETS			**7 659**
Biological assets			7 659
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	**(403)**	**(403)**	**7 659**

30.3 Movement for 2019/20

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

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**35 615**	**-**	**1 847**	**(1 508)**	**35 954**
Transport assets	4 700	-	-	-	4 700
Computer equipment	12 117	-	646	(662)	12 101
Furniture and office equipment	10 270	-	658	(657)	10 271
Other machinery and equipment	8 528	-	543	(189)	8 882
SPECIALISED MILITARY ASSETS	**1 036**	**-**	**-**	**-**	**1 036**
Specialised military assets	1 036	-	-	-	1 036
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**36 651**	**-**	**1 847**	**(1 508)**	**36 990**

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	310	-	-	26 007	-	26 317
Value adjustments	-	-	-	(680)	-	(680)
Additions	-	-	-	242	-	242
Disposals	-	-	-	(99)	-	(99)
TOTAL MINOR ASSETS	**310**	**-**	**-**	**25 470**	**-**	**25 780**

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equip-ment	Biological assets	Total
Number of minor assets at cost	127	-	-	15 958	-	16 085
TOTAL NUMBER OF MINOR ASSETS	**127**	**-**	**-**	**15 958**	**-**	**16 085**

Minor Capital Assets under investigation

	Number	Value R'000
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		
Specialised military assets	32	81
Intangible assets		
Heritage assets		
Machinery and equipment	3 744	6 361
Biological assets		

These assets could not be found during the assets verification. They will be sent to different heads of components for investigations.

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	310	-	-	26 007	-	26 317
Value adjustments	-	-	-	(680)	-	(680)
Additions	-	-	-	242	-	242
Disposals	-	-	-	(99)	-	(99)
TOTAL MINOR ASSETS	**310**	**-**	**-**	**25 470**	**-**	**25 780**

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	128	-	-	16 749	-	16 877
TOTAL NUMBER OF MINOR ASSETS	**128**	**-**	**-**	**16 749**	**-**	**16 877**

31 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	**57 736**	**-**	**3 035**	**-**	**60 771**
Other fixed structures	57 736	-	3 035	-	60 771
TOTAL NUMBER OF MINOR ASSETS	**57 736**	**-**	**3 035**	**-**	**60 771**

31.1 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	**11 670**	**-**	**(8 635)**	**-**	**3 035**
Other fixed structures	11 670	-	(8 635)	-	3 035
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	**11 670**	**-**	**(8 635)**	**-**	**3 035**

31.2 Movement for 2019/20

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

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	**50 581**	**(115)**	**7 270**	**-**	**57 736**
Other fixed structures	50 581	(115)	7 270	-	57 736
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	**50 581**	**(115)**	**7 270**	**-**	**57 736**

31.2.1 Prior period error

	2020/21
	R'000
Nature of prior period error	
Relating to 2019/20 *[affecting the opening balance]*	(115)
Maria Moroka	(115)
Total prior period errors	**(115)**

This is the final invoice for the Maria Moroka Project that was only paid during the 2020/21 financial year but was erroneously included in the project costs during the 2019/20 financial year.

31.3 Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2021

	Note	Opening balance 1 April 2020	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminat-ed	Closing balance 31 March 2021
	Annexure 7	**R'000**	**R'000**	**R'000**	**R'000**
Buildings and other fixed structures		10 306	10 749	(2 114)	18 941
TOTAL		**10 306**	**10 749**	**(2 114)**	**18 941**

Age analysis on ongoing projects	Number of projects		2020/21
	Planned, Construction not started	Planned, Construction started	Total
			R'000
0 to 1 Year	-	-	-
1 to 3 Years	-	3	13 406
3 to 5 Years	-	1	5 535
Total	**-**	**4**	**18 941**

Payables not recognised relating to Capital WIP	*Note*	2020/21	2019/20
		R'000	R'000
[Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in-progress]			
SANDVE NR WATER RETI 04DET/2018		-	3 291
Total		**-**	**3 291**

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
Buildings and other fixed structures		10 853	-	6 723	(7 270)	10 306
TOTAL		**10 853**	**-**	**6 723**	**(7 270)**	**10 306**

Age analysis on ongoing projects	Number of projects		2019/20
	Planned, Construction not started	Planned, Construction started	Total R'000
1 to 3 Years	-	1	4 771
3 to 5 Years	-	1	5 535
Total	**-**	**2**	**10 306**

31.4 S42 Immovable assets

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		
Other fixed structures	6	32 358
TOTAL	**6**	**32 358**

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		
Other fixed structures	5	24 282
TOTAL	**5**	**24 282**

32 Principal-agent arrangements

32.1 Department acting as the principal

	2020/21	2019/20
	R'000	R'000
FSGLTA	4 483	6 126
FDC	-	8 405
Total	**4 483**	**14 531**

The objective of the Memorandum of Agreement (MOA) is for DESTEA to transfer stipends of EPWP participants to FSGLTA in order for FSGLTA to process the payment of stipends of all project participants and to provide all necessary documents that serve as proof that funds have been transferred to all project participants.

The agreement shall commence on the date of last signature by the parties and shall be valid for this particular programme not beyond the current financial year. The agreement will automatically terminate on expiry of the period mentioned. Should funds no longer be available to pay for the execution of the agreement DESTEA may terminate at its own discretion or temporarily suspend all or part of the agreement by notice to FSGLTA who shall immediately make arrangements to stop its performance and minimize further expenditure; provided that FSGLTA shall thereupon be entitled to payment in full for work delivered up to the date of cancellation or suspension.

There are no other resources of DESTEA under the custodianship of FSGLTA except for monies transferred to the entity.

33 Prior period errors

33.1 Correction of prior period errors

	Note	Amount before error correction 2019/20 R'000	Prior period error 2019/20 R'000	Restated Amount 2019/20 R'000
Expenditure:				
Prepayments Expensed	*11.2*	-	25 293	25 293
Net effect		**-**	**25 293**	**25 293**

Prepayments expensed - this relates to the unspent portion of the transfers and subsidies paid to SMME's

	Note	Amount before error correction 2019/20 R'000	Prior period error 2019/20 R'000	Restated Amount 2019/20 R'000
Assets:				
Impairment of accrued departmental revenue	*24.2*	15 949	(217)	15 732
Accrued departmental revenue	*24*	22 032	(18)	22 014
Immovable tangible capital assets	*31*	57 851	(115)	57 736
Impairment of receivables	*12.4*	59	7 916	7 975
Net effect		**95 891**	**7 566**	**103 457**

Impairment of accrued departmental revenue - A restatement was made on the impairment as the interest charged for Rantsoareng was incorrectly calculated.

Immovable tangible capital assets - This is the final invoice for the Maria Moroka Project that was only paid during the 2020/21 financial year but was erroneously included in the project costs during the 2019/20 financial year.

Accrued departmental revenue - The restatement is for an amount of R158 for Thaba Manzi due to a recalculation difference identified by the AGSA and the restatement on the Rantsaoreng debt of R176.

Impairment of receivables - A restatement has been made to include the impairment of the FDC debt.

	Note	**Amount before error correction**	**Prior period error**	**Restated Amount**
		2019/20	**2019/20**	**2019/20**
		R'000	**R'000**	**R'000**
Liabilities:				
Payables not recognised (Confirmed balances with other government entities)	*21.2*	29	7 752	7 781
Net effect		**29**	**7 752**	**7 781**

Payable not recognised (Confirmed balances with other government entities) - The restatement is to recognise the payable due to Fleet Management as a confirmed balance.

	Note	Amount before error correction 2019/20 R'000	Prior period error 2019/20 R'000	Restated Amount 2019/20 R'000
Other:				
Irregular Expenditure	*25*	114 639	(8 128)	106 511
Claims recoverable	Annex 4	355	7 916	8 271
Net effect		**114 994**	**(212)**	**114 782**

Claims recoverable - A restatement has been made as the claim to FDC was omitted from the annexure.

Irregular expenditure - The transactions were classified as irregular expenditure but after consultations between Treasury and the AGSA it was concluded that they do not constitute irregular expenditure.

34 STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF GRANT	GRANT ALLOCATION					SPENT				2019/20	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjust-ments	Other Adjust-ments	Total Available	Amount received by depart-ment	Amount spent by depart-ment	Under / (Overspending)	% of available funds spent by depart-ment	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
EPWP Incentive Grant For Infrastructure	2 256	-	-	-	2 256	2 256	2 256	-	100%	2 279	2 279
Total	**2 256**	**-**	**-**	**-**	**2 256**	**2 256**	**2 256**	**-**		**2 279**	**2 279**

Departments are reminded of the requirement to certify that all transfers in terms of this Act were deposited into the primary bank account of the province or, where appropriate, into the CPD account of the province.

35 BROAD BASED BLACK ECONOMIC EMPOWERMENT PERFORMANCE

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

36 COVID 19 Response Expenditure

	Note	2020/21	2019/20
	Annexure 11	R'000	R'000
Compensation of employees		-	-
Goods and services		17 225	-
Transfers and subsidies		71 619	-
Total		**88 844**	**-**

37 GOING CONCERN ASSESSMENT

The department will continue to operate in the foreseeable future without the need or intention to liquidate or significantly curtail its operational activities.

A material uncertainty however exists that may cast significant doubt on the department's ability to continue as a going concern and it also casts doubt on the department's ability to meet its financial obligations as they fall due and achievement of service delivery as outlined in the Annual Performance Plan as the department's budget for the 2021/22 financial year is already reduced significantly by the outstanding commitments and liabilities from the 2020/21 financial year.

The department has total outstanding commitments, accruals and payables not recognised as at 31 March 2021 of R7 774 000 and the funds to be surrendered of R18 138 000 as at 31 March 2021 exceeds cash and cash equivalents by R19 349 000.

The department recognised a net cash flow available from operating activities of R14 778 000.
The current ratio as at the 31 March 2021, which is calculated by dividing the departments current assets by the current liabilities is 0.14 (2020/21) and 1 (2019/20), which means that the department will be able to settle each rand on accounts payable

ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

	TRANSFER ALLOCATION				TRANSFER		2019/20
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
DEPARTMENTAL AGENCY/ ACCOUNT	R'000	R'000	R'000	R'000	R'000	%	R'000
Prov Da: FS Gambling & Liquor Auth	100 253	-	-	100 253	100 253	100%	117 775
Com: Licences (Radio& Tv)	229	-	-	229	70	31%	154
Nat Youth Dev Agency	-	-	-	-	-		1 000
TOTAL	**100 482**	**-**	**-**	**100 482**	**100 323**		**118 929**

ANNEXURE 1D
STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

	TRANSFER ALLOCATION				EXPENDITURE				2019/20
NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Public Corporations									
Transfers									
Free State Development Corp	23 000	-	3 268	26 268	26 268	100%	-	26 268	77 516
Total	**23 000**	**-**	**3 268**	**26 268**	**26 268**		**-**	**26 268**	**77 516**

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2019/20
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Private Enterprises									
Transfers	**73 788**	**-**	**(120)**	**73 668**	**73 117**	**99.3%**	**-**	**73 117**	**28 793**
Free State Business Chambers	2 000	-	-	2 000	1 500	75.0%	-	1 500	2 000
Co-Operatives Incentives Scheme	71 788	-	(120)	71 668	71 617	99.9%	-	71 617	15 958
Zitho Exclusive Footwear	-	-	-	-	-	-	-	-	300
Wasiva Trading	-	-	-	-	-	-	-	-	200
Success Paints	-	-	-	-	-	-	-	-	400
Sokude Chemicals (Pty)Ltd	-	-	-	-	-	-	-	-	400
Robert Johnson	-	-	-	-	-	-	-	-	250
Retrolex Recycling And Waste Man	-	-	-	-	-	-	-	-	300
Rejanala Farms And Projects	-	-	-	-	-	-	-	-	90
Ramtsilo Trading	-	-	-	-	-	-	-	-	50
Quintazz Holdings	-	-	-	-	-	-	-	-	100
Phamtomvi	-	-	-	-	-	-	-	-	300
Otokes (Pty)Ltd	-	-	-	-	-	-	-	-	300
Mmm Electron Mech Services	-	-	-	-	-	-	-	-	250
Mjm Mechanical Service (Pty)Ltd	-	-	-	-	-	-	-	-	800
Mhp Labs	-	-	-	-	-	-	-	-	250
Mashiri General Trading	-	-	-	-	-	-	-	-	300
Legraton	-	-	-	-	-	-	-	-	1 000

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2019/20
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Jothla Holding	-	-	-	-	-	-	-	-	250
Isibusisi Holdings	-	-	-	-	-	-	-	-	300
Dc Speed Shop (Pty) Ltd	-	-	-	-	-	-	-	-	50
Chicky Chix Express	-	-	-	-	-	-	-	-	100
Berry Greenery	-	-	-	-	-	-	-	-	200
At Scents	-	-	-	-	-	-	-	-	200
Atchers Filling Station	-	-	-	-	-	-	-	-	400
Hareahane Construction	-	-	-	-	-	-	-	-	400
Nathiphile General Trading	-	-	-	-	-	-	-	-	400
Kethogolo Trading And Projects	-	-	-	-	-	-	-	-	350
Malotech	-	-	-	-	-	-	-	-	400
Get Connected Technology	-	-	-	-	-	-	-	-	250
Nmc Developments	-	-	-	-	-	-	-	-	300
Koatz	-	-	-	-	-	-	-	-	200
Noma Trading	-	-	-	-	-	-	-	-	175
Tshelathupa Designers And Constr	-	-	-	-	-	-	-	-	300
Sticks And Stones	-	-	-	-	-	-	-	-	120
Kweli Meats	-	-	-	-	-	-	-	-	450
Mimmie Projects	-	-	-	-	-	-	-	-	200
Atleha Holdings	-	-	-	-	-	-	-	-	350
Tml Consortium	-	-	-	-	-	-	-	-	50

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2019/20
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
On Point Multi Projects And Main	-	-	-	-	-	-	-	-	50
Moranye Meat Enterprise	-	-	-	-	-	-	-	-	50
Total	**73 788**	**-**	**(120)**	**73 668**	**73 117**	**99.3%**	**-**	**73 117**	**28 793**
TOTAL	**96 788**	**-**	**3 148**	**99 936**	**99 385**	**99.4%**	**-**	**99 385**	**106 309**

ANNEXURE 1F
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2019/20
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
NPI	211	-	-	211	187	89%	477
TOTAL	**211**	**-**	**-**	**211**	**187**	**89%**	**477**

ANNEXURE 1G
STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2019/20
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
HOUSEHOLDS	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
H/H EMPL S/BEN:LEAVE GRATUITY	1 620	-	-	1 620	1 694	105%	500
H/H: DONATIONS & GIFTS (CASH)	-	-	-	-	-	-	120
H/H EMPL S/BEN:INJURY ON DUTY	70	-	-	70	11	16%	24
H/H:CLAIMS AGAINST STATE(CASH)	-	-	-	-	-	-	400
TOTAL	**1 690**	**-**	**-**	**1 690**	**1 705**		**1 044**

ANNEXURE 1H
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2020/21	2020/19
		R'000	R'000
Received in kind			
Free State Provincial Treasury	PPE	945	-
TOTAL		**945**	**-**

ANNEXURE 1I
STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDI-TURE	PAID BACK ON/BY 31 MARCH	CLOSING BALANCE
		R'000	R'000	R'000	R'000	R'000
Received in cash						
Department of Environmental Affairs	Free State Priority Biodiversity Rehabilitation Project (FSPBR)	74	-	-	-	74
TOTAL		**74**	**-**	**-**	**-**	**74**

ANNEXURE 1J
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

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		
Donations to black game farmers	6 612	-
TOTAL	**6 612**	**-**

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

Nature of Liability	Opening Balance 1 April 2020	Liabilities incurred during the year	Liabilities paid cancelled / reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2021
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Letsatsi la Afrika	306	-	-	-	306
CMAX Civil Construction/ LKGA	416	-	416	-	-
RV Ntuli vs DESTEA and other	297	-	-	-	297
TOTAL	**1 019**	**-**	**416**	**-**	**603**

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								
SACR	598	-	-	-	598	-	-	-
Health: FS	355	355	-	-	355	355	-	-
	953	**355**	**-**	**-**	**953**	**355**	**-**	**-**
Other Government Entities								
FDC	16 830	7 916	-	-	16 830	7 916	-	-
	16 830	**7 916**	**-**	**-**	**16 830**	**7 916**	**-**	**-**
TOTAL	**17 783**	**8 271**	**-**	**-**	**17 783**	**8 271**	**-**	**-**

1. A restatement has been made on the annexure. The claims recoverable from other government entities was not disclosed in the prior year AFS.
2. The note total amount has therefore changed.

* For the Cash in transit columns - Please note the following:
- Provincial departments must only reflect receipts from departments within their province
- National departments must only reflect receipts from other national departments.

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								
FSPG: PREMIER	1	29	-	-	1	29	-	-
PRT	89	-	-	-	89	-	-	-
FSPG: AGRICULTURE AND RURAL DEVELOPMENT	34	-	-	-	34	-	-	-
OTHER GOVERNMENT ENTITY								
Current								
Fleet Management	3 062	7 752	-	-	3 062	7 752	-	-
TOTAL INTERGOVERNMENT PAYABLES	**3 186**	**7 781**	**-**	**-**	**3 186**	**7 781**	**-**	**-**

* For the Cash in transit columns - Please note the following:
- Provincial departments must only reflect payments to departments within their province
- National departments must only reflect payments to other national departments

A restatement has been made to disclose the prior year amount for the confirmed balances with other government entities.

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
BUILDINGS AND OTHER FIXED STRUCTURES	**10 306**	**8 635**	**-**	**18 941**
Other fixed structures	10 306	8 635	-	18 941
TOTAL	**10 306**	**8 635**	**-**	**18 941**

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
BUILDINGS AND OTHER FIXED STRUCTURES	10 853	-	6 723	(7 270)	10 306
Other fixed structures	10 853	-	6 723	(7 270)	10 306
TOTAL	**10 853**	**-**	**6 723**	**(7 270)**	**10 306**

ANNEXURE 8A
INTER-ENTITY ADVANCES PAID (note 14)

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						
FREE STATE DEVELOPMENT CORP	-	8 914	-	-	-	8 914
TOTAL	**-**	**8 914**	-	-	-	**8 914**

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						
Goods and services	**147**	**362**	**16 170**	**546**	**17 225**	**-**
List all applicable SCOA level 4 items						
CONS SUPPLIES	134	246	16 127	539	17 046	-
AGENCY&SUPRT/OUTSOURCED SERVICES	13	-	-	-	13	-
MINOR ASSETS	-	116	43	7	166	-
Transfers and subsidies	**-**	**17 607**	**40 718**	**13 294**	**71 619**	**-**
List all applicable SCOA level 4 items						
TRNSF & SUB: PRIVATE ENTERPRISES	-	17 607	40 718	13 294	71 619	-
TOTAL COVID 19 RESPONSE EXPENDITURE	**147**	**17 969**	**56 888**	**13 840**	**88 844**	**-**

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