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
2021/2022 FINANCIAL YEAR

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PART A
GENERAL INFORMATION

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1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

Acronyms	Description
AIDS	Acquired Immune Deficiency Syndrome
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

Working under the challenging conditions of the new normal, the department had all hands on deck to fulfil its Legislative Mandate of improving the socio-economic livelihoods of Free State communities through economic and environmental development programmes.

This annual report intends to portray and demonstrate services and programmes rendered by the Department for the year under review, i.e. 2021/2022. It further affords the Department an opportunity to reflect back on its performance, strength and weaknesses in order to come up with innovative techniques to improve service delivery in the times of COVID-19.

The DESTEA remained focused and resolute in achieving the three chosen critical focus areas as stated on the 2021/2022 Annual Performance Plan, these are:

- Transformed and growing economy
- Sustainable environment management
- Capable, ethical and developmental organisation

The Department has performed reasonably well to adapt and emerge from the devastation of the COVID-19 pandemic, some of the key achievements and strides made by the Department this year include;

In partnership with other stakeholders, we successfully provided non-financial support to Free State approved companies with a particular focus on manufacturing through the Industrialization Support Incentive. The support was in the form of rental subsidy, machinery, equipment, raw materials and setting up costs.

In order to promote the development and diversification of the economy of the Free State through regulation of participation of enterprises in specific sectors, we have drafted the Free State Integrated Local Economic Development and Transformation Bill. To date, the Bill is before the Free State Legislature for further processing after inputs by the public.

We have also completed the development of the Economic Sector Plans with focus on specific sectors of the economy. The development of the Master Plans is based on the need to transform the Free State economy as a whole, with clear focus on value chains in each sector of the economy.

Enforcement of by-laws to curb trade in illicit goods remains a priority. Working with other enforcement agencies, the Consumer Protection Office and the Free State Gambling, Liquor and Tourism Authority (FSGLTA) respectively continued to conduct compliance inspections, resulting in various forms of consequences for business owners.

In an effort to implement effective waste management we have signed a Memorandum of Understanding (MOU) with the Council for Scientific and Industrial Research (CSIR) to reduce waste in the Province, both at the landfill sites and in our Industrial Parks which is intended to link residents of the park to ensure waste of one factor is utilized as inputs of another factory.

The tourism sector has been faced with enormous challenges since the official national lockdown two years ago. We remain resolute to rebuild this once promising sector. The Travel Differently programme was introduced to reposition the Free State as the eco-tourism destination of choice.

To strengthen governance at the Free State Development Cooperation (FDC), we have appointed a youthful, experienced and qualified Board of Directors to serve the entity.

Lastly, to ensure customer satisfaction and transparency we have launched the Customer Care Unit, this function ensures that clients of the Department are able to effectively interact with the department. The Customer Care Unit (CCU) reports directly to the Head of Department, and is a platform where clients can send their complaints, suggestions or compliments.

M. Mohale (MPL)
MEC of the Department of Economic, Small Business Development, Tourism and Environmental Affairs
31 July 2022

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 growth and transformation initiatives as well as to ensure 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 focused primarily on:

1. Building a transformed and inclusive economy
2. Re-industrialization of the Free State Economy
3. Attracting Foreign Direct Investment
4. Improvement of Business Regulation Environment and Consumer Protection
5. Re-positioning the Free State province as a Tourism destination of choice
6. Care for the environment and natural resources
7. Focus on improved governance
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 rearrangements within available resources to ensure that the department continues to fulfil its mandate. The department is undertaking a process of reviewing its organizational structure with a view of introducing efficiencies within the organization to better serve the people of the Free State province.

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

o **Departmental receipts**

Departmental receipts	2020/2021			2021/2022		
	Estimate	Actual Amount Collected	(Over)/ Under Collection	Estimate	Actual Amount Collected	(Over)/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	18,585	10,989	7,596	23,744	16,587	7,157
Fines penalties and forfeits	400	108	300	400	1,086	(686)
Interest dividends and rent on land	14	8	6	4	26	(22)
Financial transactions in assets and liabilities	217	532	(315)	229	526	(297)
Total	**19,216**	**11,637**	**7,587**	**24,377**	**18,225**	**6,152**

- **Sales of Goods & Services**

The Department successfully managed to sell game through the annual auction and to the public as butchery meat. This resulted in the collection revenue worth R10, 5 million from these activities alone.

Most of the Departmental resorts that contribute a lot to total revenue generation were used as quarantine sites by the Department of Health from April 2020, without paying any fees for these services. A claim worth R11, 8 million for these services was made and the Department of Health disputed it, citing the absence of a service level agreement. The matter was also referred to the Free State Provincial Treasury and they agreed with the Department of Health, even though a benefit was derived by the Department of Health. These facilities were handed back to DESTEA late in the 2021/22 financial year, and a lot of repair work was needed to bring them into full operation.

- **Fines, Penalties and Forfeits**

Successful prosecution of companies that contravene Section 24G of the National Environmental Management Act resulted in over-collection of expected revenue.

- **Financial Transactions in Assets and Liabilities**

Successful recovery of debts from employees and ex-employees resulted in over-collection of revenue. The use of direct deposits and electronic funds transfers (EFT's) resulted in the receipt of revenue that could not be allocated to the correct items with certainty and led to over-collection by R246 000.

o Programme Expenditure

Programme Name	2020/2021			2021/2022		
	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	173,251	174,703	(1,452)	193,497	191,604	1,893
Environmental Affairs	190,190	190,124	66	188,175	184,794	3,381
Economic Development	243,799	242,996	803	264,388	259,261	5,127
Tourism	7,248	7,221	27	14,298	13,745	553
TOTAL	**614,488**	**615,044**	**(556)**	**660,358**	**649,404**	**10,954**

o Virements / Roll overs

Rollovers requested:

Earmarked funding/IEA/REA	Amount Requested for Roll-over (R)
Infrastructure Enhancement Allocation	R1 266
Total	**R1 266**

Virements:

Programme	Amount (R'000)
Administration	6,465
Environmental Affairs	-470
Economic Development	-5,995
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 fruitless and wasteful expenditure of R439 000 due to overpayment to a service provider. The department will ensure that only the services provided for and goods delivered, are paid for.

- **Future plans of the department:**

  - Future plans of the department are explained in the 2022/23 Annual Performance Plan.

- **Public Private Partnerships**
    - o 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**
    - o None
- **New or proposed activities**
    - o Continued support of enterprises.
    - o Support and expansion of infant industries.
    - o Focus on establishing value chains in sectors where the FS has both comparative and competitive advantages.

o Gifts and Donations received in kind from non-related parties

- o The Department did not receive gifts or donations in kind during the current financial year.

o Exemptions and deviations received from the National Treasury

- o None

- **Appreciation**
    - o 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.

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Dr M Nokwequ
Accounting Officer
Department of Department of Economic, Small Business Development, Tourism and Environmental Affairs
Date: 31 July 2022

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 2022.

Yours faithfully

Dr M Nokwequ
Accounting Officer
Date 31 July 2022

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.

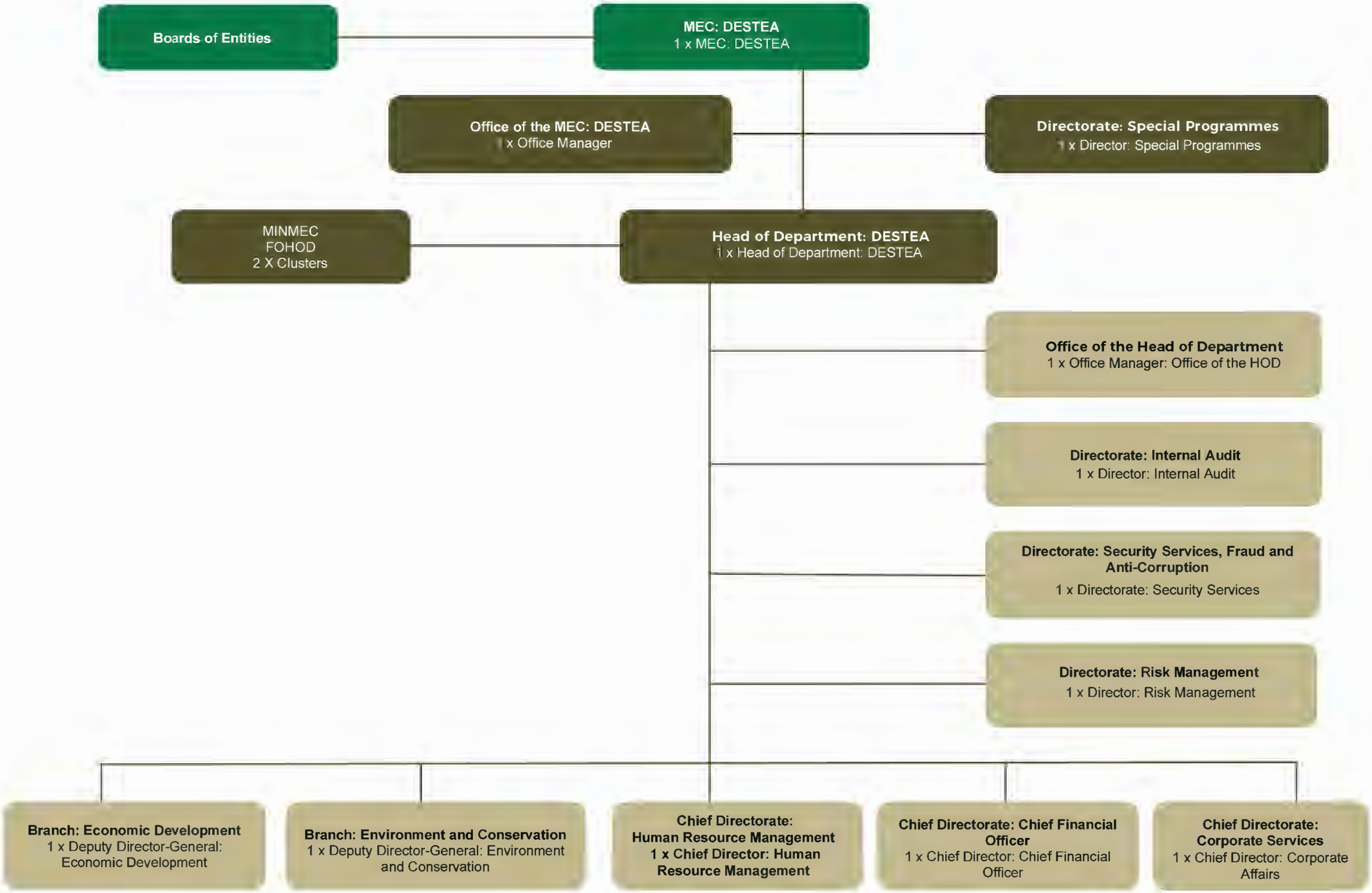
7.2. LEGISLATIVE MANDATE

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.
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:	• 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.

Programme Name and Core Function:	Legal Mandate	Implications
	• 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.
	• 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 162 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 276 billion (in current prices) and in terms of total contribution (5.1%) towards South Africa’s GDP of R 5.52 trillion the Free State ranked eighth relative to all the regional economies in the country in 2020. The province recorded a decline in its annual growth rate in 2020. Free State achieved an annual growth rate of -7.16% in 2020 compared to -0.4% in 2019. South Africa achieved a growth rate of -6.43% in 2020. The economic growth in Free State peaked in 2012 at 3.06%. Contrary to the short-term growth rate of 2020, the longer-term average growth rate (over a ten year period) for Free State is 0.27%. Mangaung Metropolitan Municipality had the highest average annual economic growth, averaging 0.79% over a ten year period between 2010 and 2020, when compared to the rest of the regions within the Free State. Fezile Dabi had the second highest average annual growth rate of 0.67%. Lejweleputswa was the only region in the province that recorded a decline in its average annual growth rate of -1.44% between 2010 and 2020.

	The greatest contributor to the provincial economy in 2020 was the Mangaung Metro with a share of 40.27% or R 111 billion, increasing from R 62.7 billion in 2010. The economy with the lowest contribution (3.12%) is the Xhariep District Municipality with R 8.62 billion growing from R 5.06 billion in 2010. It is forecasted that the provincial economy's GDP will grow at an average annual rate of 1.85% from 2020 to 2025 compared to South Africa growth rate of 2.49%.

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 38.1% in Q3:2021, 3.2 percentage points higher than the National official unemployment rate of 34.9%. The expanded unemployment rate for the province was recorded at 45.8% for Q3:2021. 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. Seven industries year-on-year recorded increases in employment in Q3: 2021 when comparing it with Q3: 2020. The highest employment gains were recorded in Agriculture with 24 000 jobs followed by Finance (10 000) and Transport (6 000). Employment in three industries decreased with the highest employment losses in Construction with 20 000 jobs followed by Manufacturing with 17 000. When comparing unemployment rates among regions within the province, Lejweleputswa recorded the highest unemployment rate of 45.9%, which has increased from 31.5% in 2010. Mangaung Metropolitan Municipality had the lowest unemployment rate of 26.4% in 2020, which increased from 23.3% in 2010. The other regions recorded unemployment rates as follows Thabo Mofutsanyane (36.5% in 2020 from 29.9 in 2010), Fezile Dabi (35% in 2020 from 28.1% in 2010) and Xhariep (32% in 2020 from 22.3% in 2010).

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 from 2010 to 2020, the Gross Value Added (GVA) in the Finance sector had the highest average annual growth rate in Free State at 1.56% followed by the Community Services sector averaging at 1.51% per year. The mining sector had an average annual growth rate of -2.14%, while the construction sector had the lowest average annual growth of -2.28%. The tertiary sector (trade, transport, finance and the community services) contributed the most to the GVA within Free State at 69.0%. The primary sector (agriculture and mining) contributed a total of 15.9% (ranking second), while the secondary sector (manufacturing, electricity and construction) contributed the least at 15.1%. The finance sector is expected to grow fastest at an average of 3.49% annually from R 36.8 billion in Free State to R 43.7 billion in 2025. The community services sector is estimated to be the largest sector within the province in 2025, with a total share of 28.5% of the total GVA (as measured in current prices), growing at an average annual rate of 0.8%. The sector that is estimated to grow the slowest is the mining sector with an average annual growth rate of -2.21%. The majority of the province's workforce in Q3: 2021 were employed in Community & Social Services (178 000), followed by Trade (163 000) and Finance (88 000). Employment in the key drivers, from Q3:2020 to Q3:2021 (year-on-year) in the Free State's Agriculture, Mining and Transport have increased by 48.4%, 15.7% and 14.7% respectively. Manufacturing, however recorded a decline of 34.7%.
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 Mofutsanyane 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. Mangaung had the highest average annual economic growth, averaging 0.79% between 2010 and 2020 followed by Fezile Dabi with the second highest average annual growth rate of 0.67%. Lejweleputswa recorded the lowest average annual growth rate of -1.44% between 2010 and 2020. Thabo Mofutsanyana and Xhariep recorded an average annual growth of 0.06% and 0.15% respectively. It is forecasted that Fezile Dabi will achieve the highest average annual growth rate of 2.49% from 2020 to 2025, followed by Thabo Mofutsanyane, averaging 1.89% and Mangaung averaging 1.88%. Xhariep and Lejweleputswa to achieve an average annual growth rate of 1.55% and 0.66% respectively.

	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 councilors 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. There were 1.86 million people living in poverty in 2020, using the upper poverty line definition, across Free State - this is 12.94% higher than the 1.65 million in 2010. The percentage of people living in poverty has increased from 59.51% in 2010 to 63.01% in 2020, which indicates an increase of 3.5 percentage points. It is reported that approximately 18 million South Africans as of 2019 received social grants, relief assistance or social relief. The total number of grants paid in Free State grew from approximately 850 000 in 2010 to 1 027 000 in 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 0.63 over the ten-year period from 2010 to 2020 indicating an increase in income inequality. When segmenting the 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 0.50%. The Coloured population increased the least with 0.22%. The White and Asian population recorded average annual growth rates of 0.23% and 0.26% respectively. The per capita income for Free State (R 66,700) is higher than that of the South Africa as a whole which is R 66,600. Western Cape has the highest per capita income with a total of R 91,800. In Free State, the White population group has the highest per capita income, with R 302,000, relative to the other population groups followed by the Asian population group (R 131,000). The Coloured and the African population groups had a per capita income of R 72,700 and R 41,800 respectively.
Problem Statement	Data
The Free State province is currently not achieving its tourism goals given its attractive tourism resource base and offerings.	According to the Tourism Business Council of South Africa (TBCSA), the country's tourism industry has lost more than R68 billion in tourism spend since the national lockdown began. This is a significant drop when compared to total tourism spend of 2018 at R273.2 billion. Domestic tourism accounted for 56% of total spend and 44% was international inbound travel. According to TBCSA, this translates roughly to R22.7 billion per month and R748 million per day in lost tourism expenditure. According to SAT, the sector has lost an estimated R88 billion in value in 2020; this includes a loss of 438 000 jobs in 2020 alone. The sector is looking at an estimated loss of output of R411 billion towards the end of 2022. The main destination for day trips from January to December 2019 were trips to Gauteng (24, 6%), followed by trips to Limpopo and Western Cape (16, 5% and 14, 2%, respectively). Tourists were less likely to visit Mpumalanga (9, 5%), KwaZulu-Natal (6, 1%) and Northern Cape (5, 1%). Free State was the least visited province in the country with respect to day trips, as only 4, 9% of the total day trips had this province as their destination. The number of trips by tourists visiting Free State from other regions in South Africa has decreased at an average annual rate of -8.68% from 2010 (2.29 million) to 2020 (922 000). The tourists visiting from other countries decreased at an average annual growth rate of -6.47% (from 455 000 in 2010 to 233 000). International tourists constitute 20.16% of the total number of trips, with domestic tourism representing the balance of 79.84%.

	The province had a total tourism spending of R 5.33 billion in 2020 with an average annual growth rate of -5.4% since 2010 (R 9.29 billion).
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 2021/22 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 2021/22 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:

1.1 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	R37, 847m (96.76%) of the original budget of R39, 113m was used for infrastructure development used.	Use 100% of the allocated budget.	R37,847m (96,76%) of the original budget of R39,113m 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 and still discussing the needs and requirements of various resorts and finalization of priorities and budgets. Result is a fully functioning and up to date UAMP report.	Monthly physical and virtual meetings held between all the role players (Appointed 3 Year Framework Panel of Contractors; and Engineering Consultants).
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 role players (Appointed 3 Year Framework Panel of Contractors; and Engineering Consultants).
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 Advertisements made: 1. Development of Infrastructure Framework. 2. Appointment of a Consultant.
Openness and Transparency		

Open and Transparent Tendering System. Engineering Consultants: There is one Engineering Consultant which was appointed through the transparent SCM processes. Contractors: 14 Contractors were appointed on a 3 years basis through the transparent SCM processes.	Open and Transparent Tendering System. Apply SCM processes; 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 SCM processes; PAJA and PAIA.
Redress		
Apply SCM; PAJA and PAIA. There are application appropriate construction and engineering principles in the built environment.	Apply SCM; PAJA and PAIA provision. There are application appropriate construction and engineering principles in the built environment.	All challenges that need redress are done through the .application of appropriate construction and engineering principles in the built environment of Provision made under SCM; 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. Improvements of staff housing in ensuring the well-being and safe environment of Destea employees working at the various resorts.

Human resource

Current/actual arrangements	Desired arrangements	Actual achievements
Internal Infrastructure Development and Maintenance Office. Engineering Consultant 14 Construction Contractors	There is still a need for internal human capital needs in the following: • Administration clerk x 1 • Data Capturer x 1 • Chief artisan x 1 • General workers x 8 • Store keeper x 1	The Infrastructure Development and Maintenance Manager has been appointed as per the desired outcome from the previous report. Consultants appointed to increase output and to improve efficiency and effectiveness of the section. A panel of Construction Contractors has been achieved.
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
Resort Managers lodge infrastructure complaints to the infrastructure office. The infrastructure office sends out team for assessment and quantification. The contractors make quotations and price agreed on which are in line with the market related rates amongst the infrastructure team. The contractors appointed through SCM processes and implementation of corrective measures ensues.	The current process is the desired one.	The process was achieved and is currently being implemented.

1.2 Black Industrialist

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Black Industrialist	• **SMMEs** • **Manufacturers**	Assisted 3 black industrialists.	Assist 5 Black industrialists.	5 Black Industrialist 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.	Public was invited to the virtual Launched that was held by DESTEA MEC.
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 Centres only.	Assistance provided from Head Office and the Service Centres only.	Application submitted online and Manual at Head Office and Service Centres.
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.	1 Advert was placed on social media (Facebook and DESTEA website) and the closing date was extended for the applications.
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, FDC.
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.	Potential jobs expected to be created and improved economic growth expected.
Human Resource		
3	n/a	2 Officials from other units were assisting during the application process.

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, FDC.

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. Customer Care Unit, that consists of various platforms that you can utilise to lodge complaints such as WhatsApp, Telephone, website, Email and Department System (Kwantu).

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 2022, the Department had a workforce of 663, this is inclusive of 646 permanent employees and 17 contract workers. The current vacancy rate is standing at 18.85% which is higher than the benchmark of 10%.

The total number of employees who left the department is 40, which translates into 6.03% of the total workforce. The figure is lower than the national benchmark of 8%. It can also be indicated that the figure has gone up as compared to last year where the department was standing at 4.31%. Of the 40 officials who left the department, 7 resigned, 8 were transferred, 3 left due to ill-health retirement, 8 left due to normal / compulsory retirement, 2 left due to early retirement, 6 were a result of death, 4 officials contracts expired and 2 dismissals.

The majority of employees who left the department are due to retirements and transfers. The significant high number of attrition is of concern because 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 663 employees, 103 (15.54%) are between the ages of 18 and 35 years (youth), 116 (17.50%) are between the ages of 36 and 39, 224 (33.79%) are between the ages of 40 and 49, 194 (29.26%) are between the ages of 50 and 59, 26 (3.92%) are between the ages of 60 and 65. One hundred and twelve (112) of these employees will be retiring in the next 5-10 years through normal and/or compulsory retirement. Of this number, 84 (75%) are from Environmental Management Branch, 17 (15.18%) from Administration, 9 (8.04%) are from Economic Development and 2 (1.79%) are from Tourism Support. 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.

Twenty three (23) grievances were lodged during 2021/22 financial year, of the 16 grievances lodged were resolved within 30 days that translates to 70%. All the grievances were successfully resolved during this financial year.

Twenty one (21) misconduct cases were handled during the 2021/22 financial year. Nine (9) cases were finalised during the year in review and 12 are outstanding. 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 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 2022 Status
1. Improved economic growth	i. Rate of economic growth (GDP)	IED	3.2%	Free State annual growth rate of 3.87% in 2021[1]
2. Sustainable job creation.	i. Official unemployment rate	IED	23% 277 500 unemployed	Q4: 2021 36.7% 421 000 people unemployed[2]
3. Increased private sector investment.	i. Rate of investment as % of GDP	IED	FDI 5.8% of FS GDP	Investment in SA 12.5% of GDP in Dec 2021[3] Total trade as % of GDP 5.4% in 2021[4]
	ii. Foreign direct investment in FS	IED	R10.9 billion in FS or increased FDI by 30% from 8.4bn baseline	Total Trade in Free State R16.77 billion[5]

1 IHS Markit Regional eXplorer version 2236
2 Statistics SA, QLFS Q4: 2021
3 https://www.ceicdata.com/en/indicator/south-africa/investment--nominal-gdp
4 Total International Trade as % of GDP used as proxy for FDI as % of GDP (IHS Markit Regional eXplorer 2236 (2.6p))
5 Total International Trade used as proxy for FDI in FS (IHS Markit Regional eXplorer 2236 (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	30% of land black owned, 13% black ownership of mines 18% of black owned tourism facilities
	ii. FS competitiveness outlook	SBD	Free State competitiveness ranked seventh out of nine regional economies contributing to National GDP	Free State had a total GDP of R 309 billion in 2021 and ranked eighth to the regional economies in South Africa
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 CCI declined from -9 to -13 index points during Q1 2022 previous period[6] Annual consumer price inflation (CPI) 5.9% in March 2022[7]
6. Increased tourism market share	i. Percentage growth in tourism contribution towards provincial GDP	TOURISM	15% of GDP	Tourism spending as a percentage of GDP in 2021 5.43%[8]

Impact: Sustainable environmental management

Outcome	Outcome Indicator	Responsibility	Five Year Target	Measured Cumulative 2022 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	Climate change response and adaptation sector plan developed internally.

6 https://tradingeconomics.com/south-africa/consumer-confidence
7 Statistics SA, Consumer Price Index – March 2022
8 IHS Markit Regional eXplorer version 2236

2. Reduced greenhouse gas emissions	Number of municipalities with the capacity to implement climate change programmes	EA	15 municipalities	2 Municipalities: Fezile Dabi Mangaung Metro
	Number of municipalities with access to climate change funding/financing (green climate fund, climate adaptation fund)	EA	9 municipalities	Funding training session held for 5 municipalities
3. Reduced provincial waste disposal to landfills	Number of municipal with landfills operating illegally.	EA	Zero operating illegally	1% reduction
	Waste generation tonnage	EA	4 156 921.35 tons (25% reduction)	5,106,953.7 tons (8% reduction)
4. Effective bio-diversity management	Protected species poaching occurrences	EA	Zero occurrences	0% reduction
	Hectares in the FS conservation estate	EA	1 067 585ha or 15.5% increase	959811 hectares (1% increase)
5. Improved investment and growth in the Biodiversity Economy	Number of black game farmers	EA	80 black game farmers	50 black game farmers
	Percentage wildlife production units	IED	25% increase in wildlife production units to 30%	0% increase

Impact: A capable, ethical and developmental organization

Outcome	Outcome Indicator	Responsibility	Five Year Target	Measured Cumulative 2022 Status
1. Functional and integrated organization	Organizational integration levels	HR	Expected depth of integration = Level 4 (Collaboration)	Observed integration = Level 1 (Awareness)
2. Ethical,capable and professional workforce	Occurrence of corruption cases in the department	SECURITY AND ANT-CORRUPTION	Zero cases	One case
3. Improved governance	Annual audit outcomes	CFO	Clean Audit	Qualified

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

Management Services

Programme: Administration								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2019/2020**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Achievement 2021/2022**	**Deviation from planned target 2021/2022**	**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 recommendations	-	1	1	1	n/a	n/a
	Revised Operations Management Framework (OMF) Blocks	Number of OMF Blocks revised.	4	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 2019/2020**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Achievement 2021/2022**	**Deviation from planned target 2021/2022**	**Reasons for Deviations**
Ethical, capable and professional workforce	**Visible campaigns on ethics**	Number of campaigns on ethics conducted	4	4	4	6	+2	2 additional campaign was conducted as recommended by AGSA.
		Number of anti-corruption and fraud campaigns	-	-	4	7	+3	3 additional campaign was conducted as recommended by AGSA.
Improved governance	**National Hotline cases investigated**	Percentage of hotline cases investigated	-	100%	100%	100%	n/a	n/a
	Fraud and corruption cases referred to SAPS	Percentage of fraud and corruption cases referred to SAPS	-	100%	100%	100%	n/a	n/a

Sub Programme: Internal Audit and Risk Management								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2019/2020**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Achievement 2021/2022**	**Deviation from planned target 2021/2022**	**Reasons for Deviations**
Improved governance	**Approved Strategic Internal Audit documents for governance oversight**	Number of strategic documents developed	3	3	3	3	n/a	n/a
		Number of status analysis reports with recommendations developed	-	13	13	13	n/a	n/a
	Consolidated Risk register	Strategic risk register aligned to the Department's strategic outcomes	-	1	1	1	n/a	n/a
Ethical, capable and professional workforce	**Efficient business continuity**	Develop a Business Continuity Plan	-	-	1	1	n/a	n/a
		Facilitate a Business Impact Analysis	-	1	1	1	n/a	n/a
		Roll out a Business Continuity Plan	-	-	0	-	-	-

Supply Chain Management, Fleet and Assets

Sub Programme: Supply Chain Management, Fleet and Assets								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2019/2020**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Achievement 2021/2022**	**Deviation from planned target 2021/2022**	**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 change in procurement spend savings due to sourcing strategy	-	20%	20%	0%	-20%	No savings could be realized due to budget pressures.
	Consolidated DESTEA Asset Register	Number of consolidated asset registers prepared for AGSA audit	-	1	1	1	n/a	n/a

	Consolidated DESTEA fleet account	Number of fleet accounts prepared for AGSA audit	-	1	1	1	n/a	n/a
	Modernised SCM business processes	Number of modernised SCM processes	-	1	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%	100%	n/a	n/a
	Reduced irregular expenditure	Percentage reduction in irregular expenditure	-	50%	80%	98%	+18%	Due to strengthened internal control measures.
Transformed economic structure	Procurement spend on SMME's ring-fenced	Percentage of procurement spend on SMMEs relating to DESTEA's 15 most procured-items	80.66%	70%	70%	83%	+13%	Due to improved compliance to the Demand and Procurement Plans

Corporate Services

Sub Programme: Corporate Services								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2019/2020**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Achievement 2021/2022**	**Deviation from planned target 2021/2022**	**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%	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	1	1	n/a	n/a
	Improved integrated functionality	Number of service integration surveys concluded	-	-	0	-	-	-

Improved governance	Talent managed and developed	Number of training programmes conducted to ensure competent workforce	-	2	8	13	+5	Other additional trainings were budgeted for by line functions.
	Human capital growth	Percentage reduction in vacancy rates of core business functions	-	5%	4%	0.23%	-3.77%	The Department advertised 47 posts in July 2021 but the posts could not be filled as Treasury indicated that there were no funds to fill posts.
	Improved organizational productivity	Percentage change in organizational productivity levels	-	5%	0	-	-	-
	Modernized HR processes	Number of processes modernized	-	-	0	-	-	-
	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 2019/2020**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Achievement 2021/2022**	**Deviation from planned target 2021/2022**	**Reasons for Deviations**
Functional and integrated organization	Improved network connectivity	Percentage remote offices with fully functional network connectivity	-	30%	70%	29%	-41%	ICT submitted Requests for Network Connectivity at the Departmental Offices to SITA in 2019. The department only received a Proposal for Network Expansion and Equipment for the Head Office and is still awaiting a proposal for the Remote Offices.

	Organizational capacity to articulate and communicate programmes and impacts strengthened	Number of communication toolkits for middle and senior management developed and disseminated	-	4	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	-	16	24	24	n/a	n/a
		Percentage of economically active population in the FS reached	-	70%	75%	76%	+1%	Due to intensified campaigns.
	Public opinion of the organization monitored	Number of surveys conducted to determine public opinion of the organization	-	1	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	n/a	n/a
Improved governance	Business processes modernized	Number of departmental business processes modernized	-	3	3	3	n/a	n/a
	Business continuity ensured	Number of disaster management programmes managed / developed	-	1	1	1	n/a	n/a

Strategies to overcome areas of underperformance:

- Continue lobbying Provincial Treasury to allocated funds for the filling of critical posts.
- Improve the working relationship with SITA.
- Improved cost savings.

Linking performance with budgets

Sub- Programme Name	2020/21			2021/22		
	Final Appropriation	Actual Expenditure	(Over) / Under Expenditure	Final Appropriation	Actual Expenditure	(Over) / Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the MEC	11,650	11,915	(265)	12,897	11,939	958
Management Services	35,112	42,789	(7,677)	45,408	44,635	773
Financial Management	85,297	75,937	9,360	81,962	83,048	(1,086)
Corporate Services	41,192	44,062	(2,870)	53,230	51,981	1,249
TOTAL	**173,251**	**174,703**	**(1,452)**	**193,497**	**191,603**	**1,894**

4.2 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	1. Environmental Policy Planning and Coordination 2. Compliance and Enforcement 3. Environmental Quality Management 4. Biodiversity Management 5. 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 2019/2020**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Achievement 2021/2022**	**Deviation from planned target 2021/2022**	**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	0	0	-	-
		Number of climate change adaptation plans for vulnerable sectors developed based on COP 25 Determinations	-	1	1	1	-	-
	Implementation of climate change programmes and adaptation measures	Number of climate change response interventions implemented	1	1	5	8	+3	MEC Outreach Programme and additional requests received.
	Development of environmental research projects	Number of environmental research projects completed:	4	6	5	5	n/a	n/a
		- Green issue research			3	3	n/a	n/a
		- Brown issue research			2	2	n/a	n/a
	Development and implementation of environmental management instruments, planning tools and environmental	Number of inter-governmental sector programmes implemented	1	-	1	1	n/a	n/a
		Number of legislated tools developed	1	-	1	1	n/a	n/a

Programme: Environmental Affairs								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2019/2020**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Achievement 2021/2022**	**Deviation from planned target 2021/2022**	**Reasons for Deviations**
Sub Programme: Environmental Policy Planning and Coordination								
	sector programmes	Number of functional environmental information management systems maintained	5	-	2	2	n/a	n/a
	Municipalities supported	Number of municipalities with access to climate change funding:	-	5	5	19	+14	More local municipalities attended than planned.
		- 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:	-	4	5	5	n/a	n/a
		- Mangaung	-	1	1	1	n/a	
		- Xhariep	-	1	1	1	n/a	
		- Lejweleputswa	-	1	1	1	n/a	
		- Fezile Dabi	-	1	1	1	n/a	
		- Thabo Mofutsanyane	-	-	1	1	n/a	
	Ecological sensitive areas spatially mapped	Number of areas spatially mapped	-	2	2	2	n/a	n/a

Compliance and Enforcement

Programme: Environmental Affairs								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2019/2020**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Achievement 2021/2022**	**Deviation from planned target 2021/2022**	**Reasons for Deviations**
Sub Programme: Compliance and Enforcement								
Effective bio-diversity management	Completed criminal investigations handed to the NPA	Number of completed green issues criminal investigation handed to NPA for prosecution	3	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
	Administrative enforcement notices complied with	Number of administrative enforcement notices issued for non-compliance with environmental management legislation	14	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.
	Compliance to legal obligations in respect of licensed facilities inspected	Number of compliance inspections conducted for brown issues:	36	28	24	32	+8	More inspections were conducted to improve compliance with environmental legislation.
		- Mangaung	-	-	5	4	-1	
		- Xhariep	-	-	5	0	-5	
		- Lejweleputswa	-	-	5	9	+4	
		- Fezile Dabi	-	-	5	11	+6	
		- Thabo Mofutsanyane	-	-	4	8	+4	

Programme: Environmental Affairs								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2019/2020**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Achievement 2021/2022**	**Deviation from planned target 2021/2022**	**Reasons for Deviations**
Sub Programme: Compliance and Enforcement								
		Number of compliance inspections conducted for green issues	515	310	120	524	+404	More Inspections were conducted to improve compliance with environmental legislation.
		Change in the number of EMIs (Green scorpions) at provincial level to be able to deal with compliance issues	-	3	2	2	n/a	n/a

Environmental Quality Management

Programme: Environmental Affairs								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2019/2020**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Achievement 2021/2022**	**Deviation from planned target 2021/2022**	**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	0	0	-	-
	Transition plans for high carbon emitting sectors developed or revised	Number of transition plans developed / adopted for high carbon emitting sectors	-	-	1	1	n/a	n/a
	Functioning government owned air	Number of government owned ambient air	-	1	0	0	-	-

Programme: Environmental Affairs								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2019/2020**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Achievement 2021/2022**	**Deviation from planned target 2021/2022**	**Reasons for Deviations**
Sub Programme: Environmental Quality Management								
	quality monitoring stations	quality monitoring stations meeting minimum data requirements and reporting to the SAAQIS						
Reduced provincial waste disposal to landfills	Effective waste management	Number of waste landfill sites environmentally audited:	7	25	30	30	n/a	n/a
		- Mangaung	-	-	6	2	-2	
		- Xhariep	-	-	6	8	+2	
		- Lejweleputswa	-	-	6	5	-1	
		- Fezile Dabi	-	-	6	8	+2	
		- Thabo Mofutsanyane	-	-	6	7	+1	
		Number of municipal landfills / disposal sites legalized	-	1	1	1	n/a	n/a
		Tonnage of waste diverted from landfill sites	-	53.72t	0	0	-	-
	Environmental authorization permits issued within legislated timeframes (Waste)	Percentage of complete waste license applications finalized within legislated timeframes	0	100%	70%	100%	+30%	Only one (1) application was received and finalized within legislated timeframes.
	Waste separation at source promoted	Number of municipalities supported with separation at source:	-	3	2	2	n/a	n/a
		- Mangaung	-	-	0	0	-	
		- Xhariep	-	-	1	1	n/a	
		- Lejweleputswa	-	-	0	0	-	
		- Fezile Dabi	-	-	1	1	n/a	
		- Thabo Mofutsanyane	-	-	0	0	-	

Programme: Environmental Affairs								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2019/2020**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Achievement 2021/2022**	**Deviation from planned target 2021/2022**	**Reasons for Deviations**
Sub Programme: Environmental Quality Management								
	Plastic waste managed	Number of initiatives taken to reduce the impact of plastic waste	-	1	1	1	n/a	n/a
Effective bio-diversity management	Environmental authorization permits issued within legislated timeframes (EIA's)	Percentage of complete EIA applications finalized within legislated timeframes	70%	84%	60%	91%	+31%	Good quality reports and availability of consultants.
	Developers and general public informed on EIA matters	Number of sessions conducted on EIA matters	-	5	1	1	n/a	n/a
	Illegal activities penalized	Number of section 24G application finalized	3	4	1	7	+6	Due to improved cooperation from consultants and applicants, more applications were finalized.
Sustainable job creation	Waste recycling initiatives concluded (In conjunction with ESBD)	Number of awareness workshops for waste pickers	-	5	5	5	n/a	n/a
		Number of waste management recycling enterprises trained:	-	18	5	9	+4	More enterprises availed themselves for the capacity building training.
		- Mangaung	-	-	1	0	-1	
		- Xhariep	-	-	1	0	-1	
		- Lejweleputswa	-	-	1	0	-1	
		- Fezile Dabi	-	-	1	0	-1	
		- Thabo Mofutsanyane	-	-	1	9	+8	

Programme: Environmental Affairs								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2019/2020**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Achievement 2021/2022**	**Deviation from planned target 2021/2022**	**Reasons for Deviations**
Sub Programme: Environmental Quality Management								
		Number of recycling facilities and buy-back centres supported with equipment and/or infrastructure and/or training:	-	1	5	5	n/a	n/a
		- Mangaung	-	-	1	2	+1	
		- Xhariep	-	-	1	0	-1	
		- Lejweleputswa	-	-	1	2	+1	
		- Fezile Dabi	-	-	1	0	-1	
		- Thabo Mofutsanyane	-	-	1	1	n/a	
		Number of indirect jobs created via green economy initiatives (Non-EPWP):	-	90	100	164	+63	More waste pickers arrived for the capacity building training.
		Mangaung:				**15**		
		- Males	-	-	4	7	+3	
		- Females	-	-	4	8	+4	
		- Youth	-	-	4	0	-4	
		- Disable	-	-	4	1	-3	
		- War Veterans	-	-	4	0	-4	
		Xhariep:				**11**		
		- Males	-	-	4	0	-4	
		- Females	-	-	4	11	+7	
		- Youth	-	-	4	0	-4	
		- Disable	-	-	4	0	-4	
		- War Veterans	-	-	4	0	-4	
		Lejweleputswa:				**92**		
		- Males	-	-	4	22	+18	
		- Females	-	-	4	70	+66	
		- Youth	-	-	4	0	-4	
		- Disable	-	-	4	10	+6	
		- War Veterans	-	-	4	0	-4	
		Fezile Dabi:				**0**		
		- Males	-	-	4	0	-4	

Programme: Environmental Affairs								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2019/2020**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Achievement 2021/2022**	**Deviation from planned target 2021/2022**	**Reasons for Deviations**
Sub Programme: Environmental Quality Management								
		- Females - Youth - Disable - War Veterans	- - - -	- - - -	4 4 4 4	0 0 0 0	-4 -4 -4 -4	
		Thabo Mofutsanyane: - Males - Females - Youth - Disable - War Veterans	- - - - -	- - - - -	4 4 4 4 4	**46** 23 22 0 1 0	+19 +18 -4 -3 -4	

Biodiversity Management

Programme: Environmental Affairs								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2019/2020**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Achievement 2021/2022**	**Deviation from planned target 2021/2022**	**Reasons for Deviations**
Sub Programme: Biodiversity Management								
Effective bio-diversity management	Management and protection programmes of conservation areas implemented	Percentage of area of state managed protected areas assessed with a 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%.
	Environmental authorization	Number of permits issued	3664	2839	1000	3706	+2706	The target of 1000 for the year was

Programme: Environmental Affairs								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2019/2020**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Achievement 2021/2022**	**Deviation from planned target 2021/2022**	**Reasons for Deviations**
Sub Programme: Biodiversity Management								
	permits issued within legislated timeframes							based on previous year trends. Additional unplanned applications were received and therefore more permits were issued.
		Percentage of complete biodiversity management permits issued within legislated timeframes.	-	-	70%	93%	+23%	Excellent internal control measures.
	Increase in conservation areas	Number of hectares under the conservation estate	952413	953913	953913	953913 (zero hectares were added)	n/a	n/a
	Rehabilitation programmes implemented	Number of wetlands under rehabilitation / restoration	-	0	0	0	-	-
	Protected species poaching occurrences reduced	Number of Green Muzzle Operations conducted	-	15	12	17	+5	Due to instruction from DFFE National Enforcement Office and new operation called The Lion Heart.
		Number of Admission of Guilt fines issued	9	5	5	22	+17	There was an increase in prosecution for non-compliance with environmental legislation.
Improved investment and growth in the	Increase in contribution of biodiversity jobs to economic	Number of biodiversity economy initiatives implemented	2	1	1	1	n/a	n/a

Programme: Environmental Affairs								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2019/2020**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Achievement 2021/2022**	**Deviation from planned target 2021/2022**	**Reasons for Deviations**
Sub Programme: Biodiversity Management								
Biodiversity Economy	growth and development (In conjunction with ESBD)	Number of youth, women, and PDI's participating in the biodiversity economy via DESTEA programmes:	-	120	40	40	n/a	n/a
		Mangaung: - Males - Females - Youth - Disable - War Veterans	 - - - - -	 - - - - -	 3 5 7 1 1	**16** 8 4 4 0 0	 +5 -1 -3 -1 -1	
		Xhariep: - Males - Females - Youth - Disable - War Veterans	 - - - - -	 - - - - -	 3 5 7 1 1	**8** 5 3 0 0 0	 +2 -2 -7 -1 -1	
		Lejweleputswa: - Males - Females - Youth - Disable - War Veterans	 - - - - -	 - - - - -	 3 5 7 1 1	**5** 5 0 0 0 0	 +2 -5 -7 -1 -1	
		Fezile Dabi: - Males - Females - Youth - Disable - War Veterans	 - - - - -	 - - - - -	 3 5 7 1 1	**0** 0 0 0 0 0	 -3 -5 -7 -1 -1	
		Thabo Mofutsanyane: - Males - Females - Youth - Disable - War Veterans	 - - - - -	 - - - - -	 3 5 7 1 1	11 2 1 8 0 0	 -1 -4 +1 -1 -1	

Programme: Environmental Affairs								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2019/2020**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Achievement 2021/2022**	**Deviation from planned target 2021/2022**	**Reasons for Deviations**
Sub Programme: Biodiversity Management								
	Black game farmers supported (In conjunction with ESBD)	Number of black game farmers supported:	18	60	50	2	-48	Due to unavailability of famers themselves.
		Mangaung: - Males - Females - Youth - Disable - War Veterans	 - - - - -	 - - - - -	 2 2 2 2 2	 1 0 0 0 0	 -1 -2 -2 -2 -2	
		Xhariep: - Males - Females - Youth - Disable - War Veterans	 - - - - -	 - - - - -	 2 2 2 2 2	 0 0 0 0 0	 -2 -2 -2 -2 -2	
		Lejweleputswa: - Males - Females - Youth - Disable - War Veterans	 - - - - -	 - - - - -	 2 2 2 2 2	 1 0 0 0 0	 -1 -2 -2 -2 -2	
		Fezile Dabi: - Males - Females - Youth - Disable - War Veterans	 - - - - -	 - - - - -	 1 1 1 1 1	 0 0 0 0 0	 -2 -2 -2 -2 -2	
		Thabo Mofutsanyane: - Males - Females - Youth - Disable - War Veterans	 - - - - -	 - - - - -	 3 3 3 3 3	 0 0 0 0 0	 -2 -2 -2 -2 -2	
		Number of abattoirs registered or upgraded or	-	1	2	0	-2	Insufficient human resources

Programme: Environmental Affairs								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2019/2020**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Achievement 2021/2022**	**Deviation from planned target 2021/2022**	**Reasons for Deviations**
Sub Programme: Biodiversity Management								
		Number of BEE taxidermists facilities supported	-	1	0	0	-	-
		Number of BEE professional hunters capacitated to operate:	-	2	0	0	-	-
		- Mangaung	-	-	0	0	-	-
		- Xhariep	-	-	0	0	-	-
		- Lejweleputswa	-	-	0	0	-	-
		- Fezile Dabi	-	-	0	0	-	-
		- Thabo Mofutsanyane	-	-	0	0	-	-
	Improved biodiversity planning	Biodiversity plans updated	-	1	0	0	-	-
Sustainable job creation	SMME's supported through resort and reserve infrastructure development and maintenance	Number of contractors benefiting from infrastructure development and maintenance	-	10	14	14	n/a	n/a
	Change in job creation for designated groups	Number of job opportunities created through infrastructure development and maintenance:	-	46	75	120	+34	More maintenance work was needed than estimated
		Mangaung:				**69**		
		- Males	-	-	3	38	+35	
		- Females	-	-	3	31	+28	
		- Youth	-	-	3	57	+54	
		- Disable	-	-	3	1	-2	
		- War Veterans	-	-	3	0	-3	
		Xhariep:				**18**		
		- Males	-	-	3	18	+15	
		- Females	-	-	3	0	-3	
		- Youth	-	-	3	16	+13	

Programme: Environmental Affairs								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2019/2020**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Achievement 2021/2022**	**Deviation from planned target 2021/2022**	**Reasons for Deviations**
Sub Programme: Biodiversity Management								
		- Disable	-	-	3	0	n/a	
		- War Veterans	-	-	3	0	n/a	
		Lejweleputswa:				**4**		
		- Males	-	-	3	4	+3	
		- Females	-	-	3	0	-3	
		- Youth	-	-	3	0	-3	
		- Disable	-	-	3	0	-3	
		- War Veterans	-	-	3	0	-3	
		Fezile Dabi:				**7**		
		- Males	-	-	3	7	+4	
		- Females	-	-	3	0	-3	
		- Youth	-	-	3	3	n/a	
		- Disable	-	-	3	0	-3	
		- War Veterans	-	-	3	0	-3	
		Thabo Mofutsanyane:				**22**		
		- Males	-	-	3	19	+16	
		- Females	-	-	3	3	n/a	
		- Youth	-	-	3	9	+6	
		- Disable	-	-	3	0	-3	
		- War Veterans	-	-	3	0	-3	

Environmental Empowerment Services

Programme: Environmental Affairs								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2019/2020**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Achievement 2021/2022**	**Deviation from planned target 2021/2022**	**Reasons for Deviations**
Sub Programme: Environmental Empowerment Services								
Effective mitigation of climate change in vulnerable sectors (agriculture,	Promote more effective programmes on environmental awareness	Number of environmental awareness activities conducted	76	21	50	97	+47	Additional invitations received.

Programme: Environmental Affairs								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2019/2020**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Achievement 2021/2022**	**Deviation from planned target 2021/2022**	**Reasons for Deviations**
Sub Programme: Environmental Empowerment Services								
forestry health, water, human settlements, biodiversity**)**	Strengthen human capital pipeline within the environmental sector	Number of environmental capacity building activities conducted	26	21	20	21	+1	Additional capacity building session was conducted for EPWP members.
	Eco Schools Programme implemented	Number of schools registered in the eco-schools programme	198	100	50	97	+47	Partnership with external stakeholders (WESSA) and Fezile Dabi Forum.
	Awareness created on waste management (3R's-Reduce, Re-use, Recycle)	Number of waste management awareness sessions conducted for the public	-	20	10	11	+1	Due to additional invitations from stakeholders.
Increased economic growth	Clean towns promoting investment	Number of towns cleaned	6	25	10	10	n/a	n/a
		Number of open spaces transformed into eco-friendly zones	-	-	5	5	n/a	n/a
	Renewable energy promoted (In conjunction with ESBD)	Number of initiatives to promote the use of renewable energy in FS communities:	-	2	1	1	n/a	n/a
		- Mangaung	-	-	0	0	n/a	
		- Xhariep	-	-	1	1	n/a	
		- Lejweleputswa	-	-	0	0	n/a	
		- Fezile Dabi	-	-	0	0	n/a	
		- Thabo Mofutsanyane	-	-	0	0	n/a	
	Eco-tourism (Green Passport	Number of initiatives implemented to promote	-	6	5	7	+2	Campout Experience event was extended to other resorts

Programme: Environmental Affairs								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2019/2020**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Achievement 2021/2022**	**Deviation from planned target 2021/2022**	**Reasons for Deviations**
Sub Programme: Environmental Empowerment Services								
	Project) promoted) (In conjunction with DESTEA Tourism)	eco-tourism in FS communities						due to its popularity.
Sustainable job creation	Create jobs through environmental public employment programmes	Number of work opportunities created through environmental public employments programmes (EPWP):	605	429	300	353	+53	Due to larger budget received than expected.
		Mangaung:				**46**		
		- Males	-	-	10	20	+10	
		- Females	-	-	20	26	+6	
		- Youth	-	-	27	29	+2	
		- Disable	-	-	1	0	-1	
		- War Veterans	-	-	2	0	-2	
		Xhariep:				**76**		
		- Males	-	-	10	21	+11	
		- Females	-	-	20	55	+35	
		- Youth	-	-	27	59	+32	
		- Disable	-	-	1	0	-1	
		- War Veterans	-	-	2	0	-2	
		Lejweleputswa:				**88**		
		- Males	-	-	10	33	+23	
		- Females	-	-	20	55	+35	
		- Youth	-	-	27	51	+24	
		- Disable	-	-	1	0	-1	
		- War Veterans	-	-	2	0	-2	
		Fezile Dabi:				**32**		
		- Males	-	-	10	7	-3	
		- Females	-	-	20	25	+5	
		- Youth	-	-	27	16	-11	
		- Disable	-	-	1	0	-1	
		- War Veterans	-	-	2	0	-2	
		Thabo Mofutsanyane:				**111**		

Programme: Environmental Affairs								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2019/2020**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Achievement 2021/2022**	**Deviation from planned target 2021/2022**	**Reasons for Deviations**
Sub Programme: Environmental Empowerment Services								
		- Males	-	-	10	54	+44	
		- Females	-	-	20	57	+37	
		- Youth	-	-	27	65	+38	
		- Disable	-	-	1	0	-1	
		- War Veterans	-	-	2	0	-2	

Strategies to overcome areas of underperformance:

- Improve support to black game farmers
- Improved infrastructure maintenance

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

Output Indicators	Planned Target 2021/2022	Achievement 2021/2022	Deviation from planned target 2021/2022
Number of administrative enforcement notices issued for non-compliance with environmental management legislation	12	14	+2
Number of completed green issues criminal investigation handed to NPA for prosecution	3	3	n/a
Number of completed brown issue criminal investigations handed to the NPA for prosecution	3	3	n/a
Number of compliance inspections conducted for brown issues	24	32	+8
Number of compliance inspections conducted for green issues	120	524	+404
Percentage of complete EIA applications finalized within legislated timeframes	60%	91%	+31%
Percentage of complete atmospheric emission licenses issued within legislated timeframes	n/a	n/a	n/a

Output Indicators	Planned Target 2021/2022	Achievement 2021/2022	Deviation from planned target 2021/2022
Percentage of complete waste license applications finalized within legislated timeframes	70%	100%	+30%
Percentage of complete biodiversity management permits issued within legislated timeframes	70%	93%	+23%
Number of environmental capacity building activities conducted	20	21	+1
Number of environmental awareness activities conducted	50	97	+47
Number of inter-governmental sector programmes implemented	1	1	n/a
Number of legislated tools developed	1	1	n/a
Number of functional environmental information management systems maintained	2	2	n/a
Number of environmental research projects completed: - Green issue research - Brown issue research	5 (3) (2)	5 (3) (2)	n/a
Number of climate change response interventions implemented	5	8	+3
Number of hectares under the conservation estate	953913	Zero increase	n/a
Percentage of area of state managed protected areas assessed with a METT score above 67%	70%	100%	+30%
Number of biodiversity economy initiatives implemented	1	1	n/a
Number of work opportunities created through environmental public employments programmes (EPWP):	300	353	+53

Linking performance with budgets

	2020/21			2021/22		
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	3,701	2,037	1,664	2,555	2,070	788
Compliance and Enforcement	13,975	15,663	(1,688)	17,640	16,949	521
Environmental quality Management	47,806	46,490	1,316	18,034	17,113	841
Biodiversity Management	115,114	116,401	(1,287)	137,027	136,650	377
Environmental Empowerment Services	9,594	9,533	61	12,919	12,011	855
Total	**190,190**	**190,124**	**66**	**188,175**	**184,793**	**3,382**

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	1. Integrated Economic Development 2. Economic Research and Planning 3. Small Business Development

Integrated Economic Development

Programme: Economic and Small Business Development								
Outcomes	Outputs	Output Indicators	Actual Achievement 2019/2020	Actual Achievement 2020/2021	Planned Target 2021/2022	Achievement 2021/2022	Deviation from planned target 2021/2022	Reasons for Deviations
Sub Programme: Integrated Economic Development								
Improved economic growth	Access to markets via various platforms (In conjunction with FDC, MAPSEZ)	Number of enterprises assisted with access to markets:	40	20	50	50	n/a	n/a
		- Mangaung	-	-	11	50	+39	
		- Xhariep	-	-	7	0	-7	
		- Lejweleputswa	-	-	10	0	-10	
		- Fezile Dabi	-	-	11	0	-11	
		- Thabo Mofutsanyane	-	-	11	0	-11	
	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 (In conjunction with FDC, MAPSEZ)	Number of industrialization projects realized	-	1	1	1	n/a	n/a
	Provincial agro-processing expanded (In conjunction with FDC, MAPSEZ)	Number of agro-processing partnerships facilitated	-	2	2	2	n/a	n/a
	SMME's in the mining sector supported	Number of mining projects supported	-	10	3	3	n/a	n/a
	Provincial mining symposium hosted	Number of mining symposiums hosted	-	1	0	0	n/a	n/a
	Intra-continental export agreements facilitated (In	Number of export initiatives facilitated	-	1	1	0	-1	Due to strict COVID related regulations, agreements

Programme: Economic and Small Business Development								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2019/2020**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Achievement 2021/2022**	**Deviation from planned target 2021/2022**	**Reasons for Deviations**
Sub Programme: Integrated Economic Development								
	conjunction with FDC)							could not be finalized
Sustainable job creation	Value chains in the identified priority sectors supported (In conjunction with FDC, MAPSEZ and FSGLTA)	Number of value chains supported	4	3	4	4	n/a	n/a
	Creation of job opportunities facilitated (In conjunction with FDC)	Number of jobs created:	-	12	10	13	+3	Due to larger budget received than expected.
		Mangaung:				**4**		
		- Males	-	-	1	2	+1	
		- Females	-	-	1	2	+1	
		- Youth	-	-	1	0	-1	
		- Disable	-	-	0	0	-	
		- War Veterans	-	-	0	0	-	
		Xhariep:				**6**		
		- Males	-	-	0	4	+4	
		- Females	-	-	1	2	+1	
		- Youth	-	-	1	0	-1	
		- Disable	-	-	1	0	-1	
		- War Veterans	-	-	0	0	-	
		Lejweleputswa:				**3**		
		- Males	-	-	0	3	+3	
		- Females	-	-	1	0	-1	
		- Youth	-	-	1	0	-1	
		- Disable	-	-	0	0	-	
		- War Veterans	-	-	1	0	-1	
		Fezile Dabi:				**0**	-	
		- Males	-	-	0	0	-	
		- Females	-	-	1	0	-	
		- Youth	-	-	0	0	-	
		- Disable	-	-	0	0	-	
		- War Veterans	-	-	0	0	-	

Programme: Economic and Small Business Development								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2019/2020**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Achievement 2021/2022**	**Deviation from planned target 2021/2022**	**Reasons for Deviations**
Sub Programme: Integrated Economic Development								
		Thabo Mofutsanyane:				**0**	-	
		- Males	-	-	0	0	-	
		- Females	-	-	0	0	-	
		- Youth	-	-	0	0	-	
		- Disable	-	-	0	0	-	
		- War Veterans	-	-	0	0	-	
	Government and private sector procurement localized	Number of procurement localization initiatives completed	-	1	2	2	n/a	n/a
	National Economic Support Programmes facilitated in the province	Number of national economic support programmes facilitated in the province	-	1	1	1	n/a	n/a
Increased private sector investment	Investment summits hosted (In conjunction with FDC)	Number of investment summits hosted	-	0	1	1	n/a	n/a
	Innovation supported by focussed investments (In conjunction with FDC)	Number of investment projects facilitated	1	4	3	3	n/a	n/a
	Incentive guidelines (incl. tax incentives) developed (In conjunction with FDC)	Provincial business incentive guideline developed	-	1	1	1	n/a	n/a
	A Trade and Investment Strategy developed and implemented for the province (In	Number of trade and investment strategies implemented	-	1	1	1	n/a	n/a

Programme: Economic and Small Business Development								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2019/2020**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Achievement 2021/2022**	**Deviation from planned target 2021/2022**	**Reasons for Deviations**
Sub Programme: Integrated Economic Development								
	conjunction with FDC)							
Transformed economic structure	Business ownership patterns in FS changed	Number of interventions to change ownership patterns concluded	-	1	2	0	-2	Reprioritization of human resources.
	Favourable cost of doing business in the Free State	Number of interventions concluded to improve the cost of doing business in FS	-	1	1	1	n/a	n/a

Economic Planning and Research

Programme: Economic and Small Business Development								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2019/2020**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Achievement 2021/2022**	**Deviation from planned target 2021/2022**	**Reasons for Deviations**
Sub Programme: Economic Planning								
Improved economic growth	SMMEs supported through risk sharing incentives (In conjunction with FDC)	Number of SMMEs supported through risk sharing incentives:	-	14	14	21	+7	Budget for the Risk Sharing Incentive was increased.
		Mangaung:			4	**19**	**+15**	
		- Males	-	-	1	11	+10	
		- Females	-	-	1	7	+6	
		- Youth	-	-	2	1	-1	
		Xhariep:			**4**	**0**	**-4**	
		- Males	-	-	1	0	-1	
		- Females	-	-	1	0	-1	

Programme: Economic and Small Business Development								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2019/2020**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Achievement 2021/2022**	**Deviation from planned target 2021/2022**	**Reasons for Deviations**
Sub Programme: Economic Planning								
		- Youth	-	-	2	0	-2	
		Lejweleputswa:			**2**	**2**	**n/a**	
		- Males	-	-	1	2	+1	
		- Females	-	-	0	0	-	
		- Youth	-	-	1	0	-1	
		Fezile Dabi:			**1**	**0**	**-1**	
		- Males	-	-	0	0	-	
		- Females	-	-	1	0	-1	
		- Youth	-	-	0	0	-	
		Thabo Mofutsanyane:			**3**	**0**	**-3**	
		- Males	-	-	1	0	-1	
		- Females	-	-	1	0	-1	
		- Youth	-	-	1	0	-1	
	Municipalities supported with integrated development planning and local economic planning	Number of municipalities supported:	8	23	9	17	+8	Invitations from Lejweleputswa and COGTA.
		- Mangaung	-	-	1	0	-1	
		- Xhariep	-	-	2	4	+2	
		- Lejweleputswa	-	-	2	5	+3	
		- Fezile Dabi	-	-	2	3	+1	
		- Thabo Mofutsanyane	-	-	2	5	+3	
	Black industrialists supported through incentive programmes (In conjunction with FDC, MAPSEZ and FSGLTA)	Number of black industrialists supported through incentives:	-	2	3	5	+2	Due to additional funds received.
		Mangaung:						
		- Males	-	-	0	0	-	
		- Females	-	-	0	2	+2	
		- Youth	-	-	0	0	-	
		Xhariep:						
		- Males	-	-	1	1	n/a	
		- Females	-	-	0	0	-	
		- Youth	-	-	0	0	-	
		Lejweleputswa:						
		- Males	-	-	0	0	-	
		- Females	-	-	1	1	n/a	
		- Youth	-	-	0	0	-	

Programme: Economic and Small Business Development								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2019/2020**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Achievement 2021/2022**	**Deviation from planned target 2021/2022**	**Reasons for Deviations**
Sub Programme: Economic Planning								
		Fezile Dabi:						
		- Males	-	-	0	0	-	
		- Females	-	-	0	0	-	
		- Youth	-	-	0	0	-	
		Thabo Mofutsanyane:						
		- Males	-	-	0	1	+1	
		- Females	-	-	0	0	-	
		- Youth	-	-	0	0	-	
	Improved compliance with the Consumer Protection Act	Number of pro-active inspections conducted on business compliance with various industry standards:	76	588	120	100	-20	Resources were temporarily re-directed to develop an implementation plan for business by-laws and compliance in municipalities, as well as Consumer Inspection Guidelines
		- Mangaung	-	-	24	19	-5	
		- Xhariep	-	-	24	13	-11	
		- Lejweleputswa	-	-	24	61	+37	
		- Fezile Dabi	-	-	24	0	-24	
		- Thabo Mofutsanyane	-	-	24	7	-17	
	Evidence for decision-making on improving economic growth in the Free State	Number of research documents on various economic indicators	-	4	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	1	n/a	n/a
Sustainable job creation	Direct jobs created	Number of direct jobs created:	-	104	90	64	-26	SMME's are employing less than anticipated.
		- Mangaung	-	-	20	96	+76	
		- Xhariep	-	-	15	0	-15	
		- Lejweleputswa	-	-	25	0	-25	

Programme: Economic and Small Business Development								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2019/2020**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Achievement 2021/2022**	**Deviation from planned target 2021/2022**	**Reasons for Deviations**
Sub Programme: Economic Planning								
		- Fezile Dabi	-	-	20	0	-20	
		- Thabo Mofutsanyane	-	-	10	9	-1	
		Number of municipalities assisted with the review of bi-laws:	-	0	15	17	+2	Due to optimization of resources.
		- Mangaung	-	-	3	2	-1	
		- Xhariep	-	-	3	3	n/a	
		- Lejweleputswa	-	-	3	3	n/a	
		- Fezile Dabi	-	-	3	3	n/a	
		- Thabo Mofutsanyane	-	-	3	7	+4	
	Capacity building interventions conducted at municipalities	Number of LED capacity building interventions at municipal level:	8	13	10	10	n/a	n/a
		- Mangaung	-	-	2	1	-1	
		- Xhariep	-	-	2	3	+1	
		- Lejweleputswa	-	-	2	2	n/a	
		- Fezile Dabi	-	-	2	2	n/a	
		- Thabo Mofutsanyane	-	-	2	2	n/a	
	Business competitiveness improved	Number of interventions to improve competitiveness concluded	-	8	1	1	n/a	n/a
Transformed economic structure	Economic concentrations reduced	Number of interventions to reduce economic concentrations concluded	-	2	1	1	n/a	n/a
	Barriers for new entrants reduced	Number of interventions to reduce barriers to new entrants concluded	-	2	1	1	n/a	n/a

Programme: Economic and Small Business Development								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2019/2020**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Achievement 2021/2022**	**Deviation from planned target 2021/2022**	**Reasons for Deviations**
Sub Programme: Economic Planning								
	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	2	n/a	n/a
Reduced illicit economic activity and corruption	FS consumers protected against illicit activities and corruption	Number of consumer awareness sessions conducted	36	32	16	37	+21	Due to additional invitations received.
	Consumer disputes resolved within prescribed timeframes	Number of consumer complaints resolved within prescribed timeframes	62	67	20	43	+23	Due to optimization of resources (interns).
Ethical, capable and professional workforce	Coordinated research and functioning platforms	Number of research platforms coordinated	-	3	3	3	n/a	n/a
Increased private sector investment	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	0	-1	Procurement delays due to poor service provider responses.

Small Business Development

Programme: Economic and Small Business Development								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2019/2020**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Achievement 2021/2022**	**Deviation from planned target 2021/2022**	**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 incentives:	-	738	500	516	+16	Due to partnership with Department of Small Business Development.
		Mangaung: - Males (20%) - Females (25%) - Youth (40%) - Disabled (2%) - War Veterans (3%) - Cooperatives (10%)	-	-	**115** 20% 25% 40% 2% 3% 10%	**386** 15% 19% 25% 1% 0% 0%	**+271** -5% -6% -15% -1% -3% -10%	
		Xhariep: - Males (20%) - Females (25%) - Youth (40%) - Disabled (2%) - War Veterans (3%) - Cooperatives (10%)	-	-	**80** 20% 25% 40% 2% 3% 10%	**0** 0% 0% 0% 0% 0% 0%	**-80** -20% -25% -40% -2% -3% -10%	
		Lejweleputswa: - Males (20%) - Females (25%) - Youth (40%) - Disabled (2%) - War Veterans (3%) - Cooperatives (10%)	-	-	**75** 20% 25% 40% 2% 3% 10%	**2** 0% 1% 0% 0% 0% 0%	**-75** -20% -24% -40% -2% -3% -10%	
		Fezile Dabi: - Males (20%) - Females (25%) - Youth (40%) - Disabled (2%) - War Veterans (3%) - Cooperatives (10%)	-	-	**115** 20% 25% 40% 2% 3% 10%	**126** 20% 15% 62% 3% 0% 0%	**-11** n/a -10% +22% +1% -3% -10%	
		Thabo Mofutsanyane: - Males (20%)	-	-	**115** 20%	**2** 0%	**-113** -20%	

Programme: Economic and Small Business Development								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2019/2020**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Achievement 2021/2022**	**Deviation from planned target 2021/2022**	**Reasons for Deviations**
Sub Programme: Small Business Development								
		- Females (25%) - Youth (40%) - Disabled (2%) - War Veterans (3%) - Cooperatives (10%)			25% 40% 2% 3% 10%	100% 0% 0% 0% 0%	+75% -40% -2% -3% -10%	
	SMME sustainability developed	Percentage of previous year supported SMME's sustainable after 12 months	-	50%	75%	37%	-38%	More SMME's seem to be unsustainable due to deterioration in general economic climate in the country.
	Rural and township hubs established (In conjunction with FDC)	Number of hubs supported:	-	2	1	1	n/a	n/a
		- Mangaung	-	-	0	0	-	
		- Xhariep	-	-	1	1	n/a	
		- Lejweleputswa	-	-	0	0	-	
		- Fezile Dabi	-	-	0	0	-	
		- Thabo Mofutsanyane	-	-	0	0	-	
	Retail agreements facilitated	Number of retail agreements facilitated	-	10	5	0	-5	Emphasis shift from spaza shops to SMME retailers
	BBBEE promoted	Number of BBBEE interventions conducted	4	3	2	2	n/a	n/a
	FS Stokvels supported (In conjunction with FDC)	Number of initiatives to support stokvels	-	1	1	2	+1	Due to additional partnerships with private sector (Absa & Standard Bank).
Sustainable job creation	Indirect jobs created	Number of indirect jobs created:	-	537	250	250	n/a	n/a
		- Mangaung	-	-	60	118	+58	
		- Xhariep	-	-	35	6	-29	

Programme: Economic and Small Business Development								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2019/2020**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Achievement 2021/2022**	**Deviation from planned target 2021/2022**	**Reasons for Deviations**
Sub Programme: Small Business Development								
		- Lejweleputswa	-	-	60	11	-49	
		- Fezile Dabi	-	-	40	28	-12	
		- Thabo Mofutsanyane	-	-	55	87	+32	
	Skills and entrepre - neurial training for young people not in employment ensured (In conjunction with FDC)	Number of training and skills development initiatives facilitated	-	1	2	2	n/a	n/a
	Financial sector (DFI funding for new entrants) transformed	Number of transformation initiatives facilitated	-	1	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	0	2	2	n/a	n/a
		- Mangaung	-	-	1	0	-1	
		- Xhariep	-	-	0	1	+1	
		- Lejweleputswa	-	-	0	0	-	
		- Fezile Dabi	-	-	0	0	-	
		- Thabo Mofutsanyane	-	-	1	1	n/a	

Strategies to overcome areas of underperformance:

- Prioritize the finalization of export agreements
- Increased efforts to change ownership patterns
- Higher emphasis on pro-active inspections

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
Economic and Small Business Development	COVID Relief Incentives	FS Province	516	n/a	R32 779	R32 130	SMME Support	Enterprises assisted with funding to recover from the impact of COVID-19.

Linking performance with budgets

	2020/21			2021/22		
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	38,967	38,978	(11)	90,052	88,776	1,276
Economic Research and Planning	144,634	143,040	1,594	121,413	120,076	1,337
Small Business Development	60,198	60,978	(780)	52,923	50,409	2,514
Total	**243,799**	**242,996**	**803**	**264,388**	**259,261**	**5,127**

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

Tourism Planning

Programme: Tourism								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2019/2020**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Achievement 2021/2022**	**Deviation from planned target 2021/2022**	**Reasons for Deviations**
Sub Programme: Tourism Planning								
Increased tourism market share	Provincial Tourism Sector Implemen - tation Plan, focussing on tourism service exports and value-adding (in conjunction with FSGLTA)	Provincial Tourism Sector Implemen - tation Plan developed	-	1	1	1	n/a	n/a

Programme: Tourism								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2019/2020**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Achievement 2021/2022**	**Deviation from planned target 2021/2022**	**Reasons for Deviations**
Sub Programme: Tourism Planning								
	Key tourism role-players monitored	Develop and maintain a compre - hensive FS tourism database accom - modating tourist guide details, tour operator details, accom - modation establish - ment details and tourist transport enterprise details, travel agents and visitor information centres	-	1	4	4	n/a	n/a

Tourism Growth and Development

Programme: Tourism								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2019/2020**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Achievement 2021/2022**	**Deviation from planned target 2021/2022**	**Reasons for Deviations**
Sub Programme: Tourism Growth and Development								
Increased tourism market share	Tourism marketing supported in conjunction with FSGLTA	Tourism month launched	-	-	1	1	n/a	n/a
	Implemen - tation of Tourism Development Support Programmes facilitated (in conjunction with FSGLTA)	Number of Eco-Tourism Develop - ment Support Programmes facilitated in the Province	-	-	5	5	n/a	n/a
	Regional (cross-border) tourism promoted (in conjunction with FSGLTA)	Partnerships established with neigh - bouring provinces and Lesotho for tourism promotion	-	-	3	3	n/a	n/a
Increased private sector investment	Tourism enterprise development facilitated (In conjunction with FSGLTA)	Number of tourism enterprises supported with access to external funding and DESTEA incentives	-	-	5	5	n/a	n/a
Transformed economic structure	An inclusive tourism sector promoted (in conjunction with FSGLTA)	Number of market access opportunities created for tourism enterprises in the province	8	8	5	5	n/a	n/a
	Tourism pre-grading assessments provided (in conjunction with FSGLTA)	Number of enterprises supported with pre-grading assess - ments	-	24	10	10	n/a	n/a
Improved economic growth rate	Township tourism promoted in conjunction with FSGLTA	Number of Kasi Tourism events facilitated	5	2	3	2	-1	The budget was reprioritized for the World Tourism Day, which was hosted in the province.
	Cultural / Heritage tourism in the FS, with emphasis on	Number of cultural / heritage tourism	1	1	1	1	n/a	n/a

Programme: Tourism								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievem ent 2019/2020**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Achievement 2021/2022**	**Deviation from planned target 2021/2022**	**Reasons for Deviations**
Sub Programme: Tourism Growth and Development								
	the youth, promoted	programmes facilitated						
Reduced illicit economic activity and corruption	Regular operations in conjunction with PROVJOINT relating to illegal activities	Number of operations conducted in partnership with PROV - JOINTS	4	8	6	2	-4	Operations mandate was changed by PROVJOINT, to illegal shops and farms.
	Tourism Safety Initiative implemented	Number of tourism hotspots identified for policing purposes	10	11	10	10	n/a	n/a

Tourism Sector Transformation

Programme: Tourism								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2019/2020**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Achievement 2021/2022**	**Deviation from planned target 2021/2022**	**Reasons for Deviations**
Sub Programme: Tourism Sector Transformation								
Transformed economic structure	Women prioritized in tourism programmes (in conjunction with FSGLTA)	Number of women supported through tourism programmes	-	10	8	8	n/a	n/a
	Tourism specific training provided	Number of training sessions conducted	8	8	6	6	n/a	n/a
	Community based tourism initiatives supported (in conjunction with FSGLTA)	Number of Community Tourism Organiza - tions supported	-	2	2	2	n/a	n/a
	Service Excellence in	Number of service	-	1	1	1	n/a	n/a

Programme: Tourism								
Outcomes	**Outputs**	**Output Indicators**	**Actual Achievement 2019/2020**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Achievement 2021/2022**	**Deviation from planned target 2021/2022**	**Reasons for Deviations**
Sub Programme: Tourism Sector Transformation								
	the FS Tourism industry improved (in conjunction with FSGLTA)	excellence awareness sessions facilitated						

Strategies to overcome areas of underperformance:

- Renewed emphasis on Kasi Tourism
- Request PROVJOINT to resume inclusion of tourism matters in their planning

Linking performance with budgets

	2020/21			2021/22		
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	2,792	2,723	69	9,727	8,111	1,616
Tourism Growth and Development	2,751	2,846	(95)	2,456	3,709	(1,253)
Transformation of Tourism Sector	1,705	1,652	53	2,115	1,925	190
Total	**7,248**	**7,221**	**27**	**14,298**	**13,745**	**553**

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	Key Outputs of the public entity	Amount transferred to the public entity (R)	Amount spent by the public entity (R)	Achievements of the public entity
Free State Gambling, Liquor and Tourism Authority	• Improved Gaming licensee's compliance • Reduced level of non-compliance • Strategic partnership established • Provincial Tourism Sector Implementation Plan developed. • Tourism sector engagements platforms established.	105 587	105 587	• Continuous provision of COVID-19 protective equipment at liquor outlets in conjunction with Aware.org • Hosting of 2 conferences in the province under the VTSD Project (Gariep Dam and Parys) • 16 education and awareness activations hosted to improve organisational services. • 22 Enforcement raids on illegal gambling and 59 illegal gambling machines confiscated.
Free State Development Corporation (incl. MAPSEZ)	• Investment attracted into the Province • Trade support • Black industrialists support • SMME support • Industry cluster support • SMME support for sustainability • Enterprise and investment support	41,500	41,500	• Smelter in Thaba Nchu is now fully under construction. The investment of the smelter is R350m. • Other investments to the value if R14.4 m were realised. • 68 businesses were assisted with trade/ export training and programmes. • 10 Black industrialists were supported. • 35 SMMEs were provided with financial support. • An industry cluster for poultry has been created to support small chicken production producers/ farmers.

				• 58 SMMEs were provided with business development Support. • 17 new leases were implemented in FDC's industrial and Commercial properties.
Total		**147 087**	**147 087**	

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
Co-Operatives Incentives Scheme	SMMEs	Operational expenditure	Yes	67 927	67,927	n/a
Total	-	-	-	**67 927**	**67,927**	-

The table below reflects the transfer payments which were budgeted for in the period 1 April 2021 to 31 March 2022.

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
All the SMMEs approved for funding	Operational expenditure	R67 880	R67 927	n/a

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	2,389	2,310
Total Conditional Grant	2,389	2,310
Earmarked Funds		
Enterprise Support	32,779	33,260
Industrial Park	33,000	32,982
Maluti SEZ	20,000	20,000
Waste Management	2,000	1,757
Wildlife Economy	1,500	1,500
Grand Total	**89,279**	**89,499**

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 2021 to 31 March 2022.

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	353
Amount per amended DORA (R'000)	2,389
Amount received (R'000)	2,389
Reasons if amount as per DORA was not received	n/a
Amount spent by the department (R'000)	2,310
Reasons for the funds unspent by the entity	The reasons for the unspent funds is because of the delays in the appointment of a service provider to procure PPE.
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 2021/2022, the following processes had been finalised:

The Department of Public Works and Infrastructure advertised a tender for Sandveld Water Reticulation and Sewerage Systems. The service provider could not be appointed due to budget challenges. The project has been budgeted for in 2022/23 financial year and the tender will be advertised to finalize the project.

8.1.2. Infrastructure Projects

	2020/2021			2021/2022		
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	8,815	9,556	-741	5,220	**5,476**	-256
Maintenance and repairs	22,454	21,465	989	38,893	**32,370**	1,1523
Total	**31,269**	**31,021**	**248**	**39,113**	**37,846**	**1,267**

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:

- Refurbishment of the chalets and staff houses at the resorts and reserves

The department had to reprioritize within in order to budget for other maintenance projects.

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 R180 000 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	38 429 974,76	1 334 006.75	-4 082 74,65	-	35 681 06.86	Decrease
Minor Assets	25 766 557,35	281 968.03	-548 936,34	-	25 499 589.04	Decrease
TOTAL	**64 196 532,11**	**1 615 974.78**	**-4 631 10,99**	**-**	**61 180 595.90**	**Decrease**

Disposals

The disposal were done during 2021/2022 financial year where assets that where not in good condition were disposed. The disposal took place at the following places and value of assets disposed:

Places	Value Of Assets
Head Office	R680 335.40
TDR and Gariep	R124 724.71
Maria Moroka	R213 217.57
Sandveld	R207 359.79
TOTAL	**R1 225 637.38**

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Sandveld	R207 359.79
TOTAL	**R1 225 637.38**

8.1.6. Current status of capital assets

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

- Good: 85%, i.e. R52 003 506.52 out of R61 180 595.90
- Fair: 10%, i.e. R6 118 059.59 out of R61 180 595.90
- Poor: 5%, i.e. R3 059 029.79 out of R61 180 595.90

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

PART C
GENERAL INFORMATION

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 2022/23 risk management policy and strategy were approved by the Risk Management Committee on the 01 March 2022.
- 2022/23 Risk Registers were approved on 30 March 2022; 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.
- The Risk owners with the assistance of Risk Champions were also monitoring and reporting on progress made in implementing their risk management strategies on monthly and 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 and the Audit Committee members advises accordingly.
- Some risk were mitigated however, there has been slow implementation of some mitigation strategies. The risks which were not fully mitigated were carried over to the 2022/23 financial year.
- Issues relating to Business Continuity during the National State of Disaster were also discussed to ensure that the department is able to operate.
- The department introduced maturity model whereby respective unit assess themselves on the implementation of Risk Management processed and recommend the types of assistance their need.

Risk Management Committee

- Risk Management Committee had (4) quarterly meeting and one special meeting to discuss and recommend for approval Risk Registers and monitor the implementation plans. 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:

    o The fraud prevention plan is the department's way of preventing fraud from both internal and external stakeholders.

- The department has received one case of fraud, reported at Park Road Police Station, internally and none from National Anti-Corruption Hotline in the 2021-22 financial year. This is due to awareness campaigns conducted throughout the year. The directorate has added awareness through corporate communication on regular bases to impart knowledge to all officials in the department.

- 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:

    - In the next financial year, 2022-23, awareness campaigns will be increased from four (4) to twenty four (24) annually and the intention will be to increase awareness and cover more officials in the department. Part of increasing awareness campaigns is to impart knowledge on issues of ethics, fraud and anti-corruption to SMMEs.

- The abovementioned stakeholders can send emails to the following officials or visit their offices at 113 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

- The Information received will be recorded and treated with utmost confidentiality to ensure the protection of the WHISTLE BLOWER.
- Public Service Commission provides another platform where National Anti-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?

    - Cases are reported to the Security, Fraud and Anti-Corruption Directorate and are investigated as per the mandate from the HoD and referred to other agencies when the need arises.
    - The National Anti-Corruption Hotline cases received from the Premier’s Office are investigated as per the mandate from the HoD.

4. MINIMISING CONFLICT OF INTEREST

All SMS, MMS, certain OSD, officials in Finance and SCM disclose on financial system annually. The intention is for government to monitor the conflict of interest in the public service. In addition to minimising conflict of interest by officials, lifestyle audit will be conducted by ethics officers in the department.

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

DESTEA, through the Safety Health Environmental Risk and Quality (SHERQ) management provides for assessment of risks and attainment of good services, the implementation of processes to manage risks, quality through established disciplines that include but not limited to disasters management, implementation of emergency preparedness plans amongst others. The department further ensured special facility designs and internal working environment designs for optimal health, safety and productivity of public servants and safety of both employees and citizens. In so far as it is possible, the natural eco-friendly systems of lighting, ventilation are used to mitigate against environmental hazards and risks related with the use of machinery. Special facilities for designated groups like women, children specifically included in workplace e.g. breast feeding and child care facilities. The sub pillar of occupational health and safety is meant to ensure occupational health and safety, based on risks and hazards identified, programmes to mitigate against and control of these risks. Its implementation is through the involvement of health and safety representatives and establishment of health and safety committees and compliance with occupational health and safety standards

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.

- **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 end of 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 provided with cloth masks. 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 will not expose anyone to the virus.

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

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
4/2020 -1	**Asset Register Management**	The department should improve controls over the asset management through regular asset counts and reconciliations of physical count to asset registers. Management should prioritize the completion of investigations for assets reported as under investigation for the previous 2 years.	The Department has various locations throughout the Province, which includes the Resorts and Reserves as well as the Service Centres. The Resorts and Reserves and Service Centres Managers have been appointed as assets controllers to ensure that they perform regular assets counts. The verification lists are then submitted to the Head Office for the updating of the register. The Department has also prioritized the completion of assets under investigations with the intention of ensuring that after the conclusion of the process, all the assets not verified and accounted for are removed from the asset register. The Department is busy with the asset count at the resorts that were utilised as COVID isolation.	**In progress**

4/2020 -2	**Training Workshops**	Management should implement training workshops on standard charts of accounts (SCOA) for staff responsible for capturing of transactions to ensure correct allocations of transactions. In addition, finance staff should be trained on the minimum documentation required prior the approval of project specific expenditure.	A classification committee was established to inspect payment files to confirm allocation and correct classification of payments. Internal Control Verification processes as well as Internal Audit Verification process are also conducted on SCM Payments on a regular basis. The department nominated SCM officials to attend SCOA training that was organised by Treasury.	**Yes**
4/2020 -3	**Preparation of Annual Financial Statements**	Management should improve controls over the preparation of the annual financial statements to ensure that the annual financial statements submitted for audit are free from misstatements.	Sessions and review meetings were held with all affected parties to address the preparation of financial statements and audit related matters. -Preliminary Action list has been compiled and will be updated as soon as the Financial Year-end closure circular is provided by Treasury to the department. The Action List will be implemented from April 2022.	**Yes**
4/2020 -4	**Irregular Expenditure**	The department should ensure that the root causes of irregular expenditure is investigated and corrected so that the department does not incur irregular expenditure in future. Irregular expenditure already incurred should be investigated for possible recovery, write off or condonation.	Irregular expenditure committee was established. -Investigations on some cases were conducted and a report was provided -For the cases investigated, actions were taken per the recommendations of the committee. Supporting documents have been provided. -Engagements are also taking place with the State officials implicated in the Irregular expenditure cases. -The investigations on MESP (R68m) and NTCE (R12m) were conducted by PWC and referred back to the Department to conduct further investigations. Provincial Treasury advice was sought in order to address the recommendation of PwC. The Department is in a process of implementing Treasury's recommendation.	**In progress**

4/2020 -5	**Consequence Management**	The department should implement appropriate consequence management to ensure that matters reported in the prior years do not re-occur in future."	-Consequence management already applied on irregular expenditure cases as well as fraud identified on S&T claims Investigation of S&T Allowances: -Human Resource Management, Labour Relations Sub-Directorate have started with disciplinary proceedings on the results of S&T investigations. The disciplinary hearings are ongoing. -Criminal prosecution proceedings have recently been instituted, criminal case have been with South African Police Services (SAPS) regarding the S&T matters. -Training on consequence management was provided to nominated officials of the department. Leadership training, arranged by NSG, was also conducted for Senior Management team of the department. The officials also attended training on: -Consequence management is implemented as investigations unfold.	**In progress**
4/2020 -6	**Revenue Collection**	The department should implement more rigorous processes for the collection of rental revenue for the lease of Phillip Saunders that is long overdue.	The matter has been referred to the State Attorneys as the Department has over the years been trying to recover the money. However the debtor disputed the claim. -Engagements are continuing between the department and the State Attorneys -Latest Consultation in Court was on the 23rd of November 2021: Department is preparing for Trial and Disclosure -Consultations are still ongoing with the affected parties before the case can sit for trial.	**In progress**
4/2020 -7	**Earmarked Funding**	That the department must ensure that there are mechanisms in place to regulate and monitor the transferring of earmarked funds to its entities as appropriated by Provincial Treasury."	-Controls have been implemented and reviewed on a regular basis to ensure that funds transferred to the entities are used for the intended purposes. -The Department took a decision to no longer allocate earmarked funds to the entities. - The checklist has been implemented to regulate the transfer of funds to the entities of the department.	**Yes**

4/2020 -8	**Filling of Vacancies**	That the filling of vacancies of critical posts under Internal Audit Unit and that of Resorts are prioritized to enable the department to function optimally and increase collection of revenue."	-14 of the 19 vacant posts of Internal Audit have been filled -15 posts for the Protected Areas/ Resorts have been advertised -Engagements are currently taking place with Treasury regarding securing budget for filing critical posts.	**In progress**
4/2020 -9	**Investigations of Travel and Subsistence Allowance**	That the investigation is long overdue and the process must be finalized as a matter of urgency	-Internal Audit investigated the alleged fraud on Subsistence and Travelling allowance. The investigation was finalised. Supporting evidence is available upon request. However it should be noted that due to the Criminal prosecution proceedings that are underway (SAPS Case Number: 235/08/2021), the documents are Highly Confidential, but available for viewing and verification from DESTEA's offices. The officials who have contravened with travel and subsistence policies and procedures as well as the status of disciplinary processes thereof have been outlined in the disciplinary report.	**Finalized**

9. PRIOR MODIFICATIONS TO AUDIT REPORT

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
Goods and services - Occurrence	2019-20	• The qualification paragraph has been cleared
Prepayments and advances - Accuracy	2020-21	• The total population reviewed to ensure the accuracy of the figures to be disclosed

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 promoting effective functioning of internal control systems within the Department and enforcing implementation of applicable legislation. Internal Control functions are performed in the respective Directorates of the Department, and each individual section is responsible for ensuring compliance to Departmental policies and procedures. 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.

During the 2021/22 financial year, the Internal Control unit strived to fulfil its mandate, though with limited capacity. As such, the unit performed its function focusing only on the Financial Accounting directorate. In order to ensure that the system of internal control is fully efficient and effective, thus contributing positively to the department as a whole, the unit needs to expand its scope of work to other directorates throughout the department.

11. INTERNAL AUDIT, AUDIT COMMITTEES AND AUDIT COMMITTEE REPORT

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 where possible to ensure controls are in place and operating as intended.

Summary of audit work done

Internal audit has planned 18 audits for 2021/22 financial year.

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

- 2021/22 Draft Annual Financial Statements
- 2021/22 Annual Targets
- Fleet and Asset Management
- Management of Service Centers

- Logistics
- 2nd Quarter Transfer Payments to Entities
- Waste Management
- 2nd Quarterly Targets
- 3rd Quarterly Targets
- 3rd Quarter Interim Financial Statements
- ICT Infrastructure
- 2020/21 Audit and Management Report Action Plan
- Irregular Expenditure
- Litigations
- SMME Support
- Infrastructure and Maintenance
- 3rd Quarter Transfer Payments
- Follow up Audits

The following were areas of concern:

- Reasons for deviations on the implementation of Annual Performance Plan not reported and supported.
- Non–reporting of performance information on Kwantu system.
- Non-implementation on the agreed corrective actions resulted from internal and external audit findings.
- Non-finalisation of the investigation on Irregular expenditure and Fruitless & Wasteful expenditure.
- Late update of the asset register.

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 were to assess and advise, among other things, on the following matters:

- Effectiveness of the Department's internal control system;
- Activities and effectiveness of the internal audit function, including its annual work programme, co-ordination 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 by Management and other users of such information;
- Any accounting and auditing concerns identified as a result of internal and external audits; and
- The Department's compliance with legal and regulatory provisions.

Audit Committee Members and Attendees

The Audit Committee consists of the following members listed hereunder as per its approved terms of reference.

Table 1: Audit Committee Members and Meeting attendance where term commenced on 01 October 2020

Names	Qualifications	Internal or External	If Internal, position in the department	Date appointed	Date resigned	No of meetings attended
Ms. D Ewertse (Chairperson)	B Compt Hons (CTA) Post Graduate Diploma in Internal Auditing	External	N/A	01 October 2020	None	04
Dr. M Nvuma	PHD Environmental Science – Solid Waste Management	External	N/A	01 October 2020	None	04
Ms. KF Finger	BCom Economics	External	N/A	01 October 2020	None	04
Dr. T Sithibe	Dr of Business Leadership	External	N/A	01 October 2020	07 April 2021	00
Ms. F Muller	MBA	External	N/A	01 October 2020	None	04
Mr. B Moletsane	CA	External	N/A	01 January 2022	None	01

12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2022.

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 2022:

- 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 year 2021/22 financial year. The Audit Committee concurs 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

1. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the BBBEE requirements of the BBBEE Act of 2013 and as determined by the Department of Trade, Industry and Competition.

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

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 in progress; the proposed organisational structure was consulted with the Office of the Premier (FS) before it can be sent for further consultation with the MPSA. Following those consultations and more deliberations with the Office of the Premier regarding the proposed organisational structure, the Department received feedback, and amongst other issues highlighted, an indication was that the current budget allocation is not sufficient to cater for the proposed organisational structure. Subsequent to that, the Department had to revisit the proposed structure and effect more changes, of which that includes abolishing some of the positions. Positions amounting to R100 000 000 needs to be abolished in order to align the proposed organisational structure to the departmental budget allocation. Already the Department is in an advanced stage with the process of revising the microstructures for the Resorts and Reserves.

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

As at 31 March 2022, the Department had a workforce of 663, this is inclusive of 647 permanent employees and 17 contract workers. The current vacancy rate is standing at 18.83% which is above the national benchmark of 10%. This percentage will decrease as soon as the 85 posts that were advertised in 2021/22 are filled.

The total number of employees who left the department is 40 which translates into 6.03% of the total workforce. The figure is lower than the national benchmark of 8%. It can also be indicated that the figure has gone up as compared to last year where the department was standing at 4.31%. Of the 40 officials who left the department, 7 resigned, 8 were transferred, 8 left due to normal / compulsory retirement, 2 left due to early retirement, 6 were a result of death, 3 officials services were terminated due to ill-health, 4 officials contracts expired and 2 dismissal. The majority of employees who left the department are due to normal retirement and transfers respectively. 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 skills.

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 663 employees, 103 (15.54%) are between the ages of 18 and 35 years (youth), 116 (17.50%) are between the ages of 36 and 39, 242 (33.79%) are between the ages of 40 and 49, 194 (29.26%) are between the ages of 50 and 59, 26 (3.92%) are between the ages of 60 and 65. One hundred and twenty five (104) of these employees will be retiring in the next 5-10 years through normal and/or compulsory retirement. Of this number, 84 (75%) are from Environmental Management Branch, 17 (15.18%) from

Administration and 9 (8.04%) are from Economic Development and 2 (1.79%) are from Tourism. 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 nine (9) training programmes for 2021/22 financial year, however, the department managed to exceed the target by rolling out four (4) additional programmes. Even though an overachievement was reached, not all planned training in terms of HR Plan were rolled out due to difficulty in getting the minimum number of people to constitute a class. Furthermore, twenty eight (28) part time bursaries were awarded to serving employees.

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, 28 part time bursaries were awarded for the 2021/2022 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 2021/22 performance cycle, majority of employees entered into performance agreements. The DESTEA 26 (100%) SMS members that were in service as of 31 May 2021 entered into performance agreement. The department further resolved long outstanding backlog in terms of payment of SMS outcome for the financial year 2019/2020 of which the assessment outcome was implemented in 2021/22 and cost of these outcomes will be reported under performance rewards in the tables under Human Resources Management. Meanwhile the 2020/21 performance assessment outcomes for salary levels 2-12 have been finalised by the Moderation Committee and recommendation submitted to seek approval. The annual assessment outcomes for 2020/2021 cycle for salary levels 2-12 will be implemented once approval has been obtained. Whereas the annual assessment outcomes for SMS members for the 2020/2021 cycle is still to be moderated.

- **Employee wellness programmes (EHWP)**

The design and implementation of the Employee Health and Wellness Programme (EHWP) is key to the department. Through the implementation of this programme, the DESTEA ensures that treatment, care and support are provided to employees and their families. This comprehensive programme is inclusive of the HIV/AIDS, TB & STI Management, Health and Productivity Management (HPM), Wellness Management (WM) and Safety, Health, Environment, Risk and Quality Management (SHERQ) Pillars that seeks to:

- Develop 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, to empower and capacitate wellness champions to promote and monitor the comprehensive wellness programme.
- Some of the services offered through the implementation of this programme during the financial year are 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 including health lifestyle information sessions on HIV, programmes encouraging a 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 and risk assessments were conducted. The identified risks were investigated, attended to and others needing finances prioritised for the new financial year.

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

o **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

- The department was able to develop Infection Prevention and Control Policy. This is one of the critical efforts to ensure health and Safety of employees in the workplace. To ensure implementation, employees were consulted and provided with opportunity to give inputs before approval was granted. 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.

- **Challenges faced by the department:**

EHWP

- The struggle in sourcing appointing an EHWP Service Provider hampers service delivery. Appointing the service provider will create an opportunity to roll out more comprehensive services which 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 and non-prioritisation of provision of PPE to employees impact negatively on morale and negatively affects their health and wellbeing.

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 2021 and 31 March 2022

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	191 603	123 815	2,952	-	64.6	497
Environmental Affairs	184 793	126 279	92	-	68.3	367
Economic Development	259 261	37 942	-	-	14.6	457
Tourism	13 745	7 314	-	-	53.2	522
TOTAL	**649 402**	**295 351**	**3,044**	**-**	**45.5**	**428**

Table 3.1.2 Personnel costs by salary band for the period 1 April 2021 and 31 March 2022

Salary band	Personnel Expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee
Contract (Levels 1-2)	161.00	0.10	1.00	161 000.00
Contract (Levels 3-5)	989.00	0.30	5.00	197 800.00
Contract (Levels 6-8)	4 312.00	1.40	11.00	392 000.00
Contract (Levels 9-12)	4 537.00	1.50	5.00	907 400.00
Contract (Levels 13-16)	4 831.00	1.60	3.00	1 610 333.00
Contract Other	1 022.00	0.30	18.00	56 778.00
Periodic Remuneration	452.00	0.10	8.00	56 500.00
Lower skilled (Levels 1-2)	3 260.00	1.10	17.00	191 765.00
Skilled (Levels 3-5)	80 620.00	26.50	328.00	245 793.00
Highly skilled production (Levels 6-8)	73 068.00	24.00	163.00	448 270.00
Highly skilled supervision (Levels 9-12)	88 130.00	28.90	107.00	823 645.00
Senior management (Levels 13-16)	33 969.00	11.10	24.00	1 415 375.00
Total	**295 351.00**	**96.90**	**690.00**	**428 045.00**

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2021 and 31 March 2022

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	104 078.00	81.20	581.00	0.50	4 546.00	3.50	6 607.00	5.20
Economic Development	98 374.00	75.60	1731.00	1.30	5 083.00	3.90	9 968.00	7.70
Environmental Affairs	32 132.00	82.10	12.00	0.00	948.00	2.40	1 741.00	4.40
Tourism	5 912.00	81.40	0.00	0.00	217.00	3.00	409.00	5.60
TOTAL	**240 495.00**	**78.90**	**2 23.00**	**0.80**	**10 95.00**	**3.50**	**18 725.00**	**6.10**

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2021 and 31 March 2022

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)	160.00	99.40	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Levels 3-5)	923.00	93.30	4.00	0.40	0.00	0.00	31.00	3.10
Contract (Levels 6-8)	4 145.00	95.70	33.00	0.80	0.00	0.00	40.00	0.90
Contract (Levels 9-12)	4 027.00	88.60	0.00	0.00	117.00	2.60	20.00	0.40
Contract (Levels >= 13)	4 191.00	86.00	0.00	0.00	224.00	4.60	0.00	0.00
Contract Other	1 006.00	98.40	7.00	0.70	0.00	0.00	0.00	0.00
Lower skilled (Levels 1-2)	2 339.00	71.70	0.00	0.00	253.00	7.80	418.00	12.80
Skilled (Levels 3-5)	61 381.00	71.40	1283.00	1.50	5 109.00	5.90	10 266.00	11.90
Highly skilled production (Levels 6-8)	58 190.00	78.90	340.00	0.50	2 597.00	3.50	5 006.00	6.80
Highly skilled supervision (Levels 9-12)	74 034.00	81.50	656.00	0.70	1 839.00	2.00	2 879.00	3.20
Senior management (Levels >= 13)	30 099.00	87.00	0.00	0.00	656.00	1.90	64.00	0.20
19 Periodical Remuneration	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	**240 495**	**78.9**	**2 323**	**0.80**	**10 795**	**3.50**	**18 725**	**6.1**

3.1. 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 2022

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	293	218	25.60%	11
Environmental Affairs	395	344	12.91%	2
Economic Development	114	87	23.68%	6
Tourism	15	14	16.68%	0
Total	**817**	**663**	**68.86%**	**19**

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2022

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)	24	18	25%	1
Skilled(3-5)	380	333	12.37%	5
Highly skilled production (6-8)	224	175	21.88%	8
Highly skilled supervision (9-12)	152	111	26.97%	4
Senior management (13-16)	37	26	29.73%	1
Total	**817**	**663**	**18.85%**	**19**

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2022

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)	35	25	28.57%	1
Middle Management & Professionals (11-12)	60	43	28.33%	2
Junior Management & Supervisors (8-10)	150	115	23.33%	2
Administrative Office Workers & related (5-7)	282	224	20.57%	9
Elementary & Semi Skilled (1-4)	288	255	11.46%	5
Total	**817**	**663**	**18.85%**	**19**

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 2022

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	6	3	50%	3	50%
Salary Level 13	29	22	75.86%	7	24.14%
Total	**37**	**26**	**70.27%**	**11**	**29.73%**

Table 3.3.2 SMS post information as on 30 September 2021

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100%	0	0%
Salary Level 16	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	28	23	82.14%	5	17.86%
Total	**37**	**28**	**75.68%**	**9**	**24.32%**

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2021 and 31 March 2022

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	1	0	0
Total	**1**	**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 2021 and 31 March 2022

Reasons for vacancies not advertised within twelve months
Budgetary constraints

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 2021 and 31 March 2022

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 due 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 2021 and 31 March 2022

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)	24	0	0	0	0	0	0
Skilled (Levels 3-5)	380	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	224	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	152	0	0	0	0	0	0

Senior Management Service Band A	29	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	**817**	**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 2021 and 31 March 2022

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0

Employees with a disability	0

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

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2021 and 31 March 2022

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Deputy Director	0	0	0	0
Trade Advisor	0	0	0	0
Registry Clerk	0	0	0	0
Total number of employees whose salaries exceeded the level determined by job evaluation				**0**
Percentage of total employed				**0%**

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 2021 and 31 March 2022

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0

Employees with a disability					
Employees with a disability	0	0	0	0	0

3.5 Employment Changes

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

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2021 and 31 March 2022

Salary Band	Number of employees at beginning of period-April 2021	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	17	0	0	0%
Skilled (Levels3-5)	346	1	16	16%
Highly skilled production (Levels 6-8)	170	1	5	5%
Highly skilled supervision (Levels 9-12)	114	3	12	4%
Senior Management Service Bands A	22	0	2	0%
Senior Management Service Bands B	4	0	1	0%
Senior Management Service Bands C	0	0	0	0%
Senior Management Service Bands D	1	0	0	0%
Contracts	20	1	4	4%
Total	**694**	**6**	**40**	**6.67%**

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2021 and 31 March 2022

Critical Occupation	Number of employees at beginning of period-April 2021	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)	26	0	3	0%
Middle Management & Professionals (11-12)	47	2	6	3%
Junior Management & Supervisors (8-10)	118	1	8	8%
Administrative Office Workers & related (5-7)	224	2	10	5%

Elementary & Semi Skilled (1-4)	258	0	9	0%
Contracts	20	1	4	4%
TOTAL	**694**	**6**	**40**	**6.67%**

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 2021 and 31 March 2022

Termination Type	Number	% of Total Resignations
Death	6	15%
Resignation	7	17.50%
Expiry of contract	4	10%
Dismissal – operational changes	0	0%
Dismissal – misconduct	2	5%
Dismissal – inefficiency	0	0%
Discharged due to ill-health	3	7.5%
Retirement	8	20%
Early Retirement	2	5%
Transfer to other Public Service Departments	8	20%
Other	0	0%
Total	**40**	**-**
Total number of employees who left as a % of total employment	**6.03%**	

Table 3.5.4 Promotions by critical occupation for the period 1 April 2021 and 31 March 2022

Occupation	Employees 1 April 2021	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)	26	0	0	0	0
Middle Management & Professionals (11-12)	47	0	0	0	0
Junior Management & Supervisors (8-10)	118	0	0	0	0
Administrative Office Workers & related (5-7)	224	0	0	0	0
Elementary & Semi Skilled (1-4)	258	0	0	0	0
Contracts	20	0	0	0	0
TOTAL	**694**	**0**	**0**	**0**	**0**

Table 3.5.5 Promotions by salary band for the period 1 April 2021 and 31 March 2022

Salary Band	Employees 1 April 2021	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)	17	0	0	0	0
Skilled (Levels3-5)	346	0	0	0	0
Highly skilled production (Levels 6-8)	170	0	0	0	0
Highly skilled supervision (Levels 9-12)	114	0	0	0	0
Senior Management (Level 13-16)	27	0	0	0	0
Contracts	20	0	0	0	0
Total	**694**	**0**	**0**	**0**	**0**

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 2022

Occupational category	Male				Female				Total
	African	**Coloured**	**Indian**	**White**	**African**	**Coloured**	**Indian**	**White**	
Legislators, senior officials and managers	15	0	0	1	10	0	0	0	26
Professionals	0	0	0	1	0	0	0	0	1
Technicians and associate professional	44	5	0	23	36	0	0	2	110
Clerks	129	1	0	7	121	1	0	12	271
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	147	13	0	1	91	3	0	0	255
Total	**335**	**19**	**0**	**33**	**258**	**4**	**0**	**14**	**663**
Employees with disabilities	**6**	**0**	**0**	**2**	**2**	**0**	**0**	**0**	**10**

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2022

Occupational Band	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top Management	3	0	0	0	1	0	0	0	4
Senior Management	12	0	0	1	9	0	0	0	22
Professionally qualified and experienced specialists and mid-management	21	2	0	6	14	0	0	0	43
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	152	4	0	25	143	1	0	14	339
Semi-skilled and discretionary decision making	144	13	0	1	76	3	0	0	237
Unskilled and defined decision making	3	0	0	0	15	0	0	0	18
Total	**335**	**19**	**0**	**33**	**258**	**4**	**0**	**14**	**663**
Employees with disabilities	**6**	**0**	**0**	**2**	**2**	**0**	**0**	**0**	**10**

Table 3.6.3 Recruitment for the period 1 April 2021 and 31 March 2022

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
Professionally qualified and experienced specialists and mid-management	1	0	0	0	0	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	0	0	0	0	0	0	0	2
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	**3**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**3**
Employees with disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table 3.6.4 Promotions for the period 1 April 2021 and 31 March 2022

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
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Employees with disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table 3.6.5 Terminations for the period 1 April 2021 and 31 March 2022

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	0	1	0	0	0	2
Professionally qualified and experienced specialists and mid-management	1	0	0	0	3	1	0	1	6
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	12	0	0	1	5	0	0	0	18
Semi-skilled and discretionary decision making	8	0	0	0	1	0	0	0	9
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Contracts	3	0	0	0	1	0	0	0	4
Total	**26**	**0**	**0**	**1**	**11**	**1**	**0**	**1**	**40**
Employees with Disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table 3.6.6 Disciplinary action for the period 1 April 2021 and 31 March 2022

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	4	0	0	0	**6**

Table 3.6.7 Skills development for the period 1 April 2021 to 31 March 2022

Occupational category	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Legislators, senior officials and managers	33	0	0	1	31	0	0	0	65
Professionals	63	0	0	0	54	0	0	0	117
Technicians and associate professionals	0	0	0	0	2	0	0	0	2
Clerks	77	0	0	0	64	0	0	0	171
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	1	0	0	0	0	0	0	0	1
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	24	0	0	0	18	0	0	0	42
Total	**198**	**0**	**0**	**1**	**169**	**0**	**0**	**0**	**368**

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 are presented here.

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

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	1	1	100%
Salary Level 16	0	0	0	0
Salary Level 15	1	0	0	0
Salary Level 14	6	3	3	100%
Salary Level 13	29	22	22	100%
Total	**37**	**26**	**26**	**100%**

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2022

Reasons
n/a

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2022

Reasons
n/a

3.8 Performance Rewards

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

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2019 and 31 March 2020

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African	140	566	24.7%	1539	10992
Male	51	319	15.9%	619	11900
Female	86	247	34.8%	919	10443
Asian	0	0	0	0	0
Male	0	0	0	0	0
Female	0	0	0	0	0

Coloured	4	2514	16%	100	25000
Male	3	1	15.7%	91	30333
Female	1	6	16.6%	9	9000
White	13	49	26.5%	215	16500
Male	6	34	17.6%	117	19500
Female	7	1	46.6%	98	14000
Total	**154**	**640**	**24.6%**	**1898**	**12324**

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2019 to 31 March 2020

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)	7	29	24.1	30	4285	0.01
Skilled (level 3-5)	43	323	13.3%	235	5465	.078
Highly skilled production (level 6-8)	64	171	37.4%	725	11328	0.241
Highly skilled supervision (level 9-12)	40	117	34.1%	908	22700	0.3
Total	**154**	**640**	**24.06%**	**1898**	**12324**	**0.629**

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2019 to 31 March 2020

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	40	117	34.1%	**908**	**22700**
Technicians and associate professionals	64	171	37.4%	725	11328
Administrative Office Workers	43	323	13.3%	235	5465
Elementary occupations	7	29	24.1%	30	4285
Total	**154**	**640**	**24.06%**	**1898**	**12324**

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2019 to 31 March 2020

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	0	0	0	0	0	0
Band B	0	0	0	0	0	0
Band C	0	0	0	0	0	0
Band D	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**

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 2021 and 31 March 2022

Salary Band	01 April 2021		31 March 2022		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 2021 and 31 March 2022

Major occupation	01 April 2021		31 March 2022		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 2021 to 31 December 2021

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)	150	85%	12	1.85	12.50	**65**
Skilled (levels 3-5)	1987	84%	231	35.65	8.60	**1 128**
Highly skilled production (levels 6-8)	909	95%	103	15.90	8.83	**1 037**
Highly skilled supervision (levels 9 -12)	572	94%	65	10.03	8.80	**1 290**
Top and Senior management (levels 13-16)	76	97%	13	2.01	5.85	**344**
Total	**3694**	**91%**	**424**	**65.43**	**8.71**	**2736**

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2021 to 31 December 2021

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)	25	100%	1	0.15%	25	**11**
Skilled (Levels 3-5)	394	100%	6	0.93%	65.67	**210**
Highly skilled production (Levels 6-8)	31	100%	3	0.46%	10.33	**38**
Highly skilled supervision (Levels 9-12)	279	100%	5	0.77%	55.80	**526**
Senior management (Levels 13-16)	0	100%	0	0%	0	**0**
Total	**729**	100%	**15**	**2.31%**	**48.60**	**785**

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 2021 to 31 December 2022

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	436	19	22.95
Skilled Levels 3-5)	8081	327	24.11
Highly skilled production (Levels 6-8)	4388	169	25.96
Highly skilled supervision(Levels 9-12)	2855	111	25.72
Senior management (Levels 13-16)	595	24	24.79
Total	**16355**	**650**	**25.16**

Table 3.10.4 Capped leave for the period 1 January 2021 to 31 December 2022

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	19.63
Highly skilled production (Levels 6-8)	0	0	0	27.18
Highly skilled supervision(Levels 9-12)	11	1	11	43.54
Senior management (Levels 13-16)	0	0	0	20.54
Total	**12**	**2**	**12**	**28.49**

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 2021 and 31 March 2022

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave pay-out for 2020/21 due to non-utilisation of leave for the previous cycle	165	3	55
Capped leave pay-outs on termination of service for 2019/20	139	8	17
Current leave pay-out on termination of service for 2019/20	799	26	31
Total	**1 103**	**37**	**103**

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	Development of Infection Prevention and Control Policy. Education and awareness programmes on financial management, stress management, HIV/ AIDS, healthy lifestyle, condom demonstration and distribution, workshop of employees on reviewed EHWP Policies
2. Cleaners	Development of Infection Prevention and Control Policy. Education and awareness programmes on financial management, stress management, HIV/ AIDS, healthy lifestyle, condom demonstration and distribution, workshop of employees on reviewed EHWP Policies.
3. Interns and Leaners	Development of Infection Prevention and Control Policy. Education and awareness programmes on financial management, stress management, HIV/ AIDS, healthy lifestyle, condom demonstration and distribution, workshop of employees on reviewed EHWP Policies
4. Employees on contract	Development of Infection Prevention and Control Policy. Education and awareness programmes on financial management, stress management, HIV/ AIDS, healthy lifestyle, condom demonstration and distribution, workshop of employees on reviewed EHWP Policies

5. Low level employees	Development of Infection Prevention and Control Policy. Education and awareness programmes on financial management, stress management, HIV/AIDS, healthy lifestyle, condom demonstration and distribution, workshop of employees on reviewed EHWP Policies
6. Employees living in Resorts and Reserves away from their families	Development of Infection Prevention and Control Policy. Education and awareness programmes on financial management, stress management, HIV/AIDS, healthy lifestyle, condom demonstration and distribution, workshop of employees on reviewed EHWP Policies

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

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	x		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.	x		Six (6) 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.	x		Psycho-social support to employees and family members HIV Testing Services Health Risk Assessment Promotion of healthy lifestyle Information sessions on different health and wellness topics Occupational Health and Safety inspections

<table>
<tr><th>Question</th><th>Yes</th><th>No</th><th>Details, if yes</th></tr>
<tr><td>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.</td><td>x</td><td></td><td>
<table>
<tr><th>OFFICIAL</th><th>INSTITUTION</th></tr>
<tr><td>MR T. SELEMELA</td><td>DESTEA CHAIRPERSON</td></tr>
<tr><td>MS LGB MOLEFE</td><td>DESTEA
DEPUTY CHAIRPERSON</td></tr>
<tr><td>MR M. SEBITLOANE</td><td>DESTEA SHERQ OFFICER: SECRETARY</td></tr>
<tr><td>MS D KHANYE</td><td>SEEKOEVLEI RESERVE</td></tr>
<tr><td>MR E MANGAYI</td><td>SEEKOEVLEI RESORT</td></tr>
<tr><td>MR M.TLADI</td><td>KOPPIES RESERVE</td></tr>
<tr><td>MR SD TELANE</td><td>STERKFONTEIN RESORT</td></tr>
<tr><td>MR M. MOSIA</td><td>STERKFONTEIN RESERVE</td></tr>
<tr><td>MR S MOHLABANE</td><td>MARIA MOROKA RESERVE</td></tr>
<tr><td>Mr PHERA</td><td>MARIA MOROKA RESERVE</td></tr>
<tr><td>MS V RAMOTSABI</td><td>MARIA MOROKA RESORT</td></tr>
<tr><td>MR PS MOKHELE</td><td>SANDVELD RESERVE</td></tr>
<tr><td>MR J TABAKE</td><td>SANDVELD RESORT</td></tr>
<tr><td>MR PP MATLOKOTSI</td><td>LEJWELEPUTSWA SERVICE CENTER</td></tr>
<tr><td>MR T SEISHO</td><td>ERFERNIS DAM</td></tr>
<tr><td>MR H SELEKE</td><td>WILLEM PRETORIOUS RESORT</td></tr>
<tr><td>MR S TSKELI</td><td>WILLEM PRETORIOUS RESERVE</td></tr>
<tr><td>MR M JACOBS</td><td>GARIEP RESORT</td></tr>
<tr><td>MR MJ STEFANS</td><td>GARIEP RESERVE</td></tr>
<tr><td>MS P D MOLAHLOE</td><td>TDR RESORT</td></tr>
<tr><td>MR M DLAMINI</td><td>TDR RESERVE</td></tr>
<tr><td>MR L A DICHABA</td><td>KALKFONTEIN</td></tr>
<tr><td>MR T MOTAUNG</td><td>CALEDON</td></tr>
<tr><td>MR M A SEFATSA</td><td>RUSTFONTEIN</td></tr>
<tr><td>MR T BOLEME</td><td>SOETDORING RESORT</td></tr>
<tr><td>MS K NTEBELE</td><td>SOETDORING RESERVE</td></tr>
<tr><td>MR M. NONYANE</td><td>GAME CAPTURE</td></tr>
<tr><td>MR J TSHEHLO</td><td>BATHURST</td></tr>
<tr><td>MR D RAMMELEIN</td><td>CONSTRUCTION & MAINTENANCE TEAM</td></tr>
<tr><td>MS M. MOTLHABANE</td><td>THABANCHU SERVICE CENTRE</td></tr>
<tr><td>MR T. KHAUHELO</td><td>CORPORATE SERVICES</td></tr>
<tr><td>MR M. NTJOBOKO</td><td>CONSUMER PROTECTION</td></tr>
<tr><td>MS L. TSOTETSI</td><td>FINANCE, TRANSPORT & ASSET</td></tr>
<tr><td>MS M. MONERI</td><td>SCM</td></tr>
<tr><td>MR T MOHLOMI</td><td>ENVIRONMENTAL AFFAIRS</td></tr>
<tr><td>MS M.SEQHOBANE</td><td>COMMUNICATIONS, RISK MANAGEMENT & INTERNAL AUDIT</td></tr>
<tr><td>MS M. MASHILOANE</td><td>TOURISM</td></tr>
<tr><td>MS L. MOSIKILI</td><td>ECONOMIC DEV & SPME</td></tr>
<tr><td>MS M. MALOISANE</td><td>SECURITY SERVICES</td></tr>
<tr><td>MS T. SEBETLELE</td><td>NATURE CONSERVATION</td></tr>
</table>
</td></tr>
</table>

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.	x		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.	x		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.	x		MAY-JUNE 2021 Results 56 employees tested for HIV 40 Males, 40 Negative 16 Women, 16 Negative NOVEMBER-DECEMBER 2021 Results 72 employees tested for HIV 25 Women, 24 Negative, 1 Positive 47 Males, 42 negative, 3 positive
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	x		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 2021 and 31 March 2022

Subject matter	Date
n/a	

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 2021 and 31 March 2022

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0

Written warning	0	0
Final written warning	6	43%
Suspended without pay	6	43%
Fine	0	0
Demotion	0	0
Dismissal	1	7%
Not guilty	1	7%
Case withdrawn	0	0
Total	**14**	**100%**

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2021 and 31 March 2022

Type of misconduct	Number	% of total
Theft	1	50%
Performing remunerative work	1	50%
Insubordination	0	0%
Absenteeism	0	0%
TOTAL	**2**	**100%**

Table 3.12.3.1 Total misconduct cases for the period 1 April 2021 - 31 March 2022

Type of misconduct	Number of cases outstanding 01 April 2021	Number of cases added in 2021/22	Number of cases finalised in 2021/22	Number of Cases outstanding 31 March 2022
Performing remunerative work	0	1	0	1
Insubordination	0	0	0	0
Absenteeism	0	0	0	0
Fraud	16	0	6	10
TOTAL	**16**	**1**	**6**	**11**

Table 3.12.4 Grievances lodged for the period 1 April 2021 and 31 March 2022

Grievances	Number	% of Total
Number of grievances resolved	23	100%
Number of grievances not resolved	0	0
Total number of grievances lodged	**23**	**100%**

Table 3.12.5 Disputes logged with Councils for the period 1 April 2021 and 31 March 2022

Disputes	Number	% of Total
Number of disputes upheld	2	67%
Number of disputes dismissed	1	33%
Total number of disputes lodged	**3**	**100%**

Table 3.12.6 Strike actions for the period 1 April 2021 and 31 March 2022

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 2021 and 31 March 2022

Number of people suspended	2
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	20
Cost of suspension(R'000)	25

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 2021 and 31 March 2022

Occupational category	Gender	Number of employees as at 1 April 2021	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	19	0	0	2	2
	Male	27	0	0	0	0
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	174	0	2	0	2
	Male	199	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	87	0	2	0	2
	Male	159	0	0	0	0

Sub Total	Female	291	0	0	0	0
	Male	403	0	0	0	0
Total		**694**	**0**	**7**	**2**	**9**

Table 3.13.2 Training provided for the period 1 April 2021 and 31 March 2022

Occupational category	Gender	Number of employees as at 1 April 2021	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	4	0	4
	Male	18	0	0	0	0
Professionals	Female	19	0	3	0	3
	Male	27	0	0	0	0
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	17	0	4	0	4
	Male	199	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	87	0	2	0	2
	Male	159	0	0	0	0
Sub Total	Female	291	0	0	0	0
	Male	403	0	0	0	0
Total		**694**	**0**	**0**	**0**	**13**

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 2021 and 31 March 2022

Nature of injury on duty	Number	% of total
Required basic medical attention only	10	1.54%
Temporary Total Disablement	0	0%
Permanent Disablement	0	0%
Fatal	0	0%
Total	**10**	**1.54%**

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 2021 and 31 March 2022

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Provision of Development Support Services	1	03 Years	R4 240 096.00
Appointment of Contractors into a Framework Contract for Emergency Calls Outs and Routine Maintenance on the Behalf of the Free State Department of Economic, Small Business Development, Tourism and Environmental Affairs (DESTEA) for a period of three (3) years	14	03 Years	Rates

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

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2021 and 31 March 2022

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Provision of Development Support Services	100%	100%	1
Appointment of Contractors into a Framework Contract for Emergency Calls Outs and Routine Maintenance on the Behalf of the Free State Department of Economic, Small Business Development, Tourism and Environmental Affairs (DESTEA) for a period of three (3) years	100%	100%	14

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2021 and 31 March 2022

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 2021 and 31 March 2022

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 2021 and 31 March 2022

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

Report on the audit of the financial statements

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 146 - 199, which comprise the appropriation statement, statement of financial position as at 31 March 2022, 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 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 2022, 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 9 of 2021 (Dora).

Basis for qualified opinion

Prepayments and advances

3. The department did not recognise prepayments and advances in accordance with MCS chapter 9, *General departmental assets and liabilities*, as the prepayments incurred was not correctly accounted for when it was paid to private enterprises. Consequently, prepayment and advances were overstated by R15 257 473 (2021: understated by R6 875 621) in note 11.1 to the annual financial statements.

Context for the opinion

4. 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.

5. 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.

6. 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

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

8. As disclosed in note 35 to the financial statements, the department had total outstanding commitments, accruals and payables not recognised of R17 373 000 as at 31 March 2022. The department also had voted funds to be surrendered of R17 898 000 which exceeded cash and cash equivalents by R16 734 000. These events or conditions, along with other matters as set forth in note 35, 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

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

Irregular expenditure

10. As disclosed in note 24 to the financial statements, irregular expenditure of R3 715 000 (2021: R7 788 000) was incurred due to non-compliance with supply chain management (SCM) requirements. In addition, the full extent of irregular expenditure incurred is still under assessment as disclosed in note 24.4.

Fruitless and wasteful expenditure

11. As disclosed in note 25 of the financial statements, fruitless and wasteful expenditure of R439 000 was incurred due to payments made for service provider was paid for goods and services that were not rendered. The full extent of the fruitless and wasteful expenditure incurred is still under assessment as disclosed in note 25.4.

Restatement of corresponding figures

12. As disclosed in note 31 to the financial statements, the corresponding figures for 31 March 2021 were restated as a result of errors in the financial statements of the department at, and for the year ended, 31 March 2022.

Material impairment of receivables

13. As disclosed in note 12 to the financial statements, material impairment of R16 852 000 (2021: R16 895 000) was recognised by the department as a result of non-recovery of receivables.

Other matter

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

Unaudited supplementary schedules

15. The supplementary information set out on pages 201 to 210 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

16. 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 financial statements that are free from material misstatement, whether due to fraud or error.

17. 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

18. 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.

19. 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

20. 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 programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

21. 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.

22. 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 2022:

Programmes	Pages in the annual performance report
Programme 3 - economic and small business development	64 - 76

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

24. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following programme:

- Programme 3 – economic and small business development

Other matters

25. I draw attention to the matters below.

Achievement of planned targets

26. 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.

Adjustment of material misstatements

27. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of Programme 3 – economic and small business development. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

28. 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.

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

Annual financial statements

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

Expenditure management

31. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R3 715 000, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure was caused by non-compliance with supply chain management (SCM) regulations.

Revenue management

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

Consequence management

33. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against the officials who had incurred irregular expenditure in prior years, as required by section 38(1)(h)(iii) of the PFMA.

Asset management

34. Proper control systems were not in place at the department to ensure the safeguarding of assets, as required by treasury regulation 10.1.1(a).

Other information

35. 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.

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

37. 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.

38. based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

39. I considered internal control relevant to my audit of the separate 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 performance report and the findings on compliance with legislation included in this report.

40. Management did not prepare regular, accurate, and complete financial reports that are supported and evidenced by reliable information.

41. Management did not appropriately review and monitor compliance with applicable laws and regulations.

Auditor-General

Bloemfontein
31 July 2022

AUDITOR-GENERAL
SOUTH AFRICA

Annexure – Auditor-general's responsibility for the audit

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

Financial statements

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

   - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control

   - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control

   - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.

   - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

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

For the year ended
31 March 2022

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

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Appropriation per programme									
	2021/22							2020/21	
	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	187 032	-	6 465	193 497	191 603	1 894	99.0%	173 251	174 703
2. Environmental Affairs	188 645	-	(470)	188 175	184 793	3 382	98.2%	190 190	190 124
3. Economic Development	270 383	-	(5 995)	264 388	259 261	5 127	98.1%	243 799	242 996
4. Tourism	14 298	-	-	14 298	13 745	553	96.1%	7 248	7 221
TOTAL	**660 358**	**-**	**-**	**660 358**	**649 402**	**10 956**	**98.3%**	**614 488**	**615 044**

	2021/22			2020/21	
	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)	**660 358**			**614 488**	
ADD					
Aid assistance					
Actual amounts per statement of financial performance (total expenditure)		**649 402**			**615 044**

DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 3
APPROPRIATION STATEMENT
for the year ended 31 March 2022

Appropriation per economic classification									
	2021/22							2020/21	
	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	**450 578**	**(6 315)**	**(11 035)**	**433 228**	**423 369**	**9 859**	**97.7%**	**396 140**	**397 282**
Compensation of employees	301 106	-	-	301 106	295 351	5 755	98.1%	280 219	280 316
Goods and services	149 472	(6 315)	(11 035)	132 122	128 018	4 104	96.9%	115 921	116 966
Transfers and subsidies	**205 117**	**855**	**11 500**	**217 472**	**216 657**	**815**	**99.6%**	**202 091**	**201 600**
Departmental agencies and accounts	103 313	(145)	2 500	105 668	105 665	3	100.0%	100 373	100 323
Public corporations and private enterprises	99 380	1 000	9 000	109 380	109 427	(47)	100.0%	99 936	99 385
Non-profit institutions	574	-	-	574	256	318	44.6%	204	187
Households	1 850	-	-	1 850	1 309	541	70.8%	1 578	1 705
Payments for capital assets	**4 663**	**5 290**	**(500)**	**9 453**	**9 197**	**256**	**97.3%**	**16 111**	**16 039**
Buildings and other fixed structure	267	4 953	-	5 220	5 476	(256)	104.9%	11 716	11 670
Machinery and equipment	4 396	337	(500)	4 233	3 721	512	87.9%	4 372	4 369
Payments for financial assets	**-**	**170**	**35**	**205**	**179**	**26**	**87.3%**	**146**	**123**
TOTAL	**660 358**	**-**	**-**	**660 358**	**649 402**	**10 956**	**98.3%**	**614 488**	**615 044**

Programme 1: ADMINISTRATION									
	2021/22							2020/21	
	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	11 952	(355)	1 300	12 897	11 939	958	92.6%	11 650	11 915
2. Management Services	39 312	(504)	6 600	45 408	44 635	771	98.3%	35 112	42 789
3. Financial Management	84 472	319	(2 829)	81 962	83 048	(1 086)	101.3%	85 297	75 937
4. Corporate Services	51 296	540	1 394	53 230	51 981	1 249	97.7%	41 192	44 062
Total for sub programmes	**187 032**	**-**	**6 465**	**193 497**	**191 603**	**1 894**	**99.0%**	**173 251**	**174 703**
Economic classification									
Current payments	**182 996**	**(343)**	**6 465**	**189 118**	**187 992**	**1 126**	**99.4%**	**168 744**	**170 236**
Compensation of employees	112 245	-	12 000	124 245	123 815	430	99.7%	119 525	119 624
Goods and services	70 751	(343)	(5 535)	64 873	64 176	697	98.9%	49 219	50 612
Transfers and subsidies	**959**	**-**	**-**	**959**	**541**	**418**	**56.4%**	**627**	**626**
Departmental agencies and accounts	4	-	-	4	3	1	75.0%	-	-
Households	955	-	-	955	538	417	56.3%	627	626
Payments for capital assets	**3 077**	**173**	**-**	**3 250**	**2 912**	**338**	**89.6%**	**3 760**	**3 743**
Machinery and equipment	3 077	173	-	3 250	2 912	338	89.6%	3 760	3 743
Payments for financial assets	**-**	**170**	**-**	**170**	**158**	**12**	**92.9%**	**120**	**98**
TOTAL	**187 032**	**-**	**6 465**	**193 497**	**191 603**	**1 894**	**99.0%**	**173 251**	**174 703**

DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 3
APPROPRIATION STATEMENT
for the year ended 31 March 2022

Programme 2: Environmental Affairs									
	2021/22							2020/21	
	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	5 509	(2 651)	-	2 858	2 070	788	72.4%	3 701	2 037
2. Compliance and Enforcement	18 225	(650)	(105)	17 470	16 949	521	97.0%	13 975	15 663
3. Environmental Quality Management	24 944	(6 990)	-	17 954	17 113	841	95.3%	47 806	46 490
4. Biodiversity Management	125 984	10 770	273	137 027	136 650	377	99.7%	115 114	116 401
5. Environmental Empowerment Services	13 983	(479)	(638)	12 866	12 011	855	93.4%	9 594	9 533
Total for sub programmes	**188 645**	**-**	**(470)**	**188 175**	**184 793**	**3 382**	**98.2%**	**190 190**	**190 124**
Economic classification									
Current payments	**183 689**	**(4 814)**	**500**	**179 375**	**176 191**	**3 184**	**98.2%**	**177 747**	**177 575**
Compensation of employees	121 187	-	6 000	127 187	126 279	908	99.3%	117 088	117 088
Goods and services	62 502	(4 814)	(5 500)	52 188	49 912	2 276	95.6%	60 659	60 487
Transfers and subsidies	**3 396**	**(145)**	**(500)**	**2 751**	**2 455**	**296**	**89.2%**	**1 031**	**1 099**
Departmental agencies and accounts	222	(145)	-	77	75	2	97.4%	120	70

Programme 2: Environmental Affairs									
	2021/22							2020/21	
	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
Public corporations and private enterprises	2 000	-	(500)	1 500	1 500	-	100.0%	-	-
Non-profit institutions	544	-	-	544	256	288	47.1%	161	144
Households	630	-	-	630	624	6	99.0%	750	885
Payments for capital assets	**1 560**	**4 959**	**(500)**	**6 019**	**6 127**	**(108)**	**101.8%**	**11 386**	**11 425**
Buildings and other fixed structures	267	4 953	-	5 220	5 476	(256)	104.9%	10 816	10 864
Machinery and equipment	1 293	6	(500)	799	651	148	81.5%	570	561
Payments for financial assets	-	**-**	**30**	**30**	**20**	**10**	**66.7%**	**26**	**25**
Total	**188 645**	-	**(470)**	**188 175**	**184 793**	**3 382**	**98.2%**	**190 190**	**190 124**

DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 3
APPROPRIATION STATEMENT
for the year ended 31 March 2022

Programme 3:Economic and Small Business Development									
	2021/22							2020/21	
	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	89 920	(227)	500	90 193	88 802	1 391	98.5%	38 967	38 978
2. Economic Research and Planning	126 638	672	(5 897)	121 413	120 076	1 337	98.9%	144 634	143 040
3. Small Business Development	53 825	(445)	(598)	52 782	50 383	2 399	95.5%	60 198	60 978
Total for sub programmes	**270 383**	**-**	**(5 995)**	**264 388**	**259 261**	**5 127**	**98.1%**	**243 799**	**242 996**
Economic classification									
Current payments	**69 715**	**(1 158)**	**(18 000)**	**50 557**	**45 481**	**5 076**	**90.0%**	**42 451**	**42 294**
Compensation of employees	59 946	-	(18 000)	41 946	37 942	4 004	90.5%	37 057	37 056
Goods and services	9 769	(1 158)	-	8 611	7 539	1 072	87.6%	5 394	5 238
Transfers and subsidies	**200 642**	**1 000**	**12 000**	**213 642**	**213 621**	**21**	**100.0%**	**200 383**	**199 831**
Departmental agencies and accounts	103 087	-	2 500	105 587	105 587	-	100.0%	100 253	100 253
Public corporations and private enterprises	97 380	1 000	9 500	107 880	107 927	(47)	100.0%	99 936	99 385
Non-profit institutions	30	-	-	30	-	30	-	43	43
Households	145	-	-	145	107	38	73.8%	151	150
Payments for capital assets	**26**	**158**	**-**	**184**	**158**	**26**	**85.9%**	**965**	**871**

Programme 3:Economic and Small Business Development									
	2021/22							2020/21	
	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	-	-	-	-	-	-	-	900	806
Machinery and equipment	26	158	-	184	158	26	85.9%	65	65
Payment for financial assets	-	-	**5**	**5**	**2**	**3**	**40.0%**	-	-
Total	**270 383**	**-**	**(5 995)**	**264 388**	**259 261**	**5 127**	**98.1%**	**243 799**	**242 996**

Programme 4:Tourism									
	2021/22							2020/21	
	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	7 767	2 010	-	9 777	8 111	1 666	83.0%	2 792	2 723
2.Tourism Growth and Development	4 475	(2 044)	-	2 431	3 709	(1 278)	152.6%	2 751	2 846
3.Tourism Sector Transformation	2 056	34	-	2 090	1 925	165	92.1%	1 705	1 652
Total for sub programmes	**14 298**	-	-	**14 298**	**13 745**	**553**	**96.1%**	**7 248**	**7 221**

DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 3
APPROPRIATION STATEMENT
for the year ended 31 March 2022

Programme 4:Tourism									
	2021/22							2020/21	
	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	**14 178**	**-**	**-**	**14 178**	**13 705**	**473**	**96.7%**	**7 198**	**7 177**
Compensation of employees	7 728	-	-	7 728	7 314	414	94.6%	6 549	6 548
Goods and services	6 450	-	-	6 450	6 391	59	99.1%	649	629
Transfers and subsidies	**120**	**-**	**-**	**120**	**40**	**80**	**33.3%**	**50**	**44**
Households	120	-	-	120	40	80	33.3%	50	44
TOTAL	**14 298**	**-**	**-**	**14 298**	**13 745**	**553**	**96.1%**	**7 248**	**7 221**

NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2022

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 R'000	Actual Expenditure R'000	Variance R'000 R'000	Variance as a % of Final Appropriation R'000
Administration	193 497	191 604	1 893	1%
Environmental Affairs	188 175	184 792	3 383	2%
Economic and Small Business Development	264 388	259 261	5 127	2%
Tourism	14 298	13 745	553	4%

4.2 Per economic classification	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation R'000
Current payments				
Compensation of employees	301 106	295 351	5 755	2%
Goods and services	132 122	128 018	4 104	3%
Interest and rent on land				
Transfers and subsidies				
Departmental agencies and accounts	105 668	105 665	3	0%
Public corporations and private enterprises	109 380	109 427	(47)	0%
Non-profit institutions	574	256	318	55%
Households	1 850	1 309	541	29%
Payments for capital assets				
Buildings and other fixed structures	5 220	5 476	(256)	(5%)
Machinery and equipment	4 233	3 721	512	13%

NOTES TO THE APPROPRIATION STATEMENT
as at 31 March 2022

Payments for financial assets	205	179	26	12%

The department spent 98.3 per cent of the budget. The shortfall is on compensation of employees where advertised posts are not filled.

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	2 389	2 310	79	3%

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2022

	Note	2021/22 R'000	2020/21 R'000
REVENUE			
Annual appropriation	1	660 358	614 488
TOTAL REVENUE		**660 358**	**614 488**
EXPENDITURE			
Current expenditure			
Compensation of employees	4	295 352	280 316
Goods and services	5	128 017	116 966
Total current expenditure		**423 369**	**397 282**
Transfers and subsidies			
Transfers and subsidies	7	216 656	201 600
Total transfers and subsidies		**216 656**	**201 600**
Expenditure for capital assets			
Tangible assets	8	9 197	16 039
Total expenditure for capital assets		**9 197**	**16 039**
Payments for financial assets	6	180	123
TOTAL EXPENDITURE		**649 402**	**615 044**
SURPLUS/(DEFICIT) FOR THE YEAR		**10 956**	**(556)**

Reconciliation of Net Surplus/(Deficit) for the year

	2021/22	2020/21
Voted funds	**10 959**	**(556)**
Annual appropriation	10 877	(556)
Conditional grants	79	-
SURPLUS/(DEFICIT) FOR THE YEAR	**10 956**	**(556)**

STATEMENT OF FINANCIAL POSITION
as at 31 March 2022

	Note	2021/22 R'000	2020/21 R'000
ASSETS			
Current assets		**4 025**	**2 649**
Unauthorised expenditure	9	1 452	1 452
Cash and cash equivalents	10	1 164	94
Receivables	12	1 409	1 103
Non-current assets		**17 071**	**17 091**
Receivables	12	17 071	17 091
TOTAL ASSETS		**21 096**	**19 740**
LIABILITIES			
Current liabilities		**19 930**	**19 517**
Voted funds to be surrendered to the Revenue Fund	13	17 898	18 138
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	14	831	32
Bank overdraft	15	1 127	1 273
Aid assistance unutilised	3	74	74
TOTAL LIABILITIES		**19 930**	**19 517**
NET ASSETS		**1 166**	**223**

	2021/22 R'000	2020/21 R'000
Represented by:		
Recoverable revenue	1 166	223
TOTAL	**1 166**	**223**

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2022

	Note	2021/22 R'000	2020/21 R'000
Recoverable revenue			
Opening balance		223	231
Transfers:		**943**	**(8)**
Irrecoverable amounts written off	6.1	(90)	15
Debts recovered (included in departmental receipts)		(252)	(274)
Debts raised		1 285	251
Closing balance		**1 166**	**223**
TOTAL		**1 166**	**223**

CASH FLOW STATEMENT
as at 31 March 2022

	Note	2021/22 R'000	2020/21 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		**678 583**	**626 125**
Annual appropriated funds received	1.1	660 358	614 488
Departmental revenue received	2	18 199	11 629
Interest received	2.3	26	8
Net (increase)/decrease in working capital		(306)	15 311
Surrendered to Revenue Fund		(28 622)	(21 446)
Current payments		(423 369)	(395 830)
Payments for financial assets		(180)	(123)
Transfers and subsidies paid		(216 656)	(201 600)
Net cash flow available from operating activities	16	**9 450**	**22 437**
CASH FLOWS FROM INVESTING ACTIVITIES			
Distribution/dividend received			
Payments for capital assets	8	(9 197)	(16 039)
(Increase)/decrease in non-current receivables	12	20	(16 984)
Net cash flows from investing activities		**(9 177)**	**(33 023)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		943	(8)
Net cash flows from financing activities		**943**	**(8)**
Net increase/(decrease) in cash and cash equivalents		1 216	(10 594)
Cash and cash equivalents at beginning of period		(1 179)	9 415
Cash and cash equivalents at end of period	17	**37**	**(1 179)**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

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	**Foreign currency translation** Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.
6	**Comparative information**
6.1	**Prior period comparative information** Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.
6.2	**Current year comparison with budget** A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

7	**Revenue**
7.1	**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 relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.
7.2	**Departmental revenue** Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.
7.3	**Accrued departmental revenue** Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when: • it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and • the amount of revenue can be measured reliably. The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the department's debt write-off policy.
8	**Expenditure**
8.1	**Compensation of employees**
8.1.1	**Salaries and wages** Salaries and wages are recognised in the statement of financial performance on the date of payment.
8.1.2	**Social contributions** Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.
8.2	**Other expenditure** Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of

	payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.
8.3	**Accruals and payables not recognised** Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.
8.4	**Leases**
8.4.1	**Operating leases** Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. The operating lease commitments are recorded in the notes to the financial statements.
8.4.2	**Finance leases** Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of: • cost, being the fair value of the asset; or • the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.
9	**Aid Assistance**
9.1	**Aid assistance received** Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value. Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.
9.2	**Aid assistance paid** Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.
10	**Cash and cash equivalents** Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

	For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.
11	**Prepayments and advances** Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost. 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
12	**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
13	**Financial assets**
13.1	**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.
13.2	**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.
14	**Payables** Payables recognised in the statement of financial position are recognised at cost.
15	**Capital Assets**
15.1	**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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

	Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.
15.2	**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.
15.3	**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.
15.4	**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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

15.5	**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.
16	**Provisions and Contingents**
16.1	**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.
16.2	**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.
16.3	**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.
16.4	**Capital commitments** Capital commitments are recorded at cost in the notes to the financial statements.
17	**Unauthorised expenditure** Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either: • approved by Parliament or the Provincial Legislature with funding and the related funds are received; or • approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

	Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.
18	**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.
19	**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.
20	**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.
21	**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.
22	**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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

	Additional disclosures have been provided in the notes to the financial statements where appropriate.
23	**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.
24	**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 Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.
25	**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.
26	**Employee benefits** The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.
27	**Inventories** *(Effective from date determined in a Treasury Instruction)* At the date of acquisition, inventories are recognised at cost in the statement of financial performance. Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

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:

	2021/22			2020/21		
	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	R'000
Administration	193 497	193 497	-	170 853	170 853	-
Environmental Affairs	188 175	188 175	-	190 299	190 299	-
Economic and Small Business Development	264 388	264 388	-	246 088	246 088	-
Tourism	14 298	14 298	-	7 248	7 248	-
Total	**660 358**	**660 358**	**-**	**614 488**	**614 488**	**-**

1.2 Conditional grants

	Note	2021/22	2020/21
		R'000	R'000
Total grants received	32	2 389	2 256
Provincial grants included in Total Grants received		2 389	2 256

2. Departmental revenue

	Note	2021/22	2020/21
		R'000	R'000
Sales of goods and services other than capital assets	2.1	16 587	10 989
Fines, penalties and forfeits	2.2	1 086	108
Interest, dividends and rent on land	2.3	26	8
Transactions in financial assets and liabilities	2.5	526	532
Total revenue collected		**18 225**	**11 637**
Less: Own revenue included in appropriation	14	18 225	11 637
Departmental revenue collected		-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

2.1 Sales of goods and services other than capital assets

	Note	2021/22	2020/21
	2	R'000	R'000
Sales of goods and services produced by the department		16 584	10 980
Sales by market establishment		9	8
Administrative fees		1 832	1 549
Other sales		14 743	9 423
Sales of scrap, waste and other used current goods		3	9
Total		**16 587**	**10 989**

2.2 Fines, penalties and forfeits

	Note	2021/22	2020/21
	2	R'000	R'000
Fines		1 086	108
Total		**1 086**	**108**

2.3 Interest, dividends and rent on land

	Note	2021/22	2020/21
	2	R'000	R'000
Interest		26	8
Total		**26**	**8**

2.4 Sale of capital assets

	Note	2021/22	2020/21
	2	R'000	R'000
Tangible assets		-	-
Biological assets	28	-	-
Total		-	-

The sale of fish, bird and game has been reclassified during the 2021/22 financial year from sale of capital assets to sale of current assets. This is due to the fact that the department does not account for biological assets in its books and therefore cannot record the disposals against a zero balance. The sale of game does not meet the definition of biological assets as per the SCOA; hence, the department has classified the sale of game as sale of non-capital assets so that the AFS are fairly presented.

2.5 Transactions in financial assets and liabilities

	Note	2021/22	2020/21
	2	R'000	R'000
Receivables		280	211
Other Receipts including Recoverable Revenue		246	321
Total		**526**	**532**

2.5.1 Donations received in-kind *(not included in the main note or sub note)*

	2021/22	2020/21
	R'000	R'000
List in-kind transfers received		
PPE (Provincial Treasury)	-	945
Total	**-**	**945**

"Amount moved from note 3.3 to 2.5.1"

3. Aid assistance

	2021/22	2020/21
	R'000	R'000
Opening Balance	74	74
Prior period error	-	-
As restated	74	74
Closing Balance	**74**	**74**

3.1 Analysis of balance by source

	Note	2021/22	2020/21
		R'000	R'000
Aid assistance from other sources		74	74
Closing balance	3	**74**	**74**

3.2 Analysis of balance

	Note	2021/22	2020/21
		R'000	R'000
Aid assistance unutilised		74	74
Closing balance	3	**74**	**74**

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

	2021/22 R'000	2020/21 R'000
List in-kind donations received		
PPE (Provincial Treasury)	-	-
Total	**-**	**-**

"Amount moved from note 3.3 to 2.5.1"

4. Compensation of employees

4.1 Salaries and Wages

	2021/22 R'000	2020/21 R'000
Basic salary	192 178	193 031
Performance award	2 173	94
Service Based	327	1 251
Compensative/circumstantial	7 060	4 191
Other non-pensionable allowances	49 549	39 245
Total	**251 287**	**237 812**

4.2 Social contributions

	2021/22 R'000	2020/21 R'000
Employer contributions		
Pension	24 533	24 645
Medical	18 853	17 562
Bargaining council	75	73
Insurance	604	224
Total	**44 045**	**42 504**
Total compensation of employees	**295 352**	**280 316**
Average number of employees	**667**	**677**

5. Goods and services

	Note	2021/22 R'000	2020/21 R'000
Administrative fees		736	493
Advertising		6 321	4 982
Minor assets	5.1	283	242
Bursaries (employees)		492	518
Catering		1 015	185
Communication		5 912	6 928
Computer services	5.2	12 612	7 291
Consultants: Business and advisory services	5.9	6 097	17 425
Legal services		204	530
Contractors		9 454	6 612
Agency and support / outsourced services		8 618	2 811
Audit cost – external	5.3	6 477	7 712
Fleet services		8 032	5 003
Inventory	5.4	235	13
Consumables	5.5	5 437	19 063
Operating leases		18 310	14 242
Property payments	5.6	24 693	16 425
Rental and hiring		4 178	1 327
Travel and subsistence	5.7	5 043	3 915
Venues and facilities		318	2
Training and development		3 044	358
Other operating expenditure	5.8	506	889
Total		**128 017**	**116 966**

5.1 Minor assets

	Note 5	2021/22 R'000	2020/21 R'000
Tangible assets			
Machinery and equipment		283	242
Total		**283**	**242**

5.2 Computer services

	Note 5	2021/22 R'000	2020/21 R'000
SITA computer services		2 776	1 507
External computer service providers		9 836	5 784
Total		**12 612**	**7 291**

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5.3 Audit cost – External

	Note	2021/22	2020/21
	5	R'000	R'000
Regularity audits		6 477	7 712
Total		**6 477**	**7 712**

5.4 Inventory

	Note	2021/22	2020/21
	5	R'000	R'000
Other supplies	5.4.1	235	13
Total		**235**	**13**

5.4.1 Other supplies

	Note	2021/22	2020/21
	5.4	R'000	R'000
Ammunition and security supplies		108	13
Other		127	-
Total		**235**	**13**

5.5 Consumables

	Note	2021/22	2020/21
	5	R'000	R'000
Consumable supplies		3 971	18 594
Uniform and clothing		890	519
Household supplies		583	17 025
Building material and supplies		979	388
IT consumables		19	4
Other consumables		1 500	658
Stationery, printing and office supplies		1 466	469
Total		**5 437**	**19 063**

5.6 Property payments

	Note	2021/22	2020/21
	5	R'000	R'000
Property maintenance and repairs		24 670	16 414
Other		23	11
Total		**24 693**	**16 425**

5.7 Travel and subsistence

	Note	2021/22	2020/21
	5	R'000	R'000
Local		5 042	3 663
Foreign		1	252
Total		**5 043**	**3 915**

5.8 Other operating expenditure

	Note	2021/22	2020/21
	5	R'000	R'000
Professional bodies, membership and subscription fees		15	27
Resettlement costs		-	23
Other		491	839
Total		**506**	**889**

5.9 Remuneration of members of a commission or committee (*Included in Consultants: Business and advisory services)*

Name of Commission / Committee	No. of members	Note	2021/22	2020/21
		5	R'000	R'000
Internal Audit Committee	*3*		184	241
Risk Management Committee	*1*		37	16
Consumer Assess Court	*10*		452	308
Total			**673**	**565**

Change in reporting - This note was included only during the 2021/22 financial year.

6. Payments for financial assets

	Note	2021/22	2020/21
		R'000	R'000
Material losses through criminal conduct		90	108
Theft	6.1	90	108
Debts written off	6.2	90	15
Total		**180**	**123**

6.1 Debts written off

	Note	2021/22 R'000	2020/21 R'000
Recoverable revenue written off	6		
Debt write off (Salary overpayments, Damages to state vehicle)		90	15
Total		**90**	**15**
Total debt written off		**90**	**15**

6.2 Details of theft

	Note	2021/22 R'000	2020/21 R'000
Nature of theft	6		
Movable assets (Laptops, camera, data projector, toolbox)		90	108
Total		**90**	**108**

7. Transfers and subsidies

	Note	2021/22 R'000	2020/21 R'000
Departmental agencies and accounts	*Annexure 1B*	105 665	100 323
Public corporations and private enterprises	*Annexure 1D*	109 427	99 385
Non-profit institutions	*Annexure 1F*	256	187
Households	*Annexure 1G*	1 308	1 705
Total		**216 656**	**201 600**

8. Expenditure for capital assets

	Note	2021/22 R'000	2020/21 R'000
Tangible assets		**9 197**	**16 039**
Buildings and other fixed structures	29	5 476	11 670
Machinery and equipment	28	3 721	4 369
Total		**9 197**	**16 039**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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8.1 Analysis of funds utilised to acquire capital assets – 2021/22

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	**9 197**	**-**	**9 197**
Buildings and other fixed structures	5 476	-	5 476
Machinery and equipment	3 721	-	3 721
Total	**9 197**	**-**	**9 197**

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

	Voted funds R'000	Aid assistance R'000	Total 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**

8.3 Finance lease expenditure included in Expenditure for capital assets

	2021/22 R'000	2020/21 R'000
Tangible assets		
Machinery and equipment	2 388	2 282
Total	**2 388**	**2 282**

9. Unauthorised expenditure

9.1 Reconciliation of unauthorised expenditure

	2021/22 R'000	2020/21 R'000
Opening balance	1 452	1 452
Prior period error	-	-
As restated	1 452	1 452
Closing balance	**1 452**	**1 452**
Analysis of closing balance		
Unauthorised expenditure awaiting authorisation	1 452	1 452
Total	**1 452**	**1 452**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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9.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification

	2021/22 R'000	2020/21 R'000
Current	1 452	1 452
Total	**1 452**	**1 452**

9.3 Analysis of unauthorised expenditure awaiting authorisation per type

	2021/22 R'000	2020/21 R'000
Unauthorised expenditure relating to overspending of the vote or a main division within a vote	1 452	1 452
Total	**1 452**	**1 452**

10. Cash and cash equivalents

	2021/22 R'000	2020/21 R'000
Disbursements	1 070	-
Cash on hand	94	94
Total	**1 164**	**94**

11. Prepayments and advances

	2021/22 R'000	2020/21 R'000
Travel and subsistence	-	-
Total	**-**	**-**

11.1 Prepayments (Expensed)

	Amount as at 1 April 2021 R'000	Less: Received in the current year R'000	Add or Less: Other R'000	Add: Current Year prepayments R'000	Amount as at 31 March 2022 R'000
Transfers and subsidies	47 538	(5 882)	-	50 853	92 509
Total	**47 538**	**(5 882)**	**-**	**50 853**	**92 509**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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	Amount as at 1 April 2020	Less: Received in the current year	Add or Less: Other	Add: Current Year prepayments	Amount as at 31 March 2021
	R'000	R'000	R'000	R'000	R'000
Transfers and subsidies	19 055	(3 980)	-	32 463	47 538
Total	**19 055**	**(3 980)**	**-**	**32 463**	**47 538**

A restatement was done as the amount was materially misstated in the prior year AFS.

12. Receivables

		2021/22			2020/21		
		Current	Non-current	Total	Current	Non-current	Total
	Note	R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	12.1	275	16 830	**17 105**	953	16 830	**17 783**
Recoverable expenditure	12.3	1	-	**1**	1	-	**1**
Staff debt	12.4	1 133	241	**1 374**	149	261	**410**
Total		**1 409**	**17 071**	**18 480**	**1 103**	**17 091**	**18 194**

12.1 Claims recoverable

	Note	2021/22	2020/21
	12	R'000	R'000
Provincial departments		275	953
Public entities		16 830	16 830
Total		**17 105**	**17 783**

12.2 Recoverable expenditure (disallowance accounts)

	Note	2021/22	2020/21
	12	R'000	R'000
Sal: Tax Debt:(CA)		1	1
Total		**1**	**1**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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12.3 Staff debt

	Note	2021/22	2020/21
	12	R'000	R'000
Bursary Debt (Employee and Non-employee)		1 019	110
Tax Debt		4	23
Ex-employee Debt		-	2
Salary Overpayment		347	254
Losses		4	21
Total		**1 374**	**410**

12.4 Impairment of receivables

	2021/22	2020/21
	R'000	R'000
Estimate of impairment of receivables	16 852	16 895
Total	**16 852**	**16 895**

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.

13. Voted funds to be surrendered to the Revenue Fund

	Note	2021/22	2020/21
		R'000	R'000
Opening balance		18 138	26 242
Prior period error		-	-
As restated		18 138	26 242
Transfer from statement of financial performance (as restated)		10 956	(556)
Add: Unauthorised expenditure for current year	9	-	1 452
Paid during the year		(11 196)	(9 000)
Closing balance		**17 898**	**18 138**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

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

	2021/22 R'000	2020/21 R'000
Opening balance	32	841
Prior period error	-	-
As restated	32	841
Own revenue included in appropriation	18 225	11 637
Paid during the year	(17 426)	(12 446)
Closing balance	**831**	**32**

15. Bank Overdraft

	2021/22 R'000	2020/21 R'000
Consolidated Paymaster General Account	1 127	1 273
Total	**1 127**	**1 273**

16. Net cash flow available from operating activities

	2021/22 R'000	2020/21 R'000
Net surplus/(deficit) as per Statement of Financial Performance	10 956	(556)
Add back non cash/cash movements not deemed operating activities	(1 506)	22 993
(Increase)/decrease in receivables	(306)	7 818
(Increase)/decrease in prepayments and advances	-	9 010
Increase/(decrease) in payables – current	-	(65)
Expenditure on capital assets	9 197	16 039
Surrenders to Revenue Fund	(28 622)	(21 446)
Own revenue included in appropriation	18 225	11 637
Net cash flow generated by operating activities	**9 450**	**22 437**

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

	2021/22 R'000	2020/21 R'000
Consolidated Paymaster General account	(1 127)	(1 273)
Disbursements	1 070	-
Cash on hand	94	94
Total	**37**	**(1 179)**

18. Contingent liabilities and contingent assets

18.1 Contingent liabilities

Liable to	Nature	Note	2021/22 R'000	2020/21 R'000
Claims against the department		*Annex 3B*	603	603
Total			**603**	**603**

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 Afica 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.

18.2 Contingent assets

Nature of contingent asset	2021/22 R'000	2020/21 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 2022 total probable revenue due to the department is about R11m.

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19. Capital commitments

	2021/22 R'000	2020/21 R'000
Buildings and other fixed structures	3 681	3 848
Total	**3 681**	**3 848**

20. Accruals and payables not recognised

20.1 Accruals

			2021/22 R'000	2020/21 R'000
Listed by economic classification				
	30 Days	**30+ Days**	**Total**	**Total**
Goods and services	12 822	4	12 826	3 627
Capital assets	164		164	
Other	-	-	-	123
Total	**12 986**	**4**	**12 990**	**3 750**

	2021/22 R'000	2020/21 R'000
Listed by programme level		
Administration	8 536	3 716
Environmental Affairs	4 425	34
Economic Development	26	-
Tourism	3	-
Total	**12 990**	**3 750**

20.2 Payables not recognised

			2021/22 R'000	2020/21 R'000
Listed by economic classification				
	30 Days	**30+ Days**	**Total**	**Total**
Goods and services	119	583	702	176
Total	**119**	**583**	**702**	**176**

	2021/22 R'000	2020/21 R'000
Listed by programme level		
Administration	695	176
Environmental Affairs	4	-
Economic Development	3	-
Tourism	-	-
Total	**702**	**176**

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	Note	2021/22	2020/21
Included in the above totals are the following:		**R'000**	**R'000**
Confirmed balances with other departments	*Annex 5*	102	124
Confirmed balances with other government entities	*Annex 5*	6 626	3 062
Total		**6 728**	**3 186**

21. Employee benefits

	2021/22	2020/21
	R'000	**R'000**
Leave entitlement	11 791	17 951
Service bonus	7 432	7 669
Performance awards	2 099	9 737
Capped leave	5 261	5 326
Other	792	806
Total	**27 375**	**41 489**

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

"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 R285 202.75.

22. Lease commitments

22.1 Operating leases

2021/22	**Specialised military equipment R'000**	**Land R'000**	**Buildings and other fixed structures R'000**	**Machinery and equipment R'000**	**Total R'000**
Not later than 1 year	-	-	-	9 319	9 319
Later than 1 year and not later than 5 years	-	-	-	24 317	24 317
Later than five years	-	-	-	4 739	4 739
Total lease commitments	**-**	**-**	**-**	**38 375**	**38 375**

2020/21	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	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**

The major operating lease of the department are the fleet.

23.1 Finance leases

2021/22	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	1 563	1 563
Later than 1 year and not later than 5 years	-	-	-	217	217
Later than five years	-	-	-	-	-
Total lease commitments	**-**	**-**	**-**	**1 780**	**1 780**

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

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

There are no escalation clauses in the lease contracts.

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23. Accrued departmental revenue

	2021/22 R'000	2020/21 R'000
Sales of goods and services other than capital assets	24 386	23 399
Total	**24 386**	**23 399**

23.1 Analysis of accrued departmental revenue

	2021/22 R'000	2020/21 R'000
Opening balance	23 399	22 014
Add: amounts recorded	987	1 385
Closing balance	**24 386**	**23 399**

23.2 Impairment of accrued departmental revenue

	2021/22 R'000	2020/21 R'000
Estimate of impairment of accrued departmental revenue	17 195	16 480
Total	**17 195**	**16 480**

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

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. Where there are contractual agreements in place it is assumed that the parties will honour the agreements and thus debt is impaired based on the contractual agreement. Where department's debt collection processes indicate non-recovery such debt will be impaired.

24. Irregular expenditure

24.1 Reconciliation of irregular expenditure

	2021/22 R'000	2020/21 R'000
Opening balance	110 816	106 511
Prior period error		(4 998)
As restated	110 816	101 513
Add: Irregular expenditure – relating to prior year	-	1 515
Add: Irregular expenditure – relating to current year	3 175	7 788
Less: Amounts written off	(19)	-
Closing balance	**113 972**	**110 816**

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Analysis of closing balance		
Current year	3 175	7 788
Prior years	110 797	103 028
Total	**113 972**	**110 816**

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

Incident	Disciplinary steps taken/criminal proceedings	2021/22 R'000
Services procured without consultation with SCM to follow procurement processes	Under investigation	100
Payment made for the telephone system via FDC.	Under investigation	2 814
Procurement and Contract Management_ Winning suppliers not tax compliant	Under investigation	261
Total		**3 175**

24.3 Details of irregular expenditures written off (irrecoverable)

Incident	2021/22 R'000
Transversal procurement: B-BBEE Verification Agency of the winning bidders for Events Management transversal contract is not registered with SANAS	19
Total	**19**

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

Incident	2021/22 R'000
Goods and Services: Non-compliance with section 67 of PFMA	4 899
Splitting of orders	495
Splitting of orders	496
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
Payments were not as per approved delegations	5 667
Could not be confirmed that SCM processes were followed as the payment file could not be obtained.	114
Awards made were not approved by a properly delegated official	1 008
Services procured via a third party agent instead of procuring directly with the service provider.	225
No deviation for obtaining one quotation	40
Agency and support / outsourced services : Deviation not justifiable	112
Splitting (Quotations)	2 449
Quotation differs from invoice	126

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Reason for deviation not justifiable and SBD 4 form not attached	71
Appropriated funds for Covid-19 relief was awarded to SMMEs not eligible	13 000
Appropriated funds for ISI was awarded to SMMEs not eligible	1 045
Procurement and Contract Management_ Winning suppliers not tax compliant	54
Total	**30 357**

24.5 Prior period error

	2020/21 R'000
Nature of prior period error	
Relating to 2018/19 *[affecting the opening balance]*	**(4 998)**
Amounts incorrectly captured in the IE register	(1)
The case was moved from confirmed irregular expenditure to unconfirmed	(4 899)
The case was duplicated in the register	(98)
Relating to 2020/21	**(4 998)**
Total	**(4 998)**

Two amounts were incorrectly captured the IE register.
The case was moved from confirmed irregular expenditure to unconfirmed
The case was duplicated in the register

25. Fruitless and wasteful expenditure

25.1 Reconciliation of fruitless and wasteful expenditure

	2021/22 R'000	2020/21 R'000
Opening balance	2 931	2 931
Prior period error	-	-
As restated	2 931	2 931
Fruitless and wasteful expenditure – relating to current year	439	-
Less: Amounts written off	(725)	-
Closing balance	**2 645**	**2 931**

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

Incident	Disciplinary steps taken/criminal proceedings	2021/22 R'000
The service provider was paid for goods and services that were not rendered (diesel)	Investigation still underway	439
Total		**439**

25.3 Details of fruitless and wasteful expenditure written off

Incident	2020/21 R'000
VAT paid to SITA for international procurement that is zero-rated.	252
VAT paid to JVC that is not a VAT vendor.	473
Total	**725**

25.4 Details of fruitless and wasteful expenditures under assessment (not included in the main note)

Incident	2021/22 R'000
Buildings and other fixed structures - Various Issues	12 377
Goods and Services - Advertising	30
Total	**12 407**

26. 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

27. Key management personnel

	No. of Individuals	2021/22	2020/21
		R'000	R'000
Political office bearers (provide detail below)	1	1 978	1 978
Officials:			
Level 15 to 16	1	2 231	2 176
Level 14 (incl CFO if at a lower level)	6	6 820	8 201
Total		**11 029**	**12 355**

KMP are those persons having the authority and responsibility for planning, directing and controlling the activities of the department, directly or indirectly, i.e. those charged with decision-making responsibilities.

KMP of the department includes the political office bearer and executive management as they are the governing body responsible for the delivery of the department's services and are accountable for:

- *the strategic direction and leadership of the department as a whole;*
- *management of the department as a whole;*
- *monitoring and evaluation of the department's activities; and*
- *compliance and stakeholder management.*

Executives and/or senior managers that have been delegated the operational authority for a discrete function of the department, are considered as KMP.

Remuneration to close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the department (where these individuals are paid by the department)

Remuneration includes

(a) Short-term employee benefits such as salaries, unemployment insurance and workmen's compensation funds (where applicable), paid annual leave and paid sick leave, profit sharing and bonuses and non-monetary benefits such as medical benefits, housing, cars and free or subsidised goods and services;

(b) post-employment benefits (social benefits) such as pensions, other retirement benefits, post-employment life insurance and medical care;

(c) other long-term employee benefits, including long-service leave or sabbatical leave, long term disability benefits; and

(d) termination benefits.

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28. Non-adjusting events after reporting date

Nature of event	2021/22 R'000
Include an estimate of the financial effect of the subsequent non-adjusting events or a statement that such an estimate cannot be made.	
The amount relates to the transfers made to four enterprises approved through the Pick n' Pay programme during the 2021/22 financial year. The department learned that the programme was cancelled after the reporting date but before the date the Annual Financial Statements are authorised for issue.	5 000
Summons were issued to the department during May 2022 based on defamation claims that supposedly resulted in the plaintiff's reputation being damaged.	10 000
Total	**15 000**

29. Movable Tangible Capital Assets

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

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	**37 310**	**-**	**1 334**	**(4 083)**	**34 561**
Transport assets	4 700	-	-	(504)	4 196
Computer equipment	12 686	-	273	(498)	12 461
Furniture and office equipment	10 741	-	413	(2 862)	8 292
Other machinery and equipment	9 183	-	648	(219)	9 612
SPECIALISED MILITARY ASSETS	**1 026**	**-**	**-**	**-**	**1 026**
Specialised military assets	1 026		-	-	1 026
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**38 336**	**-**	**1 334**	**(4 083)**	**35 587**

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	726	8 805

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

29.1 Movement for 2020/21

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

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**35 616**	**-**	**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	8 544	-	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	**36 652**	**-**	**2 087**	**(403)**	**38 336**

29.2 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2022

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	310	-	-	25 470	-	25 780
Additions	-	-	-	283	-	(548)
Disposals				(548)		
TOTAL MINOR ASSETS	**310**	**-**	**-**	**25 205**	**-**	**25 515**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	127	-	-	15 627	-	15 754
TOTAL NUMBER OF MINOR ASSETS	**127**	**-**	**-**	**15 627**	**-**	**15 754**

Minor Capital Assets under investigation

	Number	Value R'000
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	3 148	5 316

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 2021

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	310	-	-	25 327	-	25 637
Prior period error	-	-	-	-	-	-
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	127	-	-	15 958	-	16 085
TOTAL NUMBER OF MINOR ASSETS	**127**	**-**	**-**	**15 958**	**-**	**16 085**

30. Immovable Tangible Capital Assets

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	**60 771**	**13 766**	**(8 076)**	**66 461**
Other fixed structures	60 771	13 766	(8 076)	66 461
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	**60 771**	**13 766**	**(8 076)**	**66 461**

The disposal is a non-cash disposal. It relates to sec42 transfer done to the Setsoto Municipality for the container park in Ficksburg.

30.1 Movement for 2020/21

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

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	**57 736**	**-**	**3 035**	**-**	**60 771**
Other fixed structures	57 736	-	3 035	-	60 771
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	**57 736**	**-**	**3 035**	**-**	**60 771**

30.2 Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2022

	Note	Opening balance 1 April 2021	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2022
	Annexure 7	R'000	R'000	R'000	R'000
Buildings and other fixed structures		18 941	5 476	(13 766)	10 651
TOTAL		**18 941**	**5 476**	**(13 766)**	**10 651**

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2021

	Note	Opening balance 1 April 2020	Prior period error	Current Year WIP	Ready for use (Assets to the AR)) / Contracts terminated	Closing balance 31 March 2021
	Annexure 7	R'000	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**

31. Principal-agent arrangements

31.1 Department acting as the principal

	2021/22	2020/21
	R'000	R'000
FSGLTA	4 637	4 483
Total	**4 637**	**4 483**

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

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.

32. Prior period errors

32.1 Correction of prior period errors

	Note	Amount bef error correction	Prior period error	Restated Amount
		2020/21	2020/21	2020/21
		R'000	R'000	R'000
Revenue: ***(E.g. Annual appropriation, Departmental revenue, Aid assistance, etc.)***				
Sale of Capital assets	2.4	7 659	(7 659)	-
Net effect		**7 659**	**(7 659)**	**-**

The sale of fish, bird and game has been reclassified during the 2021/22 financial year from sale of capital assets to sale of current assets. This is due to the fact that the department does not account for biological assets in its books and therefore cannot record the disposals against a zero balance. The sale of game does not meet the definition of biological assets as per the SCOA; hence the department has classified the sale of game as sale of non-capital assets so that the AFS are fairly presented.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

	Note	Amount bef error correction	Prior period error	Restated Amount
		2020/21	2020/21	2020/21
		R'000	R'000	R'000
Assets: ***(E.g. Receivables, Investments, Accrued departmental revenue, Movable tangible capital assets, etc.)***				
Prepayments (Expensed)	11	52 695	(5 157)	47 538
Net effect		**52 695**	**(5 157)**	**47 538**

Prepayments (Expensed) - A restatement was done as the amount was materially misstated in the prior year AFS.

	Note	Amount bef error correction	Prior period error	Restated Amount
		2020/21	2020/21	2020/21
		R'000	R'000	R'000
Other: ***(E.g. Irregular expenditure, Fruitless and wasteful expenditure, etc.)***				
Irregular expenditure	24	115 814	(4 998)	110 816
Net effect		**115 814**	**(4 998)**	**110 816**

Two amounts were incorrectly captured in the register.

The case was moved from confirmed irregular expenditure to unconfirmed

The case was duplicated in the register

33. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF GRANT	GRANT ALLOCATION					SPENT				2020/21	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjust-ments	Other Adjust-ments	Total Available	Amount received by department	Amount spent by department	Under / (Overspending)	% of available funds spent by department	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	2 389	-	-	-	2 389	2 389	2 310	79	96.7%	2 256	2 256
TOTAL	**2 389**	**-**	**-**	**-**	**2 389**	**2 389**	**2 310**	**79**	**96.7%**	**2 256**	**2 256**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

34. 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.

35. COVID 19 Response Expenditure

	Note	**2021/22**	**2020/21**
	Annexure 11	**R'000**	**R'000**
Goods and services		2 188	17 225
Transfers and subsidies		29 942	71 619
Total		**32 130**	**88 844**

36. 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 2022 of R17 373m.
The funds to be surrendered of R17 898m as at 31 March 2022 that exceed cash and cash equivalents by R16 734m.

The department recognised a net cash flow available from operating activities of R9 450m.

The current ratio as at the 31 March 2022, which is calculated by dividing the departments current assets by the current liabilities is 0.2 (2021/22) and 0.13 (2020/21). This means that the department does not have cash on hand to meet its short-term obligations if they were all due at once, i.e. the departments debt due in the next 12 months or less are greater than its assets. This is however not an indication of the departments longer-term solvency.

ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2020/21
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Prov Da: FS Gambling & Liquor Auth	103 087	-	2 500	105 587	105 587	100.0%	100 253
Com: Licences (Radio& Tv)	226	-	-	226	78	34.5%	229
TOTAL	**103 313**	**-**	**2 500**	**105 813**	**105 665**	**99.9%**	**100 482**

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

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2020/21
	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	**31 000**	**-**	**10 500**	**41 500**	**41 500**	**100.0%**	**-**	**41 500**	**26 268**
Free State Development Corp	31 000	-	10 500	41 500	41 500	100.0%	-	41 500	26 268
Total	**31 000**	**-**	**10 500**	**41 500**	**41 500**	**100.0%**	**-**	**41 500**	**26 268**
Private Enterprises									
Transfers	**68 380**	**-**	**(500)**	**67 880**	**67 927**	**100.1%**	**-**	**67 927**	**73 117**
Free State Business Chambers	-	-	-	-	-	-	-	-	1 500
Co-Operatives Incentives Scheme	68 380	-	(500)	67 880	67 927	100.1%	-	67 927	71 617
Total	**68 380**	**-**	**(500)**	**67 880**	**67 927**	**100.1%**	**-**	**67 927**	**73 117**
TOTAL	**99 380**	**-**	**10 000**	**109 380**	**109 427**	**100.0%**	**-**	**109 427**	**99 385**

ANNEXURE 1F
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2020/21
	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	574	-	-	574	256	44.6%	211
TOTAL	**574**	**-**	**-**	**574**	**256**	**44.6%**	**211**

ANNEXURE 1G
STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2020/21
	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							
H/H EMPL S/BEN:LEAVE GRATUITY	1 190	-	(70)	1 120	724	64.6%	1 620
H/H: DONATIONS & GIFTS (CASH)	340	-	70	410	308	75.1%	-
H/H EMPL S/BEN:INJURY ON DUTY	70	-	-	70	26	37.1%	70
H/H:CLAIMS AGAINST STATE(CASH)	250	-	-	250	250	100.0%	-
TOTAL	**1 850**	**-**	**-**	**1 850**	**1 308**	**70.7%**	**1 690**

ANNEXURE 1H
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2021/22 R'000	2020/21 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 R'000	REVENUE R'000	EXPENDITURE R'000	PAID BACK ON/BY 31 MARCH R'000	CLOSING BALANCE 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	2021/22 R'000	2020/21 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 2022

Nature of Liability	Opening Balance 1 April 2021 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancelled/reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31 March 2022 R'000
Claims against the department					
Letsatsi la Afrika	306	-	-	-	306
RV Ntuli vs DESTEA and other	297	-	-	-	297
TOTAL	**603**	**-**	**-**	**-**	**603**

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 Afica 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.

ANNEXURE 4
CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2021/22 *	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	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	-	-
	-	**953**	**-**	**-**	**-**	**953**	**-**	**-**
Other Government Entities								
FDC	16 830	16 830	-	-	16 830	16 830	-	-
Fleet Management	-	-	275	-	275	-	-	-
	16 830	**16 830**	**275**	**-**	**17 105**	**16 830**	**-**	**-**
TOTAL	**16 830**	**17 783**	**275**	**-**	**17 105**	**17 783**	**-**	**-**

*** For the Cash in transit columns - Please note the following:**

- Provincial departments must only reflect receipts from departments within their province

ANNEXURE 5
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2021/22 *	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	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	3	1	-	-	3	1	-	-
PRT	-	89	-	-	-	89	-	-
FSPG: Agriculture And Rural Development	-	34	-	-	-	34	-	-
FSPG: COGTA	17	-	-	-	17	-	-	-
Department of Justice	82	-	-	-	82	-	-	-
Subtotal	**102**	**124**	**-**	**-**	**102**	**124**	**-**	**-**
OTHER GOVERNMENT ENTITY								
Current								
Fleet Management	6 626	3 062	-	-	6 626	3 062	-	-
Subtotal	**6 626**	**3 062**	**-**	**-**	**6 626**	**3 062**	**-**	**-**
TOTAL INTERGOVERNMENT PAYABLES	**6 728**	**3 186**	**-**	**-**	**6 728**	**3 186**	**-**	**-**

*** For the Cash in transit columns - Please note the following:**

- Provincial departments must only reflect payments to departments within their province

ANNEXURE 7
MOVEMENT IN CAPITAL WORK IN PROGRESS

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2022

	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	**18 941**	**5 476**	**(13 766)**	**10 651**
Other fixed structures	18 491	5 476	(13 766)	10 651
TOTAL	**18 491**	**5 476**	**(13 766)**	**10 651**

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

	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	**10 306**	**-**	**8 635**	**-**	**18 941**
Other fixed structures	10 306	-	8 635	-	18 941
TOTAL	**10 306**	**-**	**8 635**	**-**	**18 941**

ANNEXURE 11
COVID 19 RESPONSE EXPENDITURE
Per quarter and in total

Expenditure per economic classification	2021/22					2020/21
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of employees						
Goods and services	**-**	**-**	**1 834**	**354**	**2 188**	**17 225**
List all applicable SCOA level 4 items						
Cons Supplies	-	-	-	-	-	17 046
Agency & Suprt/Outsourced Services	-	-	363	-	363	13
Minor Assets	-	-	-	-	-	166
Advertising	-	-	-	14	14	-
Consultants: Business & Advisory Services	-	-	1 471	-	1 471	-
Operating Payments	-	-	-	340	340	-
Transfers and subsidies	**9 015**	**3 977**	**1 470**	**15 480**	**29 942**	**71 619**
List all applicable SCOA level 4 items						
Trnsf & sub: Private enterprises	9 015	3 977	1 470	15 480	29 942	71 619
TOTAL COVID 19 RESPONSE EXPENDITURE	**9 015**	**3 977**	**3 304**	**15 834**	**32 130**	**88 844**

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