the premier

Office of the Premier

FREE STATE PROVINCE

OFFICE OF THE PREMIER

2022/23 ANNUAL REPORT

OFFICE OF THE PREMIER

PROVINCE OF THE FREE STATE

VOTE NO. 01

ANNUAL REPORT

2022/2023 FINANCIAL YEAR

Contents

PART A: GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

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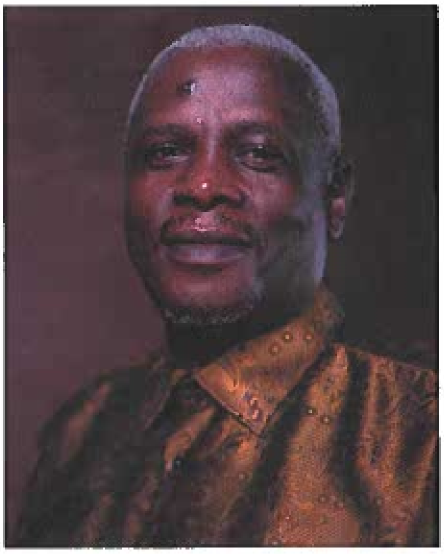
2. LIST OF ABBREVIATIONS/ACRONYMS

3G	3G is the third generation of wireless mobile telecommunications technology
ACB	Annual Cash Bonus
AFS	Audited Financial Statement/s
AGSA	Auditor General of South Africa
AIDS	Acquired Immunodeficiency Syndrome
ANC	African National Congress
AO	Accounting Officer
APP	Annual Performance Plan
B-BBEE	Broad-based Black Economic Empowerment
B.COM	Bachelor Of Commerce
BAS	Basic Accounting System
BMI	Body Mass Index
BPR	Business Process Reengineering
CA	Chartered Accountant
CATHSSETA	Culture, Art, Tourism, Hospitality, and Sport Sector Education and Training Authority
CCPFSP	Coordinating Chamber of the PSCBC for the Free State Province
CDW	Community Development Worker/s
CFO	Chief Financial Officer
CHIETA	Chemical Industries Education and Training Authority
COE	Compensation of Employees
COGTA	Free State Department of Cooperative Governance and Traditional Affairs
COVID-19	'CO' stands for corona, 'VI' for virus, and 'D' for disease. "19" indicates the year 2019 in which the virus was first discovered.
DARD	Department of Agriculture and Rural Development
DDG	Deputy Director General
DDM	District Development Model
DESTEA	Free State Department of Small Business Development, Tourism and Environmental Affairs
DG	Director-General
DPME	Department of Planning, Monitoring and Evaluation
DPR&T	Free State Department of Police, Roads and Transport
DPSA	Department of Public Service and Administration
EHW	Employee Health and Wellness
EPRE	Estimates of Provincial Revenue and Expenditure
EXCO	Executive Council of the Free State Province
FOHOD	Forum of Heads of Departments
FPDP	Departmental Fraud Prevention and Detection Plan
FSGDS	Free State Growth and Development Strategy
FSPG	Free State Provincial Government

FSTDI	Free State Training and Development Institute
GBV	Gender Based Violence
GPFSBC	General Public Service Sectoral Bargaining Council
GPSSBC	General Public Service Sector Bargaining Council
HCT	HIV Counselling and Testing
HDI	Historically Disadvantaged Individual
HIV	Human Immunodeficiency Virus
HOD	Head of Department
HRD	Human Resource Development
IDLRF	Inter-Provincial Labour Relations Forum
IDP	Integrated Development Plan
IESBA	International Ethics Standards Board for Accountants
IGR	Intergovernmental Relations
IRBA	Independent Regulatory Board for Auditors
ISA	International Standards on Auditing
IT	Information Technology
JE	Job Evaluation
KCM	Key Control Matrix
LAC	Labour Appeal Court
LED	Local Economic Development
LGMIM	Local Government Management Improvement Model
LGSETA	Local Government Sector Education and Training Authority
LLB	Bachelor of Laws
LOGIS	Logistical Information System
LP	Legal Practitioner (The relevant salary levels for the occupational categories Candidate Attorney, State Attorney, Family Advocate and State Law Advisor)
M&E	Monitoring and Evaluation
MCS	Modified Cash Standard
MEC	Member of Executive Council
MERSETA	Manufacturing, Engineering and Related Services Sector Education and Training Authority
MICTSETA	Media, Information and Communication Technologies Sector Education and Training Authority
MOU	Memorandum of Understanding
MPAT	Management Performance Assessment Tool
MPSA	Minister/Ministry of Public Service and Administration
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NACH	National Anti-Corruption Hotline
NCOP	National Council of Provinces
NDP	National Development Plan
NEHAWU	National Education, Health and Allied Workers' Union

NSFAS	National Student Financial Aid Scheme
OAG	Office of the Accountant General
ODA	Official Development Assistance
OHS	Occupational Health and Safety
OMF	Operational Management Framework
OSD	Occupational Specific Dispensation
OtP/OTP	Office of the Premier
PAA	Public Audit Act
PAIA	Promotion of Access to Information Act
PCC	President's Coordinating Council
PCF	Premier's Coordinating Forum
PERSAL	Personnel and Salary Administration System
PFMA	Public Finance Management Act
POA	Programme of Action
PPE	Personal Protective Equipment
PPP	Public Private Partnerships
PPPFA	Preferential Procurement Policy Framework Act
PROPAC	Provincial Public Accounts Committee
PSA	Public Servant's Association
PSCBC	Public Service Co-ordinating Bargaining Council
PSETA	Public Service Education and Training Authority
PT	Provincial Treasury
QPR	Quarterly Performance Report/ing
S.M.A.R.T.	Specific, Measurable, Achievable (or Attainable), Relevant and Time-bound
SAICA	South African Institute of Chartered Accountants
SALGA	South African Local Government Association
SCOPA	Standing Committee on Public Accounts
SCM	Supply Chain Management
SDIP	Service Delivery Improvement Plan
SETA	Sector Education and Training Authority/ies
SITA	State Information Technology Agency
SIU	Special Investigating Unit
SMME	Small Medium and Micro Enterprises
SMS	Senior Management Services
SOPA	State of the Province Address
TB	Tuberculosis
TETA	Transport Education Training Authority
TR	Treasury Regulations
TSC	Thusong Service Centre

3. FOREWORD BY THE PREMIER



Name: Mr MA Dukwana
Title: Premier

As Office of the Premier, we saw it our duty to ensure collaborative and integrated service delivery. Successful growth and development of this province depends on building a capable, ethical and developmental state. This is the number one priority that underpins all other government Medium Term Strategic Framework (MTSF) priorities. The importance of this priority places the Office of the Premier at the Centre of Government and the key driver of provincial policy and development.

Only when we are effective, accountable and responsive to the needs of the people we can achieve more. But this necessitates that we regularly rationalise and improve our processes, approaches and practices in government. Besides teamwork, our ability to respond to our challenges and fashion the future depends on our capacity to implement integrated coordination measures, as advocated in government's District Development Model (DDM). The latter calls for responsibility to determine the policy imperatives for the whole of government, provide strategic leadership, drive integrated coordination and ensure service delivery implementation.

Focussing on the role of the Centre, the Office of the Premier initiated a renewed emphasis on consolidating the department's leadership role through the strengthening of provincial decision-making fora at EXCO and top management level such as EXCO, PCF, FOHOD, Provincial Clusters, as well as frequent provincial and local government interactions through established fora.

Furthermore, the Office of the Premier continued efforts of ensuring that the priorities of the government are effectively carried through at a provincial level. Hence, in line with the National Development Plan (NDP), the Office of the Premier is responsible for ensuring that the Free State Provincial Government addresses the identified priorities and serves the people of the province in a coordinated, integrated and sustainable manner.

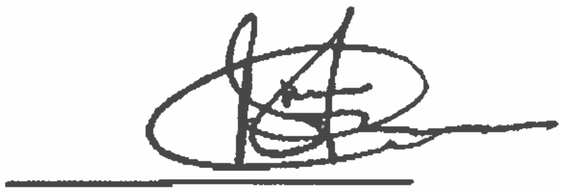
In addition, the Office of the Premier also oversees the implementation of the FSGDS Vision 2050, which charts a long-term development path for the province. The FSGDS outlines six pillars and a set of drivers to deal with these challenges which confront the province. It is about creating synergy between development, implementation and value in attaining shared development outcomes based on the province's development experiences, challenges, needs and priorities. It articulates policy inter-linkages between the national, provincial and local spheres of governance as central to integrated service delivery. This entails creating the environment, institutions and mechanisms crucial for shared growth and integrated development.

The Intergovernmental Relations Framework Act, which seeks to facilitate co-ordination in the implementation of policy and legislation, requires greater involvement from the Premier and thus the Office of the Premier, in the work of district and local municipalities. The latter is strengthened through the implementation of the District Development Model (DDM). In particular, the Office of the Premier provided oversight and implementation support to ensure the successful implementation of the DDM.

A strong emphasis is furthermore placed on our human capital and building a breed of public servants with the requisite passion and competencies that are required for the implementation of our development strategies. This is aimed at ensuring continuous improvement of service delivery, strengthening integration and co-ordination and ensuring that issues of disability, youth, rights of children and women are placed at the centre of government business.

As the Office of the Premier, we reiterate our commitment to improve the audit outcomes of the department. The commitment is towards sound financial management and quality performance reporting. All efforts will be made to prevent irregular, fruitless and wasteful expenditure. In addition, extra measures will be put in place to ensure proper accounting of performance. We will work with the Office of the Auditor General to achieve these objectives and implement our Audit Action Plan. We are determined to turn-around the situation.

I would like to express my appreciation to the Executive Authority, the Director General of the Free State, Members of the Executive Management and the staff of the Office of the Premier for the support and hard work in ensuring the department's success during the 2022/23 financial year.



Premier of the Free State Province

4. REPORT OF THE ACCOUNTING OFFICER

Name: Kopung Ralikontsane
Title: Director General
Office of the Premier

- Overview of the operations of the department:

On the 24th February 2023, the new Premier of the Free State province, Hon. Mxolisi Dukwana was installed.

Since his appointment, the Premier has impressed upon government officials to serve communities with absolute diligence and care, with particular emphasis being on the proper usage of the scant public resources. All departments have recently tabled their budgets for the current financial year. The Office of the Premier, Treasury as well as the Free State Provincial Legislature were the last to table their budgets in Welkom on 5 May 2023.

Premier Dukwana used the opportunity to remind officials that there is to be of service to the people of the province. This is the message that we, as senior government officials, welcome and embody. For far too long, the conduct of some officials has been despicable to say the least.

While government had, in the past, entrusted some officials with the public purse to ensure the provision of much needed services to communities, the end result has not been what was expected of public servants. Malfeasance and corruption were sadly, institutionalized. The result of these deplorable acts was the failure to ensure that refuse collection, maintenance of waste water treatment plants for example, and many other service delivery related matters were properly attended to.

To combat this sickening practice, government has recommitted to strengthening ties with organisations such as the office of the Auditor General, The Directorate for Priority Crime Investigation (The Hawks), the National Prosecuting Authority, Public Protector and many other bodies to rid our province of the scourge of corruption.

When delivering the State of the Province Address, Premier Dukwana made a commitment that no effort will be spared in tackling corrupt activities. The Premier further said the Free State province has, over a period of time, developed a reputation as a breeding ground for corruption, something all of us ought to be ashamed of. We however found comfort in his commitment to rid the Free State of corruption in all its manifestations.

As government, we are not simply paying lip service to the fight against fraud and corruption, but we are putting practical measures in place to ensure that not a cent meant for the development of our province ends up in the hands of greedy individuals who prioritise selfish needs over the needs of our long-suffering communities.

The implementation of the District Development Model remains key in achieving our strategic goals. This model strives to ensure a smooth and well coordinated cooperation between all spheres of government, national, provincial as well as local. The successful implementation of the District Development Model will propel government to new heights where service delivery will be achieved without much hinderance. We must acknowledge that we have not as yet, achieved this goal, but it remain a priority for government and will yield desired results for all of us.

The Prevention and Combating of Corrupt Activities Act will be enacted. Part two of the act speaks directly to public servants who partake in these criminal activities: "Public officer who, directly or indirectly, accepts or agrees or offers to accept any gratification from any other person, whether for the benefit of himself or herself or for the benefit of another person."

In order for government to meet its constitutional mandate of providing a better life for all, strict measures must be applied, particularly in regards to our scarce resources. While we are not blind to the fact that our budget may not be enough to reach our desired targets, we have heeded the Premier's call to do more with less. That vision will, unfortunately, not be realised if monies meant for the development of our province, are brazenly stolen by incorrigible individuals.

That is precisely why Premier Dukwana, in his wisdom, has sought to strengthen ties with all law enforcement agencies to put an end to this rot.

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

Departmental receipts	2022/2023			2021/2022		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	3.192	4,500	(1308)	2,975	3,771	(796)
Financial transactions in assets and liabilities	59	107	(48)	1,279	1,304	(25)
Total	**3,251**	**4,607**	**(1,356)**	**4,254**	**5,075**	**(821)**

The Department over collected its revenue budget with R1 356 000 due to the following:

- More notices were received from Departments and Municipalities to be published in the Provincial Gazette.
- Recovery of non-pensionable allowances paid to senior management, ex-employees salary overpayments and losses and damages by staff.

Tariff Policy

The Department is responsible for the production of the Free State Provincial Gazette & Tender Bulletin. The Tender Bulletin is for sale to the Public and other Government Institutions, while the Provincial Gazette is available for free. In terms of Treasury Regulations 7.3.1, tariffs must be reviewed on an annual basis and are subject to approval by Provincial Treasury. Since these Publications are printed in-house, the Department reviews the annual tariffs by taking into account the following factors.

- electronic distribution of publications and posting.
- increase of salaries
- higher inflation rate
- cost of paper
- cost of postage
- cost of photocopying
- cost of plastic wrapping

The annual tariffs have been amended as follows with effect from 1 April 20223

	2022/23	2023/24	
SELLING PRICE PER COPY	**Current tariffs**	**Proposed tariffs**	**% increase**
Post			
Tender Bulletin	R 19.00	R 20.00	5
Over the counter			
Tender Bulletin	R 7.00	R 8.00	14
Per e-mail			
Tender Bulletin	R 12.00	R 13.00	8

SUBSCRIPTION	**Current tariffs 2022/2023**	**Proposed tariffs 2023/2024**	**% increase**
Post			
6 months			
Tender Bulletin	R 480.00	R 500.00	4
12 months			
Tender Bulletin	R 960.00	R 1000.00	4
Over the counter			
6 months			
Tender Bulletin	R 170.00	R 180.00	6
12 months			
Tender Bulletin	R 340.00	R 360.00	6
(Per e-mail)			
6 months			

Tender Bulletin	R 295.00	R 315.00	7
12 months			
Tender Bulletin	R 590.00	R 630.00	7
ADVERTISING CHARGES PER CENTIMETER (cm)	**Current tariffs**	**Proposed tariffs**	**% increase**
Normal Publications	R 75.00	R 85.00	13
Special (Late) Publications	R 150.00	R 170.00	13
Same Day (Late) Publications	R 225.00	R 255.00	13
Liquor License Notices	R 355.00	R 380.00	7
COPIES MADE ON BEHALF OF OTHER DEPARTMENTS/ INSTITUTIONS	**Current tariffs**	**Proposed tariffs**	**% increase**
A4			
Single sided	R 1.40	R 1.50	7
Double sided	R 2.50	R 3.00	20
A3			
Single sided	R 2.70	R 2.80	4
Double sided	R 5.10	R 5.60	10

Revenue sources in the Department are limited to the following:

- Sale of the Tender Bulletin
- Advertising charges for the advertisement placed in the Provincial Gazette & Tender Bulletin
- Commission on the deduction of insurance premiums and garnishee orders from the salaries of officials
- Sales of obsolete and redundant assets
- Interest on outstanding debts
- Recovery of departmental debts
- Recovery of previous year's expenditure

The following factors influenced revenue collected by the Office of the Premier:

- Voluntary subscription by Government institutions , businesses and the public
- Nature and length of advertisements placed in the publications
- Legislation that compels advertisements in the Provincial Gazette
- Recovery of outstanding debts
- Bids placed during the sale of obsolete and redundant assets

➢ Programme Expenditure

Programme Name	2022/2023			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	101,041	87,107	13,934	102,534	75,055	27,479
Institutional Development	207,525	189,676	17,849	253,691	236,091	17,600
Policy and Governance	139,925	132,648	7,277	84,322	56,982	27,340
Monitoring and Evaluation	155,728	150,946	4,780	147,016	140,032	6,984
Total	**604,217**	**560,377**	**43,840**	**587,563**	**508,160**	**79,403**

Programme 1: Administration

The final appropriation of the 2021/22 financial year (R102,534 million) decreased with 1.5% to R101,041 million in the 2022/23 financial year. Although this programme could spend 73.2% of its budget in 2021/22 financial year it could only spent 87,097 million (86.2%) of its budget in the 2022/23 financial year. The underspending is mainly due to vacant posts not filled and the cash surrendered to the Provincial Revenue Fund and also unspent funds of Service Delivery Integrated Centre /Task Team .

Programme 2: Institutional Development

The final appropriation of the 2021/22 financial year (R253,691 million) decreased with 18.2 % to R207,525 million in the 2022/23 financial year. The expenditure under this programme in the 2021/22 financial year amounted to R236,091 million, which is 93.0% of its budget, and it could only spend 91.4 % of its budget in the 2022/23 financial year .The underspending is due to vacant posts not filled and the cash surrendered to the Provincial Revenue Fund and also unspent earmarked funds of Provincial Bursaries

Programme 3: Policy and Governance

The final appropriation of the 2021/22 financial year (R84,322 million) increased with 65.9% to R139,925 million in the 2022/23 financial year. Although this programme could spend 67.6% of its budget in 2021/22 financial year, it could only spent R132,654 million (94.8%) of its budget in the 2022/23 financial year. The underspending is mainly due to vacant posts not filled, funds surrendered to the Provincial Revenue Fund.

Programme 4 : Monitoring and Evaluation

The final appropriation of the 2021/22 financial year (R147,016 million) increased with 5.9% to R155,726 million in the 2022/23 financial year. Although this programme could spend 95.2% of its budget in 2021/22 financial year, it could only spent R150,946million (96.9%) of its budget in the 2022/23 financial year. The underspending is mainly due to vacant posts not filled.

Virements

Not applicable for the financial year 2022/23

Roll overs

Not applicable

Roll overs

Not applicable for the financial year 2022/23

Public Private Partnerships

The Department was not involved in any public private partnership during the year under review.

Discontinued key activities / activities to be discontinued

The Department did not discontinue activities during the year and did not propose new activities in the coming year.

Supply chain management

No unsolicited bid proposals concluded for the year under review

SCM processes and systems are in place to prevent irregular expenditure however non-compliance is due to shortage of warm bodies with SCM to enforce compliance.

Challenges experienced in SCM and how they were resolved: SCM challenges could be resolve by review of the structure

Gifts and Donations received in kind from non-related parties

No gifts and donations were received during the year under review.

Exemptions and deviations received from the National Treasury

The Department did request exemption during procurement of Imbizo as well as deviation from the Provincial Treasury during the 2022/23 financial year.

Events after the reporting date

No events whether favourable or unfavourable occurred after the reporting date.

During his first few days in office, Premier Dukwana, in a meeting with all officials in the Office of the Premier, appealed to us all to commit to servant and selfless service to the people of the Free State province. In turn, we all committed to rallying behind his vision of building a prosperous province. Each and every one of us therefore is seized with the responsibility of bringing this vision to life.

I would like to express my appreciation to the Executive Authority, Members of the Executive Management and the entire staff off the Office of the Premier for the support and hard work in ensuring the department's success.

Kopung Ralikontsane

Accounting Officer and Director General

Office of the Premier

Date: 11/08/2023

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

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

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

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

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

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

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

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

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

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

Yours faithfully

Kopung Ralikontsane

Accounting Officer and Director General

Office of the Premier

Date: 11/08/2023

6. STRATEGIC OVERVIEW

6.1 Vision

Leading Free State Province towards Service Excellence

6.2 Mission

To provide strategic direction and coordinate integrated service delivery within government in the Free State

6.3 Values

Patriotism manifested through upholding the Constitution, respecting the National Symbols, mutual respect demonstrated between employer and employees and commitment to serve and achieve government goals and priorities

Customer Care characterised by understanding and meeting/exceeding customer expectations, displaying a positive attitude, delivering quality work and treating customers (internal and external) with courtesy and respect.

Honesty and Integrity as illustrated by transparency, fair treatment for all and ethical behaviour towards all.

Spirit de Corps (Team Spirit) achieved through working effectively in teams, participative /consultative decision-making, confidence, reliability, treating each other with respect, respecting differences and freely sharing ideas and information

Professionalism through accountability, knowledge, knowing best practices in the area of responsibilityand punctuality

7. LEGISLATIVE AND OTHER MANDATES

7.1 Constitutional Mandates

In terms of section 125 of the Constitution, 1996, the Premier together with the Executive Council, supported by the Department, is responsible for:

- implementing provincial legislation;
- implementing national legislation in functional areas;
- administering in the province, national legislation outside functional areas;
- developing and implementing provincial policy;

- co-ordinate the functions of the Provincial Administration and its departments; and
- preparing and initiating provincial legislation;
- any other function assigned in terms of the Constitution.

In terms of section 127 of the Constitution, 1996, the Premier, supported by the Department, is responsible for:

- assenting to and signing Bills;
- referring a Bill back to the provincial legislature for reconsideration of the Bill's constitutionality;
- referring a Bill to the Constitutional Court for a decision on the Bill's constitutionality;
- summoning the Legislature to an extraordinary sitting to conduct special business;
- appointing commission of inquiry; and
- calling a referendum in the province in accordance with national legislation.

7.2 Other Legislative Mandates

In terms of section 7(3)(c) of the Public Service Act, 1994 as amended, the Director General, as supported by the Department, has functions in addition to functions as Head of Department of the Office of the Premier, namely to be —

- the Secretary to the Executive Council;
- subject to the provisions of sections 85(2)(c) and 125(2)(e) of the Constitution, 1996, responsible for intergovernmental relations between the relevant provincial administration and other provincial administrations as well as national departments and for the intra-governmental co-operation between the relevant provincial administration and its various provincial departments, including the co-ordination of their actions and legislation; and
- subject to the provisions of the Public Service Act, 1994, responsible for the giving of strategic direction on any matter referred to in section 3(1) namely:

    - The functions of, and organizational arrangements in, the public service;
    - Conditions of service and other employment practices;
    - Labour Relations, health and wellness of employees;
    - Information Management and electronic government;
    - Integrity, ethics conduct and anti-corruption; and
    - Public Service Transformation, Innovation and Reform.

The Intergovernmental Relations Framework Act, 2005, regulates the intergovernmental relations between spheres of government. This Act, amongst others, establishes the Premier's Intergovernmental Forum, and determines that the Premier convenes the Forum and that the Office of the Premier must deliver administrative and other support to the Forum. In essence the Forum must promote and facilitate intergovernmental relations between the province and local government in the province by discussing and consulting on matters of mutual interest.

7.3 Policy Mandates

The Office of the Premier must ensure that the policy guidelines as stated in the under mentioned policies are entrenched and adhered to by all Provincial Departments and Municipalities.

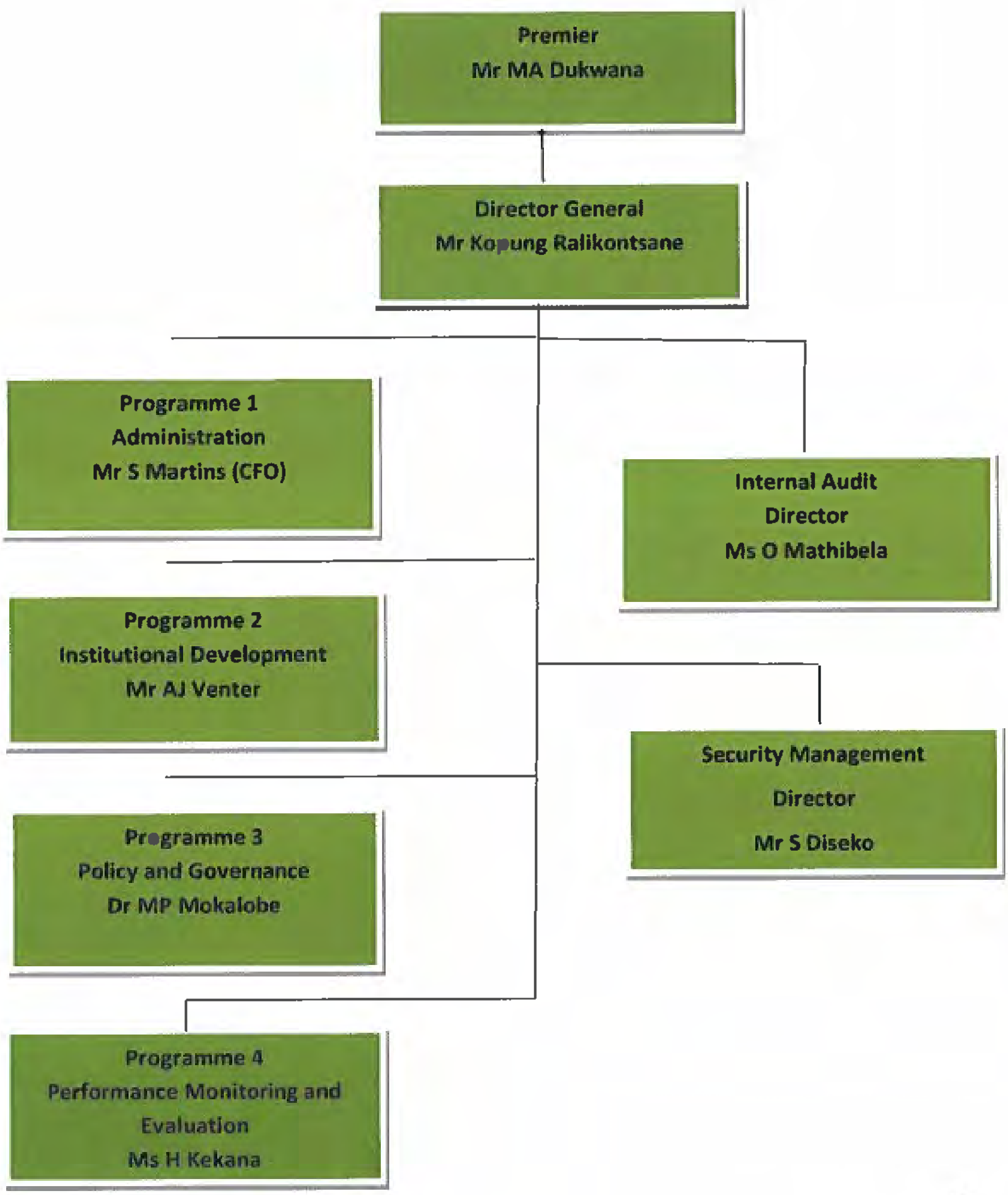
- National Development Plan;
- Provincial Growth and Development Strategy;
- Medium Term Strategic Framework; and
- Ruling Party's (ANC) Election 2014 Manifesto.

Fourteen distinct priorities (outcomes) derived from these documents which must be the focus for all relevant Government Departments for this term of office. These priority outcomes are the following:

1. Quality Basic Education;
2. A long and healthy life for all South Africans;
3. All people in South Africa are and feel safe;
4. Decent employment through inclusive economic growth;
5. A skilled and capable workforce to support an inclusive growth path;
6. An efficient, competitive and responsive economic infrastructure network;
7. Comprehensive rural development and land reform;
8. Sustainable human settlements and improved quality of households' life;
9. Responsive, accountable, effective and efficient developmental local government system;
10. Protect and enhance our environmental assets and natural resources;
11. Creating a better South Africa and contributing to a better and safer Africa in a better world;
12. An efficient, effective and development oriented public service;
13. An inclusive and responsive social protection system; and
14. Nation building and social cohesion.

The Department plays a leading role in the implementation of priority outcomes five, eleven and twelve. The activities which were developed in support of these three priority outcomes are taken care of in the strategic objectives. However, the Department also plays an oversight role by ensuring that Strategic Plans and Integrated Development Plans of Provincial Departments and Municipalities respectively, respond to these Priority Outcomes. The oversight process is furthermore enhanced by means of an intensive performance monitoring and evaluation role.

8. ORGANISATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE PREMIER

There were no entities reporting to the Premier during the 2022/23 financial year.

PART B: PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 146 of the Report of the Auditor-General, published as Part F: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

The role of the Office of the Premier is to provide strategic direction to the entire Provincial Government in pursuit of service delivery excellence in the Free State. The latter is achieved through integrated planning, development, coordination, monitoring and evaluation. During the period under review the Department made every effort to ensure greater alignment of the department's performance delivery environment to the overall objective as stated in the National Development Plan (NDP) of "the need to have established a state that is more capable, more professional and more responsive to the needs of its citizens".

Looking into the future, the National Development Plan priorities that are outlined in the 5-year Medium Term Strategic Framework will remain the guiding instruments of change, progress and a better life for all in the Free State. Against this background and in line with the NDP, the Department strived to ensure that the Free State Provincial Government addresses development challenges and serves people of the province in a coordinated and sustainable manner. This has been done through the implementation of the FSGDS Vision 2030, which charts a long-term development path for the province. The FSGDS outlines six pillars and a set of drivers to deal with these challenges which confronts the province. It is about creating synergy between development, implementation and value in attaining shared development outcomes based on the province's development experiences, challenges, needs and priorities. It articulates policy inter-linkages between the national, provincial and local spheres of governance as central to integrated service delivery. This entails creating the environment, institutions and mechanisms crucial for shared growth and integrated development.

The Department continued its emphasis on consolidating the department's leadership and oversight role through the strengthening of provincial decision-making fora at EXCO and top management level such as EXCO, PCC, PCF, FOHOD, Provincial Clusters, as well as frequent provincial and local government interactions through established fora.

In particular, the department's performance was characterised by the provision of strategic guidance, direction and leadership with regard to a variety of transversal functions within the Free State Provincial Government. The latter related to:

- Executive support to the Premier, Executive Council and the Director General;
- Transversal services such as Human resources, training & development, administering the national skills fund, organisational development, information communication technology, legal services and corporate communication, media and community liaison;
- Policy coordination and alignment services, infrastructure coordination, guiding intergovernmental services, coordinating special programmes focussing on gender, youth, the elderly, disabled and HIV/AIDS, including support to military veterans;
- Conducting oversight, monitoring and evaluation of performance of provincial departments, assessing management practices, ensuring government services reaches communities through community liaison and Operation Hlasela Centres, Community Development Worker programme and the Presidential Hotline.

Although great strides have been made in addressing the challenges - the provincial government in conjunction with its partners, including local government still have a huge responsibility in impacting on a series of interrelated development issues. The latter refers to unemployment (especially amongst the youth), poverty as well as constraints related to energy, natural resources, climate change, infrastructure, housing, skills, crime, and health related issues. Hence, the strong focus and dedicated efforts by the Office of the Premier on alignment of provincial and municipal policies and plans to the MTSF and FSGDS.

The Department was able to achieve 103 of the 112 performance indicators. This put the department's performance at 92%.

2.2 Service Delivery Improvement Plan

The department has completed a service delivery improvement plan. The tables below highlight the service delivery plan and the achievements to date.

SDIP CIRCULAR NO 14 OF 2022 part 4, was issued with a recommendation to grant extension and support be provided to strengthen the critical SDIP building blocks that will enable to produce realistic, effective and credible SDIP for the 2023/25 cycle.

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
1. Increase the number of accredited training courses	Provincial departments and Entities	In review	In review	In review
2. Improve the number of incidents that are resolved at service desk within three (3) working days.	Employees of the Premier and Provincial departments	In review	In review	In review

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

Current/actual arrangements	Desired arrangements	Actual achievements
1.Written correspondence	All customers as indicated per main service (please see paragraph 1.1 Service Delivery and Standards) are consulted by means of written correspondence and other relevant consultation methods to improve service delivery in the Free State Province.	Sesotho, Xhosa, English, Afrikaans, Setswana are the predominant languages been used to communicate with customers.
2. Telephonically	All customers as indicated per main service (please see paragraph 1.1 Service Delivery and Standards)	Central switchboard receiving calls and refer customers to the point where they can be assisted. Central Service Desk number available for all customers.
3. Electronic media	Public	Website available: www.freestateonline.fs.gov.za
4. Workshops, learning networks	All customers as indicated per main service (please see paragraph 1.1 Service Delivery and Standards)	National Forums /meetings with customers across a range of the line functions of the departments were held.
5. Sign language and Braille	Visually and hearing-impaired members of the public	Sign language and Braille are used when needed to assist customers.
6. Questionnaires	Public	Use questionnaires to determine satisfaction of client satisfaction at Thusong Service Centers.
7. Media	Public	Regular adverts in newspapers and local radio to inform clients of events for example Youth and Women's Month activities.

Current/actual arrangements	Desired arrangements	Actual achievements
8. Seminars	All customers as indicated per main service (please see paragraph 1.1 Service Delivery and Standards)	SDIP Cluster/Sector – Focused Technical Support workshops were held virtually for customers /clients by DPSA from month of May to November 2022
9. Radio	Public	Regular media briefings by the Premier on different radio stations.
10 Summits	All customers as indicated per main service (please see paragraph 1.1 Service Delivery and Standards)	No conferences were held
11 Conferences	All customers as indicated per main service (please see paragraph 1.1 Service Delivery and Standards)	No conferences were held.
12. Pamphlets	Public	Distribute pamphlets at service delivery points on government services information in collaboration with departments
13.Informationbrochures	Public	Provide citizens with annual Citizens Report.
14. Exhibitions	Public/Departments	Africa Public Service Day Provincial event was held on the 23 June 2022 at Mangaung Metro Municipality in Bloemfontein Public Service Month-Provincial Annual event was held 01st September 2022 at Mangaung Metro Municipality in Bloemfontein. Thusong Service Week (Free-State) 12 September 2022- Namahadi TSC & Mohokare TSC 19 September 2022- Qalabotjha TSC 26 September 2022- Kopanong TSC
15. Work-In Centre	All customers	Telephone customers make use of this service most of the time.

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
1 Telephonically and per facsimile as available per telephone directory	Switchboard operating hours from 07:30 - 16:00, Monday to Friday Service Desk operating hours from 07:30 - 16:00, Monday to Friday.	1.Telephonically and per facsimile as available per telephone directory
2. Physically at government offices	Info desk at ground floor of OR Tambo House	2. Physically at government offices
3. Correspondence to physical and postal address	P.O. Box 517, Bloemfontein, 9300	3.Correspondence to physical and postal address
4. Internet as per Web Site	fspg.ofs.gov.za/ /www.gitoc.fs.gov.za	4. Internet as per Web Site
5. Help desks/Information lines/Free Post Box	BFN 50 (free post)	5. Help desks/Information lines/Free Post Box
6. Thusong Service Centers	Six Thusong Service Centre are functional.	6. Thusong Service Centre

Current/actual information tools	Desired information tools	Actual achievements
7. E-mail/Intranet	FSPG Website/servicedesk@fspremier.gov.za available	7. E-mail/Intranet
8 Telephonically and per facsimile as available per telephone directory	Switchboard operating hours from 07:30 - 16:00, Monday to Friday Service Desk operating hours from 07:30 - 16:00, Monday to Friday.	8.Telephonically and per facsimile as available per telephone directory

Complaint's mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
1. Help Desks	Addressed complaints.	Achieved
2. Toll-free Lines	Toll-free line: 0800 600 224 available and used by customers	Achieved
3. Telephonically/facsimile as per telephone directory	Switchboard available with operating hours from 07:30 - 16:00, Monday to Friday	Achieved
4.Electronically via Provincial Website/Intranet/E-mail	Website available at www.fs.gov.za	Achieved
5. Operation Hlasela Campaigns	Monthly visits and meetings at specific towns with the citizens.	Achieved
6. Publications/Reports	Publish an Annual Report/Government News Letter.	Achieved
7. Information Sessions/Forum meetings	Regular meetings/forums with municipalities/communities to discuss the Free State Growth and Development Strategy/Operation Hlasela.	Achieved
8. Radio slots of the Premier	The Premier on a regular basis briefed the public on service delivery issues, policies and the Free State Growth and Development Strategy/Operation Hlasela.	Achieved
9 Public Service Week/Africa Public Service Day	The Premier and the executive members take part on events for 2022/23	Achieved
10. Media briefings	The Premier on a regular basis briefed the media on service delivery issues, and policy	Achieved
11. IT Service Manager	48 hours response provided to the complainant.	Achieved
12. Automated Surveys	Not administered	Not Achieved

2.3 Organisational environment

The Director-General approved the establishment of an Organizational Structure Review Committee (OSRC) on 1 February 2022. The purpose of this committee is to consider amendments to the current organisational structure of the Office of the Premier. The members of the Committee comprise of the respective Programme

Managers and advisors in terms of human resource management, financial administration and organisational development. The process would entail the consultation of the respective Chief Directorates in respect to alignment of the current organisational structure to the strategic plan and budget vote for the Office of the Premier in line with the budget allocation for Compensation of Employees (COE)for the multi term expenditure framework.

The Organisational Structure Review Committee (OSRC) resolved in a meeting of 21 April 2022 that the Organisational Development Directorate would supply Chief Directorates/Directorates with the current organisational structure and the draft generic functional structure for Offices of the Premier as consulted by the Department of Public Service and Administration (DPSA) and arrange meetings to consult the needs of the Chief Directorates/Directorates in order to support the achievement of the objectives as set in the Annual Performance Plan.

During May 2022 meetings were held with all the respective SMS members and/or delegated officials to consider needs in terms of the current organisational structure in terms of the achievement of the strategic objectives as set in the strategic plan. The draft generic functional structure for Offices of the Premier was also provided for consideration of placement of functions. The consultative meetings with the respective SMS members and/or delegated officials were concluded in June 2022. During the consultative meetings it was determined that the current organisational structure does not address all the strategic objectives to be met and that some units would need to be re-organised to ensure effective and efficient services delivery, for example the functions for Service Delivery Improvement, Labour Relations Advice, Employee Assistance & Occupation Health and Safety, Military Veterans and the Provincial Council for AIDS Secretariat.

The comments/input were captured and a proposed organisational structure was drafted based on the information as obtained during May and June 2022. A meeting was held with the Chairperson of the OSRC on 28 June 2022 to indicate progress of the proposed organisational structure and the consultative process. A challenge was indicated that all the SMS member posts within the Provincial Intervention Chief Directorate was vacant. Arrangements were then made to meet with the Programme Manager to obtain input/comments in this regard. The proposed organisational structure was distributed during August 2022 to the respective Programme Managers for consideration and comments.

The proposed organisational structure was presented to the OSRC on 6 September 2022. During the meeting recommendations were made regarding the placement of functions and the possible combination of units. These recommendations took into consideration the span of control and allocation of resources to functions. Two additional options were developed by the Organisational Development Directorate during October 2022 and November 2022 where the possible alignment of some functions to the draft generic organisational structure for Offices of the Premier were proposed and combination of related functions were suggested. The proposals were then consulted with the respective Programme Managers during November 2022. The

Director-General was further consulted with the proposals of Programme 1 on 9 February 2023 to obtain his comments on the units that reports directly to him.

An Excel document was further developed to indicate the proposed organisational structure in terms of posts allocated to the respective proposed units. This information was provided to the Human Resource Advice member of the OSRC and a meeting was held on 2 February 2023 to request that the placement of officials should be consulted with the respective Programme Managers in order to determine the placement of staff and to calculate the cost of the proposed organisational structure. The cost of the proposed organisational structure could influence the recommendation by the Director-General and the Premier to consult the proposed organisational structure with the Minister of Public Service and Administration, as the allocated Cost of Employees (COE) needs to fund the full proposed organisational structure for the Medium-Term Expenditure Framework (MTEF). The proposed organisational structure could be re-considered in the case that the allocated COE does not support the full implementation of the organisational structure. Public Service Regulation 25(2)(b) determines that based on the strategic plan of the department, an executive authority shall define and create posts necessary to perform the relevant functions of the department while remaining within the current budget and the Medium-Term Expenditure Framework of the department.

The proposals was then presented to the OSRC on 23 March 2023 and the committee recommended that Option 2 should be prepared and consulted with the Director-General for consideration. The Committee noted that the costing of the proposed organisational structure needs to be finalised in order to provide full information to the Director-General on the proposal as recommended.

The current organisational structure comprises of 942 posts and is not fully funded. The proposed organisational structure contains 878 posts, with the inclusion of the Community Development function. The Director-General mooted that the Community Development function would need to be transferred to the Department of Cooperative Governance and Traditional Affairs. The Premier need to make a determination in terms of Public Service Regulation 32, 2016 to transfer the function as identified by the Director-General.

The review of the organizational structure is planned to be finalized during November 2023 in order to ensure that the adjustment budget for the Community Development function could be transferred, if a determination is made by the Premier to transfer the Community Development function.

2.4 Key policy developments and legislative changes

In this financial year (2022/2023) there were neither major key policy developments nor legislative changes. Refer to Part A dealing with Legislative and Other Mandates for updated information under Policy Mandates.

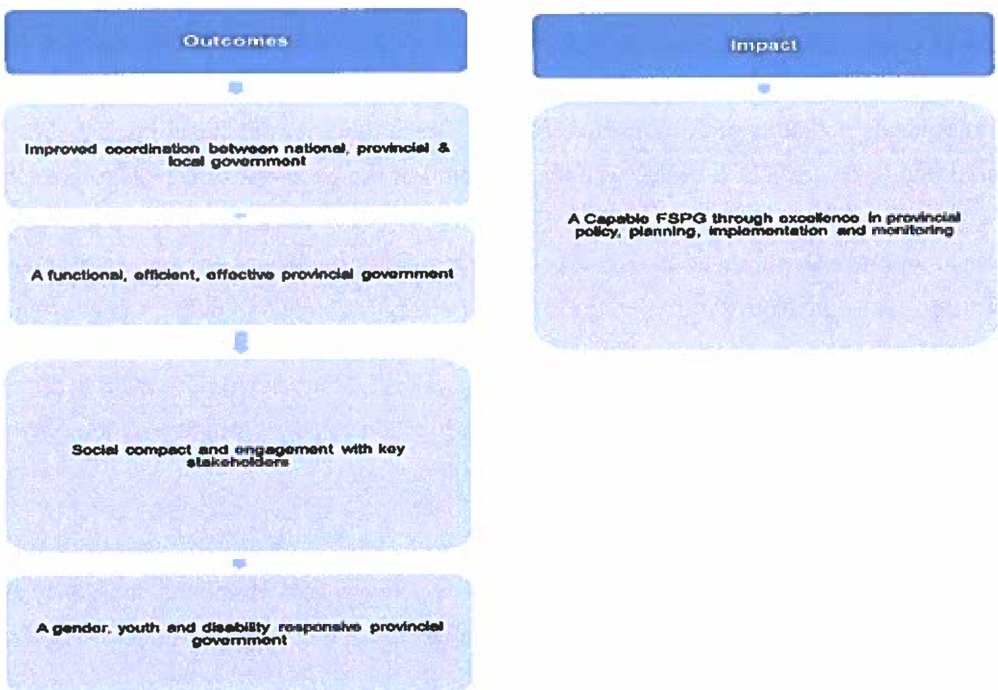
3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

Impact Statement

A Capable Free State Provincial Government through excellence in provincial policy, planning, coordinated implementation and monitoring.

Given the scope of the development challenges in the provincial context, the Office of the Premier has set its aim/impact towards: A Capable Free State Provincial Government (FSPG) through excellence in provincial policy, planning, implementation and monitoring. In order for this to happen, the Office of the Premier has to achieve the following vital outcomes, namely:

- Improved coordination between national, provincial and local government;
- A functional, efficient and effective provincial government;
- A social compact and engagement with key stakeholders; and
- A gender, youth and disability responsive provincial government.



The outcomes of the Office of the Premier have been identified based on an analysis of the current organisational problems/hindrances and a swot analysis (refer to the diagram above).

The Office of the Premier has been instrumental in consolidating its roles and responsibilities and strengthen provincial ways of working. The identified outcomes are being achieved through strengthening the Office of the Premier's internal and external role. Key strategic partners within the provincial context with whom the Office of the Premier is collaborating is (a) the Department of Cooperative Governance and Traditional Affairs (COGTA) in respect of (1) strengthening the local government sector; (2) promoting integrated planning, implementation and monitoring of government projects through the DDM; and (b) the Provincial Treasury in respect of the budget prioritisation in line with provincial government priorities outlined in the MTSF as well as prudent financial management. The Office of the Premier also strengthened its partnership with all provincial departments to ensure decisive action concerning gender, disability, youth development and empowerment.

Key to these responsibilities is ensuring that the priorities of the government are effectively carried through at a provincial level through the implementation of the FSGDS. Hence, in line with the National Development Plan, the Office of the Premier is responsible for ensuring that the Free State Provincial Government addresses the identified priorities and serves the people of the province in a coordinated, integrated and sustainable manner.

This is being done through the implementation of the FSGDS Vision 2030, which charts a long-term development path for the province. The FSGDS outlines six pillars and a set of drivers to deal with these challenges which confront the province. It is about creating synergy between development, implementation and value in attaining shared development outcomes based on the province's development experiences, challenges, needs and priorities. It articulates policy inter-linkages between the national, provincial and local spheres of governance as central to integrated service delivery. This entails creating the environment, institutions and mechanisms crucial for shared growth and integrated development.

The operationalization of the NDP Vision 2030, the Medium-Term Strategic Framework (2019 - 2024) and the FSGDS Vision 2030 is through the provincial departments' strategic plans, which are strategic policy priorities for each of their core service delivery areas. There are also APPs and IDPs that details what departments and municipalities seek to achieve in a financial year and during the Medium-Term Expenditure Framework. The APP and IDP set out performance indicators and targets. It is here that the Office of the Premier ensures that the NDP Vision 2030, the Medium-Term Strategic Framework (2019 - 2024) and FSGDS Vision 2030 objectives are strongly reflected and forms the basis of Strategic Plans, APPs and IDPs.

Another critical intervention in conjunction with COGTA is the strong focus and dedicated efforts on alignment of provincial and municipal policies and plans to the MTSF and FSGDS through the District Development Model.

Progress on the Achievement of Outcomes

Achievement against Target

STRATEGIC PLAN 2020 – 2025 (Mid Term Achievement for 01 Apr 2020 – 30 Sept 2022)						
Outcome	**Outcome Indicator**	**Baseline 2019/20**	**Target 2025**	**Achievement as at 30 September 2022**	**Data Sources (refer to TIDS)**	**Improvements required for the remainder of the planning period**
Improved coordination between national, provincial & local government	Operational provincial decision making fora	Decision making fora not meeting frequently	Decision making fora meet regularly	Decision making fora meet regularly	Schedule and resolution of meetings	None
Functional, efficient, effective provincial government	Functional performance management system	Below 100% compliance as per prescripts	100% compliance as per prescripts	100% compliance as per prescripts	PERSAL Internal-Quality Spreadsheet	None
Improved coordination between national, provincial & local government	Provincial Planning Framework	Provincial Planning Framework not fully implemented	Provincial Planning Framework implemented	Provincial Planning Framework implemented	Planning Framework	Review of the FSGDS and PSDP
Social compact and engagement with key stakeholders	Increase in sector and stakeholder representation in intergovernmental implementation forums	Implementation forums not fully representative of relevant stakeholders	Implementation forums enhanced to include intergovernmental stakeholders, SOEs, labour, private sector and civil society contractually bound by implementation agreements.	Implementation forums not enhanced to include intergovernmental stakeholders, SOEs, labour, private sector and civil society contractually bound by implementation agreements.	Stakeholder engagements	Implementation forums enhanced

STRATEGIC PLAN 2020 – 2025 (Mid Term Achievement for 01 Apr 2020 – 30 Sept 2022)						
Outcome	**Outcome Indicator**	**Baseline 2019/20**	**Target 2025**	**Achievement as at 30 September 2022**	**Data Sources (refer to TIDS)**	**Improvements required for the remainder of the planning period**
Functional, efficient, effective provincial government	Reduction of wasteful and fruitless expenditure	Wasteful and fruitless expenditure increasing	75% reduction of wasteful and fruitless expenditure	86.5% reduction of irregular expenditure	Audit outcome	None
Functional, efficient, effective provincial government	Increased percentage of resolved cases from the Premier's anti-corruption hotline	Below 80% case resolution	At least 80% case resolution	47% case resolved	Anti-corruption hotline monitoring spreadsheet	Improve the resolution of cases
Functional, efficient, effective provincial government	Reduced disciplinary case duration	Below 100% disciplinary cases concluded within 90 days	100% disciplinary cases concluded within 90 days.	0% disciplinary cases concluded within 90 days.	Report of Disciplinary cases	Streamline processes to ensure 90 day target is met
Functional, efficient, effective provincial government	Accountability and reporting system established	Fragmented system of tracking decisions	System established to track and enforce implementation of decisions of provincial fora.	System established to track and enforce implementation of decisions of provincial fora	Tracking system	None
Social compact and engagement with key stakeholders	Batho Pele and Frontline principles strengthened	Below 80% of Service Delivery points show improvement	At least 80% of Service Delivery points show improvement	73.25% of Service Delivery points show improvement	Frontline Service monitoring reports	Improvement are on track to reach the 80% target by 2025

STRATEGIC PLAN 2020 – 2025 (Mid Term Achievement for 01 Apr 2020 – 30 Sept 2022)						
Outcome	**Outcome Indicator**	**Baseline 2019/20**	**Target 2025**	**Achievement as at 30 September 2022**	**Data Sources (refer to TIDS)**	**Improvements required for the remainder of the planning period**
Functional, efficient, effective provincial government	ICT Framework and functional E-Governance	Fragmented implementation of ICT framework	Fully implemented ICT framework to ensure functional e-Governance in the FSPG	Fragmented implementation of ICT framework	ICT framework implementation report	For the remainder of the planning period the FSPG intends to roll-out the Virtual Platform Network (VPN) and the new telephony system to enable the efficiency and effectiveness of e-governance within the FSPG
A gender, youth and disability responsive provincial government	Number of Offices with gender, youth and disability focal points established	Gender, youth and disability focal points not established in all provincial Offices	Gender, youth and disability focal points established at appropriate level in all provincial Offices	Gender, youth and disability focal points established at appropriate level in all provincial Offices	Focal points established	None

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1 Programme 1: Administration

Purpose: To provide strategic leadership and support to ensure effective and efficient government practices and resource management

i. Sub-Programme: Premier's Support

Purpose: To render administrative assistance and support to the Premier to ensure that the Premier's Private-Office functions effectively and efficiently

ii. Sub-Programme: Executive Council Support

Purpose: To render efficient secretariat services to the Executive Council, Forum of Heads of Departments, Provincial Clusters and other key provincial decision-making fora.

iii. Sub-Programme: Director General

Purpose: To render effective and efficient support services to the Office of the Director General

iv. Sub-Programme: Internal Audit

Purpose: To audit accounting, financial and operating systems in the Office of the Premier by reviewing, measuring and evaluating the effectiveness of these systems and controls in the department

v. Sub-Programme: Security and Integrity Management

Purpose: To give strategic direction and coordinate the activities of Security and Integrity Management in the FSPG and render advice on matters related to security and integrity management in the Office of the Premier

vi. Sub-Programme: Financial Management

Purpose: To ensure sound financial management in the Office of the Premier

vii. Sub-Programme: Risk and Ethics Management

Purpose: To ensure efficient, effective risk and ethics management systems within the Office of the Premier

4.2 Programme 2 Institutional Development

Purpose: The purpose of this programme is encapsulated in the strategic objective, which is to provide corporate support functions to the Office of the Premier, coordinate and provide strategic direction to other provincial departments. High-level indicators below reflect the targets set for the MTEF period.

i. Sub-Programme: Strategic Human Resource Management

Purpose: To provide strategic direction and advice on human resource matters to all Provincial Departments and render Human Resource services to the Office of the Premier

ii. Sub-Programme: Free State Training and Development Institute

Purpose: To facilitate and coordinate the building of transverse capacity within the Free State Provincial Government through the human resource development of skills by the FSTDI

iii. Sub-Programme: Provincial Skills Development Coordination

Purpose: To facilitate the alignment of effective skills development within the province focusing on policy development, planning, stakeholder management, internships, learnerships, skills development outreach, work-integrated learning and provincial bursaries

iv. Sub-Programme: Organisational Development

Purpose: To provide Organisational Development, Performance Management and Service Delivery Improvement services to Free State Provincial Government

v. Sub-Programme: Information and Communication Technology

Purpose: To provide strategic direction about the effective utilisation of information technology and information communication technology in the Free State Provincial Government

vi. Sub-Programme: Legal Services

Purpose: To render advice to the Premier, Members of the Executive Council, the Director General, Heads of Departments and other officials on legal problems, manage litigation and to judicially edit and draft legislation and other relevant legal documents

vii. Sub-Programme: Corporate Communication

Purpose: To create an enabling environment for the Premier, Executive Council, and Director General to communicate important issues to members of the public and employees

viii. Sub-Programme: Media Strategy and Liaison

Purpose: To manage and implement a media strategy and ensure that the image of the FSPG and the Office of the Premier is held in good standing

ix. Sub-Programme: Provincial Bursary Management

Purpose: Administer and manage the Provincial bursary function and coordinate stakeholder management for full-time bursaries for the FSPG

4.3 Programme 3 Policy and Governance

Purpose: To align, integrate and coordinate the activities of all National, Provincial Departments, Municipalities and State-Owned Entities towards the goals and priorities of the government

i. Sub-Programme: Special Programmes

Purpose: The component coordinates and implements Premier Special Projects as identified by the Premier as well as the mainstreaming the rights of vulnerable groups

ii. Sub-Programme: Intergovernmental Relations

Purpose: To establish, facilitate and improve intergovernmental relations between the FSPG and other governments

iii. Sub-Programme: Provincial Strategic Planning and Policy

Purpose: To guide departments on strategic planning, alignment and research coordination as well as rendering an internal strategic planning service

4.4 Programme 4 Provincial Monitoring and Evaluation

Purpose: The purpose of this programme is encapsulated in the mission of the Office of the Premier which is "to provide strategic direction and coordinate integrated service delivery improvement within government in the Free State" and also in the strategic objective which is to lead and provide monitoring and evaluation services in Provincial and Local Government and Regional Offices of National Departments.

i. Sub-Programme: Public Sector Monitoring and Evaluation

Purpose: The purpose of the sub-programme is to:

•Facilitate, influence and support effective monitoring and evaluation of government programmes aimed at improving performance of provincial departments through Non- Financial Quarterly Performance Reporting;
•Monitor the implementation of the Medium-Term Strategic Framework (MTSF) Priority 2, 5 and 7; and
•To coordinate evaluations of provincial government programmes aimed at improving the performance of government programmes and supporting evidence-based decision making.

ii. Sub-Programme: Monitoring and Evaluation Programmes

The purpose of the sub-programme is to:

•To facilitate, influence and support the execution of monitoring programmes within Provincial Departments focusing on performance information that impacts on the institutional functionality and good governance of these institutions.
•To support the Department of Cooperative Governance and Traditional Affairs with the implementation of institutional monitoring programmes within the Local Government Sphere aimed at improving the functionality and good governance practices of this sphere.
•To monitor progress, analyse and provide reports with the implementation of the MTSF 2019-2024

for priorities 1, 3, 4 and 6 within the Free State Province.
•To monitor, analyse and provide progress reports with regard to the annual commitments made in the State of the Province Address and Budget Vote Speeches of the respective Provincial Departments.
•To work with and monitor different sectors within the Free State Province rendering services at frontline facilities in terms of challenges that impacts on services being rendered to the citizens at these facilities.
•To provide monitoring reports in terms of the implementation of recommendations based on reports of the National Council of Provinces, Presidential and other projects that needs to be monitored on an ad hoc basis.

iii. Sub-Programme: Provincial Intervention

Purpose: The purpose of the sub-programme is to render efficient and effective community liaison, intervention, advice and support for integrated service delivery issues in the Free State Government. The component also ensures a better life for the people of Free State through co- operative government and co-ordinating integrated service delivery, provision of integrated government services and information to citizens, acting as a direct link between government and communities, moralising communities, proactively intervening in instances of social ills and conflicts and by implementing a complaints and compliments management system for the Office of the Premier.

Outcomes, outputs, output indicators, targets and actual achievements
According to the Annual Performance Plan 2022/2023, Programme 1 had a total of 26 planned performance measure indicators and targets, of which 25 were achieved. This constitutes 96% achievement of the performance indicator measures.

According to the Annual Performance Plan 2022/2023, Programme 2 had a total of 33 planned performance measure indicators and targets, of which 33 were achieved. This constitutes 100% achievement of the performance indicator measures.

According to the Annual Performance Plan 2022/2023, Programme 3 had a total of 21 planned performance measure indicators and targets, of which 19 were achieved. This constitutes 90% achievement of the performance indicator measures.

According to the Annual Performance Plan 2022/2023, Programme 4 had a total of 32 planned performance measure indicators and targets, of which 26 were achieved. This constitutes 81% achievement of the performance indicator measures.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

During the reporting period the achievements towards the achievement of its outcomes can be summarised as follow:

The Office of the Premier initiated a renewed emphasis on consolidating the department's leadership role through the strengthening of provincial decision-making fora at EXCO and top management level such as EXCO, PCF, FOHOD, Provincial Clusters, as well as frequent provincial and local government interactions through established fora. These fora meet regularly to address and discuss the various challenges facing the province, decisions are captured and tracked via a manual resolution tracking system with progress achieved presented at the follow up meeting of these different fora.

A well-managed Performance Assessment System is maintained through sending out reminders before each submission period, Managers are then sent their compliance stats for improvement, non-compliance are reported to the accounting officer, non-compliance is dealt with the forfeiture of rewards and disciplinary actions in line with policy stipulations.

The Provincial Planning Framework is central towards the capacity of the provincial government to map its present and future destiny through long-term planning and the development and most importantly, the implementation of the Provincial Growth and Development Strategy (PGDS). Beyond this, the PGDS forge a common and shared development agenda across a wide spectrum of service delivery mechanisms. This is about the interconnectedness between development imperatives and the capacity at various levels of the state machinery to ultimately bring about a better life for all.

Therefore, the PGDS is a critical instrument to shape and coordinate the allocation of national, provincial and local resources, and private sector investment to achieve sustainable development outcomes based on provincial development needs and priorities. It impels both the provincial government and social partners to be focused and decisive; weigh up trade-offs and make choices in the face of competing demands; develop and implement consistent strategies and programmes; and ensure that their plans reflect a shared vision by all. As a result, the PGDS guide and influence the development of strategic plans, IDP's and other planning documents and strategies for the province through the Provincial Planning Framework that ensures alignment between these various planning initiatives in the province.

As such the PGDS directs the development of the Free State PSDF as a provincial spatial and strategic planning policy that responds to and complies with the relevant legislation and policies. In the latter regard, reference is made to the National Development Plan (NDP) Vision 2030, which encourages all spheres of government to prepare spatial development plans and frameworks (such as the PSDF) that promote a developmental state in accordance with the principles of global sustainability as is advocated by, among others, the South African Constitution and enabling legislation.

The review of both the PGDS and PSDF is under way and earmarked for completion within the 5-year Strategic Planning period currently being implemented.

Due to the continued engagement with different stakeholders through our intergovernmental structures the private sector, civil society, labour and SOE's is regularly briefed on the progress on service delivery achieved by government. Formalisation of these engagements to enhance our implementation forums is our focus for the remaining reporting period.

In terms of irregular expenditure from 2019/20 to 2021/22 it is evident that the Department has incurred irregular expenditure of R 5 554 000 in 2021/22. This highlight a decrease of 86.5% from R 41 187 000 in 2019/20 to R 5 554 000 in 2021/22. These figures are represented from the AG letters as received after each audit and serves as a reliable independent source of information, hence our focus on the measurable indicator of irregular expenditure in this report. The department highlights these irregularities as part of the challenges to be addressed especially focussing on capacity deficiencies as identified by the Auditor General. The challenges to be addressed is as follow:

- Weak culture of accountability
- Erosion of authority and consequence management
- Human capacity constraints
- Deficient departmental internal controls
- Lack of implementation of Audit Action Plan
- Recurring poor audit outcome

Nevertheless, the Department made significant progress in terms of eliminating irregular expenditure over the mid-term reporting timeframe for the strategic plan.

The anti-corruption hotline cases as per the hotline monitoring spreadsheet has not reached our target of 80% case resolutions, the department aim to focus more resources towards the achievement of the 80% resolution target by the end of the strategic plan period.

In disciplinary process, the Office of the Premier during the reporting period found it difficult to work towards achieving the five-year target due to the complex nature of the cases that had to be resolved. We found that the investigation, which would determine if disciplinary proceedings are justified, can take a prolonged period to finalise, mainly due to the nature of investigations that had to be embarked upon. The 90-day target was further compromised by postponements during the disciplinary processes. These request for postponement were not just a strategic approach by the parties, but were valid and legitimate. Disciplinary proceedings are sometimes outsourced to officials outside a particular department. In the process of outsourcing, some administrative work in the form of letters between the departments takes place. This process caused further delays in the finalisation of cases. The DPSA compliance report of 2021/22 clearly state that this challenges in terms of adherence to the 90-day target is being experienced government wide and their recommendation is to increase the timeframe to 120 days, however this recommendation still needs to be implemented. The challenges as mentioned all contribute to the department falling short of the 90-day target, and will be addressed to the best of our ability.

There were 3 cases in our books during the period under review:

Finalised on 20/09/2021	-	beyond 90 days
Finalised on 04/01/2021	-	beyond 90 days
Registered on 11/05/2022	-	pending finalisation and also beyond 90 days

A Manual Cabinet System is in place to assist the Executive Council to track and enforce implementation of decisions.

The Provincial Cabinet System ensures that:

- agendas are prepared for meetings
- notices of meetings are distributed
- minutes accompanied by and action log are prepared and appropriately shared as the action log requires inputs/feedback from departments
- minutes, documents and other records are securely stored and maintained.

The Cabinet System co-ordinate the work of the Executive Council and its structures such as Clusters, FOHOD structure with broad issues of policy, planning and implementation of government policies and programmes in an integrated, co-ordinated and co-operative manner.

The Cabinet system is utilised to ensure that all EXCO, FOHOD and Cluster resolutions are communicated to relevant Provincial Departments, Entities and local government for implementation purposes.

The Cabinet Manual system comprises of an action log which details resolutions of the Executive Council derived from sittings of EXCO. In order to ensure that responses from the Executive Council resolutions are implemented, departments are required to populate the action log with response/update. These are them share by the Executive Authority in the meeting of the Executive Council for approval during the process of adopting minutes

Based on this analysis frontline offices visited improved from a low 32% complying with 30% of service delivery monitoring standards to 90% complying with 30% of service delivery monitoring standards. At this stage for the 86 frontline offices that were visited over this period 63 (on average 73.25%) complied with 30% of service standards they were being measured against. Detail are provided in the table that deals with the specific statistics on service delivery points visited during the reporting period.

As the ICT framework of the Office of the Premier is not yet fully implemented mainly due to lack of sufficient funding, resulting from the pure scale of resource required to fully implement the ICT framework, a clear focus on certain underlying challenges can enhance the department achievement for the strategic planning period. Here a focus on corporate governance of ICT policies, charters and plans with a clear implementation plan could address these challenges to ensure compliance with the CGIT policy framework as a minimum. The ICT steering Committee meetings and resolutions can aid the department to ensure implementation on a practical level.

Gender, youth and disability focal points were established at appropriate level in all provincial offices with the following key achievements:

Gender Based Violence/Women

Employment of 5 District GBVF coordinators by the Office of the Premier
Establishment of the 5 GBVF District Forums
Establishment of a provincial GBVF Forum
Organizing and holding the Provincial Summit on GBVF, with all stakeholders

Youth

Appointment of 5 Youth district coordinators.
Establishment of the 5 District Youth Forums
Organizing and holding Youth Summit with NSFAS.
Attending NYDA National meeting to work on way forward in ensuring youth gets involved in sustainable entrepreneurship.
Held Youth Awards in recognition of those involved in changing their lives and lives of other youth.

People with Disability

Established and re-invented ineffective District Forums in the 5 Districts.
Held a week long workshop for mainstreaming for all sectors involved on issues of disabilities.
Organized and held a launch of Disability Machinery in Lejweleputswa district for all districts.
All structures of disability function effectively in the province through capacity building workshops held throughout the province with municipalities.

Table 2.4.4.1:

Programme / Sub-programme:									
Outcome	Output	Output Indicator	Audited Actual Performance 20WW/20XX	Audited Actual Performance 20XX/20YY	Planned Annual Target 20YY/20ZZ	*Actual Achievement 20YY/20ZZ until date of re-tabling	Deviation from planned target to Actual Achievement 20YY/20ZZ	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Not applicable as the department did not re-table the Annual Performance Plan in the financial year under review.									

Table 2.4.4.2:

1.1 Programme / Sub-programme: Programme 1: Administration / Premier's Support								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
A functional, efficient, effective provincial government	Coordinated parliamentary activities	Report on parliamentary activities	4	4	4	4	0	
A functional, efficient, effective provincial government	An efficient and effective Premier's Inner- Office	Management report	4	4	4	4	0	

1.2 Programme / Sub-programme: Programme 1: Administration / Executive Council Support								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
A functional, efficient, effective provincial government	Operational and functional provincial EXCO	Report on the implementation of the Executive Council (EXCO) Resolutions	new	new	4	4	0	
A functional, efficient, effective provincial government	Operational and functional provincial Cluster system	Reports on the implementation of the Clusters Resolutions	new	new	16	14	2	No cluster meetings were convened in the first quarter and the agenda items were referred to the second quarter meetings where it was then discussed
A functional, efficient, effective provincial government	Operational and functional provincial FOHOD	Reports on the implementation of the Forum of Heads of Departments (FOHOD) Resolutions	new	new	12	12	0	
1.3 Programme / Sub-programme: Programme 1: Administration / Director General								

Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achieveme nt2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
A functional efficient, effective provincial government	Decisions of the Executive and Senior Management meetings are communicated to all Programme Managers and the implementation thereof is monitored and reported on	Report on the implementation of decisions of the Executive and Senior Management meetings	4	4	4	4	0	
A functional efficient, effective provincial government	The performance of SMS members are managed effectively	Percentage of output indicators in the Annual Performance Plan achieved	new	89.75	90	94.75	4.75	
A functional efficient, effective provincial government	The performance of SMS members are managed effectively	Favourable Audit Opinion	1	1	1	1	0	

1.4 Programme / Sub-programme: Programme 1: Administration / Internal Audit								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
A functional efficient, effective provincial government	Operational and functional internal audit system	Number of Internal audits conducted	15	12	12	12	0	
A functional efficient, effective provincial government	Operational and functional internal audit system	Report on the implementation of Internal Audit recommendations	4	4	2	2	0	

A functional efficient, effective provincial government	Operational and functional provincial Shared Audit Committee	Report on the implementation of the Shared Audit Committee decisions	4	4	4	4	0	

1.5 Programme / Sub-programme: Programme 1: Administration / Security and Integrity Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 20222023	Reasons for deviations
A functional efficient, effective provincial government	Reduced corruption	Percentage of Anti-Corruption cases resolved	80	65	80	80	0	
A functional efficient, effective provincial government	Reduced corruption	Report on Implementation of a Fraud Prevention and Detection Plan	4	4	4	4	0	
A functional efficient, effective provincial government	Reduced breaches of Information Security	Report on Information Security Compliance	4	4	4	4	0	
A functional efficient, effective provincial government	Improved oversight and integrated implementation	Report on Physical Security Compliance	4	4	4	4	0	

1.6 Programme / Sub-programme: Programme 1: Administration / Financial Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
A functional efficient, effective provincial government	Reduced, unauthorised, irregular, wasteful and fruitless expenditure	Percentage reduction in unauthorised expenditure	0	100	100	100	0	
A functional efficient, effective provincial government	Reduced, unauthorised, irregular, wasteful and fruitless expenditure	Percentage reduction in irregular, wasteful and fruitless expenditure	0	15	15	15	0	
A gender, youth and disability responsive provincial government	Supply Chain Management guidelines implemented	Percentage of supply chain service providers appointed according to Supply Chain Management (SCM) process	100	100	100	100	0	
A functional efficient, effective provincial government	Suppliers paid according to SCM guidelines	Percentage of supply chain service providers paid within 30 days	100	100	100	100	0	
A functional efficient, effective provincial government	Budget management processes implemented	In-year-monitoring reports	12	12	12	12	0	

1.7 Programme / Sub-programme: Programme 1: Administration / Risk and Ethics Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
A functional efficient, effective provincial government	Risk management plan implemented	Report on the implementation of the Risk and ethics Management Plan	4	4	4	4	0	
A functional efficient, effective provincial government	Finance, Risk and Ethics Management committee resolutions implemented	Report on the implementation of the Risk and Ethics management committee resolutions	new	4	4	4	0	
A functional efficient, effective provincial government	Audit action plan implemented	Report of Audit Action Plan corrective measures implemented	new	new	4	4	0	
A functional efficient, effective provincial government	Ethics management programmes implemented	Percentage of designated employees submitted their Financial Disclosure	100	100	100	100	0	
A functional efficient, effective provincial government	Ethics management programmes implemented	Report on the implementation of the ethics management programmes	3	4	4	4	0	
A functional efficient, effective provincial government	PSC remedial action implemented	Report on the compliance findings and remedial action of the financial disclosure process	1	1	1	1	0	

2.1 Programme / Sub-programme: Programme 2: Institutional Development / Strategic Human Resource Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
A functional, efficient, effective provincial government	Human Resource Plan implemented	Report on the status of women representation at SMS level	new	new	4	4	0	
A functional, efficient, effective provincial government	Human Resource Plan Implemented	Report on the status of youth appointed in funded posts	new	new	4	4	0	
A functional, efficient, effective provincial government	Human Resource Plan Implemented	Report on the status of persons living with disability employed according to the departmental equity target	new	new	4	4	0	
A functional, efficient, effective provincial government	Human Resource Plan Implemented	Report on departmental HR Planning and compliance	new	new	4	4	0	
A functional, efficient, effective provincial government	Improved coordination	Report on transversal HR Governance and Coordination	new	new	8	8	0	

2.2 Programme / Sub-programme: Programme 2: Institutional Development / Free State Training and Development Institute								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
A functional, efficient, effective provincial government	Provincial identified training needs implemented	Number of training opportunities provided	31	40	48	121	73	
A functional, efficient, effective provincial government	HRD Plan implemented	Report on standard and impact of training	1	1	4	4	0	
A functional, efficient, effective provincial government	Improved coordination and integrated implementation	Report on the implementation of coordination and transversal responsibility of the Unit	2	2	2	2	0	

2.3 Programme / Sub-programme: Programme 2: Institutional Development / Provincial Skills Development Coordination								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
A functional, efficient, effective provincial government	Facilitate a skilled and capable workforce across various sectors in the province	Report on the implementation of Skills Development Programmes	4	4	4	4	0	
A functional, efficient, effective provincial government	Facilitate a skilled and capable workforce across various sectors in the province	Report on the Initiatives to place Graduates in terms of the Graduate Development Programme	4	4	4	4	0	

A functional, efficient, effective provincial government	Improved coordination and integrated implementation	Report on the implementation of coordination and transversal responsibility of the Unit	4	4	4	4	0	

2.4 Programme / Sub-programme: Programme 2: Institutional Development / Organisational Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Improved coordination between national, provincial & local government	Mandate, function and structure aligned with government priorities	Reports on organizational efficiencies staff establishments, job descriptions, evaluations and grading	new	new	4	4	0	
Improved coordination between national, provincial & local government	Mandate, function and structure aligned with government priorities	Reports on implementation of the Performance Management and Development System	new	new	5	5	0	
Improved coordination between national, provincial & local government	Mandate, function and structure aligned with government priorities	Reports on service delivery planning and implementation	new	new	4	4	0	
Improved coordination between national, provincial & local government	Mandate, function and structure aligned with government priorities	Reports on transversal OD governance and coordination	2	2	4	4	0	

2.5 Programme / Sub-programme: Programme 2: Institutional Development / Information Communication Technology								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2022	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
A functional, efficient, effective provincial government	Effective and efficient ICT functionality	Reports on departmental corporate governance of ICT and operations (ICT Steering Committee and operational support)	new	new	8	8	0	
A functional, efficient, effective provincial government	Effective and efficient ICT functionality	Report on the implementation of transversal responsibilities	2	2	4	4	0	

2.6 Programme / Sub-programme: Programme 2: Institutional Development / Legal Services

Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
A functional, efficient, effective provincial government	Legal Advice and support within service standards	Report on delivery of legal advice and support to clients in accordance with service standards	4	4	4	4	0	
A functional, efficient, effective provincial government	Proactive legal information	Number of legal awareness/sessions/training documents on litigation trends and legal developments	20	20	20	20	0	
A functional, efficient, effective provincial government	Review of provincial legislation	Report on the implementation of the review of Provincial Legislation Project	2	2	2	2	0	
A functional, efficient, effective provincial government	Promote access to information	Percentage of valid PAIA requests responded to	100	100	100	100	0	
A functional, efficient, effective provincial government	Improved coordination and integrated implementation	Report on the implementation of co-ordination and transversal responsibility of the Unit	4	4	4	4	0	

2.7 Programme / Sub-programme: Programme 2: Institutional Development / Corporate Communication								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Social compact and engagement with key stakeholders	Communication is improved internally and externally	Corporate communication strategy developed/reviewed	0	1	1	1	0	
Social compact and engagement with key stakeholders	Communication is improved internally and externally	Report on implementation of corporate communication strategy	3	4	4	4	0	
Social compact and engagement with key stakeholders	Communication is improved in the Office of the Premier	Number of monthly internal newsletters published	9	12	12	12	0	
Social compact and engagement with key stakeholders	Internal communication is improved in the FSPG	Reports on the monthly updates to the Office of the Premier Intranet and website and notices	9	12	12	12	0	
Social compact and engagement with key stakeholders	External communication is improved in the Office of the Premier	Reports on event management and mobilisation campaigns	2	2	2	2	0	
A functional, efficient, effective provincial government	Improved coordination and integrated implementation	Report on the implementation of co-ordination and transversal responsibility of the Unit	3	4	4	4	0	

2.8 Programme / Sub-programme: Programme 2: Institutional Development / Media Strategy and Liaison								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Social compact and engagement with key stakeholders	To profile the successes of Government in the community through the digital and other media of communication	Number of government newspapers published in media	3	4	4	4	0	
Social compact and engagement with key stakeholders	A uniform, corporate and positive image of Government is portrayed to the community	Report on media engagement and/or briefings held and/or statements issued	new	new	4	4	0	
A functional, efficient effective provincial government	Improved coordination and integrated implementation	Report on the implementation of coordination and transversal responsibility of the Unit	3	4	4	4	0	

2.9 Programme / Sub-programme: Programme 2: Institutional Development / Provincial Bursary Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
A functional, efficient, effective provincial government	Development of scarce and critical skills for the province	Report on management of the Local and International bursaries	new	new	4	4	0	
A functional, efficient, effective provincial government	Improved coordination and integrated implementation	Report on the implementation of coordination and transversal responsibility of the Unit	3	4	4	4	0	

3.1 Programme / Sub-programme: Programme 3: Policy and Governance / Special Programmes								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
A gender, youth and disability responsive provincial government	Protection of vulnerable groups	Report on the government buildings assessed complying with disability access guidelines and intervention measures recommended	new	new	4	4	0	
A gender, youth and disability responsive provincial government	Protection of vulnerable groups	Report on the implementation of the National Strategic Plan on Gender Based Violence and Femicide	new	new	2	2	0	
A gender, youth and disability responsive provincial government	Protection of vulnerable groups	Report on multi-sectoral coordination to reduce and prevent HIV/TB and STI Infections	new	new	4	4	0	
A gender, youth and disability responsive provincial government	Protection of vulnerable groups	Report on national calendar of activities to advance the rights of women, youth, people with disabilities and older persons	new	new	4	3	1	No National Calendar of Activities took place in the fourth quarter as the International Women's day was postponed
A gender, youth and disability responsive provincial government	Protection of vulnerable groups	Report on the provincial forum meetings on transversal issues to advance the rights of women, youth, people with disabilities and older persons	new	new	4	4	0	

A gender, youth and disability responsive provincial government	Protection of vulnerable groups	Report on measures to the empowerment of women, youth, people with disabilities, older persons and military veterans	new	new	4	3	1	During the second quarter there were no empowerment programmes executed as most empowerment programmes were done with DWYDP.

3.2 Programme / Sub-programme: Programme 3: Policy and Governance / Intergovernmental Relations

Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Social compact and engagement with key stakeholders	Efficient and effective integrated government	Report on the coordination of intergovernmental relations between the three spheres of government	new	new	4	4	0	
A functional, efficient, effective provincial government	Efficient and effective integrated government	Report on coordination of international relations in support of provincial development imperative	new	new	4	4	0	
A functional, efficient, effective provincial government	Efficient and effective integrated government	Report on protocol services rendered at government events	new	new	4	4	0	
A functional, efficient, effective provincial government	Efficient and effective integrated government	Report on Official Development Assistance (ODA) facilitated	new	new	4	4	0	
A functional, efficient, effective provincial government	Efficient and effective integrated government	Report on strategic partnerships created as a result of international relations engagements in Africa and the world	new	new	2	2	0	

3.3 Programme / Sub-programme: Programme 3: Policy and Governance / Provincial Strategic Planning and Policy								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
A functional, efficient, effective provincial government	A functional planning system	Compile the departmental Annual Performance Plan (APP)	1	1	1	1	0	
A functional, efficient, effective provincial government	A functional planning system	Report on the review of non-financial performance	4	4	4	4	0	
A functional, efficient, effective provincial government	A functional planning system	Compile the departmental Annual Report	1	1	1	1	0	
A functional, efficient, effective provincial government	Well-coordinated research	Report on the provincial research undertaken	new	new	2	2	0	
A functional, efficient, effective provincial government	A functional planning system	Report on the implementation of Memoranda of Understandings (MOUs) with University of the Free State and Central University of Technology	new	new	2	2	0	

A functional, efficient, effective provincial government	A functional planning system	Report on National Development Plan (NDP) / Free State Growth & Development Plan (FSGDS) / Medium Term Strategic Framework (MTSF) and Integrated Development Plan (IDP) alignment report	new	new	1	1	0	
A functional, efficient, effective provincial government	A functional planning system	Report on National Development Plan (NDP) / Free State Growth & Development Plan (FSGDS) / Medium Term Strategic Framework (MTSF) and Annual Performance Plans (APP) alignment report	new	new	1	1	0	
A functional, efficient, effective provincial government	A functional planning system	Report on the implementation of the District Development Model (DDM)	new	new	1	1	0	
A functional, efficient, effective provincial government	A functional planning system	Report on the coordination of infrastructure projects	new	new	1	1	0	

A functional, efficient, effective provincial government	A functional planning system	Reports on citizens engagements and social compact activities	new	new	1	1	0	

4.1 Programme / Sub-programme: Programme 4: Provincial Monitoring and Evaluation / Public Sector Monitoring and Evaluation								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Functional, efficient, effective provincial government	Analysis Reports on the 2022/23 Departmental Annual Performance Plans	Number of Analysis Reports on the 2022/23 Departmental Annual Performance Plans	new	new	2	2	0	
Functional, efficient, effective provincial government	Quarterly provincial non-financial performance analysis reports for Executive Management	Number of Quarterly provincial non-financial performance analysis reports for Executive Management	4	4	4	4	0	
Functional, efficient, effective provincial government	Quarterly provincial non-financial performance analysis reports for Legislature Portfolio Committees	Number of Quarterly provincial non-financial performance analysis reports for Legislature Portfolio Committees	new	new	4	4	0	
Functional, efficient, effective provincial government	Non-financial performance information reports published in terms of the Quarterly Performance Reporting (QPR) guidelines	Number of Non-financial performance information reports published in terms of the Quarterly	new	new	4	4	0	

		Performance Reporting (QPR) Guidelines						
Functional, efficient, effective provincial government	Annual reviews of Departmental non-financial performance information	Number of reports on annual reviews of Departmental non-financial performance information	new	new	1	1	0	
Functional, efficient, effective provincial government	State Owned Entities implementing the eQPRS to report on the implementation of the tabled Annual Performance Plans	Number of State-Owned Entities implementing the eQPRS to report on the implementation of the tabled Annual Performance Plans	new	new	6	3	3	Not all the entities that were trained on eQPRS reported through the system.
Functional, efficient, effective provincial government	Quarterly Performance analysis reports on the implementation of the 2019-2024 MTSF Priorities	Number of Analysis Reports on the implementation of the 2019-2024 MTSF	new	new	4	4	0	
Functional, efficient, effective provincial government	Approved 5 - year rolling cycle Provincial Evaluation Plan	Reviewed Provincial Evaluation Plan	new	new	1	1	0	

Functional, efficient, effective provincial government	Reports on the implementation of the Provincial Evaluation Plan	**Number of Reports on the implementation of the Provincial Evaluation Plan**	3	3	3	3	0	

4.2 Programme / Sub-programme: Programme 4: Provincial Monitoring and Evaluation / Monitoring and Evaluation Programmes

Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Functional, efficient, effective provincial government	Report on the status of Provincial Departments management practices	Number of Analysis Reports on the status of Provincial Departments' management practices	new	new	1	1	0	
Functional, efficient, effective provincial government	Research Discussion Papers on indicators to measure progress towards a Capable State	Number of discussion papers on a Provincial Institutional Capability Model Framework	new	new	2	2	0	
Functional, efficient, effective provincial government	Monitoring System to measure progress towards a Capable State	Number of pilots executed with the Provincial Monitoring System to measure progress towards a Capable State	new	1	1	1	0	
Functional, efficient, effective provincial government	Monitoring System to measure progress towards a Capable State	Number of Provincial Institutional Capability Improvement Tools to measure the progress towards a Capable State	new	1	1	1	0	

I Functional, efficient, effective provincial government	Piloting of the Provincial Monitoring System to measure progress towards a Capable State	Number of pilots executed with the Provincial Tools to monitor Citizen's satisfaction with service delivery.	new	new	1	0	1	The Office of the Premier was unable to source assistance from DPME with the evaluation of the Pilot
Functional, efficient, effective provincial government	Analysis Reports on the implementation of the 2019-2024 MTSF Priority 1, 3, 4 and 6 for the 2021/2022 period	Number of Analysis reports on the implementation of the 2019-2024 MTSF Priority 1, 3, 4 and 6 for the 2021/2022 period.	new	new	1	1	0	
Functional, efficient, effective provincial government	Analysis Reports on SOPA and Budget Vote Injunctions	Number of Analysis Reports on the implementation of SOPA and Budget Vote Injunctions 2022/2023	new	new	4	4	0	
Functional, efficient, effective provincial government	Monitoring Framework 2022/2023 on Incomplete Projects within Free State Provincial Government	Number of Monitoring Frameworks on Incomplete Projects	new	new	1	1	0	
Functional, efficient, effective provincial government	Analysis Reports on Incomplete Projects	Number of Analysis Reports on the implementation of Incomplete Projects	new	new	2	2	0	
Functional, efficient, effective provincial government	Execute research to determine the best tools to utilise for Citizen Based Monitoring.	Number of Discussion Papers on Citizen Based Monitoring Tools	new	new	1	1	0	

Functional, efficient, effective provincial government	Monitoring Tools to measure satisfaction of Citizen's with service delivery at frontline offices	Number of Provincial Tools to measure Citizen Satisfaction	new	new	1	1	0	
Functional, efficient, effective provincial government	Report on the outcome of the Citizen Based Monitoring Tool Pilot	Number of reports on the outcome of the CBM Pilot	new	new	1	0	1	The Pilot Study was executed from 7 to 9 March 2023 in the Xhariep District. The capturing of the data as collected is presently in process at the University of the Free State. A report on the outcome of the CBM Pilot will be available during the 1st quarter of the 2023/2024 Financial Year.
Functional, efficient, effective provincial government	Bi-Annual Frontline Service Delivery Progress Reports	Number of Progress Reports on the implementation of the Annual FSDM Plan	new	new	2	2	0	
Functional, efficient, effective provincial government	Annual Frontline Service Delivery Monitoring Analysis Report	Annual Front line Service Delivery Monitoring Analysis Report	new	new	1	1	0	

4.3 Programme / Sub-programme: Programme 4: Provincial Monitoring and Evaluation / Provincial Intervention								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Social compact and engagement with key stakeholders	Reports on Service Delivery Interventions	Number of reports on Service Delivery Interventions	3	4	4	4	0	
Social compact and engagement with key stakeholders	Reports on support provided to Premier's Outreach Campaigns	Number of Reports on support provided to Premier's Community Outreach Campaigns	new	new	4	4	0	
Functional, efficient, effective provincial government	Provincial and District Service Delivery Forums established Forums.	Number of Provincial and District Service Delivery Forums established	new	new	6	1	5	Did not get a positive response on nomination request for representatives for the forums
Functional, efficient, effective provincial government	Reports on Provincial and District Service Delivery Forums	Number of reports on Provincial and District Service Delivery Forums	new	new	2	0	2	The establishment of the Forums was delayed as not all departments submitted the nominations of members and thus negatively impacting on the activities of the forums.
Social compact and engagement with key stakeholders	Reports on Community Development Workers Programme	Number of reports on Community Development Workers Programme	4	4	4	4	0	
Social compact and engagement with key stakeholders	Reports on cases reported through Direct Liaison Services	Number of reports on cases reported through Direct Liaison Services	3	4	4	4	0	

Functional, efficient, effective provincial government	Reports on the Thusong and Operation Hlasela Service Centres	Number of reports on the Thusong and Operation Hlasela Service Centres	4	4	4	4	0	
Social compact and engagement with key stakeholders	90% or above resolution rate on cases reported through Presidential Hotline	Percentage of Presidential Hotline Cases resolved	new	new	90	96.58	6.58	
Functional, efficient, effective provincial government	Reports on System Management and Support Services rendered	Number of reports on System Development and Support Services	new	new	1	0	1	Project delayed due to human resource limitations. The scope of the work to be reviewed and adjusted accordingly

Linking performance with budgets

Sub-programme expenditure

Programme 1

Administration	2022/2023			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
Premier Support	18,501	18,304	197	17,717	17,215	502
Executive Council Support	4,840	4,115	725	3,587	3,401	186
Director General	20,652	17,002	3,650	16,154	14,382	1,772
Financial Management	57,048	47,686	9,362	65,076	40,057	25,019
Total	**101,041**	**87,107**	**13,934**	**102,534**	**75,055**	**27,479**

Programme 2

Institutional Development	2022/2023			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
Strategic Human Resources	134,781	126,703	8,078	188,022	183,520	4,502
Information Technology	24,083	19,553	4,530	27,052	20,795	6,257
Legal Services	11,579	9,018	2,561	11,140	10,577	563
Communication Services	37,082	34,402	2,680	27,477	21,199	6,278
Total	**207,525**	**189,676**	**17,849**	**253,691**	**236,091**	**17,600**

Programme 3

Policy and Governance	2022/2023			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
Special programmes	109,272	105,324	3,949	54,359	35,385	18,974
Intergovernment al Relations	11,012	9,793	1,218	9,433	8,377	1,056
Provincial Policy Management	19,641	17,531	2,110	20,530	13,220	7,310
Total	**139,925**	**132,648**	**7,277**	**84,322**	**56,982**	**27,340**

Programme 4

Provincial Monitoring and Evaluation	2022/2023			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
Public Sector Monitoring and Evaluation	10,581	9,436	1,145	8,198	6,109	2,089
Monitoring and Evaluation Programme	13,813	12,630	1,183	9,713	8,894	819
Provincial Intervention	131,332	128,880	2,452	129,105	125,029	4,076
Total	**155,726**	**150,946**	**4,780**	**147,016**	**140,032**	**6,984**

Strategy to overcome areas of under performance

For the Annual Performance Plan 2023/24 the following challenges and opportunities has been identified to be addressed through our plan.

- Ineffective local government struggling to provide basic services.
- The scourge of Gender Based Violence and its effect on the wellbeing of our province especially woman and children.
- Adverse Audit opinions on provincial department as well as local government level.
- The sheer number of people being unemployed, specifically among the youth with the resulting social ills and challenges.
- The negative effects that load shedding has on our province.
- The uncoordinated and ineffective response to the Jagersfontein dam burst disaster.
- Uncoordinated approach to service delivery between provincial departments and local government.
- Several provincial government officials being charged with fraud allegations.

To address these challenges, the Office of the Premier will focus on the following interventions in our plan for 2023/24.

- Provided guidance and oversight on the implementation of the District Development Model and the development of One Plans for Districts;
- As part of a Memorandum of Understanding with DBSA establish a provincial Project Management Unit (PMU) to oversee key infrastructure projects
- As part of the PMU implement the "Adopt a District" programme from DBSA

- Entrenching the National Strategy on Gender based Violence and Femicide into the core business of the province;
- Continue our guidance and oversight towards better audit outcomes at departmental and local government level;
- Ensure frequent monitoring and oversight of performance against key provincial priorities specifically through monitoring of the provincial Programme of Action and implementation of the MTSF;
- Develop a Provincial Food Nutrition and Security Strategy and entrust the Department of Agriculture and Rural Development with the finalisation and implementation of the strategy.
- Host an Energy Expo with key stakeholders to facilitate a response to address and mitigate the effect of load shedding on the economy and wellbeing of the province
- Enhance our coordinated response to Disasters.
- Strengthen our measures to prevent fraud and corruption.

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

It should be noted that there are not Standardised Outputs and Output Indicators for Offices of the Premier. This paragraph is therefore outlining the performance against provincial outputs as outlined in the Office of the Premier's Strategic Plan.

The Office of the Premier is the centre of governance, hence the provincial outputs focus on how the Office of the Premier will enhance cooperative governance within the province, ensure effective stakeholder management and communication, promote an integrated service delivery model, as well as enrich performance management and accountability through monitoring and evaluation.

The contributions of the Office of the Premier are encapsulated in four main areas, which summarise the outputs to reach specific outcomes. These areas are as follows:

a. Administration

Outcome contribution:

- Improved coordination between national, provincial and local government;
- A functional, efficient and effective provincial government; and
- A social compact and engagement with key stakeholders.

Summary of Outputs:

- Provided executive support to the Premier, Provincial Executive Council and the Director General in respect of strategic and operational management matters.
- Rendered Executive Support Services (including Cluster Management Services) as well as financial management and accounting, security coordination, risk management and internal audit functions.

b. Institutional Development

Outcome contribution:

- Improved coordination between national, provincial and local government;
- A functional, efficient and effective provincial government;
- A social compact and engagement with key stakeholders; and
- A gender, youth and disability responsive provincial government.

Summary of Outputs:

- Provided strategic guidance, direction and leadership concerning the many transversal functions within the provincial government.
- Provided transversal services and department-specific services concerning human resources, training and development as well as administering the national skills fund in the Free State including overseeing the coordination of internship and learnership programmes, organizational development, information communication technology, legal services and corporate communications.
- Provided media and community liaison services pertaining to service delivery and other related matters.

c. Policy & Governance

Outcome contribution:

- Improved coordination between national, provincial and local government;
- A functional, efficient and effective provincial government; and
- A gender, youth and disability responsive provincial government.

Summary of Outputs:

- Provided coordinated research, integrated planning, provincial government infrastructure coordination.
- Provided inter-governmental relations services
- Coordinated special programmes which focuses on gender, youth, the elderly and the disabled as well as support to Military Veterans.

d. Provincial Monitoring and Evaluation

Outcome contribution:

- Improved Leadership, Governance and Accountability
- Functional, efficient and integrated government
- Sustainable community development

Summary of Outputs:

- Conducted oversight through monitoring and evaluation of performance of provincial departments
- Intervened on service delivery challenges through public sector monitoring, monitoring and evaluation programmes.
- Provided community liaison and Thusong services.
- Provided Community Development Worker Programme and Presidential Hotline services.

5. TRANSFER PAYMENTS

5.1. Transfer payments to public entities

No transfers were paid to Public entities.

5.2. Transfer payments to all organisations other than public entities

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

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Central University of	University	Innovation hub	Yes	2,000	2,000	N/A

Technology						
Ex-employees	Ex-employees	Leave gratuity	Yes	2,977	2,977	N/A
Public	Public	Donations and gifts	Yes	1,289	1,289	N/A
Students	Public	Bursaries	Yes	69,410	69,410	N/A
				73,676	**73,676**	

The table below reflects the transfer payments which were budgeted for in the period 1 April 2022 to 31 March 2023, but no transfer payments were made.

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
N/A				

6. CONDITIONAL GRANTS

6.1. Conditional grants and earmarked funds paid

The Department did not pay any conditional grants and earmarked funds during the year

6.2. Conditional grants and earmarked funds received

The Department did not receive conditional grants during the year.

7. DONOR FUNDS

The Department did not receive any donor funds during the year

8. CAPITAL INVESTMENT

8.1. Capital investment, maintenance and asset management plan

Not applicable

PART C: GOVERNANCE

1. INTRODUCTION

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

2. RISK MANAGEMENT

The department has approved, communicated and implemented the risk management policy and strategy in 2023/24 financial year in line with Public Sector Risk Management Framework.

The department conduct an enterprise risk assessment during the financial year and the progress on implementation of the risk action plan is performed on quarterly basis process, to ensure the effectiveness of the approved risk management strategy furthermore; the formal or informal risk assessment is conducted to review and identify the emerging risks in order to update the risk register.

The risk management committee has been appointed, which sit on a quarterly basis and when necessary, to provide an oversight role with regards to the risk management system within the department.

The risk management provide the reports to the Audit Committee in order to provide an independent review on the effectiveness of the risk management systems

The Risk Management system are effective as they address certain uncertainties faced by the department in line with the strategic objectives, however, there is still room for improvement.

3. FRAUD AND CORRUPTION

- The Department's Fraud Prevention and Detection Plan is under review; after getting inputs from officials within the department, they will be consolidated, forwarded to the legal section and later be presented to the Finance and Risk Management Committee. This committee then makes recommendations for approval by the DG.
- Our Whistleblowing policy indicates that there are other forms disclosure like to the Director General, MEC, Premier, Public Protector and to the Media. These cases are reported as indicated supra and there is an obligation for every citizen to report wrong doing to the police.
- There is a National Anti-Corruption Hotline number (0800 701 701) which is being promoted and posters placed on the walls with this number. Cases that come from the Hotline via Public Service Commission are then referred to the DG who then appoints an investigator and feedback should be given within 40 days.

4. MINIMISING CONFLICT OF INTEREST

All SMS members, Level 12, Level 11, Level 10, Level 9 and Finance and SCM officials declare their Financial Interest on e-Disclosure, the declarations are then forwarded to Public Service Commission.

All officials serving in the following committees are required to declare their interests to the Accounting Officer:

- Bid Specification Committee
- Bid Evaluation Committee

- Bid Adjudication Committee

No conflict of interest detected during the financial year.

5. CODE OF CONDUCT

The primary purpose of the Code is to promote exemplary conduct. It regulates how employees should conduct themselves in the workplace and how to relate with fellow employees.

An employee shall be guilty of misconduct in terms of Section 20 (t) of the Public Service Act, 1994, and may be dealt with in accordance with the relevant sections of the Act if he or she contravenes any provision of the Code of Conduct or fails to comply with any provision thereof.

The code of conduct training is also offered during induction by the Free State Training and Development Institute. During the year information sessions are held to reiterate the importance of compliance to the code of conduct.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Department has an Occupational Health and Safety Committee that assembles once a quarter. Committee members were capacitated to identify occupational health and safety hazards within the workplace. Identified hazards were reported on and it was recommended that said hazards be referred to the relevant directorates for intervention. At this point none of the identified hazards have an impact of deterring the Department from achieving its mandate

7. PORTFOLIO COMMITTEES

Date of meeting of Portfolio Committee on COGTA, Office of the Premier and Legislature	Matter raised	How has Department addressed matter
10 May 2022	2021/22 2nd Quarterly Non-Financial Report: The Office had 99 planned targets and did not achieve 8. Below are the deviations: **Programme 1:** • Percentage of output indicators in the Annual Performance Plan achieved: Quarter 1: 87% Quarter 2: 94% • Number of Senior Management meetings	Due to various reasons as indicated per indicator on the report Meeting was not held due to preparation of the Deputy President visit to Moqhaka Local Municipality

	• Percentage of Internal Audit report recommendations implemented	The 38% achieved reflect only the recommendations that was fully implemented, a large portion (50%) of recommendations are in process of being implemented
	• Percentage of identified funded posts filled is 50 and 0 was achieved	The posts were advertised internally in 2019/20 and the process in in final stages
	• Percentage of the youth appointed	The posts were advertised internally in 2019/20 and the process in in final stages
	Programme 2:	
	• Percentage of posts re-evaluated according to the Job Evaluation process - 100 was the target and only 40 was achieved	The Premier comparative studies were conducted but the continuous challenge is the study with absence of evaluation system
	• Approved Service Delivery Improvement Plan (SDIP) implementation	SDIP Circular 1 of 2020/21 says no submission required as there is a gap year
	• Percentage of helpdesk calls responded to in 24 hours	COVID-19 Regulations, schedule and user availability and scarcity of ICT resources

Findings / Observations by Portfolio Committee:

1. The Office of the Premier is not achieving on intergovernmental structures.
2. The Committee remains concerned about unavailability of Executive Authority for quarterly Portfolio Committee meetings.
3. There is no job evaluation system for the Office as the system is procured by National Department of Public Service and Administration.
4. There are 70 students who were studying in international universities from Free State Province. However, others have completed, some are still studying and others did not

adhere to bursary contract, thus terminated.

5. The Office did not perform on internal audit outcomes and there is a dispute on some findings. However, the Office is addressing the non-compliance areas on an ongoing basis including dispute with Auditor General.
6. There are still some officials who are still doing business with the Departments in contradiction to the legislation. The Office was encouraged to come with early detection mechanisms to prevent this unlawful act.

Response by Office of the Premier to Findings / Observations by Portfolio Committee:

Intergovernmental Relations

Since the report, considered by the Committee, significant progress has been made with achieving the outcomes relating to intergovernmental relations. These are the following:

1. On 07 April 2022 the Deputy Minister, Dr Chana Philane-Majake, visited National District Hospital, Bloemfontein, as well as the Tshepong Thuthuzela Center which is situated on the premises of the hospital. An unannounced visit to the offices of Home Affairs in Rocklands, Mangaung, was also conducted. This visit formed part of a pre-Imbizo unannounced frontline services delivery sites visits. A follow-up meeting between the Free State Provincial Government and officials from Departments involved in the National District Hospital and Tshepong Thuthuzela Center took place.

2. A Presidential Imbizo in which the President and various Ministers and Deputy Ministers participated took place on 09 April 2022.

3. An extended MEGLOGA Meeting was held on 28-29 April 2022 in Bloemfontein in which meeting the MEC for the Department of Cooperative Governance & Traditional Affairs met with SALGA and Municipalities.

4. A Provincial Imbizo took place in the Mafube Local Municipality on 20 May 2022, aimed at addressing issues relating to service delivery challenges.

5. A meeting between the Deputy President, Premier and Military Veterans took place on 26 May 2022 regarding certain aspects of dissatisfaction raised by Military Veterans regarding the services rendered by the Department of Military Veterans.

6. A meeting of the Provincial Council on Aids took place on 08 June 2022 which was Chaired by the Premier and which was attended by a number of intergovernmental entities and role-players.

7. A meeting of the Lejweleputswa District Political IGR Forum took place on 22 June 2022 which was inter alia attended by a number of Provincial Departments.

8. A Technical PCF Meeting, Chaired by the Director General, took place on 23 June 2022 in preparation for the PCF which followed on 06 July 2022.

Job Evaluation System

The Department of Public Service & Administration agreed with its service providers to allow Departments temporary access to the job evaluation system which took place from November 2021 to April 2022. The system has been subsequently unavailable to be utilized to determine the level of posts and the benchmarking system is currently being used, although the benchmarking of posts to be evaluated against posts with similar responsibilities in other Departments, is unfortunately time consuming, but currently the only mechanism available.

Internal Audit Outcome

As indicated, the Department has noted the findings of the Committee and, as indicated, the non-compliance issues are being addressed on a constant basis.

Officials doing business with Government

Apart from other measures, such as financial disclosure by lower level posts, the DPSA has also introduced lifestyle audits which will assist Departments with early detection. The Department also co-operates with the Office of the Public Service Commission and the Auditor-General to deal with this issue.

8. SCOPA RESOLUTIONS

PORTFOLIO COMMITTEE ON PUBLIC ACCOUNTS AND FINANCE MEETING OF 10 MAY 2022		
Subject & Details	**Response by the Department**	**Resolved (Yes / No)**
The Division of Revenue Bill [B6-2-22]	No response required – Information item	Yes
Oversight visit undertaken to Kopanong Local Municipality, Trompsburg	No response required – Information item	Yes
1st Quarterly Expenditure Report for 2021/22 financial year	No response required – Information item	Yes
2nd Quarterly Expenditure Report for 2021/22 financial year	The Office of the Premier reported as follows: 1. That the Office of the Premier has set aside a budget for the appointment of (5) Youth Coordinators. 2. That the Office of the Premier utilises the services of the State Attorneys to deal with all legal issues within the Office and that no external law firm is being utilised 3. That employees who are implicated in court cases are liable for payment of their own legal fees and that the Head of Department is empowered to make the decision to pay for the indictment, however, if the case is lost, the individual will have to carry the legal costs. 4. That only one senior position was vacant. 5. That the position of the suspended HOD of Department of Police, Roads and Transport could not as yet be advertised as the matter is still with the Court. 6. That the Chief Financial Officer of the Department of Sport, Arts, Culture and	Yes

	Recreation has resigned and recruitment processes for the position were underway. 7. That the Office was struggling to get invoices from the University of the Free State even after numerous attempts. 8. That the Office has only received 146 invoices in October 2021. 9. That the Province has taken a decision not to fund students who studies abroad in future. 10. That R250 million was spent on bursaries.	

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

The Department developed an action plan to address audit findings reported by the Auditor General in both the audit report and management report. The implementation of corrective measures is monitored on monthly basis. There were no prior modifications to the audit reports

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing /resolving the matter
Not applicable		

10. INTERNAL CONTROL UNIT

Objective of Internal Control

Internal control unit makes sure that employees comply with laws and regulations, assets are safe guarded and used for business purposes.

Summary of Work Done

- To ensure that all documents are checked and verified to comply with Treasury Regulations,PPPFA, SCM policy, PFMA and other relevant legislations before payments are processed.
- To ensure that all internal and external audit management letter queries are resolved andrecommendations are implemented before the next annual audit.
- To maintain Unauthorised, Irregular as well as Fruitless and Wasteful expenditure registers.
- To ensure all irregular, unauthorized and fruitless and wasteful expenditure identified, areinvestigated and resolved and also to ensure that Departmental procedures are adhered to.
- To ensure that the Office of the Premier is consistent with its internal control procedures.
- To verify that payments, journal entries and revenue are properly captured and processed.

Procedures for the Discovery, Investigation & Reporting of Irregular Expenditure

- The Internal Control unit verifies all the payments on a monthly basis, and if they become aware of, or suspect the occurrence of irregular expenditure, they immediately record it on the Irregular Expenditure Register.

- On the discovery of alleged irregular expenditure, the Irregular Expenditure/ Unauthorised and Fruitless and Wasteful Expenditure Committee are called, to discuss the identified cases. When the Committee agrees with this finding, Internal Control will proceed with the investigation.
- The identified cases will be escalated to the Accounting Officer and Provincial Treasury, to determine whether the expenditure in question meets with definition of irregular expenditure.
- The investigation of the identified cases should be completed within 30 days.
- The results of the investigation will determine the appropriate action to be taken regarding the expenditure.
- Should the investigation reveal that the expenditure does not constitute irregular expenditure, the details of the expenditure is retained in the register for the purposes of completeness, and to provide an appropriate audit trail. The register will then be updated to reflect the outcome of the investigation.

If the investigation indicates that the expenditure is in fact irregular expenditure, it is referred to the Irregular Expenditure/ Unauthorised and Fruitless and Wasteful Expenditure Committee to make a recommendation to the Accounting Officer as to how to deal with that.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

Key activities and objectives of the internal audit

The Internal Audit Activity must evaluate and contribute to the improvement of risk management, control and governance processes using a systematic disciplined approach. Further, the Internal Audit Activity must evaluate risk exposures relating to the organization's governance, operations and information systems regarding the:

- Reliability and Integrity of Financial and Operational Information;
- Economic and Efficient use of resources;
- Safeguarding of assets;
- Compliance with laws, regulations and contracts;
- The achievement of the Departmental's objectives.

In undertaking its audit work, the Internal Audit Activity has complied with Section 38(1) (a) (ii) of the PFMA in terms of its establishment, the Standards for the Professional Practice of Internal Auditing, as well as the Code of Ethics of the Institute of Internal Auditors and any other relevant guidelines.

Summary of audit work done

Internal Audits were performed as per the approved Internal Audit Coverage Plan for 2022/2023 financial year. The plan entailed the proposed scope of each audit to be carried out as per the plan. The progress against this plan is reported to the Shared Audit Committee on a quarterly basis through its sittings. The Shared Audit Committee Reports are compiled for the attention of the Accounting Officer and Member of the Executive Council to keep them abreast of discussions, recommendations and resolutions of the Committee, and where appropriate to enforce action.

Key activities and objectives of the audit committee

The Shared Audit Committee is an independent governance structure whose function is to provide an oversight role for the financial reporting process, system of internal control, risk management and governance. The Shared Audit Committee assists the Accounting Officer in the effective discharge of his/her responsibilities with the ultimate aim of achieving the Department's objectives.

The Shared Audit Committee meets on a quarterly basis with management and if deemed necessary Ad-Hoc/special meetings are held to discuss specific issues from time to time, which may hinder the achievement of the Department's objectives. The responsibilities of the Audit Committee are amongst others the following:

- Review the unaudited and audited Annual Financial Statements;
- Review the Internal Controls of the organisation;
- Review the Internal Audit Activity's performance;
- Review the external audit's proposed audit scope and approach;
- Review the effectiveness of the system for monitoring compliance with laws and regulations.

Attendance of audit committee meetings by audit committee members (Tabular form)

The table below discloses relevant information on the audit committee members:

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Ms. D Semppe	Bachelor of Commerce Honours Bachelor of Accounting Science Master of Commerce in Forensic Accountancy	External	N/A	25/10/2021	N/A	7
Mr. G Higgins	Bachelor of Commerce Bachelor of Commerce Honours CA (SA) Registered Auditor	External		25/10/2021		7
Adv. JC Weapond	Diploma in • Education • Compliance Management • Business Management. B Tech: Policing & Investigations Bachelor of Laws (LLB)	External		25/10/2021		5

	M Tech: Forensic Investigations B Com Hons: Information Technology Masters in Business Systems M Tech: Information Technology					
Dr. TP Tondi	Bachelor of Theology Masters Moral and Cultural Studies Masters Higher Education Studies Doctor of Philosophy	External		01/06/2022		4

11. SHARED AUDIT COMMITTEE REPORT

1. INTERNAL AUDIT AND AUDIT COMMITTEES

Key activities and objectives of the internal audit

The Internal Audit Activity must evaluate and contribute to the improvement of risk management, control and governance processes using a systematic disciplined approach. Further, the Internal Audit Activity must evaluate risk exposures relating to the organization's governance, operations and information systems regarding the:

- Reliability and Integrity of Financial and Operational Information;
- Economic and Efficient use of resources;
- Safeguarding of assets;
- Compliance with laws, regulations and contracts;
- The achievement of the Departmental's objectives.

In undertaking its audit work, the Internal Audit Activity has complied with Section 38(1) (a) (ii) of the PFMA in terms of its establishment, the Standards for the Professional Practice of Internal Auditing, as well as the Code of Ethics of the Institute of Internal Auditors and any other relevant guidelines.

Summary of audit work done

Internal Audits were performed as per the approved Internal Audit Coverage Plan for 2022/2023 financial year. The plan entailed the proposed scope of each audit to be carried out as per the plan. The progress against this plan is reported to the Shared Audit Committee on a quarterly basis through its sittings. The Shared Audit Committee Reports are compiled for the attention of the Accounting Officer and Member of the Executive Council to keep them abreast of discussions, recommendations and resolutions of the Committee, and where appropriate to enforce action.

Key activities and objectives of the audit committee

The Shared Audit Committee is an independent governance structure whose function is to provide an oversight role for the financial reporting process, system of internal control, risk management and governance. The Shared Audit Committee assists the Accounting Officer in the effective discharge of his/her responsibilities with the ultimate aim of achieving the Department's objectives.

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- Review the unaudited and audited Annual Financial Statements;
- Review the Internal Controls of the organisation;
- Review the Internal Audit Activity's performance;
- Review the external audit's proposed audit scope and approach;
- Review the effectiveness of the system for monitoring compliance with laws and regulations.

Attendance of audit committee meetings by audit committee members (Tabular form)

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Adv. JC Weapond	Diploma in • Education • Compliance Management • Business Management. B Tech: Policing & Investigations Bachelor of Laws (LLB) M Tech: Forensic Investigations B Com Hons: Information Technology Masters in Business Systems M Tech: Information Technology	External		25/10/2021		5
Dr. TP Tondi	Bachelor of Theology Masters Moral and Cultural Studies Masters Higher Education Studies Doctor of Philosophy	External		01/06/2022		4

2. AUDIT COMMITTEE REPORT

2.1 Legislative requirements

The Audit Committee herewith presents its report for the financial year ended 31 March 2023, as required by section 77 of the Public Finance Management Act, 1999 (Act No. 1 of 1999, as amended by Act No. 29 of 1999) read with Treasury Regulation 3.1.13.

2.2 Audit Committee's responsibility

The Audit Committee was established in accordance with section 38 (1) (a) (ii) and 77 of the PFMA and section 3.1.3 of Treasury Regulations. The Audit Committee Charter requires that it comprises with a minimum of four members who are outside the Public Service.

In terms of section 77 (b) of the PFMA, the Audit Committee must meet at least twice a year. The approved Audit Committee Charter caters for four ordinary meetings and special meetings as required. During the financial year ended 31 March 2023, the Audit Committee held seven (7) meetings in total, to consider the quarterly reports, and reviews of both the unaudited and audited financial statements, and also the draft Annual Report.

2.3 Effectiveness of internal control

The Audit Committee acknowledges that the Accounting Officer has implemented initiatives to strengthen the internal controls of the Office of the Premier.

Through the Audit Committee Reports compiled the Audit Committee has highlighted instances where internal control weaknesses were identified and how these can be remedied. As a result, the Accounting Officer together with management has provided assurance that an effective corrective action plan will be implemented in respect of all internal control weaknesses as identified by internal audit and the AGSA. The Audit Committee will monitor these going forward and report directly to the Premier where areas of non-adherence have been noted.

Due to the strategic importance of, and investment in, the modernization of information and communication technology (ICT) in the department, the Audit Committee has monitored the risk register and progress reports on the respective action plans during the year under review.

2.4 The quality of monthly and quarterly reports submitted in terms of the PFMA and DORA

The Audit Committee is satisfied with the content and quality of management and quarterly reports prepared and issued during the year under review in compliance with the statutory framework. The Audit Committee has engaged with management to remedy shortcomings, especially relating to reports on performance against predetermined objectives.

The Audit Committee has reviewed and commented on the department's annual financial statements and report on performance information and their timely submission to the external auditors by 31 May 2023.

2.5 Internal Audit function

The Accounting Officer is obliged, in terms of the PFMA section section 38(1)(a)(ii), to ensure that the department has a system of internal audit under the control and direction of the Audit

Committee. The Audit Committee is satisfied that the internal audit function has properly discharged its functions and responsibilities during the year under review.

The Audit Committee supports the direction that the internal audit function is adopting in providing the necessary skills and agility required for the function to respond quickly and effectively to the demands for internal audit across the department.

The Audit Committee is satisfied that the Internal Audit function is operating effectively and that it has addressed the risks pertinent to the department.

2.6 Risk Management function

The Audit Committee is responsible for the oversight of the Risk Management function. The Risk Management Committee reports to the Audit Committee on the department's management of risk.

2.7 Evaluation of the Finance function

On the whole, the Audit Committee is not satisfied with the department's Finance function during the year under review and have requested the Accounting Officer together with assistance with Provincial Treasury oversee and assist senior management to improve the control environment to improve the audit outcomes especially in the areas of Bursary Management. The Finance function should strengthen its controls to ensure that it complies with relevant legislative requirements to avoid non-compliance matters.

2.8 Evaluation of the Annual Performance Report

Part of the responsibilities of the Audit Committee includes the review of the Annual Performance Report. The Audit Committee has in terms of the performance of the department performed the following functions:

- Review and comment on compliance with statutory requirements and performance management best practices and standards;
- Review and comment on the alignment of the annual performance plan, budget, strategic plan, corporate plan and performance agreements;
- Review and comment on the relevance of indicators to ensure that they are measurable and relate to services performed by the department;
- Review of reported non-compliance with legislation;
- Review of compliance with in year reporting requirements;
- Review of the quarterly performance reports submitted by the Internal Audit function;
- Review and comment on the department's performance management system and making recommendations for its improvement.

Except for the matters identified in the AGSA's reports, the Audit Committee is satisfied that the performance report has been prepared in terms of the PFMA, the Treasury Regulations and any other related regulatory requirements for reporting performance.

2.9 Evaluation of the Annual Financial Statements

The Audit Committee has reviewed the Audited Annual Financial Statements, which focused on the following:

- Significant financial reporting judgements and estimates contained in the annual financial statements;

- Clarity and completeness of disclosures and whether disclosures made have been set properly in context;
- Quality and acceptability of, and any changes in, accounting policies and practices;
- Compliance with accounting standards and legal requirements;
- Significant adjustments and/or unadjusted differences resulting from the audit;
- Reflection of unusual circumstances or events and management's explanation for the accounting treatment adopted;
- Reasons for major year-on-year fluctuations;
- Asset valuations;
- Calculation and levels of general and specific provisions; and
- The basis for the going concern assumption, including any financial sustainability risks and issues.

Except for the matters identified by the AGSA, the Audit Committee is comfortable that the annual financial statements have been prepared in terms of MCS and the PFMA.

The Committee has raised concerns where appropriate, particularly issues relating to Bursary Management, particularly on the occurrence factor, which still remains a challenge to date. The Committee has requested management to ensure that the implementation of the Auditor General's recommendation is undertaken promptly, in order to obtain a favourable audit opinion. The Committee will continuously monitor the Audit Action Plan to ensure that the Department is on par with the actions as contained in the AGSA's report.

2.10 External Auditor's report

The Audit Committee concurs with and accepts the conclusion and audit opinion of the external auditors on the Annual Financial Statements and Performance Report. The Committee is of the view that the Audited Financial Statements and Performance Report be accepted and read together with the report of the external auditors. The Committee confirms that it has provided adequate oversight throughout the audit process.

The Audit Committee notes the findings raised on compliance with legislation and have advised management to improve its internal controls particularly in the area of Procurement, expenditure management and Strategic Planning.

Furthermore, the Audit Committee notes that the AGSA has reported a material irregularity to the Director-General, this will be assessed and followed up in the future periods to ensure that the appropriate action has been taken to address any concerns.

The Audit Committee has met with the external auditors to ensure that there are no unresolved issues, and acknowledges the diligence and cooperation of the external audit team.

On behalf of the Audit Committee:

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Mr. G Higgins
Audit Committee Interim Chairperson
Office of the Premier

12. 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?	N/A	N/A
Developing and implementing a preferential procurement policy?	Yes	Yes, for the procurement of goods and services
Determining qualification criteria for the sale of state-owned enterprises?	N/A	The Department did not sell state owned enterprise in the financial year
Developing criteria for entering into partnerships with the private sector?	N/A	N/A
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	N/A	N/A

PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

The strategic objective of the Directorate is to provide Human Resource guidance and support for the Free State Provincial Government and internal Human Resource services to the Office of the Premier.

2. OVERVIEW OF HUMAN RESOURCES

The number of employees in the Department of the Premier is 666 as at 31 March 2023 of which 537 are employed permanently and 129 are employed on a contract basis. The Department further has 9 employees with disabilities within its employment. The staff component consists of 47% males and 53% females. Currently 49% of SMS members are represented by females and 51% by males.

The Department had 44 terminations for the last financial year. Below is the type of service terminations:

TYPES OF TERMINATION	Number	%
Death	4	9
Resignation	6	13,7
Expiry of contracts	29	65,9
Retirement	5	11,4
Total	44	100

The department has an approved MTEF Human Resource Plan and Employment Equity Plan which are in operation up until 2025. Annually the department generates a human resource planning implementation report that records progress against the HR action plans in the MTEF human resource plan and is submitted to DPSA. The department is consistently in compliance with legislated requirements.

The department developed the Recruitment and Selection protocol that adheres to regulatory requirements and relevant MPSA directives to ensure that the department meets its human resource capacity requirements which enable the recruitment of suitably qualified persons with the required competencies and abilities to do the job. The annual recruitment plan is aligned with the HR capacity needs of the department.

The department has promoted good relations between organised labour through sound collective bargaining programs and frameworks the following platforms are engaged to communicate resolutions and decisions of among others collective bargaining, provide strategic direction in handling of grievances, disputes and disciplinary matters.

- Public Service Co-ordinating Bargaining Council (PSCBS)
- General Public Service Sectoral Bargaining Council (GPFSBC)
- Coordinating Chamber of the PSCBC for the Free State Province (CCPFSP)
- GPSSBC (General Public Service Sector Bargaining Council) Provincial Bargaining Chamber for the Free State Province
- National Labour Relations Forum
- Inter-Provincial Labour Relations Forum (IDLRF)

The department has implemented and coordinated DPSA initiatives and projects, and there is a significant improvement in implementation and compliance with projects such as:

- The policy and procedure on incapacity leave and Ill- health retirement (PILLIR), is coordinated through the provincial steering committee.
- Competency assessments for SMS
- The Office of the Premier is 100% compliant with the signed delegations of power

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel related expenditure

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

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	87097	55547	0	0	63,8	548
Institutional Development	189680	87089	0	0	45,9	534
Policy & Governance	132654	45164	0	0	34	664
Provincial Monitoring & Evaluation	150 946	140637	0	0	93,2	415
Total	560 377	328437	0	0	58,6	489

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

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	1335	1	5	267
Skilled (Levels 3-5)	26342	8	88	299
Highly skilled production (Levels 6-8)	124159	38	317	391
Highly skilled supervision (Levels 9-12)	73048	22	100	730
Senior management (Levels >= 13)	40129	12	27	1486
Contract (Levels 1-2)	163	0	1	163
Contract (Levels 3-5)	8306	3	33	251
Contract (Levels 6-8)	15832	5	43	368
Contract (Levels 9-12)	24270	7	30	809
Contract (Levels >= 13)	14136	4	11	1285
Contract Other	717	0	11	65182
TOTAL	328437		666	

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

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	48 345	87	159	0,30	1 234	2,22	3 111	5,60
Institutional Development	75 606	86,8	0	0,00	1 920	2,20	3 941	4,53
Policy & Governance	40 558	89,8	0	0	564	1,25	1 256	2,78
Provincial Monitoring & Evaluation	118 026	83,9	0	0	5 131	3,65	11 049	7,86
TOTAL	282 535	86	159	0,3	8 849	2,69	19 357	5,89

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

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Lower skilled (Levels 1-2)	942	41,88	0	0	113	5,02	167	7,4
Skilled (Levels 3-5)	19 920	44,86	0	0	1530	3,45	3 355	7,6
Highly skilled production (Levels 6-8)	99 589	46,83	0	0	5 472	2,57	12 491	5,9
Highly skilled supervision (Levels 9-12)	64 965	52,19	0	0	1 051	0,84	2 215	1,
Senior management (Levels >= 13)	36 834	53,58	0	0	328	0,48	361	0,5
Contract (Levels 1-2)	167	60,97	0	0	0	0,00	0	0,00
Contract (Levels 3-5)	8 127	58,05	0	0	52	0,37	144	1
Contract (Levels 6-8)	14 799	55,45	72	0,5	181	0,68	375	1,4
Contract (Levels 9-12)	22 877	55,88	87	0,4	51	0,12	230	0,6
Contract (Levels >= 13)	13 579	55,75	0	0	71	0,29	19	0
Contract Other	736	60,97	0	0	0	0	0	0
TOTAL	282 535		159	0	8 849		19357	

3.2 Employment and Vacancies

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

Programme	Number of posts on approved Persal establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	105	96	8.5%	31
Institutional Development	170	163	4.1%	34
Policy and Governance	78	74	5.1%	24
Provincial Monitoring and Evaluation	334	333	0.2%	43
Total	687	666	3%	132

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

Salary band	Number of posts on approved Persal establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower Skilled (Levels 1-2)	5	5	0	0
Skilled (Levels 3-5)	90	88	2.2%	3
Highly Skilled Production (Levels 6-8)	327	317	3%	2
Highly Skilled Supervision (Levels 9-12)	107	100	6.5%	0
Senior Management (Levels >= 13)	29	27	6,8%	0

Interns	11	11	0	11
10 Contract (Levels 1-2)	1	1	0	1
11 Contract (Levels 3-5)	33	33	0	33
12 Contract (Levels 6-8)	43	43	0	43
13 Contract (Levels 9-12)	30	30	0	30
14 Contract (Levels >= 13)	11	11	0	9
TOTAL	687	666	3%	132

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

Critical occupation	Number of posts on approved establishment	Number of posts filled75	Vacancy Rate	Number of employees additional to the establishment
Total number of employees and vacancies by critical occupations as on 31 March 2023				None

3.3 Filling of SMS Posts

Table 3.3.1 SMS post information as on 31 March 2023

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100	0	0
Salary Level 16	2	2	100	0	0
Salary Level 15	3	3	100	0	0
Salary Level 14	12	10	83.3	2	16,6
Salary Level 13	22	21	95,4	1	4,5
Total	40	37	92,5	3	7,5

Table 3.3.2 SMS post information as on 30 September 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	2	2	100	0	0
Salary Level 15	3	3	100	0	0
Salary Level 14	12	9	75	3	25
Salary Level 13	23	19	82,6	4	17,3
Total	41	34	82,9	7	17

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

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

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2022 and 31 March 2023

Reasons for vacancies not advertised within six months
Budget constraints

Reasons for vacancies not filled within twelve months
Budget 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 2022 and 31 March 2023

Reasons for vacancies not advertised within six months
None

Reasons for vacancies not filled within six months
Budget constraints

3.4 Job Evaluation

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

Salary band	Number of posts on approved organisational structure	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	18	0	0%	0	0%	0	0%
Skilled (Levels 3-5)	125	0	0%	0	0%	0	0%
Highly skilled production (Levels 6-8)	448	2	0,4%	0	0%	0	0%
Highly skilled supervision (Levels 9-12)	196	7	3.6%	0	0%	2	28,6%
Senior Management Service Band A	31	4	13%	0	0%	1	25%
Senior Management Service Band B	12	0	0%	0	0%	0	0%
Senior Management Service Band C	3	0	0%	0	0%	0	0%
Senior Management Service Band D	1	0	0%	0	0%	0	0%
OSD: Legal (LP 7/8)	3	0	0%	0	0%	0	0%
OS|D: Legal (LP 10)	2	0	0%	0	0%	0	0%
Total	839	13	1.5%	0	0%	3	23%

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2022 and 31 March 2023

Gender	African	Asian	Coloured	White	Total
Total number of Employees whose positions were upgraded due to their posts being upgraded					None

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

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Total number of Employees with salary levels higher than those determined by job evaluation by occupation.				None

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2022 and 31 March 2023

Gender	African	Asian	Coloured	White	Total
Total number of Employees whose salaries exceeded the grades determine by job evaluation					None

3.5 Employment Changes

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2022 and 31 March 2023

Salary band	Number of employees at beginning of period-1 April 2022	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower Skilled (Levels 1-2)	7	0	0	0
Skilled (Levels 3-5)	88	2	3	3,4
Highly Skilled Production (Levels 6-8)	312	15	7	2,2
Highly Skilled Supervision (Levels 9-12)	91	13	2	2,2
Senior Management Service Band A	15	1	1	6,7
Senior Management Service Band B	7	0	0	0
Senior Management Service Band C	2	0	0	0
Senior Management Service Band D	2	1	1	50
Interns	11	4	4	36,4
Contract (Levels 1-2)	1	0	0	0
Contract (Levels 3-5)	28	8	3	10,7
Contract (Levels 6-8)	42	17	16	38,1
Contract (Levels 9-12)	33	5	6	18,2
Contract Band A	2	4	0	0
Contract Band B	4	3	1	25
Contract Band D	1	1	0	0
TOTAL	646	74	44	6,8

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

Critical occupation	Number of employees at beginning of period-April 20YY	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Total number of Annual turnover rates by critical occupations for the period 1 April 2022 to 31 March 2023				None

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

Termination Type	Number	% of Total Resignations
Death	4	9,1
Resignation	6	13,7
Expiry of contract	29	65,9
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	5	11,4
Transfer to other Public Service Departments	0	0
Other	0	0
Total	0	0
Total number of employees who left as a % of total employment	44	100

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

Occupation	Employees 1 April 2022	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
Total number of promotions by critical occupations for the period 1 April 2022 to 31 March 2023					None

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

Salary Band	Employees 1 April 2022	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower Skilled (Levels 1-2)	7	0	0	0	0
Skilled (Levels 3-5)	88	1	1,1	77	87,5
Highly Skilled Production (Levels 6-8)	312	3	1	262	84
Highly Skilled Supervision (Levels 9-12)	91	11	12,1	41	45,1
Senior Management (Levels >= 13)	26	2	7,7	13	50
Interns	11	0	0	0	0
Contract (Levels 1-2)	1	0	0	1	100
Contract (Levels 3-5)	28	0	0	20	71,4
Contract (Levels 6-8)	42	0	0	11	26,2
Contract (Levels 9-12)	33	0	0	15	45,5
Contract (Levels >= 13)	7	0	0	1	14,3
TOTAL	646	17	2,6	441	68,3

3.6 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2023

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Officials and managers	14	0	0	2	12	0	0	0	28
Professionals	186	2	0	7	149	5	1	10	360
Technicians and associated professionals	42	1	0	2	42	0	0	6	93
Clerks	37	1	0	0	101	7	0	1	147
Service shop and market sales workers	10	0	0	0	7	0	0	0	17
Labours and related workers	9	3	0	0	8	1	0	0	21
TOTAL	298	7	0	11	319	13	1	17	666

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	1	2	0	0	0	5
Senior Management	9	0	0	1	11	0	0	1	22
Professionally qualified and experienced specialists and mid-management	36	2	0	6	43	2	1	10	100
Skilled technical and academically qualified workers, junior management, supervisors, foremen	157	1	0	2	144	9	0	4	317
Semi-skilled and discretionary decision making	30	3	0	0	52	2	0	1	88
Unskilled and defined decision making	1	0	0	0	4	0	0	0	5
Interns	2	1	0	0	8	0	0	0	11
Contract Top Management	1	0	0	0	0	0	0	1	2
Contract Senior Management	6	0	0	0	3	0	0	0	9

Contract Professionally Qualified	18	0	0	1	11	0	0	0	30
Contract Skilled Technical	21	0	0	0	22	0	0	0	43
Contract Semi-Skilled	15	0	0	0	18	0	0	0	33
Contract Unskilled	0	0	0	0	1	0	0	0	1
TOTAL	298	7	0	11	319	13	1	17	666

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	6	0	0	0	5	0	1	1	13
Skilled technical and academically qualified workers, junior management, supervisors, foremen	8	0	0	0	7	0	0	0	15
Semi-skilled and discretionary decision making	0	0	0	0	2	0	0	0	2
Interns	2	1	0	0	1	0	0	0	4
Contract Top Management	0	0	0	0	0	0	0	1	1
Contract Senior Management	3	0	0	0	4	0	0	0	7
Contract Professionally Qualified	2	0	0	0	3	0	0	0	5
Contract Skilled Technical	7	0	0	0	10	0	0	0	17

Contract Semi-Skilled	4	0	0	0	4	0	0	0	8
Total	34	1	0	0	36	0	1	2	74

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	3	0	0	0	10	0	0	1	14
Professionally qualified and experienced specialists and mid-management	23	0	0	1	23	0	1	4	52
Skilled technical and academically qualified workers, junior management, supervisors, foremen	137	0	0	0	124	4	0	0	265
Semi-skilled and discretionary decision making.	26	0	0	0	49	2	0	1	78
Contract (Senior Management)	1	0	0	0	0	0	0	0	1
Contract (Professionally qualified)	9	0	0	0	6	0	0	0	15
Contract (Skilled technical)	6	0	0	0	5	0	0	0	11
Contract (Semi-skilled)	8	0	0	0	12	0	0	0	20
Contract	0	0	0	0	1	0	0	0	1

(Unskilled)									
TOTAL	214	0	0	1	230	6	1	6	458
Employees with disabilities	4	0	0	0	2	0	0	0	6

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	1	0	0	0	1
Senior Management	0	0	0	0	1	0	0	0	1
Professionally qualified and experienced specialists and mid-management	0	0	0	0	1	0	0	1	2
Skilled technical and academically qualified workers, junior management, supervisors, foremen	3	0	0	0	3	0	0	1	7
Semi-skilled and discretionary decision making	2	0	0	0	0	1	0	0	3
Interns	2	1	0	0	1	0	0	0	4
Contract (Senior Management)	0	0	0	0	1	0	0	0	1
Contract (Professionally qualified)	3	0	0	0	3	0	0	0	6
Contract (Skilled technical)	8	0	0	0	8	0	0	0	16
Contract (Semi-	0	0	0	0	3	0	0	0	3

skilled)									
TOTAL	18	1	0	0	22	1	0	2	44
Employees with Disabilities	0	0	0	0	0	0	0	0	0

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

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

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

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	37	0	0	1	57	2	0	3	100
Professionals	12	0	0	0	24	0	0	0	36
Technicians and associate professionals	22	0	0	0	28	0	0	0	50
Clerks	36	0	0	0	81	0	0	0	117
Total	107	0	0	1	190	2	0	3	303
Employees with disabilities	2	0	0	0	2	0	0	0	4

3.7 Signing of Performance Agreements by SMS Members

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

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	1	1	100
Salary Level 16	2	1	1	100
Salary Level 15	3	2	2	100
Salary Level 14	12	11	10	90
Salary Level 13	22	17	16	94
Total	40	32	30	93,7

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

Reasons
Salary Level 13
1 SMS Member did not submit a performance agreement – Special Advisor
Salary Level 14
1 SMS Member is seconded to the Department of Health and the Performance Agreement was not submitted to the Office of the Premier

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

Reasons
None

3.8 Performance Rewards

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2022 to 31 March 2023

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African, Female	2	319	0,6	0	0
African, Male	1	298	0,3	0	0
Asian, Female	0	1	0	0	0
Asian, Male	0	0	0	0	0
Coloured, Female	0	13	0	0	0
Coloured, Male	1	7	14,2	0	0
White, Female	2	17	11,7	0	0
White, Male	0	11	0	0	0
TOTAL	6	666	0,9	0	0
Employees with a disability	0	9	0	0	0

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

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	0	6	0%	0	0	0
Skilled (level 3-5)	0	121	0%	0	0	0
Highly skilled	2	361	0,5%	0	0	0

production (level 6-8)						
Highly skilled supervision (level 9-12)	4	130	3%	0	0	0
Interns	0	11	0	0	0	0
Total	6	629	0,9%	0	0	0

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2022 to 31 March 2023

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Performance Rewards by critical occupation for the period 1 April 2022 to 31 March 2023					None

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

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	5	21	23,8	0	0	0
Band B	3	11	27,2	0	0	0
Band C	1	3	33,3	0	0	0
Band D	1	5	20	0	0	0
Total	10	40	104	0	0	0

3.9 Foreign Workers

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

Salary band	01 April 2022		31 March 2023		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Lev. 6-8)	0	0	0	0	0	0
Highly skilled supervision (Lev. 9-12)	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 2022 and 31 March 2023

Major occupation	01 April 2022		31 March 2023		Change	
	Number	% of total	Number	% of total	Number	% Change
Not applicable	0	0	0	0	0	0

3.10 Leave utilisation

Table 3.10.1 Sick leave for the period 1 January 2022 to 31 December 2023

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Contract (Levels 13-16)	8	100	3	1,1	3	35
Contract (Levels 3-5)	114	78,1	23	8,4	5	110
Contract (Levels 6-8)	95	78,9	16	5,8	6	141
Contract (Levels 9-12)	63	79,4	15	5,5	4	188
Contract Other	24	54,2	8	2,9	3	9
Highly skilled production (Levels 6-8)	787	82,1	66	24,1	12	1 259
Highly skilled supervision (Levels 9-12)	543	85,6	61	22,3	9	1 729
Lower skilled (Levels 1-2)	36	100	1	0,4	36	23
Senior management (Levels 13-16)	159	84,3	20	7,3	8	807
Skilled (Levels 3-5)	608	81,6	61	22,3	10	561
TOTAL	2 437	82,6	274	100	9	4 863

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2022 to 31 December 2023

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	25	100	1	50	25	16
Skilled (Levels 3-5)	32	100	1	50	32	31

TOTAL	57	100	2	100	29	48

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

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Contract (Levels 1-2)	10	1	10
Contract (Levels 13-16)	51	8	6
Contract (Levels 3-5)	669	37	18
Contract (Levels 6-8)	580	34	17
Contract (Levels 9-12)	548	30	18
Contract Other	100	11	9
Highly skilled production (Levels 6-8)	4356	201	22
Highly skilled supervision (Levels 9-12)	2 257	97	23
Lower skilled (Levels 1-2)	196	7	28
Senior management (Levels 13-16)	539	26	21
Skilled (Levels 3-5)	2 043	89	23
TOTAL	11 349	541	21

Table 3.10.4 Capped leave for the period 1 January 2022 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 2023
Contract (Levels 1-2)	0	0	0	0
Contract (Levels 13-16)	0	0	0	0
Contract (Levels 3-5)	0	0	0	0

Contract (Levels 6-8)	0	0	0	0
Contract (Levels 9-12)	0	0	0	0
Contract Other	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	23
Highly skilled supervision (Levels 9-12)	0	0	0	25
Lower skilled (Levels 1-2)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	25
Skilled (Levels 3-5)	0	0	0	28
TOTAL	0	0	0	20

Table 3.10.5 Leave payouts for the period 1 April 2022 and 31 March 2023

Reason	Total amount (R'000)	Number of employees	Average per employee
Annual discounting with resignation (working days)	316	7	45 143,00
Annual discounting unused vacation credits (working days)	701	13	53 923,00
Annual gratuity death / retirement / medical retirement (work days)	241	7	34 429,00
Capped gratuity death / retirement / medical retirements (work days)	91	4	22 750,00
TOTAL	1 349,00	31	-

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
Not applicable	

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		L.V Nqoko-Rametse Director: HR Advice Coordination and Management
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		The Deputy Director: Labour Relations Advice, Employee Assistance and Occupational Health and Safety and Practitioner responsible for Occupational Health and Safety. Practitioner responsible for Health Management The Sub-directorate reports under Human Resource Advice, Coordination and Management Directorate therefore its budget is within that of said Directorate.
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		Key elements were awareness and education on TB, HIV & AIDS, Communicable and Non-communicable diseases, Chronic illnesses, Mental illnesses, Substance abuse, Physical wellness and Psychosocial stressors
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	x		The Department has a Departmental OHS and Wellness Committee. Members of the Committee are as follows: Chairperson – Assistant Director (Labour Relations, Employee Assistance and Occupational Health and

			Safety), Employer Representative (Labour Relations Officer), OHS Representatives from PSA and NEHAWU, Practitioner responsible for Occupational Health and Safety. Practitioner responsible for Health Management
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		HIV & AIDS and TB Management Policy approved on 14 October 2021. There is no need to review the current policy as it does not discriminate against employees who are HIV positive.
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		Clause 8.1.7 of the reviewed HIV/AIDS and TB Management Policy states that: (a) ensure that no employee or prospective employee is unfairly discriminated against on the basis of her or his HIV status, or perceived HIV status in any employment policy or practice; and (b) take appropriate measures to actively promote non-discrimination and to protect HIV positive employees and employees perceived to be HIV-positive from discrimination.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	x		Voluntary screening and testing was scheduled for 5 October 2022. 60 Employees were screened on the day and participated in sporting activities.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	x		The Department utilises the following HR reports: monthly reports and quarter reports.

3.12 Labour Relations

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

Subject matter	Date
Total number of Collective agreements	None

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

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

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

Type of misconduct	Number	% of total
Unauthorised use of state vehicle	1	100%
Total	1	100%

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

Grievances	Number	% of Total
Number of grievances resolved	4	66.66%
Number of grievances not resolved	2	33.33%
Total number of grievances lodged	6	100%

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

Disputes	Number	% of Total
Number of disputes upheld	None	0%
Number of disputes dismissed	1	5.88%
Total number of disputes lodged	17	

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

Total number of persons working days lost	1
Total costs working days lost	R700
Amount recovered as a result of no work no pay (R'000)	R700

Table 3.12.7 Precautionary suspensions for the period 1 April 2022 and 31 March 2023

Number of people suspended	None
Number of people who's suspension exceeded 30 days	None
Average number of days suspended	0
Cost of suspension(R'000)	0

3.13 Skills development

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

Table 3.13.1 Training needs identified for the period 1 April 2022 and 31 March 2023

Occupational category	Gender	Number of employees as at 1 April 2022	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	13	0	48	0	48
	Male	13	0	90	0	90
Professionals	Female	159	0	23	0	23
	Male	195	0	19	0	19

Technicians and associate professionals	Female	46	0	144	0	144
	Male	39	0	72	0	72
Clerks	Female	102	0	165	0	165
	Male	40	0	88	0	88
Service and sales workers	Female	7	0	0	0	0
	Male	8	0	0	0	0
Elementary occupations	Female	9	0	0	0	0
	Male	13	0	0	0	0
Sub Total	Female	336	0	380	0	380
	Male	308	0	269	0	269
Total		644	0	649	0	649

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

Occupational category	Gender	Number of employees as at 1 April 2022	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	13	0	64	0	64
	Male	13	0	40	0	40
Professionals	Female	159	0	24	0	24
	Male	195	0	12	0	12
Technicians and associate professionals	Female	46	0	28	0	28
	Male	39	0	22	0	22
Clerks	Female	102	0	81	0	81
	Male	40	0	36	0	36
Service and sales	Female	7	0	0	0	0

workers	Male	8	0	0	0	0
Elementary occupations	Female	9	0	0	0	0
	Male	13	0	0	0	0
Sub Total	Female	336	0	197	0	197
	Male	308	0	110	0	110
Total		644	0	307	0	307

3.14 Injury on duty

Table 3.14.1 Injury on duty for the period 1 April 2022 and 31 March 2023

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

3.15 Utilisation of Consultants

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2022 and 31 March 2023

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Not applicable as there were no appointment committed under this funds			

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
Not applicable as there were no appointment committed			

under this funds			

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

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Not applicable as there were no appointment committed under this funds			

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2022 and 31 March 2023

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
Not applicable as there were no appointment committed under this funds			

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2022 and 31 March 2023

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Not applicable as there were no appointment committed under this funds			

3.16 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2022 and 31 March 2023

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

PART E: PFMA COMPLIANCE REPORT

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

1.1. IRREGULAR EXPENDITURE

a) Reconciliation of irregular expenditure

Description	2022/23	2021/22
	R'000	R'000
Opening balance	310,867	305,313
Add: Irregular expenditure confirmed	53,263	5,554
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	**364,130**	**310,867**

On 02 March 2022 the Office of the Premier appointed a service provider to investigate irregular, fruitless and wasteful expenditure identified by the AGSA during the financial year's 2017/18, 2018/19 and 2019/20. The service provider is appointed to investigate 144 audit findings related to irregular, fruitless and wasteful expenditure. As at 31 March 2023 no investigations were finalised, however 25 investigations were finalised and acknowledged by the accounting officer on 25 May 2023. The recommendations within these investigation reports are currently being implemented.

Reconciling notes

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure that was under assessment in 2021/22	-	-
Irregular expenditure that relates to 2021/22 and identified in 2022/23	-	-
Irregular expenditure for the current year	53,263	5,554
Total	**53,263**	**5,554**

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

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under	-	-

investigation		
Total 2	-	-

c) Details of current and previous year irregular expenditure condoned

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure condoned	-	-
Total	-	-

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

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure NOT condoned and removed	-	-
Total	-	-

e) Details of current and previous year irregular expenditure recovered

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure recovered	-	-
Total	-	-

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

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure written off	-	-
Total	-	-

Additional disclosure relating to Inter-Institutional Arrangements

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

Description	2022/23	2021/22
	R'000	R'000
None	-	-
Total	-	-

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

Description	2022/23	2021/22
	R'000	R'000
None	-	-
Total	-	-

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

Disciplinary steps taken
None

1.2. FRUITLESS AND WASTEFUL EXPENDITURE

a) Reconciliation of fruitless and wasteful expenditure

Description	2022/23	2021/22
	R'000	R'000
Opening balance	25,154	25,149
Add: Fruitless and wasteful expenditure confirmed	37	5
Less: Fruitless and wasteful expenditure written off	-	-
Less: Fruitless and wasteful expenditure recoverable	-	-
Closing balance	**25,191**	**25,154**

Reconciling notes

Description	2022/23	2021/22
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2021/22	-	-
Fruitless and wasteful expenditure that relates to 2021/22 and identified in 2022/23		-
Fruitless and wasteful expenditure for the current year	37	5
Total	**37**	**5**

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

Description	2022/23	2021/22
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	-
Total[4]	-	-

c) Details of current and previous year fruitless and wasteful expenditure recovered

Description	2022/23	2021/22
	R'000	R'000
Fruitless and wasteful expenditure recovered	-	-
Total	-	-

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

Description	2022/23	2021/22
	R'000	R'000
Fruitless and wasteful expenditure written off	-	-
Total	-	-

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

Disciplinary steps taken	2022/23	2021/22
	R'000	R'000
None	-	-
Total	-	-

1.3. UNAUTHORISED EXPENDITURE

a) Reconciliation of unauthorised expenditure

Description	2022/23	2021/22
	R'000	R'000
	-	-
Total	-	-

Description	2022/23	2021/22
	R'000	R'000
Opening balance	209,497	209,497
Add: unauthorised expenditure confirmed	-	-
Less: unauthorised expenditure approved with funding	-	-
Less: unauthorised expenditure approved without funding	-	-
Less: unauthorised expenditure recoverable	-	-
Less: unauthorised not recovered and written off [5]	-	-
Closing balance	**209,497**	**209,497**

Reconciling notes

Description	2022/23	2021/22
	R'000	R'000
	-	-
Total	-	-

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

Description	2022/23	2021/22
	R'000	R'000
Unauthorised expenditure under assessment	-	-
Unauthorised expenditure under	-	-

determination		
Unauthorised expenditure under investigation	-	-
Total[7]	-	-

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

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

Material losses through criminal conduct	2022/23	2021/22
	R'000	R'000
Theft	-	-
Other material losses	-	-
Less: Recovered	-	-
Less: Not recovered and written off	-	-
Total	-	-

b) Details of other material losses

Nature of other material losses	2022/23	2021/22
	R'000	R'000
Vehicle accident with AVIS vehicle	-	407
Total	-	**407**

c) Other material losses recovered

Nature of losses	2022/23	2021/22
	R'000	R'000
Labour saving devices	-	-
Total	-	-

d) Other material losses written off

Nature of losses	2022/23	2021/22
	R'000	R'000
Vehicle accidents	-	407
Total	-	**407**

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	864	-
Invoices paid **within** 30 days or agreed period	858	-
Invoices paid **after** 30 days or agreed period	6	83.865
Invoices older than 30 days or agreed period (***unpaid and without dispute***)	-	-

Invoices older than 30 days or agreed period (***unpaid and in dispute***)	-	-
Include reasons for the late and or non-payment of invoices, including reasons that the invoices are in dispute, where applicable.		

3. SUPPLY CHAIN MANAGEMENT

3.1. Procurement by other means

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

3.2. Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value R'000	Value of previous contract expansion/s or variation/s (if applicable) R'000	Value of current contract expansion or variation R'000
The Department did not make any expansion on contracts as they were participants on the Provincial Treasury transversal contracts. Therefore expansion was done by Provincial Treasury.	-	-	-	-	-	-
Total	-	-	-	-	-	-

PART F: FINANCIAL INFORMATION

1. REPORT OF THE AUDITOR-GENERAL

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

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Office of the Premier set out on pages 160 to 216, which comprise the appropriation statement, statement of financial position as at 31 March 2023, 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 possible effect of the matter described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Office of the Premier as at 31 March 2023, 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).

Basis for qualified opinion

Transfers and subsidies

3. I was unable to obtain sufficient appropriate audit evidence for expenditure relating to transfers and subsidies as inadequate supporting documentation was provided in the bursary files, expenditure vouchers and meeting minutes submitted for review to confirm expenditure on international bursaries and the stipend payments made to students. I was unable to confirm transfers and subsidies by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to transfers and subsidies, stated at R75 676 000 (2022: R132 269 000) in note 8 to the financial statements.

Context for 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 responsibilities of the auditor-general 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 20.1 to the financial statements, the department may not be able to realise its assets and discharge its liabilities, as total liabilities exceeded its total assets. In addition, as disclosed in note 16 to the financial statements, the department also had significant negative operating cash flow, amounting to R28 681 000, which will lead to a cash shortfall when compared to next year's budget. These events or conditions, along with other matters as set out in note 20.1, 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.

Restatement of corresponding figures

10. As disclosed in note 31 to the financial statements, the corresponding figures for 31 March 2022 were restated as a result of an error in the financial statements of the department at, and for the year ended, 31 March 2023.

Non-adjusting events after reporting date

11. As disclosed in note 27 to the financial statements, the department is subject to investigations by the Special Investigating Unit and the Public Protector, relating to transactions that occurred for the year ended 31 March 2023.

Underspending of the budget

12. As disclosed in the appropriation statement, the department materially underspent the budget by R43 840 000 on programmes 1: administration, programme 2: institutional development, programme 3: policy and governance, and programme 4: monitoring and evaluation.

Irregular expenditure

13. As disclosed in note 24 to the financial statements, the department incurred irregular expenditure of R53 263 000 due to non-compliance with supply chain management (SCM) requirements. In addition, the full extent of irregular expenditure is still in the process of being determined.

Other matter

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

National Treasury Instruction Note 4 of 2022-2023: PFMA Compliance and Reporting Framework

15. On 23 December 2022, the National Treasury issued Instruction Note 4 of 2022-23, which came into effect on 3 January 2023, in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA. The instruction note deals with the PFMA compliance and reporting framework and addresses, amongst others, the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Irregular expenditure and fruitless and wasteful expenditure incurred in prior financial years and not yet addressed no longer need to be disclosed in the disclosure notes to the annual financial statements. Only the current year and prior year figures are disclosed in note 24 to the financial statements of the department. Movements in respect of irregular expenditure and fruitless and wasteful expenditure also no longer need to be disclosed in the notes to the annual financial statements. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) is now included as part of the other information in the annual report of the department. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

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 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.

Responsibilities of the auditor-general 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

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

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

Programmes	Page numbers	Purpose
Policy and governance	59	To align, integrate and coordinate the policies, strategies, plans and programmes of national, provincial departments, municipalities and state-owned entities towards the achievements of the goals and priorities of the government
Provincial monitoring and evaluation	65	The purpose of this programme is encapsulated in the mission of the Office of the Premier, which is "to provide strategic direction and coordinate integrated service delivery improvement within government in the Free State" and also in the strategic objective which is to lead and provide monitoring and evaluation services in provincial, regional offices of national departments and state-owned entities.

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

23. I performed procedures to test whether:

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

- the reported performance information is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

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

25. I did not identify any material findings on the reported performance information of policy and governance.

26. The material findings on the performance information of the selected programme are as follows:

Provincial monitoring and evaluation

Various indicators

27. The planned targets were not specific in that they did not indicate how the indicators would be measured or when they should be delivered. Supporting evidence was also not provided to confirm that processes had been established to consistently measure and reliably report on these indicators. Consequently, the information might be less useful for measuring performance, and the achievements might be more or less than reported and were not reliable for determining if the targets had been achieved.

Indicators	Planned targets	Reported achievements
Number of reports of service delivery interventions	4	4
Percentage of presidential hotline cases resolved	90%	96,58%

Other matters

28. I draw attention to the matters below.

Achievement of planned targets

29. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and under achievements. This information should be considered in the context of the material findings on the reported performance information.

Material misstatements

30. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of policy and governance and provincial monitoring and evaluation. Management did not correct all of the misstatements and I reported material findings in this regard.

Report on compliance with legislation

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

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

33. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the department, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

34. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements

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

Expenditure management

36. Effective and appropriate steps were not taken to prevent irregular expenditure, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The value, as disclosed in note 24 to the financial statements, is not complete, as management was still in the process of quantifying the full extent of the irregular expenditure. Most of the irregular expenditure was caused by non-compliance with the applicable supply chain management regulations. Irregular expenditure amounting to R11 874 533 was incurred on the 2023 state of the province address and memorial and provincial funeral services.

37. Effective internal controls were not in place for approval and processing of payments, as required by treasury regulation 8.1.1.

38. I was unable to obtain sufficient appropriate audit evidence that the resources of the department were utilised economically, as required by section 38(1)(b) and 45(b) of the PFMA. These relate to payments made towards bursaries, events management services and interest on overdue accounts.

Strategic planning and performance management

39. The annual performance plan did not include the expected outcomes of the programmes, as required by treasury regulation 5.2.3(d).

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

Procurement and contract management

41. Some of the goods and services were procured without obtaining at least three written price quotations in accordance with treasury regulation 16A6.1 and paragraph 3.2.1 of National Treasury PFMA SCM Instruction 2 of 2021-22.

42. Goods and services of a transaction value above R1 000 000 were procured without inviting competitive bids and deviations were approved by the accounting officer but it was practical to invite competitive bids, as required by treasury regulation 16A6.1, paragraph 3.3.1 of National Treasury PFMA Instruction 2 of 2021-22, paragraph 4.1 of National Treasury PFMA SCM Instruction 3 of 2021-22 and treasury regulation 16A6.4.

43. Some of the contracts were awarded to bidders who did not submit a declaration of whether they are employed by the state or connected to any person employed by the state, which is prescribed to comply with treasury regulation 16A8.3.

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

45. Procurement by other means was not provided in the SCM policy of the institution or did not cover at least the minimum requirements as required by paragraphs 4.3 and 4.4 of National Treasury PFMA SCM Instruction 3 of 2021-22.

46. Deviations and procurement by other means are not provided for in the SCM policy and/or are not in line with the circumstances provided in the SCM policy under which the procurement can occur as required by paragraphs 4.3 and 4.4 (c) of National Treasury PFMA SCM Instruction 3 of 2021-22.

47. Some of the deviation processes followed in respect of identifying prospective suppliers are not in line with the process prescribed in the institution's the SCM policy as required by paragraph 4.4(d) of National Treasury PFMA SCM Instruction 3 of 2021-22.

48. Some of the bid documentation/invitation to tender for procurement of commodities designated for local content and production, did not stipulated the minimum threshold for local production and content as required by the 2017 procurement regulation 8(2).

Consequence management

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

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

51. Disciplinary steps were not taken against the officials who had incurred irregular expenditure, as required by section 38(1)(h)(iii) of the PFMA.

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

Other information in the annual report

53. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.

54. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

55. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

56. The other information I obtained prior to the date of this auditor's report is the disclosures included in the annual report for unauthorised, irregular, fruitless and wasteful expenditure, and the other information outstanding in the annual report is expected to be made available to us after 31 July 2023.

57. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.

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

Internal control deficiencies

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

60. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the material findings on the annual performance report and the material findings on compliance with legislation included in this report.

61. Senior management did not adequately monitor and enforce the implementation of the corrective measures included in the audit action plan to address inadequate internal control measures, slow response to audit matters and apply consequence management for weaknesses identified during previous years' audits.

62. Senior management inadequately addressed material weaknesses and did not, in all instances, take corrective action to ensure that the administration and management of international bursaries are addressed, as the standard operating procedures did not address all weaknesses identified. The failure to follow proper processes and procedures as set forth in the standard operating procedures resulted in material findings included in this report.

63. Management's failure to prioritise and apply indicator-specific standard operating procedures to manage performance reporting, including the safeguarding of information and effective monitoring and evaluation of reported performance information against the set indicators resulted in material findings in the annual performance report.

64. Management's lack of detailed review of the financial statements and the underlying records resulted in material misstatements. These misstatements were not detected and corrected or prevented by the department's internal processes. The corrected misstatements resulted in material non-compliance included in this report and the supporting records that could not be provided resulted in the qualified opinion included in this report.

Material irregularities

65. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit.

Material irregularity in progress

66. I identified a material irregularity during the audit and notified the accounting officer, as required by material irregularity regulation 3(2). By the date of this auditor's report, the response of the

accounting officer was not yet due. This material irregularity will be included in next year's auditor's report.

Other reports

67. I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

68. The Special Investigating Unit was authorised through proclamation 123 of 2023, dated 9 June 2023, to investigate allegations of serious maladministration in the affairs of the Office of the Premier in relation to bursary payments and improper or unlawful conduct by its employees in relation to the bursary function for the period starting 1 January 2018 until 9 June 2023. The investigation was still in progress at the date of this auditor's report.

69. The Public Protector instituted an investigation, on 9 June 2023, in respect of an allegation of maladministration by the Free State Provincial Governments in connection with the expenditure incurred for the funeral of a member of the executive council for education, held on 12 March 2023 in Bloemfontein. The investigation was still in progress at the date of this auditor's report.

Auditor-General

Bloemfontein

31 July 2023

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

1. The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

3. 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
- conclude on the appropriateness of the 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 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

4. 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.

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

Compliance with legislation – selected legislative requirements

6. The selected legislative requirements are as follows:

Legislation and regulations	Sections or regulations
Public Finance Management Act 1 of 1999	Sections 1; 38(1)(a)(iv); 38(1)(b); 38(1)(c); 38(1)(c)(i); 38(1)(c)(ii) Sections 38(1)(d); 38(1)(h)(iii); 39(1)(a); 39(2)(a); 40(1)(a); 40(1)(b) Sections 40(1)(c)(i); 43(4); 44; 44(1) & (2); 45(b); 50(3); 50(3)(a)
Treasury Regulations	Regulations 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1 Regulations 6.3.1(a); 6.3.1(b); 6.3.1(c); 6.3.1(d); 6.4.1(b); 7.2.1 Regulations 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1; 9.1.1; 9.1.4; 10.1.1(a) Regulations 10.1.2; 11.4.1; 11.4.2; 11.5.1; 12.5.1; 15.10.1.2(c) Regulations 16A 6.1; 16A 6.2(a), (b) & (e); 16A 6.3(a) Regulations 16A 6.3(b); 16A 6.3(c); 16A 6.3(d); 16A 6.3(e) Regulations 16A 6.4; 16A 6.5; 16A 6.6; 16A 7.1 Regulations 16A 7.3; 16A 7.6; 16A 7.7; 16A 8.2(1) & (2) Regulations 16A 8.3; 16A 8.3(d); 16A 8.4; 16A 9; 16A 9.1 Regulations 16A 9.1(b)(ii); 16A 9.1(c); 16A 9.1(d); 16A 9.1(e) Regulations 16A 9.2; 16A 9.2(a)(ii) & (iii); 16A 9.1(f) Regulations 17.1.1; 18.2; 19.8.4
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
Public Service Regulations	Regulations 18; 18(1); 18(2); 25(1)(e)(i); 25(1)(e)(iii)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations	Regulations 17; 25(7A)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2.1(a); 2.1(b); 2.1(f)
Preferential Procurement Regulations of 2017	Regulations 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.5; 6.6 Regulations 7.1; 7.2; 7.3; 7.5; 7.6; 8.2; 8.5; 9.1; 9.2; 12.1; 12.2
Preferential Procurement Regulations of 2022	Regulations 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
State Information Technology Agency Act 88 of 1998	Section 7(3)
National Treasury Instruction Note 1 of 2015-16	Paragraphs 3.1; 4.1; 4.2
National Treasury Instruction Note 4 of 2015-16	Paragraph 3.4
National Treasury Instruction Note 1 of 2021-22	Paragraph 4.1
Second amendment to National Treasury Instruction Note 5 of 2020-21	Paragraphs 4.8; 4.9; 5.1; 5.3
Erratum to National Treasury Instruction Note 5 of 2020-21	Paragraphs 1; 2
National Treasury PFMA SCM Instruction 3 of 2021-22	Paragraphs 4.1; 4.3; 4.4; 4.4(a); 4.4(c) & (d)
National Treasury PFMA SCM Instruction 11 of 2020-21	Paragraphs 3.1; 3.4(b); 3.9

National Treasury PFMA SCM Instruction 2 of 2021-22	Paragraphs 3.2.1; 3.2.4(a); 3.3.1
National Treasury Practice Note 7 of 2009-10	Paragraph 4.1.2

2. ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS

FREE STATE

OFFICE OF THE PREMIER

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for the year ended
31 March 2023

Date authorised for issue: ____________________

Authorised by: ____________________

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APPROPRIATION STATEMENT
for the year ended 31 March 2023

APPROPRIATION PER PROGRAMME

	2022/23							2021/22	
Programme	**Adjusted budget**	**Shifting of funds**	**Virement**	**Final budget**	**Actual expenditure**	**Variance**	**Expenditure as % of final budget**	**Final budget**	**Actual expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
1. Administration	101,041	-	-	101,041	87,107	13,934	86.2	102,534	75,055
2. Institutional Development	207,525	-	-	207,525	189,676	17,849	91.4	253,691	236,091
3. Policy and Governance	139,925	-	-	139,925	132,648	7,277	94.8	84,322	56,982
4. Monitoring and Evaluation	155,726	-	-	155,726	150,946	4,780	96.9	147,016	140,032
TOTAL	**604,217**	**-**	**-**	**604,217**	**560,377**	**43,840**	**92.7**	**587,563**	**508,160**

	2022/23 Final budget	2022/23 Actual expenditure	2021/22 Final budget	2021/22 Actual expenditure
TOTAL (brought forward)	604,217	560,377	587,563	508,160
Reconciliation with statement of financial performance				
ADD:				
Aid assistance	25,169		15,225	
Actual amounts per statement of financial performance (total revenue)	629,386		602,788	
ADD:				
Aid assistance		15,886		7,238
Actual amounts per statement of financial performance (total expenditure)		576,263		515,398

APPROPRIATION PER ECONOMIC CLASSIFICATION

	2022/23							2021/22	
Economic classification	**Adjusted budget**	**Shifting of funds**	**Virement**	**Final budget**	**Actual expenditure**	**Variance**	**Expenditure as % of final budget**	**Final budget**	**Actual expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**522,630**	**(3,343)**	**-**	**519,287**	**478,262**	**41,025**	**92.1**	**446,499**	**370,655**
Compensation of employees	346,255	-	-	346,255	328,437	17,818	94.9	317,150	308,539
Goods and services	176,375	(3,343)	-	173,032	149,821	23,211	86.6	129,345	62,111
Interest and rent on land	-	-	-	-	4	(4)	-	4	5
Transfers and subsidies	**76,327**	**2,149**	**-**	**78,476**	**75,676**	**2,800**	**96.4**	**134,269**	**132,269**
Departmental agencies and accounts	-	-	-	-	-	-	-	10	10
Higher education institutions	2,000	-	-	2,000	2,000	-	100.0	2,000	-
Households	74,327	2,149	-	76,476	73,676	2,800	96.3	132,259	132,259
Payments for capital assets	**5,260**	**1,194**	**-**	**6,454**	**6,439**	**15**	**99.8**	**6,198**	**4,639**
Buildings and other fixed structures	-	-	-	-	874	(874)	-	-	-
Machinery and equipment	5,260	1,194	-	6,454	5,565	889	86.2	6,195	4,639
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**597**	**597**
Total	**604,217**	**-**	**-**	**604,217**	**560,377**	**43,840**	**92.7**	**587,563**	**508,160**

APPROPRIATION STATEMENT
for the year ended 31 March 2023

PROGRAMME 1: ADMINISTRATION

	2022/23							2021/22	
Sub programme	**Adjusted budget**	**Shifting of funds**	**Virement**	**Final budget**	**Actual expenditure**	**Variance**	**Expenditure as % of final budget**	**Final budget**	**Actual expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
1. Premier Support	16,139	2,362	-	18,501	18,304	197	98.9	17,717	17,215
2. Executive Council Support	4,487	353	-	4,840	4,115	725	85.0	3,587	3,401
3. Director General	20,604	48	-	20,652	17,002	3,650	82.3	16,154	14,382
4. Financial Management	59,811	(2,763)	-	57,048	47,686	9,362	83.6	65,076	40,057
Total for sub programmes	**101,041**	**-**	**-**	**101,041**	**87,107**	**13,934**	**86.2**	**102,534**	**75,055**
Economic classification									
Current payments	**98,003**	**(2,187)**	**-**	**95,816**	**82,148**	**13,668**	**85.7**	**98,675**	**71,196**
Compensation of employees	58,513	-	-	58,513	55,547	2,966	94.9	50,905	49,761
Goods and services	39,490	(2,187)	-	37,303	26,601	10,702	71.3	47,766	21,430
Interest and rent on land	-	-	-	-	-	-	-	4	5
Transfers and subsidies	**170**	**2,149**	**-**	**2,319**	**2,362**	**(43)**	**101.9**	**374**	**374**
Departmental agencies and accounts	-	-	-	-	-	-	-	10	10
Households	170	2,149	-	2,319	2,362	(43)	101.9	364	364
Payments for capital assets	**2,868**	**38**	**-**	**2,906**	**2,597**	**309**	**89.4**	**3,287**	**3,287**
Machinery and equipment	2,868	38	-	2,906	2,597	309	89.4	3,287	3,287
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**198**	**198**
Total	**101,041**	**-**	**-**	**101,041**	**87,107**	**13,934**	**86.2**	**102,534**	**75,055**

APPROPRIATION STATEMENT
for the year ended 31 March 2023

PROGRAMME 2: INSTITUTIONAL DEVELOPMENT

	2022/23							2021/22	
Sub programme	**Adjusted budget**	**Shifting of funds**	**Virement**	**Final budget**	**Actual expenditure**	**Variance**	**Expenditure as % of final budget**	**Final budget**	**Actual expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
1. Strategic Human Resources	134,598	183	-	134,781	126,703	8,078	94.0	188,022	183,520
2. Information Technology	24,266	(183)	-	24,083	19,553	4,530	81.2	27,052	20,795
3. Legal Services	11,579	-	-	11,579	9,018	2,561	77.9	11,140	10,577
4. Communication Services	37,082	-	-	37,082	34,402	2,680	92.8	27,477	21,199
Total for sub programmes	**207,525**	**-**	**-**	**207,525**	**189,676**	**17,849**	**91.4**	**253,691**	**236,091**

Economic classification									
Current payments	**133,799**	**(1,057)**	**-**	**132,742**	**117,314**	**15,428**	**88.4**	**121,227**	**104,933**
Compensation of employees	93,157	-	-	93,157	87,089	6,068	93.5	84,655	83,050
Goods and services	40,642	(1,057)	-	39,585	30,221	9,364	76.3	36,572	21,883
Interest and rent on land	-	-	-	-	4	(4)	-	-	-
Transfers and subsidies	**71,724**	**-**	**-**	**71,724**	**69,623**	**2,101**	**97.1**	**130,023**	**130,023**
Households	71,724	-	-	71,724	69,623	2,101	97.1	130,023	130,023
Payments for capital assets	**2,002**	**1,057**	**-**	**3,059**	**2,739**	**320**	**89.5**	**2,316**	**1,010**
Machinery and equipment	2,002	1,057	-	3,059	2,739	320	89.5	2,316	1,010
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**125**	**125**
Total	**207,525**	**-**	**-**	**207,525**	**189,676**	**17,849**	**91.4**	**253,691**	**236,091**

APPROPRIATION STATEMENT
for the year ended 31 March 2023

PROGRAMME 3: POLICY AND GOVERNANCE

	2022/23							2021/22	
Sub programme	**Adjusted budget**	**Shifting of funds**	**Virement**	**Final budget**	**Actual expenditure**	**Variance**	**Expenditure as % of final budget**	**Final budget**	**Actual expenditur e**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
1. Special programmes	103,751	5,522	-	109,273	105,324	3,949	96.4	54,359	35,385
2. Intergovernmental Relations	14,702	(3,691)	-	11,011	9,793	1,218	88.9	9,433	8,377
3. Provincial Policy Management	21,472	(1,831)	-	19,641	17,531	2,110	89.3	20,530	13,220
Total for sub programmes	**139,925**	**-**	**-**	**139,925**	**132,648**	**7,277**	**94.8**	**84,322**	**56,982**

Economic classification									
Current payments	**135,698**	**(85)**	**-**	**135,613**	**128,250**	**7,363**	**94.6**	**80,104**	**54,917**
Compensation of employees	50,236	-	-	50,236	45,164	5,072	89.9	42,682	39,898
Goods and services	85,462	(85)	-	85,377	83,086	2,291	97.3	37,422	15,019
Transfers and subsidies	**4,229**	**-**	**-**	**4,229**	**3,442**	**787**	**81.4**	**3,538**	**1,538**
Higher education institutions	2,000	-	-	2,000	2,000	-	100.0	2,000	-
Households	2,229	-	-	2,229	1,442	787	64.7	1,538	1,538
Payments for capital assets	**(2)**	**85**	**-**	**83**	**956**	**(873)**	**1 151.8**	**453**	**300**
Buildings and fixed structures	-	-	-	-	874	(874)	-		
Machinery and equipment	(2)	85	-	83	82	1	98.8	453	300
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**227**	**227**
Total	**139,925**	**-**	**-**	**139,925**	**132,648**	**7,277**	**94.8**	**84,322**	**56,982**

PROGRAMME 4: MONITORING AND EVALUATION	2022/23							2021/22	
Sub programme	**Adjusted budget**	**Shifting of funds**	**Virement**	**Final budget**	**Actual expenditure**	**Variance**	**Expenditure as % of final budget**	**Final budget**	**Actual expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
1. Public Sector Monitoring and Evaluation	10,595	(14)	-	10,581	9,436	1,145	89.2	8,198	6,109
2. Monitoring and Evaluation Programme	13,799	14	-	13,813	12,630	1,183	91.4	9,713	8,894
3. Provincial Intervention	131,332	-	-	131,332	128,880	2,452	98.1	129,105	125,029
Total for sub programmes	**155,726**	-	-	**155,726**	**150,946**	**4,780**	**96.9**	**147,016**	**140,032**
Economic classification									
Current payments	**155,130**	**(14)**	-	**155,116**	**150,550**	**4,566**	**97.1**	**146,493**	**139,609**
Compensation of employees	144,349	-	-	144,349	140,637	3,712	97.4	138,908	135,830
Goods and services	10,781	(14)	-	10,767	9,913	854	92.1	7,585	3,779
Transfers and subsidies	**204**	-	-	**204**	**249**	**(45)**	**122.1**	**334**	**334**
Households	204	-	-	204	249	(45)	122.1	334	334
Payments for capital assets	**392**	**14**	-	**406**	**147**	**259**	**36.2**	**142**	**42**
Machinery and equipment	392	14	-	406	147	259	36.2	142	42
Payments for financial assets	-	-	-	-	-	-	-	**47**	**47**
Total	**155,726**	-	-	**155,726**	**150,946**	**4,780**	**96.9**	**147,016**	**140,032**

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

Detail of these transactions can be viewed in the note on Transfers and Subsidies, and Annexure 1A – D of the Annual Financial Statements.

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

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

3. Detail on payments for financial assets

Detail of these transactions 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

Programme	Final budget	Actual expenditure	Variance	Variance as a % of final budget
	R'000	R'000	R'000	%
1. Administration	**101,041**	**87,107**	**13,934**	**13.8**
The underspending is due to vacancies not yet filled and the late delivery of furniture and equipment procured but not delivered before year end.				
2. Institutional Development	**207,525**	**189,676**	**17,849**	**8.6**
The underspending is due to vacancies not yet filled as well as the reduction in the number of bursaries offered during the year. Computer equipment ordered before year end were not yet delivered before the year-end closure.				
3. Policy and Governance	**139,925**	**132,648**	**7,277**	**5.2**
The underspending is due to vacancies not yet filled at year end.				
4. Monitoring and Evaluation	**155,726**	**150,946**	**4,780**	**3.1**
The underspending is due to vacancies not yet filled and the late delivery of furniture and equipment procured but not delivered before year end.				
Total	**604,217**	**560,377**	**43,840**	**7.3**

4.2 Per economic classification

Economic classification	Final budget	Actual expenditure	Variance	Variance as a % of final budget
	R'000	R'000	R'000	%
CURRENT PAYMENTS				
Compensation of employees	**346,255**	**328,437**	**17,818**	**5.1**
The underspending is due to vacancies not yet filled at year end.				
Goods and services	**173,032**	**149,821**	**23,211**	**13,4**
The underspending is mainly due to utilising cash appropriated in the current financial year to surrender the surplus of the previous year to the Revenue Fund.				
Interest and rent on land	**-**	**4**	**(4)**	**-**
The overspending is due to an unforeseen expenditure.				
TRANSFERS AND SUBSIDIES				
Higher education institutions	**2,000**	**2,000**	**-**	**-**
N/A				
Households	**76,476**	**73,676**	**2,800**	**3.7**
The underspending is due to the reduction in the number of bursaries offered during the year.				
PAYMENTS FOR CAPITAL ASSETS				
Buildings and other fixed structures	**-**	**874**	**(874)**	**-**
The overspending is due to an unforeseen expenditure.				
Machinery and equipment	**6,454**	**5,565**	**889**	**13.8**
The underspending is due to the late delivery of furniture and equipment procured during the year but not delivered before year end.				
Total	**604,217**	**560,377**	**43,840**	**7.3**

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
REVENUE			
Annual appropriation	1	604,217	587,563
Aid assistance		25,169	15,225
TOTAL REVENUE		**629,386**	**602,788**
EXPENDITURE			
Current expenditure		**494,148**	**377,893**
Compensation of employees	4	328,437	308,539
Goods and services	5	149,821	62,111
Interest and rent on land	6	4	5
Aid assistance	3	15,886	7,238
Transfers and subsidies		**75,676**	**132,269**
Transfers and subsidies	8	75,676	132,269
Expenditure for capital assets		**6,439**	**4,639**
Tangible assets	9	6,439	4,639
Payments for financial assets	7	-	597
TOTAL EXPENDITURE		**576,263**	**515,398**
SURPLUS/(DEFICIT) FOR THE YEAR		**53,123**	**87,390**

Reconciliation of Net Surplus/ (Deficit) for the year

	Note	2022/23 R'000	2021/22 R'000
Voted funds		**43,840**	**79,403**
Annual appropriation		43,840	79,403
			-
Aid assistance	3	9,283	7,987
SURPLUS/(DEFICIT) FOR THE YEAR		**53,123**	**87,390**

STATEMENT OF FINANCIAL POSITION
as at 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
ASSETS			
Current assets		**8,764**	**43,087**
Cash and cash equivalents	10	5,409	40,506
Prepayments and advances	11	127	127
Receivables	12	3,228	2,454
Non-current assets		**6,252**	**6,240**
Receivables	12	6,252	6,240
TOTAL ASSETS		**15,016**	**49,327**
LIABILITIES			
Current liabilities		**219,743**	**254,089**
Voted funds to be surrendered to the Revenue Fund	13	209,840	245,578
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	14	383	446
Payables	15	237	78
Aid assistance unutilised	3	9,283	7,987
TOTAL LIABILITIES		**219,743**	**254,089**
NET ASSETS		**(204,727)**	**(204,762)**
Recoverable revenue		4,770	4,735
Unauthorised expenditure		(209,497)	(209,497)
TOTAL		**(204,727)**	**(204,762)**

STATEMENT OF CHANGES IN NET ASSETS
as at 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
Recoverable revenue			
Opening balance		4,735	4,746
Transfers:		35	(11)
Debts revised		(21)	(1,481)
Debts recovered (included in departmental revenue)		(40)	(88)
Debts raised		96	1,558
Closing balance		**4,770**	**4,735**
Unauthorised expenditure			
Opening balance		(209,497)	(209,497)
Closing Balance		**(209,497)**	**(209,497)**
TOTAL		**(204,727)**	**(204,762)**

CASH FLOW STATEMENT
for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		**634,009**	**606,765**
Annual appropriation funds received	1.1	604,217	587,563
Departmental revenue received	2	4,622	3,977
Interest received	2.2	1	-
Aid assistance received	Annexure 1D	25,169	15,225
Net (increase)/decrease in net working capital		(615)	(21,819)
Surrendered to Revenue Fund		(84,264)	(28,790)
Surrendered to RDP Fund/Donor		(7,987)	(3,597)
Current payments		(494,144)	(377,888)
Interest paid	6	(4)	(5)
Payments for financial assets		-	(597)
Transfers and subsidies paid		(75,676)	(132,269)
Net cash flow available from operating activities	16	**(28,681)**	**41,800**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	9	(6,439)	(4,639)
(Increase)/decrease in non-current receivables	12	(12)	768
Net cash flow available from investing activities		**(6,451)**	**(3,871)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		35	(11)
Net cash flows from financing activities		**35**	**(11)**
Net increase/(decrease) in cash and cash equivalents		(35,097)	37,918
Cash and cash equivalents at beginning of period		40,506	2,588
Cash and cash equivalents at end of period	17	**5,409**	**40,506**

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 Rand using the spot exchange rates prevailing at the date of payment/ receipt.

6. Comparative information

6.1 Prior period comparative information

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

6.2 Current year comparison with budget

A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

7. Revenue

7.1 Appropriated funds

Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).

Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.

Appropriated funds are measured at the amounts receivable.

The net amount of any appropriated funds due to/ from the relevant revenue fund at the reporting date is recognised as a payable/ receivable in the statement of financial position.

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.

Departmental revenue is measured at the cash amount received.

In-kind donations received are recorded in the notes to the financial statements on the date of receipt and are measured at fair value.

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.

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.

Donations made in kind are recorded in the notes to the financial statements on the date of transfer and are measured at cost or fair value.

8.3 Accruals and payables not recognised

Accruals and payables not recognised are recorded in the notes to the financial statements at cost or fair value 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. Operating lease payments received are recognised as departmental revenue.

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. Finance lease payments received are recognised as departmental revenue.

The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.

Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

- cost, being the fair value of the asset; or
- the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

9. Aid assistance

9.1 Aid assistance received

Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.

Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.

9.2 Aid assistance paid

Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.

10. Cash and cash equivalents

Cash and cash equivalents are stated at cost in the statement of financial position.

Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

11. Prepayments and advances

Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.

Prepayments and advances are initially and subsequently measured at cost.

Prepayments and advances are expensed when proof, to substantiate the expenditure, is received.

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.

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 R1.00.

All assets acquired prior to 1 April 2005 (or a later date as approved by the OAG) may be recorded at R1.00.

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 Intangible capital 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 R1.00.

All assets acquired prior to 1 April 2005 (or a later date as approved by the OAG) may be recorded at R1.00.

Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

16. 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 Capital commitments

Capital commitments are recorded at cost in the notes to the financial statements.

17. Unauthorised expenditure

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

Unauthorised expenditure is recognised in the statement of changes in net assets until such time as the expenditure is either:

- approved by the Provincial Legislature with funding and the related funds are received; or
- approved by the Provincial Legislature without funding and is written off against the

appropriation in the statement of financial performance; or

- transferred to receivables for recovery.

Unauthorised expenditure recorded in the notes to the financial statements comprise of:

- unauthorised expenditure that was under assessment in the previous financial year;
- unauthorised expenditure relating to previous financial year and identified in the current year; and
- Unauthorised incurred in the current year.

18. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of:

- fruitless and wasteful expenditure that was under assessment in the previous financial year;
- fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and
- fruitless and wasteful expenditure incurred in the current year.

19. Irregular expenditure

Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.

Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of:

- irregular expenditure that was under assessment in the previous financial year;
- irregular expenditure relating to previous financial year and identified in the current year; and
- irregular expenditure incurred in the current year.

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. Departures from the MCS requirements

Management has concluded that the financial statements present fairly the department's primary and secondary information and that the department complied with the Standard.

23. Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

24. Related party transactions

Related party transactions within the MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.

The full compensation of key management personnel are recorded in the notes to the financial statements.

25. Employee benefits

The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is recorded in the employee benefits note.

Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date.

The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

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 Acts (Voted funds).

Programmes	2022/23 Final budget	2022/23 Actual funds received	2022/23 Funds not requested/ not received	2021/22 Final budget	2021/22 Appropriation received	2021/22 Funds not requested/ not received
	R'000	R'000	R'000	R'000	R'000	R'000
1. Administration	101,041	101,041	-	102,534	102,534	-
2. Institutional Development	207,525	207,525	-	253,691	253,691	-
3. Policy and Governance	139,925	139,925	-	84,322	84,322	-
4. Monitoring and Evaluation	155,726	155,726	-	147,016	147,016	-
Total	**604,217**	**604,217**	**-**	**587,563**	**587,563**	**-**

2. Departmental revenue

	Note	2022/23 R'000	2021/22 R'000
Sales of goods and services other than capital assets	2.1	4,516	3,891
Interest, dividends and rent on land	2.2	1	-
Transactions in financial assets and liabilities	2.3	106	86
Total revenue collected		**4,623**	**3,977**
Less: Own revenue included in appropriation	14	(4,623)	(3,977)
Total		-	-

2.1. Sales of goods and services other than capital assets

	Note	2022/23	2021/22
Sales of goods and services produced by the department		**4,471**	**3,891**
Other sales		4,471	3,891
Sales of scrap, waste and other used current goods		45	-
Total	2	4,516	3,891

2.2. Interest, dividends and rent on land

	Note	2022/23	2021/22
Interest		1	-
Total	3	**1**	-

2.3. Transactions in financial assets and liabilities

	Note	2022/23 R'000	2021/22 R'000
Other receipts including Recoverable Revenue		106	86
Total	2	**106**	**86**

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

Televisions		194	-
Total		**194**	-

These televisions were previously used across the Province as part of the Free State Provincial Public Information Platform and were transferred to the Office of the Premier as the custodian of Provincial Government Communication.

3. Aid assistance

Opening balance		7,987	3,597
Transferred from statement of financial performance		9,283	7,987
Paid during the year		(7,987)	(3,597)
Closing balance		**9,283**	**7,987**

Donations received from different Sector Education Training Authorities (SETAs), are utilised to develop the skills of unemployed youth.

3.1. Analysis of balance by source

Aid assistance from other sources		9,283	7,987
Closing balance	3	**9,283**	**7,987**

3.2. Analysis of balance

Aid assistance unutilised		9,283	7,987
Closing balance	3	**9,283**	**7,987**

Aid assistance not requested/ not received		6	-

3.3. Aid assistance expenditure per economic classification

	Note	2022/23 R'000	2021/22 R'000
Current		15,886	7,238
Total aid assistance expenditure		**15,886**	**7,238**

4. Compensation of employees

4.1. Analysis of balance

Basic salary		222,448	209,257
Performance award		2,953	14
Service based		944	945
Compensative/circumstantial		1,958	1,790
Other non-pensionable allowances		54,232	54,774
Total		**282,535**	**266,780**

Performance awards that were paid during the year relates to the 2020/21 performance cycle.

4.2. Social contributions

Employer contributions

Pension		26,614	24,163
Medical		19,215	17,527
Bargaining council		73	69
Total		**45,902**	**41,759**
Total compensation of employees		**328,437**	**308,539**
Average number of employees		*652*	*645*

5. Goods and services

Administrative fees		721	416
Advertising		17,774	8,377
Minor assets	5.1	57	54
Bursaries (employees)		447	225

	Note	2022/23 R'000	2021/22 R'000
Catering		2,209	857
Communication		3,997	3,163
Computer services	5.2	4,313	6,564
Consultants: Business and advisory services		9,541	194
Legal services		352	1,755
Contractors		77,030	9,214
Audit cost - external	5.3	6,635	7,750
Fleet services		3,513	2,536
Consumables	5.4	6,661	3,568
Operating leases		7,008	11,391
Property payments	5.5	19	27
Transport provided as part of the departmental activities		3,153	1,845
Travel and subsistence	5.6	4,249	2,653
Venues and facilities		364	249
Training and development		580	296
Other operating expenditure	5.7	1,198	977
Total		**149,821**	**62,111**

5.1. Minor assets

	Note	2022/23	2021/22
Tangible capital assets		**57**	**54**
Machinery and equipment		57	54
Total	5	**57**	**54**

5.2. Computer services

	Note	2022/23	2021/22
SITA computer services		2,778	4,576
External computer service providers		1,535	1,988
Total	5	**4,313**	**6,564**

5.3. Audit cost - external

	Note	2022/23	2021/22
Regularity audits		6,635	7,253
Investigations		-	497
Total	5	**6,635**	**7,750**

5.4. Consumables

	Note	2022/23 R'000	2021/22 R'000
Consumable supplies		5,313	2,684
Uniform and clothing		47	956
Household supplies		5,204	151
Building material and supplies		8	4
Communication accessories		22	740
IT consumables		21	14
Other consumables		11	819
Stationery, printing and office supplies		1,348	884
Total	5	**6,661**	**3,568**

5.5. Property payments

	Note	2022/23 R'000	2021/22 R'000
Other		19	27
Total	5	**19**	**27**

5.6. Travel and subsistence

	Note	2022/23 R'000	2021/22 R'000
Local		4,036	2,553
Foreign		213	100
Total	5	**4,249**	**2,653**

5.7. Other operating expenditure

	Note	2022/23 R'000	2021/22 R'000
Professional bodies, membership and subscription fees		32	15
Resettlement costs		76	42
Courier and delivery services		40	11
Non-life insurance premiums		89	189
Printing and publication services		961	719
Competency certificate/ license/ permit		-	1
Total	5	**1,198**	**977**

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

Name of Commission / Committee of Inquiry	2022/23 R'000	2021/22 R'000
Audit Committee	161	121
Risk Management Committee	23	-
Total	**184**	**121**

6. Interest and rent on land

	Note	2022/23 R'000	2021/22 R'000
Interest paid		4	5
Total		**4**	**5**

7. Payments for financial assets

	Note	2022/23 R'000	2021/22 R'000
Other material losses written off	7.1	-	407
Debts written off	7.2	-	190
Total		**-**	**597**

7.1. Other material losses written off

Nature of losses	Note	2022/23 R'000	2021/22 R'000
Vehicle accident		-	407
Total	7	**-**	**407**

7.2. Debts written off

Nature of debts written off	Note	2022/23 R'000	2021/22 R'000
Irrecoverable salary overpayment		-	190
Total debt written off	7	**-**	**190**

8. Transfers and subsidies

	Note	2022/23 R'000	2021/22 R'000
Departmental agencies and accounts	*Annexure 1A*	-	10
Higher education institutions	*Annexure 1B*	2,000	-
Households	*Annexure 1C*	73,676	132,259
Total		**75,676**	**132,269**

9. Expenditure for capital assets

	Note	2022/23 R'000	2021/22 R'000
Tangible capital assets		**6,439**	**4,639**
Buildings and fixed other structures	30	874	-
Machinery and equipment	28	5,565	4,639
Total		**6,439**	**4,639**

9.1. Analysis of funds utilised to acquire capital assets - Current year

	2022/23		
	Voted funds	**Aid assistance**	**Total**
Name of entity	**R'000**	**R'000**	**R'000**
Tangible capital assets	**6,439**	**-**	**6,439**
Buildings and fixed other structures	874	-	874
Machinery and equipment	5,565	-	5,565
Total	**6,439**	**-**	**6,439**

9.2. Analysis of funds utilised to acquire capital assets - Prior year

	2021/22		
	Voted funds	**Aid assistance**	**Total**
Name of entity	**R'000**	**R'000**	**R'000**
Tangible capital assets	**4,639**	**-**	**4,639**
Machinery and equipment	4,639	-	4,639
Total	**4,639**	**-**	**4,639**

9.3. Finance lease expenditure included in Expenditure for capital assets

	Note	2022/23 R'000	2021/22 R'000
Tangible capital assets			
Machinery and equipment		1,707	3,054
Total		**1,707**	**3,054**

10. Cash and cash equivalents

	Note	2022/23 R'000	2021/22 R'000
Consolidated Paymaster General Account		5,395	40,492
Cash on hand		14	14
Total		**5,409**	**40,506**

11. Prepayments and advances

	Note	2022/23 R'000	2021/22 R'000
Advances paid (Not expensed)	11.1	127	127
Total		**127**	**127**

Analysis of Total Prepayments and advances

		2022/23 R'000	2021/22 R'000
Current Prepayments and advances		127	127
Total		**127**	**127**

11.1. Advances paid (Not expensed)

	Note	2022/23				
		Amount as at 1 April 2022	**Less: Amounts expensed in current year**	**Add / Less: Other**	**Add Current year advances**	**Amount as at 31 March 2023**
		R'000	**R'000**	**R'000**	**R'000**	**R'000**
National departments		127	-	-	-	127
Total	11	**127**	**-**	**-**	**-**	**127**

	Note	2021/22				
		Amount as at 1 April 2021	**Less: Amounts expensed in current year**	**Add / Less: Other**	**Add Current year advances**	**Amount as at 31 March 2022**
		R'000	**R'000**	**R'000**	**R'000**	**R'000**
National departments		127	-	-	-	127
Total	11	**127**	**-**	**-**	**-**	**127**

11.2. Advances paid (Expensed)

	2022/23				
	Amount as at 1 April 2022	Less: Received in the current year	Add / Less: Other	Add Current year advances	Amount as at 31 March 2023
	R'000	R'000	R'000	R'000	R'000
National departments	11,827	(17,574)	-	15,000	9,253
Total	**11,827**	**(17,574)**	**-**	**15,000**	**9,253**

	2021/22				
	Amount as at 1 April 2021	Less: Received in the current year	Add / Less: Other	Add Current year advances	Amount as at 31 March 2022
	R'000	R'000	R'000	R'000	R'000
National departments	5,020	(33,094)	-	49,941	11,827
Total	**5,020**	**(33,094)**	**-**	**49,941**	**11,827**

Advances paid to the Department of International Relations and Coordination (Dirco), to cover the bursary related expenses of international students since 2017/18, have been reconciled, according to which the closing balance of the prior year amounted to R11,827 million.

12. Receivables

		2022/23			2021/22		
		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*	2,901	60	2,961	2,125	-	2,125
Recoverable expenditure	*12.2*	-	135	135	57	110	167
Staff debt	*12.3*	327	189	516	272	262	534
Other receivables	*12.4*	-	5,868	5,868	-	5,868	5,868
Total		**3,228**	**6,252**	**9,480**	**2,454**	**6,240**	**8,694**

During the 2021/22 and 2022/23 financial year it was identified that a total of 236 students received both the department of the premier bursary and NSFAS study support. An investigation is underway, in conjunction with NSFAS, to determine if there was any non-compliance with the department's policies and the bursary agreements. The outcome of this investigation will determine whether the department will need to recover these as part of receivables.

12.1. Claims recoverable

	Note	2022/23 R'000	2021/22 R'000
National departments		1	-
Provincial departments		2,887	1,997
Public entities		73	128
Total	12	**2,961**	**2,125**

12.2. Recoverable expenditure

Damaged vehicles		25	25
Disallowance fraud		110	110
Salary – pension fund		-	3
Salary - medical aid		-	4
Salary reversal control account		-	25
Total	12	**135**	**167**

12.3. Staff debt

Salary overpayment		396	459
Losses and damage		110	73
Subsistence and travel		-	2
Tax		1	-
Breach of contract		9	-
Total	12	**516**	**534**

12.4. Other receivables

Breach of bursary contract		2,262	2,262
Fruitless and wasteful expenditure		3,183	3,183
Suppliers		423	423
Total	12	**5,868**	**5,868**

12.5. Impairment of receivables

Estimate of impairment of receivables	5,979	5,978
Total	**5,979**	**5,978**

The impairment of receivables is determined through a process where the following elements with regard to each individual debt, is considered:

- *recommendation by the State Attorney*
- *would it be economically recoverable*
- *could the debtor be traced*
- *the ability of a debtor to repay the debt*
- *prescription*

13. Voted funds to be surrendered to the Revenue Fund

	Note	2022/23 R'000	2021/22 R'000
Opening balance		245,578	190,828
Transferred from statement of financial performance (as restated)		43,840	79,403
Paid during the year		(79,578)	(24,653)
Closing balance		**209,840**	**245,578**

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

Opening balance		446	606
Own revenue included in appropriation		4,623	3,977
Paid during the year		(4,686)	(4,137)
Closing balance		**383**	**446**

15. Payables - current

Clearing accounts	15.1	237	78
Total		**237**	**78**

15.1. Clearing accounts

Salary deduction disallowance		199	78
Salary reversal		38	-
Total	15	**237**	**78**

16. Net cash flow available from operating activities

	Note	2022/23 R'000	2021/22 R'000
Net surplus/(deficit) as per Statement of Financial Performance		53,123	87,390
Add back non-cash/cash movements not deemed operating activities		(81,804)	(45,590)
(Increase)/decrease in receivables		(774)	(207)
Increase/(decrease) in payables - current		159	(21,612)
Expenditure on capital assets		6,439	4,639
Surrenders to Revenue Fund		(84,264)	(28,790)
Surrenders to RDP Fund/ Donors		(7,987)	(3,597)
Own revenue included in appropriation		4,623	3,977
Net cash flow generating		**(28,681)**	**41,800**

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

Consolidated Paymaster General account	5,395	40,492
Cash receipts	14	14
Total	**5,409**	**40,506**

18. Contingent liabilities and contingent assets

Contingent liabilities

Liable to	Nature			
Claims against the department		*Annexure 2A*	3,551	2,290
Total			**3,551**	**2,290**

The above-mentioned claims are all subject to ongoing or possible legal processes. Due to the uncertain nature of the processes, it is not possible to determine whether or not it is in fact a liability or any risk in relation thereto.

19. Capital commitments

	Note	2022/23 R'000	2021/22 R'000
Machinery and equipment		1,014	257
Total		**1,014**	**257**

None of the above commitments is for a period longer than a year.

20. Accruals and payables not recognised

20.1. Accruals

		2022/23			2021/22
		30 Days	30+ Days	Total	Total
Listed by economic classification	Note	R'000	R'000	R'000	R'000
Goods and services		-	45	45	1,772
Total		**-**	**45**	**45**	**1,772**

Listed by programme level	Note	2022/23 R'000	2021/22 R'000
1. Administration		-	1,432
2. Institutional Development		45	310
3. Policy and Governance		-	24
4. Monitoring and Evaluation		-	6
Total		**45**	**1,772**

1. *At this stage the department is not able to reliably measure the accruals relating to bursaries.*

2. *Going concern*
   The annual financial statements have been prepared based on accounting policies applicable to a going concern, however the following principal events or conditions that may cast significant doubt on the department's ability to continue as a going concern, have been identified:
   - *The department's current financial health indicates that an uncertainty exists that the department may not be able to realise its assets and discharge its liabilities (i.e. the department may be unable to pay all its short-term obligations if they fall due at any specific point). This is due to the fact that the current liabilities exceed the current assets.*
   - *The department's total liabilities exceed its total assets, indicating that the majority of assets are financed from debt. This high-lights a possible risk that the department cannot continue its operations at the desired levels, which may lead to an interruption or breakdown to service delivery.*
   - *A cash shortfall was realised when compared to next year's budget. This shortfall is due to unspent annual appropriation which must be surrendered to the Revenue Fund, and negative operating cash flows. This indicates that the department will have a shortage of available funds to implement next*

year's planned activities, programs and projects.

Regardless of the above uncertainties, management has reviewed the department's cash flow forecast for the year until 31 March 2024 and in the light of this review and the current financial position, management is satisfied that the department has, or has access to, adequate resources to continue in operational existence for the foreseeable future.

20.2. Payables not recognised

		2022/23			2021/22
		30 Days	30+ Days	Total	Total
Listed by economic classification	*Note*	**R'000**	**R'000**	**R'000**	**R'000**
Goods and services		962	-	962	1,598
Total		**962**	**-**	**962**	**1,598**

		2022/23	2021/22
Listed by programme level	*Note*	**R'000**	**R'000**
1. Administration		616	1,250
2. Institutional Development		346	348
Total		**962**	**1,598**

Included in the above totals are the following:			
Confirmed balances with other departments	*Annexure 4*	14	-
Confirmed balances with other government entities	*Annexure 4*	602	1,250
Total		**616**	**1,250**

At this stage the department is not able to reliably measure the payables not recognised relating to bursaries.

21. Employee benefits

	Note	2022/23 R'000	2021/22 R'000
Leave entitlement		21,457	21,200
Service bonus		8,326	7,350
Performance awards		-	1,522
Capped leave		3,143	3,061
Other		269	302
Total		**33,195**	**33,435**

1. *At this stage the department is not able to reliably measure the long-term portion of the long service awards.*
2. *The figure reported for leave entitlement includes negative balances for some employees, due to them already utilised their annual leave that they are entitled to for 2023, while the disclosure only reflects the pro-rata leave days accrued until 31 March 2023. The total value of the 64.16 negative leave days amount to R132 205.22.*

22. Lease commitments

22.1. Operating leases

2022/23	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	3,572	3,572
Later than 1 year and not later than 5 years	-	-	-	4,188	4,188
Total lease commitments	**-**	**-**	**-**	**7,760**	**7,760**

2021/22	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	3,558	3,558
Later than 1 year and not later than 5 years	-	-	-	7,557	7,557
Total lease commitments	**-**	**-**	**-**	**11,115**	**11,115**

1. *The Department has entered into a lease agreement with the Free State Government Motor Transport for the provision of vehicles. A total number of 31 vehicles are leased by the Department at year-end. In the current year all leases are being treated as operating leases in terms of an exemption granted by the National Treasury.*

2. The Department leases 46 photocopiers and 37 cell phones on a month-to-month basis after the lease period has expired, in which case the leases were reclassified as operating leases.

22.2. Finance leases

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2022/23					
	R'000	**R'000**	**R'000**	**R'000**	**R'000**
Not later than 1 year	-	-	-	1,856	1,856
Later than 1 year and not later than 5 years	-	-	-	842	842
Total lease commitments	**-**	**-**	**-**	**2,698**	**2,698**
2021/22					
Not later than 1 year	-	-	-	2,797	2,797
Later than 1 year and not later than 5 years	-	-	-	1,089	1,089
Total lease commitments	**-**	**-**	**-**	**3,886**	**3,886**

1. The Department has entered into lease agreements with suppliers for the provision of photocopier equipment and cell phone and 3G card services. A total number of 18 photocopiers and 336 cell phones and 3G cards are leased by the Department at year-end.
2. Cell phones and 3G cards are leases from MTN and Vodacom over a two-year period in terms of a transversal contract arranged by the National Treasury. Leases are renewed every two years depending on the needs of the Department.
3. Photo copier equipment is leased over a three-year period in terms of a transversal contract arranged by the Provincial Treasury, after which the equipment is returned to the supplier.

23. Accrued departmental revenue

	Note	2022/23 R'000	2021/22 R'000
Sales of goods and services other than capital assets	23.1	-	63
Total		**-**	**63**

23.1. Analysis of accrued departmental revenue

	Note	2022/23 R'000	2021/22 R'000
Opening balance		63	63
Less: amounts received		(1,509)	(878)
Add: amounts recorded		1,446	878
Closing balance	23	**-**	**63**

24. Unauthorised, Irregular and Fruitless and wasteful expenditure

Unauthorised expenditure - current year	-	-
Irregular expenditure - current year	53,263	5,554
Fruitless and wasteful expenditure - current year	37	5
Total	**53,300**	**5,559**

The nature, cause and circumstances of the irregular identified are indicative of other similar irregular expenditure in the population. The irregular expenditure disclosed is not complete as management is still in the process of quantifying the full extent of irregular expenditure. Accordingly, the entire population will be investigated during the next financial year, to determine the full extent of irregular expenditure.

25. Key management personnel

Political office bearers	2,420	2,282
Officials:		
Salary level 15 to 16	11,912	13,450
Salary level 14	15,459	17,362
Total	**29,791**	**33,094**

Officials on salary level 14 and higher represent executive management in the department, and provide strategic direction and therefore having the authority and responsibility for planning, directing and controlling the activities of the department.

26. Provisions

	Note	2022/23 R'000	2021/22 R'000
Appeal: Moipone Moroka/ Premier and others (Case No. 295/2020)		135	135
Total		**135**	**135**

Following the ruling in the above case by the Appeals Court on 31 March 2022 the Department is liable for legal costs, which is estimated at R135 000.00. The timing of the outflow is uncertain, while the estimated legal cost was determined by the State Attorney. No major assumptions were made concerning future events relating to the above case.

26.1. Reconciliation of movement in provisions - Current year

	Appeal: Moipone Moroka/ Premier and others (Case No. 295/2020)	Total provisions
	R'000	R'000
Opening balance	135	135
Closing balance	**135**	**135**

Reconciliation of movement in provisions - Prior year

	Appeal: Moipone Moroka/ Premier and others (Case No. 295/2020)	Total provisions
	R'000	R'000
Increase in provision	135	135
Closing balance	**135**	**135**

27. Non-adjusting events after reporting date

Nature of the event	Note	2022/23 R'000
Event 1: Proclamation 123 of 2023 issued by the President of the RSA, gazetted on 9 June 2023, authorised the Special Investigating Unit to investigate: (1) Serious maladministration in the affairs of the Office of the Premier as identified by the Auditor-General of South Africa in relation to - a. the approval, allocation or payment of bursaries, including travel, accommodation and stipends to persons – i. who were not entitled thereto; or		-

ii. contrary to applicable manuals, policies, procedures, prescripts, instructions or practices of, or applicable to, the Office of the Premier; and

b. payments made in respect of accommodation, including the causes of such maladministration and any related unauthorised, irregular of fruitless and wasteful expenditure incurred by the Office of the Premier or losses suffered by the Office of the Premier or the State

(2) Any irregular, improper or unlawful conduct by –

a. officials or employees of the Office of the Premier; or

b. any other person or entity, relating to the allegations referred to in section (1) above.

There is no financial effect or financial implication for the department relating to this event.

Event 2:

The Public Protector instituted an investigation on 9 June 2023, in respect of allegations of maladministration by the Free State Provincial Government in connection with the expenditure incurred for the funeral of the late Mr Pule Herbert Isak "Tate" Makgoe, Member of Executive Council for Education, held on 12 March 2023 in Bloemfontein.

There is no financial effect or financial implication for the department relating to this event. -

Total -

28. Movable Tangible Capital Assets

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

	2022/23				
	Opening balance	**Value adjustments**	**Additions**	**Disposals**	**Closing balance**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**
MACHINERY AND EQUIPMENT	**24,255**	**-**	**3,858**	**(248)**	**27,865**
Computer equipment	15,884		2,125	(248)	17,761
Furniture and office equipment	6,431		1,199	-	7,630
Other machinery and equipment	1,940		534	-	2,474
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**24,255**	**-**	**3,858**	**(248)**	**27,865**

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

	2021/22				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**22,661**	**8**	**1,662**	**(76)**	**24,255**
Computer equipment	15,244	-	716	(76)	15,884
Furniture and office equipment	5,885	8	538	-	6,431
Other machinery and equipment	1,532	-	408	-	1,940
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**22,661**	**8**	**1,662**	**(76)**	**24,255**

28.1.1. Prior period error

Nature of prior period error	Note	2021/2022 R'000
Relating to 2021/22		
Value adjustment is due to the reclassification of an asset previously classified as a minor asset.		8
Total prior period errors		**8**

28.2. Minor assets

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

	2022/23					
	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	-	641	33	8,140	-	8,814
Additions	-	-	-	240	-	240
Total Minor assets	**-**	**641**	**33**	**8,380**	**-**	**9,054**

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	37	1 118	-	1 155
Number of minor assets at cost	-	198	20	5 679	-	5 897
Total number of minor assets	**-**	**198**	**57**	**6 797**	**-**	**7 052**

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

	2021/22					
	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	-	641	33	8,086	-	8,760
Prior period error	-	-	-	(12)	-	(12)
Additions	-	-	-	66	-	66
Total Minor assets	**-**	**641**	**33**	**8,140**	**-**	**8,814**

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	37	1 117	-	1 154
Number of minor assets at cost	-	198	20	5 604	-	5 822
Total number of minor assets	**-**	**198**	**57**	**6 721**	**-**	**6 976**

28.2.1. Prior period error

Nature of prior period error	Note	**2021/22** **R'000**
Relating to 2021/22		
Value adjustment is due to the rectification of an error identified in the prior year.		(12)
Total prior period errors		**(12)**

28.3. Movable tangible capital assets written off

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

	2022/23					
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	231	-	248
Total movable assets written off	**-**	**-**	**-**	**231**	**-**	**248**

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

	2021/22					
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	76	-	76
Total movable assets written off	**-**	**-**	**-**	**76**	**-**	**76**

Losses of assets were written off in terms of the Treasury Regulation, in cases where the loss is irrecoverable.

29. Intangible Capital Assets

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

	2022/23			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
Software	2,089	-	-	2,089
TOTAL INTANGIBLE CAPITAL ASSETS	**2,089**	**-**	**-**	**2,089**

29.1. MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	2021/22				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
Software	2,089	-	-	-	2,089
TOTAL INTANGIBLE CAPITAL ASSETS	**2,089**	**-**	**-**	**-**	**2,089**

30. Immovable Tangible Capital Assets

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

	2022/23			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	**-**	**874**	**(874)**	**-**
Other fixed structures	-	874	(874)	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	**-**	**874**	**(874)**	**-**

The above assets have been transferred to the Tweeling Gender Base Violence Centre.

31. Prior period errors

31.1. Correction of prior period errors

	Note	2021/22 Amount before error correction	Prior period error	Restated
		R'000	R'000	R'000
Tangible capital assets:				
Value adjustment is due to the reclassification of an asset previously classified as a minor asset.	26.1	5,885	8	5,893
Value adjustment is due to the rectification of an error identified in the prior year.	26.2	8,152	(12)	8,140
Prepayments and advances:				
Advances paid (Expensed)	11.2	-	11,827	11,827
Net effect		**14,037**	**11,823**	**25,860**

1. *An asset previously incorrectly classified as minor asset was reclassified as a major asset, and an error in the minor asset register, discovered in the prior year, was rectified.*
2. *Advances paid to the Department of International Relations and Coordination (Dirco), to cover the bursary related expenses of international students since 2017/18, have been reconciled, according to which the closing balance of the prior year amounted to R11,827 million.*

32. 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.

33. COVID 19 Response expenditure

	Note	2022/23	2021/22
		R'000	R'000
Goods and services		-	1,629
Total	*Annexure 6*	**-**	**1,629**

ANNEXURE 1A
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

Departmental Agency or Account	2022/23						2021/22	
	TRANSFER ALLOCATION				TRANSFER			
	Adjusted budget	Roll overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Final budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
SABC (TV licenses)	-	-	-	-	-	-	10	10
TOTAL	-	-	-	-	-	-	**10**	**10**

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ANNEXURE 1B
STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS

Higher Education Institution	2022/23							2021/22	
	TRANSFER ALLOCATION				TRANSFER				
	Adjusted budget	Roll overs	Adjustments	Total available	Actual transfer	Amount not transferred	% of available funds transferred	Final budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Central University of Technology – Innovation hub	2,000	-	-	2,000	2,000	-	100.0	2,000	-
TOTAL	**2,000**	**-**	**-**	**2,000**	**2,000**	**-**	**100.0**	**2,000**	**-**

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ANNEXURE 1C
STATEMENT OF TRANSFERS TO HOUSEHOLDS

Household	2022/23						2021/22	
	TRANSFER ALLOCATION				EXPENDITURE			
	Adjusted budget	Roll overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Final budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
Employer social benefits (leave gratuity)	728	-	2,140	2,868	2,977	103.8	1,235	1,242
Donations and gifts (cash)	2,073	-	10	2,083	1,289	61.9	1,307	1,300
Bursaries - non-employees	71,526	-	-	71,526	69,410	97.0	129,717	129,717
TOTAL	**74,327**	**-**	**2,150**	**76,477**	**73,676**	**96.3**	**132,259**	**132,259**

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ANNEXURE 1D
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

Name of organisation	Nature of gift, donation or sponsorship	2022/23	2021/22
		R'000	R'000
Received in kind			
Free State Provincial Treasury	Televisions	194	-
TOTAL		**194**	**-**

These televisions were previously used across the Province as part of the Free State Provincial Public Information Platform and were transferred to the Office of the Premier as the custodian of Provincial Government Communication.

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ANNEXURE 1E

STATEMENT OF AID ASSISTANCE RECEIVED

Name of Donor	Purpose	Opening balance 1 April 2022	Revenue	Expenditure	Paid back on/ by 31 March 2023	Closing balance
		R'000	R'000	R'000	R'000	R'000
Received in cash						
CHIETA	Skills development	2	-	-	-	2
Construction Apprenticeship	Skills development	1,017	1,865	(1,844)	-	1,038
LG CETA	Skills development	1	-	-	-	1
MERSETA Apprenticeship	Skills development	1,778	2,573	(1,147)	-	3,204
MERSETA Artisans	Skills development	1,023	3,198	(2,798)	-	1,423
MERSETA Bursaries	Skills development	1,912	-	(707)	-	1,205
MERSETA Internships	Skills development	604	1,203	(3,388)	-	(1,581)
MERSETA Learnerships	Skills development	-	1,997	(875)	-	1,122
MERSETA Short skills	Skills development	1	1,549	-	-	1,550
MICTSETA	Skills development	-	3,039	(1,391)	-	1,648
PSETA	Skills development	133	-	(1)	-	132
TETA Apprenticeship	Skills development	64	-	(414)	-	(350)
TETA Learnership	Skills development	-	-	(90)	-	(90)
TETA Rail	Skills development	1,012	-	(1,028)	-	(16)
TETA Bursaries	Skills development	105	132	(48)	-	189
TETA Wil	Skills development	169	122	(360)	-	(69)
TETA Graduates	Skills development	166	483	(688)	-	(39)
EDRPSETA	Skills development	-	1,021	(1,107)	-	(86)
TOTAL		**7,987**	**17,182**	**(15,886)**	**-**	**9,283**

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

Nature of Liability	Opening balance 1 April 2022	Liabilities incurred during the year	Liabilities paid / cancelled / reduced during the year	Liabilities recoverable	Closing balance 31 March 2023
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Appeal: Moipone Moroka/ Premier and others (Case No. 985/2020)	135	-	(135)	-	-
Labour matter: JA Botes	1,166	-	-	-	1,166
Dumelang Media (Pty) Ltd in re. Advertising/ Media Services	989	-	-	-	989
Labour matter: LG Lesiu	-	1,396	-	-	1,396
TOTAL	**2,290**	**1,396**	**(135)**	**-**	**3,551**

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ANNEXURE 3
CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTDEPARTMENT						
Agriculture, Land Reform and Rural Development	-	-	1	-	1	-
Subtotal	**-**	**-**	**1**	**-**	**1**	**-**
PROVINCIAL DEPARTMENT						
Agriculture	24	106	-	-	24	106
Community Safety, Roads and Transport	151	26	-	-	151	26
Cooperative Governance and Traditional Affairs	16	41	-	-	16	41
Economic, Small Business Development, Tourism and Environmental Affairs	-	3	-	-	-	3
Education	-	21	-	-	-	21
Health	2,289	1,345	-	-	2,289	1,345
Human Settlements	176	231	-	-	176	231
Provincial Treasury	118	184	-	-	118	184
Public Works and Infrastructure	79	18	-	-	79	18
Social Development	32	22	-	-	32	22
Sport, Arts, Culture and Recreation	2	-	-	-	2	-
Subtotal	**2,887**	**1,997**	**-**	**-**	**2,887**	**1,997**

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ANNEXURE 3
CLAIMS RECOVERABLE CONTINUOUS

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022
	R'000	R'000	R'000	R'000	R'000	R'000
OTHER GOVERNMENT ENTITIES						
Free State Gambling and Liquor Authority	-	68	-	-	-	68
Free State Development Corporation	-	-	73	60	73	60
Subtotal	-	68	73	60	73	128
TOTAL	2,887	2,066	74	60	2,961	2,126

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ANNEXURE 4
INTERGOVERNMENT PAYABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Cooperative Governance and Traditional Affairs	14	-	-	-	14	-
Subtotal	**14**	**-**	**-**	**-**	**14**	**-**
OTHER GOVERNMENT ENTITIES						
Fleet management	602	1,250	-	-	602	1,250
Subtotal	**602**	**1,250**	**-**	**-**	**602**	**1,250**
TOTAL	**616**	**1,250**	**-**	**-**	**616**	**1,250**

Unaudited supplementary information

ANNEXURE 5A
INTERENTITY ADVANCES PAID (Note 13)

Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/3/2023	31/03/2022	31/3/2023	31/03/2022	31/3/2023	31/03/2022
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
International Relations and Cooperation	127	127	-	-	127	127
TOTAL	**127**	**127**	**-**	**-**	**127**	**127**

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ANNEXURE 6

COVID-19 RESPONSE EXPENDITURE

Per quarter and in total

Expenditure per Economic Classification	2022/23					2021/22
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Goods and services	-	-	-	-	-	**1,629**
Catering	-	-	-	-	-	28
Contractors	-	-	-	-	-	927
Transport provided for departmental activities	-	-	-	-	-	674
TOTAL	-	-	-	-	-	**1,629**

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