OFFICE OF THE PREMIER
FREE STATE PROVINCE

ANNUAL REPORT
2024/2025

FREE STATE PROVINCE

2030 NDP

G20 SOUTH AFRICA 2025

A FREE STATE THAT WORKS FOR ALL

Contents

PART A: GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

3G	3G is the third generation of wireless mobile telecommunications technology
ACB	Annual Cash Bonus
AFS	Annual Financial Statement/s
AGSA	Auditor General of South Africa
AIDS	Acquired Immunodeficiency Syndrome
ANC	African National Congress
AO	Accounting Officer
APP	Annual Performance Plan
B-BBEE	Broad-based Black Economic Empowerment
B.COM	Bachelor Of Commerce
BAS	Basic Accounting System
BMI	Body Mass Index
BPR	Business Process Reengineering
CA	Chartered Accountant
CATHSSETA	Culture, Art, Tourism, Hospitality, and Sport Sector Education and Training Authority
CCPFSP	Coordinating Chamber of the PSCBC for the Free State Province
CDW	Community Development Worker/s
CFO	Chief Financial Officer
CHIETA	Chemical Industries Education and Training Authority
COE	Compensation of Employees
COGTA	Free State Department of Cooperative Governance and Traditional Affairs
COVID-19	'CO' stands for corona, 'VI' for virus, and 'D' for disease. "19" indicates the year 2019 in which the virus was first discovered.
DARD	Department of Agriculture and Rural Development
DDG	Deputy Director General
DDM	District Development Model
DESTEA	Free State Department of Small Business Development, Tourism and Environmental Affairs
DG	Director-General
DPME	Department of Planning, Monitoring and Evaluation
DPR&T	Free State Department of Police, Roads and Transport
DPSA	Department of Public Service and Administration
EHW	Employee Health and Wellness
EPRE	Estimates of Provincial Revenue and Expenditure
EXCO	Executive Council of the Free State Province
FOHOD	Forum of Heads of Departments
FPDP	Departmental Fraud Prevention and Detection Plan
FS2050	Free State Vision 2050 (Free State Growth and Development Strategy)
FSGDS	Free State Growth and Development Strategy
FSPG	Free State Provincial Government
FSTDI	Free State Training and Development Institute
GBV	Gender Based Violence
GPFSBC	General Public Service Sectoral Bargaining Council

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

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

3. FOREWORD BY THE PREMIER

Name: MaQueen Letsoha-Mathae
Title: Premier

As Office of the Premier, using the Free State Growth and Development Plan as guideline, we want to work with national government, private sector, and civil society to create a prosperous and growing Free State focusing on the well-being of its people. We shall focus on aligning with other spheres of government and support private sector initiatives for the province's development.

The Free State will develop a productive, vibrant and resilient economy for entrepreneurs and investors, contributing to the province's employment, growth and economic transformation in collaboration with the private sector. We prioritise actions like infrastructure investments that could lead to employment creation. Therefore, long-term planning for the risks and opportunities associated with climate and technological change is key. Economic development plans will also consider the urban spatial characteristics of the Free State, regional assets, and plans of neighbouring provinces.

The following economic objectives drive our plan of action:

- Increase the number of formally employed people by 34% by 2040.
- Achieve an annual five-year provincial economic growth rate of at least 3% annually by 2040.
- Secure private investments worth R100b by 2030 (2023 values).
- Increase the infrastructure investment (including infrastructure to facilitate energy creation) in the provincial budget from 12% to 20% by 2040.

- Reduce the percentage of poor or poor provincial roads to less than 20% by 2040.
- Stabilise the formal wages Gini-coefficient at 0.59 or reduce it to below 0.59 by 2040.
- Increase the percentage of adults who never had insufficient food from 80.8% (2021) to more than 90% by 2040

We would like to reverse current low levels of economic growth, counter poverty, unemployment and inequality and ensure that everybody benefits from economic growth and development. FS2050 is placing the people of the Free State at the centre with a wide range of strategies that should support their development. The overall aim is to create an economy that would benefit everyone.

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

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

I would like to express my appreciation to the Acting Director General of the Free State, Members of the Executive Management and the staff of the Office of the Premier for the support and hard work in ensuring the department's success during the 2024/25 financial year.

MaQueen Letsoha-Mathae
Premier of the Free State Province
Date: 25/08/2025

4. REPORT OF THE ACCOUNTING OFFICER

Name: Dr M.P. Mokalobe
Title: Acting Director General
Office of the Premier

The historical and structural imbalances hampering the South African and Free State economies are difficult to overcome. At the same time, economic growth rates have been slow over the last decade, with growth rates in the Free State being mostly lower than the national average. Technological change has also harmed employment creation but can hold potential for the future. However, much progress has been made since the demise of Apartheid. For example, larger numbers of previously disadvantaged people are formally employed, and although the economic structure is slow to change, business ownership has also changed.

Despite this progress, the Free State has experienced economic growth below the national average while job creation has been slow. For example, employment figures from StatsSA show that the number of employed people has been stagnant at about 600,000 for over a decade. SARS data shows full-time employment has not been higher than before COVID-19 and is stagnant at about 345,000. The unemployment rate has also increased from below 30% to 33.8% in the last decade. The transition from a primary and a secondary economy to a secondary economy in the Free State has been slower because of the closure of mines. Over the last 30 years, the province has lost about 150,000 jobs in mining. Replacing these jobs is not easy.

The Free State's economy also depends on its urban spatial structure, with many small towns that have historically developed as regional service centres for the agricultural industry. Although many of these towns still play the role of a regional service, the agricultural sector has developed into a national and international industry and often bypasses these places.

In addition to dealing with the structural and historical realities, the Free State economy must be resilient. Our vision is a resilient Free State that addresses the potential risks and opportunities associated with global warming and the 4th industrial revolution.

We acknowledge serious infrastructure concerns and undertake to address these by adjusting the budget allocation to infrastructure investments and finding complementary investments from the private sector. For example, 50% of the roads are in poor or very poor condition. Currently, the provincial government spend R5.4b (mostly conditional grants) on infrastructure, constituting 12% of the budget. Creating a responsive and enabling environment will be central to all our endeavours. In addition to supporting our formal economy, the enabling environment through infrastructure and spatial planning will also benefit rural areas, township economies and those working in the informal economy. Overall, we expect appropriate infrastructure to support the existing agricultural sector and beneficiation and employment development in sectors where the Free State has traditionally had little employment. We hope to increase the stagnant employment levels and reduce unemployment.

In order for government to meet its constitutional mandate of providing a better life for all, strict measures must be applied, particularly in regards to our scarce resources. While we are not blind to the fact that our budget may not be enough to reach our desired targets, we have heeded the Premier's call to do more with less.

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

Departmental receipts	2024/25			2023/24		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	3,914	(7,521)	(3,607)	3,398	(4,707)	(1,309)
Interest, dividends and rent on land	0	(6)	(6)	0	0	0
Sale of capital assets	0	(1)	(1)	0	0	0
Financial transactions in assets and liabilities	50	1,392	1,442	20	(286)	(266)
Total	3,964	(6,136)	(2,172)	3,418	(4,993)	(1,575)

The Department over collected its revenue budget with R 2 172 000 due to the following:

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

Tariff policy

The Office of the Premier is responsible for the weekly production of the Free State Provincial Gazette and the Tender Bulletin. The Tender bulletin is for sale to the Public and other Government Institutions, while the Provincial gazette is available for free. In terms of the Treasury Regulations 7.3.1, tariffs must be reviewed on an annual basis and are subjected to the approval by Provincial Treasury. Since these publications are printed in house, the Departments reviews the annual tariffs by taking into account the following factors:

- electronic distribution of publications and posting.
- increase of salaries
- higher inflation rate
- Costs of photocopying

- Costs of printing paper

The annual tariffs have been amended as follows with effect from 01 April 2025.

	2024/25		2025/26		
SELLING PRICE PER COPY	**Current tariffs**		**Proposed tariffs**		**% increase**
Post					
Tender Bulletin	R	21.00	R	22.00	5%
Over the counter					
Tender Bulletin	R	9.00	R	9.00	0%
Per e-mail					
Tender Bulletin	R	14.00	R	15.00	7%
SUBSCRIPTION	**Current tariffs**		**Proposed tariffs**		**% increase**
Post					
6 months					
Tender Bulletin	R	525.00	R	550.00	5%
12 months					
Tender Bulletin	R	1050.00	R	1100.00	5%
Over the counter					
6 months					
Tender Bulletin	R	190.00	R	200.00	5%
12 months					
Tender Bulletin	R	380.00	R	400.00	5%
(Per e-mail)					
6 months					
Tender Bulletin	R	330.00	R	345.00	4%
12 months					
Tender Bulletin	R	660.00	R	690.00	4%
ADVERTISING CHARGES PER CENTIMETER (cm)	**Current tariffs**		**Proposed tariffs**		**% increase**
Normal Publications	R	94.00	R	98.00	4%
Special (Late) Publications	R	188.00	R	196.00	4%
Same Day (Late) Publications	R	282.00	R	294.00	4%
Liquor License Notices	R	400.00	R	420.00	5%
COPIES MADE ON BEHALF OF OTHER DEPARTMENTS/ INSTITUTIONS	**Current tariffs**		**Proposed tariffs**		**% increase**
A4					
Single sided	R	1.60	R	1.70	6%
Double sided	R	3.20	R	3.40	6%
A3					
Single sided	R	3.00	R	3.10	3%
Double sided	R	6.00	R	6.20	3%

Programme Expenditure

Programme Name	2024/2025			2023/2024		
	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	106,438	104,798	1,640	98,636	95,341	3,295
Institutional Development	229,215	184,767	44,448	220,874	187,055	33,819
Policy and Governance	87,085	83,373	3,712	116,313	103,119	13,194
Monitoring and Evaluation	174,891	162,485	12,406	162,613	158,190	4,428
Total	**597,629**	**535,423**	**62,206**	**598,441**	**543,705**	**54,736**

Programme 1: Administration

The final appropriation of the 2023/24 financial year (R98,636 million) increased with 7,9% to R106,438 million in the 2024/25 financial year. Although the programme could only spent 96.7% of its budget in 2023/24 financial year, it could spent R104,798 million (98.5%) of its budget in the 2024/25 financial year, therefore the expenditure is within the norm.

Programme 2: Institutional Development

The final appropriation of the 2023/24 financial year (R220,874 million) increased with 3,8% to R229,215 million in the 2024/25 financial year. The expenditure under this programme in the 2023/24 financial year amounted R187,055 million which is 84.7% of its budget, but it could only spend R184 767million (80.6%) of its budget in 2024/25 financial year. The underspending is due to cash flow challenges under the Earmarked Allocation for Provincial Bursaries.

Programme 3: Policy and Governance

The final appropriation of the 2023/24 financial year (R116,313 million) decreased with 25,1% to R87,085 million in the 2024/25 financial year. Although the programme could only spent 88.7% of its budget in 2023/24 financial year, it could spent R83,373 million (95.7%) of its budget in the 2024/25 financial year, therefore the expenditure is within the norm.

Programme 4: Monitoring and Evaluation

The final appropriation of the 2023/24 financial year (R162,613 million) increased with 7,6% to R174,891 million in the 2024/25 financial year. The expenditure under this programme in the 2023/24 financial year amounted R158,190 million which is 97.3% of its budget, but it could only spend 92.9% of its budget in 2024/25 financial year. The underspending is due to expiration of employment contracts that were implemented with accordance with Public Service Regulation (PSR) 57.

Virements

An amount of R1,300 million was shifted from Programme 4 to other three programmes under compensation of employees. The goods and services of programme 1 were increased with R1,000 million from programme 4 under the same economic classification and there was a movement of R0,002 million from programm1 to programme 3 within households.

Roll overs

Not applicable for the 2024/25 financial year.

Public Private Partnerships

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

Discontinued key activities /activities to be discontinued

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

Supply chain management

There no unsolicited bids proposal concluded for the year under review (2024/2025)

SCM processes and systems are in place to prevent unwanted expenditures (Unauthorised, Irregular Fruitless and Wasteful expenditures), however non-compliance still exists, whereby the root causes due to shortage of warm bodies within Supply Chain Management Unit to adequately enforce compliance.

The department has already issued SCM process Circulars to improve internal controls and enforce compliance to applicable laws and regulation.

Furthermore, the Department has reviewed the line functions within SCM unit, to ensure that the officials are placed correctly in terms of their skills and knowledge to improve the internal control controls and compliance processes with SCM.

Gifts and Donations received in kind from non-related parties

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

Exemptions and deviations received from National Treasury

None.

Events after the reporting date

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

The Office of the Premier, under my leadership commit to servant and selfless service to the people of the Free State province. We are committed to build a prosperous province. Each and every one of us therefore is seized with the responsibility of bringing this vision to life.

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

Dr M.P. Mokalobe
Accounting Officer and Acting Director General
Office of the Premier

Date: 22 Aug 25

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

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

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

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

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

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

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

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

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

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2025.

Yours faithfully

Dr M.P. Mokalobe
Accounting Officer and Acting Director General
Office of the Premier

Date:

6. *STRATEGIC OVERVIEW*

6.1 Vision

Leading Free State Province towards Service Excellence

6.2 Mission

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

6.3 Values

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

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

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

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

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

7. *LEGISLATIVE AND OTHER MANDATES*

7.1 Constitutional Mandates

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

- implementing provincial legislation;
- implementing national legislation in functional areas;
- administering in the province, national legislation outside functional areas;
- developing and implementing provincial policy;
- administering national legislation outside functional areas through assignment to the provincial executive in terms of an Act of Parliament;

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

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

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

7.2 Other Legislative Mandates

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

- the Secretary to the Executive Council;
- subject to the provisions of sections 85(2)(c) and 125(2)(e) of the Constitution, 1996, responsible for intergovernmental relations between the relevant provincial administration and other provincial administrations as well as national departments and for the intra-governmental co-operation between the relevant provincial administration and its various provincial departments, including the co-ordination of their actions and legislation; and
- subject to the provisions of the Public Service Act, 1994, responsible for the giving of strategic direction on any matter referred to in section 3(1) namely:
    - The functions of, and organizational arrangements in, the public service;
    - Conditions of service and other employment practices;
    - Labour Relations, health and wellness of employees;
    - Information Management and electronic government;
    - Integrity, ethics conduct and anti-corruption; and
    - Public Service Transformation, Innovation and Reform.

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

7.3 Policy Mandates

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

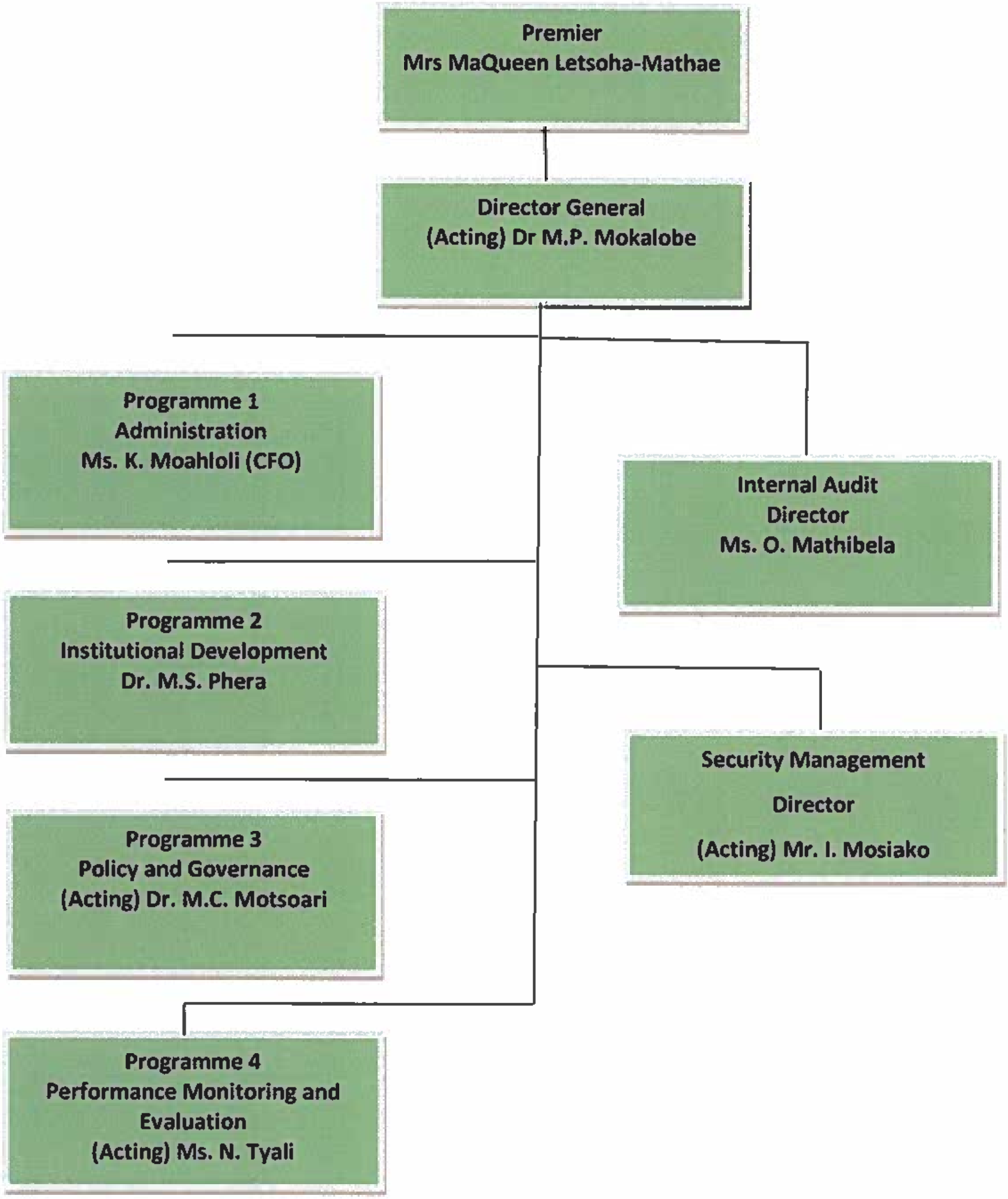
- National Development Plan;
- Provincial Growth and Development Strategy;
- Medium Term Strategic Framework; and
- Ruling Party's (ANC) Election 2014 Manifesto.

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

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

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

8. ORGANISATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE PREMIER

There were no entities reporting to the Premier during the 2024/25 financial year.

PART B: PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs certain audit procedures on the performance information to provide limited 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 Report on the Audit of the Annual Performance Report heading in the auditor's report.

Refer to page 127 of the Report of the Auditor-General, published as Part F: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

The Free State is a central and land-locked province bordering six provinces and Lesotho. The Free State has 18 local municipalities, one metropolitan area and four district municipalities. Several small, medium and large towns are distributed across these political boundaries.

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

The Free State province still play an important role in the national economy, largely providing primary products and many opportunities for value addition and the services economy. Its main urban centers are agglomerations of services, regional services functions, manufacturing and resources.

Consequently, the Free State Provincial Government under the leadership of the Office of the Premier has committed to growing the Free State through the Free State Growth and Development Strategy (FSGDS). This Growth and Development Strategy outlines the broad directions up to 2050 and more detailed plans of action for the next 5-10 years.

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

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

- Executive support to the Premier, Executive Council and the Director General;

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

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

The Department was able to achieve 85 of the 93 performance indicators. This put the department's performance at 91%.

2.2 Service Delivery Improvement Plan

The department has not completed a service delivery improvement plan (SDIP) for the 2023/25 cycle. A letter was received from the Department of Public Service and Administration (DPSA) on non-submission of a SDIP on 16 April 2024. A response was submitted to indicate that the SDIP is in process to be drafted. A person additional to the staff establishment was appointed during this cycle and the contract was terminated on 30 September 2024.

The creation of a unit to perform service delivery improvement management functions was proposed and submitted for consultation with the Minister of Public Service and Administration on 28 October 2024. The approval of the creation of a Deputy Director: Service Delivery Improvement Management was obtained on 3 March 2025 for implementation and the filling of the post need to take place to strengthen the function to ensure adherence to the next cycle for implementation of an approved SDIP (2025/30).

2.3 Organisational environment

The proposed organisational structure for the Office of the Premier was submitted in July 2023 to the former Director-General for consideration. In the 2024/25 financial year, it became evident that alignment of the structure was necessary to address urgent functional requirements in support of the strategic objectives outlined in the Annual Performance Plan.

Several key changes were made to the current organisational structure:

- **Creation of two Security Advisor posts** within the Security and Integrity Management Directorate (24 July 2024);
- **Alignment of the Inner Office of the Premier** in line with the *Guide for Members of the Executive*, ensuring that staff supporting the Member provide both personal and administrative assistance (10 September 2024);
- **Abolishment of ASGISA and JIPSA** programmes (27 November 2024);
- **Establishment of the Provincial Council on AIDS (PCA)** (27 November 2024);
- **Creation of two new sub-directorates**—Service Delivery Improvement Management and Knowledge Management—within the Organisational Development Directorate, along with the **abolishment of the Institutional Enhancement Directorate** (3 March 2025).

At the Senior Management Service (SMS) meeting held on 28 March 2025, a presentation was delivered on the status of the proposed structure. Although the original proposal was submitted in July 2023, it had not yet been finalised. The Acting Director-General resolved that the Organisational Structure Review Committee be reconstituted to reassess the proposal's alignment with the Department's Strategic Plan.
This review will also consider the department's Cost of Employees as defined in the Medium-Term Expenditure Framework (MTEF), to ensure the proposal is both strategic and financially sustainable.
The current approved organisational structure consists of **911 posts**, though it is not fully funded. To support the structural review process, both an **Organisational Structure Review Committee** and a **Technical Working Committee** will be established in the upcoming financial year. Their mandate will include ensuring alignment with the **generic functional structure for Offices of the Premier** and maintaining compliance with the department's compensation budget.

2.4 Key policy developments and legislative changes

In this financial year (2024/2025) there were neither major key policy developments nor legislative changes. Refer to Part A dealing with Legislative and Other Mandates for updated information under Policy Mandates.

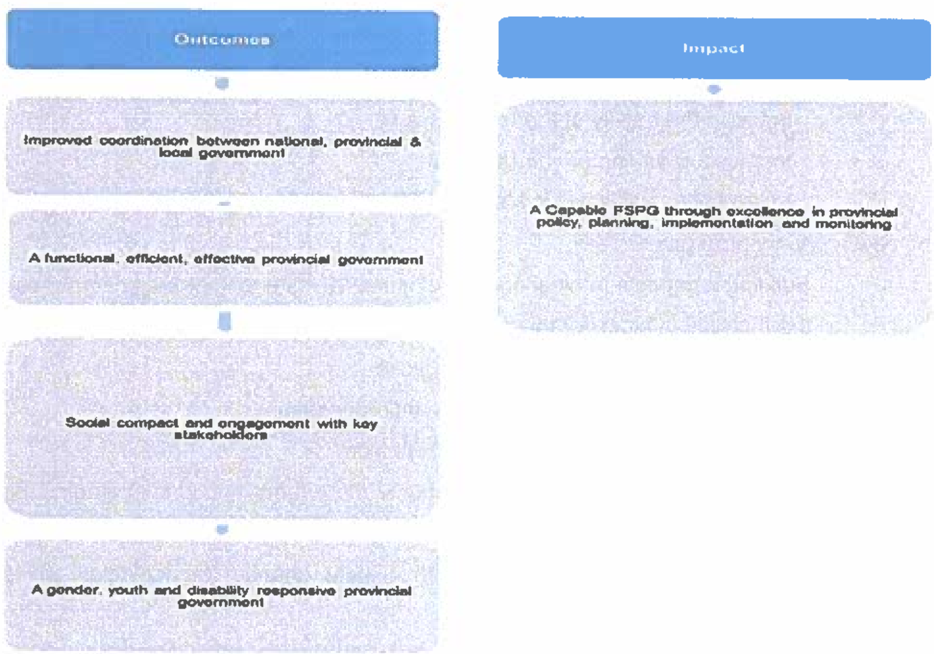
3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

Impact Statement

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

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

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



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

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

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

This is being done through the implementation of the FSGDS Vision 2050, which charts a long-term development path for the province. The Free State Provincial Government has committed to growing the Free State through the Free State Growth and Development Strategy. This Growth and Development Strategy outlines the broad directions up to 2050 and more detailed plans of action for the next 5-10 years. The plan of action for the FS2050 has three specific priorities and seven priority programmes linked to the Medium Term Strategic Framework. The three priority areas are

- Improve the quality of the road network
- Increase spending on infrastructure
- Improve the efficiency of Municipalities

The seven priority programmes are

- Building a capable, ethical and developmental state to improve governance (this is seen as the foundation block for the growth and development of the Free State)
- Dealing with the historical spatial legacies
- Improve health, social development and education
- Minimise crime and improve social cohesion
- Spend all infrastructure funds and source more funds linked to strategic projects
- Develop a growing economy
- Prepare for the future dealing with climate change, technological shifts and disaster management.

It is about creating synergy between development, implementation and value in attaining shared development outcomes based on the province's development experiences, challenges, needs and priorities. It articulates policy inter-linkages between the national, provincial and local spheres of governance as central to integrated service delivery. This entails creating the environment, institutions and mechanisms crucial for shared growth and integrated development.

The operationalization of the NDP Vision 2030, the Medium-Term Strategic Framework (2019 - 2024) and the FSGDS Vision 2030 is through the provincial departments' strategic plans, which are strategic policy priorities for each of their core service delivery areas. There are also APPs and IDPs that details what departments and municipalities seek to achieve in a financial year and during the Medium-Term Expenditure Framework. The APP and IDP set out performance indicators and targets. It is here that the Office of the Premier ensures that the NDP Vision 2030, the Medium-Term Strategic Framework (2019 - 2024) and FSGDS Vision 2050 objectives are strongly reflected and forms the basis of Strategic Plans, APPs and IDPs.

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

Progress on the Achievement of Outcomes

Achievement against Target

STRATEGIC PLAN 2020 – 2025 (Achievement for 01 Apr 2020 – 30 March 2025)						
Outcome	**Outcome Indicator**	**Baseline 2019/20**	**Target 2025**	**Achievement as at 30 March 2025**	**Data Sources (refer to TIDS)**	**Improvements required for the remainder of the planning period**
Improved coordination between national, provincial & local government	Operational provincial decision making fora	Decision making fora not meeting frequently	Decision making fora meet regularly	Decision making fora meet regularly	Schedule and resolution of meetings	None
Functional, efficient, effective provincial government	Functional performance management system	Below 100% compliance as per prescripts	100% compliance as per prescripts	100% compliance as per prescripts	PERSAL Internal-Quality Spreadsheet	None
Improved coordination between national, provincial & local government	Provincial Planning Framework	Provincial Planning Framework not fully implemented	Provincial Planning Framework implemented	Provincial Planning Framework implemented	Planning Framework	Review of the FSGDS and PSDP
Social compact and engagement with key stakeholders	Increase in sector and stakeholder representation in intergovernmental implementation forums	Implementation forums not fully representative of relevant stakeholders	Implementation forums enhanced to include intergovernmental stakeholders, SOEs, labour, private sector and civil society contractually bound by implementation agreements.	Implementation forums not enhanced to include intergovernmental stakeholders, SOEs, labour, private sector and civil society contractually bound by implementation agreements.	Stakeholder engagements	Implementation forums enhanced
Functional, efficient, effective provincial government	Reduction of wasteful and fruitless expenditure	Wasteful and fruitless expenditure increasing	75% reduction of wasteful and fruitless expenditure	86.5% reduction of irregular expenditure	Audit outcome	None

STRATEGIC PLAN 2020 – 2025 (Achievement for 01 Apr 2020 – 30 March 2025)						
Outcome	**Outcome Indicator**	**Baseline 2019/20**	**Target 2025**	**Achievement as at 30 March 2025**	**Data Sources (refer to TIDS)**	**Improvements required for the remainder of the planning period**
Functional, efficient, effective provincial government	Increased percentage of resolved cases from the Premier's anti-corruption hotline	Below 80% case resolution	At least 80% case resolution	90% case resolved	Anti-corruption hotline monitoring spreadsheet	None
Functional, efficient, effective provincial government	Reduced disciplinary case duration	Below 100% disciplinary cases concluded within 90 days	100% disciplinary cases concluded within 90 days.	0% disciplinary cases concluded within 90 days.	Report of Disciplinary cases	Streamline processes to ensure 90 day target is met
Functional, efficient, effective provincial government	Accountability and reporting system established	Fragmented system of tracking decisions	System established to track and enforce implementation of decisions of provincial fora.	System established to track and enforce implementation of decisions of provincial fora	Tracking system	None
Social compact and engagement with key stakeholders	Batho Pele and Frontline principles strengthened	Below 80% of Service Delivery points show improvement	At least 80% of Service Delivery points show improvement	75.86%.of Service Delivery points show improvement	Frontline Service monitoring reports	Improvement are on track to reach the 80% target
Functional, efficient, effective provincial government	ICT Framework and functional E-Governance	Fragmented implementation of ICT framework	Fully implemented ICT framework to ensure functional e-Governance in the FSPG	Fragmented implementation of ICT framework	ICT framework implementation report	The FSPG intends to roll-out the Virtual Platform Network (VPN) and the new telephony system to enable the efficiency and effectiveness of e-governance within the FSPG

STRATEGIC PLAN 2020 – 2025 (Achievement for 01 Apr 2020 – 30 March 2025)						
Outcome	**Outcome Indicator**	**Baseline 2019/20**	**Target 2025**	**Achievement as at 30 March 2025**	**Data Sources (refer to TIDS)**	**Improvements required for the remainder of the planning period**
A gender, youth and disability responsive provincial government	Number of Offices with gender, youth and disability focal points established	Gender, youth and disability focal points not established in all provincial Offices	Gender, youth and disability focal points established at appropriate level in all provincial Offices	Gender, youth and disability focal points established at appropriate level in all provincial Offices	Focal points established	None

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1 Programme 1: Administration

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

i. Sub-Programme: Premier's Support

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

ii. Sub-Programme: Executive Council Support

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

iii. Sub-Programme: Director General

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

iv. Sub-Programme: Internal Audit

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

v. Sub-Programme: Security and Integrity Management

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

vi. Sub-Programme: Financial Management

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

vii. Sub-Programme: Risk and Ethics Management

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

4.2 Programme 2 Institutional Development

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

i. Sub-Programme: Strategic Human Resource Management

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

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

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

iii. Sub-Programme: Provincial Skills Development Coordination

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

iv. Sub-Programme: Organisational Development

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

v. Sub-Programme: Information and Communication Technology

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

vi. Sub-Programme: Legal Services

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

vii. Sub-Programme: Corporate Communication

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

viii. Sub-Programme: Media Strategy and Liaison

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

ix. Sub-Programme: Provincial Bursary Management

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

4.3 Programme 3 Policy and Governance

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

i. Sub-Programme: Special Programmes

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

ii. Sub-Programme: Intergovernmental Relations

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

iii. Sub-Programme: Provincial Strategic Planning and Policy

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

4.4 Programme 4 Provincial Monitoring and Evaluation

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

i. Sub-Programme: Public Sector Monitoring and Evaluation

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

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

ii. Sub-Programme: Monitoring and Evaluation Programmes

The purpose of the sub-programme is to:

•To facilitate, influence and support the execution of monitoring programmes within Provincial Departments focusing on performance information that impacts on the institutional functionality and good governance of these institutions.
•To support the Department of Cooperative Governance and Traditional Affairs with the implementation of institutional monitoring programmes within the Local Government Sphere aimed at improving the functionality and good governance practices of this sphere.
•To monitor, analyse and provide progress reports with regard to the annual commitments made in the State of the Province Address and Budget Vote Speeches of the respective Provincial Departments.
•To work with and monitor different sectors within the Free State Province rendering services at frontline facilities in terms of challenges that impacts on services being rendered to the citizens at these facilities.
•To provide monitoring reports in terms of the implementation of recommendations based on reports of the National Council of Provinces, Presidential and other projects that needs to be monitored on an ad hoc basis.

iii. Sub-Programme: Provincial Intervention

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

Outcomes, outputs, output indicators, targets and actual achievements

According to the Annual Performance Plan 2024/2025, Programme 1 had a total of 25 planned performance measure indicators and targets, of which 24 were achieved. This constitutes 96% achievement of the performance indicator measures.

According to the Annual Performance Plan 2024/2025, Programme 2 had a total of 30 planned performance measure indicators and targets, of which 30 were achieved. This constitutes 100% achievement of the performance indicator measures.

According to the Annual Performance Plan 2024/2025, Programme 3 had a total of 17 planned performance measure indicators and targets, of which 14 were achieved. This constitutes 82% achievement of the performance indicator measures.

According to the Annual Performance Plan 2024/2025, Programme 4 had a total of 22 planned performance measure indicators and targets, of which 18 were achieved. This constitutes 82% achievement of the performance indicator measures.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Summary of achievements of the Annual Performance Plan

Programme 1:

- Consistent achievement of above 90% for Annual Performance Plan indicator implementation
- Consistent achievement of above 80% in terms of anti-corruption cases resolved

- A remedial Audit Action plan in response to the AG management letter has been finalised and is being implemented across all components. It addresses the findings identified with regular reporting on progress to the Shared Audit Committee.
- The Clusters have reviewed their Programme of Action to better coordinate cluster implementation.

Programme 2:

- The number of employees in the Department of the Premier is 647 as at 31 March 2025 of which 570 are employed permanently and 67 are employed on a contract basis.
- To ensure representivity and support transformation, the department has set equity targets and has achieved 50% target of representation on women with 57% in senior management level. An improvement is planned in the appointing of Persons with Disability (PWD) from 1.2% to reach the target of 2%. The youth in the department comprises of 103 officials, which relates to 15.9 % of the total workforce.
- The process of updating the Local Area Network has started.
- The Provincial Bursary Management Unit was established with the main purpose to administer and manage the provincial bursary function and coordinate the stakeholder management for all full-time international and local bursaries for the Free State Provincial Government. Three key Free State departments were tasked and manage a total of 1229 International bursaries since segregation in 2018, these are the Office of the Premier (OTP-607), Health department (460) and Department of Agriculture, Rural Development and Environmental Affairs (DARDEA- 162).
- Office of the Premier provided 130 training courses for the year (Level 6 and 7 NQF)
- The Mimecast renewal was completed. Mimecast e-mail security is running to secure e-mail communication.
- The Kaspersky Security Centre was rebuilt in order to produce the reports and ensure that the machines are receiving updates frequently. Kaspersky server rebuilt, deployment of new software to 400 machines completed.
- Our Facebook page currently has close to 90 000 followers up from the 70 000 in March 2024.

Programme 3:

- Building accessibility for persons with disabilities remains a challenge as is evident from the quarterly assessment of government buildings. It is evident that the universal design has not been implemented when building or renting buildings. A report in this regard has been sent to Public Works.
- Office of the Premier undertook the hosting of LGBTQIA+ dialogues across the province, although well attended there is still a lot of work to be done.
- In response to the National Strategic Plan on Gender-Based Violence and Femicide the Free State established the Provincial and District GBVF Rapid Response Teams.
- Office of the Premier played a central role in the coordination of strategic infrastructure planning by facilitating the identification of priority projects, compiling detailed project information, liaising with Infrastructure South Africa, and tracking provincial progress.

- Office of the Premier supported the implementation of the District Development Model through the inclusion of aligned strategies in the revised FSGDS and Provincial Spatial Development Framework (PSDF), and by participating in municipal strategic sessions.
- Office of the Premier is in the final stages of producing a reviewed Free State Growth and Development Strategy.

Programme 4:

- Office of the Premier analysed and reported non-financial performance of Departments against the Annual Performance Plan targets to the Infrastructure, Governance, Social Service and Economic Development committees of the Legislature. Provincial performance was on average 74%. Governance Cluster departments reported a 95% performance and that of Economic Development Cluster is at 71%.
- An analyses report on the SOPA and Budget Injunctions by the end of the third quarter indicate that 21% of the injunctions has been achieved, 40% is on track to be achieved and 26% has no substantial progress, 10% has no progress and 3% injunctions are not being monitored.

Table 2.4.4.1:

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

Table 2.4.4.2:

1.1 Programme / Sub-programme: Programme 1: Administration / Premier's Support								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
A functional, efficient, effective provincial government	Coordinated parliamentary activities	Report on parliamentary activities	4	4	4	4	0	
A functional, efficient, effective provincial government	An efficient and effective Premier's Inner- Office	Management report	4	4	4	4	0	

1.2 Programme / Sub-programme: Programme 1: Administration / Executive Council Support								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performanc e 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
A functional, efficient, effective provincial government	Operational and functional provincial EXCO	Report on the implementation of the Executive Council (EXCO) Resolutions	4	4	4	4	0	
A functional, efficient, effective provincial government	Operational and functional provincial Cluster system	Reports on the implementatio n of the Clusters Resolutions	16	16	16	16	0	
A functional, efficient, effective provincial government	Operational and functional provincial FOHOD	Reports on the implementation of the Forum of Heads of Departments (FOHOD) Resolutions	12	4	4	4	0	

1.3 Programme / Sub-programme: Programme 1: Administration / Director General								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performanc e 2023/2024	Planned Annual Target 2024/2025	Actual Achieveme nt2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
A functional efficient, effective provincial government	Decisions of the Executive and Senior Management meetings are communicated to all Programme Managers and the implementation thereof is monitored and reported on	Report on the implementation of decisions of the Executive and Senior Management meetings	4	4	4	4	0	
A functional efficient, effective provincial government	The performance of SMS members are managed effectively	Percentage of output indicators in the Annual Performance Plan achieved	94.75	98.5	90	97.5	7.5	Establishment of a quality control committee
A functional efficient, effective provincial government	The performance of SMS members are managed effectively	Favourable Audit Opinion	1	1	1	0	1	Qualified Audit Outcome

1.4 Programme / Sub-programme: Programme 1: Administration / Internal Audit								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
A functional efficient, effective provincial government	Operational and functional internal audit system	Number of Internal audits conducted	12	12	12	12	0	
A functional efficient, effective provincial government	Operational and functional internal audit system	Report on the implementation of Internal Audit recommendations	2	2	2	2	0	

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

1.5 Programme / Sub-programme: Programme 1: Administration / Security and Integrity Management								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2022/2023**	**Audited Actual Performance 2023/2024**	**Planned Annual Target 2024/2025**	**Actual Achievement 2024/2025**	**Deviation from planned target to Actual Achievement 2024/25**	**Reasons for deviations**
A functional efficient, effective provincial government	Reduced corruption	Percentage of Anti-Corruption cases resolved in the FSPG	65	80	80	80	0	
A functional efficient, effective provincial government	Reduced corruption	Report on Implementation of a Fraud Prevention and Detection Plan	4	4	4	4	0	
A functional efficient, effective provincial government	Reduced breaches of Information Security	Report on Information Security Compliance	4	4	4	4	0	
A functional efficient, effective provincial government	Improved oversight and integrated implementation	Report on Physical Security Compliance	4	4	4	4	0	

1.6 Programme / Sub-programme: Programme 1: Administration / Financial Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
A functional efficient, effective provincial government	Reduced, unauthorised, irregular, wasteful and fruitless expenditure	Percentage reduction in unauthorised expenditure	100	100	100	100	0	
A functional efficient, effective provincial government	Reduced, unauthorised, irregular, wasteful and fruitless expenditure	Percentage reduction in irregular, wasteful and fruitless expenditure	15	15	15	15	0	
A gender, youth and disability responsive provincial government	Supply Chain Management guidelines implemented	Percentage of supply chain service providers appointed according to Supply Chain Management (SCM) process	100	100	100	100	0	
A functional efficient, effective provincial government	Suppliers paid according to SCM guidelines	Percentage of supply chain service providers paid within 30 days	100	100	100	100	0	
A functional efficient, effective provincial government	Budget management processes implemented	In-year-monitoring reports	12	12	12	12	0	

1.7 Programme / Sub-programme: Programme 1: Administration / Risk and Ethics Management								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 20212022**	**Audited Actual Performance 2023/2024**	**Planned Annual Target 2024/2025**	**Actual Achievement 2024/2025**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**
A functional efficient, effective provincial government	Risk management plan implemented	Report on the implementation of the Risk and ethics Management Plan	4	4	4	4	0	
A functional efficient, effective provincial government	Finance, Risk and Ethics Management committee resolutions implemented	Report on the investigation irregular, fruitless and wasteful expenditure	new	4	4	4	0	
A functional efficient, effective provincial government	Audit action plan implemented	Report of Audit Action Plan corrective measures implemented	4	4	4	4	0	
A functional efficient, effective provincial government	Ethics management programmes implemented	Percentage of designated employees submitted their Financial Disclosure	100	100	100	100	0	
A functional efficient, effective provincial government	PSC remedial action implemented	Report on the compliance findings and remedial action of the financial disclosure process	1	1	1	1	0	

2.1 Programme / Sub-programme: Programme 2: Institutional Development / Strategic Human Resource Management

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
A functional, efficient, effective provincial government	Human Resource Plan Implemented	Number of recruitment reports on the status of women in SMS, Persons with Disabilities and Youth in the Department appointed in critical funded posts	new	2	3	3	0	
A functional, efficient, effective provincial government	Human Resource Plan Implemented	Number of reports on HR Planning and compliance	new	2	2	2	0	
A functional, efficient, effective provincial government	Human Resource Plan Implemented	Number of reports on transversal HR Governance and Coordination	new	4	4	4	0	

2.2 Programme / Sub-programme: Programme 2: Institutional Development / Free State Training and Development Institute

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
A functional, efficient, effective provincial government	Provincial identified training needs implemented	Number of training opportunities provided	48	133	56	130	74	Due to increase in demand for training

A functional, efficient, effective provincial government	HRD Plan implemented	Departmental HRD Implementation Plan	new	new	1	1	0	
A functional, efficient, effective provincial government	HRD Plan implemented	Progress report on the Implementation of the HRD Plan	new	new	1	1	0	
A functional, efficient, effective provincial government	Improved coordination and integrated implementation	Report on the implementation of coordination and transversal responsibility of the Unit	2	2	2	2	0	

2.3 Programme / Sub-programme: Programme 2: Institutional Development / Provincial Skills Development Coordination

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
A functional, efficient, effective provincial government	Facilitate a skilled and capable workforce across various sectors in the province	Report on implementation of Skills Development Programmes	4	4	4	4	0	
A functional, efficient, effective provincial government	Facilitate a skilled and capable workforce across various sectors in the province	Report on the initiatives to place Graduates in terms of the Graduate Development Programme	4	4	4	4	0	
A functional, efficient, effective provincial government	Improved coordination and integrated implementation	Report on the implementation of coordination and transversal responsibility of the Unit	4	4	4	4	0	

2.4 Programme / Sub-programme: Programme 2: Institutional Development / Organisational Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Improved coordination between national, provincial & local government	Mandate, function and structure aligned with government priorities	Reports on organizational efficiencies, organisational structure, job descriptions and grading of jobs of the Office of the Premier	4	4	4	4	0	
Improved coordination between national, provincial & local government	Mandate, function and structure aligned with government priorities	Reports on implementation of the Performance Management and Development System	5	5	5	5	0	
Improved coordination between national, provincial & local government	Mandate, function and structure aligned with government priorities	Reports on service delivery planning and implementation	4	4	4	4	0	
Improved coordination between national, provincial & local government	Mandate, function and structure aligned with government priorities	Reports on transversal OD governance and coordination	2	4	4	4	0	

2.5 Programme / Sub-programme: Programme 2: Institutional Development / Information Communication Technology								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2022/2023**	**Audited Actual Performance 2023/2024**	**Planned Annual Target 2024/2025**	**Actual Achievement 2022/2022**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**
A functional, efficient, effective provincial government	Effective and efficient ICT functionality	Reports on departmental corporate governance of ICT and operations (ICT Steering Committee and operational support)	8	8	8	8	0	
A functional, efficient, effective provincial government	Effective and efficient ICT functionality	Reports on transversal corporate governance of ICT and coordination (PGITOC and strategic support)	4	4	4	4	0	

2.6 Programme / Sub-programme: Programme 2: Institutional Development / Legal Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
A functional, efficient, effective provincial government	Legal Advice and support within service standards	Report on delivery of legal advice and support to clients in accordance with service standards	4	4	4	4	0	
A functional, efficient, effective provincial government	Proactive legal information	Number of legal awareness/sessions/training documents on litigation trends and legal developments	20	20	20	20	0	
A functional, efficient, effective provincial government	Improved coordination and integrated implementation	Report on the implementation of co-ordination and transversal responsibility of the Unit	4	4	4	4	0	

2.7 Programme / Sub-programme: Programme 2: Institutional Development / Corporate Communication

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Social compact and engagement with key stakeholders	Communication is improved internally and externally	Corporate communication strategy developed/reviewed	1	1	1	1	0	
Social compact and engagement with key stakeholders	Communication is improved internally and externally	Report on implementation of corporate communication strategy	4	4	4	4	0	
Social compact and engagement with key stakeholders	Communication is improved in the Office of the Premier	Number of publications/ newsletters published	12	12	12	12	0	
Social compact and engagement with key stakeholders	Internal communication is improved in the FSPG	Reports on the monthly updates to the Office of the Premier Intranet and website and notices	12	12	12	12	0	
Social compact and engagement with key stakeholders	External communication is improved in the Office of the Premier	Reports on event management and mobilisation campaigns	2	2	2	2	0	
A functional, efficient, effective provincial government	Improved coordination and integrated implementation	Report on the implementation of co-ordination and transversal responsibility of the Unit	4	4	4	4	0	

2.8 Programme / Sub-programme: Programme 2: Institutional Development / Media Strategy and Liaison								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Social compact and engagement with key stakeholders	To profile the successes of Government in the community through the digital and other media of communication	Number of government newspapers published in media	4	4	4	4	0	
Social compact and engagement with key stakeholders	A uniform, corporate and positive image of Government is portrayed to the community	Report on media engagement and/or briefings held and/or statements issued	4	4	4	4	0	
A functional, efficient, effective provincial government	Improved coordination and integrated implementation	Report on the implementation of coordination and transversal responsibility of the Unit	4	4	4	4	0	

2.9 Programme / Sub-programme: Programme 2: Institutional Development / Provincial Bursary Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
A functional, efficient, effective provincial government	Development of scarce and critical skills for the province	Report on management of the Local and International bursaries	4	4	4	4	0	
A functional, efficient, effective provincial government	Improved coordination and integrated implementation	Report on the implementation of coordination and transversal responsibility of the Unit	4	4	4	4	0	

3.1 Programme / Sub-programme: Programme 3: Policy and Governance / Special Programmes								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
A gender, youth and disability responsive provincial government	Protection of vulnerable groups	Report on the government buildings assessed complying with disability access guidelines and intervention measures recommended	4	4	4	2	2	The variance was due to a critical shortage of staff within the Office on the Status of Disabled Persons, including key vacant management positions. This significantly limited the unit's capacity to conduct the planned number of building assessments and follow-up processes.
A gender, youth and disability responsive provincial government	Protection of vulnerable groups	Report on the implementation of the National Strategic Plan on Gender Based Violence and Femicide	2	2	2	2	0	
A gender, youth and disability responsive provincial government	Protection of vulnerable groups	Report on the provincial forum meetings on transversal issues to advance the rights of women, youth, people with disabilities and older persons	4	4	4	1	3	The department's performance management system were not fully applied.

3.2 Programme / Sub-programme: Programme 3: Policy and Governance / Intergovernmental Relations								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Social compact and engagement with key stakeholders	Efficient and effective integrated government	Report on the coordination of intergovernmental relations between the three spheres of government	4	4	4	4	0	
A functional, efficient, effective provincial government	Efficient and effective integrated government	Report on coordination of international relations in support of provincial development imperative	4	4	4	4	0	
A functional, efficient, effective provincial government	Efficient and effective integrated government	Report on protocol services rendered at government events	4	4	4	4	0	
A functional, efficient, effective provincial government	Efficient and effective integrated government	Report on protocol workshops rendered in the province	new	2	2	2	0	
A functional, efficient, effective provincial government	Efficient and effective integrated government	Report on coordination of Official Development Assistance (ODA) with provincial stakeholders	4	4	2	2	0	
A functional, efficient, effective provincial government	Efficient and effective integrated government	Report on strategic partnerships created as a result of international relations engagements in	2	2	2	2	0	

		Africa and the world						
A functional, efficient, effective provincial government	Efficient and effective integrated government	Report on engagements between the Premier and the House of Traditional and Khoisan Leaders	new	new	2	1	1	Not all meetings with the House of Traditional and Koisan Leaders took place in the reporting period

3.3 Programme / Sub-programme: Programme 3: Policy and Governance / Provincial Strategic Planning and Policy								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
A functional, efficient, effective provincial government	A functional planning system	Compile the departmental Annual Performance Plan (APP)	1	1	1	1	0	
A functional, efficient, effective provincial government	A functional planning system	Report on the review of non-financial performance	4	4	4	4	0	
A functional, efficient, effective provincial government	A functional planning system	Compile the departmental Annual Report	1	1	1	1	0	
A functional, efficient, effective provincial government	Well-coordinated research	Report on the provincial research undertaken	2	2	2	2	0	
A functional, efficient, effective provincial government	A functional planning system	Report on National Development Plan (NDP) / Free State Growth & Development Plan (FSGDS) / Medium Term Strategic Framework (MTSF) and Integrated Development Plan (IDP) alignment report	1	1	1	1	0	

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

4.1 Programme / Sub-programme: Programme 4: Provincial Monitoring and Evaluation / Public Sector Monitoring and Evaluation								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2022/2023**	**Audited Actual Performance 2023/2024**	**Planned Annual Target 2024/2025**	**Actual Achievement 2024/2025**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**
Functional, efficient, effective provincial government	Analysis Reports on the 2024/25 Departmental Annual Performance Plans	Number of Analysis Reports on the 2023/24 Departmental Annual Performance Plans	2	2	1	1	0	
Functional, efficient, effective provincial government	Quarterly Performance analysis reports on the implementation of the 2019-2024 MTSF Priorities	Number of Analysis Reports on the implementation of the 2019-2024 MTSF	4	4	2	1	1	The target was not achieved as the relevant Directorate's resources were redirected and prioritised towards the finalisation of the 30-Year Review report. This high-level assignment required substantial technical input, coordination, and time investment, which impacted the capacity to deliver on the MTSF-related target within the reporting period.
Functional, efficient, effective provincial government	Quarterly provincial non-financial performance analysis reports for Executive Management	Number of quarterly analysis reports on performance of provincial departments on non-financial performance information	4	8	8	8	0	
Functional, efficient, effective provincial government	Quarterly provincial non-financial performance analysis reports for Legislature Portfolio Committees	Number of reports on annual reviews of Departmental non-financial performance information	new	1	1	1	0	

Functional, efficient, effective provincial government	Reports on the implementation of the Provincial Evaluation Plan	Number of Reports on the implementation of the Provincial Evaluation Plan	3	3	3	1	2	The report could not be produced as there are currently no PEP evaluations being implemented
Functional, efficient, effective provincial government	Approved 5 - year rolling cycle Provincial Evaluation Plan	Reviewed Provincial Evaluation Plan	1	1	1	1	0	
Functional, efficient, effective provincial government	Report of 5 Year Review report for the 2019-2024 MTSF	Number of reports of 5 Year Review report for the 2019-2024 MTSF	1	1	1	1	0	

4.2 Programme / Sub-programme: Programme 4: Provincial Monitoring and Evaluation / Monitoring and Evaluation Programmes								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Functional, efficient, effective provincial government	Report on the status of Provincial Departments management practices	Number of Integrated Reports on Frontline Service Delivery Monitoring results	new	2	2	2	0	
Functional, efficient, effective provincial government	Research Discussion Papers on indicators to measure progress towards a Capable State	Number of Annual Analysis Reports on Frontline Service Delivery Monitoring.	new	1	1	1	0	
Functional, efficient, effective provincial government	Monitoring System to measure progress towards a Capable State	Number of Departmental Institutional Capability Profiles	new	12	12	12	0	
Functional, efficient, effective provincial government	Monitoring System to measure progress towards a Capable State	Number of Integrated Analysis Reports on the implementation of Incomplete Projects	new	2	2	2	0	
I Functional, efficient, effective provincial government	Piloting of the Provincial Monitoring System to measure progress towards a Capable State	Number of Integrated Analysis Reports on the implementation of SOPA and Budget Vote Injunctions.	4	4	4	4	0	

Functional, efficient, effective provincial government	Analysis Reports on the implementation of the 2019-2024 MTSF Priority 1, 3, 4 and 6 for the 2022/2023 period	Number of Integrated Provincial Institutional Capability Profiles	new	1	1	1	0	
Functional, efficient, effective provincial government	Analysis Reports on SOPA and Budget Vote Injunctions	Number of Provincial Oversight Reports on the implementation of Citizen Based Monitoring within the FSPG	new	1	1	1	0	
Functional, efficient, effective provincial government	Monitoring Framework 2024/2025 on Incomplete Projects within Free State Provincial Government	Report on the support provided on the implementation of LGMIM within the Free State Province	new	1	1	1	0	
Functional, efficient, effective provincial government	Analysis Reports on Incomplete Projects	Number of reports on the assessment of the Institutional Capability Tools for the FSPG	new	new	1	1	0	

4.3 Programme / Sub-programme: Programme 4: Provincial Monitoring and Evaluation / Provincial Intervention								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2022/2023**	**Audited Actual Performance 2023/2024**	**Planned Annual Target 2024/2025**	**Actual Achievement 2024/2025**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**
Social compact and engagement with key stakeholders	Reports on Service Delivery Interventions	Number of reports on incomplete and slow moving government projects for socio-economic infrastructure and service delivery	new	new	4	3	1	The department's performance management system were not fully applied.
Social compact and engagement with key stakeholders	Reports on support provided to Premier's Outreach Campaigns	Number of Reports on government priority campaigns	4	4	4	2	2	The target was not fully achieved as priority campaigns were not implemented in every quarter of the reporting period, as there were a focus on national campaigns in certain quarters
Functional, efficient, effective provincial government	Provincial and District Service Delivery Forums established Forums.	Number of status reports on services rendered through Direct Liaison Services	new	4	4	4	0	
Functional, efficient, effective provincial government	Reports on Provincial and District Service Delivery Forums	Number of status reports on services rendered through Thusong Services Centres	new	4	4	4	0	
Social compact and engagement with key stakeholders	Reports on Community Development Workers Programme	Number of Provincial CDWP status reports on household profiling and challenges that may affect service delivery negatively	new	new	4	4	0	
Social compact and engagement with key stakeholders	Resolution rate on cases reported through Presidential Hotline	Number of Provincial Performance Reports for the Presidential Hotline	new	new	4	4	0	

Linking performance with budgets

Sub-programme expenditure

Programme 1

Administration	2024/2025			2023/2024		
	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	19,983	19,770	213	21,869	21,692	177
Executive Council Support	5,031	5,029	2	4,394	4,335	59
Director General	24,359	22,979	1,380	21,678	20,556	1,122
Financial Management	57,065	57,020	45	50,695	48,758	1,937
Total	**106,438**	**104,798**	**1,640**	**98,636**	**95,341**	**3,295**

Programme 2

Institutional Development	2024/2025			2023/2024		
	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	151,108	110,621	40,487	139,273	115,593	23,680
Information Technology	25,000	21,375	3'625	25,695	24,496	1,199
Legal Services	17,640	17,567	73	14,075	13,031	1,044
Communication Services	35,467	35,204	263	41,831	33,935	7,896
Total	**229,215**	**184,767**	**44,448**	**220,874**	**187,055**	**33,819**

Programme 3

Policy and Governance	2024/2025			2023/2024		
	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	59,705	56,440	3,265	80,500	71,749	8,751
Intergovernmental Relations	12,366	12,197	169	15,725	14,890	835
Provincial Policy Management	15,014	14,736	278	20,088	16,480	3,608
Total	**87,085**	**83,373**	**3,712**	**116,313**	**103,119**	**13,194**

Programme 4

Provincial Monitoring and Evaluation	2024/2025			2023/2024		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Public Sector Monitoring and Evaluation	10,771	9,809	962	10,647	10,056	591
Monitoring and Evaluation Programme	12,340	10,082	2,258	11,233	8,505	2,728
Provincial Intervention	151,780	142,594	9,186	140,738	139,629	1,109
Total	**174,891**	**162,485**	**12,406**	**162,618**	**158,190**	**4,428**

Strategy to overcome areas of under performance

From the Annual Performance Plan 2024/25 the following challenges and opportunities have been identified to be addressed through our plan.

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

To address these challenges, the Office of the Premier will focus on the following interventions in our plan for 2025/26.

- Provided guidance and oversight on the implementation of the District Development Model and the development of One Plans for Districts;
- Establish a provincial Project Management Unit (PMU) to oversee key infrastructure projects;
- Entrenching the National Strategy on Gender based Violence and Femicide into the core business of the province;
- Continue our guidance and oversight towards better audit outcomes at departmental and local government level;
- Ensure frequent monitoring and oversight of performance against key provincial priorities specifically through monitoring of the provincial Programme of Action and implementation of the MTSF;

- Implement the pledges made at the provincial Energy Expo with key stakeholders to facilitate a response to address and mitigate the effect of load shedding on the economy and wellbeing of the province;
- Enhance our coordinated response to Disasters;
- Strengthen our measures to prevent fraud and corruption.

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

There are no Standardised Outputs and Output Indicators for Office of the Premier.

5. TRANSFER PAYMENTS

5.1. Transfer payments to public entities

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
SABC	SABC TV Licences	TV Licence renewal	Yes	10	10	N/A

5.2. Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2024 to 31 March 2025

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
Officials	Employment contracts expired	Leave gratuity	Yes	4,770	4,770	N/A
UOFS	Educational Institution	Donations for research	Yes	100	100	N/A
Bursaries - Non-employees	Students	Bursaries	Yes	45,274	45,274	N/A

The table below reflects the transfer payments which were budgeted for in the period 1 April 2024 to 31 March 2025, but no transfer payments were made.

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

6. CONDITIONAL GRANTS

6.1. Conditional grants and earmarked funds paid

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

6.2. Conditional grants and earmarked funds received

The Department did not receive conditional grants during the year.

7. DONOR FUNDS

The Department did not receive any donor funds during the year.

8. CAPITAL INVESTMENT

8.1. Capital investment, maintenance and asset management plan

Not applicable

PART C: GOVERNANCE

1. INTRODUCTION

The department is committed to maintaining the highest standards of governance that are fundamental to the management of public finances and resources. Users can be assured that the department has good governance structures in place to effectively, efficiently and economically utilize the state resources, which is funded by the tax payer.

2. RISK MANAGEMENT

The department has approved, communicated and implemented the risk management policy and strategy in 2024/25 financial year in line with Public Sector Risk Management Framework.

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

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

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

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

3. FRAUD AND CORRUPTION

The fraud awareness presentation was done on 26 February 2024 for different departments (attached is the presentation together with the attendance register); furthermore new posters relating to fraud awareness were placed in different floors of OR Tambo House.

From time to time this unit invites people from different stakeholders to do awareness on different topics. The whistleblowing awareness presentation was done on 26 February 2024 by a representative of Health for different departments (attached is the presentation together with the attendance register).

The policy will not apply to personal grievances, which will be dealt with under existing procedures on grievance, discipline and misconduct

o Purpose of the Protected Disclosure ACT, 2000

o The Department's assurances to employees o How the Department will handle the matter

o Disclosure Route

o Any other procedures to report or remedy an impropriety

This is a business process under-taken by the Office of the Premier after receiving complaints from the NACH (National Anti-Corruption Hotline) hosted by Public Service Commission.

Case Management consists of the following:

- Department of the Premier through the Director General receives a complaint on a referral document/template and captures the complaint.
- The Director General reviews the complaint.
- The Office of the Director General allocates complaint for investigation to Security Advice/Coordination Component.
- The Director General and Head of the Security Advice/Coordination Component reviews the complaint and decides whether to investigate or refer to the relevant Department.
- Written Notice of Decision from the Department to Security Advice/Coordination Component.
- Security Advisory verifies if the investigation was conducted in a satisfactory manner.
- If not satisfactorily investigated consultation is done with the departmental investigator to assist or Security Advisory re-investigates after consultation with the latter.
- After completing the investigation the report goes to the Director General for signature and forwarded to Public Service commission.
- Public Service Commission responds after receiving the case and advises whether to close the case or supply further information, evidence etc.

4. MINIMISING CONFLICT OF INTEREST

All SMS members, Level 9 and 10 officials have declared their interests to the Accounting Officer, the declarations were then forwarded to the Public Service Commission.

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

- Bid Specification Committee
- Bid Evaluation Committee
- Bid Adjudication Committee

No conflict of interest was detected during the financial year.

5. CODE OF CONDUCT

The primary purpose of the Code is to promote exemplary conduct. It regulates how employees should conduct themselves in the workplace and how to relate with fellow employees.
An employee shall be guilty of misconduct in terms of Section 20 (t) of the Public Service Act, 1994, and may be dealt with in accordance with the relevant sections of the Act if he or she contravenes any provision of the Code of Conduct or fails to comply with any provision thereof.
The code of conduct training is also offered during induction by the Free State Training and Development Institute. During the year, information sessions are held to reiterate the importance of compliance to the code of conduct.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Department has an Occupational Health and Safety Committee that assembles once a quarter. Committee members were capacitated to conduct risk assessments on occupational health and safety hazards within the workplace. Identified hazards are reported on and recommended that said hazards be referred to the relevant stakeholders for intervention.

7. PORTFOLIO COMMITTEES

PORTFOLIO COMMITTEE ON COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS, OFFICE OF PREMIER, POLICE, ROADS AND TRANSPORT		
Date of meeting	**Matter raised**	**How has Department addressed the matter**
12 September 2024	**2024/25 1st Quarterly Non-Financial Report:** The Office of the Premier achieved 63 of their 65 planned targets for an 97% achievement. Below are the 2 deviations:	
	Programme 3: Policy and Governance • Report on engagements between the Premier and the House of Traditional and Khoisan Leaders	No meeting with the House of Traditional and Koisan Leaders took place in the reporting period. A meeting will be scheduled in the next reporting period
	Programme 4: Provincial Monitoring and Evaluation • Number of Reports on government priority campaigns	For the reporting period the unit was not part of any priority campaigns. Will be involved in future priority campaigns as they happen
Date of meeting	**Matter raised**	**How has Department addressed the matter**
12 November 2024	**2024/25 2nd Quarterly Non-Financial Report:** The Office of the Premier achieved 72 of their 74 planned targets for an 97% achievement. Below are the 2 deviations:	
	Programme 1: Administration Favourable Audit Opinion	The Department received a Qualified Audit Outcome which will be addressed through an Audit Action Plan
	Programme 3: Policy and Governance Report on the government buildings assessed complying with disability access guidelines and intervention measures recommended	Corrective measures in terms of previous assessments is not progressing well enough so that buildings can be re-assessed. Follow up is in progress to get the necessary response.

8. SCOPA RESOLUTIONS

The Department received the following Portfolio Committee on Public Accounts and Finance reports to attend to during the reporting period from the Free State Provincial Legislature.

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
4a	Monitoring and Evaluation of APP's	The Accounting officer must take sufficient steps to ensure that the Provincial Monitoring and Evaluation Unit is adequately capacitated to be able to review and monitor other departments' Annual Performance Plans (APPs) and progress towards achieving indicators.	The Department is in the process of reviewing the organisational structure, the function was also given attention so as to ensure sufficient capacity. The department is also currently exploring other workable solutions to support the function and unit temporarily. These include identification of internal capacity that can be pooled as well as acquiring interns with relevant and requisite training to supplement capacity in the unit	No
4b	International Bursaries	The Accounting Officer must put measures in place to ensure that every expenditure item on international bursaries and stipends, is supported by a complete and accurate portfolio of evidence.	Measures has been put in place by the Department	Yes
4c	SCM process	Where any official of the Department who had been found transgressing SCM processes, consequence management measures must be harshly applied, and the transgressors must face the full might of the law.	Measures has been put in place by the Department	Yes

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

The Department developed an action plan to address audit findings reported by the Auditor General in both the audit report and management report. The implementation of corrective measures is monitored on monthly basis.

Nature of qualification , disclaimer ,adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing /resolving the matter
Qualified Audit Opinion Inadequate supporting documents was provided in the bursary's files, expenditure vouchers, meeting minutes for review to confirm expenditure for international bursaries and stipend payments made to students as stated on note eight as R75,676,000 for the period ended March 2023	2017/2024	The department implemented the audit action plan, which is monitored on a monthly basis by Risk Management Unit, furthermore The finding was for previous financial year 2023/2024 comparative figures, in 2023/2024 there are no more international bursaries or students.
Unauthorised expenditure The unauthorised expenditure incurred by the Department in 2018/19 and 2019/20 financial year.	2018/2024	The department has received unauthorized expenditure investigation reports 2018/19 and 2019/20 financial years. The report to be presented to Provincial Treasury and Legislature for consideration.
Consequence management Prior year IF&W expenditure incurred not investigated (RFI 51 of 2024) - (ISS.40)	2017/2024	The department has investigated ninety-one (91) irregular, fruitless and wasteful expenditure investigation reports as per the investigation register for 2017/18 to 2020/21 financial years. The Department is continually enhancing existing internal controls procedures to prevent, detect irregular, fruitless and wasteful expenditure. Provincial Treasury to appoint service provider through transversal contract to investigate possible unwanted expenditures.
Consequence management Disciplinary Steps were not taken based on the outcome of the relating to IF & W - (ISS.54)	2022/2024	The recommendations as per IF & W investigation reports has been consolidated. The report has been prepared for the Accounting Officers attention and HR for processing. Implementation of recommendations in relation to Disciplinary Steps.
Aid assistance expenditure: Non-compliance with Treasury Regulation 8.1.1 - (ISS.162, ISS.172)	2022/2024	Management have developed a payment submission checklist to ensure that all documents are in place and filled for record purpose, the matter will be continuously monitored.
Non-compliance SCM Prescripts (ISS.102,103,143,181,182,187,197,205, 67,80,108,112,114,115,116,150,185,46, 50,52,53,55,59,77,94)	2017/2024	Review of the SCM checklist and align to the New Circulars Record the irregular expenditures Investigate the entire population The back to office report and supporting document are attached to S&T claims before the payment can be paid to the official.
Pre-determined objectives (ISS 127, ISS 158,ISS 160, ISS 95, ISS 96, ISS 97) -Indicator not smart -Outcomes in the APP are not aligned to the outcomes in the strategic plan -Non- Compliance PSR 25 (1) (e) (i) and (ii)	2021/2024	Management has refined the indicator in line with the SMART principle, and the aligned TID to the indicator. The portfolio evidence file reviewed and Internal Audit report issued on Pre-determined The APP for 2024/2025 is aligned to the Strategic Plan The over roll performance of programme 4 is at 85,5%
Transfers and subsidies (International bursaries): Unable to confirm occurrence of 2022/23 bursary expenditure - (ISS.137,51,58,142)	2017/2024	SIU is currently investigating the Provincial Management Bursary under Proclamation 123 of 2023, that was issued by President MC Ramaphosa dated 09 June 2023, The approval, allocation or payment of bursaries including travel, accommodation and stipends to persons, (i) who were not entitled thereto, or (ii) contrary to applicable manuals, policies, procedures, prescripts, instructions or practices of or applicable to the OTP

		(b) payments made in respect of student accommodation, including the causes of such maladministration and any related unauthorized, irregular or fruitless and wasteful expenditure incurred by OTP or losses suffered by OTP or the State. SIU is in the process of investigation with the anticipation of completion in 2025. Currently OTP does not have students studying abroad.
Pre-payments and advances: Difference between DIRCO reconciliation and AFS - (ISS.168)	2017/2024	Monthly reconciliation between DIRCO and Office of the Premier performed, signed-off by both parties and payment vouchers scanned to allow easy access. Review DIRCO reconciliation and ensure that the reconciliation is supported by sufficient and appropriate documentation and that both the department and DIRCO agree and sign-off on the reconciliation. Ensure that DIRCO reconciliation is properly referenced to the supporting documentation, in order to identify instances where reconciliation items is not supported or where the student does not form part of the department's bursary scheme

The following mechanisms have been implemented to address the AGSA audit findings:

- Risk Management to coordinate the Audit Action Plan
- Monthly monitoring of the Audit Remedial Actions
- Audit Action Plan intervention committee appointed
- Quarterly Monitoring report to be presented to Management committee

10. INTERNAL CONTROL UNIT

The primary purpose of internal controls is to help safeguard an organization and further its objectives. Internal controls function to minimize risks and protect assets, ensure accuracy of records, promote operational efficiency, and encourage adherence to policies, rules, regulations, and laws.

Summary of Work Done

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

11. INTERNAL AUDIT AND AUDIT COMMITTEES

Key activities and objectives of the internal audit

- Purpose and mandate

The Internal Audit Function strengthens the organization's ability to create, protect, and sustain value by providing the board and management with independent, risk-based, and objective assurance, advice, insight, and foresight

Internal auditing enhances the organisation's:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision- making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

In undertaking its audit work, the Internal Audit Function has complied with Section 38(1)(a)(ii) of the PFMA in terms of its establishment, the Global Internal Auditing Standards and any other relevant guidelines.

- Vision and strategy

To provide internal audit services as per the requirements of the Global Internal Audit Standards, and obtaining the highest level of compliance/excellence in the discharge of internal audit responsibilities by providing value added services.

- Charter, methodology and internal audit plans

Internal Audit Charter describing roles, authority and responsibilities of the internal audit function as well as methodologies guiding internal function in implementing internal audit services have been developed within the period. An annual internal audit plan that supports the achievement of the organizational objectives, designed to evaluate and improve department's governance, risk management and control processes was also developed and approved with the 2024/2025 financial year.

- Independence and objectivity

The Internal Audit Function has carried out its roles and responsibilities as contained in its Internal Audit Charter and the Global Internal Audit Standards. Furthermore, there were no impairments to its independence and objectivity during the period. All work was carried out with proficiency and due professional care.

- Internal audit modality

Internal audit process entails evaluation of effectiveness of risk management, governance and control processes through providing assurance and advisory services. Internal Audit function as part of its responsibilities performs the following audits; Compliance, Operational, Performance, ICT and Financial audits. The audit process includes amongst others, identification and agreeing on the scope of the audit, compiling system descriptions and documenting walk-through tests as well as risk assessments, performing test of controls and identifying both positive and negative findings, communicating the results of the audit and following up to ensure implementation of corrective measures.

- Staffing

Internal audit is capacitated with six (6) personnel, two of whom are on a three (3) year fixed term contract. The staff composition consists of the Director, 2x Assistant Directors, Secretariat and two (2) Internal Auditors (Contract appointments). Internal audit function remains committed to fulfil its mandate under human resource capacity constraints. However, there is a great need to capacitate the unit to ensure that Internal Audit effectively delivers on its mandate.

- Quality assurance and improvement program

The Independent External Quality Assurance Review has been completed. The Internal Audit Function obtained a "Generally Conforms" rating. This means that the Internal Audit Function has a charter, policies, procedures, and processes that are judged to be in accordance with the standards. However, some opportunities for improvement may exist especially to the standards which have been rated as "Partially Conforms". Action plans were implemented during the current period to address areas where conformance was rated partially.

Furthermore, periodic internal assessments were conducted by the Provincial Treasury during the current financial year to assess internal audit function's conformance with the standards and progress towards achievement of Key Performance Indicators. The results of the review indicated 97% achievement of the key performance indicators by both the Internal Audit Function.

- Stakeholder relationships

Internal audit promotes formal and informal communication between the internal audit function and the stakeholders to ensure understanding of organizational interests and concerns. Internal auditors when conducting their internal audit assignments meets with the key members of operational management, such as the heads of the department's units and employees who perform operational tasks to discuss roles, responsibilities of the relevant parties, approaches for identifying and managing risks, relevant regulatory requirements etc.

SMS members of the department forms part of Audit Committee meetings where members participate and raise concerns, perspectives and expectations of the internal audit function. During the current financial year, five (5) Audit Committee meetings were held respectively.

In addition, Chief Audit Executive attended departmental key governance committees eg. Risk Management Committee meetings, Non-Financial Performance Committee meetings as well as senior management meetings to ensure ongoing communication with the stakeholders.

- **Summary of audit work done**
    - Planned and completed audits

Internal Audit prepares on annual basis an Internal Audit Plan consisting of the risk areas which will be subject to an audit review within the financial year. In this current financial year, total number of audit projects which were initially planned for the year was **Seventeen (17).** However, due to expiration of employment contracts of two (2) Internal Audit officials which came to effect from 30 September 2024, the plan was revised and four (4) audits namely; Asset Management Audit, Supply Chain Management Audit, Bursary Management Audit and the Audit of Non- Financial Performance Information Monitoring were subsequently reprioritised. As a result, **thirteen (13)** audits were re-planned and completed as per the approved revised plan.

- Ad hoc projects

There were no Ad hoc requests or projects conducted within the financial year 2024/2025.

- Internal audit recommendations

Internal Audit must confirm that management has implemented Internal audit's recommendations or management action plans through performing follow up audits. Total of thirty-three (33) findings which were previously raised in internal audit reports were followed up during the financial year 2024/2025. Out of thirty-three (33), eighteen (18) recommendations/ action plans were implemented and fifteen (15) were not implemented. Internal Audit therefore reports 55% implementation on its recommendations within the 2024/2025 financial period.

- Value add

Internal audit adds value by evaluating the adequacy, efficiency and effectiveness of internal controls, risk management and governance processes to ensure that risks affecting the achievement of strategic objectives are addressed/mitigated. Internal audits were conducted during the year and weaknesses in the systems were highlighted to the management together with recommendations to overcome the shortcomings identified during the reviews.

- Limitations

The structure of the internal audit function must support the achievement of internal audit function's mandate and implementation of internal audit plan. Internal audit structure currently caters for only two permanent Internal Audit Assistant Directors performing internal audit work. However, two (2) Internal Auditors were appointed on three-year fixed term contracts additional to staff establishment effective from 01 December 2024 to November 2027. The unit remains under staffed, therefore there is a great need to capacitate the unit to ensure continuity and effective functioning of the unit.

Furthermore, internal audit relies heavily on manual auditing to perform internal audit work which hinders efficiency and effectiveness of processes. Internal Audit therefore requires audit software to ensure that it remains relevant and responsive to emerging technologies, complies with its internal audit standards (GIAS) and that it continues to deliver value added service to the department.

- **Key activities and objectives of the audit committee**
  - Purpose and mandate

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

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

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

  - Independence

The Shared Audit Committee is an independent governance structure whose function is to provide an oversight role for the financial reporting process, system of internal control, risk management and governance.

  - Protecting the independence of the internal audit function

The Shared Audit Committee approves the Internal Audit Charter explaining the position of internal audit function within the department. The Committee engages with the senior management and provides intervention on the independence of the Internal Audit function to ensure that internal audit is free from any interference when performing its work. No issues of impairment to independence of internal audit function were reported within the period 2024/2025.

  - Performance against statutory duties

The Committee noted findings highlighted by Internal Audit throughout the year and progress made by the management in addressing the findings. The Committee however, raised concerns regarding slow implementation of action plans or recommendations of internal audit and urged management to improve in this regard. The Committee also highlighted that findings pertaining to Supply Chain Management, Frau Risks, Business Continuity and DIRCO reconciliations are of a critical nature and therefore requires urgent

Audit Committee reviewed Risk Management reports highlighting the status of risks contained in the Risk Register (2024/2025) of the Department and is of the opinion that there is still a room to improve the manner in which risks are managed. The Committee also noted throughout the year the progress made on the Audit Action Plan which is worrisome as there's been little progress made in terms of implementation of agreed action plans. Concerns were raised regarding "partially achieved" statuses in the plan as it does not give a clear picture of whether the action will be eventually achieved or not as at the end of year.

The Committee also noted the progress made on Investigation on Irregular, Fruitless and Wasteful Expenditure conducted within the period. However, implementation of consequence management remains a greater concern. The expenditure relating to these investigations has also been flagged as a concern by the Committee.

The Committee has emphasised based on the results of the internal audit assessments that measures should be strengthened to ensure compliance. Majority of findings identified by internal audit emanates from non-compliance with laws and regulations and the Committee urged management to take appropriate action to address the issue.

- Composition of the audit committee

The new Shared Audit Committee was duly appointed effective from 3 February 2025 until 31 October 2027 by the Accounting Officer. The Committee consists of four (4) members and members possess the appropriate skills and experience required to be members of the Audit Committee, and comprises of the members listed below;

1. Mr. SA Ngwenya (Chairperson)
2. Mr. DB de Leeuw (Member)
3. Adv. MA Mopeli (Member)
4. Dr. TP Tondi (Member)

- Meeting attendance

The Shared Audit Committee should meet at least four (4) times as per the approved Shared Audit Committee Charter. In terms of the said charter, there is provision for additional special meetings where necessary in order for the Committee to fulfil its roles and responsibilities. During the year 2024/2025, five (5) Audit Committee Meetings were held respectfully as follows:

1. 17 May 2024
2. 30 May 2024
3. 22 July 2024
4. 23 October 2024
5. 18 March 2025 (new Committee)

- Combined assurance

The Committee has performed its oversight role of assurance during the reporting period which includes amongst others overseeing a working relationship between all assurance providers, e.g. internal audit's collaboration with external audit (AGSA) where the requirement for using the work of internal or using internal audit for direct assistance was emphasised. The relationship between Risk Management and Internal Audit to ensure appropriate identification and coverage of the risks threatening the achievement of objectives has also been observed by the Committee during the period, however efforts are still required from the management to ensure accountability for managing those risks.

- Resolution of audit committee recommendations

Bursary Management indicated that as far as double dipping is concerned, the management worked hard to try and minimise such practices. Engagements were held with the management of CUT in order to combat this challenge and management is adamant that the efforts will yield positive results.

Financial management were able to reach an agreement regarding the opening and closing balances of DIRCO reconciliation, however approval of the recon still remains a challenge.

Lack of consequence management still remains an issue in terms of the outcomes of the investigations reports of irregular expenditure, management still exploring other approaches regarding the latter.

Business Continuity Plan has been drafted, however in a draft format.

ICT Steering Committee has been appointed and functioning effectively.

In terms of digitalizing processes, digital strategy not yet in place however this is a work in progress.

The new APP to be reviewed in the next financial year, which shall address and minimise under achievements and deviations reported by both Internal Audit and AGSA on achievement planned performance indicators.

- Audit committee performance evaluation

Provincial Treasury conducted an assessment of performance of the Shared Audit Committee on achievement of its Key Performance Indicators. The evaluation indicated that the Committee received 97% achievement during the financial year 2024/2025.

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

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

Name	Qualifications	Professional Affiliation (e.g. SAICA, IIA, IOD(SA))	Appointment: Term of Office		No. of meetings attended 2024/25	Has the AC member declared private and business interests in every meeting? (Yes/No)	Is the AC member an employee of an organ of state? (Yes / No)	No. of other ACs that the member served on during the reporting period (whether in the public sector or not)	No. of other governance structures the member served on during the reporting period, e.g. Boards, Risk Committee, IT Committee, etc, whether in this or any other institution(s)
			Start date	End Date					
Ms. D Sempe	Bachelor of Commerce Honours Bachelor of Accounting Science Master of Commerce in Forensic Accountancy	Institute of Directors South Africa	25/10/2021	31/10/2024	4	Yes	No	N/A	N/A
Mr. G Higgins	Bachelor of Commerce Honours CA (SA) Registered Auditor	Independent Regulatory Board for Auditors (IRBA) SAICA	25/10/2021	31/10/2024	4	Yes	No	N/A	N/A
Adv. JC Weapond	Diploma in: Education Compliance Management Business Management	N/A	25/10/2021	31/10/2024	4	Yes	No	N/A	N/A

	B Tech: Policing and Investigations Bachelor of Laws (LLB) M Tech: Forensic Investigations B Com Hons: Information Technology Masters in Business Systems M Tech: Information Technology								
Dr. TP Tondi	Bachelor of Theology Masters Moral and Cultural Studies Masters Higher Education Studies Doctor of Philosophy	N/A	01/06/2022	31/10/2024	4	Yes	No	N/A	N/A
NEW SHARED AUDIT COMMITTEE (3 February 2025 -31 October 2027)									
Mr. SA Ngwenya	Master of Business Administration (MBA) Chartered Accountant (SA) Post Graduate Diploma in Accounting BCom (Accounting)	SAICA Independent Regulatory Board of Auditors (IRBA)	03/02/2025	31/10/2027	1	Yes	No	N/A	N/A
Mr. DB De Leeuw	Hon. B Compt Degree Certificate in the Theory of	N/A	03/02/2025	31/10/2027	1	Yes	No	N/A	N/A

	Accounting (CTA) Chartered Accountant (SA) Registered Auditor (RA) Certified Internal Auditor (CTA)								
Adv. MA Mopeli	Nursing Certificate (Staff Nurse) Bachelor of Administration Bachelor of Laws (LLB) Master of Law (LLM) Specializing in Labour Law Advanced Management Development	N/A	03/02/2025	31/10/2027	1	Yes	No	N/A	N/A
Dr. TP Tondi	Bachelor of Theology Masters Moral and Cultural Studies Masters Higher Education Studies Doctor of Philosophy	N/A	03/02/2025	31/10/2027	1	Yes	No	N/A	N/A

- Remuneration of audit committee members
  - Rates

Normal meetings

Chairperson	Member
R 2 265.00 per hour of attendance	R 1 838 per hour of attendance

Ad-hoc events and special meetings

Chairperson	Member
R 4 446.00 per day	R 2 698.00 per day
R 556.00 per hour of attendance	R 337.00 per hour of attendance

  - Whether audit committee members who worked or are working for an organ of state are being remunerated.

    N/A
  - Total audit committee expenditure for the reporting period.

    R 217 674.70

12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2025.

Audit Committee Reflections

The Shared Audit Committee (Committee) is constituted in terms of section 76(4)(d) and 77 of the Public Finance Management Act, No. 1 of 1999 (PFMA) as amended, read in conjunction with paragraphs 3.1 to 3.1.16 of Treasury Regulations.

The Audit Committee has non-executive status and acts in an advisory capacity to the Accounting Officer and Executing Authority, to assist the latter in fulfilling its oversight responsibility relating to:

(i) *The integrity of the Departments financial statements and financial reporting process;*

(ii) *Governance, Risk Management Processes and Systems of internal control;*

(iii) *The audit processes (both internal and external); and*

(iv) *The Department's process for monitoring compliance with laws, regulations and the code of conduct.*

The Committee adopted the Audit Committee Charter as their formal terms of reference and has discharged all its responsibilities as contained therein as well complying with its responsibilities as enshrined in the Public Finance Management Act and Treasury Regulations.

The Internal Audit Function (IAF) reports functionally to the Committee, and administratively to the Accounting Officer. The Chief Audit Executive (CAE) has not performed any roles beyond internal auditing, during the reporting period.

We confirm that the Audit Committee has functioned without hindrance or limitations throughout the reporting period.

Audit Committee Composition and Meeting Attendance

The Department has a Shared Audit Committee with Free State Provincial Treasury. The term of the previous audit committee ended in October 2024 and the new audit committee was appointed on the 3rd February 2025, and consists of four (4) members. The committee is properly constituted, with a balanced representation of independent members with a diverse and appropriate mix of qualifications, skills, and experience. The committee convened Seven (7) times during the year, including a new member induction session, and special meetings.

Name	Qualifications	Professional Affiliation (e.g. SAICA, IIA, IOD(SA))	Appointment: Term of Office		No. of meetings attended 2024/25	Has the AC member declared private and business interests in every meeting?	Is the AC member an employee of an organ of state? (Yes / No)	No. of other ACs that the member served on during the reporting period	No. of other governance structures the member served on during the reporting period
			Start date	End Date					
Mr. G Higgins Interim Chairperson	B.Com(Hon) CA(SA)	SAICA IRBA	18/10/2021	24/10/2024	05	Yes	No	05	00
Adv. JC Weapond	Bachelor of Laws(LLB)		18/10/2021	24/10/2024	05	Yes	No	03	04
Ms. D Semppe	B.Com General B.Compt Honours M.com Forensic Accounting	IoD	18/10/2021	24/10/2024	05	Yes	No	04	02
Dr. P Tondi	MA(Higher education Studies and PhD)		22/05/2022	31/05/2025	05	Yes	Yes	00	00
Mr. SA Ngwenya Chairperson	MBA, CA(SA) PGD Accountancy BCom(Acc)	SAICA IRBA	03/05/2025	31/10/2027	02	Yes	No	04	01
Advocate MA Mopeli	Bachelor of Admin Bachelor of Laws (LLB) Master of Laws(LLM)	Legal Practice Council	03/05/2025	31/10/2027	02	Yes	No	00	03
Dr. P Tondi	MA(Higher education Studies and PhD)		22/05/2022	31/05/2025	02	Yes	Yes	00	00
Mr. DB de Leeuw	CIA, CA(SA) Hons BCompt BCompt	SAICA IRBA	03/05/2025	31/10/2027	02	Yes	No	05	00

AUDIT COMMITTEE FOCUS AREAS

Effectiveness of the internal control systems

Our review of the audit work performed, which was based on the outcome of the risk assessment process conducted within the department revealed certain deficiencies, which were raised with management for corrective actions to be implemented. This was evidenced by the Follow-Up audits conducted to determine whether management has indeed implemented the recommendations made by Internal Audit or not. These findings were presented during the Shared Audit Committee meetings which were held during the year. With regards to the lack of implementation of Internal Audit's recommendations, the Committee stated that management needs to attend to these as they are critical in nature and therefore warrants management's utmost priority as they may also find expression in the report of the Auditor General. Financial Management, Bursary Management as well as Supply Chain Management sections remains a concern and should be monitored closely.

Furthermore, the Committee noted the Risk Management Reports presented, which highlights the movements in the risk status of the risks contained in the Risk Register of the Department for the year. In addition, the Committee recommended that the departmental risk register should also incorporate fraud risks, so that these can be monitored as well.

The Committee also noted with concern the slow progress made in the implementation of the Audit Action Plan as at 31 March 2025, this was as a result of the Audit Action Plan being completed late in the financial year. The Audit Committee requested a change in the approach followed in the compilation and monitoring of the audit action plan, in that management should start developing the audit action plan as and when they respond to the AGSA's findings. The target should be to have the final complete audit action plan just after sign-off of the audit report on 31 July 2025, so that management can start working on the actions agreed upon in time, and also be able to track progress and address any challenges before the external audit process commences in the following year.

Effectiveness of the Internal Audit Function (IAF)

The IAF has operated in terms of its mandate and internal audit plan consistently throughout the year. The Committee is satisfied that the IAF has maintained its independence thorough the dual reporting lines and positioning in the Department. There were no impairments to objectivity reported during the financial year.

The Internal Audit function is currently capacitated with four (4) permanent personnel, namely, Chief Audit Executive, Secretary, 2 X Assistant Directors. Two (2) internal auditors were appointed on contract additional to the staff establishment effective from 1 December 2024 for a period of three years. The Internal Audit Function is transitioning and adopting the new Global Internal Audit Standards in conducting its work. The due date for compliance to the Global Internal Audit Standards was set for the 9th January 2025. However, the Internal Audit Function was not ready to comply with the set date as the CAE and staff were still in the process of reviewing and finalizing the IAF policy documents i.e: the Internal Audit Methodology, Internal Audit Strategy, Internal Audit Charter, Audit Committee Charter to be in line with the GIAS. A deviation was requested from the Audit Committee to grant the Internal Audit function time to finalize the review of such documents which was granted. To this end the process of reviewing and finalizing these policy documents is complete, and these will be presented in the upcoming Audit Committee Meeting.

The CAE and staff have attended various trainings offered by the Institute of Internal Auditors as well as trainings provided by National/Provincial Treasury on the Global Internal Audit standards. This was to ensure that there's a smooth transition from the old to the new standards. Although the Internal Audit function strives to perform its work with the limited capacity available, there's still a greater need to capacitate the unit to ensure continuity and the effective functioning thereof.

The Audit Committee is satisfied that the IAF was generally effective despite capacity constraints.

Adequacy, reliability, and accuracy of financial and performance information

We have reviewed the Interim Financial Statements which are prepared by the Department, through the quarterly internal audit reports presented to the Audit Committee. In addition, we have also reviewed the quarterly performance information reports prepared by Internal Audit and presented to the Audit Committee. The Audit Committee has also reviewed the Draft Annual Report for the 2024/2025 financial year as part of its oversight responsibility, and as such the Draft Annual Report was recommended for submission to the Auditor General for audit purposes.

Accounting and auditing concerns identified as a result of internal and external audits

The uncorrected misstatements emanating from the Auditor General's 2023/2024 report remain a concern, as these have not been corrected to date. Repeat findings remain a concern as identified through the internal and external audit reports, especially within the Financial Management, Supply Chain Management and the Bursary Management sections of the Department. This can be evidenced by the slow implementation of the Audit Action Plan, as well as the follow up audit results.

Compliance with legal and regulatory provisions

Investigations into Irregular, Fruitless and Wasteful, as well as Unauthorised Expenditure were conducted and finalized during the year under review. However, the lack of implementation of consequence management by management remains a challenge as also reported by the Auditor General.

The quality of the in-year management and monthly/quarterly reports submitted in terms of legislation

The department has reported monthly and quarterly to Provincial Treasury as required by the Public Finance Management Act.

Combined Assurance

The Risk Management unit of the department has compiled a framework/policy on the implementation of the combined assurance model within the department. However, implementation has not yet kickstarted.

Evaluation of the Annual Financial Statements

The Audit Committee reviewed the draft Annual Financial Statements (AFS) for the period ending 31 March 2025.

The Audit Committee noted at the meeting of the Committee held on 30 May 2025 that the Department was still in the process of effecting changes on the draft AFS based on the Provincial Treasury's assessment report, and thus the AFS were not yet complete as at the date of the meeting. However, the AFS were reviewed by the Audit Committee as is. The Audit Committee resolved at their meeting that the AFS will only be recommended for submission once all inputs and corrections, from both the Provincial

Treasury and the Audit Committee are incorporated into the final set of the AFS. In addition, the Committee resolved that the final set of the AFS should be forwarded to the Committee before submission to the Auditor General, and that the Chief Financial Officer must confirm the status of completion and what's outstanding at submission. However, due to the pressures experienced by the Chief Financial Officer as a result of the high number of corrections that had to be made before submission, the Audit Committee couldn't convene to review the updated AFS for completeness and accuracy prior to submission to the Provincial Treasury and the Auditor-General. A copy of an updated AFS was however provided to the Audit Committee on the date of submission.

In addition, the Audit Committee noted with concern that there isn't a dedicated person assigned to compile the AFS within the Department, and therefore recommended that recruitment processes should be undertaken to obtain a person with the required skills and to enhance capacity as this is a critical function which could impact the performance of the department negatively if it is not addressed urgently.

External Audit

The external audit process is currently underway within the Department. The Audit Committee is continuously updated on progress through the office of the Chief Audit Executive. Furthermore, the AGSA forms part of the Audit Committee Meetings where they brief the Committee on progress, challenges and recommended solutions to the identified internal control failures. The progress reported by the AGSA to date indicates that in some instances management does not adhere to the agreed timeframes for submission of the requested documents, as well as the submission of responses to the audit communications reported. The Committee noted the letter from the AGSA dated 15 May 2025 addressed to the chairperson of the Committee that there were material misstatements identified during the audit of the 2023/24 financial year, which were communicated with management, which required an assessment of the entire population before the submission of the financial statements, in order for the AGSA to evaluate if the misstatements identified were sufficiently corrected by management during the 2024/25 financial statement closure process. These related to the following critical areas.

- Prepayments and advances;
- Transfers and Subsidies;
- Lease commitments;
- Goods and services;
- Aid Assistance;
- Write off of capital assets;
- Quality of AFS.

Auditor-General's Report

The Audit Committee received a management report and the final draft audit report from the Office of the Auditor General. The management report and final draft were presented by the Auditor General and the basis of the audit opinion including conclusion on Annual Performance Report. The Audit Committee was satisfied with the explanation and clarification from AGSA. The Department received a qualified audit opinion and the Audit Committee concurs with the conclusions and opinion on the Annual Financial Statements.

Conclusion

The Committee is satisfied that the department, in particular the Accounting Officer as well as the Internal Audit Directorate has provided the Shared Audit Committee with the necessary support towards fulfilling its oversight roles and responsibilities.

Mr. Siphiwe Ngwenya
Chairperson of the Audit Committee
Office of the Premier
31 July 2025

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, Industry and Competition.

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion *(include a discussion on your response and indicate what measures have been taken to comply)*
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	Not applicable to the Department
Developing and implementing a preferential procurement policy?	Yes	The Department is continuously ensuring compliance to the PPPFA in its Procurement process and has also integrated/included National Treasury SCM Instruction notes in its Departmental SCM Policy.
Determining qualification criteria for the sale of state-owned enterprises?	No	Not applicable to the Department
Developing criteria for entering into partnerships with the private sector?	No	Not applicable to the Department
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	Not applicable to the Department

PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

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

2. OVERVIEW OF HUMAN RESOURCES

The number of employees in the Department of the Premier is 656 as at 31 March 2025 of which 570 are employed permanently and 86 are employed on a contract basis. The Department further has 8 employees with disabilities within its employment. The staff component consists of 45% males and 55% females. Currently 58% of SMS members are represented by females and 42% by males.

The Department had **143** terminations for the last financial year. Below is the type of service terminations:

TYPES OF TERMINATION	Number	%
Death	3	2.1%
Resignation	15	10.5%
Expiry of contract	122	85.3%
Retirement	3	2.1%
Total	**143**	**100%**

The Department has an approved MTEF Human Resource Plan and Employment Equity Plan which are in operation up until 2026. Annually the department generates a human resource planning implementation report that records progress against the HR action plans in the MTEF human resource plan and is submitted to DPSA. The department is consistently in compliance with legislated requirements.

The Department has developed a Recruitment and Selection Standard Operating Procedure (SOP) in compliance with applicable legislative frameworks and directives issued by the Ministry for Public Service and Administration (MPSA). This SOP is designed to support the Department in addressing its human resource capacity needs by facilitating the recruitment of suitably qualified candidates with the necessary skills and competencies to effectively perform their duties. Furthermore, the Department's annual recruitment plan for the Medium-Term Expenditure Framework (MTEF) period is strategically aligned with its identified human resource capacity requirements, ensuring a systematic and needs-based approach to workforce planning.

The Organisational Structure Review Committee was revived to review the proposed organisational structure in terms of the available COE. A Technical Committee was also established in order to support the Organisational Structure Review Committee.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel related expenditure

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2024 and 31 March 2025

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	104 798	60 737	0.00	0.00	58%	680
Institutional Development	184 864	95 482	0.00	0.00	52%	543
Policy & Governance	83 500	42 953	0.00	0.00	51%	671
Provincial Monitoring & Evaluation	162 485	154 400	0.00	0.00	95%	478
Total	**535 647**	**353 572**	**0.00**	**0.00**	**66%**	

Table 3.1.2 Personnel costs by salary band for the period 1 April 2024 and 31 March 2025

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	1 433	0.4%	7	204
Skilled (level 3-5)	316 23	8.9%	120	263
Highly skilled production (levels 6-8)	139 904	39.6%	314	445
Highly skilled supervision (levels 9-12)	866 55	24.5%	105	825
Senior and Top management (levels 13-16)	38525	10.9%	25	1 540

Contract (Levels 1-2)	1 42	0%	0	0
Contract (Levels 3-5)	8 245	2.3%	15	549
Contract (Levels 6-8)	140 67	4%	37	380
Contract (Levels 9-12)	160 08	4.5%	9	1 778
Contract (Levels 13)	141 65	4%	9	1 573
Contract Other	2 805	0.8%	15	187
Total	**353 572**	**100%**	**656**	

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2024 and 31 March 2025

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	52 966	87.2%	R147	0.20	R1 489	2%	R3 305	5.40
Institutional Development	81 827	85.7%	R26	0.00	R2 368	2%	R5 047	5.30
Policy & Governance	42 953	100%	R321	0.70	R813	2%	R1 271	3.00
Provincial Monitoring & Evaluation	154 400	100%	R0	0.00	R5 735	4%	R12 149	7.9
Total	**332 146**	**94%**	**R494**	**0.14%**	**R10 405**	3%	**R21 772**	**6%**

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2024 and 31 March 2025

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	1156	78%	0	0%	121	8.2%	203	13.7%
Skilled (level 3-5)	26305	81%	8	0%	1 914	5.9%	4 143	12.8%
Highly skilled production (levels 6-8)	124260	86%	270	0.2%	6 187	4.3%	13 528	9.4%
Highly skilled supervision (levels 9-12	85616	95%	84	0.1%	1 530	1.7%	2 957	3.3%
Senior management (level 13-16)	39849	99%	0	0%	329	0.8%	198	0.5%
Contract (Levels 1-2)	93	68%	0	0%	10	7.3%	34	24.8%
Contract (Levels 3-5)	8092	95%	0	0%	103	1.2%	300	3.5%
Contract (Levels 6-8)	13441	97%	73	0.5%	132	0.9%	258	1.9%
Contract (Levels 9-12)	15849	99%	58	0.4%	45	0.3%	128	0.8%
Contract (Levels >= 13)	14417	100%	0	0%	33	0.2%	23	0.2%
Contract Other	3067	100%	0	0%	0	0%	0	0%
Total	**332 146**	**94%**	**494**	**0.14%**	**10 405**	**3%**	**21 772**	**6%**

3.2 Employment and Vacancies

Table 3.2.1 Employment and vacancies by programme as on 31 March 2025

Programme	Number of posts on approved persal establishment	Number of posts filled	Vacancy Rate (%)	Number of employees additional to the establishment
Administration	111	93	16%	11
Institutional Development	211	176	17%	25
Policy & Governance	95	83	13%	23
Provincial Monitoring & Evaluation	315	304	3%	23
Total	**732**	**656**	**10%**	**82**

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2025

Salary band	Number of posts on approved persal establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	11	7	36.4	0
Skilled (3-5)	129	120	7	3
Highly skilled production (6-8)	336	314	6.5	2
Highly skilled supervision (9-12)	131	105	19.8	0
Senior management (13-16)	40	25	37.5	0
Contract (Levels 3-5)	30	30	0	13
Contract (Levels 6-8)	37	37	0	37
Contract (Levels 9-12)	9	9	0	7
Contract (Levels >= 13	9	9	0	5
Total	**732**	**656**	**10**	**82**

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2025

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
None				

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
  - (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
  - (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
  - (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
  - (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

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 2025

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of funded SMS posts vacant	% of SMS funded posts vacant
Director-General/ Head of Department	1	0	0	1	100%
Salary Level 16	2	2	100%	0	0%
Salary Level 15	4	4	100%	0	0%
Salary Level 14	11	8	73%	3	27%
Salary Level 13	24	19	79%	5	21%
Total	**42**	**33**	**79%**	**9**	**21%**

Table 3.3.2 SMS post information as on 30 September 2024

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	0	100%	1	100%
Salary Level 16	0	0	100%	0	0%
Salary Level 15	5	5	100%	0	0%
Salary Level 14	12	8	67%	4	33%
Salary Level 13	23	18	78%	5	22%
Total	**41**	**31**	**76%**	10	24%

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2024 and 31 March 2025

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	1	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	0	0	0
Salary Level 13	0	0	0
Total	1	0	0

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2024 and 31 March 2025

Reasons for vacancies not advertised within six months
Budget Constraints

Reasons for vacancies not filled within twelve months
Budget Constraints

Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.3, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes.

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 2024 and 31 March 2025

Reasons for vacancies not advertised within six months
None

Reasons for vacancies not filled within six months
Budget Constraints

Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.2, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes. In the event of non-compliance with this regulation, the relevant executive authority or head of department must take appropriate disciplinary steps in terms of section 16A(1) or (2) of the Public Service Act.

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 2024 and 31 March 2025 as per the approved structure

Salary band	Number of posts on approved organisational establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels1-2)	18	0	0%	0	0%	0	0%
Skilled (Levels 3-5)	125	3	2.4%	0	0%	0	0%
Highly skilled production (Levels 6-8)	448	7	1.56%	0	0%	0	0%
Highly skilled supervision (Levels 9-12)	196	14	7.14%	0	0%	0	0%
Senior Management Service Band A	32	8	25%	0	0%	0	0%
Senior Management Service Band B	12	0	0%	0	0%	0	0%
Senior Management Service Band C	3	0	0%	0	0%	0	0%
Senior Management Service Band D	1	1	100%	0	0%	0	0%
OSD: Legal (LP 7)	3	0	0%	0	0%	0	0%
OSD: Legal (LP 10)	2	0	0%	0	0%	0	0%
Total	**840**	**33**	**3.89%**	**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 2024 and 31 March 2025

Gender	African	Asian	Coloured	White	Total
None					

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 2024 and 31 March 2025

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None				

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2024 and 31 March 2025

Gender	African	Asian	Coloured	White	Total
None					

Notes

- If there were no cases where the salary levels were higher than those determined by job evaluation, keep the heading and replace the table with the following:

Total number of Employees whose salaries exceeded the grades determine by job evaluation	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 (see definition in notes below).

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2024 and 31 March 2025

Salary band	Number of employees at beginning of period-1 April 2024	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	6	2	1	16.7
Skilled (Levels3-5)	87	37	2	2.3
Highly skilled production (Levels 6-8)	317	3	3	0.9
Highly skilled supervision (Levels 9-12)	104	1	3	2.9
Senior Management Service Bands A	15	0	1	6.7
Senior Management Service Bands B	5	0	0	0
Senior Management Service Bands C	4	0	0	0
Senior Management Service Bands D	1	1	1	100
Other Contracts	0	17	2	0
Contract (Levels 1-2)	1.	0	1	100
Contract (Levels 3-5)	41	15	41	100
Contract (Levels 6-8)	47	38	48	102.1
Contract (Levels 9-12)	30	9	28	93.3
Contract Band A	7	4	7	100
Contract Band B	3	3	3	100
Contract Band C	0	1	0	0
Contract Band D	2	1	2	100
TOTAL	**670**	**132**	**143**	**21.3**

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2024 and 31 March 2025

Critical occupation	Number of employees at beginning of period-April 2024	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
None				

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –

(a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;

(b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;

(c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and

(d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

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 2024 and 31 March 2025

Termination Type	Number	% of Total Resignations
Death	3	2.1
Resignation	15	10.5
Expiry of contract	122	85.3
Retirement	3	2.1
Total	**143**	**100**
Total number of employees who left as a % of total employment	**21.8%**	

Table 3.5.4 Promotions by critical occupation for the period 1 April 2024 and 31 March 2025

Occupation	Employees 1 April 20YY	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
None					

Table 3.5.5 Promotions by salary band for the period 1 April 2024 and 31 March 2025

Salary Band	Employees 1 April 2024	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower Skills (Level 1-2)	6	0	0	0	0
Skilled (levels 3-5)	87	0	0	59	67.8
Highly skilled production (levels 6-8)	317	0	0	102	32.2
Highly skilled supervision (levels 9 -12)	104	1	1	48	46.2
Top and Senior management (levels 13-16)	25	0	0	1	4
Contract (Levels 1-2)	1	0	0	0	0
Contract (Levels 3-5)	41	0	0	0	0
Contract (Levels 6-8)	47	0	0	0	0
Contract (Levels 9-12)	30	0	0	0	0
Contract (Levels 13-16)	12	1	8.3	0	0
Total	**670**	**2**	**0.3**	**210**	**31.3**

3.6 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2025

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior officials and managers	1	0	0	0	4	0	0	0	5
Professionals	4	0	0	2	2	0	0	2	10
Technicians and associate professionals	0	1	0	1	3	0	0	1	6
Clerks	1	0	0	0	5	1	0	0	7
Labourers and related workers	1	1	0	0	2	0	0	0	4
Clerical support workers	36	0	0	0	89	5	0	0	130
Elementary	3	2	0	0	10	1	0	0	16
Managers	28	1	0	3	34	1	0	0	67
Plant & machine operators & assemblers	3	0	0	0	0	0	0	0	3
Professionals	44	1	0	2	54	2	1	10	114
protect rescue social health science support pers	145	0	0	0	113	3	0	0	261
Technicians & associate technical occupations	13	0	0	0	18	1	0	1	33
Total	**279**	**6**	**0**	**8**	**334**	**14**	**1**	**14**	**656**

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2025

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	0	3	0	0	0	5
Senior Management	6	0	0	1	12	0	0	1	20
Professionally qualified and experienced specialists and mid-management	38	2	0	6	47	2	1	9	105
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	156	1	0	1	143	9	0	4	314
Semi-skilled and discretionary decision making	42	3	0	0	73	2	0	0	120
Unskilled and defined decision making	1	0	0	0	6	0	0	0	7
Contract Other	7	0	0	0	8	0	0	0	15
Contract (Top Management),	2	0	0	0	0	0	0	0	2
Contract (Senior Management),	3	0	0	0	4	0	0	0	7
Contract (Professionally Qualified),	2	0	0	0	7	0	0	0	9
Contract (Skilled Technical),	15	0	0	0	22	0	0	0	37
Contract (Semi-Skilled),	5	0	0	0	9	1	0	0	15
Total	**279**	**6**	**0**	**8**	**334**	**14**	**0**	**14**	**656**

Table 3.6.3 Recruitment for the period 1 April 2024 to 31 March 2025

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	1	0	0	0	1
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	1	0	0	0	2	0	0	0	3
Semi-skilled and discretionary decision making	15	0	0	0	22	0	0	0	37
Unskilled and defined decision making	1	0	0	0	1	0	0	0	2
Contract other	8	0	0	0	9	0	0	0	17
Contract (Top Management),	2	0	0	0	0	0	0	0	2
Contract (Senior Management),	3	0	0	0	4	0	0	0	7
Contract (Professionally qualified),	2	0	0	0	7	0	0	0	9
Contract (Skilled technical),	16	0	0	0	22	0	0	0	38
Contract (Semi-skilled),	5	0	0	0	9	1	0	0	15
Total	**54**	**0**	**0**	**0**	**77**	**1**	**0**	**0**	**132**

Table 3.6.4 Promotions for the period 1 April 2024 to 31 March 2025

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	0	0	0	0	1	0	0	0	1
Professionally qualified and experienced specialists and mid-management	19	1	0	1	27	0	0	1	49
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	43	0	0	0	57	2	0	0	102
Semi-skilled and discretionary decision making	18	2	0	0	38	1	0	0	59
Contract (Top Management),	1	0	0	0	0	0	0	0	1
Total	**81**	**3**	**0**	**1**	**123**	**3**	**0**	**1**	**212**

Table 3.6.5 Terminations for the period 1 April 2024 to 31 March 2025

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	2	0	0	0	1	0	0	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	0	0	0	2	0	0	0	3
Semi-skilled and discretionary decision making	1	0	0	0	1	0	0	0	2
Unskilled and defined decision making	1	0	0	0	0	0	0	0	1
Contract other	1	0	0	0	1	0	0	0	2
Contract (Top Management)	1	0	0	0	0	0	0	1	2
Contract (Senior Management)	7	0	0	0	3	0	0	0	10
Contract (Professionally qualified)	17	0	0	1	10	0	0	0	28
Contract (Skilled technical)	24	0	0	0	24	0	0	0	48
Contract (Semi-skilled)	17	0	0	0	24	0	0	0	41
Contract (Unskilled)	0	0	0	0	1	0	0	0	1
Total	**74**	**0**	**0**	**1**	**67**	**0**	**0**	**1**	**143**

Table 3.6.6 Disciplinary action for the period 1 April 2024 to 31 March 2025

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
None									

Table 3.6.7 Skills development for the period 1 April 2024 to 31 March 2025

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	20	0	0	0	21	0	0	1	42
Professionals	2	0	0	0	4	0	0	0	6
Technicians and associate professionals	33	0	0	0	11	0	1	1	46
Clerks	21	0	0	0	62	2	0	0	85
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
Total	**76**	**0**	**0**	**0**	**98**	**2**	**1**	**2**	**179**

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 2024

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	1	0	0
Salary Level 16	2	1	0	0
Salary Level 15	4	4	1	50
Salary Level 14	11	7	9	82
Salary Level 13	24	22	21	88
Total	**41**	**35**	**31**	**76**

Notes

- One salary level 15 official on suspension. One salary level 14 seconded to Department of Health.

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2025

Reasons
The Acting Director-General was changed from March 2025 and therefore the Moderating Committee had to be amended. The newly appointed Acting Director-General constituted another Moderating Committee and due to the unavailability of the Acting Director-General the Moderating Committee meeting will be scheduled during May 2025.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2025

Reasons
None

Notes

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

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 (see definition in notes below).

Note: In terms of the 2019 Incentive Policy Framework for Employees in the Public Service, as issued by the DPSA, there is no payment of Cash Bonus performance rewards.

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2024 to 31 March 2025

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
None					

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2024 to 31 March 2025

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	
None						

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2024 to 31 March 2025

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
None					

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
  - (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
  - (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
  - (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
  - (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees;

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2024 to 31 March 2025

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	
None						

3.9 Foreign Workers

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

Table 3.9.1 Foreign workers by salary band for the period 1 April 2024 and 31 March 2025

Salary band	01 April 2024		31 March 2025		Change	
	Number	% of total	Number	% of total	Number	% Change
None						

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2024 and 31 March 2025

Major occupation	01 April 2024		31 March 2025		Change	
	Number	% of total	Number	% of total	Number	% Change
None						

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 2024 to 31 December 2024

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)	3	66.7%	1	0.4%	3	2
Skilled (levels 3-5)	429	78.3%	52	19.7%	8	488
Highly skilled production (levels 6-8)	643	81.2%	68	25.8%	9	1 130
Highly skilled supervision (levels 9 -12)	557	79.2%	66	25%	8	1 670
Top and Senior management (levels 13-16)	141	85.8%	19	7.2%	7	740
Contract (Levels 3-5)	194	83%	30	11.4%	6	224
Contract (Levels 6-8)	107	69.2%	19	7.2%	6	174
Contract (Levels 9-12)	39	87.2%	5	1.9%	8	121
Contract (Levels 13-16)	26	100%	4	1.5%	7	132
Total	**2 139**	**80.3%**	**264**	**100%**	**8**	**4 681**

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2024 to 31 December 2024

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)	63	100	3	14.3	21	78
Highly skilled production (Levels 6-8)	195	100	9	42.9	22	349
Highly skilled supervision (Levels 9-12)	398	100	7	33.3	57	1 380
Senior management (Levels 13-16)	14	100	1	4.8	14	82
Contract (Levels 3-5)	9	100	1	4.8	9	12
Total	**679**	**100**	**21**	**100**	**32**	**1 901**

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 2024 to 31 December 2024

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	159.5	6	27
Skilled Levels 3-5)	1 948	85	23
Highly skilled production (Levels 6-8)	5 110	215	24
Highly skilled supervision(Levels 9-12)	2 510	102	25
Senior management (Levels 13-16)	471	23	20
Contract (Levels 1-2)	18	1	18
Contract (Levels 3-5)	625	39	16
Contract (Levels 6-8)	512	28	18
Contract (Levels 9-12)	301	19	16
Contract (Levels 13-16)	92	7	13
Total	**11 746.50**	**525**	**22**

Table 3.10.4 Capped leave for the period 1 January 2024 to 31 December 2024

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
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	0	0	32
Highly skilled production (Levels 6-8)	0	0	0	22
Highly skilled supervision(Levels 9-12)	0	0	0	26
Senior management (Levels 13-16)	0	0	0	24
Total	**0**	**0**	**0**	26

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

Table 3.10.5 Leave payouts for the period 1 April 2024 and 31 March 2025

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Annual - Discounting With Resignation	424	10	42
Annual - Discounting: Contract Expiry	3 375	109	31
Annual - Discounting: Unused Vacation Credits	750	13	58
Annual - Gratuity: Death/Retirement/Medical Retirement	352	5	70
Capped - Gratuity: Death/Retirement/Medical Retirement	186	3	62
TOTAL	**5 088**	**140**	**36**

3.11 HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Not Applicable	

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

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		L.V Nqoko Director: HR Advice, Coordination and Management
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		V. Yona The Deputy Director: Labour Relations Advice, Employee Assistance and Occupational Health and Safety and Practitioner responsible for Occupational Health and Safety. Practitioner responsible for Health Management The Sub-directorate reports under Human Resource Advice, Coordination and Management Directorate therefore its budget is within that of said Directorate.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	Yes		Key elements were awareness and education on TB, HIV & AIDS, Communicable and Non-communicable diseases, Chronic illnesses, Mental illnesses, Substance abuse, Physical wellness and Psychosocial stressors
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	Yes		The Department has a Departmental OHS and Wellness Committee: Members of the Committee are as follows: Chairperson – Assistant Director (Labour Relations, Employee Assistance and Occupational Health and Safety), Employer Representative (Labour Relations Officer), OHS Representatives from PSA and NEHAWU, Practitioner responsible for Occupational Health and Safety. Practitioner responsible for Health Management
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	Yes		HIV & AIDS and TB Management Policy approved on 14 October 2021. There is no need to review the current policy as it does not discriminate against employees who are HIV positive.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		Clause 8.1.7 of the reviewed HIV/AIDS and TB Management Policy states that: (a) ensure that no employee or prospective employee is unfairly discriminated against on the basis of her or his HIV status, or perceived HIV status in any employment policy or

			practice; and (b) take appropriate measures to actively promote non-discrimination and to protect HIV positive employees and employees perceived to be HIV-positive from discrimination.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	Yes		On 23 August 2024, voluntary screening and testing were planned for employees. Employees were afforded the opportunity to undergo screening and testing. Counselling services are provided on continuous basis.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		The Department utilises the following HR reports: monthly reports and quarter reports.

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2024 and 31 March 2025

Subject matter	Date
Total number of Collective agreements	**None**

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

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2024 and 31 March 2025

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	0	0
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn	0	0
Total	**None**	**0%**

Notes

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

Total number of Disciplinary hearings finalised	**None**

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2024 and 31 March 2025

Type of misconduct	Number	% of total
Dereliction of duty	1	100%
Total	**1**	**100%**

Table 3.12.4 Grievances logged for the period 1 April 2024 and 31 March 2025

Grievances	Number	% of Total
Number of grievances resolved	2	50%
Number of grievances not resolved	2	50%
Total number of grievances lodged	**4**	**100%**

Table 3.12.5 Disputes logged with Councils for the period 1 April 2024 and 31 March 2025

Disputes	Number	% of Total
Number of disputes upheld	None	0%
Number of disputes dismissed	1	4.3%
Total number of disputes lodged	**23**	**100%**

Table 3.12.6 Strike actions for the period 1 April 2024 and 31 March 2025

Total number of persons working days lost	**None**
Total costs working days lost	**None**
Amount recovered as a result of no work no pay (R'000)	**None**

Table 3.12.7 Precautionary suspensions for the period 1 April 2024 and 31 March 2025

Number of people suspended	**1**
Number of people whose suspension exceeded 30 days	**1**
Average number of days suspended	**1yr 6 m**
Cost of suspension(R'000)	**R 1 949 353.00**

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 2024 and 31 March 2025

Occupational category	Gender	Number of employees as at 1 April 2024	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Senior officials and managers, Legislators,	Female	39	0	66	2	68
	Male	32	0	122	2	124
Professionals	Female	72	0	10	0	10
	Male	53	0	8	1	9
Technicians and associate professionals	Female	24	0	105	1	106
	Male	15	0	133	0	133

Clerks	Female	100	0	269	3	272
	Male	37	0	161	3	164
Laborers And Related Workers	Female	2	0	0	0	0
	Male	2	0	0	0	0
Elementary	Female	11	0	0	0	0
	Male	5	0	0	0	0
Plant & Machine Operators & Assemblers	Female	0	0	0	0	0
	Male	3	0	0	0	0
Protect Rescue Social Health Science Support	Female	123	0	0	0	0
	Male	152	0	0	0	0
Sub Total	Female	371	0	0	0	0
	Male	299	0	0	0	0
Total		**670**	**0**	**874**	**12**	**886**

Table 3.13.2 Training provided for the period 1 April 2024 and 31 March 2025

Occupational category	Gender	Number of employees as at 1 April 2024	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Senior officials and managers, Legislators,	Female	39	0	22	0	22
	Male	32	0	20	0	20
Professionals	Female	72	0	4	0	4
	Male	53	0	2	0	2
Technicians and associate professionals	Female	24	0	13	0	13
	Male	15	0	33	0	33
Clerks	Female	100	0	64	0	64
	Male	37	0	21	0	21
Laborers And Related Workers	Female	2	0	0	0	0
	Male	2	0	0	0	0
Elementary	Female	11	0	0	0	0
	Male	5	0	0	0	0
Plant & Machine Operators & Assemblers	Female	0	0	0	0	0
	Male	3	0	0	0	0
Protect Rescue Social Health Science Support	Female	123	0	0	0	0
	Male	152	0	0	0	0
Sub Total	Female	371	0	0	0	0
	Male	299	0	0	0	0
Total		**670**	**0**	**179**	**0**	**179**

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 2024 and 31 March 2025

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

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

(a) The rendering of expert advice;

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

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

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2025 and 31 March 2025

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Investigation: irregular fruitless and wasteful expenditure	One (1) consulting company appointment	3 years (2022-2025)	R21 423 159,75
Investigation: Unauthorised expenditure	One (1) consulting company appointment	2 years (2023-2025)	R8 896 524,15

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
N/A			

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2024 and 31 March 2025

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

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2024 and 31 March 2025

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
None			

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
None			

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2024 and 31 March 2025

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
None			

3.15 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2024 and 31 March 2025

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
None				

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	2024/2025	2023/2024
	R'000	R'000
Opening balance	440 943	392 898
Adjustment to opening balance	-	-
Opening balance as restated	440 943	392 898
Add: Irregular expenditure confirmed	41 234	48 045
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recoverable and written off	-	-
Closing balance	**482 177**	**440 943**

On 02 March 2022 the Office of the Premier appointed a service provider to investigate irregular, fruitless and wasteful expenditure identified by the AGSA during the financial year's 2017/18, 2018/19 and 2019/20. The service provider is appointed to investigate 144 audit findings related to irregular, fruitless and wasteful expenditure. As at 31 March 2025 only 91 investigations were finalised - but not acknowledged by the accounting officer. The disciplinary recommendations contained within these investigation reports have not been implemented, as required by PFMA 38(1)(h)(iii). The remaining investigations of 53 relate to bursary expenditure, which is not investigated due to expiry of the contract.

No service provider is appointed to investigate instances of irregular and fruitless and wasteful expenditure incurred during the period 2021 to 2024. No internal investigations has been performed by management in order to determine if disciplinary steps need to be taken against liable officials.

Reconciling notes

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure that was under assessment	-	-
Irregular expenditure that relates to the prior year and identified in the current year	-	-
Irregular expenditure for the current year	41 234	48 045
Total	**41 234**	**48 045**

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

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	120 745
Total	-	**120 745**

c) Details of irregular expenditure condoned

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure condoned	-	-
Total	-	-

d) Details of irregular expenditure removed - (not condoned)

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure NOT condoned and removed	-	-
Total	-	-

e) Details of irregular expenditure recoverable

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure recoverable	-	-
Total	-	-

f) Details of irregular expenditure written off (irrecoverable)

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure written off	-	-
Total	-	-

Additional disclosure relating to Inter-Institutional Arrangements

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

Description
NONE
Total

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

Description	2024/2025	2023/2024
	R'000	R'000
Total	-	-

i) Details of disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
None

1.2. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	31 330	31 168
Adjustment to opening balance	-	-
Opening balance as restated	31 330	31 168
Add: Fruitless and wasteful expenditure confirmed	54	162
Less: Fruitless and wasteful expenditure recoverable	-	-
Less: Fruitless and wasteful expenditure not recoverable and written off	-	-
Closing balance	**31 384**	**31 330**

On 02 March 2022 the Office of the Premier appointed a service provider to investigate irregular, fruitless and wasteful expenditure identified by the AGSA during the financial year's 2017/18, 2018/19 and 2019/20. The service provider is appointed to investigate 144 audit findings related to irregular, fruitless and wasteful expenditure. As at 31 March 2025 only 91 investigations were finalised - but not acknowledged by the accounting officer. The disciplinary recommendations contained within these investigation reports have not been implemented, as required by PFMA 38(1)(h)(iii). The remaining investigations of 53 relate to bursary expenditure, which is not investigated due to expiry of the contract.

No service provider is appointed to investigate instances of irregular and fruitless and wasteful expenditure incurred during the period 2021 to 2024. No internal investigations has been performed by management in order to determine if disciplinary steps need to be taken against liable officials.

Reconciling notes

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment		
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	-	-
Fruitless and wasteful expenditure for the current year	54	162
Total	**54**	**162**

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

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	9 894
Total	**-**	**9 894**

c) Details of fruitless and wasteful expenditure recoverable

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure recoverable	-	-
Total	-	-

d) Details of fruitless and wasteful expenditure not recoverable and written off

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure written off	-	-
Total	-	-

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

Disciplinary steps taken
None
Total

1.3. Unauthorised expenditure

a) Reconciliation of unauthorised expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	209 497	209 497
Adjustment to opening balance	-	-
Opening balance as restated	209 497	209 497
Add: unauthorised expenditure confirmed	-	-
Less: unauthorised expenditure approved with funding	-	-
Less: unauthorised expenditure approved without funding	-	-
Less: unauthorised expenditure recoverable	-	-
Less: unauthorised not recoverable and written off	-	-
Closing balance	**209 497**	**209 497**

On 12 October 2023 the Office of the Premier appointed a service provider to investigate unauthorised expenditure identified by the AGSA during the financial year's 2018/19 and 2019/20. The service provider is appointed to investigate the payment of funds to the Office of the Premier, in addition to the annual appropriation

As at 31 March 2025 the investigation has not been finalised in order to determine if disciplinary steps need to be taken against responsible officials as required by the PFMA 38 (1) (h) (iii).

Management expects that this investigation to be completed on 27 August 2025.

Reconciling notes

Description	2024/2025	2023/2024
	R'000	R'000
Unauthorised expenditure that was under assessment	-	-
Unauthorised expenditure that relates to the prior year and identified in the current year	-	-
Unauthorised expenditure for the current year	-	-
Total	-	-

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

Description	2024/2025	2023/2024
	R'000	R'000
Unauthorised expenditure under assessment	-	-
Unauthorised expenditure under determination	-	-
Unauthorised expenditure under investigation	-	-
Total	-	-

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

a) Details of material losses through criminal conduct

Material losses through criminal conduct	2024/2025 R'000	2023/2024 R'000
Theft	-	-
Other material losses	-	-
Less: Recoverable	-	-
Less: Not recoverable and written off	-	-
Total	**-**	**-**

b) Details of other material losses

Nature of other material losses	2024/2025 R'000	2023/2024 R'000
(Group major categories, but list material items)	-	-
Total		

c) Other material losses recoverable

Nature of losses	2024/2025 R'000	2023/2024 R'000
(Group major categories, but list material items)	-	-
Total	**-**	**-**

d) Other material losses not recoverable and written off

Nature of losses	2024/2025 R'000	2023/2024 R'000
Computer equipment	-	85
Income tax	-	1
Salary overpayment	-	1
Total	**-**	**87**

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	-	-
Invoices paid within 30 days or agreed period	1069	112 869
Invoices paid after 30 days or agreed period	7	3 228
Invoices older than 30 days or agreed period (*unpaid and without dispute*)	-	-
Invoices older than 30 days or agreed period (*unpaid and in dispute*)	8	71

3. SUPPLY CHAIN MANAGEMENT

a. Procurement by other means

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

b. 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
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
Total				-	-	-

PART F: FINANCIAL INFORMATION

1. REPORT OF THE AUDITOR-GENERAL

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

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Office of the Premier set out on pages 141 to 196, which comprise the appropriation statement, statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, except for the possible effect of the matter described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Office of the Premier as at 31 March 2025, and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for qualified opinion

Goods and services

3. I was unable to obtain sufficient appropriate audit evidence for goods and services as inadequate supporting documentation was provided in the expenditure vouchers to confirm that goods and services were received at the correct quantity, quality and price. I was unable to confirm the goods and services by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to goods and services stated at R124 648 000 in note 5 to the financial statements.

Context for opinion

4. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.

5. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

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

Emphasis of matters

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

Close call relating to going concern

8. Note 19 to the financial statements, which deals with the possible effects of the future implications on the department's prospects, performance and cash flows. Management also described how they plan to deal with these events and circumstances.

Restatement of corresponding figures

9. As disclosed in note 29 to the financial statements, the corresponding figures for 31 March 2024 were restated as a result of an error in the financial statements of the department at, and for the year ended, 31 March 2025.

Material uncertainty relating to claims against the department

10. With reference to note 17 to the financial statements, the department is a defendant in various claims against it. The department is opposing these claims. The ultimate outcome of these matters could not be determined and no provision for any liability that may result was made in the financial statements.

Underspending of the budget

11. As disclosed in the appropriation statement, the department materially underspent the budget by R62 206 000 on programme 1: administration, programme 2: institutional development, programme 3: policy and governance, and programme 4: provincial monitoring and evaluation.

Irregular expenditure

12. As disclosed in note 23 to the financial statements, the department incurred irregular expenditure of R41 234 000 (2024: R48 045 000) due to non-compliance with supply chain management (SCM) requirements. In addition, the full extent of irregular expenditure is still in the process of being determined.

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

14. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

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. This description, which is located on page 137, forms part of my 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 programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

18. I selected the following programmes presented in the annual performance report for the year ended 31 March 2025 for auditing. I selected programmes that measures the department's performance on its primary mandated functions and that are of significant national, community or public interest.

Programmes	Page numbers	Purpose
Policy and governance	53 - 57	To align, integrate and coordinate the activities of all national and provincial departments, municipalities and state-owned entities towards the goals and priorities of the government.
Provincial monitoring and evaluation	58 - 62	The purpose of this programme is encapsulated in the mission of the Office of the Premier, which is "to provide strategic direction and coordinate integrated service delivery improvement within government in the Free State" and in the strategic objective, which is to lead and provide monitoring and evaluation services in provincial and regional offices of national departments and state-owned entities.

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

20. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the department's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so 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 those 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 and is comparable and understandable
- 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 or conclusion.

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

23. I did not identify any material findings on the reported performance information for the provincial monitoring and evaluation.

Other matters

24. I draw attention to the matters below.

Achievement of planned targets

25. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under achievements.

26. The tables that follow provide information on the achievement of planned targets and list the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 53 to 62.

Policy and governance

Targets achieved: 88% *Budget spent: 96%*		
Key indicator not achieved	Planned target	Reported achievement
Report on the government buildings assessed complying with disability access guidelines and intervention measure recommended	4	2
Report on the provincial forum meetings on transversal issues to advance the rights of women, youth, people with disabilities and older persons	4	1

Provincial monitoring and evaluation

Targets achieved: 82% *Budget spent: 93%*		
Key indicator not achieved	Planned target	Reported achievement
Number of analysis reports on the implementation of the 2019-24 MTSF	2	1
Number of reports on government priority campaigns	4	2
Number of reports on incomplete and slow-moving government projects for socioeconomic infrastructure and service delivery	4	3

Material misstatements

27. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for policy and governance, and provincial monitoring and evaluation. Management subsequently corrected all the misstatements, and I did not include any material findings in this report.

Report on compliance with legislation

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

29. 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.

30. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the department, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to

report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

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

Annual financial statements

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

Expenditure management

33. Effective and appropriate steps were not taken to prevent irregular expenditure, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The value, as disclosed in note 23 to the financial statements, is not complete as management was still in the process of quantifying the full extent of the irregular expenditure. The irregular expenditure disclosed in the financial statements was caused by non-compliance with the applicable SCM regulations.

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

35. Resources of the department were not utilised efficiently, economically and transparently, as required by section 38(1)(b) of the PFMA. These relate to payment made towards goods and services.

Asset management

36. Proper control systems were not in place at the department to ensure the safeguarding and maintenance of assets, as required by section 38(1)(d) of the PFMA.

37. Preventative mechanisms were not in place to eliminate theft, loss, wastage and misuse of assets, as required by treasury regulation 10.1.1(a).

Strategic planning and performance management

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

Procurement and contract management

39. Some of the goods and services were procured without obtaining at least three written price quotations, in accordance with treasury regulation 16A6.1 and paragraph 3.2.1 of SCM instruction note 2 of 2021-22.

40. Some of the quotations were accepted from prospective suppliers who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by treasury regulation 16A8.4 and paragraph 7.2 of National Treasury Instruction (NTI) 3 of 2021-22.

41. Goods and services of a transaction value above R1 000 000 were procured without inviting competitive bids and deviations were approved by the accounting officer but it was practical to invite competitive bids, as required by treasury regulation 16A6.1, paragraph 3.3.1 of NTI 2 of 2021-22, paragraph 4.1 of NTI 3 of 2021-22 and treasury regulation 16A6.4. Similar non-compliance was also reported in the prior year.

42. I was unable to obtain sufficient appropriate audit evidence that bid adjudication was done by committees which were composed in accordance with the policies of the department, as required by treasury regulation 16A6.2 (a) and (b).

43. Some of the contracts were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, which is prescribed in order to comply with treasury regulation 16A8.3. Similar non-compliance was also reported in the prior year.

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

45. Some of the contracts and quotations were awarded to bidders based on preference points that were not allocated and calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act 5 of 2000 and Preferential Procurement Regulation 2022. Similar non-compliance was also reported in the prior year.

46. Information technology-related goods and services, classified as mandatory, were not procured through the State Information Technology Agency (Sita), as required by treasury regulation 16A6.3(e) and section 7(3) of the Sita Act 88 of 1998.

Transfer of funds

47. Appropriate measures were not maintained to ensure that transfers and subsidies to entities were applied for their intended purposes, as required by treasury regulation 8.4.1.

Consequence management

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

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

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

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

52. Disciplinary steps were not taken against officials who incurred fruitless and wasteful expenditure, as required by section 38(1)(h)(iii) of the PFMA.

Revenue management

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

Other information in the annual report

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

55. My opinion on the financial statements and my reports on the audit of the annual performance report and 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.

56. 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.

57. The other information I obtained prior to the date of this auditor's report is the disclosures included in the annual report for unauthorised, irregular, fruitless and wasteful expenditure, and the other information outstanding in the annual report is expected to be made available to us after 31 July 2025.

58. 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 nothing to report in this regard.

59. When I do receive and read the annual report, 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

60. 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.

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

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

63. The accounting officer and senior management inadequately addressed material weaknesses and did not, in all instances, take corrective action to ensure that the administration and management of expenditure were addressed, as there are no approved standard operating procedures in place to address the weaknesses identified. The lack of proper processes, procedures, and internal controls resulted in a material finding included in this report.

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

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

66. The accounting officer did not apply consequence management for weaknesses in the finance and SCM directorates relating to procurement and contract management to prevent irregular and fruitless and wasteful expenditure.

67. The accounting officer and senior management did not establish effective standard operating procedures and internal controls that assist them in exercising their oversight responsibility regarding compliance with laws and regulations, resulting in repeat material non-compliance included in this report.

Other reports

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

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

Auditor-General

Bloemfontein

31 July 2025

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

1. The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

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

Communication with those charged with governance

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

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

Compliance with legislation – selected legislative requirements

6. The selected legislative requirements are as follows:

Legislation	Section, regulation or paragraph
Public Finance Management Act 1 of 1999	Section 1; 38(1)(b); 38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(f); Section 38(1)(h)(iii); 39(1)(a); 39(2)(a); 40(1)(a); 40(1)(b); 40(1)(c)(i); Section 43(1); 43(4); 44; 45(b)
Treasury Regulations of 2005	Regulation 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1; 6.3.1(a); Regulation 6.3.1(b); 6.3.1(c); 6.3.1(d); 6.4.1(b); 7.2.1; 8.1.1; 8.2.1; Regulation 8.2.3; 8.4.1; 9.1.1; 9.1.4; 10.1.1(a); 10.1.2; 11.4.1; 11.4.2; Regulation 11.5.1; 12.5.1; 15.10.1.2(c); 16A3.2; 16A3.2(a); 16A6.1; Regulation 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(b); 16A 6.3(e); Regulation 16A6.4; 16A6.5; 16A6.6; 16A7.1; 16A7.3; 16A7.6; 16A8.3; Regulation 16A8.4; 16A9.1(b)(ii); 16A 9.1(d); 16A 9.1(e); 16A9.1(f); Regulation 16A9.2; 16A9.2(a)(ii); 17.1.1; 18.2; 19.8.4
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17, 25(7A)
Division of Revenue Act 24 of 2024	Section 11(6)(a); 12(5); 16(1); 16(3); 16(3)(a)(i); 16(3)(a)(ii)(bb)
National Treasury Instruction No. 5 of 2020-21	Paragraph 4.8; 4.9; 5.3
Second amendment National Treasury Instruction No. 5 of 2020-21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 2020-21	Paragraph 2
National Treasury Instruction No. 1 of 2021-22	Paragraph 4.1
National Treasury Instruction No. 4 of 2015-16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016-17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021-22	Paragraph 4.1; 4.2 (b); 4.3; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020-21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021-22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
National Treasury Practice Note 5 of 2009-10	Paragraph 3.3
National Treasury Practice Note 7 of 2009-10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulation of 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulation of 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.6; 6.8; 7.1; 7.2; Regulation 7.3; 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
Public Service Regulations of 2016	Regulation 18(1); 18(2); 25(1)(e)(i); 25(1)(e)(iii)
State Information Technology Agency Act 88 of 1998	Section 7(3)

2. ANNUAL FINANCIAL STATEMENTS

the premier
Office of the Premier
FREE STATE PROVINCE

ANNUAL FINANCIAL STATEMENTS OF THE FREE STATE OFFICE OF THE PREMIER

For the year ended
31 March 2025

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

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APPROPRIATION STATEMENT
for the year ended 31 March 2025

Appropriation per programme

	2024/25							2023/24	
	Adjusted Budget	**Shifting of Funds**	**Virement**	**Final Budget**	**Actual Expenditure**	**Variance**	**Expenditure as % of final budget**	**Final Budget**	**Actual Expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Programme									
1. Administration	104,440	-	1,998	106,438	104,798	1,640	98.5	98,636	95,341
2. Institutional Development	229,015	-	200	229,215	184,767	44,448	80.6	220,874	187,055
3. Policy and Governance	87,983	-	(898)	87,085	83,373	3,712	95.7	116,313	103,119
4. Provincial Monitoring and Evaluation	176,191	-	(1,300)	174,891	162,485	12,406	92.9	162,618	158,190
TOTAL	**597,629**			**597,629**	**535,423**	**62,206**	**89,6%**	**598,441**	**543,705**
Reconciliation with statement of financial performance									
ADD									
Aid assistance				59,840				33,276	
Actual amounts per statement of financial performance (Total revenue)				**657,469**				**631,717**	
ADD:									
Aid assistance					58,019				40,063
Actual amounts per statement of financial performance (Total expenditure)					**593,442**				**583,768**

APPROPRIATION STATEMENT
for the year ended 31 March 2025

Appropriation per economic classification	2024/25							2023/24	
	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
Economic classification									
Current payments	**501,336**	**(480)**	**-**	**500 856**	**478,219**	**22,637**	**95.5**	**516,373**	**483,421**
Compensation of employees	365,438	-	-	365,438	353,571	11,867	96.8	359,566	354,911
Goods and services	135,898	(480)	-	135,418	124,648	10,770	92.0	156,807	128,510
Transfers and subsidies	**87,108**	**101**	**-**	**87,209**	**50,154**	**37,055**	**57.5**	**75,021**	**53,237**
Departmental agencies and accounts	-	10	-	10	10	-	100.0	-	-
Households	87,108	91	-	87,199	50,144	37,055	57.5	75,021	53,237
Payments for capital assets	**9,185**	**379**	**-**	**9,564**	**6,781**	**2,783**	**70.9**	**7,047**	**6,960**
Machinery and equipment	8,810	269	-	9,079	6,781	2,298	74.7	7,047	6,960
Intangible assets	375	110	-	485	-	485	-	-	-
Payments for financial assets	**-**	**-**	**-**	**-**	**269**	**(269)**	**-**	**-**	**87**
Total	**597,629**	**-**	**-**	**597,629**	**535,423**	**62,206**	**89.6%**	**598,441**	**543,705**

FREE STATE: OFFICE OF THE PREMIER
VOTE 1

APPROPRIATION STATEMENT
for the year ended 31 March 2025

Programme 1: ADMINISTRATION									
	2024/25							2023/24	
	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'S SUPPORT	20,365	(380)	(2)	19,983	19,770	213	98.9	21,869	21,692
2. EXECUTIVE COUNCIL SUPPORT	4,977	(158)	212	5,031	5,029	2	100.0	4,394	4,335
3. DIRECTOR GENERAL	25,731	(1,543)	171	24,359	22,979	1,380	94.3	21,678	20,556
4. FINANCIAL MANAGEMENT	53,367	2,081	1,617	57,065	57,020	45	99.9	50,695	48,758
Total for sub programmes	**104,440**	**-**	**1,998**	**106,438**	**104,798**	**1,640**	**98.5**	**98,636**	**95,341**
Economic classification									
Current payments	**97,889**	**-**	**2,000**	**99,889**	**99,209**	**680**	**99.3**	**95,661**	**92,399**
Compensation of employees	59,915	-	1,000	60,915	60,737	178	99.7	61,900	61,583
Goods and services	37,974	-	1,000	38,974	38,472	502	98.7	33,761	30,816
Transfers and subsidies	**1,681**	**-**	**(2)**	**1,679**	**1,625**	**54**	**96.8**	**108**	**75**
Provinces and municipalities									
Departmental agencies and accounts	-	10	-	10	10	-	100.0	-	-
Households	1,681	(10)	(2)	1,669	1,615	54	96.8	108	75
Payments for capital assets	**4,870**	**-**	**-**	**4,870**	**3,964**	**906**	**81.4**	**2,867**	**2,867**
Machinery and equipment	4,870	-	-	4,870	3,964	906	81.4	2,867	2,867
Total	**104,440**	**-**	**1,998**	**106,438**	**104,798**	**1,640**	**98.5**	**98,636**	**95,341**

APPROPRIATION STATEMENT
for the year ended 31 March 2025

Programme 2: INSTITUTIONAL DEVELOPMENT

	2024/25							2023/24	
	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 RESOURCE MANAGEMENT	150,669	439	-	151,108	110,621	40,487	73.2	139,273	115,593
2. INFORMATION COMMUNICATION TECHNOLOGY	26,096	(1,214)	118	25,000	21,375	3,625	85.5	25,695	24,496
3. LEGAL SERVICES	16,946	612	82	17,640	17,567	73	99.6	14,075	13,031
4. COMMUNICATION SERVICES	35,304	163	-	35,467	35,204	263	99.3	41,831	33,935
Total for sub programmes	**229,015**	**-**	**200**	**229,215**	**184,767**	**44,448**	**80.6**	**220,874**	**187,055**
Economic classification									
Current payments	**141,844**	**(318)**	**200**	**141,726**	**136,003**	**5,723**	**96.0**	**145,094**	**130,899**
Compensation of employees	97,206	-	200	97,406	95,482	1,924	98.0	94,057	93,492
Goods and services	44,638	(318)	-	44,320	40,521	3,799	91.4	51,037	37,407
Transfers and subsidies	**82,801**	**-**	**-**	**82,801**	**45,858**	**36,943**	**55.4**	**71,912**	**52,289**
Households	82,801	-	-	82,801	45,858	36,943	55.4	71,912	52,289
Payments for capital assets	**4,370**	**318**	**-**	**4,688**	**2,812**	**1,876**	**60.0**	**3,868**	**3,828**
Machinery and equipment	3,995	208	-	4,203	2,812	1,391	66.9	3,868	3,828
Software and other Intangible assets	375	110	-	485	-	485	0.0	-	-
Payments for financial assets	**-**	**-**	**-**	**-**	**94**	**(94)**	**-**	**-**	**39**
Total	**229,015**		**200**	**229,215**	**184,767**	**44,448**	**80.6**	**220,874**	**187,055**

APPROPRIATION STATEMENT
for the year ended 31 March 2025

Programme 3: POLICY AND GOVERNANCE									
	2024/25							2023/24	
	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	61,392	(687)	(1,000)	59,705	56,440	3,265	94.5	80,500	71,749
2. INTERGOVERNMENTAL RELATIONS	11,713	551	102	12,366	12,197	169	98.6	15,725	14,890
3. PROVINCILA POLICY MANAGEMENT	14,878	136	-	15,014	14,736	278	98.1	20,088	16,480
Total for sub programmes	**87,983**	**-**	**(898)**	**87,085**	**83,373**	**3,712**	**95.7**	**116,313**	**103,119**
Economic classification									
Current payments	**87,110**	**(101)**	**(900)**	**86,109**	**82,238**	**3,871**	**95.5**	**113,602**	**102,482**
Compensation of employees	42,895	-	100	42,995	42,952	43	99.9	49,191	46,471
Goods and services	44,215	(101)	(1,000)	43,114	39,286	3,828	91.1	64,411	56,011
Transfers and subsidies	**873**	**101**	**2**	**976**	**976**	**-**	**100.0**	**2,701**	**627**
Households	873	101	2	976	976	-	100.0	2,701	627
Payments for capital assets	-	-	-	-	-	-	-	10	(37)
Machinery and equipment	-	-	-	-	-	-	-	10	(37)
Payments for financial assets	-	-	-	-	159	(159)	-	-	47
Total	**87,983**	**-**	**(898)**	**87,085**	**83,373**	**3,712**	**95.7**	**116,313**	**103,119**

APPROPRIATION STATEMENT
for the year ended 31 March 2025

Programme 4: MONITORING AND EVALUATION

	2024/25							2023/24	
	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. PUBLIC SECTOR MONITORING AND EVALUATION	11,506	(735)	-	10,771	9,809	962	91.0	10,647	10,056
2. MONITORING AND EVALUATION PROGRAMMES	12,298	42	-	12,340	10,082	2,258	81.7	11,233	8,505
3. PROVINCIAL INTERVRNTION	152,387	693	(1,300)	151,780	142,594	9,186	93.9	140,738	139,629
Total for sub programmes	**176,191**	**-**	**(1,300)**	**174,891**	**162,485**	**12,406**	**92.9**	**162,618**	**158,190**
Economic classification									
Current payments	**174,493**	**(61)**	**(1,300)**	**173,132**	**160,769**	**12,363**	**92.9**	**162,016**	**157,641**
Compensation of employees	165,422	-	(1,300)	164,122	154,400	9,722	94.1	154,418	153,365
Goods and services	9,071	(61)	-	9,010	6,369	2,641	70.7	7,598	4,276
Transfers and subsidies	**1,753**	**-**	**-**	**1,753**	**1,695**	**58**	**96.7**	**300**	**246**
Households	1,753	-	-	1,753	1,695	58	96.7	300	246
Payments for capital assets	**(55)**	**61**	**-**	**6**	**5**	**1**	**83.3**	**302**	**302**
Machinery and equipment	(55)	61	-	6	5	1	83.3	302	302
Payments for financial assets	-	-	-	-	16	(16)	-	-	1
Total	**176,191**	**-**	**(1,300)**	**174,891**	**162,485**	**12,406**	**92.9**	**162,618**	**158,190**

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-E 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
	R'000	R'000	R'000	%
ADMINISTRATION	106,438	104,798	1,640	1,54
The underspending is within the norm of 5%				
INSTITUTIONAL DEVELOPMENT	229,215	184,767	44,448	19,39
The underspending is mainly under the Earmarked Allocation for Provincial Bursaries due to cash flow challenges				
POLICY & GOVERNANCE	87,085	83,373	3,712	4,26
The underspending is within the norm of 5%				
MONITORING & EVALUATION	174,891	162,485	12,406	7,09
Savings realised from expiration of employment contracts that were implemented in accordance with Public Service Regulation (PSR) 57				
Total	**597,629**	**535,423**	**62,206**	**10,41%**

4.2 Per economic classification

Economic classification	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Budget %
Current payments	**500,856**	**478,219**	**22,637**	**4,5**
Compensation of employees	365,438	353,571	11,867	3,2
Firstly, the underspending is due to expiration of employment contracts in accordance with Public Service Regulations (PSR) 57.				
Secondly, critical vacant posts could not be filled due to cash flow challenges				
Goods and services	135,418	124,648	10,770	8,0
The underspending is due to implementation of cost containment measures				
Transfers and subsidies	**87,209**	**50,154**	**37,055**	**42,4**
Departmental agencies and accounts	(10)	(10)	0	0,0
Households	87,199	50,144	37,055	42,5
The underspending is mainly under the Earmarked Allocation for Provincial Bursaries due to cash flow challenges				
Payments for capital assets	**9,564**	**6,781**	**2,783**	**29.1**
Machinery and equipment	9,079	6,781	2,298	25,3
Software and other intangible assets	485	0	485	100,0
The underspending is due to implementation of cost containment measures				
Payments for financial assets	-	269	(269)	-
Total	**597 629**	**535,423**	**62,206**	**10,4**

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2025

	Note	2024/25 R'000	2023/24 R'000
REVENUE			
Annual appropriation	*1*	597,629	598,441
Aid assistance	*3*	59,840	33,276
TOTAL REVENUE		**657,469**	**631,717**
EXPENDITURE			
Current expenditure			
Compensation of employees	*4*	353,571	354,911
Goods and services	*5*	124,648	128,510
Aid assistance	*3*	26,596	23,018
Total current expenditure		**504,815**	**506,439**
Transfers and subsidies			
Transfers and subsidies	*7*	50,154	53,237
Aid assistance	*3*	31,423	17,045
Total transfers and subsidies		**81,577**	**70,282**
Expenditure for capital assets			
Tangible assets	*8*	6,781	6,960
Total expenditure for capital assets		**6,781**	**6,960**
Payments for financial assets	*6*	269	87
TOTAL EXPENDITURE		**593,442**	**583,768**
SURPLUS/(DEFICIT) FOR THE YEAR		**64,027**	**47,949**

Reconciliation of Net Surplus/(Deficit) for the year

	Note	2024/25 R'000	2023/24 R'000
Voted funds		62,206	54,736
Annual appropriation		62,206	54,736
Aid assistance	*3*	1,821	(6,787)
SURPLUS/(DEFICIT) FOR THE YEAR		**64,027**	**47,949**

STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2025

	Note	2024/25 R'000	2023/24 R'000
ASSETS			
Current assets		21,139	13,296
Cash and cash equivalents	9	16,299	4,212
Prepayments and advances	10	244	1,988
Receivables	11	4,596	7,096
Non-current assets		**8,264**	**6,356**
Prepayments and advances	10	1,861	-
Receivables	11	6,403	6,356
TOTAL ASSETS		**29,403**	**19,652**
LIABILITIES			
Current liabilities		**234,044**	**224,304**
Voted funds to be surrendered to the Revenue Fund	12	228,206	220,736
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	13	1,450	950
Payables	14	71	122
Aid assistance unutilised	3	4,317	2,496
TOTAL LIABILITIES		**234,044**	**224,304**
NET ASSETS		**(204,641)**	**204,652**

Represented by:			
Recoverable revenue		4,856	4,845
Unauthorised expenditure		(209,497)	(209,497)
TOTAL		**(204,641)**	**(204,652)**

STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2025

NET ASSETS

	Note	2024/25 R'000	2023/24 R'000
Recoverable revenue			
Opening balance		4,845	4,770
Transfers:		11	75
Debts revised		(49)	-
Debts recovered (included in departmental revenue)		(190)	(258)
Debts raised		250	333
Closing balance		**4,856**	**4,845**
Unauthorised expenditure			
Opening balance		(209,497)	(209 497)
Closing Balance		**(209,497)**	**(209,497)**
TOTAL		**(204,641)**	**(204,652)**

CASH FLOW STATEMENT
for the year ended 31 March 2025

	Note	2024/25 R'000	2023/24 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		**663,604**	**636,710**
Annual appropriation funds received	*1.1*	597,629	598,441
Departmental revenue received	*2*	6,129	4,993
Interest received	*2.2*	6	-
Aid assistance received	*3*	59,840	33,276
Net (increase)/decrease in net working capital		2,285	(5,948)
Surrendered to Revenue Fund		(60,372)	(48,266)
Current payments		(504, 815)	(506,439)
Payments for financial assets	*6*	(269)	(87)
Transfers and subsidies paid		(81,577)	(70,282)
Net cash flow available from operating activities	*15*	**18,856**	**5,688**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	*9*	(6,781)	(6,960)
Proceeds from sale of capital assets	*2.3*	1	-
Net cash flow available from investing activities		**(6,780)**	**(6,960)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		11	75
Net cash flows from financing activities		**11**	**75**
Net increase/(decrease) in cash and cash equivalents		12,087	(1,197)
Cash and cash equivalents at beginning of period		4,212	5,409
Cash and cash equivalents at end of period	*9*	**16,299**	**4,212**

PART A: ACCOUNTING POLICIES

Summary of significant accounting policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

1.	**Basis of preparation** The financial statements have been prepared in accordance with the Modified Cash Standard.
2.	**Going concern** The financial statements have been prepared on a going concern basis.
3.	**Presentation currency** Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department
4.	**Rounding** Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5.	**Comparative information**
5.1	**Prior period comparative information** Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.
5.2	**Current year comparison with budget** A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
6.	**Revenue**
6.1	**Appropriated funds** Appropriated funds comprise of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.

Appropriated funds are measured at the amount's receivable.

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

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.

6.2 Departmental revenue is measured at the cash amount received.

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

Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

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
6.3
- the amount of revenue can be measured reliably.

The accrued revenue is measured at the fair value of the consideration receivable.

Write-offs are made according to the department's debt write-off policy.

7. Expenditure

7.1 Compensation of employees

Salaries and wages

7.1.1 Salaries and wages are recognised in the statement of financial performance on the date of payment.

Social contribution

7.1.2 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.

Other expenditure

7.2 Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.

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

7.3	**Accruals and payables not recognised** Accruals and payables not recognised are recorded in the notes to the financial statements at cost or fair value at the reporting date.
7.4	**Leases**
7.4.1	**Operating leases** Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. Operating lease payments received are recognised as departmental revenue. The operating lease commitments are recorded in the notes to the financial statements.
7.4.2	**Finance leases** Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. Finance lease payments received are recognised as departmental revenue. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. At commencement of the finance lease term, finance lease assets acquired are recorded and measured at: the fair value of the leased asset; or if lower, the present value of the minimum lease payments. Finance lease assets acquired prior to 1 April 2024, are recorded and measured at the present value of the minimum lease payments.
8.	**Aid assistance**
8.1	**Aid assistance received** Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value. CARA Funds are recognised when receivable and measured at the amounts receivable. Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.
8.2	**Aid assistance paid** Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.
9.	**Cash and cash equivalents** Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

10. Prepayments and advances

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

Prepayments and advances are initially and subsequently measured at cost.

Prepayments and advances expensed before 1 April 2024 are recorded until the goods, services, or capital assets are received, or the funds are utilised in accordance with the contractual agreement.

Receivables

11. Receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.

12. Financial assets

Financial assets (not covered elsewhere)

12.1 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.

Impairment of financial assets

12.2 Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.

13. Payables

Payables recognised in the statement of financial position are recognised at cost.

14. Capital assets

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.

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

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

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

14.2	**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 2005 (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.
15.	**Provisions and contingents**
15.1	**Provisions** Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.
15.2	**Contingent liabilities** Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.
15.3	**Capital commitments** Capital commitments are recorded at cost in the notes to the financial statements.
16.	**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 expenditure incurred in the current year.

17. **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.

18. **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.

19. **Changes in accounting policies, estimates and errors**

Changes in accounting policies are applied in accordance with MCS requirements.

Changes in accounting estimates are applied prospectively in accordance with MCS requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

20. **Events after the reporting date**

Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.

21. **Recoverable revenue**

Amounts are recognised as recoverable revenue when a payment made in a previous financial

	year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.
22.	**Related party transactions** Related party transactions within the MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. The full compensation of key management personnel is recorded in the notes to the financial statements.
23.	**Employee benefits** The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is recorded in the Employee benefits note. Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date. The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

PART B: EXPLANATORY NOTES

1. Annual Appropriation

1.1. Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act and the Adjustments Appropriation Act (Voted funds)

	2024/25			2023/24		
	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	106,438	106,438	-	98,636	98,636	-
Institutional Development	229,215	229,215	-	220,874	220,874	-
Policy and Governance	87,085	87,085	-	116,313	116,313	-
Provincial Monitoring and Evaluation	174,891	174,891	-	162,618	162,618	-
Total	**597,629**	**597,629**	**-**	**598,441**	**598,441**	**-**

2. Departmental revenue

	Note	2024/25 R'000	2024/25 R'000
Sales of goods and services other than capital assets	*2.1*	7,521	4,707
Interest, dividends and rent on land	*2.2*	6	-
Sales of capital assets	*2.3*	1	-
Transactions in financial assets and liabilities	*2.4*	(1,392)	286
Total revenue collected		**6,136**	**4,993**
Less: Own revenue included in appropriation	*13*	6,136	4,993
Total		**-**	**-**

2.1. Sales of goods and services other than capital assets

	Note	2024/25 R'000	2023/24 R'000
Sales of goods and services produced by the department		7,473	4,704
Other sales		7,473	4,704
Sales of scrap, waste and other used current goods		48	3
Total	*2*	**7,521**	**4,707**

2.2. Interest, dividends and rent on land

	Note	2024/25 R'000	2023/24 R'000
Interest		6	-
Total	2	**6**	**-**

2.3. Sales of capital assets

	Note	2024/25 R'000	2023/24 R'000
Tangible capital assets		1	-
Machinery and equipment		1	-
Total	2	**1**	**-**

2.4. Transactions in financial assets and liabilities

	Note	2024/25 R'000	2023/24 R'000
Receivables		-	257
Other receipts including Recoverable Revenue		(1,392)	29
Total	2	**(1,392)**	**286**

3. Aid assistance

	Note	2024/25 R'000	2023/24 R'000
Opening balance		2,496	9,283
As restated		2,496	9,283
Transferred from statement of financial performance		1,821	(6,787)
Closing balance		**4,317**	**2,496**

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

3.1. Analysis of balance by source

	Note	2024/25 R'000	2023/24 R'000
Aid assistance from other sources		4,317	2,496
Closing balance	3	**4,317**	**2,496**

3.2. Analysis of balance

	Note	2024/25 R'000	2023/24 R'000
Aid assistance unutilised		4,317	2,496
Closing balance	*3*	**4,317**	**2,496**
Aid assistance not requested/not received		-	-

3.3. Aid assistance expenditure per economic classification

	Note	2024/25 R'000	2023/24 R'000
Current		26 596	23,018
Transfers and subsidies		31,423	17,045
Total aid assistance expenditure		**58,019**	**40,063**

4. Compensation of employees

4.1. Salaries and Wages

	Note	2024/25 R'000	2023/24 R'000
Basic salary		248,263	251,782
Performance award		125	-
Service based		824	903
Compensative/circumstantial		3,760	2,285
Other non-pensionable allowances		48,610	49,252
Total		**301,582**	**304,222**

4.2. Social contributions

Employer contributions	Note	2024/25 R'000	2023/24 R'000
Pension		30,139	29,885
Medical		21,772	20,725
Bargaining council		78	79
Total		**51,989**	**50,689**
Total compensation of employees		**353,571**	**354,911**
Average number of employees		**665**	**660**

5. Goods and services

	Note	2024/25 R'000	2023/24 R'000
Administrative fees		905	1,604
Advertising		15,048	12,964
Minor assets	5.1	312	631
Bursaries (employees)		599	1,051
Catering		8,032	2,456
Communication		2,833	2,934
Computer services	5.2	5,665	7,571
Consultants: Business and advisory services	5.8	20,708	15,253
Legal services		5,088	1,946
Contractors		7,595	34,987
Agency and support / outsourced services		-	3
Audit cost - external	5.3	7,528	6,661
Fleet services		3,318	3,531
Inventories	5.4	14,231	-
Consumables	5.5	10,750	15,015
Operating leases		6,999	4,918
Transport provided as part of the departmental activities		5,104	3,987
Travel and subsistence	5.6	7,754	11,641
Venues and facilities		107	290
Training and development		1,018	1
Other operating expenditure	5.7	1,054	1,066
Total		**124,648**	**128,510**

The Directorate for Priority Crime Investigation (DPCI) Bloemfontein is investigating a case of fraud and corruption at the office of the premier (CAS01/12/2024). The investigation pertains to the procurement of protection tools for the child protection week, included in goods and services amounting to R4 675 000,00. The investigation is still in the enquiry phase and is not a registered case docket.

5.1. Minor assets

	Note	2024/25 R'000	2023/24 R'000
Tangible capital assets		**312**	**631**
Machinery and equipment		312	631
Total	5	**312**	**631**

5.2. Computer services

	Note	2024/25 R'000	2023/24 R'000
SITA computer services		3,455	2,529
External computer service providers		2,210	5,042
Total	5	**5,665**	**7,571**

5.3. Audit cost - external

	Note	2024/25 R'000	2023/24 R'000
Regularity audits		7,528	6,661
Total	5	**7,528**	**6,661**

5.4. Inventories

	Note	2024/25 R'000	2023/24 R'000
Food and food supplies		4,755	
Materials and supplies		9,476	
Total	5	**14,231**	**-**

5.5. Consumables

	Note	2024/25 R'000	2023/24 R'000
Consumable supplies		7,422	11,716
Uniform and clothing		391	367
Household supplies		2,285	8,549
Building material and supplies		4,683	2,784
Communication accessories		15	11
IT consumables		8	5
Other consumables		40	-
Stationery, printing and office supplies		3,328	3,299
Total	5	**10,750**	**15,015**

5.6. Travel and subsistence

	Note	2024/25 R'000	2023/24 R'000
Local		6,985	5,888
Foreign		769	5,753
Total	5	**7,754**	**11,641**

5.7. Other operating expenditure

	Note	2024/25 R'000	2023/24 R'000
Professional bodies, membership and subscription fees		135	76
Resettlement costs		161	35
Other		758	955
Total	5	**1,054**	**1,066**

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

Name of Commission / Committee of Inquiry	Note	2024/25 R'000	2023/24 R'000
Audit Committee		152	193
Risk Management Committee		23	30
Total		**175**	**223**

6. Payments for financial assets

	Note	2024/25 R'000	2023/24 R'000
Other material losses written off	6.1	92	85
Debts written off	6.2	177	2
Total		**269**	**87**

6.1. Other material losses written off

Nature of losses	Note	2024/25 R'000	2023/24 R'000
Computer Equipment		92	85
Total	6	**92**	**85**

6.2. Debts written off

Nature of debts written off	Note	2024/25 R'000	2023/24 R'000
Income Tax		-	1
Salary overpayment		177	1
Total debt written off	6	**177**	**2**

7. Transfers and subsidies

	Note	2024/25 R'000	2023/24 R'000
Departmental agencies and accounts	Annexure 1A	10	-
Households	Annexure 1C	50,144	53,237
Total		**50,154**	**53,237**

Proclamation 123 of 2023 issued by the President of the RSA, gazetted on 9 June 2023, authorised the Special Investigating Unit to investigate:

(1) Serious maladministration in the affairs of the Office of the Premier as identified by the Auditor-General of South Africa in relation to -
  - *a. the approval, allocation or payment of bursaries, including travel, accommodation and stipends to persons –*
    - *i. who were not entitled thereto; or*
    - *ii. contrary to applicable manuals, policies, procedures, prescripts, instructions or practices of, or applicable to, the Office of the Premier; and*
  - *b. payments made in respect of accommodation, including the causes of such maladministration and any related unauthorised, irregular of fruitless and wasteful expenditure incurred by the Office of the Premier or losses suffered by the Office of the Premier or the State*

(2) Any irregular, improper or unlawful conduct by –
  - *a. officials or employees of the Office of the Premier; or*
  - *b. any other person or entity, relating to the allegations referred to in section (1) above*

7.1. Gifts, donations and sponsorships made in kind (*not included in the main note)*

	Note	2024/25 R'000	2023/24 R'000
Donations	Annexure 1E	-	6
Total		**-**	**6**

8. Expenditure for capital assets

	Note	2024/25 R'000	2023/24 R'000
Tangible capital assets		**6,781**	**6,960**
Machinery and equipment		6,781	6,960
Total		**6,781**	**6,960**

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

	2024/25		
	Voted funds	Aid assistance	Total
Name of entity	**R'000**	**R'000**	**R'000**
Tangible capital assets	6,781	-	6,781
Machinery and equipment	6,781	-	6,781
Total	**6,781**	**-**	**6,781**

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

	2023/24		
	Voted funds	Aid assistance	Total
Name of entity	R'000	R'000	R'000
Tangible capital assets	6,960	-	6,960
Machinery and equipment	6,960	-	6,960
Total	6,960	-	6,960

8.3. Finance lease expenditure included in Expenditure for capital assets

	Note	2024/25 R'000	2023/24 R'000
Tangible capital assets		**3,103**	**2,630**
Machinery and equipment		3,103	2,630
Total		**3,103**	**2,630**

9. Cash and cash equivalents

	Note	2024/25 R'000	2023/24 R'000
Consolidated Paymaster General Account		16,269	4,198
Cash on hand		30	14
Total		**16,299**	**4,212**

10. Prepayments and advances

	Note	2024/25 R'000	2023/24 R'000
Advances paid (Not expensed)	10.1	2,105	1,988
Total		**2,105**	**1,988**

Analysis of total prepayments and advances		
Current Prepayments and advances	244	1,988
Non-current Prepayments and advances	1,861	-
Total	**2,105**	**1,988**

Effective from 1 April 2024 departments can no longer expense prepayments and advances. These prepayments and advances are recognised as assets in the statement for financial position.

10.1. Advances paid (Not expensed)

		2024/25				
		Amount as at 1 April 2024	Less: Amounts expensed in current year	Add / Less: Other	Add Current year advances	Amount as at 31 March 2025
	Note	R'000	R'000	R'000	R'000	R'000
National departments		1,988	(445)	-	562	2,105
Total	10	**1,988**	**(445)**	**-**	**562**	**2,105**

		2023/24				
		Amount as at 1 April 2023	Less: Amounts expensed in current year	Add / Less: Other	Add Current year advances	Amount as at 31 March 2024
	Note	R'000	R'000	R'000	R'000	R'000
National departments		127	-	-	1,861	1,988
Total	10	**127**	**-**	**-**	**1,861**	**1,988**

10.2. Advances paid (Expensed)

	2024/25			
	Amount as at 1 April 2024	Less: Received in the current year	Less: Other	Amount as at 31 March 2025
	R'000	R'000	R'000	R'000
National departments	2,792	-	-	2,792
Total	**2,792**	**-**	**-**	**2,792**

Advances paid (Expensed)

	2023/24				
	Amount as at 1 April 2023	Less: Received in the current year	Add / Less: Other	Add Current year advances	Amount as at 31 March 2024
	R'000	R'000	R'000	R'000	R'000
National departments	9,253	(7,179)	-	718	2,792
Total	**9,253**	**(7,179)**	**-**	**718**	**2,792**

11. Receivables

		2024/25			2023/24		
		Current	Non-current	Total	Current	Non-current	Total
	Note	R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	*11.1*	4,528	73	4,601	6,795	73	6,868
Recoverable expenditure	*11.2*	-	135	135	-	135	135
Staff debt	*11.3*	68	327	395	301	280	581
Other receivables	*11.4*	-	5,868	5,868	-	5,868	5,868
Total		**4,596**	**6,403**	**10,999**	**7,096**	**6,356**	**13,452**

11.1. Claims recoverable

	Note	2024/25 R'000	2023/24 R'000
National departments		4	-
Provincial departments		4,418	6,785
Public entities		179	83
Total	*11*	**4,601**	**6,868**

11.2. Recoverable expenditure

	Note	2024/25 R'000	2023/24 R'000
Damaged vehicles		25	25
Disallowance fraud		110	110
Total	*11*	**135**	**135**

11.3. Staff debt

	Note	2024/25 R'000	2023/24 R'000
Salary overpayment		174	363
Losses and damages		169	216
Tax Debt		8	2
Breach of employee bursary contract		44	-
Total	*11*	**395**	**581**

11.4. Other receivables

	Note	2024/25 R'000	2023/24 R'000
Fruitless and wasteful expenditure		3,183	3,183
Suppliers		423	423
Breach of bursary contract		2,262	2,262
Total	*11*	**5,868**	**5,868**

11.5. Impairment of receivables

	Note	2024/25 R'000	2023/24 R'000
Estimate of impairment of receivables		5,978	5,978
Total		**5,978**	**5,978**

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

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

12. Voted funds to be surrendered to the Revenue Fund

	Note	2024/25 R'000	2023/24 R'000
Opening balance		220,736	209,840
Transferred from statement of financial performance (as restated)		62,206	54,736
Paid during the year		(54,736)	(43,840)
Closing balance		**228,206**	**220,736**

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

	Note	2024/25 R'000	2023/24 R'000
Opening balance		**950**	**383**
Own revenue included in appropriation		6,136	4,993
Paid during the year		(5,636)	(4,426)
Closing balance		**1,450**	**950**

14. Payables - current

	Note	2024/25 R'000	2023/24 R'000
Clearing accounts	14.1	71	122
Total		**71**	**122**

14.1. Clearing accounts

Description	Note	2024/25 R'000	2023/24 R'000
Salary deduction disallowance		71	100
Salary income tax		-	22
Total	14	**71**	**122**

15. Net cash flow available from operating activities

	Note	2024/25 R'000	2023/24 R'000
Net surplus/(deficit) as per Statement of Financial Performance		64,027	47,949
Add back non-cash/cash movements not deemed operating activities		(45,171)	(42,261)
(Increase)/decrease in receivables		2,453	(3,972)
(Increase)/decrease in prepayments and advances		(117)	(1,861)
Increase/(decrease) in payables - current		(51)	(115)
Proceeds from sale of capital assets		(1)	-
Expenditure on capital assets		6 781	6 960
Surrenders to Revenue Fund		(60,372)	(48,266)
Own revenue included in appropriation		6 136	4 993
Net cash flow generated by operating activities		**18,856**	**5,688**

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

	Note	2024/25 R'000	2023/24 R'000
Consolidated Paymaster General account		16 269	4 198
Cash on hand		30	14
Total		**16 299**	**4 212**

17. Contingent liabilities and contingent assets

17.1. Contingent liabilities

Liable to	Nature	*Note*	2024/25 R'000	2023/24 R'000
Claims against the department		*Annexure 2*	7,835	6,764
Total			**7,835**	**6,764**

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

18. Capital commitments

	Note	2024/25 R'000	2023/24 R'000
Machinery and equipment		701	317
Total		**701**	**317**

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

19. Accruals and payables not recognised

19.1. Accruals

		2024/25			2023/24
		30 Days	30+ Days	Total	Total
Listed by economic classification	*Note*	R'000	R'000	R'000	R'000
Goods and services		2,060	75	2,135	924
Capital assets		6	-	6	-
Total		**2,066**	**75**	**2,141**	**924**

Listed by programme level	*Note*	2024/25 R'000	2023/24 R'000
Administration		1,186	178
Institutional Development		763	746
Policy and Governance		13	-
Monitoring and Evaluation		179	-
Total		**2,141**	**924**

19.2. Payables not recognised

		2024/25			2023/24
		30 Days	30+ Days	Total	Total
Listed by economic classification	*Note*	R'000	R'000	R'000	R'000
Goods and services		-	-	-	3,781
Capital assets		-	-	-	229
Total		-	-	-	**4,010**

Listed by programme level	*Note*	2024/25 R'000	2023/24 R'000
Administration		-	1,030
Institutional development		-	2,142
Policy and Governance		-	838
Total		-	**4 010**

Included in the above totals are the following:	Note	2024/25 R'000	2023/24 R'000
Confirmed balances with other departments	*Annexure 4*	8	1,139
Confirmed balances with other government entities	*Annexure 4*	1,487	605
Total		**1,495**	**1,744**

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

2) Going concern

The annual financial statements have been prepared based on accounting policies applicable to a going concern. However, the following principal events or conditions may cast significant doubt over the department's ability to continue as a going concern:

- *A significant portion of departmental accruals and payables not recognised are older than 30 days. This was caused by the department not adequately managing its working capital and that effective internal controls are not in place to ensure prompt payments.*
- *The departments current liabilities exceed its current assets by R212 905 million, and its total debt exceed its total assets by R204 641 million. Accordingly, the department will not be able to settle all its obligations as they fall due at any specific point. This was caused by the department not adequately managing its operating activities and working capital, as the department tends to over commit itself on events management services.*
- *The department is expected to realise a shortfall of cash on next year's budget and the next three year's budget, this means that most of the departments current liabilities will have to be funded by next year's budget. This was caused by the department surrendering a portion of its unspent voted funds to the Revenue Fund, committing funds for which no goods and services were received and negative cash flow movement.*
- *The department is a defendant in various claims against the department (refer Annexure 2). The department is opposing these claims. However, these claims are not budgeted for and should the*

department become liable for payment of these claims the funds necessary to settle the claims obligation will either have to be diverted away from strategic and service delivery objectives or from other means such as additional government funding.

These matters do not result in material uncertainty but highlight possible future cash flow problems/shortfall that may lead to possible financial viability difficulties in future and a failure by the department to fund its current and future operations, without hampering or compromising strategic goals and provincial monitoring deliverables. To implement next year's planned activities and realising its objectives, the shortfall may have to be funded by some other means such as additional government funding.

Regardless of the above events and conditions, management has reviewed the department's cash flow forecast for the year until 31 March 2026 and in the light of this review and the current financial position, management is satisfied that the department has, or has access to, adequate resources to continue in operational existence for the foreseeable future. This is because the existence of the department is enshrined in the Constitution of the RSA and will continue to receive annual appropriation. Additionally, management is in the process to minimise expenditure in the next financial years in line with the National Treasury instruction 1 of 2013/14 which provides a benchmark for cost containment.

20. Employee benefits

	Note	2024/25 R'000	2023/24 R'000
Leave entitlement		26,972	25,982
Service bonus		9,276	9,675
Capped leave		3,083	3,080
Other		389	269
Total		**39,720**	**39 006**

1) At this stage the department is not able to reliably measure the long-term portion of the long service awards.
2) The figure reported for leave entitlement includes negative balances for some employees, due to them already utilising their annual leave that they are entitled to for 2025, while the disclosure only reflects the pro-rata leave days accrued until 31 March 2025. The total value of the 141,17 negative leave days amount to R240 055,86.

21. Lease commitments

21.1. Operating leases

	2024/25				
	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	-	-	-	3,313	3,313
Later than 1 year and not later than 5 years	-	-	-	1,935	1,935
Total lease commitments	-	-	-	**5,248**	**5,248**

	2023/24				
	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	-	-	-	3,628	3,628
Later than 1 year and not later than 5 years	-	-	-	4,003	4,003
Total lease commitments	-	-	-	**7,631**	**7,631**

1) The Department has entered into a lease agreement with the Free State Government Motor Transport for the provision of vehicles. A total number of 34 vehicles are leased by the Department at year-end.

2) 63 Photocopier equipment is leased from GEROX over a 12-month period in terms of a transversal contract FSPT001/2024/25 arranged by the Provincial Treasury which expires on 31 May 2027. The photocopier equipment is returned to the supplier, after expiry of the lease term.

3) 116 3G cards are leased from MTN and Vodacom over a two-year period in terms of a transversal RT15-2021 contract arranged by the National Treasury which expires on 31 March 2026. Leases are renewed every two years depending on the needs of the Department.

21.2. Finance leases

	2024/25				
	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	-	-	-	1,416	1,416
Later than 1 year and not later than 5 years	-	-	-	725	725
Total lease commitments	-	-	-	**2,141**	**2,141**

	2023/24				
	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	-	-	-	1,104	1,104
Later than 1 year and not later than 5 years	-	-	-	104	104
Total lease commitments	-	-	-	**1,208**	**1,208**

234 cell phones are leased from MTN and Vodacom over a two-year period in terms of a transversal contract RT15-2021 contract arranged by the National Treasury which expires on 31 March 2026. Leases are renewed every two years depending on the needs of the Department.

22. Accrued departmental revenue

	Note	2024/25 R'000	2023/24 R'000
Sales of goods and services other than capital assets		-	-
Total	22.1	-	-

22.1. Analysis of accrued departmental revenue

	Note	2024/25 R'000	2023/24 R'000
Opening balance		-	-
Less: amounts received		(1,404)	(881)
Add: amounts recorded		1,404	881
Closing balance	22	-	-

23. Unauthorised, Irregular and Fruitless and wasteful expenditure

	Note	2024/25 R'000	2023/24 R'000
Unauthorised expenditure - current year		-	-
Irregular expenditure - current year		41,234	48,045
Fruitless and wasteful expenditure - current year		54	162
Total		**41,288**	**48,207**

1) No criminal or disciplinary steps have been taken as a result of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Further information is included in the annual report under the PFMA compliance report.

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

3) The Public Protector instituted an investigation on 9 June 2023, in respect of allegations of maladministration by the Free State Provincial Government in connection with the expenditure incurred for the funeral of the late Mr Pule Herbert Isak "Tate" Makgoe, Member of Executive Council for Education, held on 12 March 2023 in Bloemfontein. The investigation report was finalised and issued 30 June 2024. The investigation found that the supplier was irregularly appointed, excessive expenditure incurred, and departmental officials conducted themselves improperly.

The department has taken the report on review and secured an interdict from the Pretoria High Court against Free State Premier and Public Protector. The case that was heard urgently in the Gauteng Division of the

Pretoria High Court who granted the interdict on 27 August 2024, preventing the Premier from enforcing any remedial action proposed by the Public Protector. This ruling specifically suspended the enforcement of sub-paragraphs 8.3.3, 8.3.4, and 8.3.5 of the Public Protector's report. The court ruled that the implementation of the remedial actions referred to in the report was suspended pending the final determination of Part B of the application, which is yet to be heard.

24. Key management personnel

	2024/25 R'000	2023/24 R'000
Political office bearers	2,495	2,429
Officials:		
Level 15 and 16	12,050	12,171
Level 14	11 681	14,921
Total	**26,226**	**29,521**

1. *Officials on salary level 14 and higher represent executive management in the department, and provide strategic direction and therefore having the authority and responsibility for planning, directing and controlling the activities of the department.*
2. *Officials, on lower salary levels, acting in those positions are only responsible for performing administrative functions and are not involved in the planning, directing and controlling the activities of the department.*

25. Provisions

	Note	2024/25 R'000	2023/24 R'000
Appeal: Moipone Moroka/ Premier and others (Case No. 295/2020)		-	-
Total		-	-

During the 2022/23 financial year, the department was liable for legal costs as determined by the Appeals Court on 31 March 2022. The estimated legal costs amounted to R135 000,00 as determined by the State Attorney as at 31 March 2023. During the 2023/24 financial year the legal fee claim increased to R461 775,00 which was paid by the department on 06 July 2023.

25.1. Reconciliation of movement in provisions - 2024/25

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

Reconciliation of movement in provisions - 2023/24

	Appeal: Moipone Moroka/ Premier and others (Case No. 295/2020)	Total provisions
	R'000	R'000
Opening balance	462	462
Settlement of provision	(462)	(462)
Closing balance	-	-

26. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025

	2024/25				
	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	31,984	-	3,770	841	34,913
Computer equipment	20,758	-	3,115	170	23,703
Furniture and office equipment	8,752	-	551	-	9,303
Other machinery and equipment	2,474	-	104	671	1,907
FINANCE LEASE ASSETS	1,781	-	3,103	-	4,884
Finance lease assets	1,781	-	3,103	-	4,884
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**33,765**	-	**6873**	**841**	**38,797**

26.1. MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	2023/24				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	27,972	-	4,330	318	31,984
Computer equipment	17,778	-	3,202	222	20,758
Furniture and office equipment	7,720	-	1,128	96	8,752
Other machinery and equipment	2,474	-	-	-	2,474
FINANCE LEASE ASSETS	893	-	888	-	1,781
Finance lease assets	893	-	888	-	1,781
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**28,865**		**5,218**	**318**	**33,765**

26.2. Minor assets

MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025

	2024/25						
	Specialised military assets	**Intangible assets**	**Heritage assets**	**Machinery and equipment**	**Biological assets**	**Finance lease assets**	**Total**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Opening balance	-	641	33	9,010	-	-	9,684
Additions	-	-	-	318	-	-	318
Total Minor assets	**-**	**641**	**33**	**9,328**	**-**	**-**	**10,002**

	Specialised military assets	**Intangible assets**	**Heritage assets**	**Machinery and equipment**	**Biological assets**	**Finance lease assets**	**Total**
Number of R1 minor assets	-	-	37	1,117	-	-	1,154
Number of minor assets at cost	-	198	20	5,791	-	-	6,009
Total number of minor assets	**-**	**198**	**57**	**6,908**	**-**		**7,163**

MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	2023/24						
	Specialised military assets	**Intangible assets**	**Heritage assets**	**Machinery and equipment**	**Biological assets**	**Finance lease assets**	**Total**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Opening balance	-	641	33	8,391	-	-	9,065
Additions	-	-	-	631	-	-	631
Disposals	-	-	-	12	-	-	12
Total Minor assets	**-**	**641**	**33**	**9,010**	**-**	**-**	**9,684**

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Finance lease assets	Total
Number of R1 minor assets	-	-	37	1,118	-	-	1,155
Number of minor assets at cost	-	198	20	5,770	-	-	5,988
Total number of minor assets	**-**	**198**	**57**	**6,888**	**-**	**-**	**7,143**

26.3. Movable capital assets written off

MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2025

	2024/25						
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Finance lease assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	-	-	-	-
Total movable assets written off	**-**	**-**	**-**	**-**	**-**	**-**	**-**

MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2024

	2023/24						
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Finance lease assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	222	-	-	222
Total movable assets written off	**-**	**-**	**-**	**222**	**-**	**-**	**222**

27. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025

	2024/25			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
SOFTWARE	2,089	-	-	2,089
TOTAL INTANGIBLE CAPITAL ASSETS	2,089	-	-	2,089

27.1. MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	2023/24				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	2,089	-	-	-	2,089
TOTAL INTANGIBLE CAPITAL ASSETS	2,089	-	-	-	2,089

28. Changes in accounting estimates and Changes in accounting policies

28.1. Changes in accounting policies

		2023/24				
		Opening balance before the change (1 Apr 2023)	Adjust-ment of opening balance	Restated opening balance after the change (1 Apr 2023)	Adjust-ment for 2023/24	Restated closing balance (31 Mar 2024)
Nature of change in accounting policy	*Note*	R'000	R'000	R'000	R'000	R'000
Finance lease assets						
Movable Tangible Capital Assets	*26*	27,865	893	28,758	4,900	33,658

Included in the opening balances for 2023/24 and 2024/25 is a change in accounting policy made in terms of the MCS requirements whereby assets under finance leases are recorded by the department at the commencement of the lease term rather than at the end of the lease term. The change in accounting policy is applied retrospectively. Leases are measured at the present value of the minimum lease payment at the inception of the lease.

29. Prior period errors

29.1. Correction of prior period errors

		2023/24		
		Amount before error correction	**Prior period error**	**Restated**
	Note	**R'000**	**R'000**	**R'000**
Other:				
Reclassification of non-current receivables from investing activities to net working capital under operating activities.	*Cashflow statement*	(5,844)	(104)	(5,948)
Net effect		**(5,844)**	**(104)**	**(5,948)**

Provincial Treasury noted that non-current receivables were recognised under investing activities in the 2023/24 financial year, as provision has been made for such in the prescribed template. However, the related transactions under receivables do not meet the definition of investing activities as they are not proceeds received in respect of capital assets or investments. Only payments made, or proceeds received in respect of capital assets or investments are eligible for classification as investing activities as per the recognition and measurement basis on the Modified Cash Standard.

The restatement of non-current receivables from investing activities to operating activities should be disclosed in Note 43: Prior Period error.

30. Broad Based Black Economic Empowerment performance

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

ANNEXURE 1A
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

	2024/25						2023/24	
	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
SABC TV LICENCES	-	-	10	10	10	100,0%	-	-
TOTAL	**-**	**-**	**10**	**10**	**10**		**-**	**-**

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ANNEXURE 1B

STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS

	2024/25							2023/24	
	TRANSFER ALLOCATION				TRANSFER				
Higher Education Institution	**Adjusted Budget**	**Roll overs**	**Adjustments**	**Total Available**	**Actual transfer**	**Amount not transferred**	**% of available funds transferred**	**Final Budget**	**Actual transfer**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Motheo TVET College	6,754	-	-	6,754	6,754	-	100.0	17,045	17,045
Central University of Technology	21,122	-	-	21,122	21,122	-	100.0	-	
University of the Free State	3,557	-	-	3,557	3,557	-	100.0	-	
TOTAL	41,423	-	-	41,423	41,423	-	100.0	17,045	17,045

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ANNEXURE 1C
STATEMENT OF TRANSFERS TO HOUSEHOLDS

Household	2024/25						2023/24	
	TRANSFER ALLOCATION				EXPENDITURE			
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
Employer social benefits (Leave Gratuity)	4,881			4,881	4,770	97.7	1,651	1,564
Donations and Gifs (Cash)	-	-	100	100	100	100.0	2,275	95
Bursaries – non-employees	82,217			82,217	45,274	55.1	71,004	51,487
Claims against the State	-	-	-	-	-	-	91	91
TOTAL	**87,098**	**-**	**100**	**87,198**	**50,144**		**75,021**	**53,237**

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ANNEXURE 1D
STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	Purpose	Opening balance 1 April 2024	Revenue	Expenditure	Paid back on/ by 31 March 2025	Closing balance 31 March 2025
		R'000	R'000	R'000	R'000	R'000
Aid assistance received in cash						
CETA Graduate Interns	Skills development	-	839	808	-	31
FASSET Graduate Interns	Skills development	-	2,728	2,253	-	475
CETA TVET Placement	Skills development		782	653	-	129
SERSETA	Skills development		7 862	7 617	-	245
Construction Apprenticeship	Skills development	35	18	53	-	-
Construction Learners	Skills development	12	3 969	3 831	-	150
LG CETA	Skills development	-	88	30	-	58
MERSETA Apprenticeship	Skills development	297	6 165	6 400	-	62
MERSETA Artisans	Skills development	825	-	705	-	120
MERSETA Bursaries	Skills development	1 205	27 554	28 506		253
MERSETA Internships	Skills development	20	-	5		15
MERSETA Learnerships	Skills development	80	825	905		-
MERSETA Shortskills	Skills development	-	113	113		-
PSETA	Skills development	5		3		2
TETA Bursaries	Skills development	17	-	10	-	7
TETA Shortskills	Skills development	-	1,700	-	-	1,700
CATHSETA	Skills development	-	812	231	-	581
W&R SETA	Skills development	-	6,385	5,896	-	489
TOTAL AID ASSISTANCE RECEIVED		**2,496**	**59,840**	**(58,019)**	**-**	**4,317**

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ANNEXURE 1E
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

Nature of gift, donation or sponsorship	2024/25	2023/24
	R'000	R'000
Made in kind		
Donations		
Redundant book cupboard donated to official as retirement gift	-	6
TOTAL GIFTS, DONATIONS AND SPONSORSHIPS MADE IN KIND	-	6

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ANNEXURE 2
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2025

Nature of liability	Opening balance 1 April 2024	Liabilities incurred during the year	Liabilities paid / cancelled / reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2025
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Labour matter: JA Botes	1,166	-	-	-	1,166
Dumelang Media (Pty) Ltd re. Advertising/Media Services	989			-	989
Central Plaza Investment (Pty) re. Outstanding VAT	4,609			-	4,609
Flavius Mareka TVET College	-	1,071	-	-	1,071
TOTAL	**6,764**	**1,071**	-	-	**7,835**

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ANNEXURE 3
CLAIMS RECOVERABLE

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2024/25	
	31/03/2025	31/03/2024	31/03/2025	31/03/2024	31/03/2025	31/03/2024	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
Agriculture and Rural development	1,659	-	338	-	1,997	-	2/4/2025	28
Community Safety, Roads and Transport	-	205	156	289	156	494	-	-
Cooperative Governance and Traditional Affairs	199	83			199	83	1/4/2025	28
Economic, Small Business Development, Tourism and Environmental Affairs	-	9	4		4	9	-	-
Health	1,664	3,717	128	2,053	1,792	5,770	-	-
Human Settlements	-	117	63	-	63	117	-	-
Provincial Treasury	-	166	-	-	-	166	-	-
Public Works and Infrastructure	-	2	-	-	-	2	-	-
Social Development	-	27	-	-	-	27	-	-
Sport, Arts, Culture and Recreation	2	117	-	-	2	117	-	-
Provincial Legislature	2	-	-	-	2	-	-	-
Education	198	-	-		198		-	-
Gauteng Premier	-	-	5	-	5		-	-
Subtotal	**3,724**	**4,443**	**694**	**2,342**	**4,418**	**6,785**	-	**56**

Other Government Entities								
Free State Development Corporation	-	-	73	73	73	73	-	-
FDCMAPS	-			3		3	-	-
FSGLB	74		32	7	106	7	-	-
National Agriculture	-		4	-	4		-	-
Subtotal	**74**	-	**109**	**83**	**183**	**83**	-	-
TOTAL	**3,798**	**4,443**	**803**	**2 ,425**	**4,601**	**6,868**	-	**56**

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ANNEXURE 4
INTERGOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2024/25	
	31/03/2025	31/03/2024	31/03/2025	31/03/2024	31/03/2025	31/03/2024	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
NATIONAL DEPARTMENTS								
Justice and Constitutional development	8	1 139	-	-	8	1 139	-	
Subtotal	**8**	**1 139**	**-**	**-**	**8**	**1 139**	**-**	
OTHER GOVERNMENT ENTITIES								
Current								
Fleet Management	904	605	-	-	904	605	-	-
GEPF	583		-	-	583		-	-
Subtotal	**1,487**	**605**	**-**	**-**	**1,487**	**605**	**-**	**-**
TOTAL INTERGOVERNMENT PAYABLES	**1,495**	**1 744**	**-**	**-**	**1,495**	**1 744**	**-**	**-**

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ANNEXURE 5
INVENTORIES

	Food and food supplies	Materials and supplies	Total
Inventories for the year ended 31 March 2025	**R'000**	**R'000**	**R'000**
Add: Additions/Purchases - Cash	4,755	9,476	14,231
(Less): Issued	(4,755)	(9,476)	(14,231)
Closing balance	-	-	-

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ANNEXURE 6
INTERENTITY ADVANCES PAID (Note 10)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/3/2025	31/03/2024	31/3/2025	31/03/2024	31/3/2025	31/03/2024
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
International Relations and Cooperation	244	127	-	-	244	127
Sheriff's Trust Fund	1,861	1,861	-	-	1,861	1,861
TOTAL	**2,105**	**1,988**	**-**	**-**	**2,105**	**1,988**

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ANNEXURE 7
ANALYSIS OF PREPAYMENTS AND ADVANCES (NOTE 10)

NAME OF ENTITY	Sector of the entity	Description of the item paid for	Classification category	Total Contract Value	Balance outstanding as at 31 March 2024	Total amount prepaid/ advanced in the current year	Less: goods, services or capital assets received in the current year	Add/ Less: Other	Balance outstanding as at 31 March 2025
				R'000	R'000	R'000	R'000	R'000	R'000
Advances									
Sheriff Trust Fund	Government	Security paid to the Sheriff's Trust Fund to suspend the implementation of an arbitration award by the GPSSBC, to allow the Department to review the award.	Other institution	1,861	1,861	-	-	-	1,861
International Relations and Cooperation	Government	Subsistence and travel expenses for overseas trip by employees (Not expensed)	National department	127	127	562	(445)	-	244
International Relations and Cooperation	Government	Bursary related expenses paid towards students as part of the international bursary programme	National department	2,792	2,792	-	-	-	2,792
Total advances					**4,780**	**562**	**(445)**	**-**	**4,897**
TOTAL PREPAYMENTS AND ADVANCES					**4,780**	**562**	**(445)**	**-**	**4,897**

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