



Premier

Department:
Office of the Premier
NORTHERN CAPE PROVINCE



ANNUAL REPORT

2022/23

"A Modern, Growing & Successful Province"

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PART A

GENERAL INFORMATION

DEPARTMENT GENERAL INFORMATION

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LIST OF ABBREVIATIONS / ACRONYMS

AFS	Annual Financial Statements	MISS	Minimum Information Security Standards
AGSA	Auditor General of South Africa	MMS	Middle Management Service
AIDS	Acquired Immune Deficiency Syndrome	MPSA	Minister of Public Service and Administration
AO	Accounting Officer	MTEF	Medium Term Expenditure Framework
APP	Annual Performance Plan	MTSF	Medium Term Strategic Framework
BACS	Biometric Access Control System	NC	Northern Cape
BBBEE	Broad Based Black Economic Empowerment	NCEDA	Northern Cape Economic Development, Trade and Investment Promotion Agency
CFO	Chief Financial Officer	NCFMTE	Northern Cape Fleet Management Trading Entity
COVID	Coronavirus	NCPA	Northern Cape Provincial Administration
DORA	Division of Revenue Act	NSG	National School of Governance
DG	Director General	OHSA	Occupational Health and Safety Act
DPME	Department of Planning, Monitoring and Evaluation	OMF	Operations Management Framework
DPSA	Department of Public Service and Administration	OTP	Office of the Premier
EHW	Employee Health and Wellness	OAG	Office of the Accountant General
EXCO	Executive Council	OSD	Occupation Specific Dispensation
GRBPMEA	Gender Responsive Planning Budgeting Monitoring Evaluation and Auditing	OPCA	Operation Clean Audit
HIV	Human Immunodeficiency Viruses	PAA	Public Audit Act
HOD	Head of Department	PFMA	Public Finance Management Act
HR	Human Resource	PGDP	Provincial Growth and Development Plan
HRD	Human Resource Development	PMDs	Performance Management Development System
HRM	Human Resource Management	PPP	Public-Private Partnerships
ICT	Information Communication Technology	PSA	Public Service Act
IESBA	Ethics Standards Board for Accountants	PSDF	Provincial Strategic Development Framework
IGCSD	Integrated Governance, Coordination and Service Delivery	PSRMF	Public Sector Risk Management Framework
IT	Information Technology	PT	Provincial Treasury
ISA	International Standard on Auditing	SCM	Supply Chain Management
ITSSC	Information Technology Shared Services	SDIP	Service Delivery Improvement Plan
LEAD	Legal Education and Development	SEIA	Socio-Economic Impact Assessment
KRA	Key Responsibility Area	SIU	Special Investigating Unit
KKC	Kalahari Kid Corporation	SMS	Senior Management Service
MCS	Modified Cash Standard	SMT	Senior Management Team
MEC	Member of Executive Council	STI	Sexually Transmitted Infection
M&E	Monitoring and Evaluation	TB	Tuberculosis
		WIL	Work Integrated Learning

2. FOREWORD BY THE PREMIER



Dr Zamani Saul (MPL)
Premier: Northern Cape

This Annual Report is a reflection of the work completed in the 2022/2023 reporting period. It is issued during a time in which we are earnestly embarking on the road of recovery in more ways than one. Of major concern is the reconstruction and rejuvenation of our economy for the benefit of all the people of our Home Province.

The global COVID-19 pandemic had a devastating effect on our country, plunging it into major socio-economic challenges. Many businesses suffered great loss and had to close down. It worsened our unemployment situation, thus driving more and more people into poverty.

Subsequent to the COVID-19 outbreak, our focus intensified to eradicate Gender-based Violence and Femicide in the Northern Cape. The latter has been identified as another pandemic ravaging our country and has called for government, civil society and the business sector to work together in a coordinated manner to exterminate this man-made scourge from society altogether.

The organizational environment of the Office of the Premier is not ideal given the reduced budget allocation for compensation of employees, thereby making it increasingly difficult to adequately capacitate the department.

To mitigate the aforementioned, additional functions were allocated to certain staff at management level. We thereafter approached PMTEC (Provincial Mid-Term Expenditure Committee) for additional funds, and the review of the organisational structure in 2022/2023 financial year is currently in progress.

The commitment made in the previous financial year to centralise the Premier's Bursary Fund has been realized. After extensive research and consultation, we were advised that provisions of Section 197 of the Labour Relations Act is an option that can be used to transfer contracts of employment of the Trust to OTP. Approval was subsequently granted to transfer 15 employees in line with Section 197 of the Labour Relations Act; create a structure to accommodate the Transversal Bursary Coordination Unit in the OTP organisational structure and align salary levels of employees in the public sector.

In terms of ICT, a Virtual Private Network was implemented in 2019. In this regard, we requested a proposal from SITA for Quality of Service and a response is being awaited. The Broadband Strategy has been completed and in the 2023/2024 year it is envisaged that a phased implementation of the strategy will occur. In terms of the Provincial Information Technology Shared Services Centre (ITSSC), short, medium, and long-term approaches were approved to ensure efficient and effective implementation of the ITSSC as well as continuity of all the IT-related services. The Disaster Recovery Plan will be centralized under the ITSSC and a budget pressure was submitted.

All legal implications and counsel have been considered relating to the transfer of Entities, Projects, Trusts and Companies to NCEDA. Note that the Gambling and Liquor Boards will entail a separate process wherein amalgamation into a single entity is foreseen.

My sincere acknowledgment is extended to the Executive Council as well as the Provincial Administration under the leadership of the Director-General for their continued support in ensuring the successful implementation of our plans to grow our provincial economy into a modern, growing and successful one.

The selfless support of all our partners, businesses, civil society organisations and the general public at large, through investment of their time and resources to provide an attractive investment environment and boost the employment market is appreciatively acknowledged.

I trust that we shall remain steadfast in our collective endeavor to realise the vision of a modern, growing and successful province for all citizens in the Northern Cape underpinned by the values of tolerance, probity and hard work.

DR ZAMANI SAUL, MPL
PREMIER OF THE NORTHERN CAPE
DATE: 31 AUGUST 2023

3. REPORT OF THE ACCOUNTING OFFICER

3.1 OVERVIEW OF THE OPERATIONS OF THE DEPARTMENT



Adv Justice Bekebeke
Accounting Officer

As an oversight department, the Office of the Premier continued to lead the Northern Cape Province in the transformation of public service delivery and provided strategic leadership, advice and implementation support to provincial departments. The implementation of the Provincial Growth and Development Plan was monitored and through the Operation Clean Audit Committee we supported the Provincial Departments and Municipalities to improve their audit outcomes.

The Office of the Premier continued to operate in an environment of chronic budget challenges, which mainly affected our compensation of employees' budget forcing us to do more with less. The department managed to achieve 91% of its targets as outlined in the Annual Performance Plan of 2022/2023 and obtained our 8th clean audit.

3.1.1 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
Sales of goods and services other than capital assets	104	114	(10)	100	125	(25)
Sales of capital assets	61	--	61	58	--	58
Financial transactions in assets and liabilities	-	114	(114)	-	108	(108)
Total	165	228	(63)	158	233	(75)

The department mainly derives its revenue from commission on insurance, garnishee orders and scrapping of capital assets. Transactions in financial assets and liabilities are in respect of recoveries of expenditure from previous financial years which are not of a recurring nature or cannot be ascertained if they will take place. The tariffs on our main cost driver are system generated (commission on insurance and garnishee orders).

The overall collection is attributed to abnormal transactions that are non-recurring in nature. The department cannot accurately project for the sale of goods and services other than capital asset items as this is demand driven. It is also based on the fact that the department cannot anticipate the total amount of employees that will default on payments for court issued garnishees, as well as the number of employees that will require deductions directly from their salaries paid by PERSAL that might be linked to insurance policies and stop orders.

3.1.2 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	145,240	139,817	5,423	122,469	115,484	
Institutional Development	105,046	94,149	10,897	91,446	89,218	2,228
Policy and Governance	49,510	49,509	1	46,504	44,786	1,718
Total	299,796	283 475	16,321	260,419	249,488	10,931

The department spent 95% of the budget in relation to the final appropriation of the 2022/23 financial year. The variance was mainly attributable to accruals and commitments as at the reporting date. A rollover application was submitted to Provincial Treasury to that affect.

Administration spent 96% of their final appropriation for the 2022/23 financial year, whilst Institutional Development spent 90% & Policy and Governance spent 100% of their appropriation.

3.1.3 VIREMENTS / ROLL OVERS

The total virements for the 2022/2023 financial year amounted to R3.681 million.

3.1.4 UNAUTHORISED, IRREGULAR, AND FRUITLESS AND WASTEFUL EXPENDITURE

The Department did not incur any unauthorised, irregular and fruitless and wasteful expenditure for the year under review. However, there is a disagreement between OTP and AGSA concerning the regularity of payment of R3 230 698 that was processed during this financial year. This expenditure is under assessment and will be finalised during the 2023/24 financial year.

3.2 STRATEGIC FOCUS OVER THE SHORT-TERM PERIOD

The Department's medium and short-term plans are outlined in the 2020-2025 Strategic Plan and 2022/2023 Annual Performance Plan.

3.3 PUBLIC PRIVATE PARTNERSHIPS

The Department did not enter into any Public Private Partnership agreements during the reporting period.

3.4 DISCONTINUED KEY ACTIVITIES / ACTIVITIES TO BE DISCONTINUED

No activities were discontinued during the year under review.

3.5 NEW OR PROPOSED KEY ACTIVITIES

The Office of the Member of the Executive council responsible for Youth, Gender, Disability, Communications and E-Governments was established during the year under review. The establishment of this ministry within the Office of the Premier is to provide political leadership to ensure implementation of provincial legislation and strengthening collaborative provincial planning, monitoring and coordination to integrate the various pieces of legislation that are specific to the empowerment of the groups mentioned as well as to provide media services directly controlled by the provincial government.

3.6 SUPPLY CHAIN MANAGEMENT

The Department did not conclude any unsolicited bid proposals during the year under review. Supply chain management processes and systems are in place and reviewed annually to prevent irregular expenditure and to ensure good governance.

3.7 GIFTS AND DONATIONS RECEIVED IN KIND FROM NON-RELATED PARTIES

No gifts and donations were received during the 2022/2023 financial year.

3.8 EXEMPTIONS AND DEVIATIONS RECEIVED FROM NATIONAL TREASURY

No exemptions and deviations were received from National Treasury for the financial year under review.

3.9 EVENTS AFTER THE REPORTING DATE

The Department of Roads and Public Works entered into a new lease agreement for office accommodation for the Office of the Premier with effect 01 July 2023.

APPRECIATION AND CONCLUSION

As the management of the Office of the Premier, we will remain committed to execute our legislative mandate. I acknowledge and appreciate the invaluable support of our Premier, OTP management and staff members as well as the guidance and contribution of the Audit Committee members.



ADV. JUSTICE BEKEBEKE
ACCOUNTING OFFICER
OFFICE OF THE PREMIER: NORTHERN CAPE
DATE: 31 AUGUST 2023

4. 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 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 resource information and financial affairs of the department for the financial year ended 31 March 2023.

Yours faithfully



ADV. JUSTICE BEKEBEKE
ACCOUNTING OFFICER
OFFICE OF THE PREMIER: NORTHERN CAPE
DATE: 31 AUGUST 2023

5. STRATEGIC OVERVIEW

5.1 VISION

Modern, Growing and Successful Province

5.2 MISSION

To govern the Northern Cape Provincial Administration towards alleviating the triple burdens of under-development for the people of the Province through a people-centered Public Service.

5.3 VALUES

- » Transparency
- » Integrity
- » Equity
- » Professionalism
- » Patriotism
- » Accountability
- » Responsiveness
- » Respect
- » Diversity
- » Collaboration – linked to social compacting
- » Ethical leadership of the provincial agenda
- » Transformation
- » Rule of Law – Adherence to the Constitution
- » Passionate /Impact Driven/Focus on Impact
- » Innovation

6. LEGISLATIVE AND OTHER MANDATES

The Office of the Premier is centrally positioned within the provincial government and derives its mandates from the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996). The department acts in accordance with Section 125 and Section 127 of the Constitution of the Republic of South Africa, 1996 and acts in accordance with Section 7(3) of the Public Service Act.

6.1 CONSTITUTIONAL MANDATE

In accordance with Section 125 of the Constitution: The Premier exercises executive authority, together with the other members of the Executive Council, by:

- » implementing provincial legislation in the Province;
- » implementing all national legislation within the functional areas listed in Schedule 4 or 5 except where the Constitution or an Act of Parliament provides otherwise;
- » administering in the Province, national legislation outside the functional areas listed in Schedule 4 and 5, the administration of which has been assigned to the provincial executive in terms of an Act of Parliament;
- » developing and implementing provincial policy;
- » co-ordinating the functions of the provincial administration and its departments;
- » preparing and initiating provincial legislation; and
- » performing any other function assigned to the provincial executive in terms of the Constitution or an Act of Parliament;

In accordance with Section 127 of the Constitution of the Republic of South Africa, the following functions are assigned specifically to the Premier:

- » 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 commissions of inquiry;
- » calling a referendum in the Province in accordance with national legislation;
- » appoint members of the Executive Council, assigns their powers and functions, and may dismiss them

6.2 CORE LEGISLATIVE MANDATE (DIRECTOR-GENERAL)

Our core legislative mandate is derived from Section 7(3) (c) of the Public Service Act, 1993 (Proclamation No. 103 of 1994), which provides as follows:

(c) In addition to any power or duty entrusted or assigned by or under this Act or any other law to the head of the Office of a Premier (DG), the said head shall-

(ii) subject to section 125 (2) (e) of the Constitution, be responsible for *intergovernmental relations on an administrative level* between the relevant province and other provinces as well as national departments and national government components and for the *intra-governmental co-operation* between the relevant Office of the Premier and the various provincial departments and provincial government components, including the co-ordination of their actions and legislation; and

(iii) be responsible for the giving of strategic direction on any matter referred to in section 3 (1), but shall in respect of a provincial department of the relevant province exercise no power or perform no duty which is entrusted or assigned by or under this Act or any other law to the head of the provincial department.

Section 3(1) of the Public Service Act, which sets out the areas in regard to which the Director-General as Head of the Office of the Premier must give strategic direction, are the establishment of norms and standards, in the province, relating to-

- (a) the functions of the public service;
- (b) the organisational structures and establishment of departments and other organisational and governance arrangements in the public service;
- (c) the conditions of service and other employment practices for employees;
- (d) labour relations in the public service;
- (e) health and wellness of employees;
- (f) information management in the public service;
- (g) electronic government;
- (h) integrity, ethics, conduct and anti-corruption in the public service; and
- (i) transformation, reform, innovation and any other matter to improve the effectiveness and efficiency of the public service and its service delivery to the public.



6.3 LEGISLATIVE AND POLICY MANDATES

The mandate of the Office of the Premier is to:

- » Act as a centre for strategic coordination in government by identifying and addressing major impediments to the effective implementation of government's programme of action, which is aimed at eliminating poverty, unemployment and inequality; and
- » Support the Premier in leading government's programme, aimed at advancing radical social and economic transformation to promote job creation and inclusive growth.

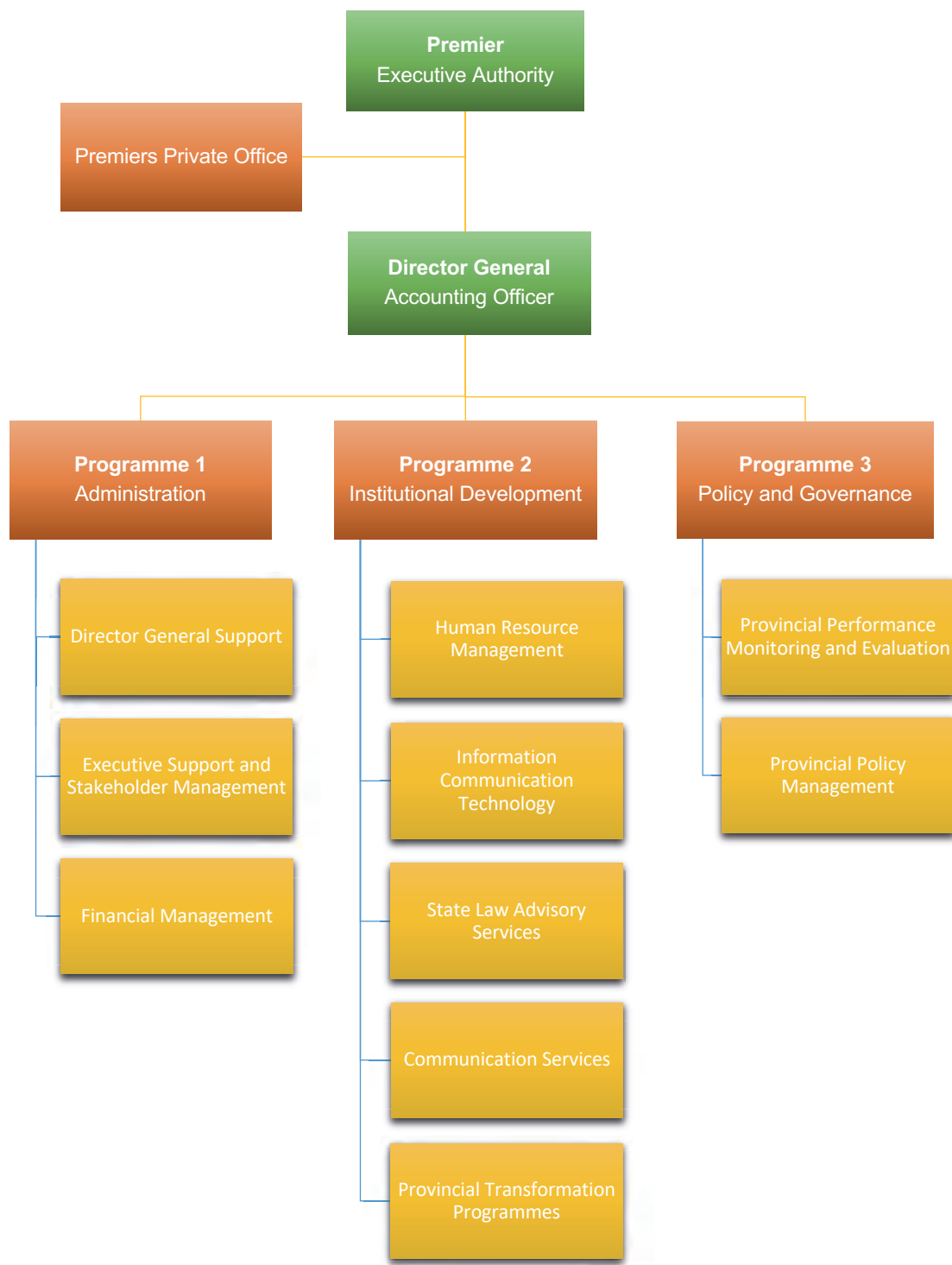
Below are the legislative and other mandates that the Office of the Premier is responsible for implementing, managing and overseeing. The Office of the Premier is thus centrally positioned within the Provincial Government of the Northern Cape Province and derives its mandates from the following legislative and regulatory frameworks:

- » African Charter on the Rights and Welfare of the Child (ACRWC);
- » African Union Agenda 2063;
- » African Union Heads of States Solemn Declaration on Gender Equality in Africa 2004;
- » Basic Conditions of Employment Act (BCEA);
- » Beijing Platform of Action (1995);
- » Child Friendly Communities (for Local Government);
- » Collective Bargaining Resolutions (Agreements) and Directives;
- » Convention on the elimination of all forms of discrimination Against Women and Children (CEDAW);
- » Corporate Governance of ICT Policy Framework;
- » Cybercrimes and Cybersecurity Bill of 2016;
- » Electronic Communication and Transaction, 2002 (Act No. 25 of 2002);
- » Employment Equity Act;
- » Framework for Managing Programme Performance Information, National Treasury May 2007;
- » Framework on gender responsive Planning, Budgeting, Monitoring Evaluation and Auditing;
- » Guide for the Implementation of Provincial Quarterly Performance Reports 2009;
- » Government-Wide Enterprise Architecture Framework;
- » Human Resource Development Strategy SA 2010-2030;
- » ICT Security Standards and Guidelines;
- » Job Access Strategic Framework;
- » Labour Relations Act;
- » Medium Term Strategic Framework 2019-2024;
- » Minimum Information Security Standards (MISS);
- » MTSF Integrated Monitoring Framework 2019-2024;
- » National Archives and Records Service Act of South Africa 43 of 96;
- » National Child Participation Framework;
- » National Development Plan 5 Year Implementation Plan 2019-2024;
- » National Development Plan – Vision 2030;
- » National Digital Skills Strategy;
- » National e-Strategy (ISAD Plan);
- » National Monitoring and Evaluation Framework Whitepaper of October 2009

- » National Plan of Action for Children in South Africa
- » National Strategic Intelligence Act (NSIA);
- » National Strategic Planning Green Paper of September 2009
- » New Growth Path
- » Northern Cape Information Society Strategy;
- » Occupational Health and Safety Act;
- » PAIA: Promotion of Access to Information Act, 2000;
- » PAJA: Promotion of Administrative of Justice Act, 2000 (Act No. 3 of 2000);
- » PAMA: Public Administration Management Act, 2014 (Act No. 11 of 2014)
- » Policy Framework for Government –Wide Monitoring and Evaluation, Presidency November 2007
- » POPI: Protection of Personal Information Act 4 of 2013;
- » Provincial Information Security Policy;
- » Public Service Act;
- » Public Finance Management Act (PFMA);
- » Public Service Regulations;
- » Revised Framework for Strategic Plans and Annual Performance Plans, DPME 2019
- » Revised National Evaluation Policy Framework 2019;
- » Rights of Women in Africa (AU Women's Protocol)2004;
- » S.A. Connect: South Africa's Broadband Strategy;
- » SADC Declaration;
- » SITA: State Information and Technology Act 88 of 98;
- » Skills Development Act;
- » Skills Development Levies Act;
- » South Africa's National Policy Framework for Women's Empowerment of Gender Equality;
- » Statistics Act 6 of 1999;
- » Strategic Framework for Gender Equality within the Public Service (2006-2015);
- » Sustainable Development Goals (SDG's);
- » The promotion of Equality and Prevention of Unfair Discrimination Act, No 4 of 2000;
- » United Convention on the Rights of the Child (UNCRC);
- » United Nations Convention on the Rights of Persons with Disabilities;
- » White Paper on the Post School Education and Training System (PSET);
- » White Paper on the Rights of Persons with Disabilities
- » Women Empowerment and Gender Equality Bill



7. ORGANISATIONAL STRUCTURE





NORTHERN CAPE

MINING & ENERGY INVESTMENT CONFERENCE

*Realising Northern Cape's Investment
Potential in Mining and Energy*

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 86 of the Report for the report of the Auditor General, published as Part F: Financial Information.

2. OVERVIEW OF DEPARTMENT'S PERFORMANCE

2.1 SERVICE DELIVERY ENVIRONMENT

The Department hosts the Premier, who is the Executive Authority of the Province entrusted with the responsibility to develop and implement legislation and policy within the functional areas of the province. The main powers and duties of the Premier at Executive level and the Director-General at administrative level, relate to coordinating the affairs of the Northern Cape Provincial Administration, ensuring co-operation from Northern Cape Provincial Departments and providing strategic direction, as legislated. The Programmes of the department are accordingly structured to accommodate this duality and is aligned to the Budget Programme Structure approved by National Treasury.

The Department, as the apex office in the Northern Cape Province, remains committed to lead the promotion of accountability, good governance and ethical leadership. To this end, the Department obtained an unqualified audit opinion with no findings for the 2022/23 financial year. This achievement marks the 7th consecutive clean audit outcome. While this is a major achievement, management remains mindful of the shortcomings that impact the overall performance of the Department, such as our fiscal and capacity challenges.

The strategic focus for 2020-2025 is to strengthen the service delivery integration and synergy between the Provincial Departments through improved co-ordination in the provincial administration.

The Department has developed coherent strategic planning and governance strategies for implementation in the province. These strategies primarily focus on Integrated Service Delivery and Governance Model; Provincial Growth and Development Plan and Provincial Spatial Development Framework. The Integrated Governance, Coordination and Service Delivery model was adopted and is progressing satisfactorily. The Growth and Investment Council drives the facilitation of our social compacting between government, business, labour, academia and civil society to commit, prioritise and implement measures required to support the crucial structural social-economic transformation.

2.2 SERVICE DELIVERY IMPROVEMENT PLAN

The Office of the Premier engaged DPSA for assistance and as a result the integrated and support sessions took place during the year under review. These sessions assisted the provincial departments to develop draft SDIPs.

2.2.1 Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Not applicable because the SDIP was not concluded.				

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

Current/actual arrangements	Desired arrangements	Actual achievements
Not applicable because the SDIP was not concluded.		

2.2.3 Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
Not applicable because the SDIP was not concluded.		

2.2.4 Complaint's mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
The Presidential Hotline was utilised as a complaint mechanism.		

2.3 ORGANISATIONAL ENVIRONMENT

The Office of the Premier has faced capacity challenges prior to the Approved 2017 Organisational Structure. The situation has worsened over the years as posts became vacant and then unfunded. The added responsibilities with no corresponding funding emanating from the 2019-2024 MTSF, Institutionalisation of the Governance Model and the Implementation of the PGDP requires additional capacity to execute these additional functions. The capacity constraints continue to limit the Department to fulfil additional functions and has the compounding effect of compromising quality of work and fully support the executive of the province on monitoring the implementation of provincial priorities and deliverables.

The planned review of the organisational structure in the 2022/2023 financial year came at an opportune time as the review process of the OTP generic structure across nine provinces as well as the generic structure for Programme 1 was concluded by DPSA. The review process started during the 4th quarter of the year under review and will be concluded in the 2023/24 financial year. The review of the organisational structure represents a significant part of the HR implementation plan as well as the OFA Improvement Plan. It is envisaged that the review of the structure will address all the current inefficiencies and that functions will be properly aligned to maximise organisational efficiency within the current budgetary constraints and will respond to the new mandate of the organisation brought about by the vision of the 6th Administration such as the incorporation of the Bursary Coordination posts that is necessitated by the Centralisation of the Provincial Bursary function, amongst others.

2.4 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

No key policy and legislative changes occurred during the period under review.

3. PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The strategic focus for the duration of 2020-2025 remains the strengthening of service delivery integration and synergy between Provincial Departments through improved co-ordination in the provincial administration. The following, amongst others, were achieved:

3.1 CENTRALISATION OF BURSARIES

Subsequent to extensive research and consultations, it was found that Section 197 of the Labour Relations Act is deemed an appropriate option that could be utilized to transfer contracts of employment of the Trust to OTP. The transfer process of the fifteen employees from the Trust Fund into OTP has been completed. The affected employees have been successfully incorporated into OTP and are now public servants as per the provisions of the Public Service Act and Regulations. The dissolution of the Trust process with the Master of the High Court is underway with the process envisaged to be finalized soon. The facilitation of bursary awards to academically and financially deserving unemployed youth was facilitated by the Office of the Premier.

3.2 DEVELOPMENT OF THE PROVINCIAL DEVELOPMENT PLAN 2030

Being cognisant of the need to develop a new Governance Model as well as a District Development Model (DDM), the Presidential Imbizo through its build-up programmes, were held on 20 October 2022. The latter provided an opportunity for a roundtable discussion on the acceleration of the District Development Model and the Integration of Planning, Monitoring and Evaluation across the 3 spheres of government. The theme of the Roundtable was Accelerating District Development – Leaving no one behind through Integrated Planning, Monitoring and Evaluation.

The key points of the said Roundtable were as follow:

- Identify the current bottlenecks in understanding and institutionalising the DDM in the Province
- Identify a system for monitoring of one plan
- Identify processes for the evaluation of the effectiveness or impact of this Integrated Planning Model

In addition, the Stakeholder Management division convened the Premier's Intergovernmental Fora chaired by the premier. This provided an opportunity for officials to share in experiences relating to the implementation of the DDM in the Northern Cape.

3.3 YOUTH DEVELOPMENT

A commitment was made by the Administration to place greater emphasis on the development and empowerment of youth, women, children and people living with disabilities as well as modernisation of service delivery and improvement of service standards. For these programmes to find meaningful expression in the provincial administration, an additional Ministry was established with a dedicated MEC whose core focus is the responsibilities as outlined in the sentence above. The Ministry has been assisting in fulfilling these obligations and ensuring that there is a sustained and committed drive towards prioritising these sectors.

3.4 INNOVATION AND TECHNOLOGY DEVELOPMENT INTERVENTIONS

The Provincial Information Technology Shared Services Centre (ITSSC), as a vehicle to drive information technology, digitization and the Fourth Industrial Revolution have a short, medium and long-term approach ensure efficient and effective implementation of the ITSSC as well as continuity of all IT related services. Part of the short-term approach was the recruitment of capacity and this process has started.

The Broadband Strategy is completed and the next step is to lobby for adequate budget in the 2023/24 financial year for a phased implementation of the said strategy. The Disaster Recovery Plan will be centralized under the ITSSC. A budget pressure has been submitted and presented to the Provincial Medium Term Expenditure Committee to fast-track the ITSSC implementation.

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1 PROGRAMME 1: ADMINISTRATION

Purpose of the Programme: The purpose of the programme is to provide strategic leadership and oversee the implementation of provincial legislative frameworks and government programmes.

This programme accommodates the Ministry and the Office of the Director General and is comprised of the following sub-programmes and units.

1.1 Premier Support

Purpose: Provide advisory and administrative support to the Premier in executing the constitutional mandate.

1.2 Director-General Support

Purpose: Provide technical, administrative and secretariat support to the Director-General

The sub-programme comprised of the following units:

1.2.1. Office of the Director-General

1.2.2. Security and Records Management

1.2.3. Provincial Council on AIDS-Secretariat

1.3 Executive Support and Stakeholder Management

Purpose: Manage and oversee the provisioning of Executive support services and co-ordinate the implementation of stakeholder management programmes.

The sub-programme is comprised of the following units:

1.3.1. Executive Council Support

1.3.2. Stakeholder Management

1.4 Financial Management

Purpose: Provide internal financial accounting, management accounting, supply chain management (SCM) and asset management services to the Office of the Premier.

Outcomes, outputs, output indicators, targets and actual achievements

Programme 1 had 15 targets for the year under review. All 15 targets were achieved with 1 of those targets being over-achieved. The details of actual achievements are outlined in the tables below.

Sub-programme: 1.2.1. Office of the Director-General								
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
Integrated service delivery goals achieved through strategic leadership and coordination of the effective functioning of the Northern Cape Provincial Administration and its Departments	Strategic Planning Documents Developed	Approved Strategic Plan and Annual Performance Plan	1 Approved Strategic Plan and 1 Annual Performance Plan	1 Annual Performance Plan	1 Annual Performance Plan	1 Annual Performance Plan	None	None
	Revised departmental risk register	Approved Departmental Risk Register	Approved Risk Register	Approved Risk Register	Approved Risk Register	Approved Risk Register	None	None
	System generated results of the financial disclosure completed by designated employees	Number of system generated results of financial disclosure for all designated categories	6 eDisclosure System generated results	7 eDisclosure System generated results	6 eDisclosure System generated results	6 eDisclosure System generated results	None	None

Sub-programme: 1.2.2. Security and Records 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
Integrated service delivery goals achieved through strategic leadership and coordination of the effective functioning of the Northern Cape Provincial Administration and its Departments	Assessed information and security support systems	Quarterly security threats assessment reports	New Indicator	4 Reports	4 Reports	4 Reports	None	None
	Suitability for Employment	Percentage of new staff screened for employment suitability	100% of new staff	100% of new staff	100% of new staff	100% of new staff	None	None
	Compliance with the Anti-Corruption Framework	Quarterly Provincial Anti-Corruption reports	12 Departments	4 Provincial Anti-Corruption Reports	4 Provincial Anti-Corruption Reports	4 Provincial Anti-Corruption Reports	None	None

Sub-programme: 1.2.3. Provincial Council of AIDS-Secretariat								
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
Integrated service delivery goals achieved through strategic leadership and coordination of the effective functioning of the Northern Cape Provincial Administration and its Departments	Local and Ward AIDS Councils at District Level Supported	Number of districts supported in the establishment of Local and Ward AIDS Councils	5	5	5	5	None	None
	Stakeholder engagements on HIV, AIDS, TB and STI responses in the Province	Number of stakeholder engagements coordinated	8 stakeholder engagements	16 stakeholder engagements	12 stakeholder engagements	14 stakeholder engagements	+2 stakeholder engagements	The over-achievement is attributed to additional engagements given the global fund grant received for a 3 year funding cycle.

Sub-programme: 1.3.1. 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
Integrated service delivery goals achieved through strategic leadership and coordination of the effective functioning of the Northern Cape Provincial Administration and its Departments	Executive Council and Cluster Engagements coordinated	Number of consolidated reports on the Executive Council and Cluster Engagements	4 Consolidated reports	4 Consolidated reports	38,963 mm	4 Consolidated reports	None	None

Sub-programme: 1.3.2. Stakeholder 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
Integrated service delivery goals achieved through strategic leadership and coordination of the effective functioning of the Northern Cape Provincial Administration and its Departments	Functional intergovernmental forums	Number of consolidated reports on the functionality of the intergovernmental forums	4 Consolidated Reports	4 Consolidated Reports	4 Consolidated Reports	4 Consolidated Reports	None	None
	International engagements	Report on provincial international engagements coordinated	4 Engagements	1 Report	1 Report	1 Report	None	None
	Provincial Protocol Services	Number of consolidated reports on provincial protocol services rendered at government events	4 Consolidated Reports	4 Consolidated Reports	4 Consolidated Reports	4 Consolidated Reports	None	None

Sub-programme: 1.4. 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
Integrated service delivery goals achieved through strategic leadership and coordination of the effective functioning of the Northern Cape Provincial Administration and its Departments	Annual Financial Statement (AFS)	Number of Approved AFS submitted to the AGSA and PT	1 Set of Annual Financial Statement (AFS)	1 Set of Annual Financial Statement (AFS)	1 Set of Annual Financial Statement (AFS)	1 Set of Annual Financial Statement (AFS)	None	None
	Supplier payments	Percentage of uncontested invoices paid within 30 days of receipt date	100%	100%	100%	100%	None	None
	Targeted designated groups procurement	Number of reports on preferential procurement spend on enterprises owned by targeted groups	New Indicator	New Indicator	4 Quarterly reports on preferential procurement spend on enterprises owned by targeted groups	4 Quarterly reports on preferential procurement spend on enterprises owned by targeted groups	None	None

Strategy to overcome areas of under performance

There were no deviations to the planned targets. Good management controls resulted in over-achievement of targets.

Linking performance with budgets

The table below depicts actual expenditure against the final appropriation for the period under review and previous financial year Programme 1 and its sub-programmes. The uniformed budget structure implemented by National Treasury unfortunately prohibited the move of budget allocation of Stakeholder Management (previously known as Intergovernmental Relations and still reported as such in terms of the budget allocation) from Programme 3 to Programme 1. Hence the budget will be reported on under Programme 3. The budget was expended towards the achievement of the outputs related to contractual obligations, compensation of employees and goods and services. Contract obligation is centralised under Programme 1. The bulk of the budget was spent on compensation of employees given the fact that personnel implemented the APP outputs. The variance is mainly attributable to commitments at reporting date; a rollover application was submitted to Provincial Treasury to that effect.

Sub-programme expenditure

Sub- 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
Premier Support	42,136	42,112	24	27,621	27,186	435
Director-General Support	45,258	40,258	5,000	33,727	27,747	5,980
Executive Council Support	7,362	7,362	-	7,257	7,144	113
Financial Management Support	50,484	50,805	399	53,864	53,407	457
Total	145,240	122,469	5,423	122,469	115,484	6,985

4.2 PROGRAMME 2: INSTITUTIONAL DEVELOPMENT

Purpose of the Programme: The purpose of the programme is to strategically lead the province towards long term planning for human capital, towards a developmental orientated public service and provision of advisory legal services

The programme comprised of the following sub-programmes and units:

2.1 Human Resource Management

Purpose: Provide strategic leadership through integrated coordination of human resource management systems, practices and policies towards a capable, ethical and developmental provincial administration.

The sub-programme is comprised of the following units:

- 2.1.1. Human Resource Administration
- 2.1.2. Human Resource Strategy and Transversal Co-ordination
- 2.1.3. Performance Management and Capacity Development
- 2.1.4. Provincial HR Planning, Organisational and Operations Design
- 2.1.5. Labour Relations
- 2.1.6. Employee Health and Wellness

2.2 Information Communication Technology

Purpose: To provide professional Information Technology services as an enabler to the Office of the Premier and other provincial departments to ultimately improve service delivery through e-Government initiatives.

2.3 State Law Advisory Services

Purpose: To render legal advisory support services to the Premier, Executive Council, Heads of Departments, and Municipalities to ensure that constitutional obligations are met.

2.4 Communication Services

Purpose: To provide an efficient and effective communication service to enable the Premier, Executive Council and Heads of Departments to communicate government's services through the media and other communications platforms.

2.5 Provincial Transformation Programmes

Purpose: To mainstream, coordinate, monitor and evaluate programmes in terms of women, children and people with disabilities to address inequalities and restore the moral fibre of society and to act as secretariat for the Provincial Transformation Programmes Forum

Outcomes, outputs, output indicators, targets and actual achievements

Programme 2 had 32 targets for the year. Only 30 targets were achieved with 2 of those targets being over-achieved. The details of actual achievements are outlined in the tables below.

Sub-programme: 2.1.1. Human Resource Administration								
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
Integrated service delivery goals achieved through strategic leadership and coordination of the effective functioning of the Northern Cape Provincial Administration and its Departments	Provincial vacancy rate	Average percentage of funded vacant posts on PERSAL (vacancy rate) within the Northern Cape Provincial Administration	11%	10%	10%	10%	None	None

Sub-programme: 2.1.2. Human Resource Strategy and Transversal Co-ordination								
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
Integrated service delivery goals achieved through strategic leadership and coordination of the effective functioning of the Northern Cape Provincial Administration and its Departments	Provincial HRD Strategy Implementation Plan	Monitoring report on the Provincial HRD Strategy Implementation Plan	1 Monitoring Report	1 Monitoring Report	1 Monitoring Report	1 Monitoring Report	None	None
	Provincial HRD Governance Structure	Number of HRD forums convened for integrated planning and coordination	2 HRD Forums	8 HRD Forums	8 HRD Forums	8 HRD Forums	None	None
	Provincial HRD Plans	Number of reports on compliance by provincial departments with the submission of HRD plans	1 Report	1 Report	1 Report	1 Report	None	None

Sub-programme: 2.1.3. Performance Management and Capacity 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
Integrated service delivery goals achieved through strategic leadership and coordination of the effective functioning of the Northern Cape Provincial Administration and its Departments	A Provincial PMDS Policy	An approved Provincial PMDS Policy	New Indicator	New Indicator	Draft Provincial PMDS Policy developed	0	-1 Draft Provincial PMDS Policy developed	Provincial PMDS Policy was approved 30 March 2022. The implementation was monitored in the 2022/23 financial year.
	A Provincial PMDS Governance Structure	Number of Provincial PMDS Governance Forums for integrated planning and coordination	Provincial PMDS Governance Forum for integrated planning and coordination established	5 Provincial PMDS Governance Forum.	4 Provincial PMDS Governance Forum.	4 Provincial PMDS Governance Forum.	None	None

Sub-programme: 2.1.4. Provincial HR Planning, Organisational and Operations Design								
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
Integrated service delivery goals achieved through strategic leadership and coordination of the effective functioning of the Northern Cape Provincial Administration and its Departments	An integrated Provincial Organisational Design Strategy	An approved Integrated Provincial Organisational Design Strategy.	New Indicator	Draft Integrated Provincial Organisational Design Strategy developed.	1 approved Integrated Provincial Organisational Design Strategy	1 approved Integrated Provincial Organisational Design Strategy	None	None
	An integrated Provincial Organisational Design Governance Structure.	Number of Integrated Provincial Organisational Design Governance Structure meetings coordinated for integrated planning and coordination.	1 Integrated Provincial Organisational Design Governance Forum for integrated planning and coordination established.	4 Integrated Provincial Organisational Design Governance Structure meetings	4 Integrated Provincial Organisational Design Governance Structure meetings	4 Integrated Provincial Organisational Design Governance Structure meetings	None	None

Sub-programme: 2.1.5. Labour 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
Integrated service delivery goals achieved through strategic leadership and coordination of the effective functioning of the Northern Cape Provincial Administration and its Departments	Provincial Labour relations Framework	Approved Provincial Labour Relations Framework	Draft Provincial Labour Relations Strategy	1 Approved Provincial Labour Relations Framework	1 Provincial Labour Relations Framework Implementation Plan	1 Provincial Labour Relations Framework Implementation Plan	None	None

Sub-programme: 2.1.6. Employee Health and Wellness								
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
Integrated service delivery goals achieved through strategic leadership and coordination of the effective functioning of the Northern Cape Provincial Administration and its Departments	Learning Network Sessions	Number of policy support learning network sessions	4	6	4	4	None	None
	Prevention Programmes	Number of health prevention programmes facilitated	9	6	4	12	+8	The over-achievement is attributed due to a need for additional health awareness programmes facilitated.
	e-Health information messages	Number of e-Health prevention information	9	10	5	8	+3	The over-achievement is attributed to an increased demand of e-health information sessions.

Sub-programme: 2.2. Information Communication Technology								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Integrated service delivery goals achieved through strategic leadership and coordination of the effective functioning of the Northern Cape Provincial Administration and its Departments	Corporate Governance of ICT documents for Office of the Premier.	Number of departmental ICT documents (Policies, Charters, Plans, Frameworks, Manuals and Strategies) reviewed in the Office of the Premier	7 departmental ICT documents	8 departmental ICT documents	7 departmental ICT documents	7 departmental ICT documents	None	None
	Digital solutions for improved service delivery.	Number of departmental services e-enabled, based on the Service Delivery Model	2 departmental services	2 departmental services	2 departmental services	2 departmental services	None	None
	Cyber and Information Security Awareness Workshops.	Number of provincial workshops hosted on information security and privacy protection responsibilities	2 Workshops	2 Workshops	2 Workshops	2 Workshops	None	None
	Provincial government websites.	Number of Northern Cape Provincial Government Departments websites reviewed	4 Departments	4 Departments	4 Departments	4 Departments	None	None
	ICT Projects	Number of reports on Provincial ICT Projects coordinated	4 Reports	4 Reports	4 Reports	4 Reports	None	None
	Awareness through Provincial Thusong Services Outreach Programmes	Number of Thusong Service Centre Outreach Programmes hosted	4 Outreach Programmes hosted	6 Outreach Programmes hosted	4 Outreach Programmes hosted	4 Outreach Programmes hosted	None	None

Sub-programme: 2.3. State Law Advisory 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
Integrated service delivery goals achieved through strategic leadership and coordination of the effective functioning of the Northern Cape Provincial Administration and its Departments	Building capacity	Number of legal/ legislative training initiatives or advocacy sessions conducted/ attended	1	3	3	1	-2	The under-achievement is due the changed schedule that caused a delay in the commencement of training initiatives conducted.
	Coordination of provincial legal services	Number of analytical reports in coordination of provincial legal services matters	4	4	4	4	None	None
	Provision of Legal advice and support	Number of reports submitted on the provision of legal support to NCPA	4 Reports	4	4	4	None	None
	Legislative Drafting (draft/ review/edit/ certification) of legislation	Annual report on the Provincial Legislation Database implemented	1 Database submitted for approval	1 Annual Report	1 Annual Report	1 Annual Report	None	None

Sub-programme: 2.4. Communication 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
Integrated service delivery goals achieved through strategic leadership and coordination of the effective functioning of the Northern Cape Provincial Administration and its Departments	Effective communication of government with a coherent message to the citizenry	Media Communication reports on Executive Council initiatives	4 Reports	4 Reports	4 Reports	4 Reports	None	None
		Quarterly reports on Provincial Communication Services rendered	New indicator	4 Reports	4 Reports	4 Reports	None	None

Sub-programme: 2.5. Provincial Transformation 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
Integrated service delivery goals achieved through strategic leadership and coordination of the effective functioning of the Northern Cape Provincial Administration and its Departments	An all-inclusive society	Provincial report consolidated on the implementation of the White Paper on the Rights of Person with Disabilities	1 Provincial report	1 Provincial report	1 Provincial report	1 Provincial report	None	None
	An ethical and developmental state	Number of reports on the implementation of the Charter of Positive Values	4 Reports	4 Reports	4 Reports	4 Reports	None	None
	Women Empowerment and Gender Equality	Number of consolidated reports on the implementation of the Provincial Plan on Gender Based Violence and Femicide	New indicator	New indicator	4 Consolidated Reports	4 Consolidated Reports	None	None
		Monitoring reports on the implementation of Sanitary Dignity Framework	New indicator	New indicator	4 Monitoring reports	4 Monitoring reports	None	None
	Child rights considerations	Monitoring reports on Children's Rights Delivery Plans	3 Reports	4 Reports	4 Monitoring reports	4 Monitoring reports	None	None
	Integrated diversity	Provincial report on the implementation of the Provincial Diversity Management Policy	New indicator	New indicator	1 Provincial report	1 Provincial report	None	None
	Establish the recognition, promotion, protection of the rights of Women, Children and Persons with disabilities, and change management including restoration of moral fibre	Number of Advocacy Programmes coordinated	7 Advocacy Programmes	10 Advocacy Programmes	8 Advocacy Programmes	8 Advocacy Programmes	None	None
		Number of consolidated reports on the implementation of the GRBPMEA	New indicator	New Indicator	2 Reports	2 Reports	None	None



Strategy to overcome areas of under performance

Two targets were not achieved in Programme 2; the first one relating to an approved Provincial PMDS Policy. This indicator was not achieved on the due date as per the APP target but was met earlier than planned. Circular No. 01 of 2019, paragraph 16 of the Incentive Policy, instructed departments to amend their internal administrative policies to be aligned to the revised directive. DPSA indicated that a comprehensive review will be conducted after the 2022 financial year, which was not done as indicated. This affected the departmental processes and the department was then obligated to have an approved PMDS policy by 30 March 2022. By then, the indicator could not be revised as the APP for 22/23 was already approved. In the 2022/23 financial year the approved PMDS Policy was monitored for implementation.

The second indicator relates to the number of legal/ legislative training initiatives or advocacy sessions conducted/attended as there were challenges that delayed the commencement of the legal internship programme (such as scheduled changes by LEAD that needs to be adhered to). Training will form part of the 2023/2024 financial year.

Linking performance with budgets

The table below depicts the actual expenditure against the final appropriation for the period under review and the previous financial year of Programme 2 and its sub-programmes. The uniform budget structure implemented by National Treasury unfortunately prohibited the move of budget allocation of the Provincial Transformation Programme (previously known as Special Programmes and still reported as such in terms of the budget allocation) from Programme 3 to Programme 2, hence the budget will be reported on under Programme 3. The budget was expended towards the achievement of the outputs related compensation of employees and goods and services. The bulk of the budget was spent on the compensation of employees given the fact that personnel implemented the APP outputs. The variance is mainly attributable to commitments at reporting date; a rollover application was submitted to Provincial Treasury to that effect.

Sub-programme expenditure

Sub- 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
Strategic Human Resources	56,113	54,359	1,754	57,214	57,213	1
Information Communication Technology	25,487	19,738	5,749	18,533	16,430	2,103
Legal Services (State Law Advisory Services)	11,141	10,448	693	8,792	8,733	59
Communications	8,565	5,935	2,630	3,409	3,344	65
Programmes Support	3,740	3,670	70	3,498	3,498	-
Total	105,046	94,150	10,896	91,446	89,218	2,228

4.3 PROGRAMME 3: POLICY AND GOVERNANCE

Purpose of the Programme: The purpose of the programme is to strategically manage policies and strategies throughout the province, through research, development and support the implementation of a sustainable provincial growth and development plan, and monitor and evaluate performance against provincial plans.

The programme comprised of the following sub-programmes and units:

3.1. Provincial Performance Monitoring and Evaluation

Purpose: To provide an integrated performance monitoring and evaluation function directed at improving implementation of provincial plans and programmes.

The sub-programme is comprised of the following units:

- 3.1.1. Provincial Service Delivery Programmes Monitoring and Evaluation
- 3.1.2. Provincial Performance Information Monitoring and Evaluation

3.2. Provincial Policy Management

Purpose: To facilitate and coordinate macro and transversal planning, policy and research across government.

The sub-programme is comprised of the following units:

- 3.1.1. Provincial Strategic and Spatial Planning
- 3.1.2. Provincial Policy Coordination
- 3.1.3. Provincial Research and Development Services

Outcomes, outputs, output indicators, targets and actual achievements

Programme 3 had 9 targets for the year, of which only 6 targets were fully achieved and 2 targets thereof over-achieved. The other 3 targets were not achieved. The details of actual achievements are outlined in the tables below.

Sub-programme: 3.1. Provincial Performance 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
Integrated service delivery goals achieved through strategic leadership and coordination of the effective functioning of the Northern Cape Provincial Administration and its Departments	Improved performance on planned provincial priorities	Integrated M&E analysis report on provincial service delivery.	3 Reports	4 Reports	4 Reports	3 Reports	-1 Report	The under-achievement is attributed to incomplete analysis due capacity constraints in the PIMS Directorate
		Bi-Annual report on the coordination of Evaluations as per the National Evaluation Policy Framework	New indicator	New Indicator	2 Reports	1 Report	-1 Report	The under-achievement is attributed to capacity constraints and no dedicated official. Indicator will be reviewed.
		Report on the coordination of the Provincial Web Based Reporting System	New indicator	New Indicator	1 Report	1 Report	None	None

3.2. Provincial Policy Management

Sub-programme: 3.2.1 Provincial Strategic and Spatial Planning								
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
Integrated service delivery goals achieved through strategic leadership and coordination of the effective functioning of the Northern Cape Provincial Administration and its Departments	Implementation of Provincial Growth and Development Plan Vision 2040	Number of Advisory Memorandums submitted to the Executive Authority on the implementation of the Provincial Growth and Development Plan and Provincial Spatial Development Framework	11 Memos	10 Memos	4 Memos	9 Memos	+5 Memos	The over-achievement is attributed to additional advisory memorandums for urgent progress reports that were needed on pressing provincial matters regarding implementation progress.

Sub-programme: 3.2.2 Provincial Policy 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
Integrated service delivery goals achieved through strategic leadership and coordination of the effective functioning of the Northern Cape Provincial Administration and its Departments	Assessed Policies	Assessment of Provincial and Municipal Policies aligned to the PGDP	2 Assessments	2 Assessments	2 Assessments	2 Assessments	None	None
		Assessment of Provincial and Municipal Policy aligned to the National Policy Development Framework	New Indicator	1 Assessment	1 Assessment	1 Assessment	None	None
	Municipal and departmental Change Management Engagement Programme	Batho Pele Change Management Engagement Programme roll-out to municipalities and departments	2 Programmes	1 Programme	1 Programme	1 Programme	None	None
	Approved departmental service delivery charters	Number of departments with approved service delivery charters within the Provincial Administration	0 Departments	1 Department	4 Departments	0 Departments	-4 Departments	The under-performance is attributed to Departments still in process of developing SDIP's.

Sub-programme: 3.2.3 Provincial Research and Development 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
Integrated service delivery goals achieved through strategic leadership and coordination of the effective functioning of the Northern Cape Provincial Administration and its Departments	Research towards the implementation of the Provincial Growth and Development Plan and the institutionalisation of the Integrated Governance, Coordination and Service Delivery (IGCSD) Model	Number of Research position papers	6	4	4	19	+15	Over-achievement is attributed to requests to additional research being conducted on gender empowerment improved and decision making.

Strategy to overcome areas of under performance

Three targets were not achieved in Programme 3. These relate to evaluation and service delivery improvement plan (refer to tables above for details). The biggest contributing factor to this under performance is lack of human capacity.

SDIP for the 2022/23 financial year were still in the process of being developed. Continued training and support provided by OTP to Departments.

Linking performance with budgets

The table below depicts the actual expenditure against the final appropriation for the period under review and previous financial year Programme 3 and its sub-programmes. The uniformed budget structure implemented by National Treasury unfortunately prohibited the move of budget allocation, therefore the budget allocation for Intergovernmental Relations (now Stakeholder Management under Programme 1) and Special Programmes (now Provincial Transformation Programme under Programme 2) are still reported on under Programme 3. The budget was expended towards the achievement of the outputs related to compensation of employees and good and services. The bulk of the budget was spent on the compensation of employees given the fact that personnel implement the APP outputs.

Sub-programme expenditure

Sub- 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
*Special programmes (Provincial Transformation Management)	22,574	22,574	-	19,886	19,887	(1)
*Intergovernmental Relations (Stakeholder Management)	4,689	4,689	-	4,120	4,120	-
Provincial Policy Management	19,865	19,865	-	19,256	17,662	1,594
Programme Support	2,382	2,382	-	3,242	3,117	125
Total	49,510	49,510	-	46,504	44,786	1,718

5. TRANSFER PAYMENTS

5.1 TRANSFER PAYMENTS TO PUBLIC ENTITIES

Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
South African Broadcasting Corporation	Television License	R1 546	R1,546	Viewing Services

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
Premier's Bursary Trust Fund	Trust	Study loans for students	Yes	-	-	-
Mme Re Ka Thusa	Trust	Financial assistance for previously disadvantaged women to empower them to become economically active	Yes	8,049	8,049	-

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
None	N/A	N/A	N/A	N/A

6. CONDITIONAL GRANTS

The Office of the Premier neither paid nor received any conditional grants for the 2022/2023 financial year.

7. DONOR FUNDS

The Office of the Premier did not receive donor funds for the 2022/2023 financial year.

8. CAPITAL INVESTMENT

8.1 CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

Infrastructure projects	2022/2023			2021/2022		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
New and replacement assets	-	-	-	-	-	-
Existing infrastructure assets	-	-	-	-	-	-
Upgrades and additions	-	-	-	-	-	-
Rehabilitation, renovations and refurbishments	-	-	-	-	-	-
Maintenance and repairs	246	246	-	69	69	-
Infrastructure transfer	-	-	-	-	-	-
Current	-	-	-	-	-	-
Capital	-	-	-	-	-	-
Total	246	246	-	69	69	-



PART C

GOVERNANCE

1. INTRODUCTION

The Office of the Premier places a strong emphasis on ethical leadership, ensuring that the department is well-positioned to implement effective governance practices. This includes managing public finances and resources, ensuring that the Office of the Premier has proper structures in place to proficiently, effectively and economically utilize state resources, which are subsidized by taxpayers. These structures include: Top Management, Senior Management Team, the Risk Management Committee, the Independent Internal Audit Committee, and Supply Chain structures, such as the Departmental Bid Committees.

2. RISK MANAGEMENT

The Office of the Premier is committed to maintain an effective and efficient risk management system in accordance with the Public Finance Management Act (PFMA) section (38)(1)(a)(i), Treasury Regulation 3.2.1 and Public Sector Risk Management Framework (PSRMF). The department utilises the Shared Service Audit Committee based at Northern Cape Provincial Treasury, as an independent assurance provider who reports to the Audit Committee being an independent committee. Risk management reports form part of quarterly governance reports tabled at the governance structures of the Office of the Premier, inclusive of the Shared Service Audit Committee. Governance documents such as risk and ethics management committee charter, risk management policy and the departmental risk register were reviewed and approved.

The Department has appointed an independent Risk and Ethics Management Committee Chairperson and the Risk & Ethics Management Committee is fully functional. The Department's Strategic Risk Register is reviewed annually and monitored quarterly for the implementation of the mitigation plans to reduce the risks to an acceptable level.

3. FRAUD AND CORRUPTION

The Office of the Premier remains committed to a Public Service which is free from fraud and corruption and to this end remains vigilant in its fight against these risks to the Northern Cape Provincial Government. Where matters are referred to the OTP or detected by means of other sources, these instances are referred to the relevant law enforcement agencies for investigation and prosecution.

The Office of the Premier has an approved Anti-Corruption and Ethics Strategy; Whistle-Blowing Policy and Anti-corruption & Fraud Management Plan. The Anti-Corruption Unit is tasked with giving effect to these governance instruments and in so doing has developed professional relationships with other law enforcement and ethics centered agencies.

We have created and improved on our relationships with law enforcement agencies which has seen an increased footprint in the province. Our relationship with the SIU resulted in improved relations and co-ordination of all fraud and corruption related practices in our province. Our participation in the Local Government Anti-Corruption Forum has seen a closer partnership with local government and law enforcement agencies with the aim of addressing key vulnerabilities that have been identified in this sector. Most importantly, the forum looks at ways to best address consequence management through criminal prosecution and civil litigation.

The formation of the Local Government Anti-Corruption Forum is aimed at fostering collaboration amongst stakeholders at the local government level in order to effectively prevent corruption and coordinate efforts amongst all law enforcement agencies. This will ensure that investigative capacity is in place and outcomes such as criminal prosecutions, civil recoveries and any administrative actions are well synthesised.

Awareness sessions are being used to encourage public servants and the general public to report fraud and corruption matters anonymously to the relevant authorities. The Office of the Premier protects the identity and personal information of any person who reports fraud and corruption. For the 2022/23 reporting cycle, zero incidents of fraud or corruption were reported.

4. MINIMISING CONFLICT OF INTEREST

The Office of the Premier continues to implement the process where members of all departmental bid committees including the secretariat, which are officials from the Supply Chain Management, are required to declare their interest for each bid committee meeting by signing a declaration of interest register before each meeting. If there is a conflict of interest, the affected member is released from the evaluation process. Provincial Treasury forms part of each departmental bid committee meeting to execute their oversight role.

Control measures have been implemented that prohibit officials from conducting business with organs of state. If any discrepancies are found, investigations are conducted. These findings determine the appropriate steps to be taken in terms of the disciplinary code and procedure of the Public Service.

All SMS, MMS and OSD members, as well as all Supply Chain Management officials disclose their financial interest via the electronic eDisclosure system, which is administered by DPSA.

5. CODE OF CONDUCT

The Office of the Premier adheres to the Code of Conduct as outlined in Chapter 2 of the Public Service Regulation, 2016. The Code of Conduct compels the department to promote and maintain the highest level of professionalism and ethical behaviour in the workplace. It further contributes to the department's objective to eradicate corruption and advocate good governance.

To reinforce ethical conduct amongst employees, the department performs ongoing awareness on the Code of Conduct. Where there is a breach of the Code of Conduct the department actions the necessary internal disciplinary processes to address such unethical behaviour.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Employee Health and Wellness (EHW) Unit in the Department is responsible for the implementation of measures that promote the Health, Safety and Environmental considerations of employees and visitors in the workplace.

The unit has a Senior Manager that is responsible to oversee compliance with the Occupational Health and Safety Act (1993) and all related regulations. To this extent, Management implemented life-saving policies, protocols and measures aimed at protecting employees and clients seeking services from the Office of the Premier.

The department implemented its coordination role to provide health and safety performance on behalf of the Provincial Administration using existing data collection tools such as the Systems Monitoring Tool, ensuring that policies are drafted, EHW implementation review reports and ensuring compliance of reporting on implementation.

The Departmental Occupational Health and Safety Committee is fully functional and has managed matters pertaining to Health, Safety and Environment through collaborations. A Health and Safety advisory committee brings together units of Labour Relations, Facilities Management and Employee Health and Wellness to coordinate management intervention on issues of Health, Safety and Environmental considerations.

7. PORTFOLIO COMMITTEE

During the year under review the Office of the Premier appeared before the Standing Committee on Premier and Legislature Affairs and submitted reports on the performance of the Office of the Premier.

Date of meeting	Matters raised by parliamentary committee	How the department has addressed the matters
02 June 2022	Annual Performance Plan and Budget 2022/2023	Department responded to all recommendations made by the Committee and submitted all required reports.
23 September 2022	First Quarter Report 2022/2023 Financial Year on non-financial and financial performance	Department responded to all recommendations made by the Committee and submitted all required reports.
09 November 2022	Annual Report 2021/2022	Department responded to all recommendations made by the Committee and submitted all required reports.
24 March 2023	Third Quarter Report 2022/2023 Financial Year on non-financial and financial performance	Department responded to all recommendations made by the Committee and submitted all required reports.

8. SCOPA RESOLUTIONS

Resolution No	Subject	Details	Response by the department	Resolved (yes/no)
None	Resolution of the Annual Report 2021/2022	The Committee recommends that: The department must provide an intervention implementation plan in consultation with Provincial Treasury for a focused intervention with departments and municipalities with undesirable audit outcomes within the next quarter.	In consultation with Provincial Treasury a response was submitted on: Municipalities: - A detailed Programme of Action for municipalities from the perspective of the Provincial Treasury was submitted to the Committee. Provincial Departments: - The approach was adopted in February 2022 under the auspices of OPCA (operation clean audit committee), has not changed, where the Provincial Treasury seconded officials as "Audit Champions" to assist the targeted departments to improve the audit outcomes. - The targeted departments and "Champions" then report to OPCA, chaired by the Director-General on the progress in addressing the Key Audit Matters of the affected departments. This approach led to the improvement of the audit outcomes in July 2022. - The key challenge has been that the seconded officials are full time officials with normal responsibilities at the Provincial Treasury. - Concurrently with this process, the Internal Audit Activity of the Province conducted assignments in all departments by 30 September 2022 to verify the adequacy and completeness of the Audit Actions Plans formulated by the departments. - Reports from these assignments were communicated to the departments and discussed with the process owners. - The reports were also presented at the Head of Departments forum attended by accounting officers who must implement the recommendations stemming from these assignments. - Furthermore, the Internal Audit Activity is performing the implementation status of the Audit Action plans on a monthly basis with effect from October 2022, which are discussed with the process owners at the departments and are presented at OPCA. - The last implementation status of the Audit Action plans was as at 31/01/2023 and was presented to all the process owners at the departments and reports sent to all accounting officers. - The implementation status will be presented on the 31 March 2023 OPCA. - The implementation status was also completed in October and November 2022. A similar approach was also undertaken in the last audit cycle.	Yes



9. PRIOR MODIFICATIONS TO AUDIT REPORTS

None

10. INTERNAL CONTROL UNIT

The Office of the Premier does not have an Internal Audit Control Unit in the department. Nevertheless, preventative and management controls are embedded in the departments' organization-wide business process for executive by line function officials.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

Key activities and objectives of the audit committee:

The Executive Council of the Northern Cape Provincial Government has established Cluster Audit Committees for the 12 Provincial Departments. The Health Cluster Audit Committee deals with 3 departments including the Office of the Premier. The Audit Committee assists the department by providing advice relating to the reporting process, the system of internal control, the risk management processes, the internal and external audit process and the departments processes for monitoring compliance with laws and regulations and the code of conduct.

The Audit Committee consists of the members listed below. It meets as frequent as mandated by the approved Audit Committee charter and as often as it deems necessary. The AC also provided the MEC with a written report subsequent to the AC meetings to ensure the executive is informed about matters of concern.

During the financial year under review, 4 meetings were convened as per its charter with an additional meeting convened to discuss rectification plan status of implementation.

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
R Mnisi	LLB, Post Graduate Certificate in Compliance management	External	n/a	01 December 2020	n/a	3
S Calitz	Registered Government Auditor (RGA), Certified Government Audit Professional (CGAP), Certified Fraud Examiner (CFE), Advanced Certificate Forensic Examination, National Diploma Government Auditing	External	n/a	01 December 2020	n/a	4
D Padayachy	Bsc Degree, Executive Development Programme, Post Graduate HDE, Information Technology Management, Leadership in the Connection Economy Certificate, Capability Maturity Model - People and Capability Maturity Model Integration for Development and Information Technology Management for Government and Software and Project Management Certificate	External	n/a	01 December 2020	n/a	4
O Gaoraelwe	Bachelor of law, Conflict Management, Project Management, Certificate in environmental law	Internal	Acting Chief Director	01 December 2020	n/a	2
G Molelekwa	Bachelor of Laws, Bachelor of Law: Financial Planning, Btech: Internal Auditing, Btech: Cost & Management Accounting, National Diploma: Cost & Management Accounting	Internal	Director	01 May 2022	n/a	3

12. AUDIT COMMITTEE REPORT

Audit Committee Responsibility

The Audit Committee herewith presents its report for the financial year ended 31 March 2019, 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) (PFMA) read with Treasury Regulation 3.1.13.

1. Audit Committee's responsibility

The Audit Committee has complied with its responsibilities arising from section 38(1)(a)(ii) of the PFMA read with treasury regulation 3.1.10, and reports that it operated in terms of the Audit Committee charter.

2. Effectiveness of internal control

The Audit Committee acknowledges management's efforts to maintain internal controls in the department. The Audit Committee is satisfied that the matters reported by the external auditors and the internal audit function in prior years have been fully and satisfactorily addressed. Management has provided assurance that effective corrective action will be implemented in respect of all internal control weaknesses, and the Audit Committee will monitor these going forward.

Due to the strategic importance and investment in the modernisation of Information and Communication Technology (ICT) in the department, the Audit Committee has monitored the risks and progress reports on the respective action plans during the year under review. The Audit Committee remains concerned that not all ICT risks are being addressed or mitigated. The Audit Committee is also monitoring progress on the ICT Shared Services Model.

3. 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 recommended that the department prepare interim financial statements that comply with the financial reporting framework Modified Cash Standard, which could assist in performing reconciliations timely as well as in eliminating year-end adjustments.

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

4. Internal audit function

The accounting officer is obliged, in terms of the PFMA, 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 committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the department. The Audit Committee is satisfied that the internal audit function maintains an effective internal quality assurance programme that covers all aspects of the internal audit activity. The internal assessment indicates that the term "Conforms with the International Standards for the Professional Practice of Internal Auditing" may be used by the function.

The Audit Committee notes with satisfaction the independence and objectivity of Internal Audit function. The Audit Committee further notes the vacancies in Internal Audit and is satisfied that the matter is being addressed.



5. 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. The committee has reviewed the risk register and the reports from the risk committee and is generally satisfied with the maturity of the risk management process.

6. Evaluation of finance function

On the whole, the Audit Committee is satisfied with the department's finance function during the year under review.

7. Performance management

The Audit Committee has performed oversight over the performance management of the department. The Audit Committee has performed a limited review of the annual performance report and was satisfied that the report has been prepared in terms of the PFMA, the Treasury Regulations and any other related regulatory requirements for reporting performance.

8. Evaluation of the annual financial statements

The Audit Committee has performed a limited review of the annual financial statements. The Audit Committee was satisfied that the annual financial statements have been prepared in terms of the modified cash standards and the PFMA.

9. 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. The committee is of the view that the audited financial statements be accepted and read together with the report of the external auditors. The Audit Committee confirms that it has been actively involved throughout the audit process and has been thoroughly appraised of the issues giving rise to the audit opinion. The external audit function, performed by the AGSA auditors, is independent of the entity. 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:



Mr. R Mnisi

**Audit Committee Chair Office of the Premier
July 2023**

13. 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 and Industry.

Has the department 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)
Determine qualification criteria for issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	Not applicable to department
Developing and implementing a preferential procurement policy?	Yes	Procurement by the department is governed by the Preferential procurement legislation and regulations issued by National Treasury. Furthermore, issues pertaining to preferential procurement are included in the departmental supply chain management policy. This policy is reviewed annually with updates from National and Provincial Treasury.
Determine qualification criteria for sale of state-owned enterprises?	No	Not applicable to department
Developing criteria for entering into partnerships with the private sector?	No	Not applicable to department
Determine criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	Yes	As part of its output indicators, the department channels a minimum of 60% of procurement under goods and services to target designated groups to support Broad Based Black Economic Empowerment. Actual achievement on this output indicator is reported on quarterly to various stakeholders.





PART D

HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

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

2. OVERVIEW OF HUMAN RESOURCES

2.1 THE STATUS OF HUMAN RESOURCES IN THE DEPARTMENT

HR remained a key component in the Office of the Premier, focusing on enabling the attainment of the strategic objectives of the Department. The main vehicle in this regard is the MTEF Human Resources Plan.

The indicated Human Resources Plan was approved for roll-out during the period 2021-22 to 2023-24, which means that the 2022-23 financial year represented its second year of implementation. As outlined in the Annual HR Planning Implementation report for 2022-23, great progress was made in terms of the implementation of the targets set for this particular financial year, even though not all targets were achieved in full. The Annual HR Planning Implementation report for 2022-23 was furthermore utilized as a tool to reassess the level of alignment with the Organizational Functionality Assessment Implementation Plan, the implementation of which was reported on in March 2023.

The Office of the Premier had 248 filled posts, with a vacancy rate of 6%, by the end of the 2022-23 financial year. The SMS band had the highest percentage of vacant posts, at 17%. The Office of the Premier currently employs 18 women at SMS level, which constitutes 54% of the total number of posts on SMS level. For the period under review, the Department employed 2% people living with disabilities, an improvement of 0.2 from the previous year's 1.8%. The employee turnover for the 2022-23 financial year is 1.8%, a marked decrease from the previous year's 4.7%.

2.2 HUMAN RESOURCES PRIORITIES FOR THE YEAR UNDER REVIEW

Provincially, the OTP focused on the following HR priorities for 2022-23:

- Guidance and support to provincial departments in complying with the prescribed 10% vacancy rate, and maintaining adequate staffing levels to achieve objectives;
- Facilitating critical functions within the Office of the Premier, including those with a provincial focus;
- Facilitating the filling of provincial HOD positions;
- Monitoring the implementation of the NC HRD Strategy Implementation Plan;
- Monitoring and reporting on compliance by provincial departments on their HRD plans;
- Implementing the provincial PMDS Policy;
- Approval of the Provincial Organisational Design Strategy and Implementation Plan;
- Monitoring of provincial compliance with the 2016 OD Directive, the 2021 HRP Directive, the 2014 HR Delegation Directive and 2022 OFA Directive.
- Monitoring of provincial implementation of the Operations Management Framework (OMF).
- Strengthening of the employee health and wellness programmes to decrease environmental challenges; and
- Approval of the Provincial Labour Relations Framework and Implementation Plan.

Prioritised areas for 2022-23, in terms of the MTEF HR Plan, were:

- Conversion of the PMDS strategy to a provincial Standard Operating Procedure (SOP);
- Approval of the Succession Plan;
- Re-prioritisation of Change Management as a scarce and critical skill, and prioritizing business process mapping and the development of SOPs, as well as mentoring and coaching, as part of the 2023-24 WSP;
- Approval of the E-learning policy/guideline;
- Broad introduction of the generic management KRA for implementation 1 April 2023;



- Engaging DPSA to capacity OTP on the skills audit framework;
- Communication of the report on 18 days mandatory training for SMS members, via a memo;
- Presentation of the attendance register as a control measure for strengthened leave management, for consideration;
- Phased-in approach to filling of the ITC Shared Services Centre, based on available funding (over the MTEF);
- Bi-annual report and comprehensive annual report, to lift any 'red flag' areas in terms of sick leave utilisation.
- Preparatory assessment on reasonable accommodation for people with disability;
- Development of a draft strategy on improving on achieving EE targets, taking into account existing barriers;
- Developing a plan outlining source of information and process to be followed, advocacy creation and starting information gathering towards an organisational climate assessment;
- Quarterly circulars on the Code of Conduct and identified labour relations-related topics;
- Securing a service provider for the commencement of the review of the departmental organisational structure;
- Review of the departmental Service Delivery Model (SDM);
- Development of a guideline for the mapping of business processes and development of standard operating procedures (SOPs), initiation of the BPM project and establishment of a repository in this regard;
- JE of ITC Shared Services Centre positions;
- Development of guideline on management and maintenance of Job Descriptions and establishment of a repository in this regard;
- Training for OHS representatives, and strengthening of EHW capacity through in-service interventions.

2.3 WORKFORCE PLANNING AND KEY STRATEGIES TO ATTRACT AND RECRUIT A SKILLED AND CAPABLE WORKFORCE

For the year under review, twenty-six SMT Members participated in Executive and Mandatory Training as part of the compulsory training days and to ensure continuous leadership development.

The Succession Plan Guide is approved after consultation sessions have been exhausted. Additional research for the E-Learning Guide is currently underway. Criteria to subsidized professional membership/registration fees is in consultation. The departmental Internship Policy has been developed and is currently in consultation. Training Impact assessment forms have been implemented with the view to conduct assessment for process and system improvement.

Thirty-Five Interns of which one is a Work Integrated Learner (WIL) was placed in Office of the Premier for work place experience. Twelve bursaries were awarded to qualifying employees.

More employees could participate in training as a result of the NSG/National Treasury funded roll-out of training.

2.4 EMPLOYEE PERFORMANCE MANAGEMENT

Intensive advocacy and internalization of the incorporation of the generic KRA on management responsibilities (i.e. management responsibilities, including change management, strategic planning, policy review and input, leave and performance management, reporting on gender mainstreaming and OFA) need to still be rolled out to institutionalise this change, which was not taken up as broadly as hoped.

2.5 EMPLOYEE WELLNESS PROGRAMME

The Employee Health and Wellness programme is operational in the Office of the Premier, with all required policies in place. The necessary measures are in place to monitor and evaluate the impact of health promotion programmes. During the year under review there were a total of four policy support networks; three health prevention programmes and a number of e-health prevention promotions. HIV counselling and testing services were offered for the period of April 2022 to March 2023.

2.6 ACHIEVEMENTS AND CHALLENGES FACED BY THE DEPARTMENT

Key achievements for 2022-23

2.6.1 HR Utilisation and Development

- The PMDS Strategy was successfully converted into a Provincial Standard Operating Procedure, and was approved by the Director-General.
- The succession plan was developed and approved for implementation, effective from 01 April 2023.
- Group training was prioritised in the WSP for 2022-23.
- In response to the priority placed on the engagement of the DPSA to capacitate the Department on the skills audit framework, a workshop was held in collaboration with the DPSA, towards the development of a comprehensive competency framework for the Department by 31 March 2024.
- The mandatory training for SMS members was prioritised for implementation, by way of the roll-out of the departmental WSP for 2022-23.
- A database was also created to ensure the tracking of the 18 days requirement for mandatory training for SMS members. In addition, report on this matter was thoroughly communicated to SMS members, and submitted to the DPSA.

2.6.2 HR Practices and Administration Services

- The Department commenced with a phased-in approach for the establishment and staffing of the ITC Shared Service Centre for the Province, and interviews were held for three (3) Director positions within this Unit during the 2022-23 financial year. Progress was made in terms of a number of critical vacancies during 2022-23, for example for the position of Manager: Governance Research.
- Targeted advertising was furthermore introduced to address the challenge of getting adequate applications from persons with disabilities. The Department does, however, have 2.38% of its overall staff complement represented by persons with disabilities, and achieved 50% representation by females at SMS level.

2.6.3 Organisational Development and Change Management

- External service providers commenced during 2022-23 with the roll-out of the departmental structure review process. The process will, however, only be concluded during the 2023-24 financial year. The project includes the broader strategic alignment between the Strategic Plan, the Service Delivery Model, the organisational structure, the HR Plan and the budget structure, and affects processes related to Job Descriptions, Job Evaluation, etc., which will form part of the implementation of the reviewed organisational structure, once approved.

2.7 Summary of implementation challenges for 2022-23

- Delays in the structural review process negatively impacted on a number of HRP targets, including the finalisation of the review of the SDM, Job Descriptions and Job Evaluation, as well as certain areas of business process mapping and development of SOPs. The challenges experienced due to the non-implementation of the 2017 approved organisational structure in terms of PERSAL clean-up, etc. was therefore further compounded.
- Clear timelines were not attached to the planned OHS capacity building initiatives planned for 2022-23, which resulted in the target not being met, due to the Department not being left with enough time to mitigate the unforeseen disruption of the services in the Public Service. This matter will, however, be concluded in 2023-24, through the setting of clear timelines earlier in the financial year, to enable the Department to deal with any unforeseen eventualities.
- Capacity challenges, especially in the area of analysis of information, prevented the Department from concluding the organisational climate assessment process. The ability to meet the targets around the preparatory assessment of reasonable

accommodation for people with disabilities, and the analysis and identification of 'red flag' areas in terms of sick leave was also prohibited as a result of the indicated capacity challenges.

- Continuing budget cuts and increasing capacity challenges (in terms of numbers and requisite skills) is making it increasingly difficult to maintain the overall performance of the organization, placing further strain on the existing human resources, and negatively impacts on overall staff morale and well-being.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

The department provides the following key information on its human resources. All the financial amounts are similar to the amounts disclosed in the annual financial statements.

3.1 PERSONNEL RELATED EXPENDITURE

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

- Amount spent on personnel; and
- Amount spend on salaries, overtime, homeowner's allowances and medical aid.

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	139 817	64 870	0	0	46%	624
Institutional Development	94 149	65 712	0	0	70%	685
Policy and Governance	49 509	36 759	0	0	74%	766
Total	283 475	167 341	0	0	59%	675

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)
Skilled (level 3-5)	16 467	10%	53	311
Contract (Levels 3-5)	881	1%	7	126
Highly skilled production (levels 6-8)	25 795	15%	61	423
Contract (Levels 6-8)	2 035	1%	9	226
Highly skilled supervision (levels 9-12)	70 958	42%	88	806
Contract (Levels 9-12)	5 477	3%	8	685
Senior and Top management (levels 13-16)	36 362	22%	26	1 399
Contract (Levels >= 13)	9 026	5%	6	1 504
Total	167 001	-	258	-

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	55 414	85%	906	1%	1 367	2%	2 589	4%
Institutional Development	56 043	85%	42	0%	1 381	2%	2 508	4%
Policy and Governance	30 696	84%	29	0%	532	1%	1 330	4%
Total	142 153	85%	977	1%	3 280	2%	6 427	4%

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 (HOA)		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
Skilled (level 3-5)	12 084	73%	245	1%	909	6%	1 859	11%
Contract (Levels 3-5)	881	100%	0	0%	0	0%	0	0%
Highly skilled production (levels 6-8)	20 086	78%	314	1%	971	4%	2 103	8%
Contract (Levels 6-8)	2 013	99%	21	1%	0	0%	0	0%
Highly skilled supervision (levels 9-12)	60 600	85%	397	1%	1 085	2%	2 124	3%
Contract (Levels 9-12)	5 372	98%	0	0%	0	0%	0	0%
Senior management (level 13-16)	32 621	90%	0	0%	315	1%	301	1%
Contract (Levels >= 13)	8 496	94%	0	0%	0	0%	40	1%
Total	142 153	85%	977	1%	3 280	2%	6 427	4%



3.2 EMPLOYMENT AND VACANCIES

The tables in this section summarise the position with regard to employment and vacancies.

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

- Programme
- Salary band
- Critical occupations

The vacancy rate reflects the percentage of posts that are not filled.

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

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	111	104	6%	0
Institutional Development	99	95	4%	0
Policy and Governance	52	48	8%	0
Total	262	247	6%	0

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

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Skilled (3-5)	64	63	2%	0
Highly skilled production (6-8)	61	59	3%	0
Highly skilled supervision (9-12)	100	90	10%	0
Senior management (13-16)	37	35	5%	0
Total	262	247	6%	0

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 filled	Vacancy Rate	Number of employees additional to the establishment
Administrative related	107	97	9%	0
Client and information clerks/switchboard/Reception	1	1	0%	0
Communication and information related	3	3	0%	0
Engineers and related professionals	1	1	0%	0
Executive Authority	1	1	0%	0
Financial and Economics related	9	9	0%	0
Financial clerks and credit controllers	11	10	9%	0
Food services aids and waiters	9	9	0%	0
General Assistants and related	3	3	0%	0
Hr & org development & relate professionals	29	28	3%	0
HR Clerks and related	4	4	0%	0
Information technology related	7	7	0%	0
Legal admin and related professionals related	4	4	0%	0
Library mail and related clerks	19	19	0%	0
Risk management and Security	1	1	0%	0
Secretaries & other keyboard operating clerks	15	14	7%	0
Security and related	4	4	0%	0
Senior managers	26	24	8%	0
Top managers	8	8	0%	0
TOTAL	262	247	6%	0

3.3 FILLING OF SMS POSTS

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



Table 3.3.1 SMS post information as on 31 March 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	6	6	100%	0	0%
Salary Level 14	6	6	100%	0	0%
Salary Level 13	22	20	91%	2	9%
Total	37	35	95%	2	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	1	50%	1	50%
Salary Level 15	5	5	100%	0	0%
Salary Level 14	6	5	83%	1	17%
Salary Level 13	25	21	84%	4	16%
Total	39	33	85%	6	15%

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	1	0	0
Salary Level 13	4	1	0
Total	5	1	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

Reason for vacancies not advertised within six months
The process of filling vacant funded posts was aligned to the provincial moratorium on filling of funded vacancies and it had a negatively impact on the timeframes of filling vacant positions.

Reason for vacancies not advertised within twelve months
N/A

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

Reason for vacancies not advertised within six months
The process of filling vacant funded posts was aligned to the provincial moratorium on filling of funded vacancies and it had a negatively impact on the timeframes of filling vacant positions.

Reason for vacancies not filled within six months
The process of filling vacant funded posts was aligned to the provincial moratorium on filling of funded vacancies and it had a negatively impact on the timeframes of filling vacant positions.

3.4 JOB EVALUATION

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

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

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% Of posts evaluated	Number	% Of posts evaluated
Skilled (Levels 3-5)	64	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	61	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	100	1	1%	0	0	0	0
Senior Management Service Band A	22	1	5%	0	0	0	0
Senior Management Service Band B	6	0	0	0	0	0	0
Senior Management Service Band C	6	0	0	0	0	0	0
Senior Management Service Band D	3	0	0	0	0	0	0
Total	262	2	1%	0	0	0	0

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

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

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

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

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

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
N/A	-	N/A	N/A	N/A
Total	-	N/A	N/A	N/A
Total number of employees whose salaries exceeded the level determined by job evaluation				
Percentage of total employed				0%

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
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Total number of Employees whose salaries exceeded the grades determine by job evaluation					None
Employees with a disability					None

3.5 EMPLOYMENT CHANGES

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

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
Skilled (Levels 3-5)	52	8	2	3,85%
Highly skilled production (Levels 6-8)	56	9	0	0%
Highly skilled supervision (Levels 9-12)	86	12	2	2,33%
Senior Management Service Band A	18	2	0	0%
Senior Management Service Band B	5	1	0	0%
Senior Management Service Band C	3	0	0	0%
Senior Management Service Band D	4	0	0	0%
TOTAL	224	32	4	1,8%

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 2022	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related	76	21	2	2,6%
Client and information clerks/switchboard/ Reception	1	0	0	0%
Communication and information related	3	1	0	0%
Engineers and related professionals	1	0	0	0%
Executive Authority	1	0	0	0%
Financial and Economics related	9	0	1	11,1%
Financial clerks and credit controllers	11	1	0	0%
Food services aids and waiters	8	1	0	0%
General Assistants and related	3	0	1	33,3%
Hr & org development & relate professionals	28	0	0	0%
HR Clerks and related	4	0	0	0%
Information technology related	7	0	0	0%
Legal admin and related professionals related	4	0	0	0%
Library mail and related clerks	19	0	0	0%
Messengers porters and deliverers	1	1	0	0%
Risk management and Security	1	1	0	0%
Secretaries & other keyboard operating clerks	13	2	0	0%
Security and related	5	1	0	0%
Senior managers	23	3	0	0%
Top managers	6	1	0	0
TOTAL	224	33	4	1.8%



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

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

Termination Type	Number	% Of Total Resignations
Resignation	2	50%
Retirement	2	50%
TOTAL	4	100%
Total number of employees who left as a % of the total employment	4 of 224	2%

Table 3.5.4 Promotions by critical occupation for the period 1 April 2022 to 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
Administrative related	76	4	5%	0	0%
Client and information clerks/switchboard/ Reception	1	0	0%	0	0%
Communication and information related	3	0	0%	0	0%
Engineers and related professionals	1	0	0%	0	0%
Executive Authority	1	0	0%	0	0%
Financial and Economics related	9	0	0%	0	0%
Financial clerks and credit controllers	11	0	8%	0	0%
Food services aids and waiters	8	0	0%	0	0%
General Assistants and related	3	0	0%	0	0%
Hr & org development & relate professionals	28	1	3%	0	0%
HR Clerks and related	4	0	0%	0	0%
Information technology related	7	0	0%	0	0%
Legal admin and related professionals related	4	0	0%	0	0%
Library mail and related clerks	19	0	0%	0	0%
Messengers porters and deliverers	1	0	0%	0	0%
Risk management and Security	1	0	0%	0	0%
Secretaries & other keyboard operating clerks	13	0	0%	0	0%
Security and related	5	0	0%	0	0%
Senior managers	23	0	0%	0	0%
Top managers	6	0	0%	0	0%
TOTAL	224	5	2%	0	0%

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

Salary Band	Employees at 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
Skilled (Levels 3-5)	58	0	0%	0	0%
Highly skilled production (Levels 6-8)	52	1	2%	0	0%
Highly skilled supervision (Levels 9-12)	82	4	4%	0	0%
Senior management (Levels 13-16)	32	0	0%	0	0%
TOTAL	224	5	2%	0	0%

3.6 EMPLOYMENT EQUITY

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

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	36	14	2	1	43	17	1	7	121
Professionals	1	2	0	1	0	0	0	0	4
Technicians and associate professionals	15	4	0	0	21	9	0	3	52
Clerks	8	7	0	0	27	6	1	2	51
Elementary occupations	8	0	0	0	7	4	0	0	19
Total	68	27	2	2	98	36	2	12	247
Employees with disabilities	1	1	0	0	1	2	0	0	5



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	4	1	0	0	3	1	0	0	9
Senior Management	7	2	2	0	3	5	1	4	24
Professionally qualified and experienced specialists and mid-management	12	6	0	2	15	3	0	3	41
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	14	7	0	0	22	8	0	0	51
Semi-skilled and discretionary decision making	25	11	0	0	48	14	1	5	104
Unskilled and defined decision making	6	0	0	0	7	5	0	0	18
Total	68	27	2	2	98	36	2	12	247

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	2	0	0	0	1	0	0	0	3
Senior Management	1	0	0	0	1	0	0	0	2
Professionally qualified and experienced specialists and mid-management	1	0	0	0	0	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	3				6	1		1	11
Semi-skilled and discretionary decision making	3	0	0	0	9	3	0	1	16
Unskilled and defined decision making	1	0	0	0	0	1	0	0	2
TOTAL	11	0	0	0	17	5	0	2	35
Employees with disabilities	1	0	0	0	1	0	0	0	2

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	
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	0	0	0	0	3	0	0	0	3
Semi-skilled and discretionary decision making	0	0	0	0	2	0	0	0	2
TOTAL	0	0	0	0	5	0	0	0	5
Employee with disabilities	0	0	0	0	1	0	0	0	1

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	
Professionally qualified and experienced specialists and mid-management, Permanent	0	0	0	0	0	1	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	0	0	0	0	1	0	0	0	1
Semi-skilled and discretionary decision making	0	0	0	0	0	1	0	0	1
Unskilled and defined decision making	1	0	0	0	0	0	0	0	1
TOTAL	1	0	0	0	1	2	0	0	4
Employee 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	
Absenteeism	1	0	0	0	0	0	0	0	1
Insubordination	1	0	0	0	0	0	0	0	1
Unacceptable/ improper conduct	1	0	0	0	1	0	0	0	2
Total	3	0	0	0	1	0	0	0	4

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	1	1	0	0	1	1	0	4	8
Professionals	5	5	0	0	12	0	1	0	23
Technicians and associate professionals	2	1	0	0	12	3	0	0	18
Clerks	10	0	0	0	24	9	1	1	45
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Labourers and related workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupation	0	0	0	0	0	0	0	0	0
Interns	0	0	0	0	0	1	0	0	1
Total	18	7	0	0	49	14	2	5	95
Employees with disabilities	0	0	0	0	0	0	0	0	0

3.7 SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

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

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 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 15	2	2	2	100%
Salary Level 14	4	4	3	75%
Salary Level 13	20	20	20	100%
Total	27	27	26	96%

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

Reasons
Contract appointment terms and conditions of contract

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

Reasons
Matter referred to Labour Relations and Legal Services

3.8 PERFORMANCE REWARDS

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

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 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					
Male	0	0	0%	0	0
Female	0	0	0%	0	0

Asian					
Male	0	0	0%	0	0
Female	0	0	0%	0	0
Coloured					
Male	0	0	0%	0	0
Female	0	0	0%	0	0
White					
Male	0	0	0%	0	0
Female	0	0	0%	0	0
Total	0	0	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	
Skilled (level 3-5)	0	0	0%	0	0	0%
Highly skilled production (level 6-8)	0	0	0%	0	0	0%
Highly skilled supervision (level 9-12)	0	0	0%	0	0	0%
Total	0	0	0%	0	0	0%

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 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
Administrative Related	0	0	0%	0	0
Client Information Clerks/ Switchboard/ Reception	0	0	0%	0	0
Communication and Related	0	0	0%	0	0
Engineers and related professionals	0	0	0%	0	0
Executive Authority	0	0	0%	0	0
Finance and Economics	0	0	0%	0	0
Financial Clerks and Credit	0	0	0%	0	0
Food Service Aid	0	0	0%	0	0
General Assistant	0	0	0%	0	0
HR and OD	0	0	0%	0	0
Human Resources Clerks	0	0	0%	0	0
IT and Related	0	0	0%	0	0
Legal Admin and Related	0	0	0%	0	0
Library Mail and Related	0	0	0%	0	0
Psychologists and Related	0	0	0%	0	0
Risk Management and Security	0	0	0%	0	0
Secretaries & Other	0	0	0%	0	0
Security Officers	0	0	0%	0	0
Senior Managers	0	0	0%	0	0
Top Management	0	0	0%	0	0
Total	0	0	0%	0	0

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	0	0	0%	0	0	0%
Band B	0	0	0%	0	0	0%
Band C	0	0	0%	0	0	0%
Band D	0	0	0%	0	0	0%
Total	0	0	0%	0	0	0%



3.9 FOREIGN WORKER

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

Table 3.9.1 Foreign workers by salary band for the period 1 April 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
Administrative Office workers	0	0%	0	0%	0	0%
Total	0	0%	0	0%	0	0%

3.10 LEAVE UTILISATION

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

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

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)
Skilled (levels 3-5)	409	87%	40	23%	10	402
Highly skilled production (levels 6-8)	320	73%	44	25%	7	500
Contract (Levels 6-8)	71	49%	14	8%	5	37
Highly skilled supervision (levels 9 -12)	483	79%	63	36%	8	1 312
Contract (Levels 9-12)	3	67%	1	1%	3	6
Top and Senior management (levels 13-16)	163	89%	15	9%	11	814
Total	1 449	74%	177	100%	8	3 071

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

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)
Skilled (Levels 3-5)	38	100%	1	50%	38	38
Highly skilled supervision (Levels 9-12)	127	100%	1	50%	127	275
TOTAL	165	100%	2	100%	83	313

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

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

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Skilled (Levels 3-5)	1 387	58	24
Contract (Levels 3-5)	17	1	17
Highly skilled production (Levels 6-8)	1 537	59	26
Contract (Levels 6-8)	299	20	15
Highly skilled supervision (Levels 9-12)	2 169	90	24
Contract (Levels 9-12)	41	2	21
Senior management (Levels 13-16)	491	22	22
Contract (Levels 13-16)	30	2	15
TOTAL	5 971	254	24

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
N/A	N/A	N/A	N/A	N/A
TOTAL				

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

Table 3.10.5 Leave pay-outs for the period 1 April 2022 and 31 March 2023

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Annual - discounting with resignation (work days)	40	1	40
Annual - gratuity: death/retirement/medical retirement (work	198	3	66
Capped - gratuity: death/retirement/medical retirement (work	202	1	202
TOTAL	440	5	88

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
Interns and Contract Employees	Implement programmes on behaviour change communication for non-communicable diseases • HCT screening • Condoms distributed • Policy review

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.	√		Bonnie Thekisho Director - Employee Health and Wellness
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.	√		One Senior Manager One Manager: Registered Counsellor; Two Assistant Directors: Occupational Hygienist and SHERQ Practitioner Two support staff personnel Good and Services R129 498 Compensation of Employees R 4, 110 411

Question	Yes	No	Details, if yes
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.	√		Behaviour Change Communication Programme Occupational Health Services Psycho-Social intervention Health screening programme
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.	√		The previous health and safety committee contract expired. The department has appointed a new committee. Training has to be undertaken in the new financial year There is an OHS advisory Committee comprising of Ms. Swartz, Mr. Thekisho, and Mr. America
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 reviewed.	√		The Bereavement in the workplace policy was reviewed for the period.
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.	√		EHW Framework including four policies protected the rights of employees against stigma and discrimination. A session was held on bullying and gender-based violence in collaboration with the Thuthuzela Care Centre, and Private practising Psychologist.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	√		HIV counselling and Testing services offered for the period of April 2022-March 2023. - Total Females tested: 64 - Total males tested: 19 - Grand Total tested: 83



Question	Yes	No	Details, if yes
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	√		1. Policy Support Learning Networks (4) 2. Number of Health Prevention Programmes (12) • Flu Vaccination • Wellness Day • 17 Employees visited the Occupational Health Center for various monitoring screening • 8 Employees assisted with Psycho-Social interventions • Nutrition and Healthy Lifestyle Campaign • Wellness screening programme (3) • Recreation Day 3. Employees assisted with the Psycho-Social interventions and 10 employees with Occupational Health Facilities • Bullying and Gender based Violence • Health and Safety Committee • Number of e-health prevention Promotions (8) • Africa vaccination week • The Importance of Occupational Health and Safety Act (OHSA) • World No Tobacco • Stress Management notes • Women's Health • Health and Safety Awareness • World Hepatitis • First Aid Awareness

3.12 LABOUR RELATIONS

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

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

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

Outcomes of disciplinary hearings	Number	% Of total
Correctional counselling	0	0%
Verbal warning	1	33%
Written warning	1	33%
Final written warning	1	33%
Suspended without pay	0	0%
Fine	0	0%
Demotion	0	0%
Dismissal	0	0%
Not guilty	0	0%
Case withdrawn	0	0%
Total	3	100%

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

Type of misconduct	Number	% Of total
Unacceptable/ improper conduct	1	33%
Absenteeism	1	33%
Insubordination	1	33%
Total	3	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	3	60%
Number of grievances not resolved	2	40%
Total number of grievances lodged	5	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	0	0%
Number of disputes dismissed	1	100%
Total number of disputes lodged	1	100%

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

Total number of persons working days lost	0
Total costs working days lost	0
Amount recovered as a result of no work no pay (R'000)	0

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

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

3.13 SKILLS DEVELOPMENT

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

Table 3.13.1 Training needs identified for the period 1 April 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	6	0	20	0	20
	Male	13	0	17	0	17
Professionals	Female	25	0	63	26	89
	Male	30	0	64	8	72
Technicians and associate professionals	Female	54	0	7	0	7
	Male	34	0	9	0	9
Clerks	Female	45	0	86	0	86
	Male	21	0	66	0	66
Service and sales workers	Female	4	0	3	0	3
	Male	10	0	5	0	5
Elementary occupations	Female	7	0	4	0	4
	Male	8	0	3	0	3
Sub Total	Female	141	0	183	26	202
	Male	116	0	164	8	164
Total		257	0	347	34	366

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	6	0	11	0	11
	Male	13	0	6	0	6
Professionals	Female	25	0	22	26	48
	Male	30	0	20	8	28
Technicians and associate professionals	Female	54	0	5	0	5
	Male	34	0	1	0	1
Clerks	Female	45	0	32	0	32
	Male	21	0	7	0	7
Service and sales workers	Female	4	0	2	0	2
	Male	10	0	3	0	3
Elementary occupations	Female	7	3	0	0	3
	Male	8	1	0	0	1
Sub Total	Female	141	3	72	26	101
	Male	116	1	37	8	46
Total		257	4	109	34	147

*Bursaries, POPI ACT Webinar and PSTF Peer Learning Exchange Programme has been captured under "other forms of training".

*Skills Programs/short courses provided exceeded numbers planned in 3.13.1 as a result of NSG free/open e-learning training offered during the course of the financial year.

3.14 INJURY ON DUTY

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 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

Consultants utilised for the period 1 October 2022 to 31 March 2023



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)	0	0	0	0
Skilled Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
Total	0	0	0	0



PART E

PFMA COMPLIANCE REPORT

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

1.1 Irregular expenditure

(a) Reconciliation of irregular expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	23,697	23,356
Add: Irregular expenditure confirmed	-	341
Less: Irregular expenditure condoned	(22,012)	-
Closing balance	1,685	23,697

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

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure under assessment	3,231	-
Total	3,231	-

There is a disagreement between AGSA and the department concerning the regularity of a payment of R3 230 698 that was processed during the financial year. A dispute was declared by the department on this matter as there is no contravention of any legislation, nor was it not in accordance with a requirement of any applicable legislation. A proper assessment will be conducted in liaison with National Treasury, Department of Public Service Administration and other relevant stakeholders to determine whether the transaction is irregular or not.

(c) Details of current and previous year irregular expenditure condoned

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure condoned	(22,012)	-
Total	(22,012)	-

2. Late and / or non-payment of suppliers

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	3 578	116,361
Invoices paid within 30 days or agreed period	3 577	116,135
Invoices older than 30 days or agreed period (unpaid and without dispute)	1	226

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
Procurement of Zoom licenses	Zoom Video Communication Inc.	Request for quotation	N/A	5
Transcription, translation and interpretation services	Elf Pro Transcriptions	Request for quotation	N/A	42
Review and alignment of the Office of the Premier Annual Performance Planning processes and documents	Evers Excellence	Request for quotation	N/A	510
Review and alignment of the Office of the Premier Annual Performance Planning processes and documents	Daltim Consultancy	Request for quotation	N/A	340
Total				897

3.2 Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Security services	Morning Glory	Expansion	PO 02/04/2021	3,594	-	2,088
Public liability	Indwe Risk	Expansion	N/A	144	-	5
Short term vehicle rental	Avis	Variation	PO 01/10/2019	10 989	-	Demand driven
Office accommodation	Transnet	Variation	N/A	37,150	12,992	6,496
Telecommunication – fixed lines (Transnet building)	Liquid Telecommunication	Variation	N/A	1,630	-	815
Hygiene services	Bidvest Steiner	Variation	N/A	465	-	157
Catering	Khans Catering	Expansion	N/A	3	-	1
Total				53,975	12,992	9,562



PART F

FINANCIAL INFORMATION

REPORT OF THE AUDITOR-GENERAL TO THE NORTHERN CAPE PROVINCIAL LEGISLATURE ON VOTE NO. 1: OFFICE OF THE PREMIER

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

1. I have audited the financial statements of the Office of the Premier set out on pages 93 to 139, 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, 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 National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis For Opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the Office of the Premier in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis Of Matters

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

Restatement of corresponding figures

7. As disclosed in note 27 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 Office of the Premier at, and for the year ended 31 March 2023.

An uncertainty relating to the future outcome of exceptional litigation

8. With reference to note 16.1 to the financial statements, the Office of the Premier is the defendant in lawsuits. The Office of the Premier is opposing these claims, as it believes that these claims are invalid. The ultimate outcome of the matters could not be determined and no provision for any liability that may result was made in the financial statements.

Underspending of the budget

9. As disclosed in the appropriation statement, the Office of the Premier materially underspent on the vote by R16 321 000.

Other matter

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



National Treasury Instruction No. 4 of 2022/2023: PFMA Compliance and Reporting Framework.

11. On 23 December 2022, the National Treasury issued Instruction No. 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, among 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 21 to the financial statements of the Office of the Premier. 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.

Unaudited supplementary schedules

12. The supplementary information set out on pages 134 to 139 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS prescribed by National Treasury and the requirements of the PFMA and for such internal control, as the accounting officer determines what is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
14. In preparing the financial statements, the accounting officer is responsible for assessing the Office of the Premier'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 Office of the Premier 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

15. 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.
16. 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

17. 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 the selected programme presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
18. I selected the following programme presented in the annual performance report for the year ended 31 March 2023, for auditing. I selected a programme that measures the Office of the Premier's performance on its primary mandated functions and that is of significant national, community or public interest.

Programme	Page numbers	Purpose
Institutional development	26 - 33	The purpose of the programme is to strategically lead the province towards long term planning for human capital, towards a developmental orientated public service and provision of advisory legal services

19. I evaluated the reported performance information for the selected programme 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 Office of the Premier's planning and delivery on its mandate and objectives.
20. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the Office of the Premier'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.
21. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion.
22. I did not identify any material findings on the reported performance information of programme 2: institutional development

Other matter

23. I draw attention to the matter below.

Achievement of planned targets

24. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and underachievement.

Report on compliance with legislation

25. 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 Office of the Premier's compliance with legislation.
26. 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.
27. 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 Office of the Premier, 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.
28. I did not identify any material non-compliance with the selected legislative requirements.



Other information in the annual report

29. 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 the selected programme presented in the annual performance report that have been specifically reported on in this auditor's report.
30. 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.
31. 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.
32. The other information I obtained prior to the date of this auditor's report is the disclosure of the unauthorised, irregular and fruitless and wasteful expenditure, and the remaining information is expected to be made available to us after 31 July 2023.
33. 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. I have not identified any material findings. When I do receive and read the remaining other 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

34. 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.
35. I did not identify any significant deficiencies in internal control.

Auditor General

Kimberley

31 July 2023



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE TO THE AUDITOR'S REPORT

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

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

Financial statements

- 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 Office of the Premier'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 Office of the Premier to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause the Office of the Premier 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

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

I also 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

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act No.1 of 1999 (PFMA)	PFMA 38(1)(c)(i) PFMA 40(1)(a); 40(1)(b); 40(1)(c)(i) PFMA 38(1)(b); 38(1)(c)(ii); 39(1)(a); 39(2)(a); 43(4); 45(b) PFMA 38(1)(d) PFMA 38(1)(h)(iii) PFMA 38(1)(a)(iv); 38(1)(b); 38(1)(c); 38(1)(c)(ii); 44; 44(1); 44(2); 45(b); 50 (3); 50(3)(a)
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)	Treasury Regulation 7.2.1; 11.4.1; 11.4.2; 11.5.1 Treasury Regulation 17.1.1; 18.2; 19.8.4 Treasury Regulation 6.3.1(a); 6.3.1(b); 6.3.1(c); 6.3.1(d); 6.4.1(b); 8.1.1; 8.2.1; 8.2.3; 9.1.1; 15.10.1.2(c) Treasury Regulation 10.1.1(a); 10.1.2; 16A.7.1; 16A.7.3; 16A.7.6; 16A.7.7 Treasury Regulation 8.4.1 Treasury Regulation 5.2.1; 5.2.3(d); 5.3.1 Treasury Regulation 4.1.1; 4.1.3; 9.1.4; 12.5.1; 16A9.1(b)(ii); 16A9.1(e); 16A9.1(f) Treasury Regulation 16A 3.1; 16A 3.2 (fairness); 16A 3.2(a); 16A 6.1; 16A6.2(a) & (b); 16A6.2(e); 16A 6.3(a); 16A 6.3(a)(i); 16A 6.3(b); 16A 6.3(c); 16A 6.3(d); 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; 16A8.2 (1) and (2); 16A 8.3; 16A 8.3(d); 16A 8.4; 16A 9; 16A 9.1; 16A9.1 (c); 16A 9.1(d); 16A 9.1(e); 16A 9.2; 16A 9.2(a)(ii); 16A 9.2(a)(iii); 8.2.1; 8.2.2
Public service regulation	Public service regulation 25(1)(e)(i); 25(1)(e)(iii) Public service regulation 13(c); 18; 18 (1) and (2)
Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)	Section 34(1) PRECCA Section 29
Construction Industry Development Board Act No.38 of 2000 (CIDB)	Section 18(1)
Construction Industry Development Board Regulations	CIDB regulation 17; 25(1); 25 (5) & 25(7A)
PPPFA	Section 1(i); 2.1(a); 2.1(b); 2.1(f)
PPR 2017	Paragraph 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; 7.6; 7.8; 8.2; 8.5; 9.1; 9.2; 10.1; 10.2; 11.1; 11.2; 12.1 and 12.2
PPR 2022	Paragraph 3.1; 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
SITA ACT	SITA Act section 7(3); 20(1)(a)(l); 7(6)(b)
SITA regulations	SITA reg 8.1.1 (b); 8.1.4; reg 8.1.7; reg 9.6; reg 9.4; reg 12.3; reg 13.1 (a); reg 14.1; reg 14.2
PFMA SCM Instruction no. 09 of 2022/2023	Par. 3.1; par. 3.3 (b); par. 3.3 (c); par. 3.3 (e); par 3.6
National Treasury Instruction No.1 of 2015/16	Paragraph 3.1; 4.1; 4.2

Legislation	Sections or regulations
NT SCM Instruction Note 03 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4; 4.4(a); 4.4 (c) -(d); 4.6; 5.4; 7.2; 7.6
NT SCM Instruction 4A of 2016/17	Paragraph 6
NT SCM Instruction Note 03 2019/20	Par 5.5.1(vi); 5.5.1(x);
NT SCM Instruction Note 11 2020/21	Paragraph 3.1; 3.4 (a) and (b); 3.9; 6.1;6.2;6.7
NT SCM Instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.2; 3.2.4(a) and (b) ; 3.3.1; 3.2.2; 4.1
PFMA SCM Instruction 04 of 2022/23	Paragraph 4(1); 4(2); 4(4)
Practice Note 5 of 2009/10	Paragraph 3.3
PFMA SCM instruction 08 of 2022/23	Paragraph 3.2; 4.3.2; 4.3.3
Competition Act	Section 4(1)(b)(ii)
NTinstructionnote4of2015/16	Paragraph 3.4
NT instruction 3 of 2019/20 - Annexure A	Section 5.5.1 (iv) and (x)
Second amendment of NTI 05 of 2020/21	Paragraph 4.8; 4.9 ; 5.1 ; 5.3
Erratum NTI 5 of 202/21	Paragraph 1
Erratum NTI 5 of 202/21	Paragraph 2
Practice note 7 of 2009/10	Paragraph 4.1.2
Practice note 11 of 2008/9	Paragraph 3.1; 3.1 (b)
NTinstructionnote1of2021/22	Paragraph 4.1
Public Service Act	Section 30 (1)
Employment of Educators Act ¹	Section 33 (1)



APPROPRIATION STATEMENT
for the year ended 31 March 2023

Appropriation per programme									
2022/23							2021/22		
	Approved Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final budget %	Final Budget R'000	Actual Expenditure R'000
Programme									
1. Administration	143,323	-	1,917	145,240	139,817	5,423	96,3%	122,469	115,484
2. Institutional Development	106,753	-	(1,707)	105,046	94,149	10,897	89,6%	91,446	89,218
3. Policy and Governance	49,720	39	(249)	49,510	49,509	1	100,0%	46,504	44,786
Subtotal	299,796	39	(39)	299,796	283,475	16,321	94,6%	260,419	249,488

2022/23					2021/22	
	Final Budget R'000	Actual Expenditure R'000	Final Budget R'000	Actual Expenditure R'000		
TOTAL (brought forward)						
Reconciliation with statement of financial performance						
ADD						
Departmental receipts	63				75	
Actual amounts per statement of financial performance (total revenue)	299,859		260,494			
Actual amounts per statement of financial performance (total expenditure)						249,488

APPROPRIATION STATEMENT
for the year ended 31 March 2023

Appropriation per economic classification									
2022/23							2021/22		
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Expenditure as % of final budget	Final Budget	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Economic classification									
Current payments	262,753	39	(3,681)	259,111	245,562	94,8%	220,201	209,785	
Compensation of employees	170,163	1	(63)	170,101	167,341	98,4%	157,341	153,415	
Goods and services	92,590	38	(3,618)	89,010	78,221	87,9%	62,860	56,370	
Transfers and subsidies	30,443	-	2,945	33,388	31,962	95,7%	35,623	35,523	
Provinces and municipalities	2	-	15	17	17	100,0%	3	3	
Departmental agencies and accounts	3	-	(1)	2	2	100,0%	3	3	
Non-profit institutions	8,049	-	-	8,049	8,049	100,0%	23,419	23,419	
Households	22,389	-	2,931	25,320	23,894	94,4%	12,198	12,098	
Payments for capital assets	6,600	-	346	6,946	5,600	80,6%	4,585	4,170	
Machinery and equipment	6,571	(952)	346	5,965	4,620	77,5%	4,081	3,666	
Intangible assets	29	952	-	981	980	99,9%	504	504	
Payments for financial assets	-	-	351	351	351	100,0%	10	10	
Total	299,796	39	(39)	299,796	283,475	94,6%	260,419	249,488	



APPROPRIATION STATEMENT
for the year ended 31 March 2023

Programme 1: Administration										2021/22	
2022/23											
	Approved 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		
Sub programme											
1. Premier Support	37,694	884	3,558	42,136	42,112	24	99,9%	27,621	27,186		
2. Executive Council	8,185	(878)	55	7,362	7,362	-	100,0%	7,257	7,144		
3. Director-General Support	44,743	50	465	45,258	40,258	5,000	89,0%	33,727	27,747		
4. Financial Management	52,701	(56)	(2,161)	50,484	50,085	399	99,2%	53,864	53,407		
Total for sub programmes	143,323	-	1,917	145,240	139,817	5,423	96,3%	122,469	115,484		
Economic classification											
Current payments	133,948	-	(1,203)	132,745	127,346	5,399	95,9%	113,804	107,334		
Compensation of employees	63,723	-	1,147	64,870	64,870	-	100,0%	61,829	60,718		
Goods and services	70,225	-	(2,350)	67,875	62,476	5,399	92,0%	51,975	46,616		
Transfers and subsidies	7,540	-	2,839	10,379	10,35540	24	99,8%	5,834	5,734		
Provinces and municipalities	2	-	-	2	2	-	100,0%	3	3		
Departmental agencies and accounts	3	-	(1)	2	2	-	100,0%	3	3		
Non-profit institutions	-	-	-	-	-	-	-	-	-		
Households	7,535	-	2,840	10,375	10,351	24	99,8%	5,828	5,728		
Payments for capital assets	1,835	-	(70)	1,765	1,765	-	100,0%	2,821	2,406		
Machinery and equipment	1,835	-	(70)	1,765	1,765	-	100,0%	2,321	1,906		
Intangible assets	-	-	-	-	-	-	-	500	500		
Payments for financial assets	-	-	351	351	351	-	100,0%	10	10		
Total	143,323	-	1,917	145,240	139,817	5,423	96,3%	122,469	115,484		

APPROPRIATION STATEMENT
for the year ended 31 March 2023

Programme 2: Institutional Development										2021/22	
2022/23											
	Approved 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		
Sub programme											
1. Strategic Human Resources	55,581	1,624	(1,092)	56,113	54,359	1,754	96,9%	57,214	57,213		
2. Information Communication Technology	28,411	(2,299)	(625)	25,487	19,737	5,750	77,4%	18,533	16,430		
3. Legal Services	10,174	959	8	11,141	10,448	693	93,8%	8,792	8,733		
4. Communication Services	8,461	104	-	8,565	5,935	2,630	69,3%	3,409	3,344		
5. Programme Support	4,126	(388)	2	3,740	3,670	70	98,1%	3,498	3,498		
Total for sub programmes	106,753	-	(1,707)	105,046	94,149	10,897	89,6%	91,446	89,218		
Economic classification											
Current payments	87,792	-	(2,180)	85,612	77,463	8,149	90,5%	68,052	65,824		
Compensation of employees	69,096	1	(625)	68,472	65,712	2,760	96,0%	60,041	58,944		
Goods and services	18,696	(1)	(1,555)	17,140	11,751	5,389	68,6%	8,011	6,880		
Transfers and subsidies	14,379	-	106	14,485	13,083	1,402	90,3%	21,964	21,964		
Provinces and municipalities	-	-	15	15	15	-	100,0%	-	-		
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-		
Non-profit institutions	-	-	-	-	-	-	-	15,698	15,698		
Households	14,379	-	91	14,470	13,068	1,402	90,3%	6,266	6,266		
Payments for capital assets	4,582	-	367	4,949	3,603	1,346	72,8%	1,430	1,430		
Machinery and equipment	4,553	(952)	367	3,968	2,623	1,345	66,1%	1,426	1,426		
Intangible assets	29	952	-	981	980	1	99,9%	4	4		
Payments for financial assets	-	-	-	-	-	-	-	-	-		
Total	106,753	-	(1,707)	105,046	94,149	10,897	89,6%	91,446	89,218		



APPROPRIATION STATEMENT
for the year ended 31 March 2023

Programme 3: Policy and Governance									
2022/23							2021/22		
	Approved 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
Sub programme									
1. Special Programmes	22,111	286	177	22,574	22,574	-	100,0%	19,886	19,887
2. Intergovernmental Relations	4,469	136	84	4,689	4,688	1	100,0%	4,120	4,120
3. Provincial Policy Management	20,778	(402)	(511)	19,865	19,865	-	100,0%	19,256	17,662
4. Programme Support	2,362	19	1	2,382	2,382	-	100,0%	3,242	3,117
Total for sub programmes	49,720	39	(249)	49,510	49,509	1	100,0%	46,504	44,786
Economic classification									
Current payments	41,013	39	(298)	40,754	40,753	1	100,0%	38,345	36,627
Compensation of employees	37,344	-	(585)	36,759	36,759	-	100,0%	35,471	33,753
Goods and services	3,669	39	287	3,995	3,994	1	100,0%	2,874	2,874
Transfers and subsidies	8,524	-	-	8,524	8,524	-	100,0%	7,825	7,825
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Non-profit institutions	8,049	-	-	8,049	8,049	-	100,0%	7,721	7,721
Households	475	-	-	475	475	-	100,0%	104	104
Payments for capital assets	183	-	49	232	232	-	100,0%	334	334
Machinery and equipment	183	-	49	232	232	-	100,0%	334	334
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	49,720	39	(249)	49,510	49,509	1	100,0%	46,504	44,786

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

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-H 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**

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
Programme	R'000	R'000	R'000	%
Administration	145,240	139,817	5,423	4%
Institutional Development	105,046	94,149	10,897	10%
Policy and Governance	49,510	49,509	1	-
Total	299,796	283,475	16,321	5%

4.2 Per economic classification

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
Economic classification	R'000	R'000	R'000	%
Current payments	259,111	245,562	13,549	5%
Compensation of employees	170,101	167,341	2,760	2%
Goods and services	89,010	78,221	10,789	12%
Transfers and subsidies	33,388	31,962	1,426	4%
Provinces and municipalities	17	17	-	-
Departmental agencies and accounts	2	2	-	-
Non-profit institutions	8,049	8,049	-	-
Households	25,320	23,894	1,426	6%
Payments for capital assets	6,946	5,600	1,346	19%
Machinery and equipment	5,965	4,620	1,345	23%
Intangible assets	981	980	1	-
Payments for financial assets	351	351	-	-
Total	299,796	283,475	16,321	5%



Virements and shifts were performed as per the appropriation statement above. A roll-over for R 3,411,941.00 has been requested for expenditure that was already committed at year-end.

Savings under Programme 1 is attributable to:

- The project for investigation of the Provincial legacy irregular expenditure whereby a formal bidding process was done for the procurement of a service provider to execute the project. However, the bid was cancelled due to the exorbitant prices from bidders. A request was sent to Provincial Treasury not to allocate these funds until such time an alternative procurement method is at an advanced stage.

Savings under Programme 2 is attributable to:

- Various commitments not processed at year end.
- The savings of R 2,758,947.00 was realised under compensation of employees due to the recruitment processes not concluded at year end.
- Savings under payment for capital assets is due to a delay in SITA to conclude procurement processes.

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2023

		2022/23	2021/22
	Note	R'000	R'000
REVENUE			
Annual appropriation	1	299,796	260,419
Departmental revenue	2	63	75
TOTAL REVENUE		299,859	260,494
EXPENDITURE			
Current expenditure			
Compensation of employees	3	167,341	153,415
Goods and services	4	78,221	55,851
TOTAL EXPENDITURE		245,562	209,266
Transfers and subsidies			
Transfers and subsidies	6	31,962	35,523
TOTAL TRANSFERS AND SUBSIDIES		31,962	35,523
Expenditure for capital assets			
Tangible assets	7	4,620	4,185
Intangible assets	7	980	504
TOTAL EXPENDITURE FOR CAPITAL ASSETS		5,600	4,689
Payments for financial assets	5	351	10
TOTAL EXPENDITURE		283,475	249,488
SURPLUS/(DEFICIT) FOR THE YEAR		16,384	11,006
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		16,321	10,931
Annual appropriation		16,321	10,931
Departmental revenue and NRF receipts	12	63	75
SURPLUS/(DEFICIT) FOR THE YEAR		16,384	11,006



STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2023

		2022/23	2021/22
	Note	R'000	R'000
ASSETS			
Current assets		12,671	4,360
Cash and cash equivalents	8	8,295	10
Prepayments and advances	9	18	46
Receivables	10	4,358	4,304
Non-current assets		3,662	6,719
Prepayments and advances	9	-	1,626
Receivables	10	3,662	5,093
TOTAL ASSETS		16,333	11,079
LIABILITIES			
Current liabilities		16,333	11,079
Voted funds to be surrendered to the Revenue Fund	11	16,321	10,931
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	12	12	19
Bank overdraft	13	-	129
TOTAL LIABILITIES		16,333	11,079
NET ASSETS		-	-

		2022/23	2021/22
	Note	R'000	R'000
Represented by:			
Recoverable revenue		-	-
TOTAL		-	-

STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2023

		2022/23	2021/22
	<i>Note</i>	R'000	R'000
Recoverable revenue			
Opening balance		-	2
Transfers:			
Irrecoverable amounts written off		-	(2)
Closing balance		-	-



CASH FLOW STATEMENT
for the year ended 31 March 2023

		2022/23	2021/22
	<i>Note</i>	R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		300,024	260,652
Annual appropriation funds received	1,1	299,796	260,419
Departmental revenue received	2	228	233
Net (increase)/decrease in net working capital		1,600	(2,564)
Surrendered to Revenue Fund		(11,166)	(5,026)
Current payments		(245,562)	(209,266)
Payments for financial assets		(351)	(10)
Transfers and subsidies paid		(31,962)	(35,523)
Net cash flow available from operating activities	14	12,583	8,263
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	7	(5,600)	(4,689)
(Increase)/decrease in non-current receivables	10	1,431	287
Net cash flow available from investing activities		(4,169)	(4,402)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		-	(2)
Net cash flows from financing activities		-	(2)
Net increase/(decrease) in cash and cash equivalents		8,414	3,859
Cash and cash equivalents at beginning of period		(119)	(3,978)
Cash and cash equivalents at end of period	15	8,295	(119)

PART F1: ACCOUNTING POLICIES

Summary of significant accounting policies	
The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated, Management has concluded that the financial statements present fairly the department's primary and secondary information, The historical cost convention has been used, except where otherwise indicated, Management has used assessments and estimates in preparing the annual financial statements, these are based on the best information available at the time of preparation, Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act,	
1	Basis of preparation The financial statements have been prepared in accordance with the Modified Cash Standard.
2	Going concern The financial statements have been prepared on a going concern basis.
3	Presentation currency Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.
4	Rounding Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5	Foreign currency translation Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.
6	Comparative information
6.1	Prior period comparative information Prior period comparative information has been presented in the current year's financial statements, where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.
6.2	Current year comparison with budget A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
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.



7.2	Departmental revenue Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise, Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.
7.3	Accrued departmental revenue Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when: • it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and • the amount of revenue can be measured reliably. The accrued revenue is measured at the fair value of the consideration receivable, Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the department's debt write-off policy.
8.	Expenditure
8.1	Compensation of employees
8.1.1	Salaries and wages Salaries and wages are recognised in the statement of financial performance on the date of payment.
8.1.2	Social contributions Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.
8.2	Other expenditure Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment, The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.
8.3	Accruals and payables not recognised Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.
8.4	Leases
8.4.1	Operating leases Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment, 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 are expensed when the project has been completed.
12.	Loans and receivables Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off, Write-offs are made according to the department's write-off policy.
13.	Investments Investments are recognised in the statement of financial position at cost.
14.	Financial assets
14,1	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.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

14,2	Impairment of financial assets The department does not make provision for impairment for inter-governmental debt as per paragraph 11(b) of the Prescription Act of 1969.
15.	Payables Payables recognised in the statement of financial position are recognised at cost.
16.	Capital assets
16,1	Immovable capital assets Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably, Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition, Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.
16,2	Movable capital assets Movable capital assets are initially recorded in the notes to the financial statements at cost, Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Biological assets are subsequently carried at fair value. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.
16.3	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. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.
16.4	Project costs: Work-in-progress Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid. Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use, Once ready for use, the total accumulated payments are recorded in an asset register, Subsequent payments to complete the project are added to the capital asset in the asset register. Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.

17.	Provisions and contingents
17.1	Provisions Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.
17.2	Contingent liabilities Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.
17.3	Contingent assets Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.
17.4	Capital commitments Capital commitments are recorded at cost in the notes to the financial statements.
18.	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 Parliament or the Provincial Legislature with funding and the related funds are received; or • approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery. Unauthorised expenditure 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.
19.	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.



20.	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.
21.	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.
22.	Events after the reporting date Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements, the events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.
23.	Principal-Agent arrangements The department is not party to a principal-agent arrangement.
24.	Departures from the MCS requirements Management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard except that it has departed from a particular requirement to achieve fair presentation; and the requirement from which the department has departed, the nature of the departure and the reason for the departure.
25.	Capitalisation reserve The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period, amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.
26.	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.
27.	Related party transactions Related party transactions within the Premier'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 is recorded in the notes to the financial statements.

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28.	Inventories At the date of acquisition, inventories are recognised at cost in the statement of financial performance. Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition. Inventories are subsequently measured at the lower of cost and net realisable value or the lower of cost and current replacement value. The department does not hold inventories due to its nature.
29.	Public-Private Partnerships Public Private Partnerships are accounted for based on the nature and or the substance of the partnership, The transaction is accounted for in accordance with the relevant accounting policies. A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.
30.	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.
31.	Transfer of functions Transfer of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer. Transfer of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.
32.	Mergers Mergers are accounted for by the combined department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger. Mergers are accounted for by the combining departments by derecognising or removing assets and liabilities at their carrying amounts at the date of the merger.



PART F2: EXPLANATORY NOTES**1. Annual Appropriation****1.1 Annual Appropriation**

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

	2022/23				2021/22		
	Final Budget	Actual Funds Received	Funds not requested / not received		Final Budget	Appropriation Received	Funds not requested / not received
Programmes	R'000	R'000	R'000		R'000	R'000	R'000
Administration	145,240	145,240	-		122,469	122,469	-
Institutional Development	105,046	105,046	-		91,446	91,446	-
Policy and Governance	49,510	49,510	-		46,504	46,504	-
Total	299,796	299,796	-		260,419	260,419	-

2. Departmental revenue

		2022/23	2021/22
	Note	R'000	R'000
Sales of goods and services other than capital assets	2,1	114	125
Transactions in financial assets and liabilities	2,2	114	108
Total revenue collected		228	233
Less: Own revenue included in appropriation	14	(165)	(158)
Total		63	75

2.1 Sales of goods and services other than capital assets

		2022/23	2021/22
	Note	R'000	R'000
Sales of goods and services produced by the department		114	125
Other sales		114	125
Total	2	114	125

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

2.2 Transactions in financial assets and liabilities

		2022/23	2021/22
	Note	R'000	R'000
Other receipts including Recoverable Revenue		114	108
Total	2	114	108

3. Compensation of employees

3.1 Analysis of balance

		2022/23	2021/22
	Note	R'000	R'000
Basic salary		110,109	102,774
Performance award		129	546
Service based		453	153
Compensative/circumstantial		3,850	2,683
Other non-pensionable allowances		32,730	28,576
Total		147,271	134,732

3.2 Social contributions

		2022/23	2021/22
	Note	R'000	R'000
Employer contributions			
Pension		13,586	12,697
Medical		6,455	5,959
Bargaining council		29	27
Total		20,070	18,683
Total compensation of employees		167,341	153,415
Average number of employees		249	242



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

4. Goods and services

		2022/23	2021/22
	Note	R'000	R'000
Administrative fees		2,269	661
Advertising		937	602
Minor assets	4,1	70	135
Bursaries (employees)		316	102
Catering		8,123	1,072
Communication		2,610	3,187
Computer services	4,2	4,674	3,985
Consultants: Business and advisory services		625	4,356
Laboratory services		3	-
Legal services		560	6
Contractors		3,168	178
Agency and support / outsourced services		5	-
Audit cost - external	4,3	4,058	3,342
Fleet services		2,745	1,375
Consumables	4,4	2,653	1,493
Operating leases		13,711	21,248
Property payments	4,5	5,357	3,923
Rental and hiring		868	502
Transport provided as part of the departmental activities		3,843	-
Travel and subsistence	4,6	15,845	8,735
Venues and facilities		4,122	359
Training and development		76	32
Other operating expenditure	4,7	1,583	558
Total		78,221	55,851

4.1 Minor assets

		2022/23	2021/22
	Note	R'000	R'000
Tangible capital assets		70	135
Machinery and equipment		70	135
Intangible capital assets		-	-
Software		-	-
Total	4	70	135

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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4.2 Computer services

		2022/23	2021/22
	Note	R'000	R'000
SITA computer services		3,518	3,244
External computer service providers		1,156	741
Total	4	4,674	3,985

4.3 Audit cost - external

		2022/23	2021/22
	Note	R'000	R'000
Regularity audits		4,058	3,342
Total	4	4,058	3,342

4.4 Consumables

		2022/23	2021/22
	Note	R'000	R'000
Consumable supplies		1,688	919
Uniform and clothing		11	-
Household supplies		835	750
Building material and supplies		149	50
Communication accessories		506	17
IT consumables		115	47
Other consumables		72	55
Stationery, printing and office supplies		965	574
Total	4	2,653	1,493

4.5 Property payments

		2022/23	2021/22
	Note	R'000	R'000
Municipal services		336	62
Property maintenance and repairs		436	594
Other		4,585	3,267
Total	4	5,357	3,923

4.6 Travel and subsistence

		2022/23	2021/22
	Note	R'000	R'000
Local		13,666	8,532
Foreign		2,179	203
Total	4	15,845	8,735



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

4.7 Other operating expenditure

		2022/23	2021/22
	Note	R'000	R'000
Professional bodies, membership and subscription fees		33	22
Resettlement costs		4	-
Other		1,546	536
Total	4	1,583	558

5. Payments for financial assets

		2022/23	2021/22
	Note	R'000	R'000
Debts written off	5,1	351	10
Total		351	10

5.1 Debts written off

		2022/23	2021/22
Nature of debts written off	Note	R'000	R'000
Staff debts and third parties		351	10
Total		351	10
Total debt written off	5	351	10

6. Transfers and subsidies

		2022/23	2021/22
	Note	R'000	R'000
Provinces and municipalities	28	17	3
Departmental agencies and accounts	Annex 1A	2	3
Non-profit institutions	Annex 1B	8,049	23,419
Households	Annex 1C	23,894	12,098
Total		31,962	35,523

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

6.1 Donations made in kind

		2022/23	2021/22
	Note	R'000	R'000
<i>List in-kind donations made</i>	<i>Annex 1D</i>		
Gifts, donations and sponsorships made from the Premier's discretionary fund		2,379	3,172
Gifts, donations and sponsorships made from the MEC's discretionary fund		206	-
Corporate gifts		51	67
Social responsibility		1,106	251
Funeral assistance		37	84
Hospital hampers		12	8
Total		3,791	3,582

7. Expenditure for capital assets

		2022/23	2021/22
	Note	R'000	R'000
Tangible capital assets		4,620	4,185
Machinery and equipment	25	4,620	4,185
Intangible capital assets		980	504
Software	26	980	504
Total		5,600	4,689

7.1 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	4,620	-	4,620
Machinery and equipment	4,620	-	4,620
Intangible capital assets	980	-	980
Software	980	-	980
Total	5,600	-	5,600



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

7.2 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	4,185	-	4,185
Machinery and equipment	4,185	-	4,185
Intangible capital assets	504	-	504
Software	504	-	504
Total	4,689	-	4,689

To ensure fair presentation, machinery was restated with R 518,989.03. This was due to prior period error under finance leases transport equipment identified during the year under review. Please refer to note 27.1.

7.3 Finance lease expenditure included in Expenditure for capital assets

		2022/23	2021/22
	Note	R'000	R'000
Tangible capital assets			
Machinery and equipment		2,299	2,433
Total		2,299	2,433

8. Cash and cash equivalents

		2022/23	2021/22
	Note	R'000	R'000
Consolidated Paymaster General Account		8,285	-
Cash on hand		10	10
Total		8,295	10

9. Prepayments and advances

		2022/23	2021/22
	Note	R'000	R'000
Prepayments (Not expensed)	9,1	18	1,672
Total		18	1,672

Analysis of Total Prepayments and advances

Current Prepayments and advances	18	46
Non current Prepayments and advances	-	1,626
Total	18	1,672

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

9.1 Prepayments (Not expensed)

		2022/23				
		Amount as at 1 April 2022	Less: Amounts expensed in current year	Add / Less: Other	Add Current year prepay- ments	Amount as at 31 March 2023
	Note	R'000	R'000	R'000	R'000	R'000
Goods and services		1,672	(1,672)	-	18	18
Total	9	1,672	(1,672)	-	18	18

		2021/22				
		Amount as at 1 April 2021	Less: Amounts expensed in current year	Add / Less: Other	Add Current year prepay- ments	Amount as at 31 March 2022
	Note	R'000	R'000	R'000	R'000	R'000
Goods and services		1,626	-	-	46	1,672
Total	9	1,626	-	-	46	1,672

10. 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	10,1	3,081	3,496	6,577	2,890	4,958	7,848
Staff debt	10,2	1,277	166	1,443	1,414	135	1,549
Total		4,358	3,662	8,020	4,304	5,093	9,397

10.1 Claims recoverable

		2022/23	2021/22
	Note	R'000	R'000
National departments		24	363
Provincial departments		2,968	5,488
Public entities		2,075	1,997
Private enterprises		1,510	-
Total	10	6,577	7,848



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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10.2 Staff debt

		2022/23	2021/22
	Note	R'000	R'000
Ex-officials		166	135
Current officials		1,277	1,414
Total	10	1,443	1,549

11. Voted funds to be surrendered to the Revenue Fund

		2022/23	2021/22
	Note	R'000	R'000
Opening balance		10,931	4,802
Prior period error		-	-
As restated		10,931	4,802
Transferred from statement of financial performance (as restated)		16,321	10,931
Voted funds not requested/not received	1,1	-	-
Paid during the year		(10,931)	(4,802)
Closing balance		16,321	10,931

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

		2022/23	2021/22
	Note	R'000	R'000
Opening balance		19	10
Prior period error	18,1	-	-
As restated		19	10
Transferred from statement of financial performance (as restated)		63	75
Own revenue included in appropriation		165	158
Paid during the year		(235)	(224)
Closing balance		12	19

13. Bank overdraft

		2022/23	2021/22
	Note	R'000	R'000
Consolidated Paymaster General account		-	129
Total		-	129

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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14. Net cash flow available from operating activities

		2022/23	2021/22
	Note	R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		16,384	11,006
Add back non-cash/cash movements not deemed operating activities		(3,801)	(2,743)
(Increase)/decrease in receivables		(54)	(2,510)
(Increase)/decrease in prepayments and advances		1,654	(46)
Increase/(decrease) in payables - current		-	(8)
Expenditure on capital assets		5,600	4,689
Surrenders to RDP Fund/Donors		(11,166)	(5,026)
Own revenue included in appropriation		165	158
Net cash flow generating		12,583	8,263

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

		2022/23	2021/22
	Note	R'000	R'000
Consolidated Paymaster General account		8,285	(129)
Cash on hand		10	10
Total		8,295	(119)

16. Contingent liabilities and contingent assets**16.1 Contingent liabilities**

			2022/23	2021/22
Liable to	Nature	Note	R'000	R'000
Claims against the department		Annex 2	2,035	2,450
Intergovernmental payables		Annex 4	568	826
Other		Annex 2	63,263	49,381
Total			65,866	52,657

Claims against the department are possible obligations that may lead to possible outflows of economic resources depending on the outcome of the court processes. There are dependencies on the court roll and finalisation thereof. There is no possibility of any re-imbursement in the aforementioned contingencies,

The balance for the other contingent liabilities was restated due to new information received from Transnet, a prior period error was performed to restate the balance. Please refer to note 27,1.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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17. Capital commitments

		2022/23	2021/22
	Note	R'000	R'000
Machinery and equipment		47	435
Intangible assets		-	-
Total		47	435

18. Accruals and payables not recognised**18.1 Accruals**

			2022/23			2021/22
		30 Days	30+ Days	Total		Total
Listed by economic classification	<i>Note</i>	R'000	R'000	R'000		R'000
Goods and services		4,913	-	4,913		4,219
Transfers and subsidies		1,917	-	1,917		561
Capital assets		415	-	415		92
Other		18	-	18		1,059
Total		7,263	-	7,263		5,931

		2022/23	2021/22
Listed by programme level	Note	R'000	R'000
Administration		2,968	3,276
Institutional Development		4,259	1,555
Policy and Governance		36	1,100
Total		7,263	5,931

18.2 Payables not recognised

			2022/23			2021/22
		30 Days	30+ Days	Total		Total
Listed by economic classification	<i>Note</i>	R'000	R'000	R'000		R'000
Goods and services		-	-	-		5
Transfers and subsidies		-	-	-		-
Capital assets		-	-	-		-
Other		-	-	-		-
Total		-	-	-		5

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		2022/23	2021/22
Listed by programme level	Note	R'000	R'000
Administration		-	1
Institutional Development		-	2
Policy and Governance		-	2
Total		-	5

		2022/23	2021/22
Included in the above totals are the following:	Note	R'000	R'000
Confirmed balances with other departments	Annex 5	18	1,059
Total		18	1,059

19. Employee benefits

		2022/23	2021/22
	Note	R'000	R'000
Leave entitlement		8,156	8,133
Service bonus		3,110	2,561
Performance awards		-	-
Capped leave		2,318	1,841
Long service awards		211	33
Other		416	301
Total		14,211	12,869

The balance of the line item leave entitlement for 2021/22 was restated due to leave that was processed after the financial statements were audited for the 2021/22 financial year. Please refer to note 27,2.

Included in the amounts of leave entitlement and capped leave commitments are negative balances for 2022/23 due to normal leave management due processes. The negative balances are as follows:

		2022/23	2021/22
	Note	R'000	R'000
Leave entitlement		119	235
Capped leave		-	295
Total		119	530



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20. Lease commitments

20.1 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	-	-	6,496	1,122	7,618
Later than 1 year and not later than 5 years	-	-	-	-	-
Total lease commitments	-	-	6,496	1,122	7,618

	2021/22				
	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	-	-	12,992	2,185	15,177
Later than 1 year and not later than 5 years	-	-	-	22	22
Total lease commitments	-	-	12,992	2,207	15,199

In order to ensure fair presentation, the operating leases for machinery and equipment for later than a year was restated. This is due to an understatement in the financial statements for the 2021/22 financial year by R 2,496.19. Please refer to note 27.4.

20.2 Finance 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	-	-	-	3,217	3,217
Later than 1 year and not later than 5 years	-	-	-	3,880	3,880
Total lease commitments	-	-	-	7,097	7,097

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	2021/22				
	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	-	-	-	1,170	1,170
Later than 1 year and not later than 5 years	-	-	-	1,053	1,053
Total lease commitments	-	-	-	2,223	2,223

In order to ensure fair presentation, a prior period error was performed for finance leases for the 2021/22 financial year. The commitment was overstated for less than a year by R 4,580.00 and for later than a year by R 10,440.00 respectively. Please refer to note 27.5.

21. Unauthorised, Irregular and Fruitless and wasteful expenditure

		2022/23	2021/22
	Note	R'000	R'000
Unauthorised expenditure - current year		-	-
Irregular expenditure - current year		-	341
Fruitless and wasteful expenditure - current year		-	-
Total		-	341

22. Related party transactions

		2022/23	2021/22
Payments made	Note	R'000	R'000
Trusts under control of the Premier		8,049	23,704
Total		8,049	23,704

22.1 Northern Cape Premier's Education Trust Fund

The primary objective of the Trust Fund is to make higher education opportunities accessible by providing bursary loans to academically and financially deserving students studying on a full time basis at institutions of higher learning situated in the Republic of South Africa and are registered for the field of study as determined by the trustees,

In terms of the trust deed, the Board of trustees are subjected to prior approval by the premier of the Northern Cape Province, who is a patron to the Northern Cape Premier's Education Trust Fund.

		2022/23	2021/22
Payments made	Note	R'000	R'000
Northern Cape Premier's Education Trust Fund		-	15,983
Total		-	15,983

The Trust is in its final stages of dissolution, The employees of the Trust has been transferred to the Office of the Premier. All payments to awarding students are processed directly to learning institutions. Operating expenditure related to the Trust are processed directly to service providers.



22.2 Mme Re Ka Thusa Trust Fund

The main objective of the fund is to promote the economic empowerment of women in the province of grant allocations to the qualifying beneficiaries. The Premier appoints the board of trustees.

	Note	2022/23	2021/22
		R'000	R'000
Payments made			
Mme Re Ka Thusa Trust Fund		8,049	7,721
Total		8,049	7,721

22.3 Key Management Personnel

Key management personnel were identified as having related party relationships as they are having significant influence to the reporting entity (Office of the Premier). The aforesaid personnel are responsible for the strategic direction and operational management and are entrusted with the fiduciary responsibility and significant authority over the reporting entity. Key management personnel also include the Premier as the Executing Authority of Vote 1.

	Note	2022/23	2021/22
		R'000	R'000
Payments made			
Key management personnel		26,313	27,359
Total		26,313	27,359

22.4 Disclosure relating to other provincial departments and entities**Related party relationships**

The Office of the Premier has related party relationships with the following provincial departments and provincial entities due to the common control by the Provincial Legislature as follows:

22.4.1 Provincial Departments

Agriculture, Environmental Affairs, Land Reform and Rural Development;

Co-Operative Governance, Human Settlements and Traditional Affairs;

Economic Development and Tourism;

Education;

Health;

Northern Cape Provincial Legislature;

Northern Cape Provincial Treasury;

Roads and Public Works;

Social Development;

Sports, Arts and Culture and

Transport, Safety and Liaison

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

22.4.2 Provincial Entities

Kalahari Kid Corporation (KKC);

Mc Gregor Museum;

Northern Cape Economic Development, Trade and Investment Promotion Agency (NCEDA);

Northern Cape Fleet Management Trading Entity (NCFMTE);

Northern Cape Gambling Board and

Northern Cape Tourism Authority

23. Key management personnel

	Note	2022/23	2021/22
		R'000	R'000
Political office bearers		3,238	2,260
Level 15 to 16		10,154	13,618
Level 14		12,921	11,121
Family members of key management personnel		-	360
Total		26,313	27,359

24. Non-adjusting events after reporting date

The Department of Roads and Public Works entered into a new lease agreement for office accommodation for the Office of the Premier with effect 01 July 2023.

25. 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	18,949	-	2,778	(764)	20,963
Transport assets	1,120		135	-	1,255
Computer equipment	9,358		1,926	(663)	10,621
Furniture and office equipment	7,755		541	(101)	8,195
Other machinery and equipment	716		176	-	892
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	18,949	-	2,778	(764)	20,963

The Northern Cape Premiers Education Trust Fund was incorporated by the Office of the Premier during the financial year. Major assets to the value of R 458,126.66 were transferred to the Office of the Premier and disclosed in the tangible capital assets note.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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Movable Tangible Capital Assets under investigation

		Number	Value
	Note		R'000

Included in the above total of the movable tangible capital assets per the asset register that are under investigation:

Machinery and equipment	32	943
Total	32	943

Assets under investigation are currently recorded in the departmental loss control register for assets. The matters listed above will be resolved during the 2023/24 financial year.

25.1 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	17,485	-	1,752	(288)	18,949
Transport assets	1,120	-	-	-	1,120
Computer equipment	8,123	-	1,510	(275)	9,358
Furniture and office equipment	7,526	-	242	(13)	7,755
Other machinery and equipment	716	-	-	-	716
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	17,485	-	1,752	(288)	18,949

25.2 Minor assets**MOVEMENT IN MINOR CAPITAL 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	-	68	-	7,423	-	7,491
Additions	-	-	-	319	-	319
Disposals	-	-	-	(182)	-	(182)
Total Minor assets	-	68	-	7,560	-	7,628

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	-	-	4,941	-	4,941
Total number of minor assets	-	-	-	4,941	-	4,941

The Northern Cape Premiers Education Trust Fund was incorporated by the Office of the Premier during the financial year. Minor assets to the value of R 254,008.09 were transferred to the Office of the Premier and disclosed in the minor capital assets note.

Minor capital assets under investigation

	Number	Value
Note		R'000

Included in the above total of the minor capital assets per the asset register that are under investigation:

Machinery and equipment	41	73
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Assets under investigation are currently recorded in the departmental loss control register for assets. The matters listed above will be resolved during the 2023/24 financial year.

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	-	68	-	7,368	-	7,436
Prior period error	-	-	-	-	-	-
Additions	-	-	-	136	-	136
Disposals	-	-	-	(81)	-	(81)
Total Minor assets	-	68	-	7,423	-	7,491

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	-	-	4,864	-	4,864
Total number of minor assets	-	-	-	4,864	-	4,864



25.3 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	-	-	-	182	-	182
Total movable assets written off	-	-	-	182	-	182

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	-	-	-	81	-	81
Total movable assets written off	-	-	-	81	-	81

26. 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	6,520	980	-	7,500
TOTAL INTANGIBLE CAPITAL ASSETS	6,520	980	-	7,500

26.1 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	6,016	-	504	-	6,520
TOTAL INTANGIBLE CAPITAL ASSETS	6,016	-	504	-	6,520

27. Prior period errors**27.1 Contingent liabilities**

	<i>Note</i>	Amount before error correction	Prior period error	Restated Amount
		2021/22	2021/22	2021/22
		R'000	R'000	R'000
Contingent liabilities – Other	16	34,140	15,241	49,381
Net effect		34,140	15,241	49,381

Nature of prior period errors

	<i>Note</i>			2021/22
				R'000
Other contingent liabilities				15,241
	16.1			
Net effect				15,241

In order to ensure fair presentation, contingent liabilities were restated due to new information received from Transnet. Please refer to note 16.

	<i>Note</i>			2021/22
				R'000
Expenditure				-
Net effect				-

The retrospective restatement does not have an effect on the unauthorised expenditure and voted funds to be surrendered to Provincial Treasury.

27.2 Employee benefits

	<i>Note</i>	Amount before error correction	Prior period error	Restated Amount
		2021/22	2021/22	2021/22
		R'000	R'000	R'000
Liabilities: Employee benefits	19	12,873	(4)	12,869
Net effect		12,873	(4)	12,869



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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Nature of prior period errors

	<i>Note</i>		2021/22
			R'000

Decrease in leave entitlement (4)

Net effect

(4)

In order to ensure fair presentation, employee benefits were restated due leave that was captured after the financial statements were audited for the 2021/22 financial year. The annual leave entitlement decreased the liability of leave entitlement and employee benefits by R 3,875,21. Please refer to note 19.

	<i>Note</i>		2021/22
			R'000

Expenditure -

Net effect

-

The retrospective restatement does not have an effect on the unauthorised expenditure and voted funds to be surrendered to Provincial Treasury.

27.3 Operating Leases

	<i>Note</i>	Amount before error correction	Prior period error	Restated Amount
		2021/22	2021/22	2021/22
		R'000	R'000	R'000

Machinery and equipment 20 15,197 2 15,199

Net effect

15,197 2 15,199

Nature of prior period errors

	<i>Note</i>		2021/22
			R'000

Increase in operating leases later than 1 year 2

Net effect

2

In order to ensure fair presentation, the operating leases for machinery and equipment for later than a year was restated. This is due to an understatement in the financial statements for the 2021/22 financial year by R 2,496.19. Please refer to note 20.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

	<i>Note</i>			2021/22
				R'000
Expenditure				-
Net effect				-

The retrospective restatement does not have an effect on the unauthorised expenditure and voted funds to be surrendered to Provincial Treasury.

27.4 Finance leases

	<i>Note</i>	Amount before error correction	Prior period error	Restated Amount
		2021/22	2021/22	2021/22
		R'000	R'000	R'000
Machinery and equipment	20	2,238	(15)	2,223
Net effect		2,238	(15)	2,223

27.5 Nature of prior period errors

	<i>Note</i>			2021/22
				R'000
Decrease in finance leases				(15)
Net effect				(15)

In order to ensure fair presentation, a prior period error was performed for finance leases for the 2021/22 financial year. The commitment was overstated for less than a year by R 4,580.00 and for later than a year by R 10,440.00 respectively. Please refer to note 20.

	<i>Note</i>			2021/22
				R'000
Expenditure				-
Net effect				-

The retrospective restatement does not have an effect on the unauthorised expenditure and voted funds to be surrendered to Provincial Treasury.



28. Statement of conditional grants and other transfers paid to municipalities

	2022/23							2021/22	
	GRANT ALLOCATION				TRANSFER				
	DORA and other transfers	Roll overs	Adjust- ments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury / National Department	DORA and other transfers	Actual transfer
Name of municipality	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sol Plaatje Municipality	17	-	-	17	17	-	-	-	-
TOTAL	17	-	-	17	17	-	-	-	-

29. 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.

30. COVID 19 Response expenditure

		2022/23	2021/22
	Note	R'000	R'000
Goods and services		28	54
Total	<i>Annex 5</i>	28	54

ANNEXURE 1A

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

	2022/23						2021/22	
	TRANSFER ALLOCATION				TRANSFER			
Departmental Agency or Account	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
South African Broadcasting Corporation	2	-	-	2	2	100,0%	3	3
TOTAL	2	-	-	2	2		3	3

ANNEXURE 1B

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	2022/23						2021/22	
	TRANSFER ALLOCATION				EXPENDITURE			
Non-profit institutions	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								
Mme Re Ka Thusa Trust Fund	8,049	-	-	8,049	8,049	100,0%	7,721	7,721
Premier's Bursary Trust Fund	-	-	-	-	-	-	15,698	15,698
TOTAL	8,049	-	-	8,049	8,049		23,419	23,419



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

ANNEXURE 1C

STATEMENT OF TRANSFERS TO HOUSEHOLDS

	2022/23						2021/22	
	TRANSFER ALLOCATION				EXPENDITURE			
Household	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								
Leave payouts	519	-	-	519	519	100,0%	483	483
Pension penalty	-	-	-	-	-	-	339	339
Discretionary Fund – Premier	6,000	-	-	6,000	5,992	100,0%	5,000	5,000
Gifts and donations	3,952	-	-	3,952	3,952	100,0%	411	411
Bursaries (non-employees)	13,864	-	-	13,864	12,462	90,0%	5,865	5,865
Severance package	485	-	-	485	485	100,0%	-	-
Discretionary Fund – MEC	500	-	-	500	484	97,0%	-	-
TOTAL	25,320	-	-	25,320	23,894		12,098	12,098

ANNEXURE 1D

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

Nature of gift, donation or sponsorship	2022/23	2021/22
	R'000	R'000
Paid in cash		
Gifts, donations and sponsorships made from the Premier's Discretionary fund	3,613	1,828
Financial assistance	2,772	25
Gifts, donations and sponsorships made from the MEC's Discretionary fund	278	-
SUB-TOTAL	6,663	1,853

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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Made in kind

Gifts, donations and sponsorships made from the Premier's Discretionary fund	2,379	3,172
Gifts, donations and sponsorships made from the MEC's Discretionary fund	206	-
Corporate gifts	51	67
Social responsibility	1,106	251
Funeral assistance	37	84
Hospital hampers	12	8

SUB-TOTAL

3,791	3,582
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TOTAL

10,454	5,435
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ANNEXURE 2**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 (Provide details hereunder)	Closing balance 31 March 2023
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Damages	2,450	-	(415)	-	2,035
Subtotal	2,450	-	(415)	-	2,035
Other					
Transnet	49,381	13,882	-	-	63,263
Subtotal	49,381	13,882	-	-	63,263
TOTAL	51,831	13,882	(415)	-	65,298



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 3

CLAIMS RECOVERABLE

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2022/23	
							Receipt date up to six (6) working days after year end	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022		Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
Economic Development	-	-	100	-	100	-		
Education	-	-	726	726	726	726		
Environment and Nature Conservation	-	-	-	11	-	11		
Health	-	-	1,037	3,643	1,037	3,643		
Roads and Public Works	-	-	627	627	627	627		
Sports Arts and Culture	301	-	-	11	301	11		
Treasury	177	-	-	470	177	470		
SAPS	-	-	3	343	3	343		
National School of Government	-	-	20	20	20	20		
Subtotal	478	-	2,513	5,851	2,991	5,851		

Other Government Entities

EWSETA	-	-	1,875	1,875	1,875	1,875		
DNS Suppliers and Logistics	-	-	-	9	-	9		
The Phonebook Company	-	-	110	110	110	110		
Exilite	-	-	1,396	3	1,396	3		
Dawid Kruiper Municipality	-	-	100	-	100	-		
ZF Mgcawu	-	-	100	-	100	-		

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Mahoba Construction	-	-	5	-	5	-
Subtotal	478	-	3,586	1,997	3,586	1,997
TOTAL	478	-	6,099	7,848	6,577	7,848

ANNEXURE 4

INTERGOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2022/23	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022	Payment date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
SAPS	18	15	-	-	18	15		
Subtotal	18	15	-	-	18	15		
Non-current								
Justice	-	-	245	420	245	420		
National School of Government	-	-	155	229	155	229		
NCFMTE	-	-	168	168	168	168		
Roads and Public Works	-	-	-	1	-	1		
Government Printing Works	-	-	-	8	-	8		
Subtotal	-	-	568	826	568	826		
Total Departments	18	15	568	826	586	841		



ANNEXURE 5

COVID 19 RESPONSE EXPENDITURE

Per quarter and in total

Expenditure per economic classification	2022/23					2021/22
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Goods and services	28	-	-	-	28	54
Cons Hous Supp: Wash/Clean/Detergent	14	-	-	-	14	40
Cons Supp: Medical Supplies	10	-	-	-	10	12
Cons Hous Supp: Disp Paper/Plast	2	-	-	-	2	2
Medical Lab Serv Oth	2	-	-	-	2	-
TOTAL COVID 19 RESPONSE EXPENDITURE	28	-	-	-	28	54

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