

# ANNUAL REPORT



**2022/2023**

FINANCIAL YEAR



**KWAZULU-NATAL PROVINCE**  
OFFICE OF THE PREMIER  
REPUBLIC OF SOUTH AFRICA



**GROWING  
KWAZULU-NATAL  
TOGETHER**



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**PART A**  
GENERAL INFORMATION

## 1. GENERAL INFORMATION



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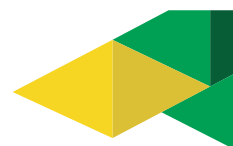
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## 2. LIST OF ABBREVIATIONS/ACRONYMS

1.	<b>AGSA</b>	Auditor General of South Africa
2.	<b>AO</b>	Accounting Officer
3.	<b>APP</b>	Annual Performance Plan
4.	<b>AWG</b>	Action Work Group
5.	<b>BBBEE</b>	Broad Based Black Economic Empowerment
6.	<b>CFO</b>	Chief Financial Officer
7.	<b>COHOD</b>	Committee of Heads of Departments
8.	<b>DG</b>	Director-General
9.	<b>DPSA</b>	Department of Public Service and Administration
10.	<b>EU</b>	European Union
11.	<b>HOD</b>	Head of Department
12.	<b>HR</b>	Human Resources
13.	<b>ICT</b>	Information and Communication Technology
14.	<b>IGR</b>	Inter-Governmental Relations
15.	<b>MEC</b>	Member of Executive Council
16.	<b>MTEF</b>	Medium Term Expenditure Framework
17.	<b>MTSF</b>	Medium Term Strategic Framework
18.	<b>ODA</b>	Overseas Donor Assistance
19.	<b>OMF</b>	Operations Management Framework
20.	<b>OTP</b>	Office of The Premier
21.	<b>PAA</b>	Public Audit Act
22.	<b>PARMED</b>	Medical Aid Scheme
23.	<b>PERSAL</b>	Personal and Salary Administration System
24.	<b>PFMA</b>	Public Finance Management Act
25.	<b>PGDS</b>	Provincial Growth Development Strategy
26.	<b>PPE</b>	Personal Protective Equipment
27.	<b>PPSTA</b>	Provincial Public Service Training Academy
28.	<b>RMTSF</b>	Revised Medium Term Strategic Framework
29.	<b>SCM</b>	Supply Chain Management
30.	<b>SDIP</b>	Service Delivery Improvement Plan
31.	<b>SEIAS</b>	Socio-Economic Impact Assessment System
32.	<b>SITA</b>	State Information Technology Agency
33.	<b>SMME</b>	Small Medium and Micro Enterprises
34.	<b>SMS</b>	Senior Management Staff
35.	<b>TR</b>	Treasury Regulations
36.	<b>ZRHT</b>	Zulu Royal House Trust



### 3. FOREWORD BY THE PREMIER



**NOMUSA DUBE-NCUBE**

**PREMIER**

KWAZULU-NATAL PROVINCIAL GOVERNMENT

#### Foreword by Premier of KwaZulu-Natal Hon. Nomusa Dube-Ncube

The year 2022/23 marked a turning point in the life of the Province of KwaZulu-Natal coming at the midpoint of the 6th Administration. Such critical junctures present an opportunity to review and to upscale the tempo in the delivery of services as we battle the triple challenges of unemployment, poverty and inequality.

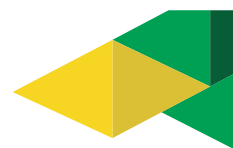
Guided by the Constitution, the National Development Plan and the Provincial Growth and Development Plan 2030, we set out to complete the mission started by the forefathers and mothers of our democracy in 1994, which is to unite and free the majority from all remnants of oppression.

#### Tackling the floods and unemployment

As we come to the end of the 6<sup>th</sup> Administration next year, our country will reach 30 years since the democratic breakthrough which set us on the path of transformation, and a change in the living conditions for the better, for all. Over this financial year our province put behind the spectre and devastation of the floods which left untold damage to infrastructure and close to 450 people dead and thousands homeless.

The cost of the damage is estimated at R20 billion and badly dented employment to unprecedented levels estimated at 34.5% nationally in the first quarter of 2022, and 33.2% in KwaZulu-Natal. Undeterred, we soldiered on with the Economic Recovery and Transformation Plan and with business and all stakeholders, put back the building blocks of an economy that serves the people while competing with counterparts in the rest of Africa and the world.

According to StatsSA, South Africa's unemployment rate came at 32.6% in the second quarter of 2023 which was the lowest rate since the Q1 of 2021, as the number of unemployed persons decreased by 11 thousand to 7.921 million.



Importantly, the youth unemployment rate dropped to 60.7%, 1.4 percentage points lower compared to Q1, with KwaZulu-Natal among the provinces that dropped joblessness over the period. Our War Room on Job Creation is coordinating the march against unemployment with stimulating the creation of some 500 000 jobs last year.

## **Economic Reconstruction of Business and Infrastructure**

The recovery of infrastructure and the rebuilding of roads and buildings is nearing completion. All the roads are reopened and where construction is multiyear such as on the N2 and N3, mobility might be restricted but the roads are open to facilitate the movement of goods and services.

Working with the Economic Cluster the province reignited investments into the province and provided support to Township and Rural SMMs through Operation Vula Fund, Bulk Buying, RASET, and through the KZN Youth Empowerment Fund. Catalytic projects worth over R200 billion are dotting the province up and down our coast and westwards while the Water and Electricity Master Plan are being rolled out to support households and business.

When we entered office in August 2022, we vowed that by December all the displaced would be in decent accommodation and indeed all the victims were moved to flats and townhouses by the second week of December.

## **Building Safer Communities**

Our province remained under the grip of crime particularly Gender-Based Violence and Femicide which reared its ugly head from time to time. The killing of elderly women and children is one of the most embarrassing developments in our province and one which has received urgent priority attention. The KwaZulu-Natal Gender-Based Violence and Femicide Strategy was unveiled as an interdepartmental and intersectoral response to address this scourge which remains a dark spot in the good progress we have made so far. Our province will not be free until women are able to move freely and express themselves without fear of harassment or violence.

KwaZulu-Natal shares borders with Lesotho, eSwatini and Mozambique and our interest is to see all cross-border crime reduced and ultimately stopped. These have ranged from car stolen or hijacked and transported over the border with Mozambique or drug trafficking, poaching and cattle rustling over eSwatini and Lesotho borders. These crimes have been accompanied by murder of residents of KwaZulu-Natal with the most notable being that of crime fighter Juda Mthethwa. In our crime fighting efforts we applaud the work of the SAPS under Gen Nhlanhla Mkhwanazi and growing collaboration in the war against crime.



## Building key skills to fight unemployment

The misalignment between the skills required by the workplace and those coming out of our institutions has been identified as a cause of structural unemployment that has increased the unemployed graduates swell.

What is clear is that the face of poverty is still that of a woman and particularly those in rural areas, informal settlements and townships. The evolving Draft KwaZulu-Natal Human Resource Development Strategy has endorsed the notion of intentional public education interventions to develop good citizenship, and a revolving appropriately skilled cadre for the job market.

Among other responses, the province moved in earnest towards being a Smart KZN with programmes including ongoing training in the Fourth Industrial Revolution and turning KwaZulu-Natal into a technology hub led by youth and unemployed graduates. Under the SMART KZN programme the Office of the Premier has championed the roll-out of digital empowerment, capacity development, entrepreneurship and data skills transfer. The Office of the Premier is leading the mainstreaming of Broadband and Connectivity in KwaZulu-Natal with Wi-Fi hotspots and Digi-centres being set up in townships and rural centres. Youth is being trained in new skills such as mechatronics repair, big data analytics, robotics, drone technology and related skills.

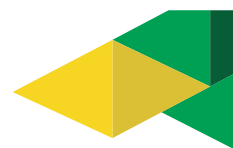
## Embracing our international relations

On a global level BRICS - the forum of Brazil, Russian, India, China and South Africa - dominated the debate as the world reviewed the unipolar global order and moved towards effective multilateralism while South Africa prepared to host the BRICS Summit later in August. The province prepared to host a series of BRICS build-up events which would allow for the engagement with Women, Youth, Academics and Businesspeople from all over the world on economic opportunities in BRICS.

On African soil, we pinned our fortunes with those of our sisters and brothers on our continent, supporting regional integration and the promotion of intra-African trade. Working through the Department of Economic Development our province paid greater attention to doing business in Africa and taking advantage of the (AfCFTA) Africa Free Trade Area agreement to drive export-led growth opportunities.

## Anchored on Ubuntu Values

KwaZulu-Natal is anchored on the values of Ubuntu and Respect which are linked to the traditions of the majority and those who subscribe to the dictum of humanness and the “I am because you are” philosophy.



It is in this spirit that we welcomed the coronation and certification of King Misuzulu kaZwelithini in October as a once-in-a-lifetime event, and one that brought much-needed healing, hope and a sense of unity among the people of KwaZulu-Natal. The Office of the Premier partnered with the Interfaith Community to drive Moral Regeneration and Social Cohesion in our province, and to help etch the growth and development of ethics among us all.

As a result of these persistent efforts to nurture an ethical, developmental state, a record number of six departments including the Office of the Premier achieved the phenomenal Clean Audit from the Office of the Auditor General for 2022/2023. This is a massive achievement which demonstrates great improvement in the utilisation of taxpayer funds across all departments, and consolidates the march towards a clean, corruption-free administration in the province.

### **Building a Capable, Developmental State**

To build a meritocratic state machinery it is urgent that we fight incompetency and ill-discipline, institute consequence management across the system and in partnership with the National School of Government (NSG) roll out training for all our public servants.

The Office of the Premier will continue to be resolute in providing leadership on a vertical and transversal basis, and to make decisive interventions to direct an altogether better governance, effective and efficient service delivery in the province as articulated during the State of the Province and key priorities of the 6th Administration.

The Decisive Actions this administration has taken are paying fruit already, yet it is not time to rest, but to work even harder, smarter and more effectively to meet the dream of a better, non-racial, non-sexist, free and prosperous KwaZulu-Natal.

**Ambassador: Nomusa Dube-Ncube**

**Premier of KwaZulu-Natal**

**31 August 2023**

## 4. REPORT OF THE ACCOUNTING OFFICER



**DR NONHLANHLA O MKHIZE**

**DIRECTOR - GENERAL**

KWAZULU-NATAL PROVINCIAL GOVERNMENT

### Overview of the Operations of the Department

The role of the Office of the Premier is to ensure that Provincial Government is coordinated, aligned and integrated and is providing sound governance and leadership with a firm focus on poverty eradication, community empowerment and radical economic transformation. Overview of results and challenges for the 2022/23 financial year are outlined below.

#### Programme 1: Administration

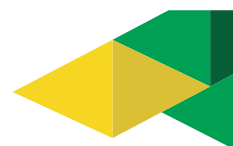
The mandate of Programme 1 is to provide administrative support to the Premier, Executive Council and the Director-General in fulfilling their legislative and oversight function and in promoting good governance. For 2022/23, all 9 (100%) indicators implemented were achieved. This translated to 100% of targets achieved. There was a significant improvement in implementation of financial controls which resulted in 99% of invoices being paid in 30 days and as a result of the improved financial controls the department did not incur irregular expenditure, fruitless and wasteful expenditure and unauthorised expenditure during the financial year.

#### Programme 2: Institutional Development

The role of Programme 2 is to facilitate transformation of the public service and provide institutional development and support to the KwaZulu-Natal Provincial Government. For 2022/23, 89% of targets (33 out of 37 indicators) were achieved.

Challenges were reported on the implementation of Service Delivery Improvement Plans (SDIPs), where the Department of Public Service and Administration initiated and led a comprehensive review process for SDIPs. This deferred actual implementation of SDIPs to 2023/24.

Other areas of under-achievement were recorded for Human Rights reports and capacity building sessions for security managers. Reasons included capacity constraints within relevant unit and defer of training sessions due to prioritization of Public Service Week.



### **Programme 3: Policy and Governance**

The purpose of Programme 3 is to improve and facilitate the coordination and alignment of the transversal policies, strategies, short- and long-term plans and programmes as well as the reporting and monitoring of these for the Provincial Government. The programme also provides a coordinating role for all provincial stakeholders.

During 2022/23, the programme achieved all (100%) of its targets (19 out of 19 indicators). Highlights include coordinating support for various interventions in the province, including response to Disaster (floods) which affected the province in April 2022. Multidisciplinary teams coordinated through OSS/ DDM structures ensured province-wide response.

#### **Entity Oversight**

The Office of the Premier played the oversight role on the Entity (Zulu Royal House Trust) where quarterly reports were assessed, and funds transferred accordingly. The audit received an unqualified audit opinion for 2022/23.

In terms of performance monitoring and reporting, the Office of the Premier undertook oversight on the implementation of Annual Performance Plans by Public Entities in the province. This included screening of quarterly performance reporting and reporting to DPME.

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

##### **- Departmental receipts**

#### **Revenue:**

The Office of the Premier collected R1,303 million, represented as 89% of the revenue budget of R1,462 million, resulting in a total under-collection of R159 thousand. The table below reflects the revenue budget and revenue collection against each revenue category.

Departmental receipts	2022/2023			2021/2022		
	Estimate	Actual Amount Collected	(Over)/ Under Collection	Estimate	Actual Amount Collected	(Over)/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	337	165	172	321	166	155
Interest, dividends and rent on land	1	2	-1	1	5	-4
Sale of capital assets	1 068	600	468	1 019	0	1 019
Financial transactions in assets and liabilities	56	536	-480	53	974	-921
<b>Total</b>	<b>1 462</b>	<b>1 303</b>	<b>159</b>	<b>1 394</b>	<b>1 145</b>	<b>249</b>

- **Sales of Goods and Services:**

Revenue received in this category relates to commission received on payroll deductions and rental on state accommodation. The department collected R165 thousand against an annual budget of R337 thousand. The under-collection of R172 thousand was mainly from lower than anticipated collection of commission on PERSAL deductions, such as insurance premiums and garnishee orders.

- **Interest, dividends & rent on land:**

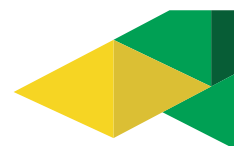
Over-collected revenue of R1 thousand is in relation to interest charged on staff debts.

- **Sales of Capital Assets:**

Revenue in this category is derived from the sale of redundant assets, such as equipment and motor vehicles. The department held an auction in September 2022, but the service provider did not pay over the full amount that was due to the department by year-end. An amount of R2,273 million is still due to the department. There was a dispute by the service provider to pay over the monies to the department and, therefore, this matter has been handed over to the State Attorney to assist with the recovery of these funds.

- **Transactions in Financial Assets and Liabilities:**

Revenue in this category is mainly derived from recoveries from prior years' expenditure, for instance overpaid suppliers, contractual debts, staff debts (such as salary reversals, breached bursary contracts), etc. This category was over-collected by R480 thousand against a budget of R56 thousand. The over-collection is due to a refund received from the University of KwaZulu-Natal (UKZN) related to overpaid external bursaries awarded in 2021/22.



## Programme Expenditure

Departmental receipts	2022/2023			2021/2022		
	Estimate	Actual Amount Collected	(Over)/ Under Collection	Estimate	Actual Amount Collected	(Over)/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
P1: Administration	207 665	202 639	5 026	205 334	187 248	18 086
P2: Institutional Development	301 490	294 824	6 666	420 412	404 610	15 802
P3: Policy and Governance	237 440	235 910	1 530	184 494	162 339	22 155
<b>Total</b>	<b>746 595</b>	<b>733 373</b>	<b>13 222</b>	<b>810 240</b>	<b>754 197</b>	<b>56 043</b>

### 1.1 Programme Expenditure

#### Programme 1: Administration

The expenditure for Programme 1: Administration amounted to R202,639 million and this amount is represented as 98% spent against a budget of R207,665 million. The total underspending for Programme 1 amounted to R5,026 million and was mainly due to the following reasons:

- *Compensation of Employees* was underspent by R712 thousand mainly due to staff exits as a result of early retirements.
- *Goods and Services* was underspent by R3,152 million primarily attributed to an amount of R2,496 million, that was received in the Adjustments Estimate from the African Union to assist with water distribution to communities that were affected from the flood disaster. These funds were not utilized due to the consultation process with the Municipalities and the Department of Corporate Governance and Traditional Affairs (COGTA) taking longer than expected in terms of establishing the greatest need of water in the Province. A rollover of funds was requested for the finalization of the water distribution during the 2023/24 financial year. In addition, there was reduced administrative expenses due to the Department utilizing more digital platforms such as SMARTGOV.
- *Transfers and Subsidies* was underspent by R1,162 million due to staff exit costs in respect of leave gratuity pay-outs and early retirement penalties that were not paid as a result of the processes involved in obtaining tax directives as well late receipt of invoices from GEPP. As these are committed expenses, a rollover of funds was requested to meet these expenses in the 2023/24 financial year.
- *Payments for Capital Assets* had a nil variance as the budget was fully spent.

#### Programme 2: Institutional Development

The expenditure for Programme 2: Institutional Development amounted to R294,824 million and this amount is represented as 98% spent against a budget of R301,490 million. The total underspending for Programme 2 amounted to R6,666 million and was mainly due to the following reasons:



- *Compensation of Employees* was underspent by R490 thousand mainly due to staff exits as a result of early retirements.
- *Goods and Services* was underspent by R308 thousand primarily due to outsourced forensic investigations only commencing in latter part of the financial year, as a result of the challenges experienced by Forensic Investigations with obtaining a suitable service provider.
- *Transfers and Subsidies* was underspent in total by R5,816 million. This is attributed to the lower uptake of students in respect of external bursaries (R1,112 million). In addition, the Aviation Pilot Programme for the training of indigent youth, did not commence as a result of the late registration by the service provider on the Central Supplier Database (R2,8 million). Furthermore, staff exit costs in respect of leave gratuity pay-outs and early retirement penalties (R1,904 million) were not paid as a result of the processes involved in obtaining tax directives as well as the late receipt of invoices from the GEPF. As the Aviation Pilot Programme and the staff exit expenses are committed expenses, a rollover of funds was requested to meet these expenses in the 2023/24 financial year.
- *Payments for Capital Assets* was underspent by a minimal amount of R52 thousand.

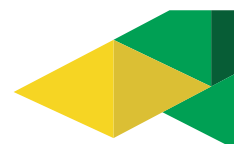
### Programme 3: Policy and Governance

The expenditure for Programme 3: Policy and Governance amounted to R235,910 million and this amount is represented as 99% spent against a budget of R237,440 million. The total underspending for Programme 3 amounted to R1,530 million and was mainly due to the following reasons:

- *Compensation of Employees* was underspent by R88 thousand mainly due to staff exits as a result of early retirements.
- *Goods and Services* was underspent by R399 thousand mainly due to the non-printing of the PGDS Abridged version, that could not be finalized due to delays experienced with obtaining suitable service providers.
- *Transfers and Subsidies* was underspent by R1,043 million due to staff exit costs in respect of leave gratuity pay-outs and early retirement penalties that were not paid as a result of the processes involved in obtaining tax directives as well as the late receipt of invoices from GEPF. As these are committed expenses, a rollover of funds was requested to meet these expenses in the 2023/24 financial year.
- *Payments for Capital Assets* had a nil variance as the budget was fully spent.

#### 1.2 Virement of Funds:

Programme 1 and Programme 2 were decreased by R414 thousand and R15,985 million, respectively, and a total amount of R16,399 million was transferred to Programme 3. These virement of funds are explained in further detail under each Programme, further below.



Programme	Adjusted Budget 2022/23	Shifting of Funds	Virements	Final Budget 2022/23
	R'000	R'000	R'000	R'000
P1: Administration	208 079	0	-414	207 665
P2: Institutional Development	319 075	-1 600	-15 985	301 490
P3: Policy and Governance	219 441	1 600	16 399	237 440
<b>Total</b>	<b>746 595</b>	<b>0</b>	<b>0</b>	<b>746 595</b>

## Programme 1: Administration

### a) Virement of Funds:

Programme 1 was decreased by a net amount of R414 thousand, as follows:

- *Compensation of Employees* was reduced by this amount as a result of savings derived from early retirements. These funds were transferred to Programme 3 to cover spending pressures emanating from higher travel expenses in respect of Poverty Eradication activities.
- Funds were also moved within the Programme from *Compensation of Employees* and *Goods and Services*, to *Building and Fixed Structures* (R489 thousand) for the security upgrades at Parkside Residence; and to *Machinery and Equipment* (R3,007 million) to cater for His Majesty the King's vehicle as well as for office furniture and equipment requirements.

## Programme 2: Institutional Development

### a) Shifting of Funds:

An amount of R1,6 million was shifted from *Compensation of Employees* under Programme 2; and was moved to Programme 3 to cater for the Graduate Programme. These funds were originally budgeted under the Strategic Human Resources sub-programme in Programme 2, however the graduates were appointed against the Provincial Policy Management sub-programme under Programme 3. The purpose of the funds remained the same and therefore regarded as a shifting of funds.

### b) Virement of Funds:

Programme 2 was decreased by a net amount of R15,985 million, as follows:

- Savings were derived from *Compensation of Employees* (R4,6 million) and *Goods and Services* (R10,8 million); and these funds were moved to Programme 3 to cover spending pressures emanating from activities in respect of women, People with Disability persons and Senior Citizens.
- An amount of R585 thousand was identified as savings against *Machinery and Equipment* under the Communication Services sub-programme as a result of audio visual and radio satellite equipment that could not be obtained due to delays with the supplier. These funds were moved to Programme 1 toward office furniture and equipment requirements.

## Programme 3: Policy and Governance

### a) Shifting of Funds:

As previously mentioned, an amount of R1,6 million was shifted to Compensation of Employees to cater for the Graduate Programme.

### b) Virement of Funds:

Programme 3 was increased by a net amount of R16,399 million, as follows:

- An amount of R3,830 million was transferred to *Compensation of Employees* for the Graduate Programme.
- An amount of R13,670 million was allocated to *Goods and Services* to cover spending pressure emanating from activities in respect of women, persons with disability and the senior citizens as well as higher travel expense in respect of the Poverty Eradication activities.
- In addition, an amount of R1,101 million was identified as savings against *Machinery and Equipment*. These funds were moved to Programme 1 for the purchase of His Majesty the King's vehicle.

## 1.3 Rollover of Funds:

An amount of R9,403 million was requested as a rollover of funds as follows:

### Programme 1: Administration

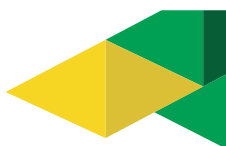
An amount of R3,658 million was requested as a rollover within this Programme in respect of the following:

- An amount of R2,496 million, that was received from the African Union for water distribution to communities affected by the flood disaster, were not utilized; due to the consultation process with the Municipalities and the Department of Corporate Governance and Traditional Affairs (COGTA) taking longer than expected in terms of establishing the greatest need of water in the Province. The Department has engaged with COGTA to assist with the roll-out of this project and once implementation has commenced, OTP will reimburse COGTA via the interdepartmental processes.
- An amount of R1,162 million for staff exit costs in respect of leave gratuity pay-outs and early retirement penalties that were not paid in 2022/23 as a result of the processes involved in obtaining tax directives as well as the late receipt of invoices from the GEPF.

### Programme 2: Institutional Development

An amount of R4,704 million was requested as a rollover within this Programme in respect of the following:





- An amount of R2.8 million for the Aviation Pilot programme for nine students. Due to delays by the supplier in verifying his Central Supplier Database (CSD) registration, payment could not be made prior to the financial year-end.
- An amount of R1,904 million for staff exit costs in respect of leave gratuity pay-outs and early retirement penalties that were not paid in 2022/23, as a result of the processes involved in obtaining tax directives as well as the late receipt of invoices from the GEPPF.

### Programme 3: Policy and Governance

An amount of R1,041 million was requested as a rollover within this Programme as follows for staff exit costs in respect of leave gratuity pay-outs and early retirement penalties that were not paid in 2022/23 as a result of the processes involved in obtaining tax directives as well as the late receipt of invoices from the GEPPF.

#### Transfer Payments:

In accordance with Section 38 (1) (j) of the Public Finance Management Act, the Office of the Premier obtained written assurance, from institutions to which transfer payments were made, that effective, efficient and transparent financial management and internal control systems were implemented. For the financial year ending 31 March 2023, transfer payments were made as tabulated below:

NAME OF INSTITUTION	AMOUNT TRANSFERRED	EXPENDITURE
The Zulu Royal Household Trust	R24,888 million	R24,888 million

#### The Zulu Royal Household Trust

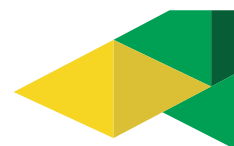
The Zulu Royal Household Trust was established in 2009 as an entity in terms of the KZN Royal Household Trust Act, 2007 and will be governed by the KZN Royal Household Trust Bill, 2015 once enacted. The Zulu Royal Household Trust is responsible for operational costs in respect of the Royal Household.

The main appropriation budget was R24,888 million. Included in the main budget was also an amount of R2,625 million in respect of the capital infrastructure budget that was transferred to the Trust as this function normally resides with the Trust as per Legislation.

The budget was 100% spent by the financial year end, as full transfer payments totalling R24,888 million were made to the Zulu Royal Household Trust.

#### Irregular Expenditure:

The Department has not recorded any Irregular expenditure during 2022/23 financial year.



### **Fruitless and wasteful expenditure:**

The Department has not recorded any fruitless and wasteful expenditure during 2022/23 financial year.

### **Public Private Partnership**

The Department has not entered Public Private Partnerships during the 2022/23 financial year.

### **Discontinued key activities/activities to be discontinued**

The Department did not discontinue any activities during the 2022/23 Financial year.

### **New or proposed key activities for 2023/24.**

There are no new or proposed key activities for 2023/24.

### **Supply chain management**

- No unsolicited bid was received and processed for the year under review (2022/23 FY)
- **SCM processes and systems are in place to prevent irregular expenditure**

SCM processes are regulated by Treasury Regulation 16A, and the departmental Supply Chain Management unit ensure the implementation and enforcement thereof of Treasury Regulations. The departmental SCM Policy has been reviewed and updated to align with the Preferential Procurement Policy Framework Act of 2000 and its current Preferential Procurement Regulations.

The SCM compliance checklist is an effective control measure that ensure prevention of potential irregular expenditure. All normal SCM processes are concluded in line with departmental SCM Policy and departmental procedure manual to ensure uniformity and best practices. The compliance checklist is included in every procurement document to mitigate risk of incurring irregular expenditure.

The incorporation of the Central Supplier Database (CSD) into the compliance checklist assist the directorate to verify and confirm administrative compliance of service providers prior to concluding a contract with the recommended service provider. (e.g. Tax compliance status, Restricted supplier and directors, State employee status and Company status)

The Bid Committees consisting of senior officials are in place to process all transactions above R1 000 000,00 through competitive bidding process. The committees are appointed in writing by the Accounting Officer for the period determined by the Accounting Officer.

Motivation for procurement through “other means” is processed through the Office of the SCM Director to ensure that the anticipated procurement is in line with Treasury Regulation 16A 6.4 and it meet the relevant definition of deviation as per the PFMA SCM Instruction Note No. 03 of 2021/2022.



- **Challenges experienced in SCM and how they were resolved**

The shortage of human resource within the directorate has been a challenge. In the SCM processes, there must be segregation of duties to prevent occurrence of corrupt activities. The directorate must have adequate human resources to be effective and efficient in order to improve service delivery. The directorate has filled the post of Deputy Director, Assistant Director and 1 SCM Practitioner. In the financial year 2023/2024, the directorate is anticipating filling vacant posts of 1 SCM Practitioner and 2 Administrative. This function normally resides with the Trust as per Legislation.

### Gifts received in kind from non-related parties

The department received the following in kind donations during 2022/23

Received in kind donations

Nature/Description	Received from	R'000
Water bottles, caps & branded pens for the Employee Health and Wellness day	Sanlam	6
GEMS sponsorship towards Employee Health and Wellness event	GEMS	54

- **Exemptions and deviations received from the National Treasury**

- No exemptions and deviations received from National Treasury during 2022/23 FY

- **Events after the reporting date**

- No events after the reporting date during 2022/23 FY

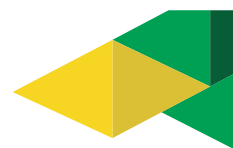
- **Appreciation**

I wish to express my appreciation to the Honourable Premier for her unwavering leadership and support during one of the toughest financial years that the province faced, including responding to the aftermath of the April 2022 floods. I wish to further extend my appreciation to the management and staff of the Office of the Premier for their support and commitment to the job at hand. I call upon all officials to continue the good work and strive for excellence in ensuring that the Office of the Premier renders its oversight role effectively and efficiently. With this in mind, we are guaranteed to maintain remarkable audit outcomes towards sustaining clean administration even in 2023/24 and beyond.

- **Conclusion**

The Office of the Premier has maintained above average performance for key areas including financial management, performance information, supply chain and asset management. The Department has managed to deliver these results with limited resources and often competing priorities.

We will intensify allocation of human resources to all critical areas in 2023/24 through filling of all critical vacancies.



We will further consider extension of contracts for graduates to whom the Department is developing skills in the areas of governance ICT, policy, planning, research, monitoring and evaluation.

The Department has also made significant strides in developing digital systems towards improving efficiency internally. Work undertaken on the development of monitoring tools for OSS/DDM, GIS portal, IGR calendar, Innovation and Information Hub Portal and other initiatives has positioned the Office of the Premier well in executing its coordination role in the province. Future digital investments including the system for the Medium-Term Strategic Framework (MTSF) will improve information management and institutional memory.

The Executive Council remains a critical wing for decision making in the province. Through coordination of strategic engagements between Clusters (Governance, Economic, Social, Safety and Security), the Department has facilitated interaction of relevant stakeholders. This has resulted in many key decisions being made and action undertaken including:

- Driving a multi-sector approach in response to the Disaster (floods) which affected KwaZulu-Natal in April 2022.
- Approval of the Township and Rural Economic strategy.
- Convening the Crime Summit in Durban in June 2022 to discuss integrated interventions to address and prevent crime in KZN.
- The launch of the Connected and Smart Agriculture Project at KwaXimba Farming Community in Cato Ridge, Mkhambathini.

With these sound governance principles, coordination and internal controls, the Office of the Premier remains the centre of government and is equipped to place KwaZulu Natal as one of the best performing Departments in the country.

**DR. NONHLANHLA O MKHIZE**

**ACCOUNTING OFFICER**

**KWAZULU-NATAL OFFICE OF THE PREMIER**

**DATE: 31 AUGUST 2023**

## 2. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

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

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

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

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

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

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

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

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

Yours faithfully

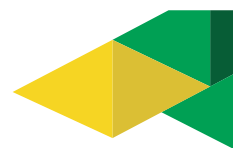


**DR. NONHLANHLA O MKHIZE**

**ACCOUNTING OFFICER**

**KWAZULU-NATAL OFFICE OF THE PREMIER**

**DATE: 31 AUGUST 2023**



### 3. STRATEGIC OVERVIEW

#### 3.1 Vision

The Office of the Premier will be the centre of governance, providing leadership towards achieving KZN Vision 2030.

#### 3.2 Mission

The mission of the department is to support the Premier in carrying out his constitutional and statutory duties. The department fulfils this mission primarily by:

- Enhancing good and co-operative governance within the province.
- Promoting an integrated service delivery model.
- Effective stakeholder management and communication.
- Enhancing performance management and accountability through monitoring and evaluation.
- Co-ordinating provincial programmes to ensure the rights and empowerment of women and children, youth and people with disabilities.

#### 3.3 Values

In addition to the Batho Pele principles, the Office of the Premier will embrace the values of:

- Integrity;
- Professionalism;
- Accountability; and
- Ubuntu

## 4. LEGISLATIVE AND OTHER MANDATES

The mandates of the Office in its supportive role to the Premier are embodied in the country's Constitution, Public Service Act and other statutory provisions, National and Provincial policy papers and Cabinet Resolutions. The Office is also the custodian of the body of law applicable in the province. Some of the legal mandates of the Office of the Premier, with a brief description of what they entail, are as follows:

### 4.1 Constitution of the Republic of South Africa, 1996

The Constitution provides for the Premier exercising the executive authority, together with the Executive Council, in the Province by:

The following functions are assigned to the Premier specifically:

- Assenting to and signing Bills;
- Referring Bill back to legislature for reconsideration of Bill's constitutionality;
- Referring Bill to Constitutional Court for a decision on the Bill's constitutionality;
- Summoning the legislature to an extraordinary sitting to conduct special business;
- Appointing commissions of inquiry; and
- Calling a referendum in the province in accordance with national legislation.

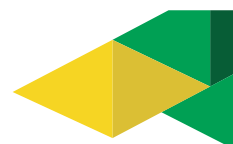
The following mandates are also assigned to the Premier by the Constitution:

- Appointing Members of Executive Council, assigning their powers and functions and dismissing them;
- Transferring functions of Members of the Executive Council; and
- Temporary assignment of a function of a Member of the Executive Council to another.

### 4.2 Public Service Act, 1994 and Public Service Regulations, 2001

The Premier has the following functions in terms of the Public Service Act:

- To establish or abolish a department of the provincial administration;
- To make determinations relating to the assignment, abolishment and transfer of functions of provincial departments; and
- Dealing with the appointment and other career incidents of Heads of Department.



As the executing authority of the Office of the Premier, the Premier must exercise those competencies and duties regarding:

- The internal organization of department;
- Establishment of the department; and
- Recruitment, appointment, performance management, promotion, transfer and dismissal of officials and employees, which are assigned to him under the Act.

The Director-General has the following responsibilities as Head of the Provincial Administration:

- Secretary to the Executive Council (Provincial Cabinet);
- Intergovernmental relations between departments, other provincial administrations and national government, including co-ordinating conduct and legislation; and
- Giving strategic direction to the Provincial Administration with regard to:
  - Functions and organizational arrangements;
  - Employment, training, human resource management;
  - Salaries and conditions of service;
  - Labour relations;
  - Information management and technology; and
  - Transformation and reform.

#### 4.3 Public Finance Management Act, 1999 and Treasury Regulations, 2001

The Premier, as executing authority of the Department, has the following functions in terms of the Public Finance Management Act, 1999:

- Ensuring that execution of statutory functions take place within available funds;
- Exercising control of public entities to ensure that it complies with the Act; and
- Tabling in the provincial legislature:
  - The Annual Financial Statements and Annual Report; and
  - The findings of a disciplinary board in respect of financial misconduct.

The Director-General, as Accounting Officer of the Department, has the following responsibilities and functions:

- When the annual budget is introduced, to submit measurable objectives to the legislature in regard to each main division of vote.
- The Accounting Officer must ensure that the department has and maintains:
  - Systems of financial and risk management and internal control;
  - A system of internal audit under the control and direction of an audit committee;
  - An appropriate procurement system; and
  - A system for evaluating all major capital projects prior to a decision on the matter.
- Responsible for the effective, efficient, economical and transparent use of resources of the department.



Must take appropriate steps to–

- Collect all money due to department;
- Prevent unauthorized, irregular, fruitless and wasteful expenditure and losses as a result from criminal conduct;
- Manage available working capital efficiently and economically,
- Responsibility for management of assets and liabilities;
- Budgetary control;
- Reporting responsibilities such as the submission of annual financial statements;
- Submission of required information to Treasury and the Auditor-General such as motivations for expenditure; and
- To draw up an inventory and submit supporting documentation when assets are transferred.

#### 4.4 Labour Relations Act, 1995

The Act regulates the relationship between the department as employer and officials as employees and stipulates their respective rights and obligations. In particular, it provides for the collective agreements to be concluded in order to regulate matters such as the conduct of employees.

#### 4.5 Basic Conditions of Employment Act, 1997

This Act establishes and makes provision for the regulation of basic conditions of employment in compliance with the obligations of the Republic as a member state of the International Labour Organisation.

##### 4.5.1 Employment Equity Act, 1998

This legislation prohibits unfair discrimination in the workplace, provides for affirmative action, the submission of an Employment Equity Plan (EEP) and progress reports on monitoring the implementation of the EEP.

##### 4.5.2 Skills Development Act, 1998

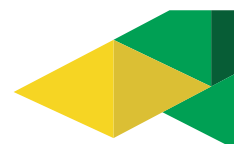
This Act enjoins the Department to develop a skills development strategy for the department, to implement the strategy and to utilize at least 1% of its payroll for the training and education of its employees with effect from 1 April 2000.

##### 4.5.3 Promotion of Equality and Prevention of Unfair Discrimination Act, 2000

This Act binds the Department and prohibits unfair discrimination by it. It also contains a positive obligation on the Department to promote equality.

##### 4.5.4 Promotion of Administrative Justice Act, 2000

In terms of this Act, all administrative decisions must be taken in accordance with the procedure prescribed in the Act or an equivalent procedure stipulated in another law. It also provides for judicial review of administrative action and remedies if any administrative action is not taken in accordance with the Act.



#### 4.5.5 Promotion of Access to Information Act, 2000

Provides for access to any information held by the state or any information held by another person and that is required for the exercise or protection of any rights. It further provides for the procedure whereby information may be requested.

#### 4.5.6 KwaZulu-Natal Commissions Act, 1999

This Act provides the framework for the appointment of Commissions of Inquiry by the Premier and the functioning of such commissions.

#### 4.5.7 National Youth Commission Act, 1996

Section 7A of the Act provides that the Premier, as the Minister responsible for youth matters, be consulted on procedures and programmes to promote and maintain a sound working relationship between the Commission and the Province.

#### 4.5.8 KwaZulu-Natal Youth Commission Act, 1999

This Act mandates the Premier to:

- Appoint the members of the KwaZulu-Natal Youth Commission in accordance with the procedure stipulated therein;
- Provide the Commission with such secretarial, administrative and other support as he may deem necessary;
- Designate an official in the Provincial Administration as the accounting officer of the Commission;
- Establish a youth development and empowerment fund;
- Make rules which shall govern the control of the Fund; and
- Make grants, with the approval of Cabinet, to the Commission for purposes of the integrated youth policy.

#### 4.5.9 Electronic Communications and Transactions Act, 2002

In terms of section 28 of this Act, the Department may specify by notice in the Gazette the manner and format wherein data messages must be filed, the type of electronic signatures required, the appropriate control processes and procedures to ensure adequate security and confidentiality of data messages or payments.

#### 4.5.10 State Information Technology Agency Act, 1999

This law regulates the provision and procurement of goods and services relating to information technology in the Public Service.

#### 4.5.11 Royal Household Trust Act, 2007

The Royal Household Trust is a juristic person established through the Royal Household Trust Act (Act 2 of 2007). The trust is further described as a Provincial entity subject to the provisions of the Public Finance Management Act (Act 1 of 1999).

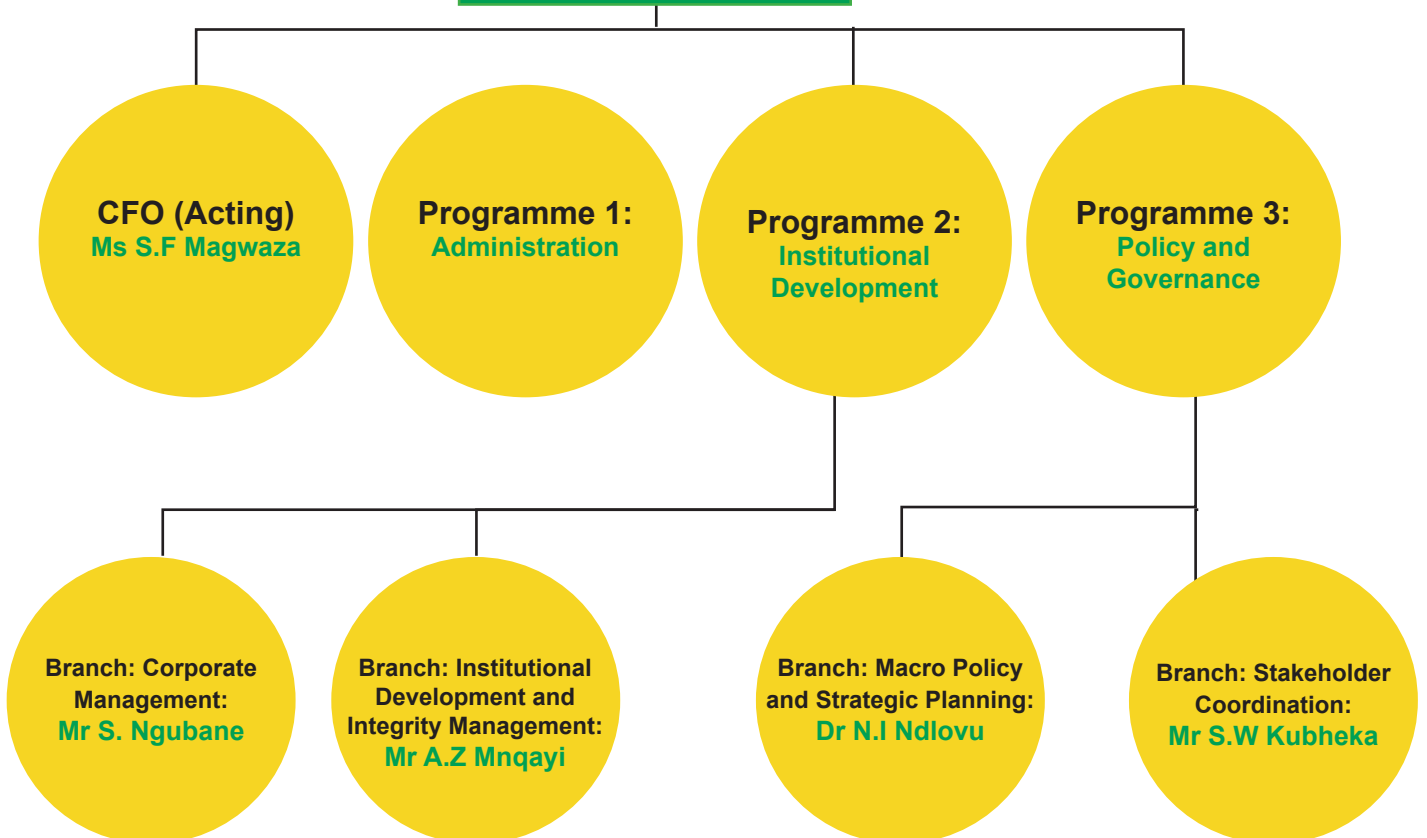
5. ORGANIZATIONAL STRUCTURE



**Premier:**  
Nomusa Dube - Ncube



**Accounting Officer:**  
Dr Nonhlanhla O Mkhize





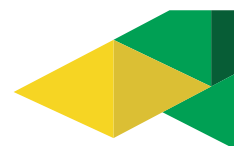
**PART B**  
PERFORMANCE INFORMATION



## AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 131 of the Report of the Auditor General, published as Part F: Financial Information.



## INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

### 1.1 Programme 1: Administration

#### PURPOSE

The objective of Programme 1 is to provide administrative support to the Premier, Executive Council and the Director-General in fulfilling their legislative and oversight function and in promoting good corporate governance.

The Programme comprises of the following Sub-Programmes:

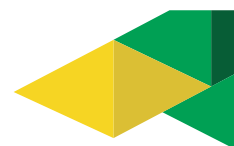
- Premier Support
- Executive Council Support
- Director-General Support
- Financial Management
- Inter-governmental Relations

Programme/Sub-programme: Executive Support								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement for 2022/2023	Reasons for deviations
1.1 Improved governance & accountability.	Executive Council decision matrix progress reports.	Number of Executive Council decision matrix implementation progress reports submitted to the Executive Council.	15	19	24	27	3	Overachievement in Q1: Special meetings were convened on the provincial response to the April/May 2022 floods.
		Number of Special Executive Council decision matrix implementation progress reports submitted to the Executive Council (COVID-19 related).	10	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Provincial Executive Makgotla report.	Number of Provincial Executive Makgotla reports.	Not Applicable	Not Applicable	2	2	0	No deviation from set target.



Programme/Sub-programme: Executive Support								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement for 2022/2023	Reasons for deviations
Programme/Sub-programme: Financial Management								
	Invoices paid within 30 days.	Percentage of invoices paid within 30 days.	79%	98%	90%	99%	9%	There was improved compliance to financial management controls.
	Reduced wasteful and fruitless expenditure.	Percentage reduction of wasteful and fruitless expenditure.	R3332,76 (6431%)	100%	20% from 2021 Baseline.	100%	80%	There was effective implementation of controls to avoid wasteful and fruitless expenditure.
	Reduced irregular expenditure.	Percentage reduction of irregular expenditure.	84% reduction	92%	20% from 2021 baseline	100%	80%	There was improved compliance with SCM rules and regulations.
Programme/Sub-programme: Inter-Governmental Relations								
1.2 Improved co-ordination, integration and efficiency in government.	PCF decision matrix reports.	Number of PCF decision matrix implementation reports.	7	5	4	5	1	Overachievement in Quarter 1: There was a special PCF meeting to address the April/ May 2022 floods.
	COHOD meeting decision matrices reports.	Number of COHOD meeting decision matrices implementation reports.	16	12	12	13	1	Overachievement in Quarter 1: Special COHOD meetings were convened to discuss, implement and monitor the provincial response to the April/May 2022 floods.





Programme/Sub-programme: Executive Support								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement for 2022/2023	Reasons for deviations
	Programme/Sub-programme: Inter-Governmental Relations							
		Number of Special COHOD meeting decision matrixes implementation reports (COVID-19 related).	Not Applicable	9	Not Applicable	Not Applicable	Not Applicable	Not Applicable
1.3 Inclusive stakeholder engagement & improved partnerships.	International Relations and ODA Strategy reports.	Number of International Relations and ODA Strategy implementation monitoring reports.	1	2	2	3	1	Over-achievement in Quarter 2: There were more physical engagements towards implementation of the International Relations and ODA Strategy.
	Reviewed Twinning Agreements.	Number of Twinning Agreements reviewed in line with the South African Foreign policy.	8	6	8	8	0	No deviation from set target.

### Strategy to overcome areas of under performance

The Department achieved all its targets under Programme 1 in 2022/23. There were no areas of underperformance.

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

There were no standardised outputs for the Office of the Premier in Programmes 1, 2 and 3.

### Changes to planned targets

There were no changes in the planned indicators for 2022/23.-

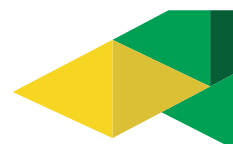
### Linking performance with budgets

Performance was linked to budget for 2022/23 financial year.

## Sub-programme expenditure

Sub- Programme Name	2022/23			2021/22		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Premier Support	28 582	28 366	216	29 055	26 456	2 599
Executive Council Support	12 670	12 484	186	11 574	11 574	0
Director General	20 904	20 448	456	22 837	22 723	114
Financial Management	117 724	116 200	1 524	118 439	104 966	13 473
Inter-Governmental Relations	27 785	25 141	2 644	23 429	21 531	1 898
<b>Total</b>	<b>207 665</b>	<b>202 639</b>	<b>5 026</b>	<b>205 334</b>	<b>187 250</b>	<b>18 084</b>



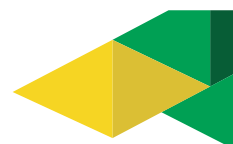


## 1.2 Programme 2: Institutional Development

### PROGRAMME 2A: STRATEGIC HUMAN RESOURCES

Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement for 2022/2023	Reasons for deviations
<b>Programme/Sub-programme: Strategic Human Resource Management</b>								
2.1.1 Improved governance and accountability.	Strengthened Labour Relations (Note this Output also links to the Outcome Ethical Professional & ethical provincial administration).	Number of quarterly reports on labour and disciplinary cases submitted to the Executive Council.	4	4	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Reports on labour and disciplinary cases submitted to the Executive Council (Note this Output also links to the Outcome Ethical Professional & ethical provincial administration).	Number of reports on labour and disciplinary cases submitted to the Executive Council.	Not Applicable	Not Applicable	2	2	0	No deviation from set target.
	Transversal Provincial HR Policies (Note this Output also links to the Outcome Ethical Professional & ethical provincial administration)	Number of reports on Technical HR support services on KZN HR policy matters.	4	4	Not Applicable	Not Applicable	Not Applicable	Not Applicable
		Number of Human Resource compliance monitoring reports.	15	15	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	<b>Programme/Sub-programme: ICT</b>							
ICT Governance.	Number of annual provincial departments ICT Governance assessment reports.	1	1	1	1	0	No deviation from set target.	

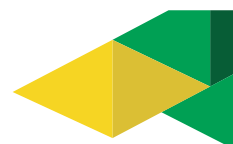
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement for 2022/2023	Reasons for deviations
2.1.2 Improved co-ordination, integration and efficiency in government.	<b>Programme/Sub-programme: Strategic Human Resource Management</b>							
	Operations management productivity assessment reports (Note this Output also links to the Outcome Ethical Professional & ethical provincial administration).	Number of reports on the implementation of the Operations Management Framework.	3	4	4	4	0	No deviation from set target.
		Number of reports on productivity assessments.	1	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Compliance with COVID-19 measures and other occupational diseases.	Number of COVID-19 Occupational Health and Safety Compliance Reports.	3	4	4	4	0	No deviation from set target.
	Implementation of HR Turn Around Strategy.	Number of reports on the implementation of the HR Turnaround Strategy.	Not Applicable	4	4	4	0	No deviation from set target.
	<b>Programme/Sub-programme: ICT</b>							
	Digital Transformation (ICT Strategy). 1	Number of ICT Strategy Implementation monitoring reports.	2	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
		Strategy for Optimisation and Utilisation of Nerve Centre.	1	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable



Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement for 2022/2023	Reasons for deviations
2.1.2 Improved co-ordination, integration and efficiency in government.	<b>Programme/Sub-programme: Strategic Human Resource Management</b>							
		Number of Nerve Centre Strategy implementation reports.	Not Applicable	2	2	2	0	No deviation from set target.
2.1.4 Professional & ethical provincial administration.	<b>Programme/Sub-programme: Strategic Human Resource Management</b>							
	Public Service Development: Public Service Training Academy Revitalisation Strategy.	Number of Public Service Training Academy Revitalisation Plan's developed.	1	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Public Service Development: Mentorship Programme.	Number of mentorship Programme developed.	1	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Public Service Development: Public Service training sessions responding to the capacity needs of the public service.	Number of training sessions co-ordinated by the Provincial Training Academy.	100	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Public Service Development: Training sessions.	Number of training sessions.	Not Applicable	148	140	180	40	Over-achievement in Q2, Q3 and Q4: There was increased uptake of online training programmes coordinated by National School of Governance.
	Public Service Development: Reports on Public Service Training Academy Revitalisation Strategy.	Number of reports on the implementation of the PPSTA revitalisation plan.	Not Applicable	3	4	4	0	No deviation from set target.



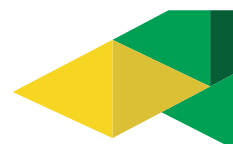
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement for 2022/2023	Reasons for deviations
<b>Programme/Sub-programme: Strategic Human Resource Management</b>								
2.1.4 Professional & ethical provincial administration.	Public Service Development: Public Service training sessions responding to the capacity needs of the public service	Number of E-learning strategies developed.	Not Applicable	1	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Public service Development: Reports on E-learning strategy implementation.	Number of reports on implementation of E-learning strategy.	Not Applicable	Not Applicable	4	4	0	No deviation from set target.
	Established partnerships with institutions of higher learning.	Number of structured partnerships established with institutions of higher learning.	3	2	2	2	0	No deviation from set target.
	Public Service Development: HRD Council meetings.	Number of reports on the implementation of the HRD Council resolutions.	2	3	3	3	0	No deviation from set target
<b>Programme/Sub-programme: Communication Services</b>								
2.1.3 Inclusive stakeholder engagement & improved partnerships.	Reports on implementation of the Provincial Communication Strategy.	Number of monitoring reports on implementation of the Provincial	3	4	4	4	0	No deviation from set target.
	Reports on provincial communication campaigns supported.	Number of reports on provincial communication campaigns supported.	4	4	4	4	0	No deviation from set target.



## PROGRAMME 2B: INSTITUTIONAL DEVELOPMENT AND INTEGRITY MANAGEMENT

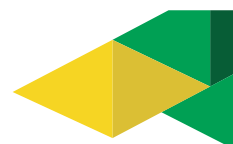
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement for 2022/2023	Reasons for deviations	
<b>Programme/Sub-programme: Legal Services</b>									
2.2.1 Improved governance & accountability.	Reports on Provincial Legislative compliance.	Number of quarterly reports on Provincial Legislative programme.	4	4	4	4	0	No deviation from set target.	
	<b>Programme/Sub-programme: Special Programmes (Integrity Management)</b>								
	Report on Provincial Forensic Investigations.	Number of Premier's Reports on the status of Provincial Investigations.	3	4	4	1	-3	All quarterly reports were drafted. Reports for Q1, Q2 and Q3 were collectively discussed during Q3, when the new Premier assumed office following change in political leadership in the province. The Q4 report was drafted and finalized. However, engagements with DG and Premier were still pending at the time of reporting.	
	<b>Programme/Sub-programme: Special Programmes (Security Services and Protocol)</b>								
Provincial Security Co-ordination Framework.	Number of Provincial Security Co-ordination Framework developed.	0	0	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
MPSS reports.	Number of quarterly Minimum Physical Security Standards (MPSS) monitoring coordination reports.	4	4	4	4	0	No deviation from set target.		

Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement for 2022/2023	Reasons for deviations
2.2.1 Improved governance & accountability.	<b>Programme/Sub-programme: Special Programmes (Security Services and Protocol)</b>							
	Security awareness workshops.	Number of security awareness sessions.	Not Applicable	Not Applicable	2	2	0	No deviation from set target
2.2.2 Improved co-ordination, integration and efficiency in government.	<b>Programme/Sub-programme: Special Programmes (Integrity Management)</b>							
	Ombudsperson Coordination reports.	Number of OTP Ombudsperson reports.	4	2	2	2	0	No deviation from set target.
	SDIP reports.	Number of quarterly Service Delivery Improvement Plans (SDIP) implementation monitoring reports.	2	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
		Number of Service Delivery Improvement Plans (SDIP) implementation monitoring reports.	Not Applicable	1	2	1	-1	Q2 target was not achieved. DPSA initiated a review process for SDIPs, which deferred implementation for 2022/23.
	Siyahlola Reports.	Number of Siyahlola reports.	4	4	4	4	0	No deviation from set target.
	Batho Pele compliance reports.	Number of reports on level of compliance with Batho Pele principles.	3	2	2	2	0	No deviation from set target.
	Service delivery monitoring reports.	Number of intervention reports on the resolution of service delivery complaints.	4	4	4	4	0	No deviation from set target.



Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement for 2022/2023	Reasons for deviations
<b>Programme/Sub-programme: Special Programmes (Democracy Support)</b>								
2.2.2 Improved co-ordination, integration and efficiency in government.	Mainstreaming a culture of human rights through integrated plans for vulnerable groups ( <i>Note this output also links with Outcome yielding Inclusive stakeholder engagement &amp; improved partnerships</i> )	Number of updated 5year strategic plans for each target group: 1 x gender equality; 1 x disability, 1 x children; and 1 x senior citizens.	4	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
		Number of coordination reports on the protection and empowerment of designated groups (1 x Women, 1 x Senior Citizens, 1 x Children and 1 x People with disabilities).	16	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Reports on interventions for Senior Citizens ( <i>Note this output also links with Outcome yielding Inclusive stakeholder engagement &amp; improved partnerships</i> ).	Number of progress reports compiled on the interventions coordinated for Senior Citizens.	Not Applicable	4	4	4	0	No deviation from set target
	Reports on interventions for People with Disabilities.	Number of progress reports compiled on the interventions coordinated for People with Disabilities.	Not Applicable	4	4	4	0	No deviation from set target.
	Reports on interventions for Women and Gender.	Number of progress reports compiled on the interventions coordinated for Women and Gender.	Not Applicable	4	4	4	0	No deviation from set target.
	Reports on interventions for Children.	Number of progress reports compiled on the interventions coordinated for Children.	Not Applicable	4	4	4	0	No deviation from set target.

Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement for 2022/2023	Reasons for deviations
<b>Programme/Sub-programme: Special Programmes (Democracy Support)</b>								
2.2.2 Improved co-ordination, integration and efficiency in government.	Main-streaming a culture of human rights through integrated plans for vulnerable groups.	Number of monitoring reports on the implementation of 365 days visible campaigns against GBV as part of the Provincial anti GBV and Femicide Plan.	4	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Progress reports on implementation of GBVF plan.	Number of monitoring reports on the implementation of the Provincial Gender Based Violence and Femicide Strategic Implementation Plan.	Not Applicable	4	4	4	0	No deviation from set target.
	Human Rights reports.	Number of consolidated human rights monitoring reports.	4	4	4	3	-1	Q3 target was not achieved:  The report was not drafted due to capacity constraints in the applicable Unit.
<b>Programme/Sub-programme: Special Programmes (Youth Development)</b>								
	Youth Programmes Coordination (Note this output also links to the Outcome Inclusive stakeholder engagement & improved partnerships).	Number of Integrated Provincial Youth Development Strategy Implementation plans.	1	1	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Integrated Youth Development Plan.	Number of Integrated Provincial Youth Development Implementation plans approved.	Not Applicable	Not Applicable	1	1	0	No deviation from set target.

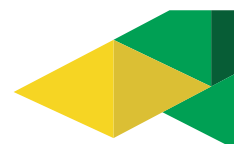


Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement for 2022/2023	Reasons for deviations
<b>Programme/Sub-programme: Special Programmes (Youth Development)</b>								
2.2.2 Improved co-ordination, integration and efficiency in government.	Youth Programmes Coordination (Note this output also links to the Outcome Inclusive stakeholder engagement & improved partnerships).	Number of coordination reports on the implementation of provincial youth development plan.	4	4	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Reports on Integrated Provincial Youth Development Plan.	Number of coordination reports on the progress of the Integrated Provincial Youth Development Implementation plan.	Not Applicable	Not Applicable	4	4	0	No deviation from set target.
	Youth Programmes Coordination (Note this output also links to the Outcome Inclusive stakeholder engagement & improved partnerships).	Number of progress reports on the rollout of the Youth Empowerment Fund.	4	4	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Youth Empowerment fund report.	Number of progress reports on the Youth Empowerment Fund.	Not Applicable	Not Applicable	4	4	0	No deviation from set target.





Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement for 2022/2023	Reasons for deviations	
<b>Programme/Sub-programme: Special Programmes (Integrity Management)</b>									
2.2.4 Professional & ethical provincial administration.	I Do Right Campaign.	Number of reports on the "I Do Right Even When No-one is Looking" campaign.	3	4	4	4	0	No deviation from set target.	
	Reports on KZN cases from Anti-Corruption Hotline.	Number of quarterly progress reports (National Anti-corruption Hotline KZN cases).	4	4	4	4	0	No deviation from set target.	
	Ethics and Integrity campaign (I Do Right)	Percentage of provincial cases resolved from the National Anti-Corruption hotline (PSC).	92%	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
		Provincial Hotline established.	1	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
		Number of ethics workshops.	8	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
		Number of departmental awareness workshops on anti-fraud and anti-corruption.	12	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
		Number of departmental awareness workshops on fraud and ethics.	Not Applicable	18	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Fraud and ethics awareness workshop.	Number of awareness workshops on fraud and ethics.	Not Applicable	Not Applicable	14	18	4	Overachievement in Q1 and Q2: Departments requested additional workshops to train more officials.	
	Fraud and corruption reports.	Number of Fraud and Corruption reports.	4	4	4	4	0	No deviation from set target.	
	Ethics and Integrity campaign (I Do Right).	Number of Lifestyle Audit reports.	3	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	



Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement for 2022/2023	Reasons for deviations
2.2.4 Professional & ethical provincial administration.	<b>Programme/Sub-programme: Special Programmes (Integrity Management)</b>							
	Lifestyle audits reports.	Number of progress reports on implementation of Lifestyle Audits as per DPSA guidelines.	Not Applicable	2	2	2	0	No deviation from set target.
	<b>Programme/Sub-programme: Special Programmes (Security Services and Protocol)</b>							
	Capacity building sessions for security managers.	Number of capacity building sessions conducted for security managers in Provincial Departments.	3	4	4	3	-1	Target not achieved in Q2: Capacity building session targeted for Q2 was cancelled due to Public Service Week for SMS members.
Security Managers Capacitated.	Number of Provincial Security Coordination Forum engagement reports.	1	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	

A total of four targets were not achieved for the 2022/23 financial year under Programme 2B (Institutional Development and Integrity Management). Details on reasons for deviation are indicated in the table above and strategies to mitigate these are detailed below.

### Strategy to overcome areas of under performance

The Department recorded under-performance in four indicators within Programme 2B. To address under performance, the Department effected strategies listed below:

**Implementation reports on SDIP -.** Target for quarter 2 was not achieved. DPSA initiated a review process for SDIPs, which deferred implementation for 2022/23. SDIPs will be finalised on 31 May 2023 for implementation in quarter 2 of 2023/24.

**Human rights monitoring reports -** The target for quarter 3 was not achieved. The report was not drafted due to capacity constraints in the applicable Unit. Capacity constraints have since been addressed with additional staff being appointed/ seconded in the Chief Directorate.

## Changes to planned targets

There were no changes to planned targets in 2022/23.

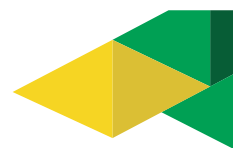
## Linking performance with budgets

Performance was linked to budget for 2022/23 financial year.

## Sub-programme expenditure

Sub- Programme Name	2022/23			2021/22		
	Actual Appropriation	Actual Expenditure	(Over)/Under Expenditure	Actual Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Strategic Human Resources	75 680	73 676	2 004	80 604	76 108	4 496
Information Communication Technology	68 828	68 597	231	124 448	123 065	1 383
Legal Services	13 178	13 140	38	12 847	12 847	0
Communication Services	57 170	57 084	86	52 175	51 533	642
Special Programmes	53 352	49 211	4 141	117 624	110 724	6 900
Forensic Investigations and Integrity Management	33 282	33 116	166	32 714	30 333	2 381
<b>Total</b>	<b>301 490</b>	<b>294 824</b>	<b>6 666</b>	<b>420 412</b>	<b>404 610</b>	<b>15 802</b>





### 1.3 Programme 3: Policy and Governance

#### PURPOSE

The purpose of this programme is to improve and facilitate the coordination and alignment of the transversal policies, strategies, short- and long-term plans and programmes as well as the reporting and monitoring of these for the Provincial Government. The programme also provides a co-ordinating role for all provincial stakeholders.

It comprises of two Branches, each with sub-programmes.

#### 3a. Macro Policy and Strategic Management

- Provincial Policy Management

#### 3b. Stakeholder Coordination

- Premier's Priority Programme
- King's Support and Royal Household

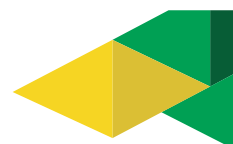
#### PROGRAMME 3A: STRATEGIC MANAGEMENT

Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement for 2022/2023	Reasons for deviations
<b>Programme/Sub-programme: Provincial Policy Management</b>								
3.1.1 Improved governance and accountability.	Performance Reports of Departments.	Number of Performance Reports on departments.	4	2	2	2	0	No deviation from set target
	Priority Programmes Monitoring reports.	Number of reports on Provincial Priority Programmes.	4	2	2	2	0	No deviation from set target
<b>Programme/Sub-programme: Provincial Policy Management</b>								
3.1.2 Improved co-ordination, integration and efficiency in government	Co-ordination of Provincial Evaluation.	Number of reports on the Provincial Evaluation plan.	2	2	2	2	0	No deviation from set target.
	Integrated MTSF report.	Number of MTSF reports.	2	1	1	1	0	No deviation from set target.
	District Development Model reports	Number of oversight reports on the District Development Model /OSS.	4	4	2	2	0	No deviation from set target.

Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement for 2022/2023	Reasons for deviations
<b>Programme/Sub-programme: Provincial Policy Management</b>								
3.1.2 Improved co-ordination, integration and efficiency in government.	Policy and Research Coordination: Macro Policy & Research inventory.	Number of macro policy & research inventory reports.	2	1	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	SEIAS Specific Assessment reports	Number of SEIAS Specific Assessment reports.	Not Applicable	Not Applicable	1	1	0	No deviation from set target.
	Integrated Planning System: Consolidated planning alignment report.	Number of consolidated provincial strategic planning alignment reports.	1	1	1	1	0	No deviation from set target.
	Integrated Planning System: Reports on business plan of Provincial Commission.	Number of reports on the implementation of the Provincial Planning Commission business plan.	4	1	1	1	0	No deviation from set target.
	Integrated Planning System: Reviewed Provincial Growth & development Strategy.	PGDS reviewed.	1	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable







## PROGRAMME 3B: STAKEHOLDER COORDINATION

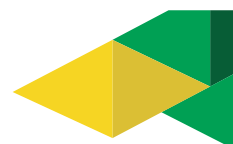
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement for 2022/2023	Reasons for deviations
<b>Programme/Sub-programme: King's Support and Royal Household</b>								
3.2.1 Improved governance & accountability.	Entity oversight: support plan to His Majesty developed & linked to the budget.	Number of KZN Zulu Royal House Trust support plans developed	Not Applicable	1	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Entity Oversight: KZN Zulu Royal House Trust quarterly monitoring reports.	Number of KZN Zulu Royal House Trust quarterly monitoring reports	4	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Entity Oversight: KZN Zulu Royal House Trust Annual Performance Plan Assessment report.	KZN Zulu Royal House Trust Annual Performance Plan assessment report.	1	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Entity Oversight: Reports on support Plan to the Zulu Monarch.	Number of reports compiled on the implementation of the KZN Government Service Support Plan to the Zulu Monarch.	Not Applicable	4	4	4	0	No deviation from set target.
	Entity Oversight: KZN Zulu Royal House Trust Annual Performance Plan Assessment report.	Number of Monitoring reports compiled on the performance of the KZN Zulu Royal House Trust.	Not Applicable	4	4	4	0	No deviation from set target.

## PROGRAMME 3B: STAKEHOLDER COORDINATION

Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement for 2022/2023	Reasons for deviations
<b>Programme/Sub-programme: Premier's Priority Programmes</b>								
3.2.2 Improved co-ordination, integration and efficiency in government.	PEMP Co-ordination	Number of annual Implementation report on PEMP programme.	0	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
		Number of annual Implementation report on Phase IV of the PEMP Master Plan.	0	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
		Number of quarterly coordination reports on progress with PEMP implementation by departments.	4	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Implementation reports on Poverty Eradication Plan	Number of Progress Reports on the implementation of poverty eradication interventions in all districts.	Not Applicable	4	4	4	0	No deviation from set target
	Reports on OSS revitalisation strategy.	Number of quarterly reports compiled on the implementation of the OSS Revitalisation Strategy.	4	4	4	4	0	No deviation from set target







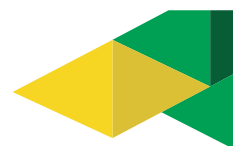
## PROGRAMME 3B: STAKEHOLDER COORDINATION

Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement for 2022/2023	Reasons for deviations
<b>Programme/Sub-programme: King's Support and Royal Household</b>								
3.2.3 Inclusive stakeholder engagement & improved partnerships.	Co-ordination reports on HIV & AIDS, STIs & TB.	Number of multi-sectorial intervention coordination reports on HIV and AIDS, STIs and TB.	4	4	4	4	0	No deviation from set target
	Reports on Inkululeko Development Project.	Number of progress reports on Inkululeko Development projects.	4	4	4	4	0	No deviation from set target
	Reports on progress with Social Compacts.	Number of consolidated reports compiled on the implementation of KZN Stakeholders Social Compacts.	Not Applicable	2	4	4	0	No deviation from set target
	Priority Programmes Co-ordinated	Number of Veteran support services coordination reports.	0	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Reports on interventions for Military Veterans.	Number of progress reports compiled on the interventions coordinated for Military Veterans.	Not Applicable	4	4	4	0	No deviation from set target
	Priority Programmes Co-ordinated	Number of Rapid Response (RR) programmes coordinated.	0	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Rapid Response interventions coordination reports.	Number of Rapid Response Interventions Coordination Reports.	4	4	4	4	0	No deviation from set target

## Programme/Sub-programme: Premier's Priority Programmes

3.2.3 Inclusive stakeholder engagement & improved partnerships.	Strategic Partnership co-ordination reports.	Number of quarterly reports of District Multi-Sectoral Stakeholder engagements.	4	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
		Number of reports on strategic engagements held with farm workers and farm dwellers.	4	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Reports on interventions farm and farm dwellers.	Number of progress reports compiled on the interventions coordinated for Farm Dwellers and Farm Workers.	Not Applicable	4	4	4	0	No deviation from set target
	Reports on MRM & Social Cohesion	Number of MRM and Social Cohesion coordination reports.	4	4	4	4	0	No deviation from set target
	Izimbizo co-ordinated	Number of Izimbizo, Sector & Stakeholder engagement co-ordination reports.	3	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
		Number of Izimbizo, co-ordination reports.	0	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable





### Strategy to overcome areas of under performance

The Department achieved all its targets under Programme 3 in 2022/23. There were no areas of underperformance.

### Changes to planned targets

There were no changes in planned targets for 2022/23.

### Linking performance with budgets

Performance was linked to budget for 2022/23 financial year.

### Sub-programme expenditure

Sub- Programme Name	2022/23			2021/22		
	Actual Appropriation	Actual Expenditure	(Over)/Under Expenditure	Actual Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Provincial Policy Management	41 756	41 551	205	25 874	24 515	1 359
Premier's Priority Programmes	103 394	103 186	208	65 399	51 397	14 002
Royal Household	92 290	91 173	1 117	93 221	86 427	6 794
<b>Total</b>	<b>237 440</b>	<b>235 910</b>	<b>1 530</b>	<b>184 494</b>	<b>162 339</b>	<b>22 155</b>

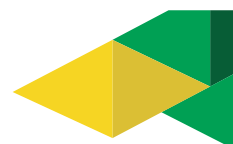


**KWAZULU-NATAL**  
PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

**PART C**

**GOVERNANCE**





## 1. INTRODUCTION

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

## 2. RISK MANAGEMENT

To achieve the requirements of section 38(a) of the Public Finance Management Act, the Department has, as part of its risk management strategy, a Risk Management unit which is responsible for coordinating the effective implementation of risk management within the Department.

To ensure a well-structured approach to the implementation of risk management, the Department has developed and approved a Risk Management Policy, Risk Management Strategy and Risk Appetite Statement.

The Accounting Officer has established a Risk Management Committee to oversee and monitor the implementation of the Risk Management Policy, Risk Management Strategy and Risk Appetite Statement. The objectives, authority, composition and roles and responsibility of the Risk Management Committee are defined by its Terms of Reference. This committee is, amongst other things, responsible for the following:

- Collaborating with the Accounting Officer and Executive Authority in setting an appropriate tone by supporting and being seen to be supporting the Department's aspirations for effective management of risks;
- Review and recommend for the approval of the Accounting Officer the risk management policy; risk management strategy; risk management implementation plan; and the Department's risk appetite;
- Review and recommend for the approval of the Accounting Officer the Fraud Prevention Plan and Implementation Plan;
- Review and recommend for approval of the Accounting Officer the Business Continuity Arrangements of the Department;
- Review and recommend for the approval of the Accounting Officer the Department's risk identification and assessment methodologies, after satisfying itself of their effectiveness in timeously and accurately identifying and assessing the Department's risks;
- Evaluate the extent and effectiveness of risk management integration within the Department;
- Monitor and assess the implementation of the risk management policy and strategy (including the implementation plan).
- Monitor and assess the implementation of the fraud prevention plan and business continuity policy (including associated implementation plans);
- Ensure that risk assessments happen on a regular basis to ensure the identification of emerging risks;
- Evaluate the completeness and credibility of the Department's risk registers;
- Oversee the identification and implementation of the risk management action plans;
- Evaluate the effectiveness of the risk mitigation strategies implemented to address material risks of the Department;
- Review all directorates risk registers and reports;
- Review the material findings and recommendations from assurance providers on the system of risk management and internal control; and monitor the implementation of such recommendations;

- Interact with the Provincial Audit and Risk Committee (CARC) to share information relating to material risks for their advice and input;
- Assist the CARC in reviewing and recommending disclosures on matters of risk in the annual reports and financial statements of the Department;
- Assist the CARC in reviewing and recommending disclosures on matters of risk and risk management in the Department's annual report;
- Assist the CARC in ensuring that the internal and external audit plans are aligned to the Department's risk profile;
- Satisfying itself that it has appropriately addressed financial reporting risks, fraud risks, and IT risks as they relate to financial reporting;

The Cluster Audit and Risk Committee meet on a quarterly basis to independently review the Department's risk management processes and advise the Accounting Officer and the Department on the adequacy and effectiveness thereof.

The implementation and improvement of risk management has had a positive impact on the operations of the Department. The following are some of the benefits that can be attributed to improved risk management processes:

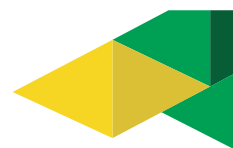
- Greater awareness and compliance with prescripts;
- Greater awareness of the risk management policy and its effect on service delivery initiatives
- Enhanced monitoring and tracking of audit recommendations;
- Regular review and update of risk register;
- Coordinated approach to identification, recording, monitoring and reporting of risks.

### 3. FRAUD AND CORRUPTION

The Department has the Fraud Prevention Plan which was reviewed and approved by the Director-General on 26 August 2020. The Department conducted Departmental awareness workshops on fraud and ethics as part of the rollout of the Fraud Prevention Plan. Departmental awareness workshops on fraud and ethics which were conducted included an induction workshop for newly appointed officials and a workshop on disclosure of financial interests for members of Senior Management Service and Middle Management Service. The Department circulated anti-fraud and anti-corruption articles to all officials in the Department. The Department also conducted fraud and ethics risk assessments as part of the implementation of the Fraud Prevention Plan.

Mechanisms are in place to report fraud and corruption and how these operate.eg: Whistle blowing - which encourages officials to make confidential disclosure about suspected fraud and corruption. The Department has the Whistle Blowing Policy which gives rights to employees, workers, members of the public, and service providers to report all allegations of fraud, theft, corruption, maladministration and irregularities taking place in the Department. Officials can report fraud and corruption directly to their supervisors or to the Head of Integrity Management and Forensic Investigations Chief Directorate. Officials are also allowed to call the National Anti-Corruption Hotline 0800 701 701 to report fraud and corruption.

Members of the public and service providers who wish to report fraud and corruption can contact any member of management, or the Director-General, or the Chief Director Integrity Management Services on Private Bag X9037 Pietermaritzburg 3200, or call the National Anti-Corruption Hotline on 0800 701 701. Officials, members of the public and service providers can also report allegations of fraud and corruption to the Premier. Officials, members of the public and service providers can remain anonymous when reporting allegations of fraud and corruption.



The Department has the Forensic Investigations Directorate which deals with all reported allegations of fraud and corruption in the Department. This include those received from the National Anti-Corruption Hotline. Forensic Investigations Directorate conducts preliminary investigation on all reported allegations to determine whether full scale investigation is required and if so, what form it should take. Allegations of fraud and those irregularities that constitute criminal conduct are reported to the South African Police Services by the Department. In order to protect whistle blowers, progression of investigations is handled in confidential manor. It is not disclosed or discussed with any other person other than those who have legitimate right to the information.

#### 4. MINIMISING CONFLICT OF INTEREST

The Department adopted the Reviewed Provincial Policy Framework on Conflicts of Interest. The adopted *Reviewed Provincial Policy Framework on Conflicts of Interest* and the *Public Service Code of Conduct* always form part of the Departmental awareness workshop on fraud and ethics. As part of managing conflicts of interest officials in all levels in the Department disclose their financial interests. Officials at Levels 1 to 8 officials disclose their financial interests in the manual form. Supply Chain Management, Financial Management, level 9 and 10 officials, Middle Management Service and Senior Management Service officials disclose their financial interests in the e-Disclosure system.

The Department has designated Ethics Officers who conduct verification of disclosed financial interests. Ethics Officers also conduct lifestyle reviews to determine conflicts of interest. Identified cases of conflict of interest are reported to the Director-General, who oversees removal of conflict of interests. The Department acts against officials who fail to remove conflicts of interest.

Supply Chain Management conducts vetting of suppliers which includes verifying Directors of companies in the Central Supply Database. The vetting is done to ensure that the Department does not award contracts to companies owned by employees of the Department. Supply Chain Management Practitioners and all other employees involved in the Supply Chain Management processes including BID Committee members complete the declaration of interest forms.

#### 5. CODE OF CONDUCT

The Code of Conduct is workshopped to all employees in the Office of the Premier. It is part of the orientation program for the newly appointed employees. The breach of the Code of Conduct is dealt with in terms of the Consequence Management Framework that was adopted by the Executive Council of the KZN Province.

#### 6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

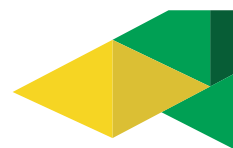
As purported by the National Employee Health and Wellness Strategic Framework for the Public Service, the Provincial Government is implementing the Provincial Employee Health and Wellness Strategy which seeks to provide for an integrated, needs driven, participative and holistic approach to Employee Health and Wellness. The integrated approach to employee health, safety and wellness, recognizes the importance of individual health, safety and wellness in relation to organisational wellness of the Office of the Premier and provincial Departments.

The Provincial Government is committed to the provision and promotion of a healthy and safe work environment for employees and clients utilizing government infrastructure; and to assess and control risks through the enforcement of the Occupational Health and Safety Act, No. 85 of 1993.

The core objectives are to:

- i Improve occupational health and safety by controlling health hazards in the workplace;





- ii Promote a healthy public service environment that is safe for both public servants and the community at large;
- iii Have a provincial public service that can identify and manage risks and improve the quality of services; and
- iv Provide guidance on how to manage risks, eliminate illness, disease and accidents.

## 7. PORTFOLIO COMMITTEES

During the reporting period, the Office of the Premier appeared before the Premier Portfolio Committee on 14 June 2022, 11 October 2022, 03 March 2023 and 23 March 2023. The Office of the Premier also appeared before the Finance Portfolio Committee on 12 April 2022, 19 August 2022 and 14 March 2023.

Matters raised by the Portfolio Committee:

- i The Premier Portfolio Committee agenda discussed the quarterly implementation and performance by Vote 1 (the Office of the Premier and its entity, the Royal Household Trust) to report on financial and non-financial quarterly performance, expenditure to date and to provide the written responses to resolutions from the Finance Portfolio Committee as well as SCOPA. All the mandatory reports and follow-up responses were presented to the Committee.
- ii The Premier Portfolio Committee raised a matter requiring the Department to submit consolidated responses to the resolutions from Sector Parliaments and Symposiums that were held by the Provincial Legislature in 2021. The required reports were tabled to the Committee, as per the agenda of the meetings.
- iii All the matters that were raised by the Finance Portfolio Committee were captured on the Finance Portfolio Committee Resolutions. During the reporting period, Vote 1 submitted responses to six (06) resolutions on 30 June 2022, and three (03) resolutions on 10 October 2022. The resolutions were mainly transversal resolutions that were related to progress on the filling of vacant funded posts, chronic underspending of allocated budget by Departments etc.



## 8. SCOPA RESOLUTIONS -

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
Resolution 1/2022:	EXTENSION OF CONTRACTS WITHOUT APPROVAL OF DELEGATED OFFICIAL (RELATING TO RESOLUTION 137/2021)	<p>The Committee noting that: The department has put in place measures to address this audit finding, including the appointment of an official to supervise the Contracts Management Function, ongoing analysis and monitoring of contract payments against contract values and services and processes for the timeous approval of contract extensions.</p> <p>The Committee resolved that: That the Accounting Officer report to the Committee by 30 June 2022 on the effectiveness of the measures implemented in addressing the audit finding and preventing a recurrence.</p>	<p>The Department drafted an Audit Improvement Plan which was approved by the Accounting Officer onThe measures put in place have proven to be effective. The Contract Register is now actively reviewed on a monthly basis, and all inconsistencies have been addressed with no recurring challenges.</p> <p>The Contract Register as at 31/03/2022 reflects one new contract extension. The extension is for a period below 6 months which is regular. The extension was necessary for the completion of the work that was already in progress. Due to the contract value of the 5 months going over the 15% threshold, the amount over 15% was duly declared as irregular.</p> <p>The over-payment reflected against two Contracts (Liquid Telecom and MTN) relate to contracts already in place from the previous years and have reached termination within the 2021/22 financial year.</p> <p>The root of the identified non-compliance could be attributed to the challenge with effective communication of contract information within the department. To address this matter circulars were distributed to departmental contract owners to address the following:</p> <ul style="list-style-type: none"> <li>• Requesting all contract owners to respond immediately to notifications from the Contract Unit regarding contracts that will expire within 6 months. Contract owners were requested to inform the unit if they intend to extend the contract so that the appropriate approvals can be obtained timeously from the respective authorities. If the contract was to terminate, a close out report is requested.</li> <li>• Requesting for the submission of all contract payments to the Contracts Section for analysis against the contract values to ensure no over-expenditure.</li> <li>• A check list of requirements was compiled and used to analyse data provided in each payment submitted to ensure that all contract payments are correctly stated before it is endorsed for payment.</li> </ul>	Yes

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			The evidence of the measures that have been implemented as outlined above were submitted to SCOPA.	
Resolution 02/2022:	OFFICE OF THE PREMIER: EXPENDITURE MANAGEMENT: IRREGULAR EXPENDITURE OF R10.85 MILLION IN 2021 (PRIOR YEARS' BALANCE NOT YET CONDONED: R334.563 MILLION) RELATING TO RESOLUTION (138/2021)	<p>The Committee noted that:</p> <p>The determination testing for the irregular expenditure of R10.85 million in 2020/21 was to have been completed by 31 January 2022.</p> <p>The determination testing for 82% (R274.24 million) of the prior years' irregular expenditure was completed and submitted to Provincial Treasury for condonation. Of this, Treasury condoned an amount of R22.535 million as at 29 December 2021.</p> <p>The additional information required by Treasury was to have been submitted by 31 January 2022.</p> <p>The determination testing for the balance of R60.321 million in respect of prior years' irregular expenditure was also to have been completed by 31 January 2022.</p>	<p>The Department managed to finalise the determination testing of irregular expenditure of R10 85 million (2020/2021) by the 31 of March 2022 and submitted to Treasury for condonation and it is currently under assessment. This exercise concluded that some transactions were non-compliance rather than irregular expenditure and none of the transactions were for forensic investigations.</p> <p>The progress made in the determination of R60 321 (R21 493 109.00) was finalised and submitted to Treasury by the 31 March 2022.</p> <p>The outstanding information requested by Treasury in terms of submission (1 to 4 &amp; 6) was submitted by 26 April 2022. A further request for outstanding information was received on the 09 May 2022 and was responded to.</p> <p>During the determination it was determined that all transactions were irregular and noncompliance, none of them were for forensic investigation and they were submitted to Treasury for condonation.</p> <p>The determination test for 88% (R295 736 million) of the prior years' irregular expenditure has been completed and submission for condonation were sent to Provincial Treasury. The remaining 12% (R38 873 million) is currently being analysed and is due to be completed by 31 March 2023.</p> <p>To date the Department has further submitted 4 submissions which makes it 15 submissions to Provincial Treasury for the condonation of irregular expenditure amounting to (R32 939) million.</p> <p>The status of the 15 condonation submissions submitted to Provincial Treasury relating to the irregular expenditure amounting to R295 735 million is detailed in the table below:</p> <p><i>Total of rand value 15 submissions 295 735</i>  <i>Total rand value condoned to date (47 564)</i>  <i>Total rand value of transaction identified by Treasury as not irregular expenditure (57 872)</i>  <i>Total value to still considered by PT for condonation. 190 299</i></p> <p>An amount of R20 368m is undergoing forensic investigation and forms part of the total above that still needs to be condoned.</p> <p>In the determination test exercise, there were no instances noted where the department incurred losses as a result of the irregular expenditure because value for money was obtained by the Department.</p>	

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		<p>Transactions totalling R61.889 million were under forensic investigation as at 31 January 2022 and cannot be considered for condonation until finalization.</p> <p>Officials responsible for the irregular expenditure identified thus far were issued with counselling letters and no losses were incurred by the Department.</p> <p>The Committee resolved:</p> <p>That the Accounting Officer report to the Committee by 30 June 2022 on:</p> <p>Progress made in the determination testing of the irregular expenditure of R10.85 million in 2020/21 and submission thereof to Provincial Treasury for condonation, as well as the outcomes of the submission.</p> <p>Progress made in the determination testing of the balance of the prior years' irregular expenditure of R60.321 million and submission thereof to Provincial Treasury for condonation, as well as the outcomes of the submission.</p> <p>Progress made in the submission of the additional information to Treasury in respect of the balance of the irregular expenditure for the years prior to 2020/21 not yet condoned, as well as any other additional information required by Treasury for further submissions made since 31 January 2022.</p> <p>The findings and recommendations of the investigations completed since 31 January 2022 and steps taken to implement the recommendations, as well as time frames for implementation.</p>		

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
Resolution 03/2022	FORENSIC INVESTIGATIONS IN THE OFFICE OF THE PREMIER (RELATING TO RESOLUTION 140/2021)	<p>The Committee noted that:</p> <p>As at 31 January 2022, eight (8) forensic investigations in the Office of the Premier were completed and four (4) were still in progress.</p> <p>The Committee resolved that:</p> <p>That the Accounting Officer report to the Committee by 30 June 2022 on:</p> <p>Progress made in the implementation of all recommendations in relation to the completed investigations.</p>	A detailed report on the progress of all forensic investigations was submitted to SCOPA by 30 June 2022.	Yes

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
Resolution 04/2022	Fruitless and wasteful expenditure: R103 000 in 2020/21 (prior years' fruitless and wasteful expenditure of R576 000 not yet resolved) (Relating to resolution 141/2021)	<p>The Committee noted that:</p> <p>The investigation of the fruitless and wasteful expenditure of R103 000 in 2020/21 recommended that corrective measures be taken against the official responsible. After obtaining legal advice, the Department followed an informal disciplinary process and the official was issued with a written warning.</p> <p>The fruitless and wasteful expenditure of R576 000 in prior years related to salary overpayments incurred by the former Department of Royal Household, which expenditure was transferred to the Office of the Premier. The overpayments were made to two officials who were no longer employed by the former Department. The investigations were to have been completed by 15 February 2022.</p> <p>Steps taken to recover the fruitless and wasteful expenditure of R103 000 from the official responsible.</p> <p>The findings and recommendations of the investigations relating to liability for the fruitless and wasteful expenditure of R576 000 and steps taken to implement the recommendations, including recovery of the salary overpayments from the former employee and the estate of the other, now deceased employee.</p>	<p>Steps taken to recover the fruitless and wasteful expenditure of R103 000 from the official responsible.</p> <p>The fruitless and wasteful expenditure reported in the 2020/21 financial year was identified by the Auditor General during 2020/21 regularity audit in a forensic report (AC01/2018). Forensic report (AC01/2018) was provided for the implementation of the recommendations relating to the corrective measures that must be taken against the responsible official. The Public Service Commission had also conducted an investigation on the same matters and their report came to the same conclusions as the AC01/2018 report. The recommendations of the Public Service Commission have been implemented.</p> <p>The recommendations specified in the Public Service Commission's investigation report indicated that corrective measures must be taken against the responsible official who was identified in the report. The Office of the Premier thereafter obtained legal advice regarding the most appropriate corrective measure to implement taking into consideration the time that had lapsed since the incident as well as various other labour related matters. Based on the legal advice the responsible official was issued with a written warning.</p> <p>The findings and recommendations of the investigations relating to liability for the fruitless and wasteful expenditure of R576 000 and steps taken to implement the recommendations, including recovery of the salary overpayments from the former employee and the estate of the other, now deceased employee.</p> <p>The report noted that there was a lack of internal controls within the Department of Royal Household. The evaluation to identify officials responsible for the of the fruitless and wasteful expenditure was limited as the following documents could not be recovered:</p> <ul style="list-style-type: none"> <li>• Employee personal files</li> <li>• Department headcount records between the years 2008 and 2014</li> <li>• Attendance register</li> <li>• Pay-point payroll reports</li> <li>• Termination policies and SOPS</li> </ul>	Yes



Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			<p>It was therefore not possible to conclude on whether the if the supervisors discharged their duties in a manner that is inline with the then Department's policies. The Department evaluated the recoverability of the overpayment from the ex-employee who retired and from the estate of the deceased employee. As the debt arose in 2013 the department had to apply the Prescription Act no.68 of 1969.</p> <p>In terms of the section 10(1) of the Prescription Act No.68 of 1969 "a debt shall be extinguished by prescription after the lapse of the period which in terms of the relevant law applies in respect of the prescription of such debt."</p> <p>In terms of section 11(d) of the Prescription Act, 1969, the period of prescription of a debt, save where an Act of Parliament provides otherwise, is three years in respect of a debt. The debt from the salary overpayment debt arose in 2013, more than 8 years have passed since the debt arose and there was no interruption of prescription by acknowledgement of liability. The debt has accordingly prescribed.</p> <p>In terms of the above, it has been determined that the department may not institute legal action against the ex-employees as the debts have prescribed.</p> <p>The Office of the Premier is continuously monitoring the effective implementation of our controls to ensure that salary overpayments are prevented and detected early</p>	

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
SCOPA RESOLUTION 05/2022–	INVESTIGATION RELATING TO THE ACCOUNTING OFFICER OF THE DEPARTMENT OF WORKS	<p>The Committee noting that:</p> <p>The investigation relating to the Accounting Officer of the Department of Works has been completed. The disciplinary process has commenced. Points in limine were raised at the enquiry and the Presiding Officer has ruled in favour of the employer. The Accounting Officer has made an application to the Labour Court for the review of the decision of the Presiding Officer. The matter is pending.</p> <p>The Committee resolved that:</p> <p>That the Accounting Officer report to the Committee by 30 June 2022 on progress made in the matter.</p>	<p>The Office of the Premier has complied with the submission of its recording of the preliminary disciplinary processes to the Labour Court. The matter must be heard by the Labour Court. The Labour Court processes must be finalized before the disciplinary hearing may proceed. The ruling of the Labour Court will determine if the matter must proceed.</p> <p>The Office of the Premier cannot proceed any further with the disciplinary hearing until the matter is finalized by the Labour Court. Often in cases like these the matter may be ruled on in favour of the Office of the Premier, but the Applicant may even at that stage decide to proceed to the Labour Appeal Court. The internal disciplinary process is being curtailed by the Labour Court processes.</p>	Yes
RESOLUTION 06/2022	FORENSIC INVESTIGATIONS IN THE OFFICE OF THE PREMIER (RELATING TO RESOLUTION 143/2021)	<p>The Committee noted that:</p> <p>As at 1 October 2021 the Forensic Investigation Services Unit had seventy-eight (78) investigations that were in progress.</p> <p>During the quarter ended 31 December 2021, a total of five (5) new allegations were received for investigation (Public Works: 1; Transport: 2 and Education: 2).</p> <p>Seven (7) reports were finalised and issued to the relevant departments.</p> <p>A balance of seventy-six (76) investigations remained in progress.</p>	<p>As at 31 December 2021, seventy-six (76) investigations that were in-progress. Between 1 January 2022 and 31 March 2022, six (6) new allegations were received and these matters are in-progress. Therefore, the Forensic Investigations directorate are now reporting on eighty-two (82) in-progress investigations, which were submitted to SCOPA.</p> <p>2. For the period 1 October 2021 to 31 December 2021, seven (7) investigations were finalised and issued to the relevant provincial department. Between the period 1 January 2022 and 31 March 2022, four (4) additional matters were finalised. Therefore, the Forensic Investigations directorate are now reporting on eleven (11) completed investigations, which were submitted to SCOPA.</p>	Yes

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
SCOPA RESOLUTION 05/2022–	INVESTIGATION RELATING TO THE ACCOUNTING OFFICER OF THE DEPARTMENT OF WORKS	<p>The Committee resolves that:</p> <p>That the Accounting Officer report to the Committee (SCOPA) by 30 June 2022 and thereafter quarterly on:</p> <p>In respect of each of the seventy-six (76) and any new investigations in progress, per department:</p> <ul style="list-style-type: none"> <li>•The FR number;</li> <li>•The date of commencement of the investigation;</li> <li>•The amount involved;</li> <li>•The nature of the allegations and;</li> <li>•The challenges experienced specific to that investigation.</li> </ul> <p>2.In respect of the seven (7) and any further completed investigations, per department:</p> <ul style="list-style-type: none"> <li>•The FR number;</li> <li>•The amount involved;</li> <li>•The nature of the allegations and;</li> <li>•The findings and specific recommendations of the report relating to disciplinary steps, civil recoveries, criminal proceedings and any other remedial steps; and</li> <li>•the date of issue of the report to the relevant Department.</li> </ul>	<p>The Office of the Premier has complied with the submission of its recording of the preliminary disciplinary processes to the Labour Court. The matter must be heard by the Labour Court. The Labour Court processes must be finalized before the disciplinary hearing may proceed. The ruling of the Labour Court will determine if the matter must proceed.</p> <p>The Office of the Premier cannot proceed any further with the disciplinary hearing until the matter is finalized by the Labour Court. Often in cases like these the matter may be ruled on in favour of the Office of the Premier, but the Applicant may even at that stage decide to proceed to the Labour Appeal Court. The internal disciplinary process is being curtailed by the Labour Court processes.</p>	Yes
RESOLUTION 06/2022	FORENSIC INVESTIGATIONS IN THE OFFICE OF THE PREMIER (RELATING TO RESOLUTION 143/2021)	<p>The Committee noted that:</p> <p>As at 1 October 2021 the Forensic Investigation Services Unit had seventy-eight (78) investigations that were in progress.</p> <p>During the quarter ended 31 December 2021, a total of five (5) new allegations were received for investigation (Public Works: 1; Transport: 2 and Education: 2).</p>	<p>As at 31 December 2021, seventy-six (76) investigations that were in-progress. Between 1 January 2022 and 31 March 2022, six (6) new allegations were received and these matters are in-progress. Therefore, the Forensic Investigations directorate are now reporting on eighty-two (82) in-progress investigations, which were submitted to SCOPA.</p>	Yes

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
RESOLUTION 06/2022	FORENSIC INVESTIGATIONS IN THE OFFICE OF THE PREMIER (RELATING TO RESOLUTION 143/2021)	<p>Seven (7) reports were finalised and issued to the relevant departments.</p> <p>A balance of seventy-six (76) investigations remained in progress.</p> <p>The Committee resolves that:</p> <p>That the Accounting Officer report to the Committee (SCOPA) by 30 June 2022 and thereafter quarterly on:</p> <p>In respect of each of the seventy-six (76) and any new investigations in progress, per department:</p> <ul style="list-style-type: none"> <li>•The FR number;</li> <li>•The date of commencement of the investigation;</li> <li>•The amount involved;</li> <li>•The nature of the allegations and;</li> <li>•The challenges experienced specific to that investigation.</li> </ul> <p>2.In respect of the seven (7) and any further completed investigations, per department:</p> <ul style="list-style-type: none"> <li>•The FR number;</li> <li>•The amount involved;</li> <li>•The nature of the allegations and;</li> <li>•The findings and specific recommendations of the report relating to disciplinary steps, civil recoveries, criminal proceedings and any other remedial steps; and</li> <li>•the date of issue of the report to the relevant Department.</li> </ul>	As at 31 December 2021, seventy-six (76) investigations that were in-progress. Between 1 January 2022 and 31 March 2022, six (6) new allegations were received and these matters are in-progress. Therefore, the Forensic Investigations directorate are now reporting on eighty-two (82) in-progress investigations, which were submitted to SCOPA.	Yes

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
Resolution 07/2022	Fruitless and Wasteful Expenditure: R67 000 (relating to Resolution 144/2021)	<p>Noting that: Most of the fruitless and wasteful expenditure was caused by penalties and interest imposed for late payment of electricity bills for one of the palaces. It appears that Eskom was at fault and that the Trust was erroneously charged. The matter is still under investigation</p> <p>The Committee resolved that: That the Accounting Authority report to the Committee by 30 June 2022 on progress made in the investigation and resolution of the matter, as well as time frames for finalization.</p>	<p>ZRHT Response: -</p> <p>The KZN Zulu Royal House Trust has appointed the Internal Audit Consultant and among its project as an Adhoc audit, is to conduct an investigation on the accumulated fruitless and wasteful expenditure. Engagements on the scope of work have already started and the investigations are expected to be finalised by 30 July 2022.</p>	Yes
Resolution 08/2022:	Irregular expenditure not investigated (relating to Resolution 145/2021)	<p>Noting that: The Trust has appointed an internal audit service provider to perform all internal audit functions. Investigation of the accumulated irregular and fruitless and wasteful expenditure is still pending.</p> <p>The Committee resolved that: That the Accounting Authority report to the Committee by 30 June 2022 on progress made in the investigation of irregular expenditure and fruitless and wasteful and time frames for finalisation thereof</p>	<p>ZRHT Response: -</p> <p>The KZN Zulu Royal House Trust has appointed the Internal Audit Consultant and among its project as an Adhoc audit, is to conduct an investigation on the accumulated irregular, fruitless and wasteful expenditure. Engagements on the scope of work have already started and the investigations are expected to be finalised by 30 July 2022.</p>	Yes

## 9. PRIOR MODIFICATIONS TO AUDIT REPORTS

In the 2021/22 regulatory audit conducted the Department had a clean audit opinion with no material findings. This was a substantial improvement from two (2) non-compliance material findings in the previous audit (2020/21).

The key contributions that resulted in the significant improvement in the Departments audit outcome is attributed to:

- i The improvement in the drivers of internal control especially oversight responsibility, processing and reconciliation controls and regular reporting.
- ii A detailed audit improvement plan that was developed to address the control deficiencies that were reported by the Auditor General. The audit improvement plan focused on enhancing the Departments' internal control systems to eliminate recurrence of audit findings.
- iii Consequence management action taken against officials who were responsible for non-compliance with the Departmental policies and relevant legislation(s).

The table below details material non-compliance findings and the improvement measures that have been implemented to address the internal control deficiencies. As the department had a clean audit in the last financial year, there are no material non-compliance findings to report on.

Nature of qualification, disclaimer, adverse opinion and matters of noncompliance	Financial year in which it first arose	Progress made in clearing / resolving the matter*
None	None	None

## 10. INTERNAL CONTROL UNIT

### MEMBERS OF CARC/PARC

NO	NAME & SURNAME	QUALIFICATIONS	COMMITTEE STRUCTURE	CONTRACT DURATION	STATUS
1	Mr Zwile Zulu	MBA	Chairperson: PARC Member: Eco & G&A	18 MAY 22 – 31st MAY 25	1st Term
2	Mr Mike Tarr	MSc Agricultural Economics	Chairperson: Eco Cluster Member: G&A	10 May 21 – 31st MAY 24	2nd Term
3	Mr Sibusiso Mthethwa	BCompt (Hon)	Chairperson: Social Cluster	18 MAY 22 – 31st MAY 25	1st Term
4	Ms Sijabulile Makhathini	CA(SA)	Chairperson: G&A Cluster	18 MAY 22 – 31st MAY 25	1st Term
5	Ms Runganagee Ramphal	CA(SA)	Member: Social Cluster	18 MAY 22 – 31st MAY 25	1st Term
6	Mr Suren Maharaj	CA(SA)	Member: Social Cluster	18 MAY 22 – 31st MAY 25	1st Term



## 11. AUDIT COMMITTEE REPORT

### REPORT OF THE AUDIT & RISK COMMITTEE ON VOTE 1– OFFICE OF THE PREMIER

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

The Provincial Audit and Risk Committee (PARC) is the shared audit and risk committee for the provincial departments, and is further sub-divided into three Cluster Audit & Risk Committees (CARC's) that provide oversight of key functions to the KZN Provincial Government Departments. The Office of the Premier is served by the Governance, State Capacity and Institutional Development (GSCID) Cluster Audit & Risk Committee.

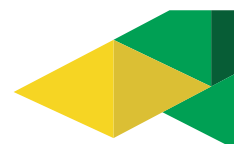
The Audit Committee reports that it has adopted formal terms of reference contained in its Audit and Risk Committee Charter. The Committee complied with its responsibilities arising from the Public Finance Management Act and Treasury Regulations; except that the Committee was not fully constituted for the full financial year.

#### 1. Audit Committee Members and Attendance

The PARC and GSCID CARC consisted of the members listed hereunder who have met as reflected below.

#	Name of Member	PARC Meetings Attended	GSCID CARC Meetings Attended
1.	Mr Z Zulu – PARC Chairperson	5 of 5	4 of 4
2.	Ms S Makhathini – GSCID CARC Chairperson	5 of 5	4 of 4
3.	Mr M Tarr	5 of 5	4 of 4
4.	Mr S Mthethwa	4 of 5	N/A*
5.	Ms R Ramphal	5 of 5	N/A*
6.	Mr S Maharaj	5 of 5	N/A*

\* refers to PARC members who did not serve on the GSCID CARC



## 2. The Effectiveness of Internal Control

The Committee has reviewed the reports of the Provincial Internal Audit Service (PIAS), the Audit Report on the Annual Financial Statements and Management Report of the Auditor General of South Africa (AGSA) and has commended the Department for the results of the audit, as there were no significant weaknesses identified in the control environment.

The Committee considered the appropriateness of management's interventions to ensure the control environment maintains its effectiveness.

## 3. Effectiveness of Internal Audit

PIAS activities were reviewed by the Committee during the special PARC and CARC monitoring processes. The Committee evaluated PIAS' reports detailing the assessment of the adequacy and effectiveness of controls designed to mitigate the risks associated with the operational and strategic activities of the department.

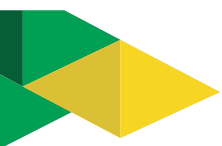
PIAS planned to perform fourteen (14) audit assignments for the period under review, thirteen (13) were finalised by year end and one (1) audit was carried over to the 2023/24 financial year with the formal approval of the Audit Committee.

The Committee is satisfied that PIAS performed effectively during the period under review. During the 2023/24 financial year, the Committee will continue to monitor the progress made by the PIAS against its operational plans in order to ensure that it continues to fulfil its mandate and add value to the Department.

## 4. Risk Management

The responsibilities of the Committee with respect to risk management are formally defined in its Charter. For the period under review, the Committee's responsibilities have been focused, amongst other things, on the quarterly review of the Department's risk register and monitoring progress against the risk management operational plan.

As at the end of the 2022/23 financial year, the Department's risk register status was as follows:



	Risk Grouping					Total
	Critical	Major	Moderate	Minor	Insignificant	
Number of identified risks	0	08	42	75	0	125
Number of agreed action plans.	0	33	84	55	0	172
Number of implemented action plans	N/A	10	50	18	N/A	78
No. of Completed Action Plans as a Percentage (%)	N/A	30%	60%	33%	N/A	45%

The Committee noted progress made by the Department on implementing 45% of its risk mitigation plans, with the slow progress attributable to new risks and additional controls added to the risk register during the latter part of the financial year. The Department is urged to timeously implement risk mitigation plans for these new risks and to continuously re-rate all risks whose action plans have been completed.

The Committee is pleased with significant progress made by the Department on implementing the revised provincial risk management framework and combined assurance framework. The Department is urged to comply with all minimum risk management standards contained within the revised framework, including the identification and escalation of transversal risks to the provincial risk management committee for noting and assistance with resolution.

## 5. Quality of in year management and monthly/quarterly reports

The Committee was satisfied with the content and quality of quarterly reports in respect of in year management and quarterly performance, prepared and issued by the Accounting Officer of the Department during the year under review, in terms of the PFMA and the Division of Revenue Act.

The Committee noted the material underspending of the budget by R13, 22 million. The majority of the underspending related to transfers and subsidies and goods and services. The Committee urged the Department to enhance its planning for expenditure to ensure that the budget is adequately spent.

## 6. Evaluation of Financial Statements

The Committee has:

- Reviewed and discussed the Annual Financial Statements, including the audit report, with the Accounting Officer, Auditor General and PIAS;
- Reviewed the Auditor General's Management Report;
-

- Reviewed the Department's processes for compliance with legal and regulatory provisions,
- Reviewed the conclusion on the usefulness and reliability of performance information resulting from the external audit of the Department and noted that no material findings were identified on the reported performance information of programme 2 – institutional development.

Based on the reports of the PIAS and the Auditor General, the Committee commended the Department for submitting the Annual Financial Statements that were free from material misstatements.

## 7. Auditor-General's Report

The Committee has met with the Auditor General of South Africa to discuss and evaluate the issues that emanated from the current regulatory audit.

The Committee will ensure that corrective actions in respect of the detailed findings emanating from the current regulatory audit continue to be monitored on a quarterly basis through the CARC processes.

The Committee concurs with and accepts the conclusion of the Auditor General's opinion on the Annual Financial Statements of an unqualified audit opinion with no findings, and is of the opinion that the Audited Annual Financial Statements be accepted and read together with the report of the Auditor General.

## 8. Appreciation

The Committee wishes to express its appreciation to the Management of the Department, the Auditor General of South Africa, and the Provincial Internal Audit Services for the co-operation and support they have provided to enable us to compile this report.



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**Mr Z Zulu**

**Chairperson: Provincial Audit and Risk Committee**

**04 August 2023**

## 12. BBB-EE-COMPLIANCE

As per section 13G(1) of the Broad Based Black Economic Empowerment Act 53 of 2003, “All spheres of government, public entities and organs of state must report on their compliance with broad-based black economic empowerment in their audited annual financial statements and annual reports required under the Public Finance Management Act of 1999.”

Further more regulation 12(2) of the Broad Based Black Economic Empowerment Regulations indicates that, “The sphere of government, public entity or an organ of state must file the audited financial statements and annual report complied in terms of section 13G (1), with the Commission, in the prescribed FORM B-BBEE within thirty (30) days of the approval of such annual financial statements and annual report ‘

The Department obtained level 08 BBB-EE compliance in 2020/2021 measurement period. It is further confirmed that KZN office of the Premier complied with the submission of B-BBEE form 1 to the B-BBEE Commission in line with section 13G(1) of the Broad Based Black Economic Empowerment Act 53 of 2003. The submission was not within 30 days as this was due to the delay in the appointment of the verification agency.

For the measurement period 2021/2022, the office of the Premier received a rating of 8. The assessment for 2022/23 is in progress and will be reported in the next report.



# PART D

## Human Resources





## 1. INTRODUCTION

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

## 2. OVERVIEW OF HUMAN RESOURCES

### 2.1 The status of human resources in the Office of the Premier (OTP).

The OTP vacancy rate as at 31 March 2023 was 6.5%. The target for filling critical posts was met in terms of the Operational Plan.

### 2.2 Listed below are the Human resource priorities for the year under review and the impact of these:

(a) Effective and efficient Internal Human Resource Planning.

Impact: Compliance reports were submitted on time; HR planning meetings were held as scheduled; and policies were developed/reviewed as per targets in the Operational Plan. This resulted in the Department meeting its service delivery goals thus improving on its coordinating role.

(b) Effective and efficient Human Resource Administration services.

Impact: The target for the filling of critical posts was achieved; Workshops and audits on leave were conducted as per targets in the Operational Plan. Abuse of the leave system was minimised thus the challenge of absenteeism was addressed.

(c) Employment Equity, Affirmative Action and Diversity Management.

Impact: The Office of the Premier did not achieve the national employment equity targets in terms of 50% females at SMS. The percentage of females at SMS level was 48% as at 31 March 2023.

(d) Human Resource Information System.

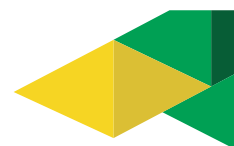
Impact: The Departments is still using manual methods with regards to leave management and recruitment. The Department needs to strengthen this area going forward.

### 2.3 Workforce planning and key strategies to attract and recruit a skilled and capable workforce.

(a) Human Resource compliance reports were submitted.

(b) Analysis of exit interviews reports was conducted and submitted to top management for decision-making.

(c) The performance management system was applied objectively.



## 2.4 Employee performance management

- (a) Approved Workplace Skills Plan was compiled as a basis for training interventions.
- (b) Performance agreements were captured on Persal by the due date.
- (c) The performance assessment process was finalised and performance incentives paid by the due dates.

## 2.5 Employee wellness programmes

- (a) Implementation of Employee Health and Wellness programmes to boost morale and encourage healthy lifestyle.
- (b) Health Risk Management strategy (inclusive of HIV, AIDS and TB) was developed.

## 2.6 Highlight achievements and challenges faced by the department, as well as future human resource plans/goals

- (a) Effective and efficient Internal Human Resource Planning
- (b) Effective and efficient Human Resource Administration services

## 3. HUMAN RESOURCES OVERSIGHT STATISTICS

### 3.1. Personal Related Experience

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

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

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

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training expenditure (R'000)	Personnel expenditure as a % of total expenditure (R'000)	Average personnel cost per employee (R'000)	Average personnel cost per employee (R'000)
ADMINISTRATION	212 993,00	90 341,00	0,00	0,00	42,40	931,00
INSTITUTIONAL DEVELOPMENT	291 392,00	136 456,00	0,00	0,00	46,80	539,00
POLICY & GOVERNANCE	228 987,00	106 963,00	0,00	0,00	46,70	512,00
<b>Total</b>	<b>733 372,00</b>	<b>333 760,00</b>	<b>0,00</b>	<b>0,00</b>	<b>45,50</b>	<b>597,00</b>

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

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Skilled (Levels 3-5)	36 663,00	10,40	124,00	295 669,00
Highly Skilled Production (Levels 6-8)	61 865,00	17,60	128,00	483 320,00
Highly Skilled Supervision (Levels 9-12)	115 136,00	32,80	131,00	878 901,00
Senior Management (Levels >= 13)	73 269,00	20,90	51,00	1 436 647,00
Contract (Levels 3-5)	931,00	0,30	4,00	232 750,00
Contract (Levels 6-8)	15 883,00	4,50	61,00	260 377,00
Contract (Levels 9-12)	8 114,00	2,30	10,00	811 400,00
Contract (Levels >= 13)	21 240,00	6,10	15,00	1 416 000,00
Contract Other	2 581,00	0,70	26,00	99 269,00
Periodical Remuneration	1 464,00	0,40	8,00	183 000,00
Abnormal Appointment	1 332,00	0,40	1,00	1 332 000,00
<b>Total</b>	<b>338 478,00</b>	<b>96,40</b>	<b>559,00</b>	<b>605 506,00</b>

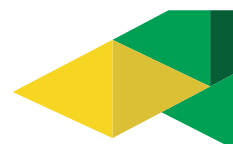


Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2021 and 31 March 2023.

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
ADMINIS-TRATION	57 701,00	83,50	628,00	0,90	1 265,00	1,80	2 261,00	3,30
INSTITUTIONAL DEVELOPMENT	134 589,00	80,50	2 218,00	1,30	3 173,00	1,90	6 323,00	3,80
POLICY & GOVERNANCE	93 916,00	81,90	34,00	0,60	2 354,00	2,10	3 462,00	3,00
<b>Total</b>	<b>286 207,00</b>	<b>81,50</b>	<b>3 480,00</b>	<b>1,00</b>	<b>6 792,00</b>	<b>1,90</b>	<b>12 046,00</b>	<b>3,40</b>

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

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (Levels 3-5)	27 654,00	74,50	377,00	1,00	1 993,00	5,40	3 027,00	8,20
Highly skilled production (Levels 6-8)	47 230,00	75,00	1 401,00	2,20	2 204,00	3,50	4 557,00	7,20
Highly skilled supervision (Levels 9-12)	97 608,00	82,30	1 080,00	0,90	1 582,00	1,30	3 483,00	2,90
Senior management (Levels >= 13)	63 896,00	81,50	0,00	0,00	867,00	1,10	919,00	1,20
Contract (Levels 3-5)	900,00	96,70	0,00	0,00	0,00	0,00	0,00	0,00

Contract (Levels 6-8)	15 545,00	96,60	333,00	2,10	0,00	0,00	0,00	0,00
Contract (Levels 9-12)	7 641,00	86,90	139,00	1,60	137,00	1,60	60,00	0,70
Contract (Levels >= 13)	20 882,00	92,20	0,00	0,00	9,00	0,00	0,00	0,00
Contract Other	2 431,00	90,50	150,00	5,60	0,00	0,00	0,00	0,00
Periodical Remuneration	1 087,00	73,70	0,00	0,00	0,00	0,00	0,00	0,00
Abnormal Appointment	1 332,00	100,00	0,00	0,00	0,00	0,00	0,00	0,00
TOTAL	286 207,00	81,50	3 480,00	1,00	6 792,00	1,90	12 046,00	3,40
Periodical Remuneration	1 527,00	80,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>TOTAL</b>	<b>274</b> <b>909,00</b>	<b>82,30</b>	<b>1 856,00</b>	<b>0,60</b>	<b>6 970,00</b>	<b>2,10</b>	<b>12</b> <b>127,00</b>	<b>3,60</b>

### 3.2. Employment and Vacancies

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

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

This information is presented in terms of three key variables:

- Programme
- Salary band
- Critical occupations (see definition in notes below).

Departments have identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

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

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration, Permanent	92,00	81,00	12,00	2,00
Institutional development, Permanent	269,00	253,00	5,90	38,00
Policy & Governance, Permanent	226,00	216,00	4,40	3,00
<b>Total</b>	<b>587,00</b>	<b>550,00</b>	<b>6,30</b>	<b>43,00</b>

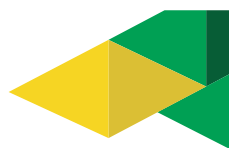


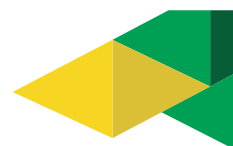
Table 3.2.2 Employment and vacancies by salary band as on 31 March 2023

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Skilled (Levels 3-5), Permanent	126,00	124,00	1,60	1,00
Highly Skilled Production (Levels 6-8), Permanent	136,00	128,00	5,90	2,00
Highly Skilled Supervision (Levels 9-12), Permanent	144,00	131,00	9,00	0,00
Senior Management (Levels >= 13), Permanent	65,00	51,00	21,50	0,00
Other, Permanent	26,00	26,00	0,00	26,00
Contract (Levels 3-5), Permanent	4,00	4,00	0,00	1,00
Contract (Levels 6-8), Permanent	61,00	61,00	0,00	10,00
Contract (Levels 9-12), Permanent	10,00	10,00	0,00	2,00
Contract (Levels >= 13), Permanent	15,00	15,00	0,00	1,00
<b>TOTAL</b>	<b>587,00</b>	<b>550,00</b>	<b>6,30</b>	<b>43,00</b>



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

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	No. of employees additional to the establishment
Administrative related, permanent	211,00	198,00	6,20	2,00
Advocates, permanent	2,00	2,00	0,00	0,00
Agriculture related, permanent	1,00	1,00	0,00	0,00
Bus and heavy vehicle drivers, permanent	2,00	2,00	0,00	0,00
Cleaners in offices workshops hospitals etc., permanent	53,00	53,00	0,00	0,00
Client inform clerks (switchb receipt inform clerks), permanent	9,00	9,00	0,00	0,00
Communication and information related, permanent	6,00	6,00	0,00	0,00
Community development workers, permanent	2,00	2,00	0,00	0,00
Finance and economics related, permanent	21,00	20,00	4,80	0,00
Financial and related professionals, permanent	2,00	1,00	50,00	0,00
Financial clerks and credit controllers, permanent	18,00	14,00	22,20	0,00
General legal administration & rel. Professionals, permanent	2,00	2,00	0,00	0,00
Housekeepers laundry and related workers, permanent	1,00	1,00	0,00	0,00
Human resources & organisat developm & relate prof, permanent	4,00	3,00	25,00	0,00
Human resources clerks, permanent	17,00	16,00	5,90	2,00
Human resources related, permanent	13,00	13,00	0,00	0,00
Language practitioners interpreters & other commun, permanent	1,00	1,00	0,00	0,00
Legal related, permanent	1,00	1,00	0,00	0,00
Light vehicle drivers, permanent	1,00	1,00	0,00	0,00
Logistical support personnel, permanent	8,00	6,00	25,00	0,00
Material-recording and transport clerks, permanent	2,00	2,00	0,00	0,00
Messengers porters and deliverers, permanent	14,00	13,00	7,10	9,00
Motor vehicle drivers, permanent	1,00	1,00	0,00	0,00
Other administration & related clerks and organisers, permanent	74,00	74,00	0,00	26,00
Other administrative policy and related officers, permanent	10,00	10,00	0,00	0,00
Other occupations, permanent	1,00	1,00	0,00	0,00
Risk management and security services, permanent	1,00	1,00	0,00	0,00
Secretaries & other keyboard operating clerks, permanent	40,00	39,00	2,50	2,00
Security guards, permanent	1,00	1,00	0,00	1,00
Senior managers, permanent	68,00	56,00	17,60	1,00
<b>Total</b>	<b>587,00</b>	<b>550,00</b>	<b>6,30</b>	<b>43,00</b>



### 3.3. Filling of SMS Posts

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

Table 3.3.1 SMS post information as on 31 March 2023

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100%	0	0
Salary Level 16	0	0	0	0	0
Salary Level 15	5	5	100%	0	0
Salary Level 14	15	10	67%	4	33%
Salary Level 13	54	45	83%	9	17%
<b>Total</b>	<b>77</b>	<b>61</b>	<b>79%</b>	<b>13</b>	<b>21%</b>

Table 3.3.2 SMS post information as on 30 September 2023

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100%	0	0
Salary Level 16	1	1	100%	0	0
Salary Level 15	6	6	100%	0	0
Salary Level 14	14	10	71%	3	29%
Salary Level 13	54	49	90%	5	10%
<b>Total</b>	<b>76</b>	<b>67</b>	<b>88%</b>	<b>8</b>	<b>12%</b>

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

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	0	0	0	0	0
Salary Level 16	0	0	0	0	0
Salary Level 15	0	0	0	0	0
Salary Level 14	4	0	0	4	100%
Salary Level 13	10	0	0	10	100%
<b>Total</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>14</b>	<b>100%</b>

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

#### Reasons for vacancies not advertised within six months

Cost containment measures leading to posts being unfunded and the only way to fund is for the EXCO of the Department to prioritise the extremely critical posts and approval to be granted by the Premier in consultation with the MEC for Finance.

#### Reasons for vacancies not filled within six months

Cost containment measures leading to posts being unfunded and the only way to fund is for the EXCO of the Department to prioritise the extremely critical posts and approval to be granted by the Premier in consultation with the MEC for Finance.

The above process often leads to delays in filling of posts in record time.

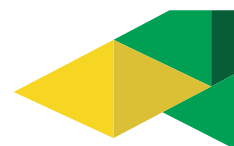
Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling sms posts within 12 months for the period 1 April 2022 and 31 March 2023.

#### Reasons for vacancies not advertised within six months

Cost containment measures leading to posts being unfunded and the only way to fund is for the EXCO of the Department to prioritise the extremely critical posts and approval to be granted by the Premier in consultation with the MEC for Finance.

#### Reasons for vacancies not filled within six months

Non-availability of suitable candidates.



### 3.4. Job Evaluation

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

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

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.

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded Number	Posts downgraded		
					% of posts evaluated	Number	% of posts evaluated
Skilled (Levels 3-5)	126,00	0	0	0	0	0	0
Highly Skilled Production (Levels 6-8)	136,00	0	0	0	0	0	0
Highly Skilled Supervision (Levels 9-12)	144,00	0	0	0	0	0	0
Senior Management Service Band A	44,00	0	0	0	0	0	0
Senior Management Service Band B	13,00	0	0	0	0	0	0
Senior Management Service Band C	6,00	0	0	0	0	0	0
Senior Management Service Band D	2,00	0	0	0	0	0	0
Other	26,00	0	0	0	0	0	0
Contract (Levels 3-5)	4,00	0	0	0	0	0	0
Contract (Levels 6-8)	61,00	0	0	0	0	0	0

Contract (Levels 9-12)	10,00	0	0	0	0	0	0
Contract Band A	9,00	0	0	0	0	0	0
Contract Band B	3,00	0	0	0	0	0	0
Contract Band C	3,00	0	0	0	0	0	0
Contract Band D	587,00	0	0	0	0	0	0
<b>TOTAL</b>	<b>582,00</b>	<b>0,00</b>	<b>0,00</b>	<b>18,00</b>	<b>100,00</b>	<b>0,00</b>	<b>0,00</b>

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

- Nil response as there were no jobs evaluated/ benchmarked for the OTP during this period.

Gender	African	Asian	Coloured	White	Total
Female	0,00	0,00	0,00	0,00	0,00
Male	0,00	0,00	0,00	0,00	0,00
<b>Total</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>

Employees with a disability	0
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The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

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

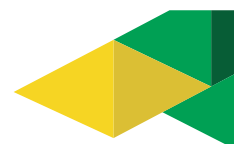
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None	0	0	0	0
Total number of employees whose salaries exceeded the level determined by job evaluation				0
Percentage of total employed				0

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

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

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Employees with a disability	0	0	0
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Total number of Employees whose salaries exceeded the grades determine by job evaluation	0
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### 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).

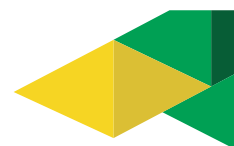
Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2022 and 31 March 2023.

Salary band	Number of employees at beginning of period-1 April 2022	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2) Permanent	133,00	0,00	7,00	5,30
Skilled (Levels 3-5) Permanent	135,00	0,00	9,00	6,70
Highly skilled production (Levels 6-8) Permanent	143,00	1,00	13,00	9,10
Highly skilled supervision (Levels 9-12) Permanent	38,00	1,00	3,00	7,90
Senior Management Service Bands A Permanent	10,00	0,00	1,00	10,00
Senior Management Service Bands B Permanent	5,00	0,00	0,00	0,00
Senior Management Service Bands C Permanent	1,00	0,00	0,00	0,00
Senior Management Service Bands D Permanent	37,00	0,00	9,00	24,30
Other Permanent	3,00	2,00	1,00	33,30
Contract (Levels 3-5) Permanent	15,00	59,00	11,00	73,30
Contract (Levels 6-8) Permanent	9,00	7,00	6,00	66,70
Contract (Levels 9-12) Permanent	8,00	5,00	4,00	50,00
Contract Band A Permanent	2,00	0,00	1,00	50,00
Contract Band B Permanent	1,00	1,00	0,00	0,00
Contract Band C Permanent	3,00	1,00	0,00	0,00
Contract Band D Permanent	543,00	77,00	65,00	12,00
<b>Total</b>	<b>567,00</b>	<b>55,00</b>	<b>42,00</b>	<b>7,40</b>



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

Critical occupation	Number of employees at beginning of period-April 2022	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related permanent	209,00	16,00	30,00	14,40
Advocates permanent	3,00	0,00	1,00	33,30
Agriculture related permanent	1,00	0,00	0,00	0,00
Bus and heavy vehicle drivers permanent	2,00	0,00	0,00	0,00
Cleaners in offices workshops hospitals etc. Permanent	52,00	1,00	2,00	3,80
Client inform clerks(switchb receipt inform clerks) permanent	9,00	0,00	0,00	0,00
Communication and information related permanent	6,00	2,00	2,00	33,30
Community development workers permanent	3,00	0,00	1,00	33,30
Computer system designers and analysts. Permanent	22,00	0,00	2,00	9,10
Finance and economics related permanent	0,00	1,00	0,00	0,00
Financial clerks and credit controllers permanent	17,00	0,00	2,00	11,80
Food services aids and waiters permanent	2,00	0,00	0,00	0,00
General legal administration & rel. Professionals permanent	1,00	0,00	0,00	0,00
Household and laundry workers permanent	3,00	0,00	0,00	0,00
Housekeepers laundry and related workers permanent	15,00	1,00	0,00	0,00
Human resources & organisat developm & relate prof permanent	13,00	0,00	0,00	0,00
Human resources clerks permanent	1,00	0,00	0,00	0,00
Human resources related permanent	1,00	0,00	0,00	0,00
Language practitioners interpreters & other commun permanent	1,00	0,00	0,00	0,00
Legal related permanent	5,00	1,00	0,00	0,00
Light vehicle drivers permanent	3,00	0,00	0,00	0,00
Logistical support personnel permanent	7,00	9,00	0,00	0,00
Material-recording and transport clerks permanent	1,00	0,00	0,00	0,00
Messengers porters and deliverers permanent	52,00	39,00	14,00	26,90
Motor vehicle drivers permanent	15,00	1,00	5,00	33,30
Other administrat & related clerks and organisers permanent	1,00	0,00	0,00	0,00
Other administrative policy and related officers permanent	1,00	0,00	0,00	0,00
Other occupations permanent	41,00	0,00	0,00	0,00
Risk management and security services permanent	1,00	0,00	0,00	0,00
Secretaries & other keyboard operating clerks permanent	55,00	6,00	6,00	10,90
Security guards permanent	543,00	77,00	65,00	12,00
Senior managers permanent	58,00	3,00	7,00	12,10
<b>Total</b>	<b>567,00</b>	<b>55,00</b>	<b>42,00</b>	<b>7,40</b>



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

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

Termination Type	Number	% of Total Resignations
Death, Permanent	7,00	10,80
Resignation, Permanent	22,00	33,80
Expiry of Contract, Permanent	20,00	30,80
Retirement, Permanent	16,00	24,60
<b>Total</b>	<b>65,00</b>	<b>100,00</b>
<b>Total number of employees who left as a % of total employment</b>	<b>11.80</b>	

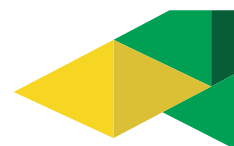
Table 3.5.4 Promotions by critical occupation for the period 1 April 2022 and 31 March 2023.

Occupation	Employees 1 April 2021	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative Related	209,00	1,00	0,50	102,00	48,80
Advocates	3,00	0,00	0,00	1,00	33,30
Agriculture Related	1,00	0,00	0,00	1,00	100,00
Bus And Heavy Vehicle Drivers	2,00	0,00	0,00	2,00	100,00
Cleaners In Offices Workshops Hospitals Etc.	52,00	0,00	0,00	0,00	0,00
Client Inform Clerks(Switchb Recept Inform Clerks)	9,00	0,00	0,00	9,00	100,00
Communication And Information Related	6,00	0,00	0,00	2,00	33,30
Community Development Workers	3,00	0,00	0,00	2,00	66,70
Computer System Designers And Analysts.	22,00	0,00	0,00	5,00	22,70
Finance And Economics Related	17,00	0,00	0,00	7,00	41,20
Financial Clerks And Credit Controllers	2,00	0,00	0,00	1,00	50,00

Food Services Aids And Waiters	1,00	0,00	0,00	1,00	00,00
General Legal Administration & Rel. Professionals	3,00	0,00	0,00	3,00	100,00
Household And Laundry Workers	15,00	0,00	0,00	12,00	80,00
Housekeepers Laundry And Related Workers	2	0	0	2	100,00
Human Resources & Organisat Developm & Relate Prof	3	0	0	3	100,00
Human Resources Clerks	17	0	0	13	76,50
Human Resources Related	13,00	1,00	7,70	9,00	69,20
Language Practitioners Interpreters & Other Commun	1,00	0,00	0,00	0,00	0,00
Legal Related	1,00	0,00	0,00	0,00	0,00
Light Vehicle Drivers	1,00	0,00	0,00	0,00	0,00
Logistical Support Personnel	5,00	0,00	0,00	4,00	80,00
Material-Recording And Transport Clerks	3,00	0,00	0,00	2,00	66,70
Messengers Porters And Deliverers	7,00	0,00	0,00	2,00	28,60
Motor Vehicle Drivers	1,00	0,00	0,00	1,00	100,00
Other Administrat & Related Clerks And Organisers	52,00	0,00	0,00	11,00	21,20
Other Administrative Policy And Related Officers	15,00	0,00	0,00	9,00	60,00
Other Occupations	1,00	1,00	100,00	0,00	0,00
Risk Management And Security Services	1,00	0,00	0,00	0,00	0,00
Secretaries & Other Keyboard Operating Clerks	41,00	0,00	0,00	30,00	73,20
Security Guards	1,00	0,00	0,00	0,00	0,00
Senior Managers	55,00	0,00	0,00	24,00	43,60
<b>Total:</b>	<b>543,00</b>	<b>3,00</b>	<b>0,60</b>	<b>240,00</b>	<b>44,20</b>

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

Salary Band	Employees 1 April 2021	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Skilled (Levels 3-5), Permanent	133,00	0,00	0,00	26,00	19,50
Highly Skilled Production (Levels 6-8), Permanent	135,00	1,00	0,70	91,00	67,40
Highly Skilled Supervision (Levels 9-12), Permanent	143,00	1,00	0,70	88,00	61,50
Senior Management (Levels >= 13), Permanent	54,00	1,00	1,90	22,00	40,70
Other, Permanent	37,00	0,00	0,00	0,00	0,00
Contract (Levels 3-5), Permanent	3,00	0,00	0,00	1,00	33,30
<b>Contract (Levels 6-8), Permanent</b>	<b>15,00</b>	<b>0,00</b>	<b>0,00</b>	<b>4,00</b>	<b>26,70</b>
<b>Contract (Levels 9-12), Permanent</b>	<b>9,00</b>	<b>0,00</b>	<b>0,00</b>	<b>2,00</b>	<b>22,20</b>
<b>Contract (Levels &gt;= 13), Permanent</b>	<b>14,00</b>	<b>0,00</b>	<b>0,00</b>	<b>6,00</b>	<b>42,90</b>
<b>Total</b>	<b>543,00</b>	<b>3,00</b>	<b>0,60</b>	<b>240,00</b>	<b>44,20</b>



### 3.6. Employment Equity

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

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Officials And Managers	23,00	0,00	2,00	1,00	24,00	0,00	6,00	1,00	56,00
Professionals	11,00	0,00	4,00	2,00	23,00	1,00	8,00	3,00	55,00
Technicians And Associate Professionals	80,00	1,00	5,00	0,00	110,00	6,00	9,00	3,00	232,00
Clerks	40,00	1,00	0,00	0,00	108,00	2,00	2,00	1,00	135,00
Service Shop And Market Sales Workers	3,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	3,00
Plant And Machine Operators And Assemblers	4,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	4,00
Labourers And Related Workers	42,00	0,00	0,00	0,00	24,00	0,00	0,00	0,00	56,00
<b>Total</b>	<b>203,00</b>	<b>2,00</b>	<b>11,00</b>	<b>3,00</b>	<b>289,00</b>	<b>9,00</b>	<b>25,00</b>	<b>8,00</b>	<b>550,00</b>
Employees with disabilities	4,00	0,00	1,00	0,00	4,00	2,00	0,00	1,00	12,00

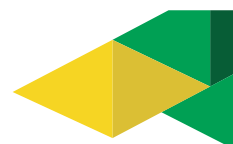
Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2023

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	4,00	0,00	0,00	0,00	2,00	0,00	0,00	0,00	6,00
Senior Management, Permanent	15,00	0,00	1,00	1,00	21,00	0,00	6,00	1,00	45,00
Professionally Qualified And Experienced Specialists And Mid-Management, Permanent	45,00	0,00	6,00	2,00	58,00	4,00	12,00	4,00	131,00

Skilled Technical And Academically Qualified Workers, Junior Management, Supervisors, Foremen, Permanent	34,00	0,00	3,00	0,00	78,00	4,00	6,00	3,00	128,00
Semi-Skilled And Discretionary Decision Making, Permanent	62,00	2,00	0,00	0,00	60,00	0,00	0,00	0,00	124,00
Not Available, Permanent	4,00	0,00	0,00	0,00	21,00	0,00	1,00	0,00	26,00
Contract (Top Management), Permanent	3,00	0,00	1,00	0,00	2,00	0,00	0,00	0,00	6,00
Contract (Senior Management), Permanent	6,00	0,00	0,00	0,00	3,00	0,00	0,00	0,00	9,00
Contract (Professionally Qualified), Permanent	4,00	0,00	0,00	0,00	6,00	0,00	0,00	0,00	10,00
Contract (Skilled Technical), Permanent	26,00	0,00	0,00	0,00	34,00	1,00	0,00	0,00	61,00
Contract (Semi-Skilled), Permanent	0,00	0,00	0,00	0,00	4,00	0,00	0,00	0,00	4,00
<b>Total</b>	<b>203,00</b>	<b>2,00</b>	<b>11,00</b>	<b>3,00</b>	<b>289,00</b>	<b>9,00</b>	<b>25,00</b>	<b>8,00</b>	<b>550,00</b>

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	0,00	0,00	0,00	0,00	1,00	0,00	0,00	0,00	1,00
Professionally qualified and experienced specialists and mid-management	1,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1,00



Contract (Top Management), Permanent	1,00	0,00	1,00	0,00	0,00	0,00	0,00	0,00	2,00
Contract (Senior Management), Permanent	2,00	0,00	1,00	0,00	2,00	0,00	0,00	0,00	5,00
Contract (Professionally qualified), Permanent	2,00	0,00	0,00	0,00	5,00	0,00	0,00	0,00	7,00
Contract (Skilled technical), Permanent	26,00	0,00	0,00	0,00	32,00	1,00	0,00	0,00	59,00
Contract (Semi-skilled), Permanent	0,00	0,00	0,00	0,00	2,00	0,00	0,00	0,00	2,00
<b>TOTAL</b>	<b>32,00</b>	<b>0,00</b>	<b>2,00</b>	<b>0,00</b>	<b>42,00</b>	<b>1,00</b>	<b>0,00</b>	<b>0,00</b>	<b>77,00</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0

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

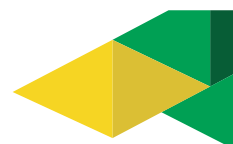
Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0,00	0,00	0,00	0,00	1,00	0,00	0,00	0,00	1,00
Senior Management	6,00	0,00	0,00	0,00	11,00	0,00	4,00	1,00	22,00
Professionally qualified and experienced specialists and mid-management	34,00	0,00	3,00	1,00	36,00	3,00	9,00	3,00	89,00
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	26,00	0,00	0,00	0,00	56,00	4,00	3,00	3,00	92,00



Semi-skilled and discretionary decision making, Permanent	10,00	2,00	0,00	0,00	14,00	0,00	0,00	0,00	26,00
Contract (Top Management), Permanent	0,00	0,00	0,00	0,00	1,00	0,00	0,00	0,00	1,00
Contract (Senior Management), Permanent	4,00	0,00	0,00	0,00	1,00	0,00	0,00	0,00	5,00
Contract (Professionally qualified), Permanent	0,00	0,00	0,00	0,00	2,00	0,00	0,00	0,00	2,00
Contract (Skilled technical), Permanent	0,00	0,00	0,00	0,00	4,00	0,00	0,00	0,00	4,00
Contract (Semi-skilled), Permanent	0,00	0,00	0,00	0,00	1,00	0,00	0,00	0,00	1,00
<b>TOTAL</b>	<b>80,00</b>	<b>2,00</b>	<b>3,00</b>	<b>1,00</b>	<b>127,00</b>	<b>7,00</b>	<b>16,00</b>	<b>7,00</b>	<b>243,00</b>
Employees with disabilities	3	0	0	0	1	2	0	1	7

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management, Permanent	3,00	0,00	1,00	0,00	0,00	0,00	0,00	0,00	4,00
Professionally qualified and experienced specialists and mid-management, Permanent	6,00	0,00	1,00	1,00	3,00	0,00	1,00	1,00	13,00
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	7,00	0,00	0,00	0,00	2,00	0,00	0,00	0,00	9,00
Semi-skilled and discretionary decision making, Permanent	4,00	0,00	0,00	0,00	3,00	0,00	0,00	0,00	7,00
Not Available, Permanent	4,00	0,00	0,00	0,00	4,00	0,00	1,00	0,00	9,00
Contract (Senior Management), Permanent	2,00	0,00	2,00	0,00	1,00	0,00	0,00	0,00	5,00



Contract (Professionally qualified), Permanent	5,00	0,00	0,00	0,00	1,00	0,00	0,00	0,00	6,00
Contract (Skilled technical), Permanent	6,00	0,00	0,00	0,00	5,00	0,00	0,00	0,00	11,00
Contract (Semi-skilled), Permanent	0,00	0,00	0,00	0,00	1,00	0,00	0,00	0,00	1,00
<b>TOTAL</b>	<b>37,00</b>	<b>0,00</b>	<b>4,00</b>	<b>1,00</b>	<b>20,00</b>	<b>0,00</b>	<b>2,00</b>	<b>1,00</b>	<b>65,00</b>
<b>Employees with disabilities</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>

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

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
NO OUTCOME	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

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

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	23	0	0	2	25	0	15	1	66
Professionals	1	0	0	0	5	0	2	1	9
Technicians and associate professionals	0	0	0	0	0	0	0	0	0
Clerks	72	2	7	2	201	5	25	2	316
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
<b>Total</b>	<b>96</b>	<b>2</b>	<b>7</b>	<b>4</b>	<b>231</b>	<b>5</b>	<b>42</b>	<b>4</b>	<b>391</b>
Employees with disabilities	0	0	0	0	1	0	0	1	2

### 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 hereto.

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2023.

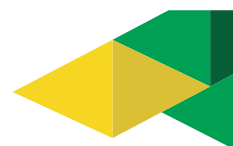
SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	1	1	100%
Salary Level 16	0	0	0	0
Salary Level 15	4	4	4	100%
Salary Level 14	14	11	10	91%
Salary Level 13	53	43	42	98%

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

Reasons
Non compliance

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

Reasons
Not yet



### 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).

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

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
<b>African</b>					
Male	2,00	199,00	1,00	50,68	25 339,00
Female	1,00	285,00	0,40	19,71	19 711,00
<b>Asian</b>					
Male	0,00	10,00	0,00	0,00	0,00
Female	0,00	25,00	0,00	0,00	0,00
<b>Coloured</b>					
Male	0,00	2,00	0,00	0,00	0,00
Female	0,00	7,00	0,00	0,00	0,00
<b>White</b>					
Male	0,00	3,00	0,00	0,00	0,00
Female	0,00	7,00	0,00	0,00	0,00
Employees with a disability	0,00	12,00	0,00	0,00	0,00
<b>Total</b>	<b>3,00</b>	<b>550,00</b>	<b>0,50</b>	<b>70,39</b>	<b>23 463,00</b>

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

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Skilled (Levels 3-5)	0,00	124,00	0,00	0,00	0,00	0,00
Highly Skilled Production (Levels 6-8)	0,00	128,00	0,00	0,00	0,00	0,00
Highly Skilled Supervision (Levels 9-12)	0,00	131,00	0,00	0,00	0,00	0,00
Other	0,00	26,00	0,00	0,00	0,00	0,00
Contract (Levels 3-5)	0,00	4,00	0,00	0,00	0,00	0,00
Contract (Levels 6-8)	0,00	61,00	0,00	0,00	0,00	0,00
Contract (Levels 9-12)	0,00	10,00	0,00	0,00	0,00	0,00
<b>TOTAL</b>	<b>0,00</b>	<b>484,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>

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

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Financial Clerks and Credit Controllers	0,00	14,00	0,00	0,00	0,00
Human Resources Clerks	0,00	16,00	0,00	0,00	0,00
Messengers Porters and Deliverers	0,00	13,00	0,00	0,00	0,00
Human Resources & Organisat Developm & Relate Prof	0,00	3,00	0,00	0,00	0,00
Risk Management and Security Services	0,00	1,00	0,00	0,00	0,00
Finance and Economics Related	0,00	20,00	0,00	0,00	0,00
Logistical Support Personnel	0,00	6,00	0,00	0,00	0,00
Other Administrat & Related Clerks and Organisers	0,00	74,00	0,00	0,00	0,00
Housekeepers Laundry and Related Workers	0,00	1,00	0,00	0,00	0,00
Other Occupations	0,00	1,00	0,00	0,00	0,00
Legal Related	0,00	1,00	0,00	0,00	0,00
Financial and Related Professionals	0,00	1,00	0,00	0,00	0,00
Administrative Related	0,00	198,00	0,00	0,00	0,00
Communication and Information Related	0,00	6,00	0,00	0,00	0,00
Secretaries & Other Keyboard Operating Clerks	0,00	39,00	0,00	0,00	0,00
Cleaners in Offices Workshops Hospitals Etc.	0,00	53,00	0,00	0,00	0,00
Human Resources Related	0,00	13,00	0,00	0,00	0,00
Language Practitioners Interpreters & Other Commun	0,00	1,00	0,00	0,00	0,00
General Legal Administration & Rel. Professionals	0,00	2,00	0,00	0,00	0,00
Material-Recording and Transport Clerks	0,00	2,00	0,00	0,00	0,00
Other Administrative Policy and Related Officers	0,00	10,00	0,00	0,00	0,00
Bus and Heavy Vehicle Drivers	0,00	2,00	0,00	0,00	0,00
Senior Managers	3,00	56,00	5,40	70,39	23 463,00
Advocates	0,00	2,00	0,00	0,00	0,00
Client Inform Clerks (Switchb Recept Inform Clerks)	0,00	9,00	0,00	0,00	0,00
Light Vehicle Drivers	0,00	1,00	0,00	0,00	0,00
Motor Vehicle Drivers	0,00	1,00	0,00	0,00	0,00
Security Guards	0,00	1,00	0,00	0,00	0,00
Community Development Workers	0,00	2,00	0,00	0,00	0,00
Agriculture Related	0,00	1,00	0,00	0,00	0,00
<b>Total</b>	<b>3,00</b>	<b>550,00</b>	<b>0,50</b>	<b>70,39</b>	<b>23 463,00</b>

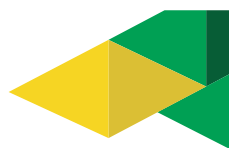


Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2022 and 31 March 2023.

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	0,00	45,00	0,00	0,00	0,00	0,00
Band B	0,00	9,00	0,00	0,00	0,00	0,00
Band C	3,00	8,00	37,50	70,39	23 462,90	0,60
Band D	0,00	4,00	0,00	0,00	0,00	0,00
<b>Total</b>	<b>3,00</b>	<b>66,00</b>	<b>4,50</b>	<b>70,39</b>	<b>23 462,90</b>	<b>0,10</b>



### 3.9 Foreign Workers

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

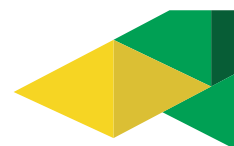
Table 3.9.1 Foreign workers by salary band for the period 1 April 2022 and 31 March 2023.

Salary band	01 April 2022		31 March 2023		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0,00	0,00	0,00	0,00	0,00	0,00
Highly skilled production (Lev. 6-8)	0,00	0,00	0,00	0,00	0,00	0,00
Highly skilled supervision (Lev. 9-12)	0,00	0,00	0,00	0,00	0,00	0,00
Contract (level 9-12)	0,00	0,00	0,00	0,00	0,00	0,00
Contract (level 13-16)	0,00	0,00	0,00	0,00	0,00	0,00
<b>Total</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2022 and 31 March 2023.

Major occupation	01 April 2022		31 March 2023		Change	
	Number	% of total	Number	% of total	Number	% Change
None	0,00	0,00	0,00	0,00	0,00	0,00
<b>Total</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>





### 3.10. Leave Utilisation

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

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

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Contract (Levels 13-16)	10,00	100,00	2,00	0,70	5,00	67,00
Contract (Levels 3-5)	3,00	100,00	1,00	0,30	3,00	3,00
Contract (Levels 6-8)	10,00	90,00	4,00	1,40	3,00	15,00
Contract (Levels 9-12)	13,00	76,90	3,00	1,00	4,00	40,00
Contract Other	80,00	48,80	18,00	6,20	4,00	23,00
Highly skilled production (Levels 6-8)	742,00	73,00	89,00	30,50	8,00	1 224,00
Highly skilled supervision (Levels 9-12)	869,00	76,10	95,00	32,50	9,00	2 641,00
Senior management (Levels 13-16)	318,00	79,90	37,00	12,70	9,00	1 441,00
Skilled (Levels 3-5)	471,50	87,80	43,00	14,70	11,00	451,00
<b>TOTAL</b>	<b>2 516,50</b>	<b>77,20</b>	<b>292,00</b>	<b>100,00</b>	<b>9,00</b>	<b>5 906,00</b>

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

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	0.00	0.00	0.00	0.00	0.00	0.00
Skilled (Levels 3-5)	0.00	0.00	0.00	0.00	0.00	0.00
Highly skilled production (Levels 6-8)	12,00	100,00	1,00	50,00	12,00	19,00
Highly skilled supervision (Levels 9-12)	17,00	100,00	1,00	50,00	17,00	44,00
Senior management (Levels 13-16)	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>29,00</b>	<b>100,00</b>	<b>2,00</b>	<b>100,00</b>	<b>15,00</b>	<b>63,00</b>

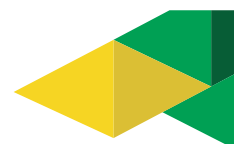
The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

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

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	76,00	8,00	10,00
Skilled Levels 3-5)	46,00	3,00	15,00
Contract (levels 3-5)	257,00	33,00	8,00
Highly skilled production (Levels 6-8)	90,00	6,00	15,00
Contracts (levels 6-8)	544,00	34,00	16,00
Highly skilled supervision (Levels 9-12)	2 775,00	126,00	22,00
Contracts (levels 9-12)	3 147,00	135,00	23,00
Senior management (Levels 13-16)	930,00	51,00	18,00
Contract (levels 13-16)	2 081,92	101,00	21,00
Contract other	9 946,92	497,00	20,00
<b>Total</b>	<b>9189.50</b>	<b>470.00</b>	<b>20.00</b>

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

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2023
Lower skilled (Levels 1-2)	0.00	0.00	0.00	0,00
Skilled Levels 3-5)	0.00	0.00	0.00	0,00
Contract (levels 3-5)	0.00	0.00	0.00	0,00
Highly skilled production (Levels 6-8)	0.00	0.00	0.00	0,00
Contract (levels 6-8)	0.00	0.00	0.00	0,00
Highly skilled supervision (Levels 9-12)	0.00	0.00	0.00	52,00
Contract (levels 9-12)	0.00	0.00	0.00	47,00
Senior management (Levels 13-16)	0.00	0.00	0.00	79,00
Contracts (levels 13-16)	0.00	0.00	0.00	79,00
Contract other	0.00	0.00	0.00	63,00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>67.00</b>



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 2022 and 31 March 2023.

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Annual - discounting with resignation (work days)	323,00	11,00	29 364,00
Annual - discounting: contract expiry (work days)	143,00	2,00	71 500,00
Annual - gratuity: death/retirement/medical retirement(work days)	223,00	2,00	111 500,00
Annual - discounting: unused vacation credits (work days)	1 117,00	20,00	55 850,00
Capped - gratuity: death/retirement/medical retirement(work days)	2 251,00	14,00	160 786,00
<b>Total</b>	<b>4 057,00</b>		

### 3.11. HIV/AIDS & Health Promotion Programmes

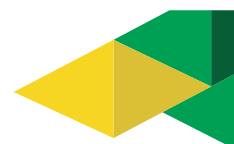
Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
No categories of employees are deemed at risks	0

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		Mr JM Gumede Director: Provincial Employee Health
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		Ms BB Mthembu Deputy Director: EHW Dr S Badul Deputy Director: PEHW Ms NW Ginah Assistant Director: SHERQ Ms CN Ndlovu Practitioner EHW Ms LB Zondi Administrator

Question	Yes	No	Details, if yes
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	Yes		<p>Covid-19 workplace management strategies</p> <p>Promoting physical activities</p> <p>Promoting behaviour change</p> <p>Approved Policies and implementation</p> <p>On-site Voluntary HIV and AIDS Counselling</p> <p>Advice and guidance on financial management</p> <p>Awareness sessions and advocacy</p> <p>Provision of psychological support</p> <p>Appointment of a Designated EH&amp;W Service provider</p> <p>Management of COVID-19 in the workplace</p>
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		<p>Mr F Safla – Chief Director</p> <p>Ms S Myeza - Finance</p> <p>Mr JM Gumede</p> <p>Provincial employee Health</p> <p>Mr O Msweli</p> <p>Labour Relations</p> <p>Ms B Cindi</p> <p>HR Policies and Support</p> <p>Mr Mkhize</p> <p>Security services</p> <p>Mr D Pillay</p> <p>Office support Auxiliary</p> <p>Ms T Zulu – HR Support</p>
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		<p>Relevant policies reviewed. No reports of discrimination on the basis of HIV/Aids were reported during the said period.</p>
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		<p>The approved policy HIV, AIDS and TB ensures that no employee or potential employee will be discriminated against due to their HIV status or perceived status. The policy induces that recourse in the form of grievance and or disciplinary action can be instituted.</p>
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	Yes		<p>In addition the employee can seek psychosocial support from the Employee Wellness Programme.</p> <p>The Employee Wellness programme ensures that the highest degree of confidentiality is maintained and no breach in confidentiality occurs thus resulting in discrimination.</p> <p>Condom distribution is encouraged.</p> <p>Employees are offer on-site testing for HIV during the regular Health Screening Sessions.</p>



Question	Yes	No	Details, if yes
8. Has the department developed measures/ indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		<p>Reports are analysed quarterly and measures to alleviate the impact are discussed and implemented.</p> <p>Targeted information sessions have been conducted to address the key health trends identified.</p> <p>Employee satisfaction survey was conducted.</p> <p>Employees were also encouraged to provide feedback through the various on line sessions.</p> <p>The feedback was used to adapt and improve programmes rendered.</p> <p>Sessions on current events impacting on the employees wellbeing were conducted.</p>

### 3.12. Labour Relations

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

Total number of Collective agreements	None
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Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2022 and 31 March 2023.

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	00	0%
Verbal warning	00	0%
Written warning	00	0%
Final written warning	01	50%
Suspended without pay	01	50%
Fine	00	0%
Demotion	00	0%
Dismissal	00	0%
Not guilty	00	0%
Case withdrawn	00	0%
<b>Total</b>	<b>02</b>	<b>100</b>

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

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2021 and 31 March 2022.

Total number of Disciplinary hearings finalised	2
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Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2022 and 31 March 2023.

Type of misconduct	Number	% of total
FALSIFIES RECORDS OR ANY DOCUMENTS	01	100%
<b>Total</b>	<b>01</b>	<b>100%</b>

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

Grievances	Number	% of Total
Number of grievances resolved	09	100%
Number of grievances not resolved	00	100%
<b>Total number of grievances lodged</b>	<b>09</b>	<b>100%</b>

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

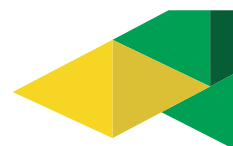
Disputes	Number	% of Total
Number of disputes upheld	0	0
Number of disputes dismissed	0	0
Number of disputes pending	4	80%
<b>Total number of disputes lodged</b>	<b>5</b>	<b>100%</b>

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

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

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

Number of people suspended	8
Number of people who's suspension exceeded 30 days	8
Cost of suspension(R'000)	R9 156 438.48



### 3.13. Skills Development

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

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

Occupational category	Gender	Number of employees as at 1 April 2022	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	34	0	8	33	0
	Male	31	0	4	18	0
Professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	271	0	151	242	0
	Male	213	0	65	197	0
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	305	0	159	275	739
	Male	244	0	69	215	528
<b>Total</b>		<b>549</b>	<b>0</b>	<b>228</b>	<b>490</b>	<b>2526</b>



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

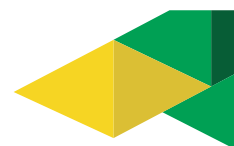
Occupational category	Gender	Number of employees as at 1 April 2022	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	41	0	41	0	41
	Male	25	0	25	0	25
Professionals	Female	8	0	8	0	8
	Male	1	0	1	0	1
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	233	0	233	0	233
	Male	83	0	83	0	83
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	282	0	282	0	282
	Male	109	0	109	0	109

### 3.14. Injury on Duty

The following tables provide basic information on injury on duty.

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

Nature of injury on duty	Number	% of total
Required basic medical attention only	7	100%
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
<b>Total</b>	<b>7</b>	<b>100%</b>



### 3.15. Utilisation of Consultants

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

- (a) The rendering of expert advice;
- (b) The drafting of proposals for the execution of specific tasks; and
- (c) The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a department.

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

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
None			

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

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

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

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

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

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and 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 2022 and 31 March 2023.*

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

### 3.16. Severance Packages

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

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (Levels 1-2)	0.00	0.00	0.00	0.00
Skilled Levels 3-5)	0.00	0.00	0.00	0.00
Highly skilled production (Levels 6-8)	0.00	0.00	0.00	0.00
Highly skilled supervision(Levels 9-12)	0.00	0.00	0.00	0.00
Senior management (Levels 13-16)	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>



A hand holding a pen over a document, with a green text box overlay. The background is a blurred image of a person's hand holding a pen over a document, with a green text box overlay. The text box contains the text "PART E" and "PFMA COMPLIANCE REPORT".

**PART E**  
**PFMA COMPLIANCE REPORT**

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

### 1.1. Irregular expenditure

#### a) Reconciliation of irregular expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	214 312	287 892
Prior Period error	0	(43 970)
Restated	214 312	243 922
Add: Irregular expenditure confirmed	0	874
Less: Irregular expenditure condoned	(5 622)	(30 484)
Less: Irregular expenditure not condoned and removed	0	0
Less: Irregular expenditure recoverable	0	0
Less: Irregular expenditure not recovered and written off	0	0
<b>Closing balance</b>	<b>208 690</b>	<b>214 312</b>

The closing balance of irregular expenditure relates to irregular expenditure incurred in the previous financial years. The department is in advance stages of the condonation process of this balance.

#### Reconciling notes

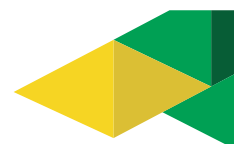
Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure that was under assessment in 2021/22	0	0
Irregular expenditure that relates to 2021/22 and identified in 2022/23	0	0
Irregular expenditure for the current year	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure that was under assessment in 2021/22	0	0
Irregular expenditure that relates to 2021/22 and identified in 2022/23	7 198	48 178
Irregular expenditure for the current year	0	0
<b>Total</b>	<b>7 198</b>	<b>48 178</b>

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

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure condoned	5 622	30 484
<b>Total</b>	<b>5 622</b>	<b>30 484</b>



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

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure NOT condoned and removed	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**e) Details of current and previous year irregular expenditure recovered**

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure recovered	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure written off	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**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
<b>Total</b>

The department did not have an inter-institutional arrangement which resulted into non-compliance.

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

Description	2022/2023	2021/2022
	R'000	R'000
<b>Total</b>	<b>0</b>	<b>0</b>

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

Description
Counselling letters were issued to the relevant officials who contributed to the department incurring irregular expenditure.

## 1.2. Fruitless and wasteful expenditure

### a) Reconciliation of fruitless and wasteful expenditure

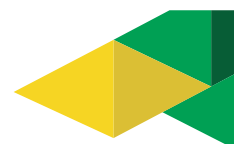
Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	679	679
Add: Fruitless and wasteful expenditure confirmed	0	0
Less: Fruitless and wasteful expenditure written off	0	0
Less: Fruitless and wasteful expenditure recoverable	0	0
<b>Closing balance</b>	<b>679</b>	<b>679</b>

The closing balance relates to previous financial years' fruitless and wasteful expenditure where most of the balance relates to fruitless and wasteful expenditure that was inherited from the then Department of Royal Household.

### Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2021/22	0	0
Fruitless and wasteful expenditure that relates to 2021/22 and identified in 2022/23	0	0
Fruitless and wasteful expenditure for the current year	0	0
<b>Total</b>	<b>0</b>	<b>0</b>





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

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure under assessment	0	0
Fruitless and wasteful expenditure under determination	679	679
Fruitless and wasteful expenditure under investigation	0	0
<b>Total</b>	<b>679</b>	<b>679</b>

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

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure recovered	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

There has been no fruitless and wasteful expenditure that has been identified for recovery as the determination process is still underway.

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

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure written off	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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

**Disciplinary steps taken**

The determination process is currently underway.

### 1.3. Unauthorised expenditure

#### a) Reconciliation of unauthorised expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	0	0
Add: unauthorised expenditure confirmed	0	0
Less: unauthorised expenditure approved with funding	0	0
Less: unauthorised expenditure approved without funding	0	0
Less: unauthorised expenditure recoverable	0	0
Less: unauthorised not recovered and written off	0	0
<b>Closing balance</b>	<b>0</b>	<b>0</b>

The department did not incur unauthorised expenditure in the current year and previous financial year.

#### Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Unauthorised expenditure	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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

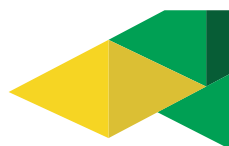
Description	2022/2023	2021/2022
	R'000	R'000
Unauthorised expenditure under assessment	0	0
Unauthorised expenditure under determination	0	0
Unauthorised expenditure under investigation	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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

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

Description	2022/2023	2021/2022
	R'000	R'000
Theft	0	0
Other material losses	0	0
Less: Recovered	0	0
Less: Not recovered and written off	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

The department had no material losses in terms of PFMA section 40(3)(b)(i) and (iii)

**b) Details of other material losses**

Description	2022/2023	2021/2022
	R'000	R'000
	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**c) Other material losses recovered**

Description	2022/2023	2021/2022
	R'000	R'000
	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

The department had no material losses in terms of PFMA section 40(3)(b)(i) and (iii) and therefore there are no material losses to be recovered.

**d) Other material losses written off**

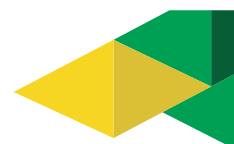
Description	2022/2023	2021/2022
	R'000	R'000
	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

## 2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

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

Description	2022/2023	2021/2022
	R'000	R'000
Valid invoices received	2915	490 175
Invoices paid within 30 days or agreed period	2883	486 271
Invoices paid after 30 days or agreed period	32	3 905
Invoices older than 30 days or agreed period (unpaid and without dispute)	0	0
Invoices older than 30 days or agreed period (unpaid and in dispute)	0	0

Late payments to service providers was largely due to issues experienced with in active banking details on the BAS system.

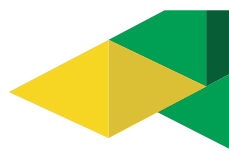


### 3. SUPPLY CHAIN MANAGEMENT

#### 3.1. Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Appointment of sole service provider, sourcing strategy for media buying in print and electronic media for the 2022-23 financial year	Various Suppliers	Sole supplier	Annual Deviation	R28 385 252,97
Appointment of single supplier: Liquid Intelligent Technology to provide telephony and hosted PABX Services for the period 01 April 2022 to 30 September 2023	Liquid Intelligent Technologies	Single source	E0054601	R4 947 127,38
Appointment of service providers to provide catering during the inspection of disaster damage in the seven districts that were hardly affected by the inclement weather.	Kwenze Manje	Emergency	E0054359	R23 450,00
Appointment of service providers to provide catering during the inspection of disaster damage in the seven districts that were hardly affected by the inclement weather.	Occassion Shiner	Emergency	E0054360	R19 320,00
Appointment of service providers to provide catering during the inspection of disaster damage in the seven districts that were hardly affected by the inclement weather.	Amajuba Caterers & Deco	Emergency	E0054361	R25 300,00

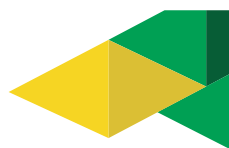
Appointment of service providers to provide catering during the inspection of disaster damage in the seven districts that were hardly affected by the inclement weather.	Amajuba Caterers & Deco	Emergency	E0054362	R27 025,00
Appointment of service providers to provide catering during the inspection of disaster damage in the seven districts that were hardly affected by the inclement weather.	Hadash Trading	Emergency	E0054363	R20 500,00
Appointment of service providers to provide catering during the inspection of disaster damage in the seven districts that were hardly affected by the inclement weather.	Classic Events	Emergency	E0054364	R27 025,00
Appointment of service providers to provide catering for the operations of the Disaster Monitoring Centre that has been established at the Archie Gumede Conference Centre, Department of Public Works in Mayville, Durban, from 17 April 2022 until the floods disaster management meetings are finished	Occasion shiner	Emergency	E0054365	R21 735,00
Appointment of service providers to provide catering for the operations of the Disaster Monitoring Centre that has been established at the Archie Gumede Conference Centre, Department of Public Works in Mayville, Durban, from 17 April 2022 until the floods disaster management meetings are finished	Occasion shiner	Emergency	E0054366	R22 798.75



Appointment of service providers to provide catering for the operations of the Disaster Monitoring Centre that has been established at the Archie Gumede Conference Centre, Department of Public Works in Mayville, Durban, from 17 April 2022 until the floods disaster management meetings are finished	Supreme Solutions	Emergency	E0054396	R23 300,00
Appointment of service providers to provide catering for the operations of the Disaster Monitoring Centre that has been established at the Archie Gumede Conference Centre, Department of Public Works in Mayville, Durban, from 17 April 2022 until the floods disaster management meetings are finished	Occasion shiner	Emergency	E0054367	R17 365,00
Appointment of service provider to host Provincial Prayer Day due to emergency ensued from KZN recent natural disaster in Durban-Exhibition Centre on the 21 April 2022	Okwethu trading	Emergency	E0054330	R215 000,00
Appointment of service providers to provide catering for the operations of the Disaster Monitoring Centre that has been established at the Archie Gumede Conference Centre, Department of Public Works in Mayville, Durban, from 17 April 2022 until the floods disaster management meetings are finished	Berllas Trading	Emergency	E0054368	R50 025,00

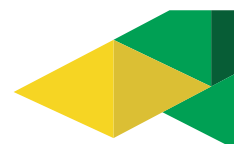


Appointment of service providers to provide catering for the operations of the Disaster Monitoring Centre that has been established at the Archie Gumede Conference Centre, Department of Public Works in Mayville, Durban, from 17 April 2022 until the floods disaster management meetings are finished	Occasion Shiner	Emergency	E0054369	R25 328.75
Appointment of service providers to provide catering for the operations of the Disaster Monitoring Centre that has been established at the Archie Gumede Conference Centre, Department of Public Works in Mayville, Durban, from 17 April 2022 until the floods disaster management meetings are finished	Occasion Shiner	Emergency	E0054371	R25 328.75
Appointment of service providers to provide catering for the operations of the Disaster Monitoring Centre that has been established at the Archie Gumede Conference Centre, Department of Public Works in Mayville, Durban, from 17 April 2022 until the floods disaster management meetings are finished	Berllas Trading	Emergency	E0054402	R6 727,50
Deviation for the appointment of the Intelligence Transfer Centre as the single source for the Standard Operating Procedure Master-class from 18 to 20 May 2022	Intelligence Transfer Centre	Single source	E0054414	R20 697,70



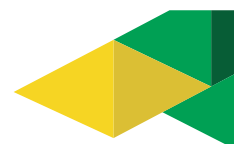
Appointment of a Sole Supplier, a service provider to renew a subscription to the South African Bibliographic Information Network (SABINET) the for Provincial Public Training Academy Library for the 2022/2023 Financial year	SABINET	Sole supplier	E0054492	R619 893.09
Appointment on a single source, Frama PTY LTD to provide a new franking machine, load funds, provide ink tanks, and maintain the franking machine for the duration of its life cycle	FRAMA	Sole supplier	E0054561	R24 995.00
Appointment of service provider for burial support of a Military Veteran for the late Mrs Enneth Anne Fuziwe Webster Force no 96063505	Syaphambili Pty Ltd	Emergency	E0054613	R75 000,00
Appointment of sole supplier scouring strategy for the Security services at the residence of the Honourable Premier	Excellarate Services	Single source	E0054803	R986 982.83
Appointment of single source: Val Adamson Photography to undertake a photographic shoot of the newly announced KwaZulu-Natal Provincial Executive Council	Val Adamson Photography	Single source	E0054676	R28 950,00
Appointment of the service provider to procure service for the provincial official funeral for the late Mr Gordon Webster.	Icebolethu Funeral Services	Emergency	E0054675	R220 776,25

Appointment of the service provider to procure transport services to support the entering of the Kraal by His Majesty the King	Black Tie	Emergency	E0054704	R318 755,00
Appointment of Employee Assistance Professionals Association of South Africa (EAPA-SA) as the sole supplier to provide training through the conference: EAPA-SA EDU week from 06-08 September 2022 at Emperor's Palace-Johannesburg to be attended by the Director, two Deputy Director and an Officer in the Employee Health and wellness directorate	Employee Assistance Professionals Association	Sole supplier	E0054722	R46 396,00
Appointment of the Voice Clinic as the Single source supplier to conduct the training: Executive power speaking programme to be attended by the Corporate Management Service Branch including the Deputy Director-General, Director of Human Resource Support and two officials	The Voice Clinic Pty Ltd	Single Source	E0054725	R68 995,40
Appointment of Mdlendle Incorporated to brief Adv BS Khuzwayo to provide legal advice in respect of the matter regarding the Director-General	Mdlendle Incorporated	Single source	Mdlendle Incorporated	R47,642,50
Appointment of the service provider to support the funeral of the late Ms Phumzile Manyathi	NH Ndlovu Trading	Single Source	E0054777	R85 100,00



Appointment of service provider to undergo specialized RPAS (Remotely- Piloted Aircraft Systems/Drone) training	Drone Pty Ltd	Single Source	E0054904	R210 000.00
Appointment of Lexis Nexis Butterworths to provide Online Legal Electronic Products	Lexis Nexis	Single source	E0054912	R206 816.07
Appointment of Hue-Tone manufacturer to purchase Hardcat Barcodes for the tagging of departmental assets	Hue-Tone Manufacture	Single Source	E0054982	R5 025,50
Appointment of single source supplier, Rainbow Academic Books, to purchase library books for the Kwazulu- Natal Provincial Public Service Training Academy Library for the 2022/2023 financial year	Rainbow Academic Bookshop	Single Source	E0054981	R55 630,00
Appointment of I-Computer Solution through deviation on a single source to recover data from the IMAC Desktop for the Director-General.	I-Computer Solutions	Single Source	E055023	R7 150,00
Appointment of I-Computer Solution through deviation on a single source to recover data from the IMAC Desktop for the Director-General.	I-Computer Solutions	Single Source	E0055056	R6 650,00
Appointment of the service provider to render services of an entity to coordinate Amabutho programme in the Province	Ayanda amabomvu	Single Source	E0055152	R800 000,00

Appointment of a single source supplier for the emergency cleaning and hygiene services to perform water extraction on the lower ground floor due to flooding	La thobs	Single Source	E0055401	R15 000,00
The appointment of the service provider to procure services for the funeral of the late Mandla 'Mampintsha' Maphumulo is scheduled to take place on Friday 30 December 2022	Kwadanki Investment	Emergency	E0055084	R120 000,00
Appointment of the service provider to procure services for the funeral of the late Mandla 'Mampintsha' Maphumulo scheduled to take place on Friday 30 December 2022	Icebolethu Funeral Services	Single source	E0055086	R50 000,00
Appointment of the service provider to procure services for the funeral of the late Mthembu family at Nciyane in Eshowe on Sunday 08 January 2023.	Nanolicious Pty Ltd	Single source	E0055106	R50 300,00
Appointment of the service provider to procure services for the funeral of the late Sphengana family, at Sidikideni, Riverside in uMzimkhulu on Sunday 08 January 2023.	Classic Events	Single source	E0055107	R56 810,00
Appointment of the service provider to render praise-singing and mentor incoming praise singers	Mavukefile	Single source	E0055402	R813 627,00



Appointment of the sole supplier selection for Municipal IQ Subscription for Data sets to support evidence-informed Policy Development and Planning	Municipal IQ	Sole supplier	E0055240	R160 500,00
Appointment of the sole supplier selection for the SA Institute for Race Relations (IRR) Subscription for Data sets to support evidence-informed Policy Development and Planning.	SA Institute for Race Relations	Sole supplier	E0055250	R111 320,00
Appointment of single source supplier: Letsatsi -INK to curry outside event at the UN Water Conference	Letsatsi-Ink (PTY) Ltd	Single source	E0055311	R750 000,00
Appointment of single source supplier to provide support to the family who has lost a family member in eThekweni Metro	Shaharsh Trading	Single source	E0055316	R90 300,00
Selection of the single source supplier: Isivuno Auctioneers to procure the vehicle	Isivuno Auctioneers	Single source	Sundry	R4 650 000,51
Premiers talk shows (This is a twelve months contract period)	SABC (Ukhozi FM)	Sole supplier	E0055364	R2 922 991,34
<b>Total</b>				<b>R47 479 963,29</b>
<b>NB:</b> The list excludes investigations and transport procurement done via TAXI Associations				

### 3.2. Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Implementation of Monitoring, Evaluation and impact assessment in KwaZulu-Natal Province	Entsika Consultant Services	Variation	E0054025	R22 338 772,94	R0 ,00	R3 000 000,00
<b>Total</b>				<b>R22 338 772,94</b>	<b>R0,00</b>	<b>R3 000 000,00</b>



A hand is shown using a calculator over an open notebook. A pen lies on the notebook's pages. In the bottom right corner, a portion of a financial data table is visible, listing various assets and their values. A central text box with a green background and orange border contains the title 'PART F FINANCIAL INFORMATION'.

# PART F

## FINANCIAL INFORMATION

## 1. REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL PROVINCIAL LEGISLATURE ON VOTE NO. 1: OFFICE OF THE PREMIER

### Opinion

1. I have audited the financial statements of the Office of the Premier set out on pages 140 to 191, which comprise the appropriation statement, statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Office of the Premier as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

### Basis for opinion

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

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

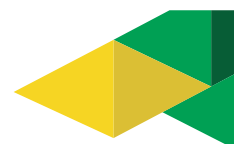
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Emphasis of matters

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

### Assets under investigation

7. As disclosed in note 37 to financial statements, movable assets of R33,45 million and minor assets of R3,35 million were included in assets under investigation. This was because the Hardcat (asset management system) and the asset register did not reconcile.



### **Material underspending of the budget**

8. The department materially underspent the budget by R13,22 million. The majority of underspending related to transfers and subsidies and goods and services for the reasons disclosed in the notes to the appropriation statement.

### **Other matters**

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

#### National Treasury Instruction Note No. 4 of 2022-2023: PFMA Compliance and Reporting Framework

10. On 23 December 2022, the National Treasury issued Instruction Note 4 of 2022-2023, which came into effect on 3 January 2023, in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA. The instruction note deals with the PFMA compliance and reporting framework and addresses, among others, the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Irregular expenditure and fruitless and wasteful expenditure incurred in prior financial years and not yet addressed no longer need to be disclosed in the disclosure notes to the annual financial statements. Only the current year and prior year figures are disclosed in note 22 to the financial statements of the Office of the Premier. Movements in respect of irregular expenditure and fruitless and wasteful expenditure also no longer need to be disclosed in the notes to the annual financial statements. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) is now included as part of the other information in the annual report of the department. I do not express an opinion on the disclosure of irregular expenditure in the annual report.

### **Unaudited supplementary schedules**

11. The supplementary information set out on pages 192 to 204 do not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

### **Responsibilities of the accounting officer for the financial statements**

12. 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.

13. 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

14. 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.

15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

### Report on the audit of the annual performance report

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

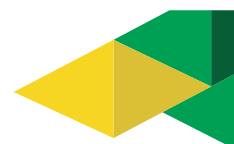
17. I selected the following programme presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected a programme that measures the department's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page Number	Purpose
Institutional development	36-47	The programme encompasses many of the coordinating efforts and constitutional as well as policy mandates, which is intrinsically linked to the provincial growth path development plan, the government-wide medium-term strategic framework and annual plan as well as the National Development Plan.

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

19. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives



- the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported with reasons provided for any over or under achievement of targets

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

21. I did not identify any material findings on the reported performance information for the selected programme.

### **Other matter**

22. I draw attention to the matter below

### **Achievement of planned targets**

23. The annual performance report includes information on reported achievements against planned targets and provides explanations for an over achievement and under achievements.

### **Report on compliance with legislation**

24. 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.

25. 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.

26. 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.

27. I did not identify any material non-compliance with the selected legislative requirements.

### **Other information in the annual report**

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

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

30. 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 programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

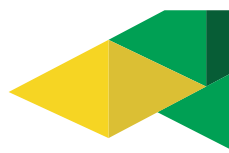
### **Internal control deficiencies**

32. 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.

33. I did not identify any significant deficiencies in internal control.

### **Other reports**

34. I draw attention to the following engagements conducted. 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.



## Investigations

35. The provincial forensic unit conducted seven investigations covering the period 1 April 2010 to 31 March 2023. These investigations related to allegations of fraud, irregular expenditure, and procurement irregularities. Four investigations had been completed and disciplinary steps were being taken, while three investigations were still in progress at the date of this report.

Auditor-General

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Auditor-General

Pietermaritzburg

31 July 2023



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

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

### Auditor-general's responsibility for the audit

#### Professional judgement and professional scepticism

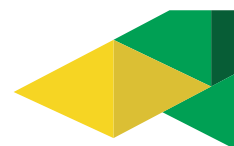
As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for the selected programme and on the department's compliance with selected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

#### Financial statements

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

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

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

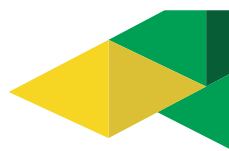
I also provide the accounting officer with a statement that i have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate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

## Compliance with legislation - selected legislative requirements

The selected legislative requirements are as follows:

Selected legislation and regulations	Consolidated firm level requirements
Public Finance Management Act 1 of 1999	Section 38(1)(b);38(1)(c)(ii); 38(1)(d); 38(1)(h)(iii); Section 39(1)(a); 39(2)(a); Section 40(1)(a); 40(1)(b); 40(1)(c)(i); Section 43(4); 44 (2) ; 45(b)
Treasury Regulations for departments	Treasury Regulation 4.1.1; 4.1.3 Treasury Regulation 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1 Treasury Regulation 6.3.1(a); 6.3.1(b); 6.3.1(c); 6.3.1(d); 6.4.1(b) Treasury Regulation 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1 Treasury Regulation 9.1.1; 9.1.4 Treasury Regulation 10.1.1(a); 10.1.2 Treasury Regulation 12.5.1 Treasury Regulation 15.10.1.2(c') Treasury Regulation 16A 3.2; 16A 3.2(a); 16A 6.1; 16A6.2(a) ,(b) ; 16A 6.3(a); 16A 6.3(a)(i);16A 6.3(b); 16A 6.3(c); 16A 6.3(e); 16A 6.4; 16A 6.5; IIIA TLS: 16A7.1. 16A.7.3: 16A.7.6: 16A.7.7; 16A 8.3 ;1gA 8.4; 16A9.1(b)(ii);16A 9.1(d); 16A 0.1(e); 16A9.2(a)(ii) ;16A9.1(f). Treasury Regulation 17.1.1 Treasury Regulation 18.2 Treasury Regulation 19.8.4
Public service regulation, 2016	Public service regulation 18 (1) and (2); 25(1)(e)(i); 25(1)(e)(iii)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	CIDB regulation 17; 25(7A)

Preferential Procurement Policy Framework Act 5 of 2000	Paragraph 4.1; 4.2 Paragraph 5.1; 5.3; 5.6; 5.7 Paragraph 6.8 Paragraph 7.8 Paragraph 8.2; 8.5 Paragraph 9.1 Paragraph 11.1
Preferential Procurement regulations, 2022	Paragraph 4.4
State Information Technology Agency Act 88 of 1998	Section 7(3)
NT SCM Instruction Note 03 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4; 4.4 (c) - (d); Paragraph 7.2
NT SCM Instruction 4A of 2016/17	Paragraph 6
NT SCM Instruction Note 11 2020/21	Paragraph 3.1; 3.4 (b); 3.9
NT SCM Instruction note 2 of 2021/22	Paragraph 3.2.1; 3.3.1
Practice Note 5 of 2009/10	Paragraph 3.3
Erratum NTI 5 of 202/21	Paragraph 1
Erratum NTI 5 of 202/21	Paragraph 2
NT instruction note 1 of 2021/22	Paragraph 4.1



# ANNUAL FINANCIAL STATEMENTS

## KZN OFFICE OF THE PREMIER

FOR THE YEAR ENDED 31 MARCH 2023

## CONTENTS

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for the year ended 31 March 2023

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**APPROPRIATION STATEMENT  
for the year ended 31 March 2023**

Appropriation per programme									
2022/23								2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Programme</b>									
1. ADMINISTRATION	208 079	-	(414)	207 665	202 639	5 026	97.6%	205 334	187 248
2. INSTITUTIONAL DEVELOPMENT	319 075	(1 600)	(15 985)	301 490	294 824	6 666	97.8%	420 412	404 610
3. POLICY AND GOVERNANCE	219 441	1 600	16 399	237 440	235 910	1 530	99.4%	184 494	162 339
Subtotal	<b>746 595</b>	-	-	<b>746 595</b>	<b>733 373</b>	<b>13 222</b>	<b>98.2%</b>	<b>810 240</b>	<b>754 197</b>
<b>TOTAL</b>	<b>746 595</b>	-	-	<b>746 595</b>	<b>733 373</b>	<b>13 222</b>	<b>98.2%</b>	<b>810 240</b>	<b>754 197</b>

	2022/23		2021/22	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
<b>TOTAL (brought forward)</b>				
<b>Reconciliation with statement of financial performance</b>				
<b>ADD</b>				
Departmental receipts	1 303		1 144	
NRF Receipts	-		-	
Aid assistance	5 673		-	
<b>Actual amounts per statement of financial performance (total revenue)</b>	<b>753 571</b>		<b>811 384</b>	
<b>ADD</b>				
Aid assistance		6 657		13 089
Prior year unauthorised expenditure approved without funding		-		-
<b>Actual amounts per statement of financial performance (total expenditure)</b>		<b>740 030</b>		<b>767 286</b>

**APPROPRIATION STATEMENT  
for the year ended 31 March 2023**

Appropriation per economic classification									
	2022/23							2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>659 931</b>	-	<b>(1 810)</b>	<b>658 121</b>	<b>652 995</b>	<b>5 126</b>	<b>99.2%</b>	<b>641 643</b>	<b>586 929</b>
Compensation of employees	339 185	-	(4 134)	335 051	333 761	1 290	99.6%	340 541	321 427
Goods and services	320 746	-	2 324	323 070	319 234	3 836	98.8%	301 102	265 502
<b>Transfers and subsidies</b>	<b>56 686</b>	-	-	<b>56 686</b>	<b>48 665</b>	<b>8 021</b>	<b>85.9%</b>	<b>122 380</b>	<b>121 106</b>
Provinces and municipalities	73	-	63	136	136	-	100.0%	212	212
Departmental agencies and accounts	24 888	-	-	24 888	24 888	-	100.0%	46 163	46 163
Non-profit institutions	-	-	-	-	-	-	-	50 000	50 000
Households	31 725	-	(63)	31 662	23 641	8 021	74.7%	26 005	24 731
<b>Payments for capital assets</b>	<b>29 978</b>	-	<b>1 810</b>	<b>31 788</b>	<b>31 713</b>	<b>75</b>	<b>99.8%</b>	<b>46 217</b>	<b>46 162</b>
Buildings and other fixed structures	5 877	-	489	6 366	6 366	-	100.0%	17 847	17 847
Machinery and equipment	24 101	-	1 321	25 422	25 347	75	99.7%	28 370	28 315
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>746 595</b>	<b>-</b>	<b>-</b>	<b>746 595</b>	<b>733 373</b>	<b>13 222</b>	<b>98.2%</b>	<b>810 240</b>	<b>754 197</b>

**APPROPRIATION STATEMENT  
for the year ended 31 March 2023**

Programme 1: ADMINISTRATION									
2022/23								2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
<b>Sub programme</b>									
1. PREMIER SUPPORT	30 855	-	(2 273)	28 582	28 366	216	99.2%	29 055	26 456
2. EXECUTIVE COUNCIL SUPPORT	11 870	-	800	12 670	12 484	186	98.5%	11 574	11 574
3. DIRECTOR-GENERAL SUPPORT	22 219	-	(1 315)	20 904	20 448	456	97.8%	22 837	22 723
4. FINANCIAL MANAGEMENT	115 450	-	2 274	117 724	116 200	1 524	98.7%	118 439	104 964
5. INTERGOVERNMENTAL RELATIONS	27 685	-	100	27 785	25 141	2 644	90.5%	23 429	21 531
<b>Total for sub programmes</b>	<b>208 079</b>	<b>-</b>	<b>(414)</b>	<b>207 665</b>	<b>202 639</b>	<b>5 026</b>	<b>97.6%</b>	<b>205 334</b>	<b>187 248</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>184 851</b>	<b>-</b>	<b>(3 910)</b>	<b>180 941</b>	<b>177 077</b>	<b>3 864</b>	<b>97.9%</b>	<b>175 114</b>	<b>157 112</b>
Compensation of employees	95 356	-	(3 364)	91 992	91 280	712	99.2%	103 509	93 213
Goods and services	89 495	-	(546)	88 949	85 797	3 152	96.5%	71 605	63 899
<b>Transfers and subsidies</b>	<b>2 659</b>	<b>-</b>	<b>-</b>	<b>2 659</b>	<b>1 497</b>	<b>1 162</b>	<b>56.3%</b>	<b>1 950</b>	<b>1 871</b>
Provinces and municipalities	73	-	63	136	136	-	100.0%	212	212
Households	2 586	-	(63)	2 523	1 361	1 162	53.9%	1 738	1 659
<b>Payments for capital assets</b>	<b>20 569</b>	<b>-</b>	<b>3 496</b>	<b>24 065</b>	<b>24 065</b>	<b>-</b>	<b>100%</b>	<b>28 270</b>	<b>28 265</b>
Buildings and other fixed structures	5 877	-	489	6 366	6 366	-	100.0%	17 847	17 847
Machinery and equipment	14 692	-	3 007	17 699	17 699	-	100.0%	10 423	10 418
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>208 079</b>	<b>-</b>	<b>(414)</b>	<b>207 665</b>	<b>202 639</b>	<b>5 026</b>	<b>97.6%</b>	<b>205 334</b>	<b>187 248</b>

## APPROPRIATION STATEMENT for the year ended 31 March 2023

Programme 2: INSTITUTIONAL DEVELOPMENT									
2022/23								2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Expenditure	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Sub programme									
1. STRATEGIC HUMAN RESOURCES	80 430	(1 600)	(3 150)	75 680	73 676	2 004	97.4%	80 593	76 108
2. INFORMATION COMM. TECHNOLOGY (ICT)	70 228	-	(1 400)	68 828	68 597	231	99.7%	124 459	123 065
3. LEGAL SERVICES	14 194	-	(1 016)	13 178	13 140	38	99.7%	12 847	12 847
4. COMMUNICATION SERVICES	60 805	-	(3 635)	57 170	57 084	86	99.8%	52 175	51 533
5. SPECIAL PROGRAMMES	57 352	-	(4 000)	53 352	49 211	4 141	92.2%	117 624	110 724
6. FORENSIC INVESTIGATIONS AND INTEGRITY MANAGEMENT	36 066	-	(2 784)	33 282	33 116	166	99.5%	32 714	30 333
<b>Total for sub programmes</b>	<b>319 075</b>	<b>(1 600)</b>	<b>(15 985)</b>	<b>301 490</b>	<b>294 824</b>	<b>6 666</b>	<b>97.8%</b>	<b>420 412</b>	<b>404 610</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>284 898</b>	<b>(1 600)</b>	<b>(15 400)</b>	<b>267 898</b>	<b>267 123</b>	<b>775</b>	<b>99.7%</b>	<b>332 064</b>	<b>317 470</b>
Compensation of employees	142 098	(1 600)	(4 600)	135 898	135 408	490	99.6%	153 403	145 701
Goods and services	142 800	-	(10 800)	132 000	131 715	285	99.8%	178 661	171 769
<b>Transfers and subsidies</b>	<b>26 596</b>	<b>-</b>	<b>-</b>	<b>26 596</b>	<b>20 780</b>	<b>5 816</b>	<b>78.1%</b>	<b>72 612</b>	<b>71 417</b>
Non-profit institutions	-	-	-	-	-	-	-	50 000	50 000
Households	26 596	-	-	26 596	20 780	5 816	78.1%	22 612	21 417
<b>Payments for capital assets</b>	<b>7 581</b>	<b>-</b>	<b>(585)</b>	<b>6 996</b>	<b>6 921</b>	<b>75</b>	<b>98.9%</b>	<b>15 736</b>	<b>15 723</b>
Machinery and equipment	7 581	-	(585)	6 996	6 921	75	98.9%	15 736	15 723
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>319 075</b>	<b>(1 600)</b>	<b>(15 985)</b>	<b>301 490</b>	<b>294 824</b>	<b>6 666</b>	<b>97.8%</b>	<b>420 412</b>	<b>404 610</b>



**APPROPRIATION STATEMENT  
for the year ended 31 March 2023**

Programme 3: POLICY AND GOVERNANCE									
	2022/23						2021/22		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
<b>Sub programme</b>									
1. PROVINCIAL POLICY MANAGEMENT	38 606	1 600	1 550	41 756	41 551	205	99.5%	25 874	24 515
2. PREMIER'S PRIORITY PROGRAMMES	88 238	-	15 156	103 394	103 186	208	99.8%	65 398	51 397
3. ROYAL HOUSEHOLD	92 597	-	(307)	92 290	91 173	1 117	98.8%	93 222	86 427
<b>Total for sub programmes</b>	<b>219 441</b>	<b>1 600</b>	<b>16 399</b>	<b>237 440</b>	<b>235 910</b>	<b>1 530</b>	<b>99.4%</b>	<b>184 494</b>	<b>162 339</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>190 182</b>	<b>1 600</b>	<b>17 500</b>	<b>209 282</b>	<b>208 795</b>	<b>487</b>	<b>99.8%</b>	<b>134 465</b>	<b>112 347</b>
Compensation of employees	101 731	1 600	3 830	107 161	107 073	88	99.9%	83 629	82 513
Goods and services	88 451	-	13 670	102 121	101 722	399	99.6%	50 836	29 834
<b>Transfers and subsidies</b>	<b>27 431</b>	<b>-</b>	<b>-</b>	<b>27 431</b>	<b>26 388</b>	<b>1 043</b>	<b>96.2%</b>	<b>47 818</b>	<b>47 818</b>
Departmental agencies and accounts	24 888	-	-	24 888	24 888	-	100.0%	46 163	46 163
Households	2 543	-	-	2 543	1 500	1 043	59.0%	1 655	1 655
<b>Payments for capital assets</b>	<b>1 828</b>	<b>-</b>	<b>(1 101)</b>	<b>727</b>	<b>727</b>	<b>-</b>	<b>100%</b>	<b>2 211</b>	<b>2 174</b>
Machinery and equipment	1 828	-	(1 101)	727	727	-	100%	2 211	2 174
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>219 441</b>	<b>1 600</b>	<b>16 399</b>	<b>237 440</b>	<b>235 910</b>	<b>1 530</b>	<b>99.4%</b>	<b>184 494</b>	<b>162 339</b>

## NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2023

### 1. Detail of transfers and subsidies as per Appropriation Act (after Virement):

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-H) to the Annual Financial Statements.

### 2. Detail of specifically and exclusively appropriated amounts voted (after Virement):

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

### 3. Detail on payments for financial assets

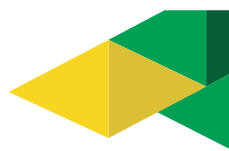
Detail of these transactions per programme can be viewed in the note on Payments for financial assets to the Annual Financial Statements.

### 4. Explanations of material variances from Amounts Voted (after Virement):

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
<b>Programme 1: Administration</b>	207 665	202 639	5 026	2.4%

Programme 1 was underspent by R5,026 million mainly due to the following reasons:

- a) Compensation of Employees was underspent by R712 thousand mainly due to staff exits as a result of early retirements.
- b) Goods and Services was underspent by R3,152 million primarily attributed to an amount of R2,496 million, that was received in the Adjustments Estimate from the African Union to assist with water distribution to communities that were affected from the flood disaster. These funds were not utilized due to the consultation process with the Municipalities and the Department of Corporate Governance and Traditional Affairs (COGTA) taking longer than expected in terms of establishing the greatest need of water in the Province. A rollover of funds will be requested for the finalization of the water distribution during the 2023/24 financial year. In addition, due to the Department utilizing more digital platforms such as SMARTGOV, there has been a reduction in administrative expenses.
- c) Transfers and Subsidies was underspent by R1,162 million due to staff exit costs in respect of leave gratuity pay-outs and early retirement penalties that were not paid as a result of the processes involved in obtaining tax directives as well late receipt of invoices from GEPF. As these are committed expenses, a rollover of funds will be requested to meet these expenses in the 2023/24 financial year.



**NOTES TO THE APPROPRIATION STATEMENT  
for the year ended 31 March 2023**

d) Payments for Capital Assets had a nil variance as the budget was fully spent.

	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
<b>Programme 2: Institutional Development</b>	301 490	294 824	6 666	2.2%

Programme 2 was underspent by R6,666 million mainly due to the following reasons:

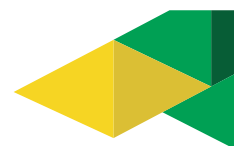
- a) Compensation of Employees was underspent by R490 thousand mainly due to staff exits as a result of early retirements.
- b) Goods and Services was underspent by R308 thousand primarily due to outsourced forensic investigations only commencing in latter part of the financial year, as a result of the challenges experienced by Forensic Investigations with obtaining a suitable service provider.
- c) Transfers and Subsidies was underspent in total by R5,816 million. This is attributed to the lower uptake of students in respect of external bursaries (R1,112 million). In addition, the Aviation Pilot Programme for the training of indigent youth, did not commence as a result of supplier's incorrect banking details (R2,8 million). Furthermore, staff exit costs in respect of leave gratuity pay-outs and early retirement penalties (R1,904 million) were not paid as a result of the processes involved in obtaining tax directives as well as the late receipt of invoices from the GEPF. As these are committed expenses, a rollover of funds will be requested to meet these expenses in the 2023/24 financial year.
- d) Payments for Capital Assets was underspent by a minimal amount of R52 thousand.

**NOTES TO THE APPROPRIATION STATEMENT  
for the year ended 31 March 2023**

	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance R'000</b>	<b>Variance as a % of Final Appropriation</b>
<b>Programme 3: Policy and Governance</b>	237 440	235 910	1 530	0.6%

Programme 3 was underspent by R1,530 million mainly due to the following reasons:

- a) Compensation of Employees was underspent by R88 thousand mainly due to staff exits as a result of early retirements.
- b) Goods and Services was underspent by R399 thousand mainly due to the non-printing of the PGDS Abridged version, that could not be finalised due to delays experienced with obtaining suitable service providers.
- c) Transfers and Subsidies was underspent by R1,043 million due to staff exit costs in respect of leave gratuity pay-outs and early retirement penalties that were not paid as a result of the processes involved in obtaining tax directives as well as the late receipt of invoices from GEPP. As these are committed expenses, a rollover of funds will be requested to meet these expenses in the 2023/24 financial year.
- d) Payments for Capital Assets had a nil variance as the budget was fully spent.



**NOTES TO THE APPROPRIATION STATEMENT  
for the year ended 31 March 2023**

**4.2 Per economic classification**

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
<b>Current payments</b>				
Compensation of employees	335 051	333 761	1 290	0.4%
Goods and services	323 070	319 234	3 836	1.2%
<b>Transfers and subsidies</b>				
Provinces and municipalities	136	136	0	0.0%
Departmental agencies and accounts	24 888	24 888	0	0.0%
Households	31 662	23 641	8 021	25.3%
<b>Payments for capital assets</b>				
Buildings and other fixed structures	6 366	6 366	0	0.0%
Machinery and equipment	25 422	25 347	75	0.3%
<b>Payments for financial assets</b>	0	0	0	0%

**Compensation of Employees:**

The underspending of R1,290 million is mainly due to staff exits as a result of early retirements.

**Goods and Services:**

Goods and Services was underspent by R3,836 million mainly due to the following reasons:

- An amount of R2,496 million was received in the Adjustments Estimate from the African Union, to assist with water distribution to communities that were affected from the flood disaster. These funds were not utilized due to the consultation process with the Municipalities and the Department of Corporate Governance and Traditional Affairs (COGTA) taking longer than expected in terms of establishing the greatest need of water in the Province. A rollover of funds will be requested for the finalization of the water distribution during the 2023/24 financial year.
- Outsourced Forensic Investigations only commenced in the latter part of the financial year due to challenges with obtaining a suitable service provider for the outsourcing of these investigations.
- The non-printing of the PGDS Abridged version, that could not be finalised due to delays experienced with obtaining suitable service providers.
- As part of cost containment initiatives, the Department utilizes more digital platforms such as SMARTGOV that resulted in a reduction of administrative expenses.

## NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2023

### Provinces and Municipalities:

An amount of R136 thousand was spent on vehicle licences.

### Departmental Agencies and Accounts:

Transfer payments amounting to R24,888 million were made to The Zulu Royal Household Trust (ZRHT).

### Households:

Households was underspent by R8,021 million mainly due to the lower uptake of students in respect of external bursaries (R1,112 million) as well as due to the Aviation Pilot Programme for the training of indigent youth (R2,8 million) that did not commence as a result of the late registration by the service provider on the Central Supplier Database. Furthermore, staff exit costs in respect of leave gratuity pay-outs and early retirement penalties (R4,109 million) were not paid as a result of the processes involved in obtaining tax directives as well as the late receipt of invoices from the GEPF. As these are committed expenses, a rollover of funds will be requested to meet these expenses in the 2023/24 financial year.

The expenditure of R23,641 million was in respect of the following transfer payments:

- a) Staff exit costs in respect of leave gratuity pay-outs as well as early retirements amounted to R5,098 million.
- b) PARMED: Medical aid claims for ex-parliamentarians amounted to R1,162 million.
- c) External Bursaries amounted to R17,381 million.

### Buildings and Other Fixed Structures:

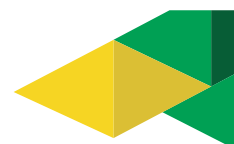
An amount of R6,366 million was spent against Buildings and Other Fixed Structures in respect of the security upgrades at the Parkside Residence.

### Machinery and Equipment:

Machinery and Equipment was underspent by an amount of R75 thousand. The expenditure of R25,347 million was mainly for the replacement of departmental vehicles, office furniture and equipment as well as computer equipment.

### Payments for Financial Assets:

No debts were written off for the 2022/23 financial year.



**STATEMENT OF FINANCIAL PERFORMANCE**  
for the year ended 31 March 2023

	<i>Note</i>	<b>2022/23</b> R'000	<b>2021/22</b> R'000
<b>REVENUE</b>			
Annual appropriation	1	746 595	810 240
Statutory appropriation		-	-
Departmental revenue	2	1 303	1 144
NRF Receipts		-	-
Aid assistance	3	5 673	-
<b>TOTAL REVENUE</b>		<b>753 571</b>	<b>811 384</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	4	333 762	321 428
Goods and services	5	319 326	265 502
<b>Total current expenditure</b>		<b>653 088</b>	<b>586 930</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	6	48 664	121 106
Aid assistance	3	6 657	13 089
		-	-
<b>Total transfers and subsidies</b>		<b>55 321</b>	<b>134 195</b>
<b>Expenditure for capital assets</b>			
Tangible assets	7	31 621	46 161
Intangible assets		-	-
		-	-
<b>Total expenditure for capital assets</b>		<b>31 621</b>	<b>46 161</b>
<b>TOTAL EXPENDITURE</b>		<b>740 030</b>	<b>767 286</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>13 541</b>	<b>44 098</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
<b>Voted funds</b>		<b>13 222</b>	<b>56 043</b>
Annual appropriation		13 222	56 043
Departmental revenue and NRF Receipts	2	1 303	1 144
Aid assistance	3	-984	-13 089
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>13 541</b>	<b>44 098</b>

**STATEMENT OF FINANCIAL POSITION**  
for the year ended 31 March 2023

	<i>Note</i>	<b>2022/23</b> R'000	<b>2021/22</b> R'000
<b>ASSETS</b>			
<b>Current assets</b>			
		<b>13 187</b>	<b>70 242</b>
Cash and cash equivalents	8	6 257	65 952
Receivables	10	6 930	4 290
<b>Non-current assets</b>			
		<b>4 171</b>	<b>439</b>
Receivables	10	4 171	439
<b>TOTAL ASSETS</b>		<b>17 358</b>	<b>70 681</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
		<b>15 571</b>	<b>68 948</b>
Voted funds to be surrendered to the Revenue Fund	11	13 222	64 670
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	12	14	412
Payables	13	243	790
Aid assistance unutilised	3	2 092	3 076
<b>Non-current liabilities</b>			
Payables		-	-
<b>TOTAL LIABILITIES</b>		<b>15 571</b>	<b>68 948</b>
<b>NET ASSETS</b>		<b>1 787</b>	<b>1 733</b>
<b>Represented by:</b>			
Capitalisation reserve		-	-
Recoverable revenue		1 787	1 733
Retained funds		-	-
Revaluation reserves		-	-
<b>TOTAL</b>		<b>1 787</b>	<b>1 733</b>

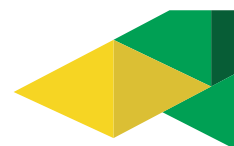
	<i>Note</i>	<b>2022/23</b> R'000	<b>2021/22</b> R'000
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**Represented by:**

Capitalisation reserve	-	-
Recoverable revenue	1 787	1 733
Retained funds	-	-
Revaluation reserves	-	-

**TOTAL****1 787****1 733**



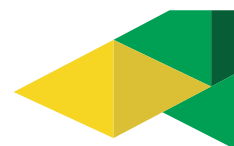


**STATEMENT OF CHANGES IN NET ASSETS**  
for the year ended 31 March 2023

	<i>Note</i>	<b>2022/23</b>	<b>2021/22</b>
<b>NET ASSETS</b>		<b>R'000</b>	<b>R'000</b>
<b>Capitalisation Reserves</b>			
Opening balance		-	-
Transfers:		-	-
Movement in Equity		-	-
Movement in Operational Funds		-	-
Other movements		-	-
Closing balance		-	-
<b>Recoverable revenue</b>			
Opening balance		1 733	1 642
Transfers:		<b>54</b>	<b>91</b>
Irrecoverable amounts written off		-	-
Debts revised		61	98
Debts recovered (included in departmental receipts)		-7	-7
Debts raised		-	-
Closing balance		<b>1 787</b>	<b>1 733</b>
<b>Retained funds</b>			
Opening balance		-	-
Utilised during the year		-	-
Other transfers		-	-
Closing balance		-	-
<b>Revaluation Reserve</b>			
Opening balance		-	-
Revaluation adjustment (Housing departments)		-	-
Transfers		-	-
Other		-	-
Closing balance		-	-
<b>TOTAL</b>		<b>1 787</b>	<b>1 733</b>

**CASHFLOW STATEMENT**  
for the year ended 31 March 2023

	<i>Note</i>	<b>2022/23</b> <b>R'000</b>	<b>2021/22</b> <b>R'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>		<b>752 971</b>	<b>811 384</b>
Annual appropriated funds received	1.1	746 595	810 240
Departmental revenue received	2	701	1 139
Interest received	2.2	2	5
Aid assistance received	3	5 673	-
Net (increase)/decrease in working capital		-3 187	-427
Surrendered to Revenue Fund		-66 371	-38 928
Current payments		-653 088	-586 930
Transfers and subsidies paid		-55 321	-134 195
<b>Net cash flow available from operating activities</b>	<b>14</b>	<b>-24 996</b>	<b>50 904</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	7	-31 621	-46 161
Proceeds from sale of capital assets	2.3	600	-
(Increase)/decrease in non-current receivables	10	-3 732	-
<b>Net cash flows from investing activities</b>		<b>-34 753</b>	<b>-46 161</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		54	91
Increase/(decrease) in non-current payables		-	-183
<b>Net cash flows from financing activities</b>		<b>54</b>	<b>-92</b>
Net increase/(decrease) in cash and cash equivalents		-59 695	4 651
Cash and cash equivalents at beginning of period		65 952	61 301
Unrealised gains and losses within cash and cash equivalents		-	-
<b>Cash and cash equivalents at end of period</b>	<b>8</b>	<b>6 257</b>	<b>65 952</b>



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

### 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.

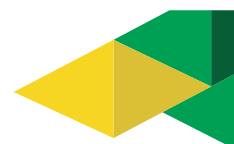
The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

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.

<b>1.</b>	<p><b>Basis of preparation</b></p> <p>The financial statements have been prepared in accordance with the Modified Cash Standard.</p>
<b>2</b>	<p><b>Going concern</b></p> <p>The financial statements have been prepared on a going concern basis.</p>
<b>3</b>	<p><b>Presentation currency</b></p> <p>Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department</p>
<b>4</b>	<p><b>Rounding</b></p> <p>Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).</p>
<b>5</b>	<p><b>Foreign currency translation</b></p> <p>Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.</p>
<b>6</b>	<p><b>Comparative information</b></p>
<b>6.1</b>	<p><b>Prior period comparative information</b></p> <p>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.</p>
<b>6.2</b>	<p><b>Current year comparison with budget</b></p> <p>A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.</p>
<b>7</b>	<p><b>Revenue</b></p>
<b>7.1</b>	<p><b>Appropriated funds</b></p> <p>Appropriated funds comprise of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).</p> <p>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.</p>

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

	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.
<b>7.2</b>	<p><b>Departmental revenue</b></p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Departmental revenue is measured at the cash amount received.</p> <p>In-kind donations received are recorded in the notes to the financial statements on the date of receipt and are measured at fair value.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>
<b>7.3</b>	<p><b>Accrued departmental revenue</b></p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> <li>• it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and</li> <li>• the amount of revenue can be measured reliably.</li> </ul> <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p> <p>Write-offs are made according to the department's debt write-off policy.</p>
<b>8</b>	<b>Expenditure</b>
<b>8.1</b>	<b>Compensation of employees</b>
<b>8.1.1</b>	<p><b>Salaries and wages</b></p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
<b>8.1.2</b>	<p><b>Social contributions</b></p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>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.</p>
<b>8.2</b>	<p><b>Other expenditure</b></p> <p>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.</p> <p>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.</p>

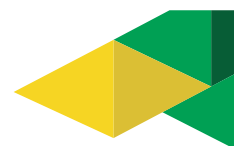


**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2023

<b>8.3</b>	<p><b>Accruals and payables not recognised</b></p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.</p>
<b>8.4</b>	<p><b>Leases</b></p>
<b>8.4.1</b>	<p><b>Operating leases</b></p> <p>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.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>
<b>8.4.2</b>	<p><b>Finance leases</b></p> <p>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.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> <li>• cost, being the fair value of the asset; or</li> <li>• the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.</li> </ul>
<b>9</b>	<p><b>Aid Assistance</b></p>
<b>9.1</b>	<p><b>Aid assistance received</b></p> <p>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.</p> <p>CARA Funds are recognised when receivable and measured at the amounts receivable.</p> <p>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.</p>
<b>9.2</b>	<p><b>Aid assistance paid</b></p> <p>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.</p>
<b>10</b>	<p><b>Cash and cash equivalents</b></p> <p>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.</p> <p>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.</p>

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

<b>11</b>	<p><b>Prepayments and advances</b></p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p>
<b>12</b>	<p><b>Loans and receivables</b></p> <p>Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.</p>
<b>13</b>	<p><b>Investments</b></p> <p>Investments are recognised in the statement of financial position at cost.</p>
<b>14</b>	<p><b>Financial assets</b></p>
<b>14.1</b>	<p><b>Financial assets (not covered elsewhere)</b></p> <p>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.</p> <p>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.</p>
<b>14.2</b>	<p><b>Impairment of financial assets</b></p> <p>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.</p>
<b>15</b>	<p><b>Payables</b></p> <p>Payables recognised in the statement of financial position are recognised at cost.</p>
<b>16</b>	<p><b>Capital Assets</b></p>
<b>16.1</b>	<p><b>Immovable capital assets</b></p> <p>Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p> <p>Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements</p>
<b>16.2</b>	<p><b>Movable capital assets</b></p> <p>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.</p>



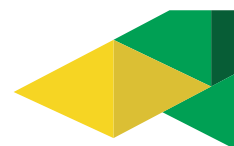
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2023

	<p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.</p>
<b>16.3</b>	<p><b>Intangible capital assets</b></p> <p>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.</p> <p>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.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p>
<b>16.4</b>	<p><b>Project Costs: Work-in-progress</b></p> <p>Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.</p> <p>Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.</p> <p>Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.</p>
<b>17</b>	<b>Provisions and Contingents</b>
<b>17.1</b>	<p><b>Provisions</b></p> <p>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.</p>

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

<b>17.2</b>	<p><b>Contingent liabilities</b></p> <p>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.</p>
<b>17.3</b>	<p><b>Contingent assets</b></p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.</p>
<b>17.4</b>	<p><b>Capital commitments</b></p> <p>Capital commitments are recorded at cost in the notes to the financial statements.</p>
<b>18</b>	<p><b>Unauthorised expenditure</b></p> <p>Unauthorised expenditure is recognised in the statement of financial position. The unauthorised expenditure is removed from the note in the annual report when the expenditure is either:</p> <ul style="list-style-type: none"> <li>• approved by Parliament or the Provincial Legislature with funding and the related funds are received; or</li> <li>• approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or</li> <li>• transferred to receivables for recovery.</li> </ul> <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
<b>19</b>	<p><b>Fruitless and wasteful expenditure</b></p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.</p> <p>Fruitless and wasteful expenditure is removed from the notes in the annual report when it is resolved or transferred to receivables for recovery or written off.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
<b>20</b>	<p><b>Irregular expenditure</b></p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed after its assessment. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note. Irregular expenditure is reduced from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off.</p> <p>Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>



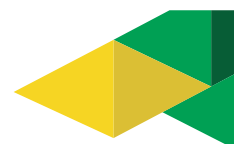


**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2023

<b>21</b>	<p><b>Changes in accounting policies, accounting estimates and errors</b> Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>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.</p>
<b>22</b>	<p><b>Events after the reporting date</b> 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.</p>
<b>23</b>	<p><b>Principal-Agent arrangements</b> The department is party to a principal-agent arrangement for [include details here]. In terms of the arrangement the department is the [principal / agent] and is responsible for [include details here]. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate</p>
<b>24</b>	<p><b>Capitalisation reserve</b> The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.</p>
<b>25</b>	<p><b>Recoverable revenue</b> 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.</p>
<b>26</b>	<p><b>Related party transactions</b> Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.</p>

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

<b>27</b>	<p><b>Inventories</b></p> <p>At the date of acquisition, inventories are recognised at cost in the statement of financial performance.</p> <p>Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.</p> <p>Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.</p> <p>The cost of inventories is assigned by using the weighted average cost basis.</p>
<b>28</b>	<p><b>Public-Private Partnerships</b></p> <p>Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.</p> <p>A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.</p>
<b>29</b>	<p><b>Employee benefits</b></p> <p>The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is recorded in the Employee benefits note.</p> <p>Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date.</p> <p>The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
<b>30</b>	<p><b>Transfer of functions</b></p> <p>Transfer of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer.</p> <p>Transfer of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.</p>
<b>31</b>	<p><b>Mergers</b></p> <p>Mergers are accounted for by the combined department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger.</p> <p>Mergers are accounted for by the combining departments by derecognising or removing assets and liabilities at their carrying amounts at the date of the merger.</p>



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

### 1. Annual Appropriation

#### 1.1 Annual Appropriation

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

	2022/23			2021/22		
	Final Approp- riation R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Final Approp- riation R'000	Approp- riation received R'000	Funds not requested/ not received R'000
<b>Programmes</b>						
ADMINISTRATION	208 079	208 079	-	214 236	214 236	-
INSTITUTIONAL DEVELOPMENT	319 075	319 075	-	424 622	424 622	-
POLICY AND GOVERNANCE	219 441	219 441	-	171 382	171 382	-
<b>Total</b>	<b>746 595</b>	<b>746 595</b>	<b>-</b>	<b>810 240</b>	<b>810 240</b>	<b>-</b>

### 2. Departmental revenue

	Note	2022/23 R'000	2021/22 R'000
Sales of goods and services other than capital assets	2.1	165	165
Interest, dividends and rent on land	2.2	2	5
Sales of capital assets	2.3	600	-
Transactions in financial assets and liabilities	2.4	536	974
<b>Total revenue collected</b>		<b>1 303</b>	<b>1 144</b>
Less: Own revenue included in appropriation		-	-
<b>Departmental revenue collected</b>		<b>1 303</b>	<b>1 144</b>

#### 2.1 Sales of goods and services other than capital assets

	Note	2022/23 R'000	2021/22 R'000
<b>Sales of goods and services produced by the department</b>	2	165	165
Sales by market establishment		3	3
Other sales		162	162
<b>Total</b>		<b>165</b>	<b>165</b>

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

**2.2 Interest, dividends and rent on land**

	<i>Note</i>	<b>2022/23</b>	<b>2021/22</b>
		<b>R'000</b>	<b>R'000</b>
Interest		2	5
<b>Total</b>	<b>2</b>	<b>2</b>	<b>5</b>

**2.3 Sales of capital assets**

	<i>Note</i>	<b>2022/23</b>	<b>2021/22</b>
		<b>R'000</b>	<b>R'000</b>
<b>Tangible capital assets</b>		600	-
Machinery and equipment	2	600	-
<b>Total</b>		<b>600</b>	<b>-</b>

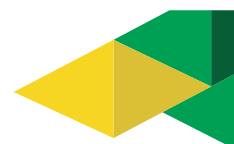
**2.4 Transactions in financial assets and liabilities**

	<i>Note</i>	<b>2022/23</b>	<b>2021/22</b>
		<b>R'000</b>	<b>R'000</b>
Other receipts including Recoverable Revenue		536	974
<b>Total</b>	<b>2</b>	<b>536</b>	<b>974</b>

**3. Aid assistance**

	<i>Note</i>	<b>2022/23</b>	<b>2021/22</b>
		<b>R'000</b>	<b>R'000</b>
Opening Balance		3 076	16 165
Prior period error		-	-
As restated		3 076	16 165
Transferred from statement of financial performance		-984	-13 089
Transfers to or from retained funds		-	-
Paid during the year		-	-
<b>Closing Balance</b>		<b>2 092</b>	<b>3 076</b>

Aids assistance is relating to MERSETA , National Skills Fund(NSF) & PESETA . Expenditure incurred during the financial year was i.r.o MERSETA projects. Revenue was only received from MERSETA during the 2022/23.



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

### 3.1 Analysis of balance by source

	<i>Note</i>	<b>2022/23</b> <b>R'000</b>	<b>2021/22</b> <b>R'000</b>
Aid assistance from other sources		2 092	3 076
<b>Closing balance</b>	<b>3</b>	<b>2 092</b>	<b>3 076</b>

### 3.2 Analysis of balance

	<i>Note</i>	<b>2022/23</b> <b>R'000</b>	<b>2021/22</b> <b>R'000</b>
Aid assistance unutilised		2 092	3 076
<b>Closing balance</b>	<b>3</b>	<b>2 092</b>	<b>3 076</b>

### 3.3 Aid assistance expenditure per economic classification

	<i>Note</i>	<b>2022/23</b> <b>R'000</b>	<b>2021/22</b> <b>R'000</b>
Transfers and subsidies		6 657	13 089
<b>Total aid assistance expenditure</b>	<b>3</b>	<b>6 657</b>	<b>13 089</b>

The expenditure is relating to MERSETA projects during the 2022/23 financial year.

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

	<i>Note</i>	<b>2022/23</b> <b>R'000</b>	<b>2021/22</b> <b>R'000</b>
Sanlam donated PPE		-	27
UNISA donated various items for the Early Childhood Development Indaba		-	23
DUT donated various items for the Early Childhood Development Indaba		-	429
Microsoft SA donated various items for Take a Girl Child to Work initiative			3
Sanlam donated water bottles, caps & branded pens for the Employee Health and Wellness annual event		6	-
GEMS sponsorship towards the wellness event		54	
		<b>60</b>	<b>482</b>

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

#### 4. Compensation of employees

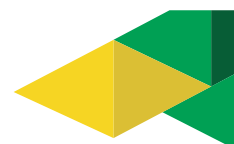
##### 4.1 Salaries and Wages

	<i>Note</i>	<b>2022/23</b>	<b>2021/22</b>
		<b>R'000</b>	<b>R'000</b>
Basic salary		222 878	215 113
Performance award		143	1 660
Service Based		712	586
Compensative/circumstantial		7 366	5 212
Periodic payments		1 087	1 527
Other non-pensionable allowances		64 250	59 780
<b>Total</b>		<b>296 436</b>	<b>283 878</b>

The service-based amount relates to leave discounting & other service based. Compensative/Circumstantial amount relate to Overtime & Compensative/Circm & the Other non-pensionable allowances amount is made up of non-pensionable, housing allowance plus Service bonus.

##### 4.2 Social contributions

	<i>Note</i>	<b>2022/23</b>	<b>2021/22</b>
		<b>R'000</b>	<b>R'000</b>
<b>Employer contributions</b>			
Pension		25 131	25 228
Medical		12 136	12 265
Bargaining council		59	57
<b>Total</b>		<b>37 326</b>	<b>37 550</b>
<b>Total compensation of employees</b>		<b>333 762</b>	<b>321 428</b>
Average number of employees		542	549



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

**5. Goods and services**

	<i>Note</i>	<b>2022/23</b>	<b>2021/22</b>
		<b>R'000</b>	<b>R'000</b>
Administrative fees		3 755	1 879
Advertising		32 887	32 382
Minor assets	5.1	2 902	3 052
Bursaries (employees)		278	246
Catering		29 002	7 834
Communication		15 064	14 616
Computer services	5.2	46 456	96 444
Consultants: Business and advisory services		16 443	5 681
Legal services		929	2 159
Contractors		17 423	8 007
Agency and support / outsourced services		363	1 358
Audit cost – external	5.3	5 130	6 740
Fleet services		10 610	7 881
Inventory	5.4	15 309	9
Consumables	5.5	14 035	13 876
Operating leases		13 170	9 706
Property payments	5.6	23 798	18 704
Rental and hiring		356	-
Transport provided as part of the departmental activities		17 484	4 672
Travel and subsistence	5.7	40 582	21 621
Venues and facilities		11 149	6 548
Training and development		883	1 344
Other operating expenditure	5.8	1 318	743
<b>Total</b>		<b>319 326</b>	<b>265 502</b>

**5.1 Minor assets**

	<i>Note</i>	<b>2022/23</b>	<b>2021/22</b>
		<b>R'000</b>	<b>R'000</b>
<b>Tangible assets</b>		<b>2 902</b>	<b>3 052</b>
Machinery and equipment		2 902	3 052
<b>Total</b>	5	<b>2 902</b>	<b>3 052</b>

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

## 5.2 Computer services

	<i>Note</i>	<b>2022/23</b>	<b>2021/22</b>
		<b>R'000</b>	<b>R'000</b>
SITA computer services		22 406	17 191
External computer service providers		24 050	79 253
<b>Total</b>	<b>5</b>	<b>46 456</b>	<b>96 444</b>

## 5.3 Audit cost – External

	<i>Note</i>	<b>2022/23</b>	<b>2021/22</b>
		<b>R'000</b>	<b>R'000</b>
Regularity audits		5 130	6 740
<b>Total</b>	<b>5</b>	<b>5 130</b>	<b>6 740</b>

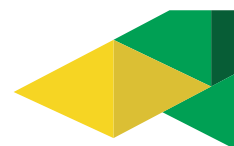
## 5.4 Inventory

	<i>Note</i>	<b>2022/23</b>	<b>2021/22</b>
		<b>R'000</b>	<b>R'000</b>
Clothing material and accessories	5	2 708	9
Materials and supplies		10 255	-
Other supplies	5.4.1	2 346	-
<b>Total</b>		<b>15 309</b>	<b>9</b>

### 5.4.1. Other supplies

	<i>Note</i>	<b>2022/23</b>	<b>2021/22</b>
		<b>R'000</b>	<b>R'000</b>
Assets for distribution	5	2 346	-
Machinery and equipment		2 346	-
<b>Total</b>		<b>2 346</b>	<b>-</b>





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

### 5.5 Consumables

	Note 5	2022/23 R'000	2021/22 R'000
<b>Consumable supplies</b>		5 396	7 807
Uniform and clothing		243	428
Household supplies		3 532	6 646
Building material and supplies		276	69
Communication accessories		316	128
Other consumables		1 029	536
Stationery, printing and office supplies		8 639	6 069
<b>Total</b>		<b>14 035</b>	<b>13 876</b>

### 5.6 Property payments

	Note 5	2022/23 R'000	2021/22 R'000
Municipal services		7 722	6 734
Property maintenance and repairs		5 550	-
Other		10 526	11 970
<b>Total</b>		<b>23 798</b>	<b>18 704</b>

### 5.7 Travel and subsistence

	Note 5	2022/23 R'000	2021/22 R'000
Local		38 876	21 409
Foreign		1 706	212
<b>Total</b>		<b>40 582</b>	<b>21 621</b>

### 5.8 Other Operating Expenditure

	Note 5	2022/23 R'000	2021/22 R'000
Professional bodies, membership and subscription fees		295	610
Resettlement costs		1 016	133
Other		7	-
<b>Total</b>		<b>1 318</b>	<b>743</b>

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

**6. Transfers and subsidies**

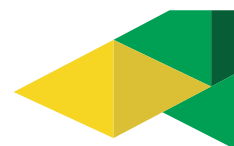
	<i>Note</i>	<b>2022/23</b>	<b>2021/22</b>
		<b>R'000</b>	<b>R'000</b>
Provinces and municipalities	46,47	136	212
Departmental agencies and accounts	Annex 1B	24 888	46 163
Non-profit institutions	Annex 1F	-	50 000
Households	Annex 1G	23 640	24 731
<b>Total</b>		<b>48 664</b>	<b>121 106</b>

**6.1. Donations made in kind (not included in the main note)**

	<i>Note</i>	<b>2022/23</b>	<b>2021/22</b>
		<b>R'000</b>	<b>R'000</b>
Gifts, trophies & assets donations to various recipients.	Annex 1J	-	584
Donation made to Schools in respect of Smart Connected province Project		684	-
Gifts made to the members of the Legislature and public at the SOPA		869	-
Domestic equipment donated to SMME's		1 494	-
Retirement gift made to Mr BD Ndwane		6	-
Retirement gift made to Ms Govender		8	-
Retirement gift made to Mr JM Gumede		4	-
Retirement gift made to Ms R Van den heever		4	-
Farewell gift made to Mrs Dorning		7	-
International woman's day gifts		14	-
		<b>3 090</b>	<b>584</b>

**7. Expenditure for capital assets**

	<i>Note</i>	<b>2022/23</b>	<b>2021/22</b>
		<b>R'000</b>	<b>R'000</b>
<b>Tangible assets</b>		<b>31 621</b>	<b>46 161</b>
Buildings and other fixed structures	27	6 276	17 848
Machinery and equipment	25	25 345	28 313
<b>Total</b>		<b>31 621</b>	<b>46 161</b>



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

**7.1 Analysis of funds utilised to acquire capital assets - Current year**

Name of entity	2022/23		
	Voted funds R'000	Aid assistance R'000	Total R'000
<b>Tangible assets</b>	<b>31 621</b>	-	<b>31 621</b>
Buildings and other fixed structures	6 276	-	6 276
Machinery and equipment	25 345	-	25 345
<b>Total</b>	<b>31 621</b>	-	<b>31 621</b>

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

Tangible assets	2021/22		
	Voted funds R'000	Aid assistance R'000	Total R'000
<b>Tangible assets</b>	<b>46 161</b>	-	<b>46 161</b>
Buildings and other fixed structures	17 848	-	17 848
Machinery and equipment	28 313	-	28 313
<b>Total</b>	<b>46 161</b>	-	<b>46 161</b>

**7.3 Finance lease expenditure included in Expenditure for capital assets**

	Note	2022/23 R'000	2021/22 R'000
<b>Tangible assets</b>			
Machinery and equipment		1 370	1 794
<b>Total</b>		<b>1 370</b>	<b>1 794</b>

**8. Cash and cash equivalents**

	Note	2022/23 R'000	2021/22 R'000
Consolidated Paymaster General Account		6 255	65 950
Cash on hand		2	2
<b>Total</b>		<b>6 257</b>	<b>65 952</b>

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

**9. Prepayments and advances**

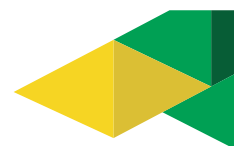
	<i>Note</i>	<b>2022/23</b>	<b>2021/22</b>
		<b>R'000</b>	<b>R'000</b>
Staff advances		-	-
Travel and subsistence		-	-
Prepayments (Not expensed)		-	-
Advances paid (Not expensed)		-	-
SOCPEN advances		-	-
<b>Total</b>		<b>-</b>	<b>-</b>

**9.1 Prepayments (Expensed)**

	<i>Note</i>	<b>2022/23</b>				<b>Balance as</b>
		<b>Balance as</b>	<b>Less:</b>	<b>Add or</b>	<b>Add:</b>	<b>at 31 March</b>
		<b>at 1 April</b>	<b>Amount</b>	<b>Less:</b>	<b>Current Year</b>	<b>2023</b>
		<b>2022</b>	<b>expensed in</b>	<b>Other</b>	<b>advances</b>	<b>R'000</b>
		<b>R'000</b>	<b>current year</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
		<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Goods and services		19 890	-5 961	-	-	13 929
<b>Total</b>		<b>19 890</b>	<b>-5 961</b>	<b>-</b>	<b>-</b>	<b>13 929</b>

OTP entered into enterprise licence agreement with ESRI South Africa (Pty) Ltd for a period of 3 years. According to the enterprise agreement it is mandatory that payments be made upfront for all three years to allow for fixed pricing.

	<i>Note</i>	<b>2021/22</b>				<b>Balance as</b>
		<b>Balance as</b>	<b>Less:</b>	<b>Add or Less:</b>	<b>Add:</b>	<b>at 31</b>
		<b>at 1 April</b>	<b>Amount</b>	<b>Other</b>	<b>Current Year</b>	<b>March</b>
		<b>2021</b>	<b>expensed in</b>	<b>R'000</b>	<b>advances</b>	<b>2022</b>
		<b>R'000</b>	<b>current year</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
		<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Goods and services		-	-	-	19 890	19 890
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>19 890</b>	<b>19 890</b>



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

**9.2 Advances paid (Expensed)**

	<i>Note</i>	2022/23				Balance as at 31 March 2023
		Balance as at 1 April 2022	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year prepayments	
		R'000	R'000	R'000	R'000	R'000
Public entities		50 000	-	-	-	50 000
<b>Total</b>		<b>50 000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50 000</b>

	<i>Note</i>	2021/22				Balance as at 31 March 2022
		Balance as at 1 April 2021	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year prepayments	
		R'000	R'000	R'000	R'000	R'000
Public entities		-	-	-	50 000	50 000
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>50 000</b>	<b>50 000</b>

**10. Receivables**

	<i>Note</i>	2022/23			2021/22		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	
Claims recoverable	10.1	4 307	-	4 307	32	-	32
Recoverable expenditure	10.2	2 528	439	2 967	529	439	968
Staff debt	10.3	86	537	623	542	-	542
Other receivables	10.4	9	3 195	3 204	3 187	-	3 187
<b>Total</b>		<b>6 930</b>	<b>4 171</b>	<b>11 101</b>	<b>4 290</b>	<b>439</b>	<b>4 729</b>

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

**10.1 Claims recoverable**

	2022/23	2021/22
Note	R'000	R'000
National departments	1 000	-
Provincial departments	3 307	32
<b>Total</b>	<b>4 307</b>	<b>32</b>

**10.2 Recoverable expenditure**

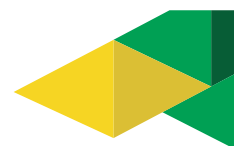
	2022/23	2021/22
Note	R'000	R'000
Disallowance damages & losses	2 092	2 114
Disallowance damages & losses Recoverable	-2 092	-2 114
Disallowance payment fraud	439	439
Salary Reversal	360	311
Salary Tax Debt	92	99
Salary Deduction Disallowance	13	13
Salary ACB Recalls	45	44
Sal Medical Aid	6	8
Online Travel	2 012	54
<b>Total</b>	<b>2 967</b>	<b>968</b>

**10.3 Staff debt**

	2022/23	2021/22
Note	R'000	R'000
Employee Debt	83	67
Ex-Employee Debt	484	415
Bursary Debt	56	60
<b>Total</b>	<b>623</b>	<b>542</b>

**10.4 Other receivables**

	2022/23	2021/22
Note	R'000	R'000
Supplier Debt	3 193	3 144
T & S Advance: Dom	11	43
<b>Total</b>	<b>3 204</b>	<b>3 187</b>



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

### 10.5 Impairment of receivables

	<i>Note</i>	<b>2022/23</b>	<b>2021/22</b>
		R'000	R'000
Estimate of impairment of receivables		4 172	3 500
<b>Total</b>		<b>4 172</b>	<b>3 500</b>

### 11. Voted funds to be surrendered to the Revenue Fund

	<i>Note</i>	<b>2022/23</b>	<b>2021/22</b>
		R'000	R'000
Opening balance		64 670	47 089
Prior period error		-	-
As restated		64 670	47 089
Transfer from statement of financial performance (as restated)		13 222	56 043
Add: Unauthorised expenditure for current year		-	-
Voted funds not requested/not received		-	-
Conditional grants surrendered by the provincial department		-	-
Paid during the year		-64 670	-38 462
<b>Closing balance</b>		<b>13 222</b>	<b>64 670</b>

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

	<i>Note</i>	<b>2022/23</b>	<b>2021/22</b>
		R'000	R'000
Opening balance		412	-266
Prior period error		-	-
As restated		412	-266
Transfer from Statement of Financial Performance (as restated)		1 303	1 144
Paid during the year		-1 701	-466
<b>Closing balance</b>		<b>14</b>	<b>412</b>

### 13. Payables – current

	<i>Note</i>	<b>2022/23</b>	<b>2021/22</b>
		R'000	R'000
Clearing accounts	13.1	243	790
<b>Total</b>		<b>243</b>	<b>790</b>

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

**13.1 Clearing accounts**

	<i>Note</i>	<b>2022/23</b>	<b>2021/22</b>
		<b>R'000</b>	<b>R'000</b>
Bargaining Councils		1	1
Sal: Pension Fund:CL		52	37
Sal: Income Tax		190	752
<b>Total</b>	<b>13</b>	<b>243</b>	<b>790</b>

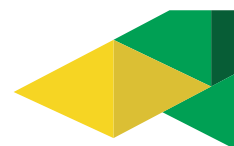
**14. Net cash flow available from operating activities**

	<i>Note</i>	<b>2022/23</b>	<b>2021/22</b>
		<b>R'000</b>	<b>R'000</b>
Net surplus/(deficit) as per Statement of Financial Performance		13 541	44 098
Add back non-cash/cash movements not deemed operating activities		-38 537	6 806
(Increase)/decrease in receivables		-2 640	-118
Increase/(decrease) in prepayments and advances		-	-
Increase/(decrease) in other current assets		-	-
Increase/(decrease) in payables – current		-547	-309
Proceeds from sale of capital assets		-600	-
Proceeds from sale of investments		-	-
(increase)/decrease in other financial assets		-	-
Expenditure on capital assets		31 621	46 161
Surrenders to Revenue Fund		-66 371	-38 928
Surrenders to RDP Fund/Donor		-	-
Voted funds not requested/not received		-	-
Own revenue included in appropriation		-	-
Other non-cash items		-	-
<b>Net cash flow generating</b>		<b>-24 996</b>	<b>50 904</b>

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

	<i>Note</i>	<b>2022/23</b>	<b>2021/22</b>
		<b>R'000</b>	<b>R'000</b>
Consolidated Paymaster General account		6 255	65 950
Cash on hand		2	2
<b>Total</b>		<b>6 257</b>	<b>65 952</b>





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

**16. Contingent liabilities and contingent assets**

**16.1 Contingent liabilities**

Liable to	<i>Note</i>	<b>2022/23</b>	<b>2021/22</b>
		<b>R'000</b>	<b>R'000</b>
Claims against the department	<i>Annex 3B</i>	4 997	5 152
<b>Total</b>		<b>4 997</b>	<b>5 152</b>

The claims against the state are handed over to the State Attorney for them to be handled via the courts. It is uncertain as to the settlement amount or timing of any outflow until the cases are finalised.

**17. Capital commitments**

	<i>Note</i>	<b>2022/23</b>	<b>2021/22</b>
		<b>R'000</b>	<b>R'000</b>
Buildings and other fixed structures		968	5 756
Machinery and equipment		807	2 771
<b>Total</b>		<b>1 775</b>	<b>8 527</b>

**18. Accruals and payables not recognised**

**18.1 Accruals**

	<b>2022/23</b>			<b>2021/22</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>Listed by economic classification</b>				
	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>	<b>Total</b>
Goods and services	8 738	1 418	10 156	7 131
Transfers and subsidies	284	156	440	-
Capital assets	239	107	346	1 228
<b>Total</b>	<b>9 261</b>	<b>1 681</b>	<b>10 942</b>	<b>8 359</b>

	<i>Note</i>	<b>2022/23</b>	<b>2021/22</b>
		<b>R'000</b>	<b>R'000</b>
<b>Listed by programme level</b>			
ADMINISTRATION		4 420	4 120
INSTITUTIONAL DEVELOPMENT		5 322	4 218
POLICY AND GOVERNANCE		1 200	21
<b>Total</b>		<b>10 942</b>	<b>8 359</b>

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

**18.2 Payables not recognised**

	2022/23			2021/22
	R'000	R'000	R'000	R'000
<b>Listed by economic classification</b>				
	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>	<b>Total</b>
Goods and services	3 204	12	3 216	2 432
Transfers and subsidies	2 977	-	2 977	-
Capital assets	436	-	436	40
<b>Total</b>	<b>6 617</b>	<b>12</b>	<b>6 629</b>	<b>2 472</b>

<i>Note</i>	2022/23	2021/22
	R'000	R'000

**Listed by programme level**

ADMINISTRATION	571	122
INSTITUTIONAL DEVELOPMENT	4 188	1 891
POLICY AND GOVERNANCE	1 870	459
<b>Total</b>	<b>6 629</b>	<b>2 472</b>

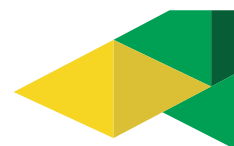
<i>Note</i>	2022/23	2021/22
	R'000	R'000

**Included in the above totals are the following:**

Confirmed balances with other departments	-	4 535
<b>Total</b>	<b>-</b>	<b>4 535</b>

**19. Employee benefits**

	<i>Note</i>	2022/23	2021/22
		R'000	R'000
Leave entitlement		20 889	21 803
Service bonus		6 570	6 910
Performance awards		-	70
Capped leave		8 147	10 153
Other		578	312
<b>Total</b>		<b>36 184</b>	<b>39 248</b>



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

**20. Lease commitments**

**20.1 Operating leases**

	2022/23				Total R'000
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	
	R'000	R'000	R'000	R'000	
Not later than 1 year	-	-	9 147	1 503	10 650
Later than 1 year and not later than 5 years	-	-	1 240	1 682	2 922
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>10 387</b>	<b>3 185</b>	<b>13 572</b>

	2021/22				Total R'000
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	
	R'000	R'000	R'000	R'000	
Not later than 1 year	-	-	9 525	1 174	10 699
Later than 1 year and not later than 5 years	-	-	4 643	459	5 102
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>14 168</b>	<b>1 633</b>	<b>15 801</b>

The operating leases relates to the leasing of officials accommodation and parkades as well as photocopier machines.

**20.2 Finance leases**

	2022/23				Total R'000
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	
	R'000	R'000	R'000	R'000	
Not later than 1 year	-	-	-	4 224	4 224
Later than 1 year and not later than 5 years	-	-	-	1 875	1 875
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6 099</b>	<b>6 099</b>

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

	Specialised military equipment R'000	Land R'000	2021/22 Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	5 841	5 841
Later than 1 year and not later than 5 years	-	-	-	1 333	1 333
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7 174</b>	<b>7 174</b>

The Finance Leases relates to mobile communication contracts.

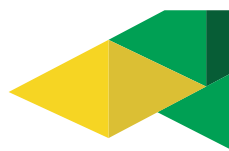
## 21. Accrued departmental revenue

	Note	2022/23 R'000	2021/22 R'000
Sales of capital assets		2 303	-
<b>Total</b>		<b>2 303</b>	<b>-</b>

Accrued revenue relates to revenue due to OTP as a result of auctioning of state vehicles

### 21.1 Analysis of accrued departmental revenue

	Note	2022/23 R'000	2021/22 R'000
Opening balance		-	-
Less: Amounts received		-	-
Less: Services received in lieu of cash		-	-
Add: Amounts recorded		2 303	-
Less: Amounts written-off/reversed as irrecoverable		-	-
Less: Amounts transferred to receivables for recovery		-	-
<b>Closing balance</b>		<b>2 303</b>	<b>-</b>



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

**22. Unauthorised, Irregular and Fruitless and wasteful expenditure**

	Note	2022/23 R'000	2021/22 R'000
Unauthorised expenditure - current year		-	-
Irregular expenditure - current year		-	874
Fruitless and wasteful expenditure		-	-
<b>Total</b>		<u>-</u>	<u>874</u>

**23. Key management personnel**

	Note	2022/23 R'000	2021/22 R'000
Political office bearers (provide detail below)		2 455	2 260
Officials:			
Level 15 to 16		15 933	16 259
Level 12, 13 & 14		15 105	19 176
Family members of key management personnel		662	545
<b>Total</b>		<u>34 155</u>	<u>38 240</u>

Key management personnel include the Acting CFO & Acting Chief of Staff. During Q3 a senior official from DSAC was seconded to act as CFO for OTP, no remuneration was paid by OTP. A senior official from OTP was seconded to act as HOD for DSAC from 1 April 2022 to 31 March 2023.

**24. Provisions**

	Note	2022/23 R'000	2021/22 R'000
Moses Mabhida roof repairs & Parkside security upgrade projects		1 172	1 348
M Parry vs MEC of Education settlement fees		133	133
Anesco CC vs OTP and Khaba Charls Mkhize		18	-
<b>Total</b>		<u>1 323</u>	<u>1 481</u>

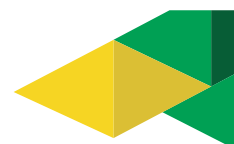
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2023

**24.1 Reconciliation of movement in provisions - Current year**

	2022/23			
	Provision 1	Provision 2	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	1 348	133	-	1 481
Increase in provision	-	-	18	18
Settlement of provision	-	-	-	-
Unused amount reversed	-	-	-	-
Reimbursement expected from third party	-	-	-	-
Change in provision due to change in estimation of inputs	-176	-	-	-176
<b>Closing balance</b>	<b>1 172</b>	<b>133</b>	<b>18</b>	<b>1 323</b>

**Reconciliation of movement in provisions - Prior year**

	2021/22			
	Provision 1	Provision 2	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	5	914	133	1 052
Increase in provision	-	434	-	434
Settlement of provision	-5	-	-	-5
<b>Closing balance</b>	<b>-</b>	<b>1 348</b>	<b>133</b>	<b>1 481</b>



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

**25. Movable Tangible Capital Assets**

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

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
<b>HERITAGE ASSETS</b>	<b>5 574</b>	-	-	-	<b>5 574</b>
Heritage assets	5 574	-	-	-	5 574
<b>MACHINERY AND EQUIPMENT</b>	<b>178 115</b>	-	<b>23 845</b>	<b>17 813</b>	<b>184 147</b>
Transport assets	83 260	-	8 945	14 221	77 984
Computer equipment	51 794	-	4 254	948	54 100
Furniture and office equipment	25 431	-	8 941	1 000	33 372
Other machinery and equipment	18 630	-	1 705	1 644	18 691
<b>BIOLOGICAL ASSETS</b>	<b>84</b>	-	-	<b>84</b>	-
Biological assets	84	-	-	84	-
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>183 773</b>	-	<b>23 845</b>	<b>17 897</b>	<b>189 721</b>

Included in the above closing balance and fixed asset register are the assets that were approved for disposal by the Accounting Officer before reporting date, but the disposal process could not be finalised at year-end.

**Movable Tangible Capital Assets under investigation**

	Number	Value R'000
Heritage assets	12	5 574
Machinery and equipment	1 445	27 879

During the 2022/23 year-end processes, the management identified a significant number of assets have also been included in the audited excel FAR as active assets but disposed on the HardCat system. An investigation has been instituted to analyse prior year FAR information, reconcile HardCat and audited excel FAR. An extensive and thorough clean up exercise has commenced and outcome of the investigation to be presented to the disposal Committee and Accounting Officer for ratification.

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

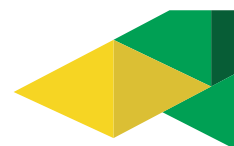
**25.1 MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022**

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>HERITAGE ASSETS</b>	<b>22 167</b>	<b>-</b>	<b>-</b>	<b>16 593</b>	<b>5 574</b>
Heritage assets	22 167	-	-	16 593	5 574
<b>MACHINERY AND EQUIPMENT</b>	<b>161 937</b>	<b>-7 414</b>	<b>23 708</b>	<b>116</b>	<b>178 115</b>
Transport assets	77 273	-324	6 311	-	83 260
Computer equipment	40 888	876	9 030	-	50 794
Furniture and office equipment	20 475	412	4 660	116	25 431
Other machinery and equipment	23 301	-8 378	3 707	-	18 630
<b>SPECIALISED MILITARY ASSETS</b>					
Specialised military assets	-	-	-	-	-
<b>BIOLOGICAL ASSETS</b>	<b>84</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>84</b>
Biological assets	84	-	-	-	84
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>184 188</b>	<b>-7 414</b>	<b>23 708</b>	<b>16 709</b>	<b>183 773</b>

**25.1.1 Prior period error**

	Note	2021/22
		R'000
<b>Nature of prior period error</b>		<b>-7 414</b>
Relating to 2020/21 [affecting the opening balance]		-7 414
Other Machinery & Equipment - Exclusions & PY Assets not on FAR		-8 369
Assets previously disposed still in the FAR		-2 090
Prior Year Assets not on FAR		3 045
<b>Relating to 2021/2022</b>		<b>-3 137</b>
Assets accruals		-376
Assets Exclusions		-2 812
Computer equipment – 2022 Asset Additions not FAR		51
<b>Total prior period errors</b>		<b>-10 551</b>





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

During the 2022/23 year-end processes, the management identified quite a number of assets that on the HardCat System but never included in the prior years audited FAR and AFS. There were prior year also assets exclusions that were erroneously included in the prior year AFS, hence the prior year error adjustment had to be affected.

### 25.2 Minor assets

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

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	75	-	15 877	-	15 952
Value adjustments	-	-	-	-	-	-
Additions	-	-	-	1 668	-	1 668
Disposals	-	-	-	1 159	-	1 159
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>75</b>	<b>-</b>	<b>16 386</b>	<b>-</b>	<b>16 461</b>
	<b>Specialised military assets</b>	<b>Intangible assets</b>	<b>Heritage assets</b>	<b>Machinery and equipment</b>	<b>Biological assets</b>	<b>Total</b>
Number of R1 minor assets	-	-	-	6 576	-	6 576
Number of minor assets at cost	-	-	-	7 580	-	7 580
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14 156</b>	<b>-</b>	<b>14 156</b>

#### Minor Capital Assets under investigation

	Number	Value R'000
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		
Intangible assets	1	75
Machinery and equipment	5 562	3 275

During the 2022/23 year-end processes, the management identified a significant number of assets have also been included in the audited excel FAR as active assets but disposed on the HardCat system. An investigation has been instituted to analyse prior year FAR information, reconcile HardCat and audited excel FAR. An extensive and thorough clean up exercise has commenced and outcome of the investigation to be presented to the disposal Committee and Accounting Officer for ratification.

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

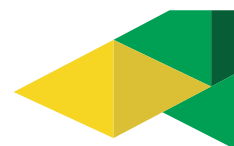
**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022**

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	75	-	18 546	-	18 621
Value adjustments	-	-	-	-4 592	-	-4 592
Additions	-	-	-	2 086	-	2 086
Disposals	-	-	-	163	-	163
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>75</b>	<b>-</b>	<b>15 877</b>	<b>-</b>	<b>15 952</b>
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	7 098	-	7 098
Number of minor assets at cost	-	-	-	7 601	-	7 601
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14 699</b>	<b>-</b>	<b>14 699</b>

**25.2.1 Prior period error**

	Note	2021/22 R'000
<b>Nature of prior period error</b>		<b>R'000</b>
Relating to 2021/22 [affecting the opening balance]		<b>-4 592</b>
PY Exclusions – 2021		-2 610
Machinery & Equipment - PY Assets not on FAR		490
Machinery & Equipment - Disposed not FAR		-2 472
Relating to 2021/22		<b>-967</b>
CY - Exclusions		-967
<b>Total prior period errors</b>		<b>-5 559</b>

During the 2022/23 year-end processes, the management identified quite a number of assets that are on the HardCat System but never included in the prior years' audited FAR and AFS. There were prior year also assets exclusions that were erroneously included in the prior year AFS, hence the prior year error adjustment had to be effected.



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

**26. Intangible Capital Assets**

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

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	227	-	-	227
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>227</b>	<b>-</b>	<b>-</b>	<b>227</b>

**Intangible Capital Assets under investigation**

	Number	Value R'000
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		
Software	1	227

An investigation has been instituted to analyse prior year information that should indicate the type of software and related asset information. Once the asset has been traced and existence confirmed, determination would then be made in accordance with asset management policy of the Department.

**26.1 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022**

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	227	-	-	-	227
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>227</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>227</b>

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

**27. Immovable Tangible Capital Assets**

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

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
<b>BUILDINGS AND OTHER FIXED -STRUCTURES</b>	<b>23 559</b>	-	-	<b>23 559</b>
Dwellings	19 529	-	-	19 529
Non-residential buildings	3 993	-	-	3 993
Other fixed structures	37	-	-	37
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>23 559</b>	-	-	<b>23 559</b>

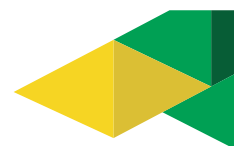
**27.1 Movement for 2021/22**

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

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>23 760</b>	<b>-207</b>	<b>6</b>	-	<b>23 559</b>
Dwellings	19 529	-	-	-	19 529
Non-residential buildings	4 194	-207	6	-	3 993
Other fixed structures	37	-	-	-	37
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>23 760</b>	<b>-207</b>	<b>6</b>	-	<b>23 559</b>

**27.1.1 Prior period error**

	2021/22 R'000
Nature of prior period error	<i>Note</i>
Relating to 2019/20 [affecting the opening balance]	-207
2019/2020 accruals	-207
<b>Total prior period errors</b>	<b>-207</b>



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

During the year, management discovered that there an amount of R207 000 that was erroneously added onto the 2019/20 movement on the Terry Street WIP expenditure

**27.2 Immovable tangible capital assets: Capital Work-in-progress**

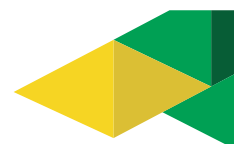
	<i>Note</i>	Opening balance 1 April 2022	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2023
	<i>Annexure 7</i>	R'000	R'000	R'000	R'000
Buildings and other fixed structures		24 001	5 444	-	29 445
<b>TOTAL</b>		<b>24 001</b>	<b>5 444</b>	<b>-</b>	<b>29 445</b>

The current year WIP of R5 444 relates to upgrades and additions in Moses Mabhida Building as well as security building upgrades in Parkside. Total expenditure paid in 2022/23 is R6 276 which includes R832 which was the accrual amount at the end of 2021/22. This accrual was recognised in WIP during 2021/22.

<b>Payables not recognised relating to Capital WIP</b>	<i>Note</i>	<b>2022/23</b> R'000	<b>2021/22</b> R'000
Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in-progress		-	832
<b>Total</b>		<b>-</b>	<b>832</b>

**CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2022**

	<i>Note</i>	Opening balance 1 April 2021	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2022
	<i>Annexure 7</i>	R'000	R'000	R'000	R'000	
Heritage assets		4 667	-	-	4 667	-
Buildings and other fixed structures		8 223	-	15 778	-	24 001
<b>TOTAL</b>		<b>12 890</b>	<b>-</b>	<b>15 778</b>	<b>4 667</b>	<b>24 001</b>



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

**28 Prior period errors**

**28.1 Correction of prior period errors**

		2022/23		
	<i>Note</i>	Amount bef error correction	Prior period error	Restated Amount
<b>Assets:</b>		<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Movable tangible capital assets	25.1	194 324	-8 461	185 863
Minor capital assets	25.2	21 511	-3 077	18 434
Immovable tangible capital assets	27	23 766	-207	23 559
<b>Net effect</b>		<b>239 601</b>	<b>-11 745</b>	<b>227 856</b>

Prior period error relates to the accruals and exclusions that were included in the machinery and equipment opening balance, the correction is necessary to maintain the correct AFS balances that are aligned with the FAR

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

**ANNEXURE 1B**

**STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2021/22	
	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	
PROV DA: KZN ROYAL HOUSEHOLD	24 888	-	-	24 888	24 888	100%	46 163	46 163
TRUST								
<b>TOTAL</b>	<b>24 888</b>	<b>-</b>	<b>-</b>	<b>24 888</b>	<b>24 888</b>	<b>100%</b>	<b>46 163</b>	<b>46 163</b>

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

**ANNEXURE 1G**

**STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION					EXPENDITURE	2021/22
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
H/H: Empl s/ben: Post ret benefits	-	-	-	-	1 161	-	1 281
H/H: Empl s/ben: Leave Gratuity	-	-	-	-	3 941	-	4 001
H/H: Empl s/ben:Er Pens Penalty	-	-	-	-	17 381	-	17 848
H/H:Bursaries(Non-Employee)	-	-	-	-	1 157	-	1 572
H/H: Claims Against State	-	-	-	-	-	-	29
	-	-	-	-	-	-	-
<b>Subsidies</b>	-	-	-	-	<b>23 640</b>	-	<b>24 731</b>
<b>TOTAL</b>	-	-	-	-	<b>23 640</b>	-	<b>24 731</b>



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

**ANNEXURE 1H**

**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2022/23	2021/22
		R'000	R'000
<b>Received in cash</b>		-	-
<b>Subtotal</b>		-	-
<b>Received in kind</b>			
Sanlam donated PPE			27
UNISA donated various items for the Early Childhood Development			23
DUT donated various items for Early Childhood Development Indaba			429
Microsoft SA donated various items for Take a Girl Child to work initiative			3
Sanlam donated water bottles, caps & branded pens for the Employee Health and Wellness		6	
GEMS sponsorship towards the wellness event		54	
<b>Subtotal</b>		60	482
<b>TOTAL</b>		<b>60</b>	<b>482</b>

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

**ANNEXURE 1I**

**STATEMENT OF AID ASSISTANCE RECEIVED**

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDITURE	PAID BACK ON/BY 31 MARCH 2023	CLOSING BALANCE
		R'000	R'000	R'000	R'000	R'000
<b>Received in cash</b>						
MERSETA	Apprenticeships	-1 312	-5 673	6 657	-	-328
NATIONAL SKILLS FUND	KZN Literacy Project	-1 439		-	-	-1 439
PESETA	Internship & work integrated	-324		-	-	-324
<b>Subtotal</b>				6 657	-	-2 092
				-5 673		
<b>Received in kind</b>						
				-	-	-
<b>TOTAL</b>		<b>-3 076</b>	<b>-5 673</b>	<b>6 657</b>	<b>-</b>	<b>-2 092</b>

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

**ANNEXURE 1J**

**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE**

NATURE OF GIFT, DONATION OR SPONSORSHIP	2022/23	2021/22
(Group major categories but list material items including name of organisation)	R'000	R'000
<b>Made in kind</b>		
Gifts, trophies & assets donations to various recipients.	-	-
		584
Donation made to Schools in respect of Smart Connected province Project	684	-
Gifts made to the members of the Legislature and public at the SOPA	869	-
Domestic equipment donated to SMME's	1 494	-
Retirement gift to Mr BD Ndwalane	6	
Retirement gift to Ms Govender	8	
Employee Health & Wellness-Retirement gift to Mr JM Gumede	4	
Retirement gift to Ms R Van den heerver-	4	
Farewell gift to Mrs Dorning	7	
International woman's day gifts	14	
<b>TOTAL</b>	<b>3 090</b>	<b>584</b>

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

**ANNEXURE 3B**

**STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2023**

Nature of liability	Opening balance 1 April 2022	Liabilities incurred during the year	Liabilities paid / cancelled / reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2023
	R'000	R'000	R'000	R'000	R'000
<b>Claims against the department</b>					
Emerald Fire Trading as De La Sol Coctail Bar vs OTP [ 2059/15]	2 266		-	-	2 266
DE Wagner vs the Premier and the SAPS	400		-	-	400
Anesco CC Vs OTP and Charles Mkhize	155		-155	-	-
Tactical security CC vs OTP	284		-	-	284
MG Sibisi vs Office of the Premier and the Premier	2 047		-	-	2 047
					<b>197</b>
<b>Subtotal</b>	<b>5 152</b>	<b>-</b>	<b>-155</b>	<b>-</b>	<b>4 997</b>
<b>TOTAL</b>	<b>5 152</b>	<b>-</b>	<b>155</b>	<b>-</b>	<b>4 997</b>

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

**ANNEXURE 4**  
**CLAIMS RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2022/23*	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022	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								
KZN PROV GOVT- COGTA	-	-	6	-	6	-	-	-
KZN PROV GOVT- SOCIAL DEVELOPMENT	-	-	97	-	97	-	-	-
KZN PROV GOVT- SPORT, ARTS & CULTURE	120	-	3 000	-	3 120	-	-	-
KZN PROV GOVT- COMMUNITY SAFETY	-	-	7	-	7	-	-	-
KZN PROV GOVT- TRANSPORT	-	-	36	9	45	9	-	-
KZN PROV GOVT- TREASURY	-	-	32	-	32	-	-	-
NATIONAL- SPORT	-	-	1 000	-	1 000	-	-	-
<b>Subtotal</b>	<b>120</b>	<b>-</b>	<b>4 187</b>	<b>9</b>	<b>4 307</b>	<b>9</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>120</b>	<b>-</b>	<b>4 187</b>	<b>9</b>	<b>4 307</b>	<b>9</b>	<b>-</b>	<b>-</b>

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

**ANNEXURE 5  
INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash-in-transit at year end 2022/23 *	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
KZN PROV GOVT – HEALTH	-	-	-	-	-	-	Paid- 27/03/2023	89
KZN PROV GOVT – TRANSPORT	-	-	-	-	-	-	Paid- 31/03/2023	910
KZN PROV GOVT – WORKS	-	-	-	-	-	-	Paid- 31/03/2023	1 539
KZN PROV GOVT – LEGISLATURE	-	-	-	-	-	-	Paid- 27/03/2023	2 030
KZN PROV GOVT – TREASURY	-	-	-	-	-	-	Paid- 31/03/2023	586

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

<b>Subtotal</b>	-	-	-	-	-	-	-	<b>5 154</b>
Non-current		-	-	-				
<b>Subtotal</b>	-	-	-	-	-	-	-	-
Total Departments	-	-	-	-	-	-	-	<b>5 154</b>
<b>OTHER GOVERNMENT ENTITIES</b>	-	-	-	-	-	-	-	-
Current	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-
Non-current	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-
Total Other Government Entities	-	-	-	-	-	-	-	-
<b>TOTAL INTERGOVERNMENT PAYABLES</b>	-	-	-	-	-	-	-	-

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

**ANNEXURE 6  
INVENTORIES**

	Clothing material and accessories	Material and supplies	Other supplies	Insert major category of inventory	Total
<b>Inventories for the year ended 31 March 2023</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Opening balance					
Add/(Less): Adjustments to prior year balances					
Add: Additions/Purchases - Cash	2 708	10 255	2 346	-	15 309
Add: Additions - Non-cash					
(Less): Disposals	-2 708	-10 255	-2 346	-	-15309
(Less): Issues					
Add/(Less): Received current, not paid; (Paid current year, received prior year)					
Add/(Less): Adjustments					
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	



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

**ANNEXURE 7  
MOVEMENT IN CAPITAL WORK IN PROGRESS**

**Movement in capital work in progress for the year ended 31 March 2023**

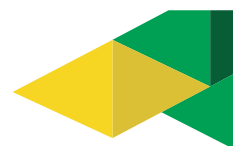
	Opening balance  R'000	Current Year Capital WIP R'000	Ready for use (Asset register) / Contract terminated R'000	Closing balance  R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>24 001</b>	<b>5 444</b>	<b>-</b>	<b>29 445</b>
Dwellings	6 478	4 459	-	10 937
Non-residential buildings	17 523	985	-	18 508
<b>TOTAL</b>	<b>24 001</b>	<b>5 444</b>	<b>-</b>	<b>29 445</b>

The current year WIP of R5 444 relates to upgrades and additions in Moses Mabhida Building as well as security building upgrades in Parkside. Total expenditure paid in 2022/2 is R6 276 which includes R832 which was the accrual amount at the end of 2021/22. This accrual was recognised in WIP during 2021/22.

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

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

	Opening balance	Prior period error	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>HERITAGE ASSETS</b>	<b>4 667</b>	-	-	<b>-4 667</b>	-
Heritage assets	4 667	-	-	-4 667	-
<b>MACHINERY AND EQUIPMENT</b>	-	-	-	-	-
Transport assets	-	-	-	-	-
Computer equipment	-	-	-	-	-
Furniture and office equipment	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-
<b>SPECIALISED MILITARY ASSETS</b>	-	-	-	-	-
Specialised military assets	-	-	-	-	-
<b>BIOLOGICAL ASSETS</b>					
Biological assets					
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>8 223</b>	<b>15 778</b>	-	-	<b>24 001</b>
Dwellings	-	6 478	-	-	6 478
Non-residential buildings	8 223	9 300	-	-	17 523
Other fixed structures	-	-	-	-	-
<b>LAND AND SUBSOIL ASSETS</b>	-	-	-	-	-
Land	-	-	-	-	-
Mineral and similar non-regenerative resources	-	-	-	-	-
<b>SOFTWARE</b>					
Software	-	-	-	-	-
<b>MASTHEADS AND PUBLISHING TITLES</b>					
Mastheads and publishing titles	-	-	-	-	-



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

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

	Opening balance	Prior period error	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS</b>					
Patents, licences, copyright, brand names and trademarks	-	-	-	-	-
<b>RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS</b>					
Recipes, formulae, prototypes, designs, models	-	-	-		
<b>SERVICES AND OPERATING RIGHTS</b>					
Services and operating rights	-	-	-	-	-
<b>TOTAL</b>	<b>12 890</b>	<b>15 778</b>	-	<b>-4 667</b>	<b>24 001</b>

**GROWING  
KWAZULU-NATAL  
TOGETHER**

**Provincial Government Communication**

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