



2016/17

NATIONAL TREASURY

Annual Report

VOTE 7



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA







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CONTENTS



PART A:

GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION8
2. LIST OF ABBREVIATIONS/ACRONYMS.....9
3. FOREWORD BY THE MINISTER..... 12
4. REPORT OF THE DEPUTY MINISTER..... 14
5. REPORT OF THE ACCOUNTING OFFICER..... 16
6. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT..... 25
7. STRATEGIC OVERVIEW..... 26
8. LEGISLATIVE AND OTHER MANDATES 27
9. ORGANISATIONAL STRUCTURE 28
10. ENTITIES REPORTING TO THE MINISTER..... 30



PART B:

PERFORMANCE INFORMATION

| | |
|---|-----|
| 1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES..... | 42 |
| 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE | 42 |
| 3. STRATEGIC OUTCOME ORIENTED GOALS... | 46 |
| 4. PERFORMANCE INFORMATION BY PROGRAMME..... | 53 |
| 4.1 Programme 1: Administration | 53 |
| 4.2 Programme 2: Economic policy, tax, financial regulation and research | 63 |
| 4.3 Programme 3: Public Finance and Budget Management | 73 |
| 4.4 Programme 4: Asset and Liability Management | 99 |
| 4.5 Programme 5: Financial Accounting and Supply Chain Management Systems..... | 110 |
| 4.6 Programme 6: International Financial Relations..... | 134 |
| 4.7 Programme 7: Civil and Military pensions, contributions to funds and other benefits | 142 |
| 4.8 Programme 8: Technical and management support and development finance..... | 148 |

| | |
|-----------------------------|-----|
| 5. TRANSFER PAYMENTS..... | 165 |
| 6. CONDITIONAL GRANTS..... | 167 |
| 7. DONOR FUNDS | 171 |
| 8. CAPITAL INVESTMENT | 177 |

PART C

GOVERNANCE

| | |
|---|-----|
| 1. INTRODUCTION | 179 |
| 2. RISK MANAGEMENT..... | 179 |
| 3. FRAUD AND CORRUPTION..... | 179 |
| 4. MINIMISING CONFLICT OF INTEREST | 180 |
| 5. CODE OF CONDUCT..... | 180 |
| 6. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES | 180 |
| 7. PORTFOLIO COMMITTEES..... | 181 |
| 8. SCOPA RESOLUTIONS..... | 182 |
| 9. PRIOR MODIFICATIONS TO AUDIT REPORTS..... | 182 |
| 10. INTERNAL CONTROL UNIT | 184 |
| 11. INTERNAL AUDIT AND AUDIT COMMITTEES..... | 184 |
| 12. AUDIT COMMITTEE REPORT | 185 |

2016/17

NATIONAL TREASURY

Annual Report

VOTE 7

CONTENTS



PART D

HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION191
2. OVERVIEW OF HUMAN RESOURCES.....191
3. HUMAN RESOURCES OVERSIGHT
STATISTICS193

PART E

FINANCIAL INFORMATION

1. REPORT OF THE AUDITOR GENERAL224
2. ANNUAL FINANCIAL STATEMENTS.....231



2016/17

NATIONAL TREASURY

Annual Report

PART A

GENERAL INFORMATION



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PART A: GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

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PART A: GENERAL INFORMATION - Continued**2. LIST OF ABBREVIATIONS/ACRONYMS**

| | |
|---------|---|
| AENE | Adjusted Estimates of National Expenditure |
| ADF | African Development Fund |
| AGSA | Auditor-General South Africa |
| ALM | Asset and Liability Management |
| AO | Accounting Officer |
| APP | Annual Performance Plan |
| ASB | Accounting Standards Board |
| BAS | Basic Accounting System |
| BBBEE | Broad Based Black Economic Empowerment |
| BBCBE | Black Business Council Built Environment |
| BCM | Business Continuity Management |
| BEPPs | Built Environment Performance Plans |
| BFI | Budget Facility for Infrastructure |
| BMA | Border Management Agency |
| BPA | Benefits Payment Automation |
| BO | Budget Office |
| CBDA | Co-operative Banks Development Agency |
| CEF | Central Energy Fund |
| CFO | Chief Financial Officer |
| CFPs | Calls for Proposals |
| CGICTPF | Corporate Governance of ICT Policy Framework |
| CoGTA | Cooperative Governance and Traditional Affairs (Department) |
| COLA | Cost of Living Adjustment |
| CSD | Central Supplier Database |
| CSP | Cities Support Programme |
| CSIPs | City Support Implementation Plans |
| DBSA | Development Bank of Southern Africa |
| DHET | Department of Higher Education and Training |
| DFIs | Development Funding Institutions |
| DPCI | Directorate for Priority Crime Investigation |

| | |
|------------|--|
| DPW | Department of Public Works |
| DoRA | Division of Revenue Act |
| DTT | Digital Terrestrial Television |
| CSPs | Country Strategy Papers |
| ECA | Equivalent Competent Authority |
| ECIC | Export Credit Insurance Corporation |
| ECOSOC | Economic and Social Council |
| eEd PDMS | e-Education Procurement and Delivery Management Standard |
| EDMS | Electronic Document Management System |
| ENE | Estimates of National Expenditure |
| EAOs | Emolument Attachment Orders |
| ERM | Enterprise Risk Management |
| EWRM | Enterprise wide risk management |
| EU | European Union |
| FAIS Ombud | Financial Advisory and Intermediary Services Ombud |
| FAOA | Federal Audit Oversight Authority |
| FIC | Financial Intelligence Centre |
| Fitch | Fitch Ratings |
| FFC | Financial and Fiscal Commission |
| FLC | Fiscal Liability Committee |
| FMCMM | Financial Management Capability Maturity Model |
| FOSAD | Forum of South African Directors-General |
| FSB | Financial Services Board |
| FSRB | Financial Sector Regulation Bill |
| FSCA | Financial Sector Conduct Authority |
| G20 | Group of Twenty |
| GCI | General Capital Increase |
| GEHS | Government Employees Housing Scheme |
| GEPF | Government Employees Pension Fund |
| GPAA | Government Pensions Administration Agency |

PART A: GENERAL INFORMATION - Continued**2. LIST OF ABBREVIATIONS/ACRONYMS**

| | |
|-----------|--|
| GPW | Government Printing Works |
| GTAC | Government Technical Advisory Centre |
| HLPF | High Level Political Forum |
| HOD | Head of Department |
| HR | Human Resources |
| Land Bank | Land and Agricultural Development Bank of South Africa |
| ICASA | Independent Communications Authority of South Africa |
| ICDG | Integrated City Development Grant |
| IDA | International Development Association |
| IDC | International Development Cooperation |
| IDMS | Infrastructure Delivery Management System |
| IDT | Independent Development Trust |
| IES | Income And Expenditure Survey |
| IGR | Inter-Governmental Relations |
| IRBA | Independent Regulatory Board for Auditors |
| IFIAR | International Forum of Independent Audit Regulators |
| IMF | International Monetary Fund |
| IPID | Independent Police Investigative Directorate |
| IPPs | Independent Power Producers |
| ITAC | International Trade Administration Commission |
| IUDF | Integrated Urban Development Framework |
| JSE | Johannesburg Stock Exchange |
| KM | Knowledge management |
| KWSAP | Komati Water Scheme Augmentation Project |
| LCS | Living Conditions Survey |
| LTSM | Learner, Teacher Support Material |

| | |
|-----------|---|
| MEC | Member of Executive Council |
| MDDA | Media Development and Diversity Agency |
| MDBs | Multilateral Development Banks |
| MMTS-2 | Mooi Mngeni transfer scheme project |
| Moody's | Moody's Investors Service |
| MAFR | Mandatory Audit Firm Rotation |
| MFMA | Municipal Finance Management Act |
| MINCOMBUD | Ministers' Committee on the Budget |
| MPAT | Management Performance Assessment Tool |
| mSCOA | Municipal Standard Chart of Accounts |
| MTBPS | Medium-term Budget Policy Statement |
| MTEC | Medium Term Expenditure Committee |
| MTEF | Medium Term Expenditure Framework |
| MTSF | Medium Term Strategic Framework |
| MFMP | Municipal Finance Management Programme |
| NCOP | National Council of Provinces |
| NDOH | National Department of Health |
| NDP | National Development Plan |
| NECSA | Nuclear Energy Corporation of South Africa |
| NRF | National Research Foundation |
| OAG | Office of the Accountant General |
| OECD | Organisation for Economic Cooperation and Development |
| OCPO | Office of the Chief Procurement Officer |
| ODA | Official Development Assistance |
| OPFA | Office of the Pension Fund Adjudicator |
| OTO | Office of the Tax Ombud |
| PCM | Pensioner Case Management |
| PEOU | Public Entities Oversight Unit |

PART A: GENERAL INFORMATION - Continued**2. LIST OF ABBREVIATIONS/ACRONYMS**

| | |
|---------|---|
| PDFIs | Provincial Development Finance Institutions |
| PF | Public Finance |
| PFS | Public Finance Statistics |
| PFMA | Public Finance Management Act |
| PIC | Public Investment Corporation |
| PoE | Port of Entry |
| PPAs | Power Purchasing Agreements |
| PPP | Public Private Partnership |
| PMTE | Property Management Trading Entity |
| PSCBC | Public Service Co-ordinating Bargaining Council |
| PSO | Parliamentary Service Office |
| PSO | Programme Support Office |
| R&D | Research and Development |
| R&I | Ratings and Investment Information |
| SAA | South African Airways |
| SADC | Southern African Development Community |
| SALGA | South African Local Government Association |
| SAPO | South African Post Office |
| SAPS | South African Police Service |
| SARS | South African Revenue Service |
| SA-SAMS | South African School Administration and Management System |
| SASRIA | South African Special Risks Insurance Association |
| SAX | South African Express |
| SCM | Supply Chain Management |
| SCOA | Standard Chart of Accounts |
| SCoA | Standing Committee on Appropriations |
| SCoF | Standing Committee on Finance |
| SeCoA | Select Committee on Appropriations |
| SeCoF | Select Committee on Finance |
| SDIP | Service Delivery Improvement Plan |

| | |
|--------|--|
| SIPDM | Standards for Infrastructure Procurement and Delivery Management |
| SITA | State Information Technology Agency |
| SMME | Small Medium and Micro Enterprises |
| SPF | Strategic Procurement Framework |
| SOCs | State Owned Companies |
| SOERG | SOCs Remuneration Guide |
| S&P | S&P Global Ratings |
| SQL | Structured Query Language |
| SSA | State Security Agency |
| TAS | Time Accounting System |
| TCTA | Trans-Caledon Tunnel Authority |
| TR | Treasury Regulations |
| TVET | Technical and Vocational Education and Training |
| UN | United Nations |
| VRESAP | Vaal River Eastern Subsystem Augmentation Project |
| WB | World Bank |
| WCPT | Western Cape Treasury |
| WEF | World Economic Forum |
| WEFA | World Economic Forum Africa |

3. MINISTER'S FOREWORD



The future South African economy will be determined by and depends on all citizens harnessing our collective effort, leadership, capacity and commitment to pursue inclusive growth and economic transformation. We must unite, not only to build the economy but critically to take the bold decisions necessary to transform and reimagine it to serve all South Africans.

This transformation rests on four elements:

- Ownership, management and workers profile at all levels must reflect the racial composition of the broader South African society
- Shift the economy from capital intensive extractive sectors to reflect a dynamic industrial and knowledge economy built on a large middle class
- End the legacy of dual economies; first and second, rural and urban, township and suburb, creating a single economy with beneficiation streams and regional and global links
- Having clear action plans and milestones pursued with a singular determination

This economic transformation will ensure that more people participate in the economy, by changing the structure, systems and institutions of the economy and patterns of ownership, management and control. This will result in the strengthening of the economy to be able to withstand current and future challenges.

The National Development Plan Vision 2030 demands of us to overcome the triple challenge of unemployment, inequality and poverty. This daunting array of apartheid legacy social and economic challenges stand as obstacles both to strengthening our democracy and fully realising our economic freedom and dignity for the majority of South Africans. An inclusive economy will propel South Africa into a growth trajectory that is a prerequisite to achieving our developmental objectives.

Working together we have begun to make progress on addressing our binding constraints to inclusive growth. Building on our efforts, existing stakeholder initiatives have been strengthened and new partnerships with role-players across the spectrum of the financial sector are being forged. It is only together, with a strong public sector, an active civil society sector, a dynamic private sector and an active organised labour sector that confidence will be inspired and growth re-ignited.

PART A: GENERAL INFORMATION - Continued

3. MINISTER'S FOREWORD

Going forward it is imperative that we recommit to investment for growth; stabilise the governance and finances of state owned companies, that they become sustainable engines of development; ensure a measured and balanced path of macro-economic management; avoid further down-grades to South Africa's credit rating, and work to restore it to investment grade; and act to root out anti-competitive structures and conduct.

It is my honour to serve my country in this portfolio and my great pleasure to serve alongside Deputy Minister Sfiso Buthelezi. I would like to express my gratitude to the Director-General Mr Dondo Mogajane and his team for working with great dedication and commitment on behalf of the people of South Africa. Let us continue our work in solidarity and in collective action towards a cohesive economy and society contributing towards the development of an inclusive, dynamic and prosperous nation.



Malusi Gigaba

Minister of Finance

20 August 2017

4. DEPUTY MINISTER STATEMENT



MR SFISO BUTHELEZI
Deputy Minister of Finance

These are challenging times for the South African economy, having entered a recession following several years of low growth. Lower than expected growth this year could mean further strain on our fiscal framework, and make reducing poverty, creating employment and addressing inequality all the more difficult.

This negative economic outlook is in part a consequence of domestic factors but also due to the global economy remaining weak and growth prospects uncertain. Internationally adverse capital flows are being stroked by rising interest rates in advanced economies with weakening growth in China and increasing geopolitical tensions. These constraints are further exacerbating the global fault-lines of growing inequality, falling welfare, increasing distrust and more inward looking policy positions being adopted. Despite the progress made, these stressors are starkly evident in South Africa with increasingly uneven income growth, continued high concentrations of wealth, persistent high unemployment, on-going barriers to effective universal education provisioning and towns and cities divided physically and in terms of access to and availability of resources.

South Africa is rising to these challenges, with stakeholders engaging in various developmental partnerships involving government, business and labour around specific economic issues and growth areas, in order to drive a common and focused agenda.

The test of our work is whether and to what extent we positively impact growth and transformation to the greatest extent possible. We have built a sophisticated, stable and resilient financial system that has stood us in good stead, providing protection against the worst of the shocks emanating from the recent global economic meltdown, but there is still much to be done.

Towards this end Government and National Treasury, in respect of the financial environment, are working hard to provide policy certainty, have acted and will continue to do so with urgency to complete growth enhancing structural reforms, which are currently in progress. Such reforms include the ongoing work with our regional counterparts to advance free trade areas, improve regional transport infrastructure and reduce border delays.

Key amongst this work is the development, adoption and implementation of the new Financial Services Charter. Working with other departments and entities as well as financial sector stakeholders the new charter will advance transformation in the ownership and management of companies in the financial services sector.

PART A: GENERAL INFORMATION - Continued

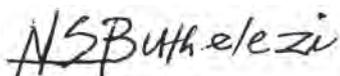
4. DEPUTY MINISTER STATEMENT

The modernisation of the public procurement regime will not only deliver on its economic transformation mandate but will enhance the efficiency of the public sector and deliver on the value for money imperative. Public procurement will further maximise the developmental impact of public spend by targeting and increasing access for black, women and youth owned businesses, township entrepreneurs and others.

I would like to take this opportunity to recognise the contribution made by the “financial family” entities and to acknowledge that with the strides we have collectively made, we are clearly greater than the sum of our parts.

It is a privilege to serve my country and to work with Minister Gigaba, positively contributing to the growth and transformation of our economy to the advancement of our citizens and their communities.

Thank you to Director-General Dondo Mogajane and the Treasury staff whose committed contribution to building a strong institution that serves the interests of South Africans today and future generations, is recognised.



Sifiso Buthelezi

Deputy Minister of Finance

20 August 2017

5. REPORT OF THE ACCOUNTING OFFICER



5.1 OVERVIEW OF THE OPERATIONS OF THE DEPARTMENT

Towards redressing South Africa's legacy of inequality, poverty and exclusion; the Constitution requires that all citizens have access to social security; medical care; clean and safe environment; housing; water; and education. These commitments place an obligation on government to provide public services and address our socio-economic challenges.

Unfortunately the economy has been contracting and entering a technical recession, growth projections have been revised down with a downward bias to the Gross Domestic Product (GDP) growth. This places immense stress on the resources available to finance public services and threatens the affordability of our planned expenditure.

The gravity to advance equality, create employment and build an inclusive economy, demands of all of us to remain singularly focused on growing the economy and protecting fiscal sustainability. We remain committed to the fiscal consolidation plans as articulated in the 2017 Budget. We aim to stabilise government's net debt over the next three years at 48% of GDP. To accomplish this, expenditure will continue to be tightly controlled with budget deficits to be narrowed from 3.4% of GDP to 3.1% in 2017/18 and to 2.6% in 2019/20. This requires any spending pressures to be accommodated within the current baseline without breaching the expenditure ceiling.

The National Treasury remains committed to growing the economy and advancing inclusive growth and economic transformation. We will continue to facilitate the mobilisation of both private and public investment in social and economic infrastructure, new technologies, and innovation that helps build a modern and diversified economy. We will continue to re-shape our cities and build linkages across the economic divides. Our efforts to drive transformation in the control and ownership structures of our economy will continue unrelenting, however, it will only be possible in partnership with the private sector. We will continue to meaningfully participate in related stakeholder initiatives as well as engaging at the National Economic and Development Labour Council (NEDLAC) to ensure that these processes will become reality.

The National Treasury remains steadfast in directing government spend towards programmes that create jobs, eliminate poverty and narrow the inequality gap. To this end, we continue to improve efficiency and prioritise the most essential sectors and services.

PART A: GENERAL INFORMATION - Continued**5. REPORT OF THE ACCOUNTING OFFICER**

Funding social protection for vulnerable members of society, even in difficult times, remains a priority. Spending plans over the medium term allow for moderate real expenditure growth. Priority will continue to be given to advancing higher education, health and social development.

In the period ahead, we will redouble our efforts to strengthen the budget execution and in-year monitoring of spend.

It is imperative that we do more with less.

Procurement reforms will continue to result in the sustainable improvement in the effectiveness of public spending. Over the next three years, the Office of the Chief Procurement Officer (OCPO) aims to save R25 billion by renegotiating contracts with governments' top 100 suppliers, consolidating spending on general goods, narrowing opportunities for corruption and reducing red tape. We will continue to ensure that preferential procurement regulations form a critical link between macroeconomic policy, industrial development and job creation. The focus for the OCPO in 2017/18 includes further refinement of cataloguing services through g-commerce, acceleration of SCM reforms, review of the contract management framework and advancement of the Public Procurement Bill.

The Office of the Accountant-General continues to strengthen financial management including the ongoing use of the financial management capability maturity model (FMCMM). This will assist in preventing the regression in the governance of local government as well as state-owned entities. The continued weakening of internal controls, as well as the failure by management to follow-up on audit findings and hold staff accountable, unfortunately still results in unauthorised, irregular, fruitless and wasteful expenditure. Non-compliance with public finance management prescripts remains a challenge. The performance and roll-out of the Integrated Financial Management System programme remains an area of concern. However, we will increase efforts to strengthen processes and management of this programme. Steady progress has been achieved in the 30-day payment of invoices at national departments for services and goods procured. Additional efforts will be made at provincial departments and municipality level as they still lag behind which impacts negatively on small and medium size businesses.

The National Treasury, through Economic Policy, Tax, Financial Regulation and Research, continued to provide specialist policy research, analysis and advisory services in the areas of macroeconomics, microeconomics, taxation and the financial sector and regulatory reform. During the period under review, this included participating in priorities such as the provision of inputs into labour policy, analysis of monetary and exchange rate policy, the dti's incentives review, firm entry and Small and Medium Enterprise (SME) development as well as the impact of sugar tax on the economy. Significant progress was made on implementing financial sector regulatory reforms relating to the twin peaks system, savings and retirement reform, and providing market conduct practices in the industry to ensure it provides more appropriate financial products and services.

The Budget Office continues to lead the national budget process in particularly difficult economic conditions. The division also oversaw expenditure planning; provided fiscal advice; lead the budget reform programme' managing official development assistance and the compilation of finance statistics.

Public Finance provided continual advice and analysis on sectorial policies and programmes, critically monitored public expenditure and advised on financial and budgetary aspects of public policy and spending proposals.

5. REPORT OF THE ACCOUNTING OFFICER

The Intergovernmental Relations continued to coordinate fiscal and financial relations between the national, provincial and local spheres of government which included the coordination of inputs to the Division of Revenue, the annual Division of Revenue Bill and the development of the framework for managing conditional grants. Furthermore, the division perpetually monitors the use of scarce public resources by provincial and local government, having regular engagements with a range of stakeholders to promote efficient and effective use of these resources.

During the period under review, the Assets and Liabilities Management division successfully financed government's gross borrowing requirement through the issuances of short and long dated securities in the domestic and foreign market. All government commitments were met and surplus cash was optimally invested. Relations with the sovereign credit rating agencies and government's contingent liabilities were managed. In addition, oversight over the State Owned Companies (SOCs) was exercised to enable the achievement of government's policy objectives. Over the medium term, financing of government's gross borrowing requirement will continue, government's cash resources managed, risk emanating from government's fiscal obligations minimised and mitigated, and oversight over SOCs exercised. It must be noted that the current domestic and global economic conditions will continue to negatively impact on government's borrowing programme; ability to maintain sovereign credit ratings; and the financial wellbeing of SOCs.

In the past year, International Financial Relations participated in regional and international forums that were geared towards advancing South Africa and African economic and development interests. The economic outlook for the majority of African countries will remain sluggish in the short to medium term, therefore the advocacy role performed by South Africa on behalf of other African countries would remain critical. The replenishment of the African Development Fund and the International Development Association was successfully concluded during the period under review.

The Civil and Military pension contributions to funds and other benefits will continue to provide pension and post-retirement medical benefits to former employees of state departments and bodies, as well as providing similar benefits to retired members of the military.

The Government Technical Advisory Centre (GTAC) continues to contribute to building a capable and developmental orientated state with capacity to work with the private sector in promoting growth, employment, infrastructure investment and public service delivery. The Municipal Finance Improvement Programme (MFIP) continues to achieve positive results in the municipalities and discipline within which technical advisory support is provided. The focus areas going forward will be to provide ongoing support to municipalities, provincial treasuries and the National Treasury through the placement of technical advisors. The Neighbourhood Development Partnership Programme continues to make significant impact. During 2016/17, R591.9 million was transferred to municipalities for capital projects. Since its inception in 2006/07, the grant has registered 459 projects across more than 65 municipalities. In total, 272 township projects have been completed to the value of over R3.6 billion. 56 projects in urban areas and 5 in rural areas are still under construction. Third-party public and private investment since the inception of the programme amounts to R5 billion. In order to increase the level and diversity of such investment, precinct management technical assistance has been provided since 2015/16.

Two pilot projects are underway: the Jabulani Urban Hub in Soweto, Johannesburg, and the Mdantsane Urban Hub in Buffalo City. A third project in Msunduzi municipality has commenced in the Edendale precinct. Discussions are on-going to finalise funding for precinct management support in eThekweni.

PART A: GENERAL INFORMATION - Continued**5. REPORT OF THE ACCOUNTING OFFICER**

The Jobs Fund supports innovative partnership based approaches to sustainable employment creation as well as research into employment, income distribution and inclusive growth. To date, seven calls for proposals (CFPs) have been issued. The objective is to support initiatives that innovatively catalyse new employment creation models that can be replicated and scaled. The fund offers once-off grants in the areas of enterprise development, infrastructure, and support for job seekers and institutional capacity building. During 2016/17 the sixth CFP, which focused on catalysing innovative job creation models, was concluded and many of these projects are in full implementation. The fund received 262 concept note applications for this round, with a total of 21 projects finally being approved. A total of R1.1 billion has been allocated towards these projects and an anticipated 20 108 new permanent jobs will be created. There have been 7 928 placements in vacant positions over the project implementation period.

The Jobs Fund has a specific focus on addressing women and youth unemployment. 60% of the permanent jobs created to date have gone to women and youth beneficiaries, while previously disadvantaged individuals account for 98% of the permanent jobs in the portfolio. In support of youth, the Jobs Fund has focused on supporting job creation initiatives that address the market mismatch between skills, labour supply and labour demand. An amount of R6.5 billion has so far been allocated to a portfolio of 125 approved employment-generating initiatives, and 96 831 new permanent jobs have been created by 109 implementing projects and an additional 53 459 unemployed individuals have been matched with vacant positions and placed in permanent employment. In addition, 195 902 people have benefited from work readiness and technical training interventions. Current estimates suggest that the fund will meet the target of 150 000. Spending is projected at R2.7 billion over the medium term in the employment creation facilitation sub-programme in the Technical Support and Development Finance programme.

PART A: GENERAL INFORMATION - Continued**5. REPORT OF THE ACCOUNTING OFFICER****5.2 OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT:****5.2.1 Departmental receipts**

The table below provides a breakdown of the sources of revenue and performance for 2016/17 financial year.

Table: Source of Revenue

| DEPARTMENTAL RECEIPTS | 2015/16 | | | 2016/17 | | |
|--|------------------|-------------------------|-------------------------|------------------|-------------------------|-------------------------|
| | 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 |
| Tax Receipts | | | | | | |
| Sale of goods and services other than capital assets | 22 178 | 38 639 | (16 461) | 29 957 | 11 827 | 18 130 |
| Interest, dividends and rent on land | 3 529 740 | 4 640 219 | (1 110 479) | 4 067 002 | 4 032 638 | 34 364 |
| Sale of capital assets | - | 17 | (17) | - | 136 | (136) |
| Financial transactions in assets and liabilities | 1 100 310 | 923 456 | 176 854 | 1 090 800 | 906 605 | 184 195 |
| Total | 4 652 228 | 5 602 331 | (950 103) | 5 187 759 | 4 951 206 | 236 553 |

The highest revenue stream for the department is interest received from the four commercial banks in the tax and loan account and foreign currency deposit which is 81.4% of its total revenue. The deficit is the net effect of the under recoveries for the year:

Sale of goods and services

The lesser amount of R18.1 million received than projected is mainly due to fees on government guarantee insurance that did not materialise.

Interest

The under collection of R34.4 million is due to less interest received from the four major commercial banks (ABSA, First National Bank, Standard Bank and Nedbank) than anticipated.

Financial transactions

The deficit of R184.2 million is primarily due to lesser than anticipated surplus funds received from entities.

PART A: GENERAL INFORMATION - Continued**5. REPORT OF THE ACCOUNTING OFFICER****5.2.2 Programme Expenditure**

The table below provides a high-level comparison of 2015/16 versus 2016/17 of the expenditure incurred by the Department against appropriated funds.

Table 2: Payment expenditure made by programmes for the period 1 April 2016 to 31 March 2017

| PROGRAMME NAME | 2015/16 | | | 2016/17 | | |
|---|---------------------|--------------------|---------------------------|---------------------|--------------------|---------------------------|
| | FINAL APPROPRIATION | ACTUAL EXPENDITURE | (OVER)/ UNDER EXPENDITURE | FINAL APPROPRIATION | ACTUAL EXPENDITURE | (OVER)/ UNDER EXPENDITURE |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Administration | 386 645 | 375 582 | 11 063 | 464 416 | 436 313 | 28 103 |
| Economic Policy Tax Financial Regulation and Research | 132 730 | 131 290 | 1 440 | 156 561 | 151 182 | 5 379 |
| Public Finance and Budget Management | 268 889 | 262 577 | 6 312 | 294 483 | 281 778 | 12 705 |
| Asset and Liability Management | 3 265 171 | 3 264 294 | 877 | 113 129 | 110 146 | 2 983 |
| Financial Accounting and Supply Chain Management Systems | 783 753 | 774 494 | 9 259 | 1 251 758 | 1 209 858 | 41 900 |
| International Financial Relations | 3 547 662 | 3 546 134 | 1 528 | 4 961 628 | 4 955 753 | 5 875 |
| Civil and Military Pensions Contributions to Funds and Other Benefits | 3 967 741 | 3 967 698 | 43 | 4 462 642 | 4 400 159 | 62 483 |
| Technical Support and Development Finance | 2 755 969 | 2 472 246 | 283 723 | 2 590 637 | 2 478 432 | 112 205 |
| Revenue Administration | 9 334 439 | 9 334 439 | - | 9 363 676 | 9 363 676 | - |
| Financial Intelligence and State Security | 4 562 062 | 4 562 062 | - | 4 812 487 | 4 812 487 | - |
| Total | 29 005 061 | 28 690 816 | 314 245 | 28 471 417 | 28 199 783 | 271 633 |

The Department spent 99.05% of its appropriated funds. The underspending of R271.6 million has no negative impact on attaining predetermined objectives as processes were constantly assessed in order to improve spending effectiveness and efficiency.

PROGRAMME 1

The Programme has spent 93.9% of its R464.4 million budget for the 2016/17 financial year. The unspent funds of R14.2 million relate to an underspending in Compensation of Employees subsequent to EXCO's decision to freeze vacant positions in order to remain within the current expenditure ceiling. A further underspending relates to unspent funds of R8.2 million which were earmarked for the procurement of the generator for the department.

PART A: GENERAL INFORMATION - Continued

5. REPORT OF THE ACCOUNTING OFFICER

PROGRAMME 2

The Programme has spent 96.6% of its R156.6 million budget for the 2016/17 financial year. The unspent funds of R4.2 million relate to an underspending in Compensation of Employees subsequent to EXCO's decision to freeze vacant positions in order to remain within the current expenditure ceiling.

PROGRAMME 3

The Programme has spent 95.7% of its R294.5 million budget for the 2016/17 financial year. The unspent funds of R5.5 million relates to an underspending in Compensation of Employees subsequent to EXCO's decision to freeze vacant positions in order to remain within the current expenditure ceiling. Other savings were generated on various items in goods and services as a result of effective implementation of the cost containment measures and payment of capital assets due to delays in replacing obsolete capital assets that are still in good working condition.

PROGRAMME 4

The Programme has spent 97.4% of its R113.1 million budget for the 2016/17 financial year.

PROGRAMME 5

The Programme has spent 96.7% of its R1.252 billion budget for the 2016/17 financial year. The savings of R41.9 million were generated on other various items in goods and services as a result of effective implementation of the cost containment measures and payment of capital assets due to delays in replacing obsolete capital assets that are still in good working condition.

PROGRAMME 6

The Programme has spent 99.9% of its R4.962 billion for the 2016/17 financial year.

PROGRAMME 7

The Programme has spent 98.6% of its R4.463 billion budget for the 2016/17 financial year. The unspent funds of R62.5 million is mainly due to:

- Special Pension - due to a decline in membership as a result of deaths or members opting for Non-Statutory Forces (NSF);
- Injury on Duty - due to challenges experienced in obtaining the outstanding awards that are in the employer's possession;
- SA Citizen Force - due to the rejected number of disability grant applications on military pensions; and
- Other Benefits ex-servicemen - due to a high rejection rate on medical accounts as the treatment was not approved for disability.

PROGRAMME 8

The Programme has spent 95.7% of its R2.591 billion budget for the 2016/17 financial year. The unspent earmarked funds amount of R71.6 million for the Job Fund grant were not fully spent and had to be returned to the department. A further underspending of R39.1 million relating to the Neighbourhood Development Programme Grant which was withheld as the municipality did not spend all the funds transferred in November 2016.

PART A: GENERAL INFORMATION - Continued

5. REPORT OF THE ACCOUNTING OFFICER

PROGRAMME 9

The Programme has transferred 100% of its R9.364 billion budget for the 2016/17 financial year.

PROGRAMME 10

The Programme has transferred 100% of its R4.812 billion budget for the 2016/17 financial year.

5.2.3 Virements/roll overs

During the year under review, the virement were applied through the shifting of funds from:

- The underspending in Goods and Services in Programme 1 is due to the retracting of the website and intranet redesign which was discontinued. The funds were utilised to augment the shortfall in Programme 5 to assist municipalities who are experiencing financial difficulties in settling their audit costs.
- The underspending on transfer payment in Programme 8 is due to delays in the procurement of Technical Assistants (TAs) to be allocated in the various municipalities. The funds were utilised to augment the shortfall in Programme 5 to assist municipalities who are experiencing financial difficulties in settling their audit costs. Further funds were utilised to augment the shortfall on Programme 2 for consultancy services payment to the service providers who were investigating the extent and abuse of Emolument Attachment Orders (EAOs) in the public service and implementing an on-going process for the management of EAOs to ensure that in future no illegally-issued EAOs are enforced against public servants.
- The underspending on transfer payment in Programme 6 is due to saving on the transfer payment for Common Monetary Area, compensation. The funds were utilised to augment the shortfall in Programme 5 to assist municipalities who are experiencing financial difficulties in settling their audit costs. Further funds were utilised to augment the shortfall on Programme 2 for transfer payment to Cooperative Banks Development Agency (CBDA) which relates to audit costs.

No Rollovers were requested by the Department.

- Unauthorised, fruitless and wasteful expenditure

Two cases of fruitless and wasteful expenditure were identified and reported on during the financial year and are made up of:

- (a) R2.5 million relating to the lease payments for office space of the newly established BRICS Bank regional offices. The lease contract was based on the requirements of the Bank as per the Articles of Agreement signed by the BRICS countries as well as an open tender process that was followed. The office space was utilised during the financial year by the officials who coordinated the refurbishment of the offices and installation of equipment in the premises, as well as providing administrative support to the 'interim head' of the regional office. The regional offices will be officially opened in the new financial year.
- (b) R67.03 million relating to the payment for technical support fee which is the annual maintenance for the PMM module for the first 5 years.

PART A: GENERAL INFORMATION - Continued

5. REPORT OF THE ACCOUNTING OFFICER

- Supply chain management
 - National Treasury does not use the unsolicited bid process.
 - National Treasury has implemented Supply Chain Management procedures, policies and systems to strengthen prevention of irregular expenditure.
- Non-Adjusting Events after the reporting date
 - The total financial effect of the subsequent non-adjusting events was R3.517 billion;
 - There were contracts that were awarded after year-end amounting to R1. 881 million;
 - Legal claims against the department that were received after year-end amounted to R50.545 million;
 - Settlement of the Gautrain loan and the last instalment was received after year-end which amounted to R1.257 billion; and
 - Payment of R2.207 billion was made to SAA after year-end for full settlement of the Standard Chartered Bank short term bridging facility which was due on 30 June 2017

APPRECIATION AND CONCLUSION

These have been testing times and the National Treasury has risen to the challenge, serving the nation diligently with dedication, commitment and determination. We acknowledge and pay tribute to Mr Lungisa Fuzile, who was the Director-General during the year under review, for having played a crucial role in leading the department and serving with distinction during his tenure. I wish to express deepest gratitude to Minister Gigaba, Deputy Minister Buthelezi and all the National Treasury staff for their resilient support and guidance at all times.



Dondo Mogajane

Accounting Officer

Date: 31 August 2017

PART A: GENERAL INFORMATION - Continued

6. 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 2017.

Yours faithfully



Dondo Mogajane

Accounting Officer

Date: 15 September 2017

7. STRATEGIC OVERVIEW

7.1. VISION

The National Treasury is the custodian of the nation's financial resources. We hold ourselves accountable to the nation to discharge our responsibilities professionally and with humility, with the aim of promoting growth and prosperity for all.

We aspire to excellence in the quality of our analysis and advice and in the execution of our financial management responsibilities. We aim to realise the full potential of South Africa's economy and people and to mobilise the resources of the state, business enterprises and the wider community in a partnership of trust and mutual respect.

7.2. MISSION

The National Treasury supports economic growth and development, good governance, social progress and rising living standards through the accountable, economic, efficient, equitable and sustainable management of South Africa's public finances, maintenance of macroeconomic and financial sector stability and effective financial regulation of the economy.

7.3. VALUES

As custodian of the nation's financial resources, the National Treasury acknowledges the authority of Parliament through whom we are accountable to the nation. We value teamwork, sound planning and enthusiasm and strive continually to improve the quality, accuracy and reliability of our service delivery. Our people are our most valued assets. We seek to be an employer of choice, we invest in the education and training of our staff, we cultivate a learning and consultative environment, we make use of the best available technological support and we aim to mobilise the full potential of our people.

In our dealings with the public and with our colleagues, we act transparently and with integrity, showing respect and demonstrating fairness and objectivity. In achieving these things, we will honour the faith that the South African public has placed in us.

8. LEGISLATIVE AND OTHER MANDATES

National Treasury's legislative mandate is based on Chapter 13, Section 216(1) of the Constitution, which calls for the establishment of a national treasury to ensure transparency, accountability and sound financial controls in the management of the country's public finances. This role is further elaborated in the Public Finance Management Act (1999).

The department is mandated to promote the national government's fiscal policy and the coordination of macroeconomic policy; ensure the stability and soundness of the financial system and financial services; coordinate intergovernmental financial and fiscal relations; manage the budget preparation process; and enforce transparency and effective management in respect of revenue and expenditure, assets and liabilities, public entities and constitutional institutions. Accordingly, there have been no significant changes to the National Treasury's legislative and other mandates.

8.1. PARLIAMENTARY SERVICE

The Minister of Finance, as the political principal of the department, regards active collaboration with Parliament as vital. The National Treasury will continue to maintain good relations with parliamentary committees during the period ahead, including the Standing Committee on Finance, the Select Committee on Finance and the Standing Committee on Public Accounts.

9. ORGANISATIONAL STRUCTURE (ORGANOGRAM)



MR MALUSI GIGABA (MP)
Minister of Finance*



MR SFISO BUTHELEZI (MP)
Deputy Minister of Finance*



MR DONDO MOGAJANE
Director-General**



STADI MNGOMEZULU



ANTHONY JULIES



SCHALK HUMAN



MICHAEL SACHS



MALIJENG NGQALENI



ISMAIL MOMONIAT



MONALE RATSOMA



JAYCE NAIR



JULIA DE BRUYN

* Appointed 1 April 2017
**Appointed 8 June 2017

PART A: GENERAL INFORMATION - Continued

9. ORGANISATIONAL STRUCTURE (ORGANOGRAM)

01. STADI MNGOMEZULU

DEPUTY DIRECTOR-GENERAL:

CORPORATE SERVICES

- Strategic Projects & Support
- Human Resources Management
- Chief Financial Officer
- Information & Communications Technology
- Media Liaison & Communications*
- Legal Services*
- Legislation*
- Internal Audit Function*
- Chief Risk Officer*
- Strategic Planning, Monitoring and Evaluation*

02. ANTHONY JULIES

DEPUTY DIRECTOR-GENERAL:

ASSET & LIABILITY MANAGEMENT

- Sectoral Oversight
- Liability Management
- Financial Operations
- Strategy & Risk Management
- Governance & Financial Analysis

03. SCHALK HUMAN

ACTING:

(Acting since, 1 January 2017)

CHIEF PROCUREMENT OFFICER

- Transversal Contracting
- SCM Policy, Norms and Standards
- Strategic Procurement
- SCM Client Support
- SCM Information, Communication and Technology
- SCM Governance, Monitoring and Compliance

04. MICHAEL SACHS

DEPUTY DIRECTOR-GENERAL:

BUDGET OFFICE

- Expenditure Planning
- Public Finance Statistics
- International Development Coordination
- Fiscal Policy
- Public Entities Governance Unit
- Public Sector Remuneration Unit

05. MALIJENG NGQALENI

DEPUTY DIRECTOR-GENERAL:

INTERGOVERNMENTAL RELATIONS

- Local Government Budget Analysis
- Intergovernmental Policy & Planning
- Provincial & Local Government Infrastructure
- Provincial Budget Analysis
- Neighbourhood Development Unit

06. ISMAIL MOMONIAT

DEPUTY DIRECTOR-GENERAL:

TAX & FINANCIAL SECTOR POLICY

- Financial Sector Development
- Financial Services
- Financial Stability
- Economic Tax Analysis
- Legal Tax Design

07. MONALE RATSOMA

DEPUTY DIRECTOR-GENERAL:

ECONOMIC POLICY

- Modelling & Forecasting
- Microeconomic policy
- Macroeconomic policy
- Regulatory Impact Assessment

08. MONALE RATSOMA

ACTING DEPUTY DIRECTOR-GENERAL:

(Acting since, 28 June 2016)

INTERNATIONAL & REGIONAL

ECONOMIC POLICY

- African Economic Integration
- International Finance & Development
- Global and Emerging Markets
- Country and Thematic Analysis

09. JAYCE NAIR

ACTING:

(Acting since, 1 October 2015)

ACCOUNTANT-GENERAL

- Capacity Building
- MFMA Implementation
- Accounting Support & Integration
- Internal Audit Support
- Risk Management
- Technical Support Services
- Governance Monitoring & Compliance
- Specialised Audit Services
- Financial Systems
- Integrated Financial Management Systems (IFMS)

10. JULIA DE BRUYN

ACTING DEPUTY DIRECTOR-GENERAL:

(Acting since, 18 May 2017)

PUBLIC FINANCE

- Protection Services
- Economic Services
- Administrative Services
- Education & Related Departments & Labour
- Health & Social Development
- Urban Development & Infrastructure
- National Capital Projects
- Project Management Unit

* Established in the office of the Director-General's Office, for administrative purposes located in Corporate Services.

10. ENTITIES REPORTING TO THE MINISTER OF FINANCE



PUBLIC ENTITIES REPORTING TO THE MINISTER

Eighteen entities report to the Minister of Finance through governance arrangements that give them autonomy but also enable them to align their strategies with government policy. Eight of these entities - the South African Revenue Service (SARS), the Office of the Tax Ombud (OTO), the Financial Intelligence Centre (FIC), the Accounting Standards Board (ASB), the Co-operative Banks Development Agency (CBDA), the Financial and Fiscal Commission (FFC), Government Technical Advisory Centre (GTAC) and the Independent Regulatory Board for Auditors (IRBA) – receive transfers from the National Treasury.

The remaining ten are self-funded and generate their own revenue. They are the Financial Services Board (FSB), the Financial Advisory and Intermediary Services Ombud (FAIS Ombud), the Office of the Pension Fund Adjudicator (OPFA), the Government Pensions Administration Agency (GPAA), the Government Employees Pension Fund (GEPF), the Development Bank of Southern Africa (DBSA), the Public Investment Corporation (PIC), the Land and Agricultural Development Bank of South Africa (Land Bank), South African Airways (SAA) and the South African Special Risks Insurance Association (SASRIA). Each entity develops and reports on its own strategic and corporate plan. The commentary below on the performance of the 18 entities describes the broad approach of each and how its work relates to the National Treasury’s strategic objectives which are in turn aimed at achieving the goals of the National Development Plan (NDP).

PART A: GENERAL INFORMATION - Continued**10. ENTITIES REPORTING TO THE MINISTER OF FINANCE****South African Revenue Service (SARS)**

(SCHEDULE 3A: NATIONAL PUBLIC ENTITY)

The mandate of SARS, in terms of the South African Revenue Service Act, 1997 (Act No. 34 of 1997), is to collect all revenue due to the state and to support government in meeting its key growth and developmental objectives by facilitating legitimate trade, protecting South African ports of entry and eliminating illegal trade and tax evasion.

- Despite challenging economic conditions, SARS collected R1.144 billion which represents a 6.9% growth in total tax revenue from 2015/16. This is the second consecutive year that more than a trillion rand has been collected;
- The tax to GDP ratio of 26% maintained by SARS speaks to the resilience of this organisation to extract tax from an ailing economy; and
- SARS' biggest single engagement with taxpayers was the tax season that closed in 2016. SARS received R5.74 million returns by the close of tax season for non-provisional taxpayers on Friday, 25 November 2016, comprising:
 - 4.16 million submissions by individuals for 2015/16;
 - 47 000 submissions by trusts for 2015/16;
 - R1.52 million returns for previous tax years from individuals and trusts;
 - The SARS contact centre handled more than 3.6 million calls;
 - The SARS branch offices assisted more than 5.1 million taxpayers;
 - SARS processed 99.9% of all returns electronically;
 - 92.4% of tax returns were assessed within 3 seconds;
 - 93.28% of refunds were paid to taxpayers within 72 hours; and
 - 44 373 taxpayers made use of SARS' mobile application to submit their 2016 tax returns.

Office of The Tax Ombud (OTO)

The Office of the Tax Ombud was established under the Tax Administration Act, 2011 (Act No. 28 of 2011) (TAA). This year marks four financial years since OTO's inception. The Tax Ombud exists to strengthen taxpayers' trust and confidence in tax administration and in doing so strives to be an efficient, independent, impartial and fair redress channel for taxpayers. The Office of the Tax Ombud continued to pursue excellence in addressing taxpayers' complaints against SARS and contributing towards improving the country's tax administration system.

The OTO's achievements during the period under review include the following:

- Significant strides with regards to the communication and outreach strategy were made. The number of complaints received by the OTO increased from 2 133 in 2015/16 to 3 188 in 2016/17 (49% growth) and assistance was provided in response to more than 10 000 queries;
- Various platforms were leveraged off, and stakeholders collaborated with to raise awareness about the OTO's services and to discuss important tax matters. The engagements and collaborations were organised and co-hosted with various stakeholders. They included webinar presentations co-hosted with recognised controlling bodies, social media interactions and publications;
- Extensive coverage on print, radio, television and online for the OTO was received. The television coverage included television talk shows and story integration to raise awareness among the public about the services offered by the OTO; and
- Quality management processes were enhanced to improve the quality of work performed by the OTO. OTO reintroduced the electronic service manager complaints management system thus improving the handling of complaints.

10. ENTITIES REPORTING TO THE MINISTER OF FINANCE

Financial Intelligence Centre (FIC)

(SCHEDULE 3A: NATIONAL PUBLIC ENTITY)

As required by the legal mandate, the FIC has continued to focus on current and emerging key issues involving the protection of the integrity of South Africa's financial system. The FIC was created in 2003 out of South Africa's policy on anti-money laundering and the combating of the financing of terrorism. The FIC, its legal mandate, statutory powers and authority, is established in the Financial Intelligence Centre Act, 2001 (Act No. 38 of 2001) (FICA).

The FIC's achievements in the year under review included:

- Number of accountable/reporting institutions registered in terms of FIC Act increased from 34 25 in 2015/16 financial year to 38 841 in the period under review;
- Five million reports were received by the FIC. The information received included suspicious transaction reports and cash threshold reports;
- Increased support was given to the criminal justice system, through the FIC's contribution to 2 145 national and international law enforcement matters (1 979 in 2015/16);
- The value of suspected proceeds of crime blocked amounted to R149 million; and
- To ensure supervision and enforcement in terms of the FICA, 132 risk-based compliance inspections were performed (145 in 2015/16). The inspections and compliance documents will guide businesses to have better information at hand to enable quality reporting to the FIC.

Accounting Standards Board (ASB)

(SCHEDULE 3A: NATIONAL PUBLIC ENTITY)

The ASB's legislative mandate is to develop uniform standards of generally recognised accounting practice (GRAP) for all spheres of government in terms of section 216 (1) (a) of the Constitution and the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended. A further function of the board is to promote accountability, transparency and the effective management of revenue, expenditure, assets and liabilities of the entities to which the standards of GRAP apply.

The ASB's key achievements during the year under review include the following:

- The Board exceeded the target of issuing 19 pronouncements in the year by issuing 21 pronouncements, which included 17 of the planned pronouncements and four additional pronouncements. The final work programme for 2017 to 2020 was also issued, as planned;
- The Secretariat has commented on all of the proposed pronouncements issued by the IPSASB during the year under review: Proposed Amendments to the IPSAS on employee benefits, proposed IPSAS on public sector combinations, consultation Paper on public sector specific financial instruments. The Secretariat also participates in the IPSASB task group to review the existing guidance on public sector specific financial instruments; and
- Six new Standards of GRAP were issued during the year, namely living and non-living resources, separate financial statements, consolidated financial statements, investments in associates and joint ventures, joint arrangements, and disclosure of interests in other entities.

PART A: GENERAL INFORMATION - Continued**10. ENTITIES REPORTING TO THE MINISTER OF FINANCE****Co-Operative Banks Development Agency (CBDA)**

(SCHEDULE 3A: NATIONAL PUBLIC ENTITY)

The CBDA was established in terms of the Co-operative Banks Act, 2007 (Act No. 40 of 2007). The CBDA's mandate is to create a strong and vibrant cooperative banking sector. Its overarching objectives are to support, promote and develop cooperative banking, and to register, supervise and regulate deposit taking financial services cooperatives, savings and credit cooperatives, community banks and village banks as cooperative banks.

The CBDA's achievements during the year under review included:

- The setting up of 13 cooperative financial institutions (CFIs) into the core banking platform, of which eight are currently actively using the system. 16 eligible CFIs meet the Act's regulatory threshold;
- 23 onsite risk based and compliance examinations were conducted on CFIs;
- 90 offsite assessments were conducted on CFIs as a result of improved return compliance by CFIs;
- The registration of the Mzansi Arts and Craft CFI. The CBDA oversaw the project from registration to the setup of offices as well as branding. This was done in collaboration with the Department of Rural Development and Land Reform (DRDLR), which assisted in funding this project;
- Developed online applications and returns portal with 27 CFIs registered. The online portal allows CFIs to submit applications and returns to the CBDA electronically; and
- Commissioned a diploma in CFI management with the University of Fort Hare. The current intake is 25 students from the CFI sector and government entities responsible for CFIs. This programme further enhances skills development and capacity building in the CFI sector and will be completed in June 2017.

Financial and Fiscal Commission (FFC)

(SCHEDULE 3A: CONSTITUTIONAL ENTITY)

The mandate of the FFC is to make recommendations, envisaged in Chapter 13 of the Constitution or in national legislation, to Parliament, provincial legislatures, and any other organs of state determined by national legislation. The enabling legislation is Section 214 (2), 218 (2), 228 (2), 229 (5), 230 (2) and 230A (2) of the Constitution, the Financial and Fiscal Commission Act, 1997 (Act No. 99 of 1997) (FFC), the Intergovernmental Fiscal Relations Act, 1997 (Act No. 97 of 1997), Money Bills Amendment Procedure and Related Matters Act 2009 (Act No. 9 of 2009), Provincial Tax Regulation Process Act 2001 (Act No. 53 of 2001), Municipal Fiscal Powers and Functions Act, 2007 (Act No. 12 of 2007), Borrowing Powers of Provincial Government Act, 1996 (Act No. 48 of 1996), Municipal Finance Management Act 2003 (Act No. 56 of 2003), and the Municipal Systems Act, 2000 (Act No. 32 of 2000).

The FFC's achievements during the year under review included:

- Briefing Parliament, all provincial legislatures and SALGA on the 2017/18 submission for the division of revenue;
- Briefing the four finance committees on the 2016 medium-term budget policy statement;
- Briefing Parliament on the FFC's submission on the 2017 Division of Revenue Bill, fiscal framework and revenue proposals and on FFC Submission on Appropriations Bill;
- Tabling the FFC's submission on division of revenue 2017/18 on 27 May 2016; and
- Submitting the FFC's 2016 medium-term budget policy statement to Parliament on 4 November 2016.

10. ENTITIES REPORTING TO THE MINISTER OF FINANCE

Independent Regulatory Board for Auditors (IRBA)

(SCHEDULE 3A: NATIONAL PUBLIC ENTITY)

The IRBA was established by an Act of Parliament in April 2006. Its mandate, as set out in the Auditing Profession Act, 2005 (Act No. 26 of 2005) is to protect the sections of the public that rely on the services of the registered auditors, and to provide support to registered auditors. It is required to ensure that only suitably qualified individuals are admitted to the auditing profession and that registered auditors deliver services of the highest quality and adhere to the highest ethical standards. The IRBA celebrates 10 years of independent audit regulation this year.

Key achievements during the period under review include:

- For the seventh consecutive year, South Africa maintained its number one ranking for the strength of auditing and reporting standards, according to the World Economic Forum's Global Competitiveness Survey for 2016/17;
- The IRBA was approved as an equivalent competent authority (ECA) under European Union (EU) legislation and by the Federal Audit Oversight Authority (FAOA) of Switzerland. This means the IRBA meets the EU Commission and Swiss FAOA standards for public oversight of statutory auditors and audit firms, and its quality assurance reviews and investigations are sufficiently comprehensive to meet the standards of the commissions;
- The IRBA board took a decision at its March 2017 special meeting to issue a rule on mandatory audit firm rotation (MAFR) as the most appropriate solution for the South African environment to strengthen auditor independence. This followed a long process of consultation with various stakeholders, including auditors, regulators and investors, on a measure that would be appropriate for the South African environment;
- The IRBA Chief Executive Officer was appointed as a member to the board of the International Forum of Independent Audit Regulators (IFIAR); and
- The IRBA issued its second public inspections report, which reflects on key inspection findings recorded. The report analyses 23 audit firms and 197 engagement inspections based on the decisions of the inspections committee.

Financial Services Board (FSB)

(SCHEDULE 3A: NATIONAL PUBLIC ENTITY)

The Financial Services Board (FSB) was established by the Financial Services Board Act, 1990 (Act No. 97 of 1990) to be the prudential and market conduct regulator of the South African non-banking financial services industry. In this capacity, the FSB is responsible for ensuring that the regulated entities comply with the relevant legislation and with capital adequacy requirements, to promote the financial soundness of these entities and protect the investing community. In line with the twin peaks model of financial regulation, the FSB will cease to exist in its current form and will transition to the market conduct regulator of the financial services industry. The enabling legislation, the Financial Sector Regulation Bill, was tabled in Parliament on 27 October 2015. When enacted, it will establish the Financial Sector Conduct Authority (FSCA) and the FSB will transition to the FSCA.

PART A: GENERAL INFORMATION - Continued

10. ENTITIES REPORTING TO THE MINISTER OF FINANCE

Highlights of the year under review include the following:

- The shift to the “twin peaks” model of regulation is well underway. The FSB is in the process of transitioning to the FSCA as a going concern. Its prudential function will transfer to the SA Reserve Bank;
- During the year, the FSB held 465 workshops, 27 exhibitions, 162 media activities and made 378 updates to its web content; and
- 13 workshops were held as part of the FSB’s efforts to promote transformation and assist small and emerging financial services providers with regulatory and financial advice.

Financial Advisory and Intermediary Services Ombud (FAIS Ombud)

(SCHEDULE 3A: NATIONAL PUBLIC ENTITY)

The FAIS Ombud was established in terms of Section 20 of the Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002) (FAIS Act). The FAIS Ombud is a Schedule 3A entity in terms of the PFMA and reports to the board of the Financial Services Board. Its mandate to resolve complaints in an economical, informal and expeditious manner flows directly from section 20 of the FAIS Act. A further mandate is derived from the Financial Services Ombud Schemes Act, 2004 (Act No. 37 of 2004).

Key achievements for the year under review include the following:

- During the 2016/17 financial year, the Ombud’s office received 10 846 complaints, an increase of 9.7 per cent from the previous year. Of these, 9 025 were resolved in the same year;
- The number of cases settled and determined increased from R50.2 million in 2015/16 to R58.3 million during 2016/17. The number of justiciable complaints increased by 32.1 per cent from the previous year, amounting to 5 630 justiciable complaints;
- The Ombud’s strategic goals over the medium term are to serve customers by achieving excellent levels of customer satisfaction, facilitate the communication process with stakeholders to enhance performance, accountability and public confidence, and to ensure long-term sustainability by strengthening the office’s organisational capacity to deliver on its mandate in an economically efficient and effective manner, in accordance with the relevant regulatory framework.

Office of the Pension Funds Adjudicator (OPFA)

(SCHEDULE 3A: NATIONAL PUBLIC ENTITY)

The OPFA, established in 1998, is mandated to investigate and determine complaints lodged in terms of the Pension Funds Act, 1956 (Act No. 24 of 1956). In order to deliver on its mandate, it must ensure a procedurally fair, economical and expeditious resolution of complaints in terms of the Act by ensuring that its services are accessible to all, investigate complaints in a procedurally fair manner, reach a just and expeditious resolution in accordance with the law, incorporate innovation and proactive thought and action in its activities, and support, encourage and provide opportunities for individual growth. The Office has jurisdiction over funds that are registered under the Pension Funds Act only. Its strategic goals over the medium-term are to tackle complaints received, achieve operational excellence, and maintain effective stakeholder relationships.

PART A: GENERAL INFORMATION - Continued**10. ENTITIES REPORTING TO THE MINISTER OF FINANCE**

Key achievements in the year under review include the following:

- 7 501 new complaints were received, 1 466 matters were settled, 3 complaints were conciliated and 3 309 complaints were formally determined; and
- The OPFA achieved its strategic focus over the medium-term with more efficient investigations into complaints, enabling these to be more expeditiously resolved. Continued focus will be on the development of the organisation to achieve a level of excellence through the development of staff, and implementation of required systems and resources to improve the operating environment.

Government Pensions Administration Agency (GPAA)

(GOVERNMENT COMPONENT OPERATING AS A SCHEDULE 3A NATIONAL PUBLIC ENTITY)

The GPAA was established in terms of the Government Employees Pension Law, 1996 (Proclamation No. 21 of 1996), as amended, the Temporary Employees Pension Fund Act, 1979 (Act No. 75 of 1979), the Associated Institutions Pension Fund Act, 1963 (Act No. 41 of 1963), post-retirement medical subsidies as provided for and regulated by Public Service Coordinating Bargaining Council resolutions, military pensions in terms of the Military Pensions Act, 1976 (Act No. 84 of 1976), injury on duty payments in terms of the Compensation for Occupational Injuries and Diseases Act, 1993 (Act No. 130 of 1993), and special pensions in terms of the Special Pensions Act, 1996 (Act No. 69 of 1996). The GPAA also provides pension administration services on behalf of the National Treasury. It is mandated to ensure that benefits are paid on time, to maintain accurate information on benefits paid and payable pension benefits, to communicate with members, and to build relationships with employer government departments.

Notable achievements for the financial year under review include:

- The accurate payment of 100% of benefits to both the GEPF and National Treasury beneficiaries, while 99% of National Treasury programme 7 benefits and 80% GEPF benefits were paid on time after receipt of complete documentation;
- 16 fraud prevention strategies were implemented, promoting zero tolerance to fraud in terms of safeguarding the funds of the GPAA's clients, including pensioners, contributing members, spouses and orphans; and
- The launch in 2016 of the pensioner case management (PCM) and benefits payment automation (BPA) projects yielded significant progress towards paying benefits to clients efficiently and effectively. PCM was rolled-out to over 100 employer departments, an estimated 30% of the total number of employer departments, to handle exit cases electronically.

Government Employees Pension Fund (GEPF)

(JURISTIC ENTITY, GOVERNED BY THE GOVERNMENT EMPLOYEES PENSION LAW, 1996 (PROCLAMATION NO. 21 OF 1996))

The GEPF is a defined benefit pension fund established in May 1996 when various public sector funds were consolidated. The core business, which is governed by the Government Employees Pension Law, 1996 (Proclamation No. 21 of 1996) as amended, is to manage and administer pensions and other benefits for government employees in South Africa. GEPF is Africa's largest pension fund with more than 1.2 million active members, around 406 395 pensioners and beneficiaries, and assets worth R1.6 trillion.

When making investments for GEPF, the Public Investment Corporation (PIC) invests in four main asset classes namely, equities, fixed income, properties and Isibaya fund. Equities are shares of companies listed on the Johannesburg Stock Exchange (JSE). This

PART A: GENERAL INFORMATION - Continued**10. ENTITIES REPORTING TO THE MINISTER OF FINANCE**

is the largest asset class in the PIC. Fixed income refers to investments in the domestic capital (bond) and money markets. In the money markets, the PIC only invests with domestic banks that have credit ratings of A2 and above. It only deals in bonds traded through the Bond Exchange of South Africa or issued by government, parastatals and companies listed on the JSE Limited.

PIC Properties invests in retail, corporate, industrial, specialised and residential properties across South Africa. It also has strategic investments such as the 20% share in the Airports Company of South Africa (ACSA) whereas the Isibaya fund invests in black economic empowerment and infrastructure development projects that help to create jobs, relieve poverty and transform the economy.

Development Bank of Southern Africa (DBSA)**(SCHEDULE 2: MAJOR PUBLIC ENTITY)**

The DBSA is a state-owned entity whose purpose is to accelerate sustainable socio-economic development and improve the quality of life of the people of the Southern African Development Community (SADC) by driving financial and non-financial investments in the social and economic infrastructure sectors.

Progress in terms of key objectives in the year under review included:

- Disbursed loans to the municipalities to the value of R5.6 billion;
- Disbursed loans to the rest of the African continent (excluding RSA) to the value of R3.7 billion (annual target: R3.6 billion);
- Net profit of R2.8 billion (annual target: R992 million) with sustainable earnings at R3.6 billion (annual target: R1.1 billion);
- 224 036 households to benefit from municipal funding activities of the bank once the funded projects are completed (based on commitments for 2016/17);
- Project preparation has prepared and secured funding (from DBSA and other third party funders) for projects to the value of R935 million while its portfolio investment project pipeline is R64 billion. Project preparation costs for 2016/17 is R163 million (DBSA contribution of R32.5 million);
- Student accommodation: 1 139 beds will be funded from DBSA loan facility;
- In addition, the DBSA has delivered the following as an implementing agent of government under various strategic programmes of government:
 - 12 schools were completed under the accelerated schools infrastructure delivery initiative programme for the benefit of 4 254 learners. 49 KwaZulu-Natal schools that had been damaged by storms were also refurbished during the year; and
 - 198 housing units were completed under the Eastern Cape housing programme. 387 households benefited from the completed housing units.

Public Investment Corporation Limited (PIC)**(SCHEDULE 3B: NATIONAL GOVERNMENT BUSINESS ENTERPRISE)**

The PIC is a registered financial services provider in terms of the Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002). It is wholly owned by the South African government, with the Minister of Finance as shareholder representative. The PIC manages assets for clients, all of which are public sector entities. The PIC operates principally in South Africa, while also investing offshore and in the rest of the African continent.

PART A: GENERAL INFORMATION - Continued**10. ENTITIES REPORTING TO THE MINISTER OF FINANCE**

Key achievements in the year under review included:

- A debt funding package of R5 billion to Industrial Development Corporation was approved. This is aimed at facilitating job creation and preservation particularly in distressed sectors through subscription in the unlisted, unrated privately placed bond programme;
- In October 2016, GEPE approved an allocation of R55 billion for developmental investments both in South Africa and the rest of the African continent;
- R1.7 billion was approved to Resultant Finance (Pty) Ltd to fulfil asset rental contracts with their clients. Resultant is an asset rental company that rents mainly IT and medical equipment to blue chip companies as well as public sector entities such as government departments, municipalities and parastatals;
- An investment of R1.775 billion funding to Kefolile was approved. This is to be used to acquire equity into Ascendis Health Limited and Bounty Brands Proprietary Limited. Kefolile is a black owned BEE company that will invest in the health care and consumer goods sectors. PIC also proposes taking a 12.5% direct equity stake in Bounty Brands, on behalf of the UIF, and R500 million equity funding commitment was approved to the SA SME fund. The SA SME fund is a private sector led initiative with joint effort from government. The fund has already received commitments totalling R1.67 billion. Committed investors have already paid the required upfront 10% contribution of their commitment.

The Land and Agricultural Development Bank of South Africa (Land Bank)

(SCHEDULE 2: MAJOR PUBLIC ENTITY)

Established in 1912, Land Bank is a wholly government-owned development finance institution (DFI), with the sole mandate of financing agricultural development to achieve food security, and to drive economic growth and rural development in South Africa. It is charged with promoting agricultural and rural development, and providing a range of financial products and services, including insurance such as crop insurance to farmers and agribusinesses. Its mandate stems from the Land and Agricultural Development Bank Act, 2002 (Act No. 15 of 2002).

Key highlights achieved during the year under review include:

- A substantial increase in the proportion of the bank's gross loan book that supports transformation from R2.5bn (6%) in 2015/16 to R4.9bn (11%). The book supports more than 700 emerging farmers;
- Maintenance of the bank's total capital adequacy ratio of 17.9% which is well above the 15% target and improved its "like-for-like" cost-to-income ratio to 54.4% from 56.0% in 2015/16;
- Strong liquidity position with liquidity coverage ratio of 80% against a target of 60% and a net stable funding ratio of 86.8% against a target of 80%, ensuring sufficient levels of liquidity and appropriate funding to support the bank's operations;
- Net new funding raised during the year amounted to R3.7bn (R7.7bn at gross level) of which 62.2% was funding with maturities in excess of one year, thereby reducing the bank's reliance on short-term funding and reducing refinancing risk;
- Net interest margins increased to 3.1% from 3.0% in 2015/16, despite the bank's concerted efforts in lengthening its funding profile which comes at an increased cost. Improved net interest margins lay the platform for continued financial sustainability;
- Improved profitability at R316.3m compared to R94.0m in 2015/16; and
- Improved loan performance with non-performing loans declining from 8.8% to 7.1% and the under-performing loans improving from 13.1% to 9.2% year on year, as result of improved loan controls and post disbursement monitoring.

PART A: GENERAL INFORMATION - Continued**10. ENTITIES REPORTING TO THE MINISTER OF FINANCE****Government Technical Advisory Centre (GTAC)**

(GOVERNMENT COMPONENT OPERATING AS A SCHEDULE 3A NATIONAL PUBLIC ENTITY)

GTAC was promulgated with effect from 30 March 2012 and began functioning as an independent government component in April 2014. Its primary purpose is to assist organs of state build their capacity for efficient, effective and transparent financial management. It stimulates debate and promotes discourse in the public economics space using a range of communications and knowledge management approaches to optimise learning across the public sector. Over the last financial year, GTAC has remained a service provider of choice in delivering value-for money advisory and support projects to all three spheres of government.

Key highlights achieved during the year under review include:

- Public expenditure reviews were completed in a number of key sectors including housing, agriculture, education and economic development and administration;
- The public expenditure and policy analysis unit used these expenditure reviews to closely scrutinise the expenditure and programme performance data in particular sectors, with a view to informing the cost-effectiveness of public policies and their spending implications;
- GTAC has completed a review of a number of public private partnership assessments to streamline the implementation of partnerships and improve project delivery timelines;
- An important institutional development for GTAC is the submission of its first three year strategic and performance plan;
- In striving to be a centre of excellence which adequately serves the interest of the public sector, GTAC is consolidating its knowledge management systems and introducing additional creative opportunities for sharing information. Existing initiatives include the management of the Development Journal of Southern Africa, regular electronic and hard copy newsletters highlighting GTAC activities, and the first winter school to encourage graduates to consider a career in the public sector; and
- With support from the Canadian government, GTAC has supported bursaries for seven Master's students to complete their studies in public sector economics.

SASRIA SOC Limited

(SCHEDULE 3B: NATIONAL GOVERNMENT BUSINESS ENTERPRISE)

SASRIA is a short-term insurance company that is wholly owned by the state (Schedule 3B public entity) which is represented by the Minister of Finance. SASRIA also reports to the FSB, the non-banking financial services industry regulator of South Africa. It is also a member of the South African Insurance Association (SAIA). As a state-owned entity, it has a strategic mandate that is prescribed and further informed by the Reinsurance of Damages and Losses Act, 1989 (Act No. 56 of 1989), the Conversion of SASRIA Act, 1998 (Act No. 134 of 1998) and continual engagement with the National Treasury.

Key achievements during the year under review include:

- Gross written premium income increased from R1.67 billion to R1.84 billion, a 9.5% increase.
- SASRIA achieved its turnaround times targets, 87.2% of claims under R250 000 were settled within 30 days, and 79.1% of large claims were settled within 60 days.

PART A: GENERAL INFORMATION - Continued**10. ENTITIES REPORTING TO THE MINISTER OF FINANCE**

- SASRIA's capital and solvency positions remain strong, underpinned by a continued focus on risk management in its disciplined investment and underwriting strategies. Assets under management amounted to R6.7 billion and shareholder equity increased from R5.3 billion to R5.8 billion in 31 March 2017.
- SASRIA delivered solid results and generated cash flows while maintaining its strong capital position. This enabled the board of directors to declare and pay a dividend of R152 million during the year under review, thus demonstrating the company's sustained commitment to shareholder value.

South African Airways (SAA)**(SCHEDULE 2: MAJOR PUBLIC ENTITY)**

SAA is the leading carrier in Africa, serving 56 destinations, in partnership with SA Express, SA Airlink, and its low cost carrier, Mango, within South Africa, across the African continent, and nine intercontinental routes from its Johannesburg hub. SAA's core business is the provision of passenger airline and cargo transport services together with related services, which are provided through SAA and its wholly-owned subsidiaries: SAA Technical, Mango, its low cost carrier, and Air Chefs, the catering entity of SAA.

Key achievements during the year under review include:

- New code share with Avianca Brazil in May 2016;
- Expanded code shares with Ethiopian Airlines in October 2016, Singapore Airlines in February 2017, and Air Seychelles in March 2017;
- SAA re-established the Star Alliance country steering committee for South Africa to support the alliance's sales and marketing initiatives on a local front. The committee is chaired by SAA;
- Arrival of the first of five new Airbus A330-300 aircraft in December 2016 to complement SAA's existing long-haul Airbus, domestic, and regional fleet;
- SAA made 'green' history with the first biofuel flight in Africa in July 2016 using sustainable biofuel made from locally grown Solaris tobacco plants. The SAA and Mango flights carried 300 passengers from Johannesburg to Cape Town on Boeing B737-800s powered by a fuel blend made up of 30% aviation biofuel and 70% fossil fuel;
- In August 2016, SAA celebrated women's month, marking the anniversary of its service between Accra, Ghana and Washington DC, by fielding an all-female operating crew on its SA056 flight from Johannesburg to Accra; and
- SAA continued to win a number of awards by sweeping the boards, winning 16 awards for airlines operating in both the African and international markets.



2016/17

NATIONAL TREASURY

Annual Report

PART B

PERFORMANCE INFORMATION



[national treasury](#)
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

PART B: PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 224 of the Report of the Auditor-General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 SERVICE DELIVERY ENVIRONMENT

The economic environment remained challenging in 2016/17. Economic growth remained slow, making it increasingly difficult to reduce unemployment, poverty, and inequality.

Global growth remained tentative, and still below pre-crisis levels. World markets were characterised by increasing volatility and policy uncertainty, especially after the United Kingdom's referendum to leave the European Union. Increasing rhetoric of more protectionist policies, particularly in advanced economies, raised concerns over what this could mean for global growth, trade, and cooperation. This could have large consequences for small, open economies such as South Africa, where foreign trade and capital flows are important.

Commodity prices remained suppressed which, alongside weak global demand, continued to pressure mining and related activity. Also, as other commodity exporters were also vulnerable to these trends, slower growth among important trade partners in sub-Saharan Africa weakened demand for South Africa's exports.

The rand was pressured by various global and domestic factors, including movements in commodity prices, uncertainties over the timing of US interest rate movements, and concerns over growth in South Africa, and in emerging markets more generally.

The agriculture sector continued to be hard-hit by drought conditions. In late-2016, however, temperature and rainfall improved in some parts of the country, leading to a recovery in crop production in those areas.

Inflationary pressures rose over the year, driven by sharply rising food and fuel prices. This, alongside tighter access to credit and higher unemployment, strained the purchasing power of South Africans, and prompted a shift away from buying durable goods, such as vehicles. A recovery in agricultural prices encouraged a moderation in inflation.

Business sentiment continued to be challenged by low foreign and domestic demand, weak confidence, and low profitability. This led to a decline in new investment, despite some improvements in electricity supply and competitiveness from a weaker exchange rate. Slowing growth also reflected in a rising unemployment rate, in which the growth in employment did not match a faster increase in the number of job seekers.

PART B: PERFORMANCE INFORMATION - Continued**2. OVERVIEW OF DEPARTMENTAL PERFORMANCE**

| | 2014/15 | 2015/16 | 2016/17 |
|---|---------|---------|---------|
| GDP growth (y/y) | 1.9% | 0.5% | 0.7% |
| Household consumption growth (y/y) | 1.0% | 1.4% | 0.9% |
| Gross fixed investment growth (y/y) | 1.5% | 0.8% | -3.7% |
| RMB/BER Business Confidence Index (average) | 46.8 | 38.3 | 38.0 |
| FNB/BER Consumer Confidence Index (average) | -0.3 | -10.8 | -7.3 |
| Unemployment rate (average) | 25.4% | 25.4% | 27.0% |
| Consumer inflation (y/y) | 5.6% | 5.2% | 6.3% |

Sources: Statistics South Africa, Bureau for Economic Research

Government's macroeconomic policies, which include inflation targeting and flexible exchange rate, promote a stable platform for investment and provide a buffer against global volatility. Deep and liquid financial markets support public and private sector borrowing. Key institutions have and continue to retain their independence and integrity. This bodes well for economic growth over the medium term assisted by easing of the severe drought that gripped large parts of the country, stabilisation of the electricity supply and improved labour relations.

Despite these economic foundations, the South African economy faced, and continues to confront significant challenges. Domestic investment contracted in the period under review with a decline in private business investment. Efforts are ongoing to reverse this investment decline by building business and consumer confidence. Key amongst these is the initiatives falling under the imperative that stakeholders work together to accelerate economic reforms, advance economic transformation and strengthen the fundamentals that underpin growth.

Government working with business, labour and civil society are acting to:

- Advance policy certainty in the mining and agricultural sector
- Transition from analogue to digital television signals
- Expand the independent power producer programme in renewables and gas
- Ensure that the state performs its economic regulatory functions effectively
- Reinforce South Africa's commitment to global standards in financial sector regulation
- Safeguarding the country's credit rating. Reduce risk perceptions by maintaining a sustainable, realistic fiscal framework that promotes transformation, stable labour relations environment and a reliable electricity supply.
- Addressing shortcomings in state infrastructure, planning and execution

Slow economic growth has placed enormous pressure on public finances. Government has remained committed to a measured, prudent course of fiscal consolidation to narrow the budget deficit and stabilise debt thereby reducing the economy's exposure to global volatility. The national budget is aligned with constitutional imperatives principally the realisation of constitutionally mandated social rights and being highly redistributive in favour of poor and working families as well as distributing resources from urban economies to fund rural service delivery. A balance has been maintained between public spending commitments, particularly in higher education, health and social protection and ensuring the long term health of public finances. Equally measured consolidation is continuing to narrow the budget deficit and contain the growth of public debt with the 2017 budget review proposing to reduce the spending ceiling of R26 billion over the next two years with an additional R28 billion needing to

PART B: PERFORMANCE INFORMATION - Continued**2. OVERVIEW OF DEPARTMENTAL PERFORMANCE**

be raised in tax revenues. The National Treasury and the Department of Public Service and Administration continue to work with departments to reduce headcount, including testing the idea of voluntary severance packages.

Whilst spending has remained constrained, opportunities to improve the quality of state expenditure have been fully utilised changing the way in which government has been doing business. This includes initiatives led by the Office of the Chief Procurement Officer to boost efficiency, eliminate waste and narrow opportunities for corruption in public procurement, working with municipalities to strengthen infrastructure and maintenance budgeting including the City Infrastructure Delivery and Management System developed by National Treasury in collaboration with cities to improve long-term infrastructure planning and asset management.

2.2 SERVICE DELIVERY IMPROVEMENT PLAN

The department is in the process of completing its SDIP

2.3 ORGANISATIONAL ENVIRONMENT

The National Treasury remained measured and consistent in its approach to improving the organisational environment, rising to challenges through a culture of self-awareness and performance excellence. It continued to make a concerted effort to ensure that its structure is appropriate for achieving its strategic objectives and those of government at large.

Key organisational focus areas included:

- Promoting economic policy coherence around the objectives of growth and jobs;
- Addressing risks on the public sector balance sheet;
- Executing a credible budget process that allocates resources sustainably to policy priorities and is in line with spending plans;
- Exercising public finance management oversight responsibilities, including capacity building, that delivers value for money;
- Making the financial sector serve South Africa better;
- Building a people-centric and effective institution that is a centre of excellence; and
- Implementing a strategic communications and outreach programme that addresses stakeholders.

The executive structure of the department experienced significant developments with the appointment of Minister Malusi Gigaba as Minister of Finance, MP Sifiso Buthelezi as Deputy Minister of Finance and Mr Dondo Mogajane previously DDG: Public Finance as Director-General National Treasury. The organisation's delivery on its objectives and mandate continuing seamlessly under the leadership of the new executive authority. The position of Chief Procurement Officer and Head of Government Technical Advisory Centre became vacant during the reporting period and acting appointments were made from within the strong National Treasury talent pool ensuring that the operations of these critical functions continued unimpeded.

In the period under review, there has been a drive to fill vacant critical executive senior manager position. Notwithstanding this, National Treasury has continued to applying cost containment measures in a manner that ensures stringent application, mindful not to allow consequential service delivery interruptions. In particular, a suite of measures to reduce the employment cost to the organisation has and continues to be applied, underpinned by risk mitigation of resource constraints.

Of the National Treasury's 10 delivery programmes, Programme 7 is unique in that it is administered on behalf of National Treasury by the Government Pensions Administration Agency (GPAA). The programme administers diverse portfolios of non-contributory funds.

PART B: PERFORMANCE INFORMATION - Continued

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.4 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

- New Public Service Regulations, 2016, made under the Public Service Act, 1994 and effective 1 August 2016, affect human resource operations of NT.
- Financial Intelligence Centre Amendment Act, 2017 (Act No. 1 of 2017), in respect of the provisions regarding public prominent influential persons, expected to be effective by June 2018, will require a data basis of persons doing business with the State above the determined annual threshold.

PART B: PERFORMANCE INFORMATION - Continued

3. STRATEGIC OUTCOME ORIENTED GOALS

| STRATEGIC OUTCOME | ACHIEVEMENT TO DATE TOWARDS THE ACHIEVEMENT OF THE 5 YEAR TARGETS |
|---|--|
| <p>Programme 1 To provide strategic leadership, management and support services to the department, and capacity building.</p> | <p>The National Treasury has continued to successfully deliver on its mandate over the past financial year, this was achieved through diligence and continuous improvement in effective leadership and strategic management.</p> <p>Service delivery has improved over the medium term, as evidenced by the year on year increase in annual MPAT score and the Annual Performance Plan achievements.</p> <p>Focus in the medium term will be placed on institutional Risk Management to further embed the institutions risk awareness culture and strengthen the risk management practices and process.</p> |
| <p>Programme 2 Provide specialist policy research, analysis and advisory services in the areas of macroeconomics, microeconomics, taxation, the financial sector and regulatory reform.</p> | <p>The programme continued to provide analysis, research and policy advisory services for a wide range of financial sector matters in South Africa, including the on-going Twin Peaks reform process. The Financial Sector Regulation Bill was passed by one house of Parliament and supported through the National Council of Provinces in the year under review.</p> |
| <p>Programme 3 To provide analysis and advise on fiscal policy and public finances, intergovernmental financial relations, expenditure and planning priorities. Manage government’s annual budget process and provide public finance management support.</p> | <p>Over the medium term, government will sustain spending in real per capita terms. In a tight fiscal environment, billions of rands have been shifted to meet new needs. A R5 billion allocation has been earmarked for higher education in the outer year of the framework, adding to the R32 billion in extra funds previously announced. After debt service and post-school education, the fastest-growing spending categories are health, social development, and community and economic infrastructure.</p> <p>The budget process ensured that resources were allocated to meet South Africa’s political priorities and improve the quality and effectiveness of spending within sustainable fiscal limits. Given fiscal limits of the past few years, resources have been allocated in the most effective way to meet the policy objectives of the democratic state, as set out in the Constitution, the National Development Plan and government’s Medium Term Strategic Framework (2014 – 2019). The fiscal framework defined the limits within which options for expenditure allocation and tax proposals had to be exercised.</p> <p>A Budget Facility for Infrastructure (BFI) has been established to support the execution of national priority projects. The aim is to support quality public investments through robust project appraisal, effective project development and execution and sustainable financing arrangements.</p> |

PART B: PERFORMANCE INFORMATION - Continued

3. STRATEGIC OUTCOME ORIENTED GOALS

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| <p>Programme 4 Manage government’s annual funding programme in a manner that ensures prudent cash management, an optimal portfolio of debt and other fiscal obligations. Promote and enforce the prudent financial management of SOEs through financial analysis and oversight.</p> | <p>In 2016/17, all corporate plans and annual reports received from state owned companies (SOCs), development funding institutions (DFIs) and water boards were reviewed. Government has extended Eskom’s R350 billion guarantee from 31 March 2017 to 31 March 2023. The extension will allow the utility to use the remaining portion of the guarantee to complete its current capital expenditure programme through 2023. During the year, government issued SAA an additional going-concern guarantee of R4.7 billion, increasing its total guarantees to R19.1 billion. An additional government guarantee of R4.5 billion was issued to Land Bank to lengthen the maturity profile of its debt.</p> <p>Asset and Liability Management supported the Minister as a member of the inter-ministerial committee on SOCs reforms by developing frameworks such as the guide for private sector participation alongside government in new infrastructure projects and a framework for quantifying the costs of the developmental activities undertaken by SOCs. These frameworks were subsequently approved by Cabinet in November 2016.</p> <p>The government successfully financed the gross borrowing requirement of R247.4 billion. This was financed through net issuance of domestic short-term loans (R40.5 billion), domestic long-term loans (R174.0 billion) and foreign loans of R52.1 billion with R19.2 billion used to increase the cash and other balances. The cost of servicing government debt amounted to R146.5 billion compared to an original budget of R147.7 billion. Domestic and foreign loans of R73.0 billion were repaid during 2016/17.</p> |
| <p>Programme 5 Facilitate governance and accountability by promoting and enforcing the transparent, economic and effective management of revenue, expenditure, assets, liabilities and supply chain processes in the public sector.</p> | <p>27 instructions have been targeted to be issued over five year period from 2014/19. To date, 22 instructions were issued in line with policy interventions and proposed designated products or categories. The Preferential Procurement Regulations were promulgated and implemented on 1 April 2017.</p> <p>1 public procurement bill has been targeted for 2014/19. To date, 1 public procurement bill has been drafted and is in the process of being approved to be gazetted for public comments.</p> <p>61 transversal term contracts have been targeted for over five year period from 2014/19, to date, 58 transversal contracts were renewed. Performance exceeded due to more transversal contracts, support and process and system enhancements,</p> <p>GMC has assessed and concluded 100% reviews of:</p> <ul style="list-style-type: none"> • 980 transactions through the deviation method and 878 through the contract expansion/ extension procurement method. • A total of 698 bid opportunities were published on the e-tender portal for the four quarters. • A total of 155 specifications were reviewed, 155 BEC/BAC minutes assessed, 273 contracts were reviewed and and 139 site visits conducted. |

PART B: PERFORMANCE INFORMATION - Continued

3. STRATEGIC OUTCOME ORIENTED GOALS

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| <p>Programme 5 Facilitate governance and accountability by promoting and enforcing the transparent, economic and effective management of revenue, expenditure, assets, liabilities and supply chain processes in the public sector.</p> | <p>From 2014-19, 11 sourcing strategies have been projected to be identified and developed for commodities/ procurement categories. To date, 5 strategies have been developed which are for</p> <ul style="list-style-type: none"> • LTSM • e-Learning strategy • Medical equipment phase 1 • Mobile fixed line • Travel and Accommodation <ul style="list-style-type: none"> • National Travel Policy Framework • Minimum bid specification for the appointment of travel management companies • Cost containment directives for related to travel <p>From 2014-19, 12 sourcing strategies have been projected to be identified and implemented for commodities/ procurement categories. To date, 3 strategies have been implemented which are:</p> <ul style="list-style-type: none"> • Medical equipment phase 1 • Mobile fixed line • Travel and Accommodation <ul style="list-style-type: none"> • National Travel Policy Framework • Minimum bid specification for the appointment of travel management companies • Cost containment directives for related to travel <p>The revised Preferential Procurement Regulations were promulgated on 20 January 2017 with effective implementation on 1 April 2017. Implementation of these Regulations is on-going and they are applicable to all organs of state.</p> <ul style="list-style-type: none"> • The draft procurement bill has been completed and currently in the process of being approved. • 18 designations on localisation have been issued to date. <p>As of 31 March 2017, the number of municipalities that have implemented the Municipal Finance Management Act (MFMA) in relation to Circular 83 notice are as follows:</p> <ul style="list-style-type: none"> • Metro: 7 of 8 • Districts: 30 of 44 • Local 130 of 221. <p>To date, 1 362 tenders have been published by 77 Municipalities in relation to Circular 81.</p> |
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PART B: PERFORMANCE INFORMATION - Continued

3. STRATEGIC OUTCOME ORIENTED GOALS

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| <p>Programme 5 Facilitate governance and accountability by promoting and enforcing the transparent, economic and effective management of revenue, expenditure, assets, liabilities and supply chain processes in the public sector.</p> | <p>The Office of the Accountant-General (OAG) focused its attention on ensuring that public finance management prescripts were complied with in order to achieve the key values of efficiency, effectiveness and value for money. Accounting, internal audit and risk management support was provided to spending agencies that required assistance. Strategic support plans were agreed with 6 departments to address internal control weaknesses as well as those problematic areas that were identified in their internal and external audit reports. The National Treasury Instruction on Cost Containment Measures was revised in order to realise fiscal savings that could be better utilised for service delivery initiatives. The National Treasury Regulations published in 2005 has undergone an extensive review to ensure its alignment with local and international financial management best practices and to incorporate financial management reforms that were introduced since its publication. The draft National Treasury Regulations will be published for public comment in the 2017/18 financial year.</p> <p>Support was provided to the newly inaugurated municipal councils as well as municipal managers and chief financial officers in local government by delivering the Municipal Finance Management Induction Programme to 9500 Councillors and 600 officials country-wide. In addition, 1080 municipal officials were trained on the Municipal Financial Management Programme for the minimum competency regulations. 575 officials completed training on the Standard Chart of Accounts (SCOA); 410 officials completed training on SCM Bid Committees; 250 executive officials from TVET Colleges were trained on public financial management modules from the CFO Programme. In addition the OAG assisted distressed municipalities through collaborating with them in the drawing and delivery of Municipal Financial Recovery Plans in the Free State (2) and Northern Cape (2). These were implemented in 4 municipalities.</p> <p>The OAG collaborated with oversight bodies as well as law enforcement agencies in efforts to curb incidents of malfeasance or non-compliance with PFMA and MFMA prescripts. This included PFMA training for National Prosecutions Authority officials, investigations of 41 claims of non-compliance as well as lending support and providing professional advisory service in complex cases under criminal proceedings by law enforcement agencies</p> |
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PART B: PERFORMANCE INFORMATION - Continued

3. STRATEGIC OUTCOME ORIENTED GOALS

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| <p>Programme 6 Manage South Africa's interests in shaping regional and global policies that advance the economic, financial and development objectives of the country and Africa.</p> | <p>IREP has played a major role in the successful replenishment of the International Development Association (IDA) and the African Development Fund (ADF) in 2016. Working with other donors, South Africa mobilised \$75 billion for IDA, of which \$45 billion is set aside for low income countries in Africa. \$7.2 billion was raised for the ADF to fund African projects. In addition to the significant funding, South Africa successfully negotiated for the prioritisation of IDA support towards projects that are targeting job creation, industrial transformation and private sector development as well as governance and institution building.</p> <p>The funding, capacity building and policy support for African countries from these two Funds will play a critical role in helping African countries deal with the challenging economic outlook.</p> <p>Ms Bongi Patience Kunene was nominated as an Executive Director to represent South Africa, Nigeria and Angola in the Board of Directors of the World Bank Group. This is in line with advancing "an equitable and just system of global governance".</p> <p>The Second Capital Instalment of the NDB was paid in August 2016. Through this payment, South Africa subscribed to 2500 paid-in shares of nominal value US\$250million, and 10 000 callable shares with a nominal value of US\$1 billion. National Treasury (IREP) took advantage of the favourable US Dollar/Rand exchange rate level in August 2016, with the result that the value of the transaction was considerably less than the budgeted amount.</p> <p>South Africa successfully negotiated for the BRICS formation's support for the Third EMDC Chair at the IMF. In addition, the formation highlighted SSA's underrepresentation at the IMF Board of Directors.</p> <p>IREP contributed to a successful G20 Leaders' Summit in Hangzhou, China from 4-5 September 2016. At the Summit, South Africa, advocated for a continued G20 focus on Africa, following the industrialisation in Africa initiative by the Chinese Presidency. The German Presidency, in the following year, introduced the G20 Africa Partnership, and the sub-component of it; the G20 Compact with Africa for Resilience and Growth.</p> <p>IREP drafted and disseminated South Africa's G20 Growth Strategy, which is supported by the G20 Enhanced Structural Reform Agenda. The SA G20 Strategy is aligned with the National Development Plan objectives, and implementation will be assessed by international third-party organisations</p> |
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PART B: PERFORMANCE INFORMATION - Continued

3. STRATEGIC OUTCOME ORIENTED GOALS

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| <p>Programme 7 Provide for government’s pension and post-retirement medical benefit obligations to former employees of state departments and bodies. Provide for similar benefits to retired members of the military.</p> | <p>This Programme contributes towards government priorities through:</p> <ul style="list-style-type: none"> • Service delivery quality and access; • HR Management and development; • Business processes, systems decision rights and accountability management; and • Reducing corruption in the Public Service. <p>These high-level outcomes underscore the collective approach that GPAA has taken through administration of National Treasury funds to improve pension administration service delivery. The following progress has been achieved towards the five year strategy:</p> <ul style="list-style-type: none"> • Understanding the changing needs of the Programme 7 members, pensioners and their beneficiaries; • Ensuring national footprint through Regional Offices and Mobile offices to close the gaps in terms of access to service delivery; • Reviewed as-is business processes, mapped processes and now re-engineering the business process to improve on turnaround time and ensure good governance and improve on internal control deficiencies; • Improved on effective and efficient benefit administration, improved the benefit payment turnaround time from 60 days to 45 days after receipt of correctly completed documentation; • Acting decisively on reported and identified corrupt and fraudulent activities and conducted workshops with staff to advocate zero tolerance on fraud and corruption; • Accelerated training and development to improve and enhance quality of service. |
| <p>Programme 8 provides advisory services, programme management and development finance support to improve public finance management, support high-impact government initiatives, facilitate employment creation and strengthen infrastructure planning and delivery.</p> | <p>GTAC is building public sector capacity through diagnostic and advisory services and support for organisational development, specialised procurement, improved public finance management and programme and project implementation. The GTAC is currently in its second face of institutionalisation, thus placing impetus on systems integration and resource allocation. Focus is being placed on building and expanding the required partnerships and to improve all institutional systems, aligned to the required frameworks and regulations, to remain a service provider of choice in delivering value-for money and assisting in contributing towards building a capable state.</p> <p>Strengthens public finance management capacity in municipalities and support provincial treasury oversight of local government financial management. Financial Management Grant is transferred to the municipalities. MFIP II supported over 90 municipalities and eight provincial treasuries. The focus areas going forward for MFIP III, will be continued institutional and technical support to municipalities, provincial treasuries and National Treasury through the placement of technical advisors. Strong focus on the key game changers, namely: mSCoA, SCM, asset management, revenue management, and budgeting & reporting. Establishment of a permanent PMU to ensure sustainability, continuity and improved performance of the MFIP Programme.</p> |

PART B: PERFORMANCE INFORMATION - Continued

3. STRATEGIC OUTCOME ORIENTED GOALS

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| <p>Programme 8 provides advisory services, programme management and development finance support to improve public finance management, support high-impact government initiatives, facilitate employment creation and strengthen infrastructure planning and delivery.</p> | <p>Promotes public and private investment in city development, integrated urban networks and neighbourhood development initiatives. Since its inception in 2006/07, the NDP grant has registered 459 projects across more than 65 municipalities. In total, 272 township projects have been completed to the value of over R3.6 billion; 56 projects in urban areas and 5 in rural areas are still under construction. Third-party public and private investment since the inception of the programme amounts to R4.98 billion. In order to increase the level and diversity of such investment, precinct management technical assistance has been provided since 2015/16. Two pilots are under way: the Jabulani Urban Hub in Soweto, Johannesburg and the Mdantsane Urban Hub in Buffalo City. A third pilot in Msunduzi municipality has commenced in the Edendale Precinct. Discussions are underway to finalise funding for precinct management support in eThekweni. The programme promotes an enabling policy and regulatory environment for city development, through improvements in the local government fiscal framework, support for best practices in urban development and direct technical assistance to metros.</p> <p>Promotes innovative and partnership-based approaches to employment creation, work-seeker support and enterprise development. To date, seven Calls for Proposals (CFPs) have been issued. The objective is to support initiatives that innovatively catalyse new employment creation models that can be replicated and scaled. The Fund offers once-off grants in the areas of enterprise development, infrastructure, support for job seekers and institutional capacity building. The quality of proposals submitted largely determines the number of projects approved. It is anticipated that the Fund would reach the targeted number of projects approved upon finalisation of the 7th call for proposals. An amount of R6.5 billion has so far been allocated to a portfolio of 125 approved employment-generating initiatives, and 96 831 new permanent jobs have been created by 109 implementing projects and an additional 53 459 unemployed individuals have been matched with vacant positions and placed in permanent employment. In addition, 195 902 people have benefited from work readiness and technical training interventions. Current estimates suggest that the Fund will meet the target of 150 000. Spending is projected at R2.7 billion over the medium term in the Employment Creation Facilitation subprogramme in the Technical Support and Development Finance programme. The Jobs Fund has a specific focus on addressing women and youth unemployment. Sixty percent of the permanent jobs created to date have gone to women and youth beneficiaries, while previously disadvantaged individuals account for 98% of the permanent jobs in the portfolio. In support of youth, the Jobs Fund has focused on supporting job creation initiatives that address the market failure of a mismatch between skills, labour supply and labour demand.</p> <p>Aims to support infrastructure planning, implementation and skills development in provinces and municipalities. Focusing forward the IDIP is continuing to be a capacity building programme. Also appointing the required infrastructure expertise (Technical Assistants) to be placed in Provincial Treasuries and in National Departments to assist, support and provide inputs in the infrastructure delivery processes.</p> |
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PART B: PERFORMANCE INFORMATION**4. PERFORMANCE INFORMATION BY PROGRAMME****4.1 PROGRAMME 1: ADMINISTRATION****Purpose**

To provide strategic leadership, management and support services to the department, and capacity building.

Strategic objectives

- Provide integrated business solutions;
- Ensure good governance and sound control environment; and
- Provide support for strategic and performance management across the organisation.

Programme's sub-programmes*Office of the Minister and Deputy Minister*

This sub-programme supports the Minister and Deputy Minister by providing executive and administrative support. The sub-programme is responsible for the development of systems and mechanisms for handling parliamentary questions and replies, Cabinet matters, correspondence, submissions and memoranda.

Office of the Director-General

This sub-programme primarily provides administrative support and reports directly to the Director-General who is responsible for supporting the Minister in providing strategic direction and leadership to the National Treasury.

Management

This sub-programme primarily provides administrative support and reports directly to the Director-General. It consists of five support services.

- *Internal Audit* assists the department to achieve its strategic objectives by evaluating and improving the adequacy and effectiveness of governance, risk management and control processes. The unit facilitates improved effectiveness and efficiency by providing strategic advice. In this role, it provides robust practical insight and recommendations founded on aligning the business with best practice. By acting as a frame of reference, the unit also supports the office of the Accountant-General in providing guidance and support to internal audit (IA) functions in government.
- *Enterprise Risk Management* ensures that a risk management culture is embedded in the department. It does this by providing information enabling the implementation and maintenance of effective systems to identify and mitigate risks that may threaten the attainment of objectives, and to optimise opportunities that enhance institutional performance. Fraud prevention is an integral part of the strategy, operations and administration function. It ensures that the National Treasury has a strategic risk profile register that enables coordination and alignment of strategic initiatives across the department.
- *Legal Services* is responsible for providing a comprehensive legal advisory service to enable the department to carry out its mandate effectively within the law.
- *Communication* is responsible for ensuring effective communication between the department and its stakeholders.

4. PERFORMANCE INFORMATION BY PROGRAMME

- *Strategic Planning, Monitoring and Evaluation* is tasked with embedding planning into National Treasury including facilitating the departments short, medium and long term strategic planning processes and ensuring that plans are aligned to legislative mandates and broader government imperatives. The unit develops and administers systems and processes that entrench proper monitoring, evaluation and reporting on departmental performance delivery and facilitates the development and implementation of service delivery improvement.

Corporate services

The Corporate services division delivers and oversees shared services in alignment with the National Treasury's needs. It does this by proactively identifying requirements, monitoring and maintaining service levels and setting standards aligned with compliance and best practices, including reporting on delivery.

- *Human Resources (HR)* management ensures transactional and transformational HR support to the department so that it can attract, develop and retain the skills needed to deliver on its objectives and mandate.
- *Financial Management* focuses on compliance with all relevant financial statutes and regulations, the most important of which is the PFMA. In ensuring compliance, the unit strives to attain a balance between service excellence and achieving its key objectives.
- *Information and Communication Technology (ICT)* provides long term planning and day-to-day support in respect of ICT-enabled delivery using ICT services and systems.
- *Strategic Projects and Support* is responsible for preserving the department's institutional memory and provides management support to projects.
- *Knowledge management (KM)* deals with the preservation of business information created within the department.
- *Records Management* focuses on the preservation of tangible knowledge so that it can be accessed easily in compliance with the National Archives Act.
- *The Public Entities Oversight* unit oversees entities reporting to the Minister of Finance, ensuring compliance with relevant governance and reporting requirements.
- *Facilities and Security Management* ensures continuous physical and information security and provides, maintains and services available facilities.

4. PERFORMANCE INFORMATION BY PROGRAMME

SERVICE DELIVERY OBJECTIVES AND INDICATORS

Recent outputs

The National Treasury (NT) risk management unit worked towards advancing the maturity of risk management to one where risks are explicitly considered in operations and decisions in order to facilitate effective achievement of strategic objectives. In 2016/17, in order to achieve this higher maturity level, the NT reconfigured its view of enterprise wide risk management (EWRM) to include and integrate the following key pillars for effective EWRM:

- Enterprise Risk Management (ERM)
- Business Continuity Management (BCM)
- Fraud Prevention
- Monitoring of compliance with laws and regulations

To this end, the NT did a comprehensive review of its EWRM governance documents, reconfigured the Risk Management Committee to a Risk Committee with a strong focus on oversight, reconstituted membership of the committee to senior management level, and appointed a new Risk Committee Chairperson. The NT also initiated the alignment and integration of risk management processes with the strategic planning and operationalisation process. Four risk committee meetings were held in 2016/17, in which the new approach was tabled, approved and implemented.

BCM governance documents were comprehensively reviewed to accommodate the integration into EWRM. A concerted effort was made in 2016/17 to improve the NT's ability to recover from business disruptions. The NT has two business continuity sites that are able to accommodate key priority business functions in the event of a business disruption at its primary work sites. A feasibility study to establish a fully-fledged disaster recovery site in Pietermaritzburg was finalised and its implementation is at an advanced stage.

The NT remains committed to its zero tolerance approach to prevention of fraud and corruption. As one of the preventative measures, a concerted effort was made to improve the NT's vetting statistics and as such the NT achieved 45 per cent more than its vetting target in the year under review. The NT has also embarked on a process to improve detection of fraud and corruption and has started introducing a compliance database recording all laws and regulations with which the NT has to comply, with a view to improve monitoring of compliance with such laws and regulations.

Internal Audit (IA) implemented its annual risk-based audit plan for 2016/17 as part of the three-year rolling plan about which management was consulted and which was approved by the National Treasury audit committee. 43 audits were planned for 2016/17. Two were postponed to 2017/18 as per management's request, with approval by the audit committee, resulting in 41 planned audits with an additional 16 ad-hoc engagements, totalling 57 audits conducted in the predetermined timeframes. This therefore represented 100 per cent completion of the approved 2016/17 audit plan.

PART B: PERFORMANCE INFORMATION - Continued**4. PERFORMANCE INFORMATION BY PROGRAMME**

Strategic Planning, Monitoring and Evaluation was further expanded in the NT with the introduction of standardised divisional operational planning, adding to the existing organisational planning practices of strategic planning, annual performance planning and project planning. This level of planning is a significant contributor to the initiatives introduced to further strengthen the alignment of risk analysis, performance planning, budgeting and reporting. All performance information plans and performance information reports reporting requirements were met. Reporting formats have been enhanced as part of the unit's specific focus on building the organisation's intelligent performance management reporting capabilities as a basis for evidence-based decision making.

Public Entities Oversight Unit (PEOU) reviewed 10 public entities' quarterly reports during the year to inform the Minister of the progress made in achieving key performance indicators, development priorities and objectives as determined in the Annual Performance Plans (APPs) of the public entities. The review of the reports is a tool for effective and efficient accountability oversight. As part of deepening the oversight role, PEOU conducted onsite visits all the public entities in order to strengthen relations. Through the implementation of the proactive oversight approach, accountability has been strengthened, which has promoted efficient use of public resources.

38.3 per cent of the *Knowledge Management Strategy* was rolled out as planned. Knowledge harvesting was conducted in various divisions including Intergovernmental Relations, Assets and Liabilities Management and the Office of the Chief Procurement Officer. The same content informed the drafting of the divisional file plans. During the year under review, the records keeping policy was approved by the Governance Review Committee. The in-house records keeping training manual was updated to accommodate policy changes and 4 record keeping awareness sessions were conducted. The Promotion of Access to Information Act was further implemented and 30 requests for information were received from members of the public and political parties, all of which were successfully facilitated.

Information and Communication Technology (ICT) continued with the formalisation of ICT governance in line with the Corporate Governance of ICT Policy Framework (CGICTPF). The unit implemented several projects to digitise and automate departmental processes. This included optimising the budget process through digitalisation and thus strengthening security. ICT supported key NT ICT service delivery initiatives such as the relaunch of e-procurement, the municipal standard chart of accounts (mSCOA) collaboration portal and the improvements to the Asset and Liability Management's applications to seamlessly invest the Government Employees Housing Subsidy as per parliamentary resolution. The ICT unit launched projects to enhance the department's business continuity and cyber security to counter increased online and e-mail threats.

On 6 April 2017, the NT was the first department, nationally and provincially, to close its financial books. The *financial management team* processed 98 per cent of supplier payments, in an average of ten days from receipt of invoice. Accurate semi-annual and annual tax reconciliations were submitted to the South African Revenue Service (SARS) six weeks before the closing date. The unit continued to exercise governance in curbing deviations and non-compliance cases. The unit successfully reviewed 73 per cent of the National Treasury contracts. In addition, the unit continued to carry out its social responsibility by donating computer equipment to five schools in need.

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

PERFORMANCE INDICATORS

| PROGRAMME: 1 ADMINISTRATION | | | | | |
|--|--|-----------------|----------------------------|--|--|
| INDICATOR | ACTUAL ACHIEVEMENT 2015/16 | TARGET 2016/17 | ACTUAL ACHIEVEMENT 2016/17 | REASON FOR DEVIATION | |
| <i>Provide integrated business solutions</i> | | | | | |
| Percentage completion of the business continuity plan | N/A | 100% of Phase 2 | 90% | Under-performance is attributed to operational changes resulting in approval of governance documents not being concluded. | |
| Management Performance Assessment Tool (MPAT) score achieved on Risk Management standard | N/A | 4 | 3 | Under-performance is attributed to failing to meet newly introduced prescriptive administrative compliance requirements. | |
| Percentage of knowledge management strategy rolled out | N/A | 10% | 38.3% | Over-performance is attributed to the collaboration approach, in this area of work, applied across the institution and within teams. | |
| Percentage savings on goods and services expenditure | A saving of R4 925 306.40 against expenditure of R657 212 685.63 was attained for April to March 16. This results in a saving of 0.7%. | 5% | 1% | Under-performance is attributed to service providers not being in a position or unwilling to negotiate prices as a result of stressed economic factors as well as recently introduced OCPO travel framework limiting departmental level negotiation on travel and accommodation. | |
| Percentage of funded positions filled | 91% | 92% | 98.9% | Over-performance is attributed to the number of funded vacant positions decreasing owing to the department's reduction in Cost of Employment Budget | |
| Percentage of staff retained | 89% | 90% | 98.9% | Over-performance attributed to the implementation of retention initiatives and the effects of a sluggish public sector employment market | |
| Percentage of staff utilising development programmes | N/A | 50% | 51% | Over-performance attributed to the success of the awareness campaign rolled out to encourage utilisation of the development programmes resulting in more staff participating in training programmes, particularly SMS training. | |
| Percentage of ICT services aligned to and delivered according to business requirements | 82 % on business solutions and 97 % compliance to SLA/OLA. | 95% | 95% | N/A | |

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

PERFORMANCE INDICATORS

| PROGRAMME: 1 ADMINISTRATION | | | | | | |
|--|--|----------------|----------------------------|--|-----|--|
| INDICATOR | ACTUAL ACHIEVEMENT 2015/16 | TARGET 2016/17 | ACTUAL ACHIEVEMENT 2016/17 | REASON FOR DEVIATION | | |
| Percentage availability of ICT systems achieved | N/A | 95% | 97% | Over-performance is attributed to new ICT infrastructure procured and upgrades implemented which resulted in improved systems availability as well as a more stable electricity supply with less outages than was anticipated. | | |
| To ensure good governance and a sound control environment | | | | | | |
| Percentage completion of the approved risk-based IA plan | The annual risk-based internal audit plan has been fully (100%) implemented, with 55 (41 planned and 14 ad-hoc) audits completely executed during the 2015/16 financial year. The initial audit plan was approved with 50 audits, and was subsequently revised during the year as a result of requests from management to postpone some audits (9); these requests for postponement were approved by the audit committee. The approval of the postponement left the plan with 41 audits and was completely executed. | | 100% | 100% | N/A | |

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

PERFORMANCE INDICATORS

| PROGRAMME: 1 ADMINISTRATION | | | | |
|---|---|----------------|----------------------------|---|
| INDICATOR | ACTUAL ACHIEVEMENT 2015/16 | TARGET 2016/17 | ACTUAL ACHIEVEMENT 2016/17 | REASON FOR DEVIATION |
| Percentage implementation of enterprise risk management (ERM) annual plan | 95.5% | 100% | 80% | Under-performance is attributed to delayed responses from internal stakeholders. |
| Percentage of vetting files completed by priority group, submitted to State Security Agency (SSA) for investigation | The department has achieved 39% of its 50% target. A total of 620 employees were identified for vetting purpose during the 2015/16 financial year. The target set to be vetted in the 2015/16 financial year was 50% (310) of the (620) identified employees. The forms distributed to the employees amounted to 484; of the forms distributed a total of 241 were received and were subsequently submitted to State Security Agency (SSA). | 100% | 145% | Over-performance is attributed to the success of the information and escalation campaign conducted. |

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

PERFORMANCE INDICATORS

| PROGRAMME: 1 ADMINISTRATION | | | | | | |
|---|---|----------------|----------------------------|----------------------|----------------------------|----------------------|
| INDICATOR | ACTUAL ACHIEVEMENT 2015/16 | TARGET 2016/17 | ACTUAL ACHIEVEMENT 2016/17 | REASON FOR DEVIATION | ACTUAL ACHIEVEMENT 2016/17 | REASON FOR DEVIATION |
| Number of reviewed quarterly reports submitted for Minister's consideration | All quarterly reports were submitted to the Minister in compliance with NT Regulations, 30 days after submission from the entities. | 40 | 40 | N/A | 40 | N/A |
| Percentage adherence to prescribed timeframes on: i) Closure of financial records on basic accounting system (BAS) before the closure date. ii) Submission of the procurement plan before 31 March each year. | N/A | 100% | 100% | N/A | 100% | N/A |
| MPAT score achieved on ICT standard | N/A | 3 | 3 | N/A | 3 | N/A |

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE (INDICATORS AND ACTION PLANS)

| PROGRAMME: 1 ADMINISTRATION | | |
|--|---|--|
| INDICATOR | DEVIATION | ACTION PLAN |
| Provide integrated business solutions | | |
| Percentage completion of the business continuity plan | Under-performance is attributed to operational changes resulting in approval of governance documents not being concluded. | The approval of governance documents is receiving priority and is expected to be concluded in the first quarter of the 2017/18 financial year. |
| Management Performance Assessment Tool (MPAT) score achieved on Risk Management standard | Under-performance is attributed to failing to meet newly introduced prescriptive administrative compliance evidence requirements. | These administrative requirements will be incorporated into the Risk management procedures, processes and practices in the new financial year |
| Percentage savings on goods and services expenditure | Under-performance is attributed to service providers not being in a position or unwilling to negotiate prices as a result of stressed economic factors and recently introduced OCPO travel framework limiting departmental level negotiation on travel and accommodation. | Alternative areas of realising possible savings have been identified for focus in the 2017/18 financial year. |
| To ensure good governance and a sound control environment | | |
| Percentage implementation of enterprise risk management (ERM) annual plan | Under-performance is attributed to delayed responses from internal stakeholders. | Organisational Risk Unit has partnered with the Strategic Planning Monitoring and Evaluation Unit to align risk management activities within the planning process. |

Areas of under-performance relating to EWRM and BCM were due to reconfiguration of EWRM geared at moving the NT risk management processes to a higher maturity level. Reviewed documents to implement this reconfiguration have already been approved by the risk committee and were finalised in the first quarter of 2017/18.

The financial management team has revised its strategy due to the stressed economic factors and service providers not being in a position to negotiate prices. In 2017/18, the new strategy will focus on implementing mechanisms and alternative areas of realising possible savings such as paper usage, travel and strategic sourcing. The percentage of savings is also set at a more realistic annual value of 1 per cent.

CHANGES TO PLANNED TARGETS

There are no changes to planned targets for this reporting period.

PART B: PERFORMANCE INFORMATION - Continued**4. PERFORMANCE INFORMATION BY PROGRAMME****LINKING PERFORMANCE WITH BUDGETS**

| PROGRAMME 1 | 2016/17 | | | | | | | 2015/16 | | |
|---------------------------------|------------------------|-------------------|----------------|---------------------|--------------------|---------------|---|---------------------|--------------------|-------|
| | 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 | R'000 |
| Ministry | 4 037 | - | - | 4 037 | 3 625 | 412 | 89.8% | 3 633 | 3 628 | |
| Departmental Management | 52 253 | 282 | - | 52 535 | 50 461 | 2 074 | 96.1% | 48 351 | 47 115 | |
| Corporate Services | 155 679 | 3 396 | - | 159 075 | 154 859 | 4 216 | 97.3% | 125 333 | 116 477 | |
| Enterprise Wide Risk Management | 27 090 | 47 | - | 27 137 | 26 296 | 841 | 96.9% | 27 553 | 27 537 | |
| Financial Administration | 51 794 | (3 245) | - | 48 549 | 37 881 | 10 668 | 78.0% | 38 862 | 38 701 | |
| Legal Services | 20 024 | 3 482 | - | 23 506 | 22 914 | 592 | 97.5% | 18 749 | 18 656 | |
| Internal Audit | 23 339 | 2 | - | 23 341 | 21 802 | 1 538 | 93.4% | 20 995 | 20 681 | |
| Communications | 13 343 | (1 188) | (3 000) | 9 155 | 8 596 | 559 | 93.9% | 10 292 | 10 200 | |
| Office Accommodation | 119 857 | (2 776) | - | 117 081 | 109 878 | 7 203 | 93.8% | 92 878 | 92 587 | |
| Total | 467 416 | (0) | (3 000) | 464 416 | 436 313 | 28 103 | 93.9% | 386 645 | 375 582 | |

4. PERFORMANCE INFORMATION BY PROGRAMME

4.2 PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH

Purpose

Provide specialist policy research, analysis and advisory services in the areas of macroeconomics, microeconomics, taxation, the financial sector and regulatory reform.

Strategic objectives

- Build economic research capacity in academic research institutions with the objective of promoting relevant research
- Provide policy advice on the financial sector
- Provide advice and input into tax policy, framework and legislation
- Provide input into economic policy related frameworks and strategies

Programme's sub-programmes

This sub-programme provides overall programme management and policy advice to government relating to the promotion of economic growth, employment, and microeconomic and macroeconomic stability.

The programme is divided into the following sub-programmes:

Research

- Promotes economic research institutions by funding economic research in the public interest, and dedicated economic research on behalf of the department. This includes research into the promotion of macroeconomics stability, poverty alleviation, social security and retirement reform and financial sector policy development. Most funding is for long-term agreements with institutions and for ad hoc economic research related projects.

Financial Sector Policy

- Responsible for developing policy on the regulation of the financial sector in South Africa, on broadening access to financial services by all South Africans, and on improving the national savings rate through reforms to the legislative framework governing the savings industry, including work being undertaken towards the implementation of retirement reform proposals. Enabling legislation for the twin peaks model of regulation and oversight in the financial sector was tabled in Parliament in 2015/16. Under this model the financial services industry and related structures will have two regulators: a prudential regulator, which will operate with the Reserve Bank, and a new market conduct regulator, which will be established within a restructured Financial Services Board.

Tax Policy

- Responsible for preparing tax and revenue proposals for the annual national budget, and for drafting necessary tax legislation to give effect to the proposals adopted. The unit also processes recommendations made by the Davis tax committee to the

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

Minister of Finance and provides advice to the Minister on such recommendations.

- Promotes an effective equitable and efficient tax policy framework and tax administrative system that ensures sustainable growth and delivery on government's mandate to address the needs of all South Africans. This includes providing tax proposals towards the raising of revenue, improved environmental sustainability and the reduction of inequality. The unit has prepared a bill on the carbon tax which is expected to serve before Parliament during 2016.

Economic Policy

- Provides macroeconomic and microeconomic policy analysis, economic forecasts that inform the budget and Medium Term Budget Policy Statement and scenario modelling. The sound policy advice on the economic environment provided assists in promoting economic policy coherence in relation to the objectives of growth and jobs, and helps to improve South Africa's macroeconomic and microeconomic framework as policy advice is mainly focused on creating decent employment through inclusive growth.

4. PERFORMANCE INFORMATION BY PROGRAMME

Service delivery objectives and indicators

Recent outputs

Tax and financial sector policy

The two tax policy chief directorates implemented the tax proposals from the 2016 Budget during the 2016/16 fiscal year, which entailed the drafting, tabling and enactment of legislation. Significant measures included the introduction of a special voluntary disclosure programme to encourage taxpayers to regularise their affairs, a clampdown on the use of interest free loans to trusts to avoid estate duty, measures to curb the use of employee share schemes to avoid personal income tax and the introduction of a tyre levy to replace existing fee arrangements for tyre recycling.

The Tax Policy chief directorates also carried out research and provided advice to the Minister on options for tax policy proposals for the 2017 Budget, which included proposals to increase tax revenues by R28 billion for the 2017/18 year to maintain a sound fiscal position. The final measures included an increase in the top marginal rate of personal income tax to 45 per cent and an increase in the dividends withholding tax rate from 15 per cent to 20 per cent. The division co-ordinated and chaired the Revenue Analysis Working Committee which provided revised tax revenue forecasts for the 2017 Budget, as well as updating the estimates for tax expenditures and proposing numerous technical tax amendments to be legislated in 2017.

The Financial Sector Policy chief directorates supported the process to pass the Financial Sector Regulation Bill through Parliament. By the end of the financial year the bill had been passed by the National Assembly after extensive hearings. The FSR Bill aims to implement the 'Twin Peaks' approach to financial sector regulation, giving the South African Reserve Bank the responsibility of overseeing the stability of the financial system, creating a new Prudential Authority (PA) to oversee the safety and soundness of financial institutions, and establishing a dedicated market conduct regulator to ensure the fair treatment of customers. The process to pass the bill went beyond the 2016/17 year, but was passed by both the National Council of Provinces (and again by the National Assembly) early in the 2017/18 financial year – it is expected that the Bill will be enacted into law before the end of 2017, and work is already underway to ensure the smooth establishment of the new regulatory authorities.

An important issue that emerged through the parliamentary process related to transformation of the financial sector. The Bill was amended to better promote transformation, and Financial Sector Policy will continue to support Parliament in its initiative to build a transformed financial sector, to the benefit of all South Africans.

The financial sector policy chief directorates also worked with other government departments to deal with the problem of over-indebted households in South Africa. In particular, the Treasury spearheaded a project to audit Emolument Attachment Orders (EAOs) issued against government employees and, where such EAOs are determined to be irregular, to take steps to have these removed. For the period up to March 2017 the following have been realised: savings of R142 713 935 to employees, and a decrease in the number of deductions from 114 371 in July 2016 to 84 356 in March 2017 (a decrease of 26%). The division is also responsible for financial inclusion, and participates in the Financial Sector Charter Council and other forums to promote financial access and inclusion. Progress was also made on retirement reforms, even as consultation processes on annuitisation of provident funds was slower than anticipated, as progress was made publishing, for public comment, a second draft of default regulations for retirement funds in December 2016, followed by further public engagements.

4. PERFORMANCE INFORMATION BY PROGRAMME

The tax and financial sector policy division is also responsible for promoting financial integrity by formulating policies which assist in combating financial crimes like money laundering, corruption and terror financing. In achieving this objective, the unit assisted with the successful processing of the Financial Intelligence Centre Amendment Bill, including further amendments to the Bill, after it was referred back to the President. The Bill was enacted into law soon after the end of the financial year, in May 2017.

The tax policy and financial sector division also worked with the Department of Trade and Industry (dti) to improve the ease of doing business and the general investment climate in South Africa. A concrete initiative that has been put in place is the InvestSA / One Stop Shop, which was launched on 17 March 2017. Work in this area is continuing to address shortfalls in the business facilitation processes and improve the ease of doing business. The objective is to ensure that South Africa remains attractive for investment.

Economic policy

The Macroeconomic Policy Unit provided inputs into labour policy, such as the extension of the ETI, analysis of monetary and exchange rate policy in light of global and financial market events, growth policy, including structural reform priorities and updates, coordinating and leading inputs on CEO initiative, and analysis of events that impact on South Africa's international trade.

The Microeconomic Policy Unit contributed research and analysis in a number of areas such as: labour intensive sectors (e.g. inputs to Operation Phakisa), industrial and trade policy (participation in the Department of Trade and Industry's (dti) incentives review programme and International Trade Administration Commission (ITAC) processes), modern and competitive network industries (e.g. the social discount rate for the Integrated Resource Plan); and competition, firm entry and SME development (e.g. high-growth firms in South Africa).

The Modelling and Forecasting Unit continued to produce quarterly economic and revenue forecasts accompanied by scenarios highlighting the main risks to the baseline forecast. In addition to the regular model maintenance, a number of additional projects were completed. These included research notes on the impact of sugar taxes on the economy, evaluation of the learnership allowance on employment, the direct and indirect contributions of tourism to the economy, the level of exchange rate pass-through looking at specific sectors, drivers of overall tax buoyancy, challenges with trade mispricing in calculating illicit flows, inflation targeting and implications for government bond yields, assessment of monetary conditions, and regional economic linkages. The unit continues to manage access for academics to the administrative tax data provided by the South African Revenue Service (SARS) and work with them on associated projects.

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

PERFORMANCE INDICATORS

| PROGRAMME: 2 TAX AND FINANCIAL SECTOR POLICY | | | | |
|---|--|---|--|--|
| INDICATOR | ACTUAL ACHIEVEMENT 2015/16 | TARGET 2016/17 | ACTUAL ACHIEVEMENT 2016/17 | REASON FOR DEVIATION |
| Build economic research capacity in academic research institutions with the objective of promoting relevant research | | | | |
| Number of papers published in association with academic research institutions | 80 ERSA papers published. 4 research papers. | 80 | 80 | N/A |
| Provide policy advice on the financial sector | | | | |
| Enact Twin Peaks model legislation | FSR Bill is currently before Parliament, which is expected to pass the Bill by the end of this calendar year. Implementation of the legislation is only possible after it is enacted into law. FIC Amendment Bill currently before Parliament. | Enactment and implementation of legislation to establish Twin Peaks regulatory system | Progress was made but not completed. FSR Bill passed in National Assembly on the 6 December 2016. NCOP deliberations held on the 3 and 14 February. Public hearings held on the 28 March 2017 with NT response on the 29 March 2017. Voting on the Bill is anticipated on 3 May 2017, after this reporting period. | Underperformance is attributed to the process of legislation enactment in that a department's responsibility is to prepare, engage and assist Parliamentary committees, but it is the legislature that has the constitutional responsibility to pass legislation. In this instance, the NCOP went beyond its initial indication to pass the bill after the March hearings, and it was at the last March hearing that the Select Committee indicated that due to technical reasons, it would need a further sitting to vote on the bill, and this was only possible in May as the NCOP was in recess during April. |

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

| PROGRAMME: 2 TAX AND FINANCIAL SECTOR POLICY | | | | |
|---|--|--|--|-----------------------------|
| INDICATOR | ACTUAL ACHIEVEMENT 2015/16 | TARGET 2016/17 | ACTUAL ACHIEVEMENT 2016/17 | REASON FOR DEVIATION |
| Implement savings and retirement policies | <p>Tax harmonisation laws implemented from 1 March 2015 and Revenue Laws Amendment Bill currently before Parliament. Bill postpones annuitisation by two years to 2018. Default regulations released on 22 July 2015 and currently going through consultations. The tax law harmonising the taxation and benefit pay-outs of all retirement funds was released for public consultation and approved by Parliament. The Bill postponing annuitisation currently being considered by NCOP.</p> | <p>Implementation of tax-free savings and retirement reforms</p> | <p>2nd draft Default Regulations for Retirement funds released in December 2016.</p> | <p>N/A</p> |

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

| PROGRAMME: 2 TAX AND FINANCIAL SECTOR POLICY | | | | |
|---|---|--|---|-----------------------------|
| INDICATOR | ACTUAL ACHIEVEMENT 2015/16 | TARGET 2016/17 | ACTUAL ACHIEVEMENT 2016/17 | REASON FOR DEVIATION |
| Provide advice and input into tax policy, frameworks and legislation | | | | |
| Publish tax proposals in annual budget review | 2016 Tax proposals published in Chapter 4 of Budget Review on Budget Day, 24 February 2016. Revenue Laws Amendment Bill and Rates Bill currently before Parliament. Consultations for 2016 TLAB have commenced. | Publish tax and revenue proposals on 2016 Budget Update revenue estimates for 2016 MTBPS | i. Tax proposals to raise R28 billion included in the Budget Review. Including a new top rate of 45% above R1.5 million, partial bracket creep relief and increases in the fuel levy and excise duties. ii. Revised forecasts for all tax instruments included in the Budget Review. | N/A |
| Implement legislation to give effect to tax proposals from Budget. | The draft Carbon Tax Bill is being revised to take account of public comments. Process of consultation completed. | Prepare, publish and table tax legislation in Parliament | Tax Laws promulgated by the President of the Republic of South Africa in December 2016. | N/A |

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

PERFORMANCE INDICATORS

| PROGRAMME: 2 ECONOMIC POLICY | | | | | | |
|---|----------------------------|--|----------------------------|---|--|--|
| INDICATOR | ACTUAL ACHIEVEMENT 2015/16 | TARGET 2016/17 | ACTUAL ACHIEVEMENT 2016/17 | REASON FOR DEVIATION | | |
| Provide input into economic policy and frameworks | | | | | | |
| Number of economic models developed in line with work agenda | N/A | 6 | 6 | N/A | | |
| Number of economic models maintained (models reflect the most recent economic environment) | N/A | 25 | 25 | N/A | | |
| Number of quarterly economic forecasts based on high-quality policy scenario modelling developed | N/A | 4 | 4 | N/A | | |
| Chapter 2 of the MTBPS and Budget Review published | N/A | 2 | 2 | N/A | | |
| Number of model to policy scenario application conducted | N/A | 8 | 8 | N/A | | |
| Number of economic policy analyses, research, assessment and advice on macroeconomics including government policy proposals developed | N/A | 11 - Reports on the exchange rate, monetary policy and macroeconomic framework | 11 | N/A | | |
| | N/A | 420 - Daily, weekly and monthly reports on high frequency data | 116 | Under-performance is attributed to restructuring of this area of work, having ended daily reports and reduced the number of monthly reports to better align to needs of principals and available resources. | | |
| Number of economic policy analyses, research, assessment and advice on microeconomics including government policy proposals developed | N/A | 66 regular reports on high frequency data | 84 | Over-performance is attributed to additional resources allocated to this area of work and implementation of a new forecast process. | | |
| | | 30 - Reports, and assessments and reviews on policy proposals | 30 | N/A | | |

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE (INDICATORS AND ACTION PLANS)

| PROGRAMME: 2 ECONOMIC POLICY | | |
|---|--|---|
| INDICATOR | DEVIATION | ACTION PLAN |
| Provide input into economic policy and frameworks | | |
| Number of economic policy analyses, research, assessment and advice on macroeconomics including government policy proposals developed | Under-performance is attributed to restructuring of this area of work, having ended daily reports and reduced the number of monthly reports to align needs of principals better to available resources. | Amendments in APP 2017/18 reflected the planned output for this restructured work area. |
| PROGRAMME: 2 TAX AND FINANCIAL SECTOR POLICY | | |
| Provide policy advice on the financial sector | | |
| Enact Twin Peaks model legislation | Underperformance is attributed to the process of legislation enactment in that a department’s responsibility is to prepare, engage and assist Parliamentary committees, but it is the legislature that has the constitutional responsibility to pass legislation. In this instance, the NCOP went beyond its initial indication to pass the bill after the March hearings, and it was at the last March hearing that the Select Committee indicated that due to technical reasons, it would need a further sitting to vote on the bill, and this was only possible in May as the NCOP was in recess during April. | N/A |

CHANGES TO PLANNED TARGETS

There are no changes to planned targets for this reporting period.

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

LINKING PERFORMANCE WITH BUDGETS

| PROGRAMME 2 | 2016/17 | | | | | | | 2015/16 | | |
|--|------------------------|-------------------|--------------|---------------------|--------------------|--------------|---|---------------------|--------------------|-------|
| | 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 | R'000 |
| Programme for Management for Economic Policy | 24 467 | 14 663 | 6 000 | 45 130 | 44 968 | 162 | 99,6% | 21 245 | 21 199 | |
| Tax Financial Regulation and Research | | | | | | | | | | |
| Research | 11 943 | (4 019) | - | 7 924 | 7 269 | 655 | 91,7% | 11 697 | 10 968 | |
| Financial Sector Policy | 34 404 | (9 882) | - | 24 522 | 24 304 | 218 | 99,1% | 27 887 | 27 636 | |
| Tax Policy | 32 024 | 477 | - | 32 501 | 30 288 | 2 213 | 93,2% | 27 788 | 27 609 | |
| Economic Policy | 30 851 | (1 239) | - | 29 612 | 27 481 | 2 131 | 92,8% | 26 772 | 26 537 | |
| Cooperative Banking Development Agency | 16 472 | - | 400 | 16 872 | 16 872 | - | 100,0% | 17 341 | 17 341 | |
| Total | 150 161 | - | 6 400 | 156 561 | 151 182 | 5 379 | 96,6% | 132 730 | 131 290 | |

4. PERFORMANCE INFORMATION BY PROGRAMME

4.3 PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

Purpose

To provide analysis and advise on fiscal policy and public finances, intergovernmental financial relations, expenditure and planning priorities. Manage government's annual budget process and provide public finance management support.

Strategic objectives

- Developing and implementing South Africa's fiscal policy and related frameworks
- Preparation of the national budget
- Publication of the national budget
- Monitoring and analysis of public expenditure and service delivery
- Coordinating international development cooperation
- Coordinating intergovernmental relations

Programme's sub-programmes

Three divisions within the National Treasury are jointly responsible for fulfilling the functions of this programme. They are the Budget Office, Public Finance and Intergovernmental Relations.

Budget Office

- The Budget Office is responsible for providing fiscal policy advice by monitoring economic and fiscal trends and advising on policy options and the budget framework. The Budget Office coordinates the national budgeting process which includes coordinating resource allocation to meet priorities set by government. The Budget Office oversees expenditure planning, leads the budget reform programme, coordinates international development cooperation, provides advice on public service remuneration and pension arrangements and compiles public finance statistics.

Public Finance

- Public Finance provides financial and budgetary analysis, advises on policy and service delivery trends and manages the National Treasury's relations with other national departments as well as its own analytical work. The division monitors the use of scarce public resources by national spending agencies, engaging where necessary with accounting officers and other officials to promote efficient and effective use of these resources. Based on engagements with departments, the Public Finance team provides recommendations annually to the Medium Term Expenditure Committee (MTEC). The team also provides inputs on departmental budget submissions and compiles estimated national expenditure. Other outputs and activities include the phased implementation of contributory social security reforms over the medium term.

4. PERFORMANCE INFORMATION BY PROGRAMME

Intergovernmental Relations

- Intergovernmental Relations coordinates fiscal relations between national, provincial and local government, promotes sound provincial and municipal budgetary planning, monitors implementation through periodic reporting and assists in building capacity that enables efficient and effective financial management practices. The division monitors the use of scarce public resources by provincial and local government, regularly engaging with a range of stakeholders to promote efficient and effective use of these resources. It also provides technical assistance to government departments to promote improved planning and management of infrastructure delivery.

4. PERFORMANCE INFORMATION BY PROGRAMME

Service delivery objectives and indicators

Recent outputs

Budget Office

The Budget Office is responsible for the national budget process including the publication of the Budget Review, Medium-term Budget Policy Statement (MTBPS), the Estimates of National Expenditure (ENE) and Adjusted Estimates of National Expenditure (AENE). The division oversees expenditure planning, provides fiscal advice, leads the budget reform programme, manages official development assistance and compiles public finance statistics.

The *Fiscal Policy Unit* manages and develops the fiscal framework that is used to advise the Minister of Finance on policy options available in setting the budget. This includes expenditure and revenue measures to achieve deficit targets. The unit also regulates, analyses and reports on public sector infrastructure spending. In 2016/17, the unit published a formal fiscal risks statement as part of the 2016 MTBPS. The unit also coordinates the production of the Budget Review and MTBPS.

The *Expenditure Planning Unit* designs a budget process that incorporates government's priorities into the fiscal framework. The annual process for budget allocation decision-making is carried out in consultation with the Minister of Finance and the Ministers' Committee on the Budget (MINCOMBUD). The unit issues various guidelines to government institutions on the budget process input requirements, and administers the process of budget consultations culminating in Cabinet approval of the budget allocations tabled in the budget, and in the adjustments budget. The unit also coordinates the production of all budget legislation and accompanying documentation. In addition, the unit carries out budget outreach activities to enable discussion of the budget with a wider cross-section of South African society.

The unit also provides international and interdepartmental leadership for budget reform. Interactions with the Collaborative Africa Budget Reform Initiative, the Global Initiative on Fiscal Transparency and Civil Society and other institutions continued to strengthen, with the aim of increasing public participation and the understanding of budgeting processes and information.

In support of the budget and other processes in the department, the *public finance statistics (PFS)* unit provides public sector financial statistics classified according to international and national standards and maintains a formal database to secure this information.

PFS consolidated government accounts, by economic and functional classification, for the 2016 MTBPS and the 2017 Budget Review, and provided the table of the operating account, the capital account and consolidated financing position. The consolidation included all newly listed entities.

In-year reports for departments were collected into the Structured Query Language (SQL) server in an automated process on a monthly basis. The public entities quarterly reporting system was updated and workshops for the entities' finance officials and departments' oversight units were held. Data was also provided to various internal National Treasury clients. First phase steps to upgrade to data warehouse were taken, resulting in significant progress being made on the database management.

PFS manages the standard chart of accounts (SCOA) and the SCOA committee with the technical assistance unit in the office of the Accountant-General. The committee published a number of classification circulars and participated in BAS user forums. The move

PART B: PERFORMANCE INFORMATION - Continued**4. PERFORMANCE INFORMATION BY PROGRAMME**

to become compliant with the government finance statistics manual of 2014 was completed and aligned with core stakeholders, the South African Reserve Bank and Statistics South Africa. The chart was relaunched to clear the financial system of redundant or obsolete items as well as effect relevant changes.

Sponsored training initiatives continued, with 500 practitioner training sessions conducted through the National School of Government. Mapping of Vulindlela NRF data to the GFS framework was updated to align to GFS 2014 to assist Statistics South Africa and the Reserve Bank in ensuring that the data they published was correctly classified.

The *International Development Cooperation (IDC)* unit is responsible for the mobilisation, effective management and coordination of official development assistance (ODA) flows from international donors to South Africa in the form of grants, technical cooperation and concessionary loans. In line with South African priorities, the focus of support has shifted from policy/strategy development to strengthening service delivery and reducing poverty. ODA coordination is supported through engagement with development partners at annual consultations and high level bilateral meetings. Within departments, coordination is enhanced through national and provincial ODA coordinators' forums. Two joint national and provincial coordination forums and a number of bilateral development partner consultations and high-level meetings were held during the financial year.

In a subdued global economic environment and a changing development cooperation landscape, bilateral ODA grants to South Africa decreased compared to previous financial years i.e. R1.7 billion for 2016/17. However, a number of bilateral financing agreements were still concluded and signed with the European Union, Germany and Belgium.

In addition, new country strategy papers (CSPs) were negotiated and are to be finalised during 2017/18.

The *Public Entities Governance Unit* implemented the recommendations of the public entities governance review framework. It provided institutional support on a range of issues to various national and provincial public entities. The unit assisted with preparing consolidated financial accounts and maintaining budget databases and administrative records of the general government sector, including public entities. The unit developed and implemented remuneration frameworks related to public entities.

The unit also provided public entities with advice on legislative, financial, human resources and other issues and thus continued to support an enhanced regulatory and governance environment. The unit supported various departmental review committees on public entities reporting to ministers, and consulted with departments on budgets and policy related matters concerning public entities.

The purpose of the *Public Sector Remuneration Analysis and Forecasting unit* is to provide timely analysis and policy advice about the fiscal impact of government compensation spending and changes in policy. The existing cost of living adjustment (COLA) model was reviewed and a quarterly projection module was introduced. The model was used in costing of the wage bill and formulating the 2017 Medium-Term Expenditure Framework (MTEF) budgets. An integrated sector-based personnel costing model under development with assistance from Government Technical Advisory Centre (GTAC) has not yet been completed due to data accessibility and limited resource availability. While it was anticipated that the integrated model would be completed by the end of 2016/17, challenges identified above have delayed progress. It is now anticipated that the model will be finalised by the end of 2017/18.

The unit has developed the Human Resource Budget Planning (HRBP) to assist departments at the national sphere of government to comply with compensation ceilings as approved by Cabinet and Parliament. Departments have used the tool to formulate the 2017 MTEF compensation budgets. Implementation and compliance with set ceilings will be monitored during 2017/18.

PART B: PERFORMANCE INFORMATION - Continued**4. PERFORMANCE INFORMATION BY PROGRAMME**

The unit has coordinated work relating to possible implementation of remedial actions contained in the Public Protector Report 18 of 2011/12 on maladministration during the amalgamation of the Venda Pension Fund. Further consideration is to develop an implementation plan for those aspects of remedial actions that are implementable. Discussions and cooperation between the National Treasury, Office of the Public Protector and the Government Pensions Administration Agency (GPAA) are ongoing.

Work relating to development of a pensions liability costing model to calculate, project and quantify long-term pension liabilities arising out of salaries agreed to at the Public Service Coordinating Bargaining Council (PSCBC) is in progress. Development of terms of reference and the appointment of a service provider have been achieved. Ongoing work relates to the process of collating data from the various payroll databases to develop the model. The model should be completed by 31 March 2018.

The unit has coordinated and assisted in implementation of the Individual-Linked Savings facility (ILSF) of the Government Employees Housing Scheme (GEHS) in line with provisions of PSCBC Resolution 7 of 2015. Savings for employees who do not own houses are being diverted into this facility. Withdrawals from the facility by those who acquire houses are progressing as planned. The facility is managed by the Asset and Liability Management Division of the National Treasury on behalf of the Department of Public Service and Administration (DPSA).

Public Finance

The Public Finance division oversees budgetary planning and execution in national departments, provides advice and analysis on sectoral policies and programmes, monitors public expenditure and advises on financial and budgetary aspects of public policy and spending proposals. The division provides advice to the Director-General, the Deputy Minister and the Minister on Cabinet memoranda and public finance issues that require ministerial concurrence or NT approval. It is the primary link between NT and other national departments and government agencies.

The *Administrative Services Unit* oversees the finances and budgets of a number of central government departments and entities. Departments and other key structures with which the unit worked in 2016/17 included:

- Department of Planning, Monitoring and Evaluation: the unit worked closely with the department on its new organisational structure and review of the service delivery model following the expansion of its mandate and functions. The unit continued participating in the inter-departmental task team reviewing the National Youth Development Act, 2008 (Act No. 54 of 2008) and advised the department on financial implications of new provisions to the Act.
- Department of International Relations and Cooperation: the unit supported the financing reforms of the African Union towards self-reliance. To this end, it participated in the technical committee of 10 finance ministers' (TC F10) structures and engagements on financing modalities. The unit coordinated inputs to Parliament on behalf of the National Treasury on the implications of the Foreign Service Bill as well as the impact of foreign exchange fluctuations on the budget of the department.
- Department of Home Affairs: the unit played a coordinating role in the process with the department to establish a border management agency (BMA) as part of the working committee to develop a funding and operating model for the proposed BMA coordinating National Treasury's inputs into and interventions in the Bill process. The unit also assisted with the implementation of the State Printer's Bill on the conversion of the Government Printing Works (GPW) into a state-owned company as well as supporting the department with the public private partnership (PPP) project for infrastructure improvements of six ports of entry (PoE) and a project for the relocation of refugee reception centres closer to PoE's.

PART B: PERFORMANCE INFORMATION - Continued**4. PERFORMANCE INFORMATION BY PROGRAMME**

- National Treasury: the unit provided advice and support to the department on the Public Procurement Bill, the implementation of the centralised supplier database, an e-tender and g-commerce site for effective and efficient supply chain management and transversal contracts across government. The unit also worked on the funding requirements for the post-retirement medical scheme and monitored the performance of the Jobs Fund. In addition, the unit coordinated discussions with SARS and the department in respect of capital expenditure commitments along with the Infrastructure Unit in the Budget Office.
- Department of Communications: the unit provided advice to the department on the Draft White Paper on Audio-Visual and Digital Content Policy for South Africa and coordinated funding through reprioritisation from the Independent Communications Authority of South Africa (ICASA), Media Development and Diversity Agency (MDDA) and ICASA for the Digital Terrestrial Television (DTT) project and awareness campaigns. The unit supported the department with a reprioritisation of funds exercise to cater for its operational activities required to fulfil its mandate. The unit also coordinated with the legal services unit to settle litigation matters between Public Investment Corporation (PIC) and SABC.
- Statistics South Africa: the unit assisted the department with the implementation of the continuous population survey (CPS) which integrates the income and expenditure survey (IES), living conditions survey (LCS) and provided inputs into the outcome of the 2016 community survey process. The unit is currently playing an advisory role on budget and funding requirements for Census 2021.
- Department of Public Works: the unit provided support and guidance on the operationalisation of the department's new public entity, Agreement South Africa, in ensuring that it adhered to PFMA requirements. The unit continued to engage with the Independent Development Trust (IDT) in identifying ways that will ensure its financial sustainability. The unit provided assistance to the Property Management Trading Entity (PMTE) to get its clients to pay their outstanding debts. The unit also reviewed the implementation of the PMTE's turnaround projects to determine value for money. In addition, the unit provided direction and support to the department in finalising its planning cycle on the User Asset Management Plan and provided advice and comments on the modification of the User Charge Model.
- National School of Government: the unit continued to engage the National School of Government on the most appropriate funding and operation model for the school, as well as on the relevance of the provisions of the PFMA.
- Department of Public Service and Administration: the unit provided support and advice to the department on the management of high level of spending in its administration and service delivery support programmes during the first half of the year.
- Department of Women: the unit provided guidance on the department's programmes and its financial resources. The unit has also represented the National Treasury in engagements relating to the development of a national policy on the provision of free sanitary towels to indigent women and girls.

The Justice and Protection Services Unit oversees planning, expenditure and service delivery by departments in this sector. Key achievements for 2016/17 included:

- Department of Correctional Services: the unit aided the department in shifting funds between budget programmes for operationalisation of case management committees, and provided advice on the financial implications associated with the implementation of a High Court judgment on overcrowding at the Pollsmoor Remand Detention Facility, as well as the reimplementing of phase 2 of the occupational specific dispensation for correctional officials.
- Departments of Defence and Military Veterans: the unit provided support to the department of defence in establishing a task team to look at the implementation, costing and funding of the defence review 2015. The unit also provided on-going support to the Department of Military Veterans to improve its delivery of benefits to military veterans.
- Independent Police Investigative Directorate (IPID): the unit provided detailed inputs and advice to IPID on issues such as overspending, costing and revising the department's funded establishment in order to remain within the compensation of employees ceiling.

PART B: PERFORMANCE INFORMATION - Continued**4. PERFORMANCE INFORMATION BY PROGRAMME**

- Department of Justice and Constitutional Development: the unit continued to provide policy support and advice to the department in respect of transformation of state legal services, implementation of the recommendations of the Truth and Reconciliation Commission with a special focus on regulations relating to assistance to victims in respect of higher education and training, prevention and combatting of hate crimes and hate speech, cybercrime and cybersecurity, traditional courts and the Judicial Matters Amendment Bill.
- Department of Police: the unit provided comments on various sector-related policies, Cabinet memoranda and reports including: Declaration of Amnesty in terms of section 139 of The Firearms Control Act (2000), review of the frequency of publication of the South African Police Service (SAPS) crime statistics, national integrated strategy to combat wildlife trafficking in South Africa, filling of the posts of the deputy national head and provincial heads in the Directorate for Priority Crime investigation (DPCI). The unit provided input and advice to SAPS on the adjustment of commercial search tariff structure.
- Civilian Secretariat for the Police Service: the unit provided comments on cabinet memoranda prepared by the secretariat in relation to the White Papers on Policing and Safety and Security. The unit also provided advice and support to the secretariat on the concept note concerning research into the SAPS resource allocation model.
- Integrated justice cluster: the unit prepared desktop research on the delivery of military veterans' benefits and implications of a proposed review of the Military Veterans Act (2011). The unit also carried out a brief analysis of issues on compensation of employees for the Department of Defence, compiled a comprehensive report on crime statistics, and coordinated the compilation of inputs for the crime prevention section of Form 18-K to the Securities and Exchange Commission. Comprehensive advice was also provided to the Department of Justice and Constitutional Development on the integrated justice system programme project plans for 2017/18, as well as the criminal justice system business plan.
- Office of the Chief Justice: the unit provided continued support with regard to the establishment of the office of the Chief Justice in respect of its funding requirements following the shifting of the administration of superior courts function from the Department of Justice and Constitutional Development effected on 1 April 2015, and provided technical advice on proposed amendments to the department's 2017 MTEF budget programme structure.

The *Education and Related Departments Unit* monitors and advises on a number of functions implemented largely by provinces and public entities. During the year, the unit assisted with improved monitoring of expenditure and service delivery, and with reviews of current departmental policy and implementation approaches. Departments for which work was carried out included:

- Department of Basic Education: the unit served on steering committees for the evaluation of the national school nutrition programme, the early grade reading strategy, the review of the quintile system and the school funding norms and standards. It also provided assistance and guidance on the appropriate funding mechanism for school infrastructure and the development of cost guidelines for school infrastructure. It assisted and advised the department on a feasible funding strategy for the modernisation of South African school administration and management system (SA-SAMS).
- Department of Higher Education and Training: the costing and financing of the White Paper on Post-School Education and Training project done in conjunction with GTAC was finalised, and the model has been officially handed over to the department. The unit participated in the ministerial task team on funding poor and 'missing middle' students, piloting of the new funding model commenced in the 2017 academic year at seven universities and one technical and vocational education and training (TVET) college. Together with the Budget Office and the Tax and Financial Sector Policy divisions, the unit compiled a submission to Commission of Inquiry into Higher Education and Training ('Fees Commission') on the financial implications of fee-free higher education in universities and TVET colleges, and provided input to three representations of the National Treasury to the commission. It also advised on the development of the national policy for an integrated career development system for South Africa, which has since been approved by Cabinet.

PART B: PERFORMANCE INFORMATION - Continued**4. PERFORMANCE INFORMATION BY PROGRAMME**

- Department of Sport and Recreation: the unit advised the department and the Fiscal Liabilities Committee on the financing options for the hosting of the 2022 Commonwealth Games. Together with the IGR division, assisted the department and the Department of Cooperative Governance and Traditional Affairs in supporting and monitoring municipalities with the delivery of sport infrastructure, and assisted the department in ensuring that the filling of posts was completed within their allocation for the compensation of employees.
- Department of Labour: the unit is working as part of a task team together with the Unemployment Insurance Fund and the DPSA on the modalities for public servants inclusion in the unemployment insurance safety net. It also facilitated discussions between the Department of Labour and the Department of Public Works (DPW) on the challenges due to the closure of labour centres as a result of occupational health and safety non-compliance which resulted in DPW reviewing labour's accommodation plans including an in-principle agreement on leasing of suitable accommodation. NEDLAC was advised on employee benefit proposals and public service offerings, and the unit commented on amendments to the Occupational Health and Safety Bill and the Compensation for Occupational Injuries and Diseases Amendment Bill which resulted in these Bills being referred back to the department for further consultation with National Treasury. The unit continues to serve on the Department of Labour's panel responsible for developing a framework on transfer of subsidies to organisations administering special employment programmes for people with disabilities.
- Department of Arts and Culture: the unit assisted the department to correct the classification of expenditure, advised the department on pressure relating to the compensation of employees, and addressed challenges in capital works allocation and spending. It also supported the Minister of Arts and Culture in discussions with stakeholders on the Downtown Music Hub by advising on PFMA compliance, and, together with the OCPO, assisted the department to make progress in respect of disputes regarding new office accommodation. The unit facilitated discussions between Robben Island Museum and the OCPO on the procurement of a new boat, and between the South African Local Government Association (SALGA), National Treasury and the department on the provision of library services. The unit also identified the challenges of providing library services at municipal level.

The Health and Social Development unit in public finance oversees budgets, expenditure and service delivery of the Departments of Health and of Social Development respectively, and is closely involved in a number of policy areas for these sectors. Key work carried out in 2016/17 included:

- Department of Health: the unit supported the National Department of Health (NDOH) to establish the South African Health Products Regulatory Authority (SAHPRA) in 2017/18 as a schedule 3A public entity in terms of the PFMA. The unit also facilitated the operationalisation of the Nelson Mandela Children's Hospital through extensive support in preparatory work with the Nelson Mandela Children's Trust, Gauteng province and the NDOH. The unit served as key members of the six national health insurance (NHI) workstreams with the NDOH which covered health financing issues such as the establishment of the NHI fund, and the design and implementation of NHI benefits package, amongst others. The unit also worked closely with the Tax Policy unit on the health promotion levy proposal and presented in various fora, including Parliament and NEDLAC to support the proposed levy as part of a comprehensive strategy to tackle obesity and non-communicable diseases. The unit has also contributed to numerous internal and external publications, including the South African Health Review and the South African Medical Journal.
- Department of Social Development: the unit continued to refine the projection model for social grants and used the estimates to inform the 2017 inflationary increases to the grant values and budget allocations. A mid-year increase to the Child Support grant brought the annual increase slightly above CPI inflation. The unit engaged with the Department of Social Development (DSD) on options for a new payment system for social grants. In addition, the unit contributed to a chapter in the Child Gauge

PART B: PERFORMANCE INFORMATION - Continued**4. PERFORMANCE INFORMATION BY PROGRAMME**

2016 publication on the sustainability of social grants. The unit supported Department of Social Development to shift policy focus towards the absorption of unemployed social work graduates who were trained through the social work scholarship. In collaboration with DSD, work was done to ensure adequate maintenance of early childhood development (ECD) centres and increase the number of children subsidised in these centres. An ECD financing strategy was drafted jointly with DSD, using external expertise on future approaches to financing ECD, noting the substantial cost implications of the policy approved by Cabinet. The unit worked with social development sector on a framework for NPO transfers and a guideline document on transferring funds to NPOs in provinces has been developed and is being finalised with the Accountant-General. The unit also worked with DSD on policies pertaining to child protection and violence prevention.

The Economic Services unit works with government departments and agencies. The unit analyses policy proposals, strategies, funding requests and expenditure plans of departments and state entities responsible for regulatory oversight, economic development, employment, growth, science and technology, tourism, environmental protection, land reform, rural development, agriculture, forestry, fisheries, trade and industrial development.

Departments with which the unit worked during the reporting year included:

- Department of Agriculture, Forestry and Fisheries: The unit participated in initiatives to boost the contribution of agriculture to growth through the presidential CEO initiative and initiatives designed to help emerging farmers' contribution to the agriculture sector and GDP. The unit was part of a consultative committee that included the Department of Agriculture, Forestry and Fisheries, the National Disaster Management Committee, Land Bank and other stakeholders such as farmers unions to address the issues related to the disaster caused by drought, and facilitated the process which led to the allocation of funding for procurement and distribution of animal feeds/fodder to smallholder livestock farmers who were severely affected by the drought. The unit facilitated a task team to address the overlapping of functions between the Department of Agriculture, Forestry and Fisheries and the Department of Rural Development and Land Reform to ensure the proper alignment and effective utilisation of both financial and non-financial resources available to support the agriculture sector.

Work still in progress includes:

- Department of Rural Development and Land Reform: the unit continued to assist the department with the implementation of agri-parks in 44 priority districts.
- Department of Mineral Resources: The unit supported the separation of the Petroleum Agency South Africa from the central energy fund (CEF) group of companies which was under the Department of Energy thereby establishing the new entity of the Department of Minerals. This work is ongoing.
- Department of Trade and Industry: Support was provided to the Export Credit Insurance Corporation (ECIC) of South Africa on the financing of the interest make-up scheme whose liability was incorporated in the ECIC balance sheet.
- Department of Small Business Development: the unit supported the department in reviewing its strategic focus with a view to enhancing its impact on SMMEs and cooperatives sector.
- Department of Environmental Affairs: the unit provided technical support to the department on the restructuring and design of the tyre levy to ensure compliance with the PFMA. The unit continued to provide technical support to the environment and culture EPWP programme to ensure that the EPWP incentives motivate sector departments to increase labour intensity.
- Department of Tourism: the unit continued to engage with the department on its proposed structuring and the destination development programme, which develops underutilised public recreation spaces.

PART B: PERFORMANCE INFORMATION - Continued**4. PERFORMANCE INFORMATION BY PROGRAMME**

- Department of Science and Technology: the unit continued to engage with the department on the proposed structuring of a coordination platform to report on the allocation of science and technology expenditure across national departments that have extensive research and development (R&D) budgets.

The *Urban Development and Infrastructure* unit provides budget, policy and expenditure management and support to national departments and public entities involved in infrastructure investment including transport, energy, water and sanitation, human settlements, telecommunications and postal services, cooperative governance and traditional affairs. Work carried out by the unit in 2016/17 included:

- Departments of Cooperative Governance and Traditional Affairs: the unit represented National Treasury in the national drought task team and advised on the institutional review of the community work programme. The unit supported the departments in developing strategies to ensure that fiscal targets for compensation of employees are met. Comments were also provided on the initiation policy in the Department of Traditional Affairs.
- Department of Energy: the unit commented on various planning documents in preparation for the procurement of nuclear generated electricity and provided support to the department on cleaner fuels. The unit also commented on the draft electrification master plan and the integrated resource plan. The unit worked with the department to resolve funding shortfalls in its personnel budget.
- Department of Human Settlements: the unit provided comments on the evaluation of catalytic projects and supported the realignment of funding for social housing. The unit also provided input and recommendations on the draft policy for human settlements and supported the department in the consolidation of the development finance institutions in the sector.
- Department of Telecommunications and Postal Services: support was given to the department on the implementation of the digital development pillar of the broadband policy (SA connect) and provided comments on the ICT white paper. The unit convened and chaired meetings on the progress and performance of the broadcasting digital migration programme.
- Department of Transport: the unit provided comments to the department on the road accident benefit scheme and supported the department in the approval of the maritime and the civil aviation policies. The unit represents National Treasury on various task teams related to policy reform, including the rail policy and the intergovernmental steering committee for the rolling stock fleet renewal programme. Comments were provided on the proposed green paper for roads, the green transport strategy, the rural transport strategy and the public transport transformation plan.
- Department of Water and Sanitation: the unit supported the department in key policy reforms such as the raw water pricing strategy, the integrated water management quality, the draft water and sanitation bill, the consolidation of the bucket eradication programme into the *water services infrastructure grant and the regional bulk infrastructure grant*. The unit guided the department in moving from an activity based budget structure to an objective based structure. The unit supported the department in finalising the budget framework for drought relief and proactively supported the water trading entity and the department in developing strategies to ensure financial sustainability.

Intergovernmental relations

The intergovernmental relations (IGR) division coordinates fiscal and financial relations between the national, provincial and local spheres of government. This is an important function given that R603.6 billion or 52 per cent of non-interest expenditure in 2016/17 was allocated to provinces and municipalities. The bulk of this expenditure went to priority programmes such as education, health care and the provision of free basic services.

PART B: PERFORMANCE INFORMATION - Continued**4. PERFORMANCE INFORMATION BY PROGRAMME**

The division coordinates inputs to the Division of Revenue, the annual Division of Revenue Bill and the development of the framework for managing conditional grants. The 2017 Division of Revenue Bill was tabled in February 2017 and included revised clauses to better regulate the conversion of funds between direct and indirect grants during the financial year. The Bill also included new conditional grants to fund an expansion and improvement of early childhood development services, the employment of social work graduates, and the provision of additional support for the education of learners with severe intellectual disabilities. The Bill also introduced a small reform to the way allocations to district municipalities are determined, as a result of which district municipalities with the smallest allocations from the *RSC levies replacement grant* will receive increased allocations over the 2017 MTEF.

Research was undertaken to review the municipal borrowing policy framework and to advise on reforms that should be considered to enhance local government own revenues sources. The division continued to strengthen engagements between government and the private sector through structured quarterly meetings which provide a platform for developing strategies and mechanisms that will encourage investment in strategic infrastructure that drives urban transformation. Importantly the division published the quarterly Municipal Borrowing Bulletin which provides information on municipal borrowing trends and activities. The division has worked with various stakeholders to finalise the process of amending the Municipal Fiscal Powers and Functions Act (Act No. 12 of 2007) to enable the regulations of the development charges, a key financing instrument for the provision of strategic infrastructure that will accelerate economic growth.

The division coordinates the implementation of the cities support programme (CSP). CSP, together with the neighbourhood development partnership programme (NDPG), plays a significant role in promoting cities as the key drivers in transforming the country's spatial landscape and accelerating economic growth.

The CSP supports metropolitan municipalities to lead the development of more inclusive, productive and sustainable cities. CSP targets changes in the enabling policy and regulatory environment for city development and the fiscal framework that funds this. It supports complementary best practices in urban development. Projects and associated activities have been identified in consultation with cities through their city support implementation plans (CSIPs). They are implemented at a national level through five component plans (core city governance, human settlements, public transport and economic development). Key programmes for the year included:

- Municipal Money was created in response to the commitment made by the former Finance Minister in his 2016 Budget speech to launch a data portal that will provide all stakeholders with comparable, verified information on municipal financial and non-financial performance, in order to stimulate citizen involvement in local governance. This portal was launched in September 2016, and has the potential to transform the way members of the public view and engage with municipal financial data. It has already started to contribute to enhanced civic oversight, greater transparency and increased accountability of newly elected municipal councils. As information is verified and updated regularly, members of the public can now, on an ongoing basis, track and compare how their newly elected leadership is performing. Furthermore, citizens are able to e-mail queries to their municipal management and leadership directly from the site, as well as share reports of municipal financial performance directly to social media.
- An executive city leadership course on city economic development was hosted from 27 February – 3 March 2017. This course was well received and attended by politicians and officials, many of whom were newly appointed in the 2016 local government elections, from the eight metropolitan municipalities. A key message was that economic development is an overall and transversal objective of a city. The course went beyond being purely informational, making some use of 'learning by doing' and allowing participants to actively reflect on the issues facing their cities, to examine and rethink the role of city governments in

PART B: PERFORMANCE INFORMATION - Continued**4. PERFORMANCE INFORMATION BY PROGRAMME**

economic development, and to work on potential solutions and next steps. Planning support to cities through the annual built environment performance plans (BEPPs) process continued with a key focus on increasingly strong alignment across spheres of government, introducing a requirement to also indicate initiatives around informal settlements and marginalised areas.

- Support for the preparation of catalytic land development projects identified in BEPPs, including panel reviews facilitated by the Urban Land Institute. Project preparation assistance was also provided to Ekurhuleni regarding its Aerotropolis programme and the City of Tshwane market upgrade.
- Closer collaboration with and support for Cooperative Governance and Traditional Affairs (CoGTA) by the CSP team has led to improved alignment with the integrated urban development framework (IUDF), with closer alignment between the levers and the work done by the CSP. Part of this includes technical assistance to the secondary cities programme.

The *Integrated City Development Grant* (ICDG) was established in 2013/14 to provide incentives for metropolitan municipalities to integrate and focus their infrastructure investments in identified integration zones (areas identified for targeted investment). The implementation of the grant is evolutionary in line with the developments that the grant seeks to achieve. In 2016/17 financial year, the focus has been the investments on the identified integration zones. Integration zones seek to redress the fragmented spatial forms, attract private sector investments and overall improve communities' well-being. It also promotes development along activity corridors linking them to the urban networks. In 2016/17, R266.8 million was allocated to the eight metropolitan municipalities to fund 25 integration zones.

The division continues to support the implementation of the infrastructure delivery management system (IDMS) to improve infrastructure delivery performance across provinces and local government. The implementation is supported by two major initiatives namely the infrastructure delivery management toolkit which guides the implementation of the IDMS as well as the standards for infrastructure procurement and delivery management (SIPDM) which is the legislated arm of the IDMS. Working together with the relevant national sector departments, the unit assessed 18 infrastructure plans for provincial Departments of Health and Education and advised the departments on areas that required future improvement. To date, 21 long-term and 18 short-term technical assistants were appointed and are currently managed through the approved performance management framework. The programme support office (PSO) applies the approved time accounting system (TAS), which is aligned to the master IDIP logical framework and technical assistance agreements, as its primary source of information to conduct quality assurance initiatives on approved systems and processes. Monthly and quarterly reports were completed and analysed based on the first line of quality assurance performed by the IDIP champions. Quarterly service provider reviews are conducted by the PSO based on the provincial logical frameworks and approved work plans. These reviews focus on targets and progress made towards them.

The *Infrastructure Skills Development Grant* (ISDG) is conditionally granted to municipalities to develop capacity by creating a long-term and sustainable pool of registered professionals in the built environment, (i.e. engineering, town planning, architecture, quantity surveying, geographic information systems, and project management). Municipalities recruit unemployed graduates in the built environment to be trained and professionally register with the relevant statutory councils. 435 graduates have enrolled in the programme across 16 municipalities. Of these, 157 have already completed their training and are registered as professionals by the relevant statutory councils. 114 are employed in the public sector.

There has been a focus during the reporting period in ensuring that all municipal budgets and adjustment budgets are funded. MFMA Circulars Nos 85 and 86 were published to provide municipalities with guidance in preparing their 2017/18 MTREF budgets. In addition a generic framework for assessment and analysis of municipal budgets in line with municipal budget and reporting regulations (MBRR) was developed.

4. PERFORMANCE INFORMATION BY PROGRAMME

For nine consecutive years, the division has institutionalised two formal annual engagements with the 17 non-delegated municipalities, namely the municipal budget and benchmark, and the midyear budget and performance assessment engagements. The proceedings for the metros budget and benchmark engagement for 2016/17 differed from that of previous years as it was conducted over two days to allow for robust discussion on spatial development and integrated planning efforts, as well as budgetary and performance issues. These engagements have been instrumental in ensuring that the tabled budgets of 16 of the 17 non-delegated municipalities are credible, sustainable and funded. The National Treasury has subsequently engaged with the municipalities with the unfunded tabled budget to ensure that they adopt a funded budget.

In order to improve the oversight by provincial treasuries over the budgeting and financial management practices of the 278 delegated municipalities, IGR facilitated the development of province specific strategies to address the local government finance failures by all provincial treasuries. The National Treasury, through its municipal finance improvement programme (MFIP II), has appointed provincial advisors to assist the Limpopo, Northern Cape, Eastern Cape and Gauteng provincial treasuries with the implementation of their strategic plans and to strengthen the capacity of these treasuries to better execute their monitoring and support responsibilities towards local government. In addition 37 municipalities were supported through the placement of long-term advisors and six provincial treasuries received support from full time mSCOA advisors.

In-year reporting is now well institutionalised, with most municipalities consistently producing in-year financial reports. Consolidated in-year reports on municipal financial performance reports were published quarterly, in line with Section 71 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and Section 30(3) of the 2016 Division of Revenue Act, 2016 (Act No. 3 of 2016) (DoRA). The National Treasury also published the annual consolidated set of budget information for all municipalities for the tenth time. The routine publication of budget and in-year financial performance information for local government enables better in-year management and oversight of budgets, since these reports become management tools on the one hand, and early warning mechanisms on the other, thereby assisting councils to improve their municipal performance.

The unit participated in the National Department of Public Works steering committee and provided strategic direction for the government debt verification and settlement project implementation whereby monies owed by government departments to municipalities was verified. A terms of reference was developed to address the unverified items to be dealt with in the forthcoming year. This will include the process to resolve the ownership of unverified government properties as it has implications on the immovable assets, the Deeds Registry's state owned land database, registers of government departments, municipal property valuation rolls, and property rates policy and billing systems. This will ultimately improve the integrity of government debt reported in terms of Section 71 of the MFMA.

IGR continued to improve the conditional grant monitoring framework for local government. The 2015/16 unspent conditional grants process has been concluded. Section 22 of the 2015 DoRA was invoked in offsetting previous years' unspent conditional grants against the 2016/17 equitable shares from underperforming municipalities, with R1.2 billion returning to the national revenue fund. An additional R479 million was offset from the 2016/17 equitable share allocation as a result of municipalities requesting repayment arrangements against their historical unspent conditional grants for 2014/15. The DoRA allows municipalities to repay unspent funds in instalments as the offsetting of the entire amount from the equitable share at once could cripple the finances of municipalities. To date, the National Treasury has approved two repayment arrangements relating to 2015/16. The National Treasury continues to help low performing municipalities to improve spending and manage their conditional grants.

4. PERFORMANCE INFORMATION BY PROGRAMME

The *Municipal Infrastructure Grant* (MIG) is the main unspent conditional grant. During the 2016/17 financial year, the Department of Cooperative Governance and Traditional Affairs, which administers the MIG, started withholding funds from municipalities with under-spending of 40 per cent or more. The National Treasury reallocated R942.8 million against the grant to fast-spending municipalities. As part of the support provided by the National Treasury to underperforming municipalities, National Treasury reallocated monies from the Mafube, Makana and Thabazimbi local municipalities and redirected their MIG monies to their respective district municipalities (Fezile Dabi, Sarah Baartman and Waterberg respectively). The arrangement assisted these local municipalities to continue with projects while resolving their financial management and governance challenges.

To ensure that all 278 municipalities comply with the regulation on municipal standard classification of accounts (mSCOA) by 1 July 2017, the National Treasury issued mSCOA circulars 5 and 6 as a guideline on the processes that municipalities must undertake to determine if their systems will be able to accommodate the standard chart of accounts. In addition, a transversal contract for the acquisition of mSCOA compliant municipal financial systems was concluded and awarded. Various capacity building mSCOA workshops were undertaken with municipalities and provincial treasuries to ensure that they are ready for implementation. Training material for the mSCOA train-the-trainer programme was also developed and the training of the trainers was finalised.

Version 6 of mSCOA was released for consultation and version 6.1 for the 2017/18 Medium Term and Revenue Framework (MTREF) was issued. Thereafter, the revised budget format templates regulated in terms of the municipal budget and reporting regulations (MBRR) was aligned to mSCOA version 6.1 and issued for use by municipalities. A reporting reference group, consisting of various role players from the National Treasury and system vendors, was established to ensure that there is consistency in the mSCOA system implementation.

IGR continued to build capacity in provinces and National Department of Women by providing training on essentials of budget formulation and budget analysis courses. The demand remained high leading to exceeding this set target. 412 officials were trained during the year in a concerted effort to provide support and build capacity in provinces. Training on departmental in-year monitoring tool and personnel costing and the forecasting tool was also provided to officials from all nine provinces. In strengthening the oversight over the provincial public entities, the in-year monitoring and reporting tool was introduced for quarterly reporting and the creation of the dashboard presentation of the provincial entities revenue and expenditure.

The provincial budget benchmarking process continued in the form of two rounds in 2016/17, with the first round focusing on how critical service delivery areas, particularly in the education and health sectors, have been budgeted for. The second round of the benchmark exercise focused on economic development drivers which are infrastructure investment and how provincial economic initiatives are transforming the regional economies and how provinces are partnering with other spheres of government and private sector in this regard. The second benchmark meetings also focussed on progress on rationalisation of entities in provinces. The division ensured that all provincial financial information is published quarterly and brought the process forward to ensure that there are savings realised in the gazetting process. IGR also provided comprehensive parliamentary briefings on outcomes of provincial expenditure for 2015/16 and likely risks for provinces in 2016/17.

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

PERFORMANCE INDICATORS

| PROGRAMME 3: BUDGET OFFICE | | | | | | |
|---|--|----------------------------------|-----------------------------------|-----------------------------|--|--|
| INDICATOR | ACTUAL ACHIEVEMENT 2015/16 | TARGET 2016/17 | ACTUAL ACHIEVEMENT 2016/17 | REASON FOR DEVIATION | | |
| Developing and implementing south africa's fiscal policy and related frameworks | | | | | | |
| Difference between the expenditure tabled for the MTEF years within the expenditure ceiling in the MTBPS and the expenditure ceiling tabled for the MTEF years in the February budget | Planned expenditure for the 2016 MTEF period is in line with expenditure ceiling requirements 2016 MTEF: R3.53 trillion main budget noninterest expenditure announced in the 2015 MTEF + R259.5 billion in terms of the fiscal policy stance = R3.79 trillion. This includes a provisional allocation not assigned to votes of R18.3 billion and a contingency reserve of R31 billion. | = 0 or less than 0 for each year | 0 | N/A | | |
| Number of sustainable fiscal frameworks provided | N/A | 2 | 2 | N/A | | |

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

PERFORMANCE INDICATORS

| PROGRAMME 3: BUDGET OFFICE | | | | | |
|---|----------------------------|--|---|----------------------|--|
| INDICATOR | ACTUAL ACHIEVEMENT 2015/16 | TARGET 2016/17 | ACTUAL ACHIEVEMENT 2016/17 | REASON FOR DEVIATION | |
| Preparation of the national budget | | | | | |
| Number of budget guidelines issued and budget decision making processes coordinated | N/A | 1 set of MTEF guidelines issued by July 1 programme scheduling MTEC meetings drafted by July 1 AENE guideline issued in August 1 ENE guideline issued in November | 1 set of MTEF guidelines issued by July 1 programme MTEC meetings drafted by July 1 AENE guideline issued in August 1 ENE guideline issued in November | N/A | |

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

PERFORMANCE INDICATORS

| PROGRAMME 3: BUDGET OFFICE | | | | |
|---|--|---|--|----------------------|
| INDICATOR | ACTUAL ACHIEVEMENT 2015/16 | TARGET 2016/17 | ACTUAL ACHIEVEMENT 2016/17 | REASON FOR DEVIATION |
| Adherence to timelines for budget allocation recommendations based on departmental budget submissions | The targets set by the MTEC Secretariat were met, with baseline Allocation recommendations being amended throughout the various phases of the budget process and approved by MTEC, the Ministers' Committee on the Budget and ultimately Cabinet. Final budget allocations to departments were determined in December 2015 and January 2016. | Various funding recommendations to the MTEC, the MINCOMBUD and Cabinet within budget calendar timelines 1. Cabinet endorsement of national government expenditure allocations in November | Adjustments Appropriation Bill, 2016 tabled in Parliament on 26 October 2016. 2016 Adjusted Estimates of National Expenditure tabled in Parliament on 26 October 2016. 2016 Medium Term Budget Policy Statement tabled in Parliament on 26 October 2016. Appropriation Bill, 2017 tabled in Parliament on 22 February 2017. 2017 Estimates of National Expenditure tabled in Parliament on 22 February 2017. 2017 Budget Review tabled in Parliament on 22 February 2017. | N/A |

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

PERFORMANCE INDICATORS

| PROGRAMME 3: BUDGET OFFICE | | | | | | |
|---|--|---|---|----------------------|--|--|
| INDICATOR | ACTUAL ACHIEVEMENT 2015/16 | TARGET 2016/17 | ACTUAL ACHIEVEMENT 2016/17 | REASON FOR DEVIATION | | |
| Publication of the national budget | | | | | | |
| Budget legislation and accompanying documentation tabled in Parliament and published | The ENE and AENE was compiled and tabled in line with the parliamentary programme | 3 budget documents tabled in February 3 budget documents tabled in October | 3 budget documents tabled in February 3 budget documents tabled in October | N/A | | |
| Public finance statistics according to function and economic classification for consolidated government presented per quarter | Consolidated budget accounts for Budget Review 2016 -- national, provincial and public entities. Data used in the compilation of financial statistics for the budget moved to an appropriate storage platform. | 4 reports | 4 reports | N/A | | |
| Guidance to departments and entities on the classification of expenditure per quarter | Issued classification circulars and guidelines. Provided advice on the interpretation of the SCOA and the reference guide on economic classification. | 4 reports | 4 reports | N/A | | |

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

PERFORMANCE INDICATORS

| PROGRAMME 3: BUDGET OFFICE | | | | | |
|---|---|----------------|----------------------------|---|--|
| INDICATOR | ACTUAL ACHIEVEMENT 2015/16 | TARGET 2016/17 | ACTUAL ACHIEVEMENT 2016/17 | REASON FOR DEVIATION | |
| Monitoring and analysis of public expenditure and service delivery | | | | | |
| Number of reports produced on review and implementation of the cost-of-living adjustment (COLA) costing model | The model has been used to estimate costs for implementing the 2016 wage adjustments as per PSCBC Resolution 8 of 2015 and to formulate compensation budget ceilings for the 2016 MTEF. Improvements to COLA model are in progress with analysis of remuneration policies and preliminary model design completed. | 4 | 3 | Under-performance is attributed to challenges relating largely to data accessibility and limited resource availability. | |
| Provide support on governance and financial management monitoring and compliance system in public entities. | Provided Institutional support to National and Provincial public entities related to financial reporting governance and compliance. Finalised NT regulation inputs related to public entities. | 100% | 100% | N/A | |

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

PERFORMANCE INDICATORS

| PROGRAMME 3: BUDGET OFFICE | | | | | |
|---|--|----------------|----------------------------|----------------------|--|
| INDICATOR | ACTUAL ACHIEVEMENT 2015/16 | TARGET 2016/17 | ACTUAL ACHIEVEMENT 2016/17 | REASON FOR DEVIATION | |
| Provide support on governance and financial management monitoring and compliance system in public entities. | Revised the framework on Board and CEO executive remuneration which considers various aspects, such as the expertise required; size of board, number of meetings held, decision making powers; discretionary powers; problem solving; impact of decisions; external factors; and financial responsibility which is aligned with the Public Service's equate/ evaluate job evaluation system. Submission of recommendations on Cabinet memoranda. Provided assistance and support to various public entities on governance, financial management and compliance related matters. Reviewed the classification n/ institutional framework of public entities. | | | | |

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

PERFORMANCE INDICATORS

| PROGRAMME 3: BUDGET OFFICE | | | | | | |
|---|----------------------------|----------------|----------------------------|--|--|--|
| INDICATOR | ACTUAL ACHIEVEMENT 2015/16 | TARGET 2016/17 | ACTUAL ACHIEVEMENT 2016/17 | REASON FOR DEVIATION | | |
| Coordinating international development cooperation | | | | | | |
| Percentage alignment of development cooperation with government policy and priorities | N/A | 100% | 100% | N/A | | |
| Percentage management and coordination of development cooperation in South Africa | N/A | 100% | 100% | N/A | | |
| PROGRAMME 3: PUBLIC FINANCE | | | | | | |
| Monitoring and analysis of public expenditure and service delivery | | | | | | |
| Percentage adherence to timelines for sectoral analysis and advice for policy framework development | N/A | 100% | 98.9% | Under-performance is attributed to three correspondences having required consultations which went beyond the reporting period. | | |
| Number of monthly expenditure feedback to departments | N/A | 480 | 277 | Underperformance attributed to delays in addressing queries by departments these included not providing feedback within the stipulated 15-day period and delays in addressing technical errors in the reporting template | | |
| Number of quarterly expenditure reports submitted to the Standing Committee on Appropriations | N/A | 160 | 160 | N/A | | |
| Number of selected expenditure and performance reviews undertaken | N/A | 6 per year | 31 | Over-performance is attributed to the schedule delivery of multiple projects of varying sizes. | | |

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

PERFORMANCE INDICATORS

| PROGRAMME 3: INTERGOVERNMENTAL RELATIONS | | | | | |
|--|---|-----------------------|-----------------------------------|-----------------------------|--|
| INDICATOR | ACTUAL ACHIEVEMENT 2015/16 | TARGET 2016/17 | ACTUAL ACHIEVEMENT 2016/17 | REASON FOR DEVIATION | |
| COORDINATION OF INTERGOVERNMENTAL RELATIONS | | | | | |
| Number of Division of Revenue and Division of Revenue Amendment Bills published annually | N/A | 3 | 3 | N/A | |
| Number of reforms introduced to enhance provincial and local government fiscal frameworks | N/A | 4 | 4 | N/A | |
| Number of plans assessed to support improvements in infrastructure planning in provinces | N/A | 18 | 18 | N/A | |
| Number of built environment performance plans assessed to support improvement in the built environment | N/A | 8 | 8 | N/A | |
| Number of training initiatives (workshops and courses) on conditional grants, infrastructure delivery management; budget formulation and analysis undertaken to facilitate improved budgeting and financial management | N/A | 33 | 33 | N/A | |
| Number of provincial budgeting benchmarking exercises held to improve provincial budget credibility, composition, and achievability | 4 quarterly reports published in terms of section 32 of the PFMA. Benchmark sessions for each of the nine provinces were conducted in December 2015 and January 2016 and reports compiled. Provided one briefing to parliament on the education infrastructure grant 2 June 2015. A total of 4 provincial government briefings were done on the following dates: 5 June 2015, 17 June 2015, 19 June and 12 August 2015. | 18 | 18 | N/A | |

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

PERFORMANCE INDICATORS

| PROGRAMME 3: INTERGOVERNMENTAL RELATIONS | | | | | |
|--|--|----------------|----------------------------|----------------------|--|
| INDICATOR | ACTUAL ACHIEVEMENT 2015/16 | TARGET 2016/17 | ACTUAL ACHIEVEMENT 2016/17 | REASON FOR DEVIATION | |
| Number of benchmarking and midyear engagement reports for non-delegated municipalities | All the 17 tabled budgets of the 17 non-delegated municipalities assessed to determine adequacy of funding, credibility and sustainability and the consolidated report done as well. Compiled one consolidated report and 17 municipal specific reports on the midyear budget and performance assessment of the 17 non-delegated municipalities. In line with the Section 71 of the MFMA and Section 31(3) of the 2015 DoRA, the fourth quarter (2014/15), first and second quarter (2015/16) in-year publications were published on 30 June 2015, 30 September 2015 and 4 March 2016 respectively, covering revenue and expenditure of 278 municipalities and conditional grant spending of 277 municipalities. (The third quarter report is only due 31 May 2016.) | 34 | 34 | N/A | |
| Number of Section 71 quarterly reports, including expenditure against conditional grants published | N/A | 4 | 4 | N/A | |
| Number of routine publications published | N/A | 5 | 5 | N/A | |

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

PERFORMANCE INDICATORS

| PROGRAMME 3: INTERGOVERNMENTAL RELATIONS | | | | | | |
|---|----------------------------|----------------|----------------------------|---|--|--|
| INDICATOR | ACTUAL ACHIEVEMENT 2015/16 | TARGET 2016/17 | ACTUAL ACHIEVEMENT 2016/17 | REASON FOR DEVIATION | | |
| Publication of Local Government Budgets and Expenditure Review | N/A | 1 | 0 | Underperformance attributed to budget constraints and not securing technical support for the analysis of the chapters | | |
| Number of provinces for which rollover applications are assessed and unspent conditional grants are offset | N/A | 9 | 9 | N/A | | |
| Number of municipal payment schedules published | N/A | 2 | 2 | N/A | | |
| Number of provinces where specific strategies and support plans to address municipal finance performance failures are being implemented | N/A | 9 | 9 | N/A | | |
| Number of provincial visits undertaken to improve intergovernmental relations and provincial financial performance | N/A | 9 | 9 | N/A | | |
| Number of quarterly financial reports produced and published to comply with Section 32 of the PFMA | N/A | 4 | 4 | N/A | | |
| Number of monthly reports produced (internally) in respect of Section 40 of the PFMA | N/A | 108 | 108 | N/A | | |
| Number of parliamentary briefings provided on selected elements of provincial and local government financial performance | N/A | 2 | 2 | N/A | | |
| Number of municipalities where SCOA project is rolled out | N/A | 278 | 278 | N/A | | |

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE (INDICATORS AND ACTION PLANS)

| PROGRAMME: 3 BUDGET OFFICE | | |
|---|--|--|
| INDICATOR | DEVIATION | ACTION PLAN |
| Monitoring and analysis of public expenditure and service delivery | | |
| Number of reports produced on review and implementation of the cost-of-living adjustment (COLA) costing model | Under-performance is attributed to challenges relating largely to data accessibility and limited resource availability. | It is expected that this target will be achieved early in the financial year 2017/18 |
| PROGRAMME 3: PUBLIC FINANCE | | |
| Monitoring and analysis of public expenditure and service delivery | | |
| Percentage adherence to timelines for sectoral analysis and advice for policy framework development | Under-performance is attributed to three correspondences having required consultations which went beyond the reporting period. | Implement process to facilitate timely consultations without impacting on the quality of advice or responses to departments |
| Number of monthly expenditure feedback to departments | Underperformance attributed to delays in addressing queries by departments these included not providing feedback within the stipulated 15-day period and delays in addressing technical errors in the reporting template | Implement process to prioritise provision of feedback within the stipulated time provision and to resolve or minimise errors in the reporting template |
| PROGRAMME 3: INTERGOVERNMENTAL RELATIONS | | |
| Coordination of intergovernmental relations | | |
| Publication of Local Government Budgets and Expenditure Review | Underperformance attributed to budget constraints and not securing technical support for the analysis of the chapters | Mitigation processes to be considered early in the 2017/18 financial year |

CHANGES TO PLANNED TARGETS

There are no changes to planned targets for this reporting period.

PART B: PERFORMANCE INFORMATION - Continued**4. PERFORMANCE INFORMATION BY PROGRAMME****LINKING PERFORMANCE WITH BUDGETS**

| PROGRAMME 3 | 2016/17 | | | | | | | 2015/16 | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|---------------|---|---------------------|--------------------|-------|
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | WIREMENT | 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 | R'000 |
| Programme Management for Public Finance and Budget Management | 22 979 | 419 | - | 23 398 | 21 417 | 1 981 | 91.5% | 18 061 | 17 884 | |
| Public Finance | 58 423 | 71 | - | 58 494 | 56 564 | 1 930 | 96.7% | 59 573 | 59 168 | |
| Budget Office and Coordination | 58 796 | 69 | - | 58 865 | 57 005 | 1 860 | 96.8% | 56 049 | 55 365 | |
| Intergovernmental Relations | 109 446 | (559) | - | 108 887 | 101 953 | 6 934 | 93.6% | 94 050 | 89 004 | |
| Financial and Fiscal Commission | 44 839 | - | - | 44 839 | 44 839 | - | 100.0% | 41 156 | 41 156 | |
| Total | 294 483 | - | - | 294 483 | 281 778 | 12 705 | 95.7% | 268 889 | 262 577 | |

4. PERFORMANCE INFORMATION BY PROGRAMME

4.4 PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

Purpose

Manage government's annual funding programme in a manner that ensures prudent cash management, an optimal portfolio of debt and other fiscal obligations. Promote and enforce the prudent financial management of SOEs through financial analysis and oversight.

Strategic objectives

- Exercise oversight of state-owned companies
- Optimal debt management and funding of government borrowing requirement
- Ensure sound management of government's cash resources
- Minimise and mitigate risks emanating from government's fiscal obligations

Programme's sub-programmes

This sub-programme provides the overall management and regulatory support related to this programme, including support for planning, monitoring and delivering the programme's objectives and associated activities, which include the management of government debt, financial assets and investments.

State-Owned Companies Financial Management and Governance

- This sub-programme is responsible for overseeing state-owned enterprises to enable them to meet government's policy objectives in a financially and fiscally sustainable manner, and for promoting sound corporate governance of these enterprises. Over the medium term, the unit will continue to review and compile submissions on applications for funding, guarantees and borrowing limits as well as other PFMA applications from state-owned companies. Where such applications are approved, the unit will monitor financial performance and adherence to any conditions. It will also continue to review state owned enterprises' corporate plans and annual reports as they are received annually, and progress on the enterprises' capital expenditure programmes will be monitored on a quarterly basis. Where legislative, policy or regulatory amendments that may impact on state owned enterprises are being contemplated, the unit will comment on the proposed changes. To strengthen regulatory compliance, the unit will report on compliance by major state-owned companies with the PFMA, the Companies Act (2008), Treasury Regulations and the King III Code on Corporate Governance.

Government Debt Management

- This sub-programme is responsible for government's long-term funding needs. It manages the funding of domestic and foreign debt, contributes to the development of domestic financial markets, maintains sound investor relations and ensures that debt servicing costs remain sustainable.

4. PERFORMANCE INFORMATION BY PROGRAMME

Financial Operations

- This sub-programme provides for government's short-term funding needs, invests government's surplus cash, prudently manages cash in all spheres of government and ensures efficient accounting for debt, the supply of reliable systems and the provision of high quality information.

Strategy and Risk Management

- This sub-programme develops and maintains a risk management framework for the debt and contingent liabilities of government, and monitors the implementation of strategies to ensure that risks remain within tolerance thresholds and to mitigate the risk of an adverse credit rating outcome for the sovereign credit rating.

Financial Investments

- This sub-programme provides for the transfer of funding to meet the needs of state-owned entities, such as the re-capitalisation of the Land and Agricultural Development Bank of South Africa, Postbank and the Development Bank of Southern Africa.

PART B: PERFORMANCE INFORMATION - Continued**4. PERFORMANCE INFORMATION BY PROGRAMME****Service Delivery objectives and indicators****Recent outputs**

The Oversight and Governance of the State Owned Companies (SOCs) unit annually reviews the corporate plans of all public entities listed in schedule 2 and 3B of the PFMA, including some selected schedule 3A entities. In addition to assessing their alignment with government's priorities, financial sustainability and soundness of governance, the review aims to identify possible risks proactively so that appropriate mitigating actions can be taken. Similarly, public entities' performance is evaluated through a review of their annual reports. In 2016/17, all corporate plans and annual reports received from SOCs, Development Funding Institutions (DFIs) and water boards were reviewed. South African Airways (SAA), Broadband Infraco, the South African Post Office (SAPO) and the Nuclear Energy Corporation of South Africa (NECSA) had not submitted their annual financial statements at the time of the review. The unit analysed the remuneration trends in schedule 2 public entities against the SOCs remuneration guide (SOERG).

Government has extended Eskom's R350 billion guarantee from 31 March 2017 to 31 March 2023. The extension will allow the utility to use the remaining portion of the guarantee to complete its current capital expenditure programme through 2023. As at 31 March 2017, approximately R202 billion of the R350 billion government guarantees had been drawn down. Government has provided support of up to R200 billion for renewable energy from IPPs. As at 31 March 2017, exposure to IPPs, which represents the value of signed projects, amounted to R125.8 billion.

During the year, government issued SAA an additional going-concern guarantee of R4.7 billion, increasing its total guarantees to R19.1 billion. An additional government guarantee of R4.5 billion was issued to Land Bank to lengthen the maturity profile of its debt. This brings Land Bank's total government guarantees to just over R11 billion. The guarantees to Eskom, Denel, SAA, South African Express (SAX), SAPO, and the Land Bank are monitored regularly and quarterly reports on compliance to guarantee conditions were provided to the fiscal liability committee (FLC).

The Land Bank, Industrial Development Corporation (IDC) as well as the Central Energy Fund (CEF) were granted foreign borrowing limits during the year. A further foreign borrowing limits for Transnet and Eskom, Umgeni Water and the South African National Roads Agency Limited (SANRAL), were also granted. The Minister of Telecommunications and Postal Services was requested to investigate the breach by SAPO in incurring an overdraft without approval. Approval of domestic borrowing limits for the Trans-Caledon Tunnel Authority (TCTA) on three projects (Komati water scheme augmentation project (KWSAP); Mooi Mngeni transfer scheme project (MMTS-2); Vaal River eastern subsystem augmentation project (VRESAP)), Umgeni Water and the South African Post Office, were also granted.

Exemptions relating to Section 54 (2) of the PFMA and other provisions of the PFMA were granted to the IDC, its subsidiaries and Telkom.

The following activities were also undertaken during 2016/17:

- Reviewed 33 annual reports of SOCs, eight water boards, and 24 corporate plans of SOCs/DFIs and nine water boards for 2015/16.
- Concluded shareholder compacts with the Public Investment Corporation (PIC), South African Special Risks Insurance Agency (SASRIA), SAA, Land Bank and the Development Bank of Southern Africa (DBSA).

4. PERFORMANCE INFORMATION BY PROGRAMME

- Reviewed the annual reports and financial statements of the PIC, SASRIA, the Land Bank and DBSA, which were tabled in Parliament. The Minister of Finance requested an extension for the tabling of SAA's annual financial statements.
- The Land Bank continues to implement the recommendations from the organisational review completed in 2014/15.
- The review of the individual Provincial Development Finance Institutions (PDFIs) has been completed and the project team is currently working on drafting the development finance policy. The outcome of the review will be communicated to Cabinet.
- Supported the Minister as a member of the inter-ministerial committee on SOC reforms by developing frameworks such as the guide for private sector participation alongside government in new infrastructure projects and a framework for quantifying the costs of the developmental activities undertaken by SOCs. These frameworks were subsequently approved by Cabinet in November 2016.

The government successfully financed the gross borrowing requirement of R247.4 billion. This was financed through net issuance of domestic short-term loans (R40.5 billion), domestic long-term loans (R174.0 billion) and foreign loans of R52.1 billion with R19.2 billion used to increase the cash and other balances. During 2016/17, National Treasury was able to switch R36.8 billion in 7 switch auctions across four bonds maturing in the next 5 years. This brings the total amount switched since 2014/15 to R139.5 billion, with R39.6 billion being successfully switched out of the R203 bond maturing in September 2017.

The cost of servicing government debt amounted to R146.5 billion compared to an original budget of R147.7 billion. Domestic and foreign loans of R73.0 billion were repaid during 2016/17. The financial operations unit met all government's rand and foreign currency commitments on a daily basis. In addition, surplus cash was optimally invested.

National Treasury participated in both domestic and foreign roadshows following the publication of the Budget Review and Medium-Term Budget Policy Statement. The domestic roadshow destinations included Cape Town, Johannesburg and Pretoria; whilst the foreign roadshow destinations were New York, Boston, Los Angeles, San Francisco, London, Zurich, Amsterdam, Singapore, Kuala Lumpur, Abu Dhabi and Dubai. The November 2016 foreign roadshow was the first time National Treasury visited Middle Eastern and East Asian countries since the Sukuk Deal roadshow in 2014.

The unit met all the relevant reporting requirements of the PFMA and of the International Monetary Fund's (IMF) special data dissemination standards relating to government's borrowing programme, debt operations and guarantees. To enhance transparency and accountability, relevant information was also published on the investor relations website.

Strategic risk benchmarks define the boundaries of government's risk tolerance towards foreign currency, inflation and interest rate exposures as well as maturity distribution between short- and long-term debt in the medium term based on cost and risk trade-offs. The outcome of the 2016/17 funding plans based on the risk allocation strategy that was informed by a hierarchy of funding objectives: liquidity, refinancing risk and funding costs, including the implementation of the switch strategy, resulted in all benchmarks being within their respective thresholds and ranges.

As at 31 March 2017, the short-term debt as a percentage of total domestic debt had increased by 0.86 percentage points from March 2016 (11.78 per cent) to March 2017 (12.62 per cent). This was due to the adjusted weekly treasury bills action levels following the R16 billion increase in borrowing requirements which had to be absorbed by the treasury bills. The share of long-term debt

PART B: PERFORMANCE INFORMATION - Continued**4. PERFORMANCE INFORMATION BY PROGRAMME**

(fixed rate and inflation linked bonds) maturing within five years assessed against a limit of 25 per cent decreased from 18.60 per cent (31 March 2016) to 14.26 per cent due to successful bond switch auctions during the period under review. Moreover, the share of inflation linked bonds as a percentage of total domestic debt decreased from 22.96 per cent in March 2016 to 22.34 per cent in March 2017, this was due to the redemption of the R211 inflation-linked bond in January 2017. The strengthening of the Rand has led to the share of foreign debt as a percentage of total government debt to decline by 0.38 percentage points from March 2016 (10.08 per cent) to March 2017 (9.70 per cent). The weighted average term as an illustration of how long-term government debt remains outstanding increased from 11.6 years (31 March 2016) to 12.6 years for fixed rate bonds and treasury bills, while that of inflation linked debt decreased slightly to 14.89 years from 14.98 years (31 March 2016) as assessed against a range of 10-14 years and 14-17 years, respectively.

Government's guarantee exposure to public entities increased to R308.3 billion in 2016/17, from R255.8 billion in 2015/16. Eskom makes up 71 per cent of the total exposure from the government guarantee portfolio. Government has committed to purchase up to R200 billion in renewable energy from independent power producers (IPPs). The power purchasing agreements (PPAs) that Eskom and the IPPs enter into create a contractual obligation for Eskom to purchase power from these IPPs over a 20 year period. This should be done at a price agreed to by the National Energy Regulator. Government provides support in the form of guarantees to Eskom in respect of its obligation under these contracts, indicating that, in the event that Eskom is unable to purchase some or all of the power as stipulated in the PPAs, government will step in and purchase the power on Eskom's behalf. As at March 2017, exposure to IPPs, which represents the value of signed projects, was expected to be R125.8 billion.

The volume of the contingent liability exposure to public private partnerships (PPPs) is based on the trigger of a credit event, (i.e. settlement of default by public party or a termination payment for either private party default, force majeure or public institution default). Out of all the likely payments, a termination payment for public party default always results in the highest liability for government and is recorded as the exposure amount. As at 31 March 2017, the contingent liability exposure to PPPs amounted to R11.4 billion of which national PPPs account for 41.3 per cent, provincial PPPs account for 56.2 per cent and public entities PPPs account for 2.5 per cent.

Government's other contingent liabilities include the actuarial deficits of social security funds, which is the difference between the claims owed by these entities and their total assets. Government commitments to the Export Credit Insurance Corporation of South Africa, representing the net underwriting exposure of the company and its total assets, also fall into this category, as do claims against government departments, and post-retirement medical benefits to government employees. Other contingent liabilities were expected to amount to R330.4 billion as at 31 March 2017, R30.3 billion higher than the previous period, mainly due to an increase in the exposure of the Road Accident Fund.

In 2016/17, South Africa's investment grade credit ratings came under pressure from most of the solicited credit rating agencies. While Moody's Investors Service (Moody's) affirmed the country's ratings, S&P Global Ratings (S&P), Fitch Ratings (Fitch) and Ratings and Investment Information, Inc. (R&I) announced adverse rating actions.

Following a decision to put South Africa's ratings on review for possible downgrade, Moody's affirmed the country's long-term foreign and local currency debt ratings at 'Baa2' with negative outlook on 6 May 2016. Moody's further affirmed the ratings on 25 November 2016.

4. PERFORMANCE INFORMATION BY PROGRAMME

S&P followed on 3 June 2016 and affirmed both the long-term foreign and local currency debt ratings with negative outlook. However, on 2 December 2016, S&P downgraded the long-term local currency debt rating to 'BBB' from 'BBB+', and maintained the long-term foreign currency debt rating at 'BBB-', with negative outlook.

On 8 June, Fitch also affirmed South Africa's long term foreign and local currency debt ratings at 'BBB-' and 'BBB', respectively with stable outlook. However, the agency downgraded the long-term local currency debt rating to 'BBB-' from 'BBB' on 21 July 2016, aligning it to the long-term foreign currency debt rating. On 25 November 2016, Fitch revised the outlook to negative from stable while maintaining the ratings.

The Japanese R&I followed on 15 December 2016 and downgraded both the long-term foreign and local currency debt ratings to 'BBB+' and 'BBB' from 'A-' and 'BBB+', respectively, and maintained the negative outlook.

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

PERFORMANCE INDICATORS

| PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT | | | | | | |
|---|----------------------------|----------------|----------------------------|---|----------------------------|----------------------|
| INDICATOR | ACTUAL ACHIEVEMENT 2015/16 | TARGET 2016/17 | ACTUAL ACHIEVEMENT 2016/17 | REASON FOR DEVIATION | ACTUAL ACHIEVEMENT 2016/17 | REASON FOR DEVIATION |
| Exercise oversight of state-owned companies | | | | | | |
| Percentage of corporate plans of Schedule 2 and 3B SOCs, DFIs and WBs received and reviewed within four months of receipt | N/A | 100% | 32% | Underperformance is attributed to review completion dates not being sufficiently appropriately recorded as part of each review's documentation. | | |
| Percentage of annual reports of Schedule 2 and 3B SOCs, DFIs and WBs received and reviewed within four months of receipt | N/A | 100% | 53% | Underperformance is attributed to review completion dates not being sufficiently appropriately recorded as part of each review's documentation. | | |
| Percentage of annual reports and corporate plans received from Schedule 2 and 3B SOCs reporting to NT (SAA, PIC, DBSA, Land Bank, Sasria) tabled in Parliament within the required timescale (30 September each year) | N/A | 100% | 100% | N/A | | |
| Percentage of complete PFMA Section 54(2), 52, 55 and 92 applications received from Schedule 2 and 3B SOCs, DFIs and WBs reviewed within stipulated timeframes | N/A | 100% | 100% | N/A | | |
| Percentage of funding applications received from Schedule 2 and 3B SOCs, DFIs and WBs reviewed within stipulated timeframes | N/A | 100% | 100% | N/A | | |
| Percentage of complete guarantee applications received from Schedule 2 and 3B SOCs, DFIs and WBs reviewed within stipulated timeframes | N/A | 100% | 100% | N/A | | |

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

PERFORMANCE INDICATORS

| PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT | | | | | | |
|--|----------------------------|----------------|----------------------------|----------------------|--|--|
| INDICATOR | ACTUAL ACHIEVEMENT 2015/16 | TARGET 2016/17 | ACTUAL ACHIEVEMENT 2016/17 | REASON FOR DEVIATION | | |
| Percentage of MFMA submissions relating to tariff adjustments received from Schedule 2 and 3B SOC and WBs reviewed within stipulated timeframes | N/A | 100% | 100% | N/A | | |
| Percentage of reviews requested of legislation, policies and strategies impacting on Schedule 2 and 3B SOC, DFIs and WBs conducted within stipulated timeframes | N/A | 100% | 100% | N/A | | |
| Report on the review of Schedule 2 and 3B SOC; DFIs and WBs' remuneration | N/A | 1 | 1 | N/A | | |
| Report on the review of Schedule 2 board composition | N/A | 1 | 1 | N/A | | |
| Percentage completion of the NT Best Practice guidelines | N/A | 100% | 100% | N/A | | |
| Percentage completion of reviews of borrowing limit applications relating to Schedule 2 and 3B SOC, DFIs and WBs received with complete information and within stipulated timeframes | N/A | 100% | 100% | N/A | | |
| Optimal debt management and funding of government borrowing requirement | | | | | | |
| Percentage of government's annual gross borrowing requirement met | N/A | 100% | 100% | N/A | | |
| Percentage of interest and redemptions met accurately and in a timely manner | N/A | 100% | 100% | N/A | | |

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

PERFORMANCE INDICATORS

| PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT | | | | | | |
|--|--|----------------|----------------------------|---|--|--|
| INDICATOR | ACTUAL ACHIEVEMENT 2015/16 | TARGET 2016/17 | ACTUAL ACHIEVEMENT 2016/17 | REASON FOR DEVIATION | | |
| Number of road shows to retain current, and attract new, investors | Conducted a total of five roadshows during the year. Two local and three international, post Budget processes. | 4 | 4 | N/A | | |
| Ensure sound management of government's cash resources | | | | | | |
| Percentage of reporting requirements met on national government debt in terms of the PFMA and international reporting requirements | N/A | 100% | 100% | N/A | | |
| Percentage of government's liquidity requirements met | N/A | 100% | 100% | N/A | | |
| Minimise and mitigate risks emanating from government's fiscal obligations (strategy and risk management) | | | | | | |
| Percentage compliance with market and refinancing risks benchmarks | N/A | 100% | 100% | N/A | | |
| Number of interactions to manage and ensure effective relations with the credit rating agencies | N/A | 6 | 6 | N/A | | |
| Number of reports on the management of government's contingent liabilities and counterparty risk | N/A | 6 | 5 | Under-performance is attributed to the data and the report on contingent liabilities that had been incorporated into the budget review having not changed between presenting the budget and the FLC meeting and as such negating the need to prepare a new quarterly report | | |

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE (INDICATORS AND ACTION PLANS)

| PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT | | |
|---|---|--|
| INDICATOR | DEVIATION | ACTION PLAN |
| Exercise oversight of state-owned companies | | |
| Percentage of corporate plans of Schedule 2 and 3B SOCs, DFIs and WBs received and reviewed within four months of receipt | Underperformance is attributed to review completion dates not being sufficiently appropriately recorded as part of each review's documentation. | The unit will in future include completion dates on the actual reports and these will be signed as further confirmation |
| Percentage of annual reports of Schedule 2 and 3B SOCs, DFIs and WBs received and reviewed within four months of receipt | Underperformance is attributed to review completion dates not being sufficiently appropriately recorded as part of each review's documentation. | The unit will in future include completion dates on the actual reports and these will be signed as further confirmation |
| Minimise and mitigate risks emanating from government's fiscal obligations (strategy and risk management) | | |
| Number of reports on the management of government's contingent liabilities and counterparty risk | Under-performance is attributed to the data and the report on contingent liabilities that had been incorporated into the budget review having not changed between presenting the budget and the FLC meeting and as such negating the need to prepare a new quarterly report | Under-performance was due to not needing to compile a report as the data had not changed and not performance related. Therefore no action plan is required |

CHANGES TO PLANNED TARGETS

There are no changes to planned targets for this reporting period.

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

LINKING PERFORMANCE WITH BUDGETS

| PROGRAMME 4 | 2016/17 | | | | | | | 2015/16 | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|--------------|---|---------------------|--------------------|-------|
| | 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 | R'000 |
| Programme Management for Asset and Liability Management | 26 867 | (1 868) | - | 24 999 | 24 377 | 622 | 97.5% | 9 681 | 9 188 | |
| State Owned Entity Financial Management and Governance | 33 917 | 17 | - | 33 934 | 33 533 | 401 | 98.8% | 30 903 | 30 818 | |
| Government Debt Management | 18 930 | 42 | - | 18 972 | 18 824 | 148 | 99.2% | 19 562 | 19 446 | |
| Financial Operations | 22 299 | 1 814 | - | 24 113 | 22 496 | 1 617 | 93.3% | 21 162 | 21 035 | |
| Strategy and Risk Management | 11 116 | (5) | - | 11 111 | 10 916 | 195 | 98.2% | 9 850 | 9 794 | |
| Financial Investments | - | - | - | - | - | - | - | 3 174 013 | 3 174 013 | |
| Total | 113 129 | - | - | 113 129 | 110 146 | 2 983 | 97.4% | 3 265 171 | 3 264 294 | |

4. PERFORMANCE INFORMATION BY PROGRAMME

4.5 PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS

Purpose

Facilitate governance and accountability by promoting and enforcing the transparent, economic and effective management of revenue, expenditure, assets, liabilities and supply chain processes in the public sector.

Strategic objectives

- Improve financial management governance and compliance across all spheres and entities in government, giving effect to the PFMA and MFMA
- Support and facilitate capacity development across all spheres of government in order to improve financial management execution
- Manage existing financial systems and renew these as required to exercise comprehensive financial management
- Develop SCM capacity
- Modernise SCM policies and procedures
- Monitor and evaluate SCM performance
- Develop and implement strategic procurement
- Build and strengthen stakeholder relations
- Modernise and automate SCM processes

Programme's sub-programmes

This sub-programme supports planning, monitoring and coordinating deliverables of the programme plan.

Programme Management for Financial Accounting and Supply Chain Systems

- Supports planning, monitoring and coordinating deliverables of the programme plan.

Financial Systems

- The purpose of this sub-programme is to maintain and improve existing financial management systems and to develop and implement the new IFMS. This will replace ageing and fragmented financial, supply chain and HR management systems within national and provincial departments.

Financial Reporting for National Accounts

- The sub-programme provides support to all spheres of government in implementing financial reporting frameworks and preparing consolidated financial statements. Responsibilities include monthly monitoring of state budgets and expenditure reports in line with the PFMA.

4. PERFORMANCE INFORMATION BY PROGRAMME

Financial Management Policy and Compliance Improvement

- This sub-programme promotes financial management compliance with the PFMA and MFMA through the development of supporting guides and frameworks, instructions and regulations, and provides implementation support in the three spheres of government. It also regulates financial management and accounting policies, and sets the risk and IA frameworks in the three spheres of government. It provides technical and other support for institutional capacity building relating to financial management, and provides assistance with specialised performance audits and investigations of malpractice across all spheres of government.

Office of the Chief Procurement Officer

- The purpose of this sub-programme is to improve procurement systems in government, reduce wasteful expenditure and bring about efficient and cost-effective procurement across government. The office aims to enable the efficient, economic, effective and transparent use of financial and other resources, including state assets, for improved service delivery; and to promote, support and enforce transparent and effective management of state procurement and sound stewardship of government assets and resources.

Service delivery objectives and indicators

Recent outputs

Office of the Accountant-General (OAG)

During this reporting period the Office of the Accountant-General achieved the following objectives per sub-programme:

Accounting Support and Reporting: During the under review the unit prepared and tabled the consolidated annual financial statements for national departments, including the National Revenue Fund and public entities within the prescribed timeframes. It also prepared and tabled the annual financial statements of the Reconstruction and Development Programme Fund in line with the requirements of the PFMA. The unit monitored and reported on information on national revenue and expenditure through reports published monthly in terms of Section 32 of the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999).

Internal Audit and Risk Management Support: The units continued to provide support to stakeholders in forums as well as responding to training needs from spending agencies. Support was given to audit and risk committees and officials in line with the frameworks and guidelines. Internal audit conducted state of readiness reviews for quality assurance and provided specific and targeted support through strategic support plans developed to address areas of concern in various departments.

Technical Support Services: The unit continued to improve the accounting manuals supporting the reporting requirements for departments. Efforts focused on inventory management and enhancements to legacy systems and the Standard Chart of Accounts. With regard to the Standards of GRAP, the unit designed and launched an e-learning platform aimed at assisting preparers of financial statements in navigating through the GRAP reporting requirements and guidance previously issued by the unit.

PART B: PERFORMANCE INFORMATION - Continued**4. PERFORMANCE INFORMATION BY PROGRAMME**

Integrated Financial Management System (IFMS): During the year under review, the IFMS team focused on understanding the Oracle Unified Methodology and adaptation of the implementation strategy and plan to comply thereto. The creation of a design authority and a separate quality assurance function strengthened the governance and oversight of the development, testing and implementation of the solution. The team made further progress in establishing key support structures such as the IFMS communication committee, risk committee as well as the business owners committee. Working closely with SITA, the team identified the hardware requirements for the next phase of the programme which will be sourced by SITA in the new financial year.

Financial Systems: The unit continued to operate optimally during the reporting period. The National Treasury's internal LAN experienced down-times during the financial year. However, user departments were fortunately not affected by this as they were able to access the systems through a WAN directly to the mainframe.

Specialised Audit Services: The unit successfully provided special performance audits and investigative capacity to all three spheres of government. It also provided professional advisory services to law enforcement agencies that resulted in the successful conviction of implicated parties at senior levels of management in departments and municipalities.

The unit completed 41 reports in relation to special performance audits and forensic investigations and further supported and provided professional advisory service to 65 complex cases under criminal proceedings by law enforcement agencies. The unit also participated in the development of the National Prosecuting Authority (NPA) Manual and training of prosecutors on the application of the PFMA and MFMA in criminal proceedings and that has resulted in the success and recognition of this legislation for case law by NPA prosecutors.

Governance Monitoring and Compliance: The unit undertook a comprehensive review of the Treasury Regulations published in 2005, including those that were amended in 2007 and 2013. The purpose of the review was to ensure alignment of the Treasury Regulations with local and international financial management best practices and to incorporate financial management reforms that were introduced since its last publication and to incorporate regulatory provisions that are contained in Treasury Practice Notes and Treasury Instructions. The draft Treasury Regulations will be published for public comment in the new financial year.

The unit continued to monitor the implementation of the cost containment measures to ensure that savings are realised to meet the service delivery obligations of government.

The unit continued to support spending agencies with the interpretation and application of the PFMA and Treasury Regulations. In addition, the unit monitors compliance with the requirement to ensure that invoices are paid within 30 days of receipt. While there is an improvement of up to 33%, it is still a concern that many spending agencies continue to flout this requirement to pay invoices within the prescribed 30 days. This often places small, medium and micro enterprises in financial difficulties. The National Treasury, the Department of Planning Monitoring (DPME) and Evaluation and the Forum of Directors-General (FOSAD) continue to keep a close eye on this matter. A task team was formed consisting of officials from the Departments of the National Treasury, DPME, Small Business Development and Trade and Industry and meetings were held with the with transgressing departments with a view of collaboratively identifying the root causes of the challenges leading to the non-compliance and to offer solutions, where appropriate.

PART B: PERFORMANCE INFORMATION - Continued**4. PERFORMANCE INFORMATION BY PROGRAMME**

Capacity Building: For the year under review, the unit has continued to make substantial progress in the implementation of the Capacity Development Strategy (CDS) for Public Finance Management (PFM) that seeks to achieve and sustain excellence in the management of public funds.

The unit conducted the Supply Chain Management (SCM) Baseline Study in departments and the municipalities. The objective of this study was to determine the number, demographic profiles and qualifications of SCM officials (practitioners and managers) that are currently employed in the national, provincial and local spheres of government. Further, the unit developed the Competency Assessment Statements for PFM Disciplines (I-Develop) i.e. the Individual Training Needs Assessment tool and piloted the SCM i-Develop in selected KZN provincial departments profiling 146 SCM practitioners. The unit also coordinated the rollout of the SCM Competency Assessments Toolkit (I-Develop) to 150 officials in Western Cape provincial departments. Functional structures for provincial treasuries with standardised job descriptions were developed in collaboration with the DPSA to support the implementation of the Generic Functional Structure. Generic Functional Structures for municipalities were also developed to support the Budget and Treasury Office (BTO) functions within the Office of the Chief Financial Officer (CFOs).

Education Training and Development solutions relevant to the public sector were also developed. Twenty-two (22) learners from provincial departments in the KwaZulu-Natal Province were enrolled for the SCM Certificate Learnership; 91 officials successfully completed the AAT Public Sector Accounting qualification; 26 students completed a Post-graduate Diploma in Public Sector Accounting with the University of Cape Town; 575 officials completed training on the Standard Chart of Accounts (SCOA); 410 officials completed training on SCM Bid Committees; 250 executive officials from TVET Colleges were trained on public financial management modules; 1080 municipal officials were trained on the Municipal Financial Management Programme for the minimum competency regulations. The Municipal Finance Management Induction Programme manual was developed and delivered to 9500 councillors and 600 municipal officials country-wide.

The unit continued to support the development of a pool of accounting professionals through the Chartered Accountants Academy (CAA) with a total of 28 trainee accountants recruited. 45 candidates have qualified as chartered accountants through the Academy since its inception in 2008. During the year under review, the Academy achieved a 100% pass rate since all trainees that sat for the final qualifying examination were successful in their quest to become Chartered Accountants.

The unit has managed to secure funding of around R13 million from the African Development Bank to finance the Municipal Financial Management Technical Assistance Project to strengthen municipal public finance management capacity and improved service delivery performance in selected provinces.

The National Treasury and the European Union are collaborating in formulating a proposal for funding for the new Financial Management Improvement Programme which has been submitted to the EU for approval. This programme will further strengthen public finance management.

MFMA Implementation: The unit coordinates the implementation of the MFMA with national departments, provincial treasuries and cooperative government departments as well as in municipalities and related entities. It also develops policies, regulations, guides and circulars to strengthen implementation; assists in monitoring compliance; provides reports; and supports municipalities in improving their financial management policies, procedures and practices. The unit administers the MFMA helpdesk which responds to municipalities' enquiries about the MFMA; and attends regional CFO Forums to explain MFMA prescripts and guides. The unit

PART B: PERFORMANCE INFORMATION - Continued**4. PERFORMANCE INFORMATION BY PROGRAMME**

also administers and manages the Financial Management Grant Programme where support plans for municipalities form the basis of allocations which are targeted towards addressing weaknesses. This is reported on in more detail in Programme 8. The Municipal Finance Recovery Service continued to monitor municipalities' performance and prioritise technical support to respond to their requests for assistance in developing financial recovery plans. The unit also prioritised the on-boarding of new councils and officials in the wake of the local government elections in August 2016.

The unit supported municipalities' implementation of the MFMA through, amongst others, engaging on topical matters with officials of national and provincial departments, SALGA and the Auditor-General. The purpose of these meetings is to improve the coordination of financial management reforms in municipalities and to reprioritise initiatives towards addressing specific weaknesses. MFMA circulars have been issued to assist with implementing steps to address unauthorised, irregular, fruitless and wasteful expenditure, supply chain management processes, and uniform norms and standards on financial management. Regulations dealing with the enforcement of the MFMA focusing on financial misconduct were issued with explanatory content towards implementation. The unit has also undertaken extensive countrywide awareness-raising workshops to assist municipalities with the implementation of the regulations. Most of the weaknesses identified through the Financial Management Capability Maturity Model (FMCMM) and audit outcomes form part of the strategic focus for support within various divisions in the National Treasury and Provincial Treasuries. These have been included in the revised MTSF Outcome 9 deliverables where closer monitoring is expected from the executive.

This programme is organised into two divisions: the Office of the Chief Procurement Officer and the Office of the Accountant-General.

*Office of the Chief Procurement Officer***MODERNISING OF SUPPLY CHAIN**

In pursuit of automating the procurement environment within government, the e-commerce centre has been developed which includes buyer site, online tendering for transversal contracts and e-sourcing to obtain electronic quotes, which are part of the e-procurement system. The e-procurement system has been renamed gCommerce. This system is used by organs of state to start requisitions and generate purchase orders after transversal contracts have been awarded to suppliers. The system will enable users to transact electronically and report more accurately on expenditure. The system provides additional benefits such as substantial reductions on paper printing of requisitions, processing time caused by double capturing of bids, and the integration of the financial system to prevent overspending.

In terms of e-SCM, performance management modules must be established. This is aimed at developing performance management metrics and reporting for SCM that is applicable to all spheres of government. This will directly control behaviour while indirectly controlling performance and helps in keeping an organisation on track towards achieving its SCM reform objectives. The target was not achieved in the planned reporting period and this is attributed to the need to align the system development with the performance management framework, which is critical in the development of this system. SCM policies will be reviewed for consolidation and ease of implementation of the e-SCM performance management system.

Since the implementation of the central supplier database (CSD), the system has verified if directors of businesses are state employees (employees on PERSAL). Thus far, 14 178 state employees have been identified as associated with companies registered on the CSD. The Department of Public Service and Administration (DPSA) has been informed and is taking appropriate action.

PART B: PERFORMANCE INFORMATION - Continued**4. PERFORMANCE INFORMATION BY PROGRAMME**

As of 31 March 2017, the numbers of municipalities that have implemented MFMA circular 83 notice are: metros: 7 of 8, districts: 30 of 44, local: 130 of 221. By 31 March 2017, 1 362 tenders had been published by 77 municipalities.

SCM GOVERNANCE, MONITORING AND COMPLIANCE

In our efforts to enforce good governance and compliance through monitoring, the OCPO reviewed the performance of the actual execution of the procurement plans against the planned procurement, published bid opportunities for each quarter in the financial year to allow for visibility in the procurement of goods/works/services, aligned bid specifications to applicable procurement instructions and guidelines to ensure better market opportunities, published all transactions entered into through the expansions/variation and the deviation procurement method, assessed bid evaluation and adjudication reports to ensure compliance to National Treasury norms and standards, assessed and verified contract management against the SLA/contractual agreement, and verified projects/contracts through site visits.

TRANSVERSAL CONTRACTING

In 2016/17, the OCPO renewed 28 transversal term contracts. The target was overachieved due to changes in operations to market transversal contracts. The contracts also resulted in the followings savings in 2016/17:

- Vehicle procurements - R285 million per annum
- Mobile communications - R400 million per annum
- Health related savings per annum - HIV Mail Circumcision (MC) R17 million, surgical instruments R0.5 million, Medical equipment R48 million
- Animal feed R33 million (not factored into budget process due to foreign exchange, farming conditions, and uncertainty and drought sensitivity)
- Renegotiation of Microsoft contract - R1.5 billion over three years (reduction of licence cost to a single rate for government and standardisation of services rate card)
- Renegotiation of telecommunications - contracts R1.1 billion over two years from 1 April 2017 (changing billing to per second billing from per minute billing, reduction of rates charged for government, elimination of duplications in technology providers for fixed line to mobile calls)
 - (a) Courier services - R5.4 million per annum
 - (b) Textiles - R1.5 million

DEVELOPMENT AND IMPLEMENTATION OF STRATEGIC PROCUREMENT**STRATEGIC PROCUREMENT FRAMEWORK (SPF)**

A strategic procurement framework (SPF), methodology and a set of good practice guides has been developed. The purpose of this framework is to put into practice the principle that government must have a differentiated approach to procurement in which, through a systematic and rigorous analysis process, different commodity groups have different procurement approaches. The developed SPF has been web-enabled as a user-friendly walk-through process and will be made available to users in the first quarter of the new year financial year on the office of the Chief Procurement Office (OCPO) website http://ocpo.treasury.gov.za/About_Us/Strategic_Areas/Pages/Strategic-Procurement.aspx which will link through to the PFM portal (<http://pfmportal.treasury.gov.za>). The SPF, methodology and good practice guides are open for comment to 30 September 2017.

4. PERFORMANCE INFORMATION BY PROGRAMME

HEALTH RELATED PROJECTS

The Office of the Chief Procurement Officer is currently assisting the Department of Health with procurement reform initiatives in five categories and across all provincial Departments of Health. The categories in which the OCPO is providing assistance are:

- Medical equipment
- Hospital cleaning services
- Hospital laundry and linen
- Hospital food services
- Medical waste management

The procurement reform initiatives identifies all these categories as unique and as a result the procurement approach will differ proportionately to their economic and market dynamics and technical and operational requirements.

The diagnostic phase of the project on the listed categories was completed in March 2017. It is envisaged that the outcome of the project will impact on all provincial Departments of Health and related stakeholders such as South African Military Health Services and Department of Correctional Services. During the diagnostic phase, areas of improvements were identified. These include contracting for the total cost of ownership, where applicable, establishment of service level and maintenance agreements for equipment, and enhancement of post award contract management to uninterrupted supply of products and services to all health care facilities.

Several sourcing levers are used to develop the different commodity strategies, including:

Commercial levers which are concerned with total price and unit cost reduction, leveraging on economies of scale, managing price volatility and price increases. *Technical levers* investigate the operational efficiencies, product specifications, product selection and managing supplier performance. *Demand levers* are focused on demand forecasting and demand reduction. *Supply chain levers* consider the following: storage including warehouse location and inventory management, production location, transportation, supplier selection, and consolidation, localisation and development. The development of sourcing strategies of these categories was a collaborative initiative and involved all the relevant stakeholders in the National Department of Health and provincial Departments of Health.

TRAVEL AND ACCOMMODATION PROJECT

The OCPO has implemented a number of interventions since the start of the 2016/17 which, among others, include improved upfront discounts for domestic flights, maximum allowable rates for accommodation, standardised bid specifications and evaluation requirements for the appointment of travel management companies, a national travel policy framework applicable across all government institutions, and travel related cost containment measures for government departments.

EDUCATION RELATED PROJECTS

In 2016/17, the OCPO developed a sourcing strategy for learner, teacher support material (LTSM) which will result in improved demand planning, supply and delivery of LTSM to schools. It is envisaged that the strategy will save government approximately R700 million when implemented.

PART B: PERFORMANCE INFORMATION - Continued**4. PERFORMANCE INFORMATION BY PROGRAMME**

A framework for e-education procurement strategy in collaboration with the Department of Basic Education was also developed. The strategy aims to guide e-education stakeholders through the planning, readiness assessment and procurement of ICT at school level. The Office of the Chief Procurement Officer (OCPO) wishes to implement the strategy and the further development of the e-education procurement and delivery management standard (eEd PDMS) in 2017/18 in collaboration with the Department of Basic Education. The strategy is a component of the eEd PDMS.

In 2015, the Department of Basic Education published its "Action plan to 2019 – Towards the realisation of schooling 2030" in which 27 goals were set. In this action plan, e-education is one of the two key areas of innovation in the basic education sector. It is clear that strategy and planning need to be guided by better information on the current shape and size of e-education in schools, and by whether existing initiatives are having the intended results. Many of the e-education implementation initiatives need to be implemented in a time frame that spans 2016 to 2030 and beyond. At the same time, limited financial resources need to be used wisely.

It is therefore imperative that a strategic procurement planning approach to facilitate e-education implementation be adopted to ensure that the right e-education ICT and services are procured at the right time, quality and cost and delivered at the right time and place.

The eEd PDMS is focused on the delivery and life cycle management of e-education in the education sector. It will function as a toolkit and solves the challenge of how to guide and organise development in the e-education setting that includes many stakeholders, various representation schemes, diverse domain knowledge bases, and differing development strategies.

INFRASTRUCTURE PROCUREMENT AND DELIVERY MANAGEMENT

The OCPO has agreed with the Office of the Auditor-General on the progressive approach to the implementation of the standard for infrastructure procurement and delivery management (SIPDM) for organs of state. Organs of state subject to the PFMA will be expected to be fully compliant save for the preparation of an annual report before 1 April 2018 while those subject to the MFMA have until 1 July 2019 to reach this state of compliance.

The OCPO has conducted one and two-day workshops on the SIPDM for SOE's, national and provincial departments and municipalities. 2 688 officials responsible for SCM and infrastructure delivery have been reached through these workshops.

SCM LEGAL AND POLICY

The Office of the Chief Procurement Officer has issued 22 instructions in line with policy interventions and proposed designated products or categories to enhance SCM performance. This performance is attributed to more instructions on designated sectors issued than envisaged. The draft Public Procurement Bill has been finalised, however gazetting for public comments has been delayed. The revised preferential procurement regulations were promulgated on 20 January 2017 with effective implementation on 1 April 2017. The purpose of the revision was to:

- Leverage public procurement to advance broad government socio-economic policy objectives for inclusive participation on government procurement opportunities.
- Advance this objective by giving preference to designated groups (as aligned with the B-BBEE Act) and promoting small medium and micro enterprises, cooperatives, rural and township enterprises through public procurement
- Promote local industrial development through the provision of designated sectors for job creation.

4. PERFORMANCE INFORMATION BY PROGRAMME

STAKEHOLDER AND CLIENT MANAGEMENT

In our efforts to build strong stakeholder relations with our suppliers, SCM practitioners and government at large, community radio campaigns were held in January/February 2017. The objectives of the campaigns were to inform and educate suppliers on matters that affect them within the SCM environment. In order to reach audiences the radio campaigns in three languages conveying the same messages were aired.

To address non-payment of suppliers within 30 days, the OCPO, in collaboration with black business council built environment (BBCBE), established a call centre to deal with non-payment of invoices exceeding 30 days. OCPO received a total of 5 647 unpaid invoice queries to the value of R619 465 004.00 between 1 July 2016 and 31 March 2017. Of the total queries received, 2 514 queries valued at R225 761 911.07 have been resolved and paid by departments.

OCPO successfully rolled out workshops on PPPFA to government departments and entities to prepare them to implement the new regulations. The workshops were also extended to BBCBE and their bodies.

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

PERFORMANCE INDICATORS

| PROGRAMME 5: OFFICE OF THE ACCOUNTNANT-GENERAL | | | | | |
|---|-----------------------------------|-------------------------|-----------------------------------|---|--|
| INDICATOR | ACTUAL ACHIEVEMENT 2015/16 | TARGET 2016/17 | ACTUAL ACHIEVEMENT 2016/17 | REASON FOR DEVIATION | |
| Improve financial management governance and compliance across all spheres and entities in government giving effect to the pfma and mfma | | | | | |
| Number of national institutions workshopped on IA and risk management guidelines | N/A | 20 | 66 | Over-performance is attributed to responding to an increase in user demand | |
| Number of provincial institutions workshopped on IA and risk management guidelines | N/A | 5 provincial treasuries | 9 | Over-performance is attributed to responding to an increase in user demand | |
| Number of assessments conducted of IA and state of readiness for quality assurance reviews and adoption of best practice to assess compliance with PFMA, MFMA and international professional practice standards | N/A | 12 | 4 | Under-performance is attributed to delays in client's responses. | |
| Number of institutions whose audit committees have been provided with support | N/A | 10 | 2 | Under-performance is attributed to realignment of planning to better align with resource constraints. | |
| Number of knowledge sharing forums on IA and risk management facilitated through formal platforms | N/A | 6 | 6 | N/A | |
| Number of strategic support plans for government entities struggling at the lower levels of IA and risk management implementation, in line with the FMCMM | N/A | 6 | 5 | Under-performance is attributed to realignment of planning to better align with resource constraints | |

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

PERFORMANCE INDICATORS

| PROGRAMME 5: OFFICE OF THE ACCOUNTANT-GENERAL | | | | | | |
|--|---|--|----------------------------|--|--|--|
| INDICATOR | ACTUAL ACHIEVEMENT 2015/16 | TARGET 2016/17 | ACTUAL ACHIEVEMENT 2016/17 | REASON FOR DEVIATION | | |
| Number of public sector officials supported or trained on risk management | N/A | 400 | 612 | Over-performance is attributed to responding to an increase in user demand | | |
| Number of universities workshopped on the risk management curriculum | N/A | 4 | 4 | N/A | | |
| Review and updating of e-learning module | N/A | 1 review and update of e-learning | 0 | Under-performance is attributed to current capacity constraints. | | |
| Monitor improvement of financial management in national and provincial institutions | FMCMM assessments completed. Reports communicated to all municipalities that participated in the assessments during 2015/16 financial year. | 1 FMCMM improvement progress report submitted to Parliament by 30 November | 1 | N/A | | |
| | | 1 Cabinet memorandum on audit outcomes submitted by 31 October | 1 | N/A | | |
| | | 4 Quarterly FOSAD reports on payments to suppliers within 30 days | 4 | N/A | | |
| Number of guidelines to assist with the implementation of the new or revised Treasury Regulations, policies and Treasury Instructions developed. | N/A | 4 | 4 | N/A | | |

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

PERFORMANCE INDICATORS

| PROGRAMME 5: OFFICE OF THE ACCOUNTNANT-GENERAL | | | | | |
|---|----------------------------|---------------------------------|---|--|--|
| INDICATOR | ACTUAL ACHIEVEMENT 2015/16 | TARGET 2016/17 | ACTUAL ACHIEVEMENT 2016/17 | REASON FOR DEVIATION | |
| Number of information sessions provided to support PFMA institutions on the implementation of the revised Treasury Regulations and new Treasury Instructions and guidelines | N/A | 8 | 10 | Over-performance is attributed to responding to an increase in user needs | |
| Improved FMCMM | N/A | Develop a web-based FMCMM model | The FMCMM questions have been revised and include questions from level 1 to 6, which are applicable to national and provincial departments, constitutional institutions and schedule 3(a) and 3(c) public entities. | The IT department has confirmed that the space is now available on the server to host the revised FMCMM. | |
| | | Conduct one FMCMM assessment | The National Treasury has identified CGROW model at the Western Cape Treasury (WCPT) as a web based platform to host the FMCMM. The National Treasury held a meeting with the WCPT and it was agreed the platform can be shared with to host the FMCMM. | Awaiting confirmation of donor funding | |

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

PERFORMANCE INDICATORS

| PROGRAMME 5: OFFICE OF THE ACCOUNTANT-GENERAL | | | | | | |
|---|---|---|----------------------------|--|--|--|
| INDICATOR | ACTUAL ACHIEVEMENT 2015/16 | TARGET 2016/17 | ACTUAL ACHIEVEMENT 2016/17 | REASON FOR DEVIATION | | |
| Number of forensic investigation and special performance audit reports | The division has undertaken investigation in 28 targeted departments/projects. | 25 | 41 | Over-performance is attributed to the focus placed on this area of work | | |
| Number of cases referred and supported to law enforcement agencies/Anti-corruption Task Team for criminal investigation | The division has referred 44 cases for criminal proceedings and civil recovery. | 25 | 74 | Over-performance is attributed to an increase in user requests | | |
| Support and facilitate capacity development across all spheres of government in order to improve financial management execution | | | | | | |
| Number of officials from provincial treasuries supported through training in preparing provincial consolidated financial statements, provincial revenue fund statements and implementation of GRAP standards | N/A | 250 trainees in provincial treasuries, municipalities and public entities | 447 trainees | Over-performance is attributed to an increase in user requests | | |
| Number of timely and accurate monthly statements reports of actual revenue and actual expenditure for the NRF published. | N/A | 12 reports published, each on the last working day of every month | 12 | N/A | | |
| Percentage compliance with the banking services for national government: <ul style="list-style-type: none"> Daily bank reconciliation of NRF Electronic verification of supplier banking details within four working days | N/A | 100% | 93% | Under-performance is attributed to system disruptions post internal systems upgrade. | | |
| Number of consolidated annual financial statements for national departments, public entities and the RDP Fund tabled on 31 October | N/A | 1 tabling of consolidated financial statements | 1 | N/A | | |

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

PERFORMANCE INDICATORS

| PROGRAMME 5: OFFICE OF THE ACCOUNTNANT-GENERAL | | | | | | |
|---|---|----------------|----------------------------|--|--|--|
| INDICATOR | ACTUAL ACHIEVEMENT 2015/16 | TARGET 2016/17 | ACTUAL ACHIEVEMENT 2016/17 | REASON FOR DEVIATION | | |
| Number of officials in the national and provincial spheres of government trained in building public financial management competencies | <p>Training was implemented in the Gauteng Provincial Treasury, KZN Treasury, NW Provincial Treasury and the Western Cape Provincial Treasury. A total of 625 of PFM practitioners were capacitated in various PFM programmes. During Q4, rollout sheets training for 18 provincial attendees were conducted. 102 trainees from national and provincial departments were trained on modified cash standard. 102 trainees from public entities were trained on consolidation and the municipal non delegated forum was attended by 69 attendees. The overall target for the full year was met.</p> | 250 | 1295 | Over-performance is attributed to additional training solutions developed and delivered. | | |

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

PERFORMANCE INDICATORS

| PROGRAMME 5: OFFICE OF THE ACCOUNTANT-GENERAL | | | | | | |
|---|--|---|----------------------------|--|--|--|
| INDICATOR | ACTUAL ACHIEVEMENT 2015/16 | TARGET 2016/17 | ACTUAL ACHIEVEMENT 2016/17 | REASON FOR DEVIATION | | |
| Number of municipal officials trained on financial management competencies | 1380 municipal officials in training. | 1 000 | 1080 | Over-performance is attributed to an increase in user demand | | |
| Percentage implementation of financial management CDS | N/A | 100% of the planned initiatives completed | 100% | N/A | | |
| Number of participants in the academic support programme for prospective chartered accountants | Six additional candidates were recruited in 2016 and attended training bringing the total annual participants to 16. | 15 | 17 | N/A | | |
| Manage existing financial systems and renew these as required to exercise comprehensive financial management | | | | | | |
| Percentage availability of current transversal systems | System availability was greater than 98% during the reporting period. | 98% | 99% | N/A | | |

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

PERFORMANCE INDICATORS

| PROGRAMME 5: OFFICE OF THE ACCOUNTNANT-GENERAL | | | | | | |
|--|--|----------------|----------------------------|---|--|--|
| INDICATOR | ACTUAL ACHIEVEMENT 2015/16 | TARGET 2016/17 | ACTUAL ACHIEVEMENT 2016/17 | REASON FOR DEVIATION | | |
| Number of generic solution configuration templates completed | All 236 business process documents (Level 1-4) for FIN, HRM, SCM domains signed off. | 1 | 0 | Under-performance is attributed to activities required for the configuration of template rescheduled to the 2017/18 financial year due to protracted contracting with service providers | | |
| Number of IFMS comprehensive implementation strategies published | OSM engagement strategy signed off. IFMS governance strategies signed off. Developed programme file plan and electronic document management system (EDMS). IFMS steering approval to finalise the award of RFP1282/2014. | 1 | 0 | Underperformance is attributed to the implementation strategy having been completed but not published. | | |

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

PERFORMANCE INDICATORS

| PROGRAMME 5: OFFICE OF THE CHIEF PROCUREMENT OFFICER | | | | | | |
|--|----------------------------|----------------|----------------------------|--|--|--|
| INDICATOR | ACTUAL ACHIEVEMENT 2015/16 | TARGET 2016/17 | ACTUAL ACHIEVEMENT 2016/17 | REASON FOR DEVIATION | | |
| Modernise scm policies and procedures | | | | | | |
| Number of Instructions issued in line with policy interventions and proposed designated products or categories to enhance SCM policy | N/A | 12 | 22 | Over-performance is attributed to more instructions on designated sectors issued than envisaged. | | |
| Number of procurement bills drafted and published for comment | N/A | 1 | 0.51 | Underperformance is attributed to the draft Procurement Bill having been developed, however it has not yet been published for comment. | | |
| Monitor and evaluate scm performance | | | | | | |
| Percentage of departments/entities' quarterly performance information reports reviewed | N/A | 100% | 100% | N/A | | |
| Percentage of procurement plans published on the e-tender portal | N/A | 100% | 100% | N/A | | |
| Percentage of bid specifications reviewed for alignment with policy and other applicable procurement instructions | N/A | 100% | 100% | N/A | | |

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

PERFORMANCE INDICATORS

| PROGRAMME 5: OFFICE OF THE CHIEF PROCUREMENT OFFICER | | | | | | |
|--|----------------------------|----------------|----------------------------|--|----------------------------|--|
| INDICATOR | ACTUAL ACHIEVEMENT 2015/16 | TARGET 2016/17 | ACTUAL ACHIEVEMENT 2016/17 | REASON FOR DEVIATION | ACTUAL ACHIEVEMENT 2016/17 | REASON FOR DEVIATION |
| Percentage of bid evaluations and adjudications reviewed to ensure compliance with the criteria/scoring specified in bidding documents | N/A | 100% | 100% | N/A | 100% | N/A |
| Percentage of contracts awarded reviewed to verify if contract delivery is in line with the specifications. | N/A | 100% | 100% | N/A | 100% | N/A |
| Percentage of projects visited to verify if delivery of the awarded contracts is aligned with the conditions of contract | N/A | 100% | 100% | N/A | 100% | N/A |
| Develop and implement strategic procurement | | | | | | |
| Number of SPFs, tailored for different forms of procurement, revised | N/A | 1 | 1 | N/A | 1 | N/A |
| Number of systems for publishing procurement spend data developed | N/A | 1 | 0 | Underperformance is attributed to budget constraints. | 0 | Underperformance is attributed to budget constraints. |
| Number of proposals for strategic sourcing opportunities | N/A | 3 | 0 | Underperformance is attributed to restructuring of this work area. | 0 | Underperformance is attributed to restructuring of this work area. |
| Number of sourcing strategies for identified commodities/procurement categories developed | N/A | 4 | 2 | Underperformance is attributed to lack of requisite data from stakeholders. Furthermore, there are no central tools available to provide granular transactional information. | 2 | Underperformance is attributed to lack of requisite data from stakeholders. Furthermore, there are no central tools available to provide granular transactional information. |

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

PERFORMANCE INDICATORS

| PROGRAMME 5: OFFICE OF THE CHIEF PROCUREMENT OFFICER | | | | | |
|---|--|----------------|----------------------------|---|--|
| INDICATOR | ACTUAL ACHIEVEMENT 2015/16 | TARGET 2016/17 | ACTUAL ACHIEVEMENT 2016/17 | REASON FOR DEVIATION | |
| Number of sourcing strategies for identified commodities/procurement categories implemented | N/A | 4 | 0 | Underperformance is attributed to implementation of Health related projects listed having been delayed. Strategic Sourcing projects run over three phases. Phase one commenced in October 2016 and not April-May 2016 as initially envisaged, due to a protracted tender, evaluation and award process for the appointment of the service provider. In respect of Travel and Accommodation challenges experienced with benefits tracking as departments seem to have difficulties to report in the format as prescribed by the Cost Containment Instruction. Departments seem to not fully understand the Minimum Bid Specifications and have challenges correctly applying the stipulations. | |
| Number of on-boarding, monitoring and benefits tracking on sourcing strategies | N/A | 3 | 0 | Underperformance is attributed to the lack of information or data as there is no tracking system in place | |
| Number of reviews of current PRS model conducted | N/A | 1 | 0 | Underperformance is due to the cancellation of the project | |
| Number of transversal term contracts renewed per year for National Procurement | 14 transversal contracts finalised. Unit to intensify industry research to open competition. | 17 | 28 | Over-achievement is attributed to the optimisation of business & system process and the changed operations to market transversal contracts. | |
| Build and strengthen stakeholder relations | | | | | |
| Percentage of external stakeholder engagements held | N/A | 95% | 95% | N/A | |

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

PERFORMANCE INDICATORS

| PROGRAMME 5: OFFICE OF THE CHIEF PROCUREMENT OFFICER | | | | | | |
|---|--|----------------|----------------------------|--|--|--|
| INDICATOR | ACTUAL ACHIEVEMENT 2015/16 | TARGET 2016/17 | ACTUAL ACHIEVEMENT 2016/17 | REASON FOR DEVIATION | | |
| Modernise and automate scm processes | | | | | | |
| Develop e-commerce centre | eCommerce centre (gcommerce.gov.za) functional and signed off at DCS before 31 March 2016. | 1 | 1 | N/A | | |
| Number of e-SCM performance management modules established | N/A | 1 | 0 | Underperformance is attributed to system development should be aligned with performance management framework, in the absence of the framework the system cannot be developed | | |

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE (INDICATORS AND ACTION PLANS)

| PROGRAMME 5: OFFICE OF THE CHIEF PROCUREMENT OFFICER | | |
|---|--|--|
| INDICATOR | DEVIATION | ACTION PLAN |
| Modernise scm policies and procedures | | |
| Number of procurement bills drafted and published for comment | Underperformance is attributed to the draft Procurement Bill has been developed, however it has not yet been published for comment. | The draft Procurement Bill is in the approval process to be published for public comment. |
| Develop and implement strategic procurement | | |
| Number of systems for publishing procurement spend data developed | Underperformance is attributed to budget constraints | Funding has been allocated to this project in the 2017/18 financial year. |
| Number of proposals for strategic sourcing opportunities | Underperformance is attributed to restructuring of this work area | N/A |
| Number of sourcing strategies for identified commodities/procurement categories developed | Underperformance is attributed to not all Provincial Departments of Health having provided the requisite data. Spend analysis at lowest item level could not be done. As BAS and Vulindlela data available is not sufficient information to conduct a spend analysis exercise | A Standard workflow to be implemented for National Departments |
| Number of sourcing strategies for identified commodities/procurement categories implemented | Underperformance is attributed to implementation of Health related projects listed having been delayed. Strategic Sourcing projects run over three phases. Phase one commenced in October 2016 and not April-May 2016 as initially envisaged, due to a protracted tender, evaluation and award process for the appointment of the service provider. In respect of Travel and Accommodation challenges experienced with benefits tracking as departments seem to have difficulties to report in the format as prescribed by the Cost Containment Instruction. Departments seem to not fully understand the Minimum Bid Specifications and have challenges correctly applying the stipulations. | Health Categories project commenced in Oct 2016 with execution phase to commence in May/June 2017. As part of addressing the Travel and Accommodation challenges, a FAQ is being drafted on both the reporting requirements as well as the Minimum Bid Specifications |

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE (INDICATORS AND ACTION PLANS)

| PROGRAMME 5: OFFICE OF THE CHIEF PROCUREMENT OFFICER | | |
|--|--|---|
| INDICATOR | DEVIATION | ACTION PLAN |
| Number of on-boarding, monitoring and benefits tracking on sourcing strategies | Underperformance is attributed to the lack of information or data as there is no tracking system in place | Continue to track Travel & Accommodation benefits Mobile Communications Benefits Tracking to be initiated and reported on with a Contract Circular loaded on OCPO Website (RT2-2016). Contract currently being implemented at Provincial Departments of Health. |
| Number of reviews of current PRS model conducted | Underperformance is due to the cancellation of the project | N/A |
| Modernise and automate scm processes | | |
| Number of e-SCM performance management modules established | Underperformance is attributed to system development should be aligned with performance management framework, in the absence of the framework the system cannot be developed | Reviewing all SCM policies for consolidation and ease of implementation. |
| Improve financial management governance and compliance across all spheres and entities in government giving effect to the pfma and mfma | | |
| Number of assessments conducted of IA and state of readiness for quality assurance reviews and adoption of best practice to assess compliance with PFMA, MFMA and international professional practice standards | Under-performance is attributed to delays in client's responses. | It is envisaged to complete all reports in the first quarter of the 2017/18 financial year |
| Number of institutions whose audit committees have been provided with support | Under-performance is attributed to realignment of planning to better align with resource constraints. | Engaging role players to formulate a joint response programme. |
| Number of strategic support plans for government entities struggling at the lower levels of IA and risk management implementation, in line with the FMCMM | Under-performance is attributed to realignment of planning to better align with resource constraints | Amendments in APP 2017/18 reflected the planned output for this restructured work area. |
| Review and updating of e-learning module | Under-performance is attributed to current capacity constraints. | Project revised for the 2017/18 financial year to better align with current available capacity |
| Support and facilitate capacity development across all spheres of government in order to improve financial management execution | | |
| Percentage compliance with the banking services for national government: <ul style="list-style-type: none"> Daily bank reconciliation of NRF Electronic verification of supplier banking details within four working days | Under-performance is attributed to system disruptions post internal systems upgrade | Database Service Provider provided technical resource who is assisting in stabilising the environment |

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE (INDICATORS AND ACTION PLANS)

| PROGRAMME 5: OFFICE OF THE CHIEF PROCUREMENT OFFICER | | |
|---|---|---|
| INDICATOR | DEVIATION | ACTION PLAN |
| Manage existing financial systems and renew these as required to exercise comprehensive financial management | | |
| Number of generic solution configuration templates completed | Under-performance is attributed to activities required for the configuration of template rescheduled to the 2017/18 financial year due to protracted contracting with service providers | It is envisaged that this process will be completed early in the 2017/18 financial year |
| Number of IFMS comprehensive implementation strategies published | Underperformance is attributed to the implementation strategy having been completed but not published. | It is envisaged that this process will be completed early in the 2017/18 financial year |
| Number of IFMS comprehensive implementation strategies published | Underperformance is attributed to the implementation strategy having been completed but not published. | It is envisaged that this process will be completed early in the 2017/18 financial year |

CHANGES TO PLANNED TARGETS

There are no changes to planned targets for this reporting period.

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

LINKING PERFORMANCE WITH BUDGETS

| PROGRAMME 5 | 2016/17 | | | | | | | 2015/16 | | |
|---|------------------------|-------------------|---------------|---------------------|--------------------|---------------|---|---------------------|--------------------|---------------------|
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE | FINAL APPROPRIATION |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 |
| Programme Management for Financial Accounting and Supply Chain Management Systems | 57 609 | 3 770 | - | 61 379 | 60 247 | 1 132 | 98.2% | 26 680 | 24 727 | 26 680 |
| Office of the Chief Procurement Officer | 68 246 | 382 | - | 68 628 | 67 508 | 1 120 | 98.4% | 57 072 | 55 277 | 57 072 |
| Financial Systems | 828 982 | (2 977) | - | 826 005 | 797 355 | 28 650 | 96.5% | 443 061 | 441 042 | 443 061 |
| Financial Reporting for National Accounts | 87 976 | (913) | - | 87 064 | 85 120 | 1 943 | 97.8% | 83 382 | 82 987 | 83 382 |
| Financial Management Policy and Compliance Improvement | 129 612 | (262) | - | 129 350 | 120 298 | 9 052 | 93.0% | 131 459 | 128 484 | 131 459 |
| Audit Statutory Bodies | 44 075 | - | 35 000 | 79 075 | 79 075 | 0 | 100.0% | 41 856 | 41 856 | 41 856 |
| Service Charges: Commercial Banks | 258 | - | - | 258 | 254 | 4 | 98.6% | 243 | 121 | 243 |
| Total | 1 216 758 | - | 35 000 | 1 251 758 | 1 209 858 | 41 900 | 96.7% | 783 753 | 774 494 | 783 753 |

4. PERFORMANCE INFORMATION BY PROGRAMME

4.6 PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

Purpose

Manage South Africa's interests in shaping regional and global policies that advance the economic, financial and development objectives of the country and Africa.

Strategic objectives

- Advance South Africa's interests specifically, and those of Africa more generally, through regular strategic analysis, engagements and negotiations at regional and global financial and economic forums
- Increase Africa's voice and South Africa's influence in international institutions and forums
- Support an enabling environment for increased economic activity within Africa

Programme's sub-programmes

The programme is divided into the following sub-programmes:

Programme Management for International Financial Relations

- Supports the planning, monitoring and delivering of the programme's activities. The unit oversees South Africa's representation in international and regional financial institutions; manages bilateral and multilateral relationships on behalf of the National Treasury; and plans, implements and monitors programmes and activities within the divisional mandate.

International Economic Cooperation

- This sub-programme focuses on improving South Africa's participation in international and regional economic institutions. This entails working through key economic institutions and forums such as the African Development Bank, the United Nations Economic Commission for Africa, the New Partnership for Africa's Development, the G20 and the Brazil-India-China-South Africa group of countries.

African Integration and Support

- Serves mainly as a vehicle to enable the National Treasury to transfer resources abroad in the context of the country's involvement in various African interventions and agreements, thereby supporting integration between African states and institutions. It facilitates the transfer of funds to Lesotho, Namibia and Swaziland for common monetary area compensation. In terms of this agreement, South Africa compensates member countries for using South African currency within their borders.

International Development Funding Institutions

- Provides for subscriptions and contributions to international development funding institutions and banks. It transfers funds to the African Development Bank and African Development Fund for buying shares and subscriptions, and for accelerated encashment schedules to support African development; and to the World Bank (WB) group for providing concessional loans and grants to low income countries and for contributing to general and selective increases in the authorised capital of the WB.

4. PERFORMANCE INFORMATION BY PROGRAMME

International Projects

- This sub-programme transfers funds to international projects and interventions. It supports causes such as building capacity and providing medical support to disaster-hit and impoverished areas. To this end, the National Treasury contributes to the Commonwealth Fund for Technical Cooperation and the International Finance Facility for Immunization. The facility transfers funds to the Global Alliance for Vaccines and Immunization, a public-private global health partnership aimed at supporting health care and providing vaccines to reduce the number of vaccine-preventable deaths among children in low income countries.

Service Delivery Objectives and Indicators

Recent outputs

During the period under review, the division's focus was on the following areas:

IMPLEMENTING THE GOAL OF INCREASING SOUTH AFRICA'S VOICE AND REPRESENTATION IN MULTILATERAL DEVELOPMENT BANKS (MDBS) THROUGH:

International Bank for Reconstruction and Development (IBRD)

- In October 2016, Ms Bongzi Patience Kunene was nominated to represent South Africa, Angola and Nigeria on the board of directors of the World Bank Group for a period of two years.
- South Africa requested an extension to complete its general capital increase (GCI) subscriptions until 2018. The remaining balance to be paid in February 2018 is USD1.47 million.

Replenishment of the International Development Association (IDA) and African Development Fund (ADF)

- South Africa is a member and donor to IDA - a concessional funding window of the World Bank Group that provides financial and policy support to low income countries. National Treasury participated in the four meetings of the 18th replenishment of IDA (i.e. IDA-18) that took place throughout 2016. The meetings negotiated and agreed on the financing and policy framework of the fund that will be implemented over the next three years. IDA-18 mobilised a total of USD75 billion, of which USD45 billion will be channelled to countries in Africa.
- South Africa's position on policy priorities that will be associated with the IDA-18 funding focused on jobs and economic transformation, governance and institutional strengthening as well as private sector development. These positions are inter-linked and complementary to the national development plan (NDP) imperatives (Chapter 7).
- South Africa is also a member of and contributor to the African Development Fund (ADF) - a regional concessional funding window of the AfDB Group that provides funding to low income countries in the continent. National Treasury participated in the three meetings of the 14th replenishment of the ADF (i.e. ADF-14) that was held in 2016. ADF-14 mobilised USD7.2 billion to finance the bank group's high five developmental priorities (energy/power, agribusiness, industrialisation, regional integration and improving quality of life for all Africans (e.g. health, education).

4. PERFORMANCE INFORMATION BY PROGRAMME

Global development policy

- The IREP division provided inputs towards the ministerial statement for the high level political forum (HLPF) in the United Nations (UN) on progress of implementation of the sustainable development agenda (i.e. the sustainable development goals).
- Participated in the UN economic and social council (ECOSOC) conference on financing for development (FfD) follow-up. This was a follow up on the implementation of the actions agreed during the Addis Ababa action agenda (AAA) held on 18-20 April 2015.
- IREP also played a critical role in the review of the implementation of the Paris Agreement during the 22nd conference of the parties (COP22) that took place in Morocco from 7-18 November 2016.

Africa continental

The division compiles analyses and briefs for all regional and international meetings in which it leads or supports participation at the African Union. Briefing notes were prepared for the joint annual meetings of the UNECA in April and the AU Summits in July 2016 and January 2017. In addition, the division;

- Assessed progress on membership to the Africa Export-Import Bank (Afreximbank). The participation of South Africa in the Afreximbank is finalised. The Export Credit Insurance Corporation (ECIC) has informed the National Treasury that it has acquired Class "B" shares in Afreximbank.
- Conducted cost and benefit analysis to determine South Africa's participation in the African Risk Capacity (ARC). A memorandum has since been submitted to the Minister for his consideration and approval. The issue is currently with the DGs of the affected departments to determine if South Africa should participate in the ARC.
- Conducted an assessment of the financial sustainability of the African Union (AU). In July 2016, a special retreat of AU heads of state and ministers of finance meeting was held in Rwanda to discuss the financing of the AU. Among others, the retreat adopted the recommendation of Dr Donald Kaberuka to implement a 0.2 per cent levy of selected import coming into the continent. The heads of state also established a committee of ten ministers of finance (F-10) to deliberate on the modalities for the implementation of levy by AU member states. South Africa is a member of the F-10 committee which has been established by the AU to oversee the implementation of the financing decisions of the AU. In this regard, member states were requested at the September 2016 F10 meeting to assess the import levy application in the context of their respective domestic legal regulations at individual country level. Currently, the National Treasury is in consultation with the relevant departments to consider the way forward on the introduction of the 0.2 per cent import levy and its implications.
- There are ongoing consultations between the National Treasury and the Department of International Relations and Cooperation (DIRCO) on the review of the African Renaissance Fund (ARF) to address the slow disbursements of funds.
- Processed payments/transfers to international and regional institutions i.e. Infrastructure Consortium for Africa (ICA), Africa Technical Regional Centre South (AFRITACS), and the African Institute for Economic Development and Planning (IDEP). This was in terms of South Africa's initiatives/agreements with various international institutions.

SACU

- Management of South Africa's membership of the Southern African Customs Union (SACU), in collaboration with the dti and SARS.
- National Treasury actively participated in the quarterly SACU meetings ensuring effective governance and oversight of the SACU Secretariat at an institutional level.
- National Treasury provided support and technical assistance to the Minister of Finance in his role as the Chair of SACU for the period 15 July 2015-14 July 2016 which included conducting bilateral consultations with the SACU member states to ensure

PART B: PERFORMANCE INFORMATION - Continued**4. PERFORMANCE INFORMATION BY PROGRAMME**

that SACU focuses on supporting the development of member states.

- As the Chair of SACU, South Africa hosted a SACU Ministerial Retreat and a Special SACU Ministerial Council meeting that laid the foundation for the development of a 2 year work-programme with the objective of transforming SACU into a developmental institution.

SADC

- Provided technical and strategic support with regards to the compilation of analyses and briefs for regional and international meetings. In particular, this led to the adoption of the SADC agreement on regional development fund, including other subsidiary funds. Also, engaged in technical discussions to agree on financing modalities for the development fund. Challenges remain on the practical steps of implementing these initiatives.
- Coordinating the implementation and compliance of various national stakeholders to the SADC finance and investment protocol. The main part of this has been the workshop of August 2016 with South African stakeholders from all institutions and national departments that are responsible for implementing the annexes of the protocol.
- Participated in strategically steering the finance subcommittee towards improved governance outcomes, for example, better planning and budgeting by adopting a template that will assist in strengthening monitoring and evaluation and thus overall performance of the SADC secretariat.

BRICS

- Ratified the BRICS contingent reserve agreement's articles of association, as well as the articles of agreement establishing the New Development Bank (NDB). The first board of governors meeting took place on the margins of the seventh BRICS summit in Moscow in July 2016, where the president of the NDB, as well as vice presidents, were officially appointed. The National Treasury, on behalf of the South African government, has setup the NDB Africa regional centre in Johannesburg. The official launch will take place in the 2017/18 financial year.

WORKING TOWARDS THE GOAL OF AFRICAN ECONOMIC DEVELOPMENT THROUGH:***Organisation for Economic Cooperation and Development (OECD)***

- South Africa is a key partner of OECD alongside China, Brazil, India and Indonesia under the enhanced engagement programme. In June 2016, the Minister of Finance participated in the ministerial council meeting (MCM) during the OECD week in high-level engagement meetings under the chairmanship of Chile, engaging on discussions under the theme "how to achieve higher productivity and enhance inclusiveness". Relations between South Africa and OECD are guided by a Cabinet mandate of 2013. Cabinet approved an "incremental approach to OECD relations" for the period 2013/14 - 2016/17 in alignment with South Africa's strategic priorities. In quarter 3 of 2016/17, three interdepartmental working group (IWG) workshops were conducted to review the implementation of the 2013 mandate in preparation to seek a new Cabinet mandate post 2017. This consultative process was coordinated by the National Treasury. The IWG comprises stakeholder departments participating in OECD committees, bodies, working and expert groups. Outcomes of the IWG workshop included the development of i) Cabinet memorandum on seeking a new mandate to continue engagements with the OECD, ii) Proposed strategy on the SA-OECD engagement for the period 2017/18 - 2020/21. On 8 November 2016, the Directors-General cluster of the ICTS approved the Cabinet memorandum for presentation to Cabinet in 2017 to ensure continuity of the SA-OECD engagement.

4. PERFORMANCE INFORMATION BY PROGRAMME

World Economic Forum (WEF)

- The WEF affords South Africa an opportunity to position the country as an attractive investment destination to international investors. Public-private engagements between government, business and civil society enable South Africa to set the narrative on policy deliberations related to economic and social issues. In Africa, South Africa is largely represented by the business community and records the largest representation on WEF engagements in the continent. During 2016/17, South Africa participated in both regional meetings (WEF on Africa – WEF(A)) in Kigali, Rwanda on 11-13 May 2016 and the annual meeting in Davos, Switzerland on 17-20 January 2017. For effective engagement on topical issues discussed at the forum, the IREP division was instrumental in the coordination of content development, underpinned by themes “Connecting Africa’s resources through digital transformation” and “Responsive and responsible leadership” in 2016 and 2017 respectively. The South African delegation to WEF(A) meetings were led by Deputy President Cyril Ramaphosa with the National Treasury (IREP division) as the coordinating department. In preparation for the 2017 WEF(A), the Presidency mandated the National Treasury in August 2016 to lead with the logistical coordination through the inter-ministerial committee (IMC) chaired by Finance Minister.

African continental

- Consultations were conducted with relevant government departments on the development of the Africa strategy. A decision was taken that all departments should draft their own Africa strategy to be consolidated as a government wide Africa strategy. The National Treasury is currently in a process to draft its Africa strategy.
- There was an assessment of constraints on the programme for infrastructure development in Africa (PIDA) through National Treasury’s participation during the PIDA week. This is a forum where PIDA priority action plan (PAP) projects are discussed, together with the implementation and financing of projects.

Group of twenty (G20)

- Ensured effective representation of South Africa’s position in discussions and negotiations during meetings of G20 finance ministers and central bank governors (also called ‘the finance track’) of the G20; and continued to work in close cooperation with the South African Reserve Bank (SARB) and other relevant stakeholders, particularly the Presidency and the Department of International Relations and Cooperation (DIRCO). During the period under review, this included a series of domestic and regional outreach events in May at the AfDB annual meetings. South Africa’s strategy to the G20 was presented to Cabinet and endorsed. At the G20 Hangzhou Leaders’ Summit in September, South Africa successfully advocated for work on inclusive growth and illicit financial flow to be prioritised by the G20.

International Monetary Fund (IMF)

- High quality dialogue between South Africa and the IMF was sustained. During the period under review, this included facilitating the IMF’s article IV mission in May 2016 and staff visit in December 2016.

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

PERFORMANCE INDICATORS

| PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS | | | | | |
|---|-----------------------------------|-----------------------|-----------------------------------|--|--|
| INDICATOR | ACTUAL ACHIEVEMENT 2015/16 | TARGET 2016/17 | ACTUAL ACHIEVEMENT 2016/17 | REASON FOR DEVIATION | |
| Advance south africa's interests specifically, and those of africa more generally, through regular strategic analysis, engagements and negotiations at regional and global financial and economic forums | | | | | |
| Number of analyses and briefs on current issues and recommendations compiled | N/A | 33 | 88 | Over-performance is attributed to this work area being demand driven and the unanticipated increase in the number of meetings that occurred in various international forums. | |
| Percentage of obligations towards international agreements met | N/A | 100% | 100% | N/A | |
| Increase africa's voice and south africa's influence in international institutions and forums | | | | | |
| Number of interventions in pursuit of institutional reform implemented | N/A | 9 | 9 | N/A | |
| Number of interventions to increase South Africa's presence within institutions of particular strategic value | N/A | 3 | 0 | Under-performance is attributed to constraints in budget not allowing for funding of the placement of Directors at SADC nor advisors to increase capacity in the Constituency Office at the AfDB | |
| Support an enabling environment for increased economic activity within africa | | | | | |
| Number of initiatives to expand relations with key strategic partners | N/A | 3 | 2 | Under-performance attributed to delays in stakeholder inputs as well as approval processes still underway. | |
| Percentage implementation of assessments of initial conditions and projects and plans to accelerate regional integration | N/A | 100% | 50% | Under-performance is attributed to delays in partner departments delivery as well as in-principle approval processes still underway. | |

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

AFRICA CONTINENTAL

- Conducted cost and benefit analysis to determine SA’s participation in ARC. Submission was prepared for the Minister to consider and approve whether South Africa should participate in ARC. A decision was taken that the DGs of the affected departments should deliberate on whether SA should participate in the ARC. The issue is now with the DGs to determine our participation.
- The Export Credit Insurance Corporation (ECIC) matter is finalised. The ECIC has informed the National Treasury that it has acquired “Class B” shares at the Afreximbank.

SACU

The outcomes of the SACU Ministerial retreat held from 19 to 20 June 2016, focus on galvanising a common SACU position on the most suitable way to ensure that SACU is transformed into developmental institution.

SADC

Identification of strategic partners has been integrated into a larger project, which is the development of the African Strategy. Chief Directorate level rather than Directorate specific as it was initially conceived.

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE (INDICATORS AND ACTION PLANS)

| PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS | | |
|--|--|---|
| INDICATOR | DEVIATION | ACTION PLAN |
| Increase africa's voice and south africa's influence in international institutions and forums | | |
| Number of interventions to increase South Africa's presence within institutions of particular strategic value | Under-performance is attributed to constraints in budget not allowing for funding of the placement of Directors at SADC nor advisors to increase capacity in the Constituency Office at the AfDB | Ongoing consultation with all stakeholders |
| Support an enabling environment for increased economic activity within africa | | |
| Number of initiatives to expand relations with key strategic partners | Under-performance attributed to delays in stakeholder inputs as well as approval processes still underway. | Regular follow-up and engagement with stakeholders as well as processes in place to action on approval. |
| Percentage implementation of assessments of initial conditions and projects and plans to accelerate regional integration | Under-performance is attributed to delays in partner departments delivery as well as in-principle approval processes still underway. | Regular follow-up and engagement with stakeholders and principals |

CHANGES TO PLANNED TARGETS

There are no changes to planned targets for this reporting period.

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

LINKING PERFORMANCE WITH BUDGETS

| PROGRAMME 6 | 2016/17 | | | | | | | 2015/16 | | |
|--|------------------------|-------------------|-----------------|---------------------|--------------------|--------------|---|---------------------|--------------------|---------------------|
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE | FINAL APPROPRIATION |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 |
| Programme Management for International Financial Relations | 12 638 | (195) | - | 12 443 | 9 994 | 2 449 | 80.3% | 15 929 | 14 528 | 15 929 |
| International Economic Cooperation | 41 027 | 195 | - | 41 222 | 38 293 | 2 929 | 92.9% | 30 516 | 30 389 | 30 516 |
| African Integration and Support | 812 071 | 371 | (15 949) | 796 493 | 796 694 | (201) | 100.0% | 717 534 | 717 531 | 717 534 |
| International Development Funding Institutions | 4 091 915 | - | - | 4 091 915 | 4 091 776 | 139 | 100.0% | 2 762 651 | 2 762 655 | 2 762 651 |
| International Projects | 20 326 | (371) | (400) | 19 555 | 18 995 | 560 | 97.1% | 21 032 | 21 031 | 21 032 |
| Total | 4 977 977 | - | (16 349) | 4 961 628 | 4 955 753 | 5 875 | 99.9% | 3 547 662 | 3 546 134 | 3 547 662 |

4. PERFORMANCE INFORMATION BY PROGRAMME

4.7 PROGRAMME 7: CIVIL AND MILITARY PENSIONS, CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS

Purpose

Provide for government's pension and post-retirement medical benefit obligations to former employees of state departments and bodies. Provide for similar benefits to retired members of the military.

Strategic objectives

- Ensure good governance and a robust control environment for fund administration
- Provide an improved and integrated customer service experience

Programme's sub-programmes

The programme is divided into the following sub-programmes:

Civil Pensions and Contributions to Funds

- This sub-programme, consisting of post-retirement medical benefits, injury on duty and special pensions, provides for medical subsidies to retired civil servants and pension payments to injured, disabled and deceased civil servants and to former struggle veterans.

Military Pensions

- This sub-programme provides for the payment of military pension benefits and medical claims arising from injuries sustained during various wars including the liberation wars. The payment includes pension payments and medical assistance including devices and other related expenses in terms of the Military Pensions Act.

Other Benefits

- This sub-programme processes the payment of benefits to former members of legislative assemblies. These include payments to former members of the legislative assemblies of the former Venda, Transkei, Ciskei and Bophuthatswana governments; judges or their widows in terms of the Judges' Remuneration and Conditions of Employment Act 1989; and former state presidents.

4. PERFORMANCE INFORMATION BY PROGRAMME

Service Delivery Objectives and Indicators

Recent outputs

The sub-programme achieved 97 per cent resolution of data with issues against a target of 55 per cent, by continuous monitoring and cleaning of data to improve data integrity.

In terms of client's queries, enquiries and complaints, the programme achieved its target of 100 per cent of queries resolved within seven days. This can be attributed to customer-centric team efforts and continuous maintenance of stakeholder relationships.

The sub-programme paid 95 per cent of benefits within 45 days against a target of 100 per cent compared to 92.5 per cent in 2015/16.

The programme paid out pensions and benefits of R4.4 billion in 2016/17 compared to R3.9 billion in 2015/16, an increase of 13 per cent. This can be attributed to the increase in post-retirement medical subsidies and injury on duty claims.

The overall number of pensioners and beneficiaries increased by 7 per cent in 2016/17, from 118 900 in 2015/16 to 127 412 in 2016/17. The increase in applications received can be attributed to post-retirement medical subsidy and injury on duty claims.

STAKEHOLDER RELATIONS

The programme places a premium on building and maintaining stakeholder relations. This process entails planning, targeting, monitoring and reporting of all stakeholder activities that took place during the year.

The programme met with key stakeholders for all categories of benefits for post-retirement medical subsidies, including the medical aid schemes for the implementation of increases, Government Employees Medical Scheme (GEMS), South African Military Veterans Association (SAMVA), the Department of Defence's military intelligence unit, Department of Water Affairs, South African Revenue Services on the resolution 2 of 2015 of PSCBC, Cape Corps on their applications received and attended the board of health funders conference. The unit has also been allocated added responsibility by the National Treasury to process and pay post retirement benefits for Parliament employees. Additionally, a service level agreement was signed by the Compensation Fund, Government Pension Administration Agency (GPAA) and the Department of Police for the processing and payment of police reservist compensation fund claims

MILITARY PENSION AWARENESS CAMPAIGN

During 2016/17 the programme met stakeholders in Calvinia, De Aar, Springbok, Polokwane and Bloemfontein to drive the campaign on the military pension for military veterans who sustained injuries while in military service.

4. PERFORMANCE INFORMATION BY PROGRAMME

FOCUS AREAS ARISING FROM 2016/17

- Military medical accounts payment and access to medical treatment by pensioners is currently a manual process and results in late payment of claims from pensioners and service providers. The programme started the process of outsourcing the services to a service provider in 2016/17. This could not be completed as planned and will be finalised in the first quarter of 2017/18.
- A manual splitting of main members from beneficiaries is currently being implemented as part of the application control review audit findings.
- The programme has established that some employer departments are impacting negatively on the payments of injury on duty awards by not finalising the awards and sending them to GPAA for payment. As a result management is conducting human resource (HR) forums to train employer HR representatives so that they are fully aware of and competent to process the IOD claims.

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

PERFORMANCE INDICATORS

| PROGRAMME 7: CIVIL AND MILITARY PENSIONS, CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS | | | | |
|--|---|-------------------------|-------------------------------------|---|
| INDICATOR | ACTUAL ACHIEVEMENT 2015/2016 | TARGET 2016/2017 | ACTUAL ACHIEVEMENT 2016/2017 | REASON FOR DEVIATION |
| Ensure good governance and robust control environment for fund administration | | | | |
| Percentage of benefits paid within liable dates | 92.5% of benefits paid within liability date. | 100% | 95% | Under-performance is attributed to non-submission of payment documents in time by approved clients. |
| Percentage compliance with NT SLA | 97.5% Compliance with SLA. | 100% | 83% | Under-performance is attributed to 3 findings remaining unresolved on the Compliance Audit and 2 out of 14 external audit findings still to be resolved |
| Percentage integrity of client data | 55% client data integrity. | 55% | 100% | N/A |
| Provide an improved and integrated customer service experience | | | | |
| Percentage of customer service complaints resolved within seven days | 100% of the complaints were resolved within 7 days. | 100% | 100% | N/A |

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE (INDICATORS AND ACTION PLANS)

| PROGRAMME 7: CIVIL AND MILITARY PENSIONS, CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS | | |
|--|---|---|
| INDICATOR | DEVIATION | ACTION PLAN |
| Ensure good governance and robust control environment for fund administration | | |
| Percentage of benefits paid within liable dates | Under-performance is attributed to non-submission of payment documents in time by approved clients. | Management will put measures in place to facilitate the timeous submission of documents by approved clients |
| Percentage compliance with NT SLA | Under-performance is attributed to 3 findings remaining unresolved on the Compliance Audit and 2 out of 14 external audit findings still to be resolved | Management is implementing on-going processes to address all audit findings |

CHANGES TO PLANNED TARGETS

There are no changes to planned targets for this reporting period.

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

LINKING PERFORMANCE WITH BUDGETS

Sub-programme expenditure

| PROGRAMME 7 | 2016/17 | | | | | | | 2015/16 | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|---------------|---|---------------------|--------------------|--------------------|
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE | ACTUAL EXPENDITURE |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 |
| Government Pensions Administration Agency | 61 426 | 200 | - | 61 626 | 61 278 | 348 | 99.4% | 56 587 | 56 587 | 56 586 |
| Civil Pensions and Contributions to Funds | 3 273 472 | 9 691 | - | 3 283 163 | 3 249 213 | 33 950 | 99.0% | 3 156 562 | 3 156 562 | 3 156 521 |
| Military Pensions and Other Benefits | 1 127 744 | (9 891) | - | 1 117 853 | 1 089 668 | 28 185 | 97.5% | 754 592 | 754 592 | 754 591 |
| Total | 4 462 642 | - | - | 4 462 642 | 4 400 159 | 62 483 | 98.6% | 3 967 741 | 3 967 741 | 3 967 698 |

4. PERFORMANCE INFORMATION BY PROGRAMME

4.8 PROGRAMME 8: TECHNICAL AND MANAGEMENT SUPPORT AND DEVELOPMENT FINANCE

Purpose

Provide advisory services, programme management and development finance support to improve public finance management, support high-impact government initiatives, facilitate employment creation and strengthen infrastructure planning and delivery

Strategic objectives

- Establish the GTAC as a centre of excellence in public sector advisory services, transaction support, project management and public finance management
- Local government financial management improvement
- Promotion of urban integration and neighbourhood development
- Facilitation of employment creation and inclusive growth
- Improved infrastructure planning, management and skills development

Programme's sub-programmes

The programme is divided into the following sub-programmes:

Government Technical Advisory Centre (GTAC)

An agency of the National Treasury established to provide advisory and project management support to National Treasury and to other centre-of-government departments and organs of state. It is a government component in terms of the Public Service Act, with a central mandate to assist organs of state to build their capacity for efficient, effective and transparent financial management. GTAC's scheduled functions are:

- To render technical consulting services to centre-of-government departments and organs of state
- To provide specialised procurement support for high-impact government initiatives
- To provide advice on the feasibility of infrastructure projects
- To provide knowledge management for projects undertaken
- Anything ancillary to the functions listed.

Local Government Financial Management Support

- The Financial Management Grant (FMG), which is a Division of Revenue Act Schedule 5(b) conditional grant to municipalities, to promote and support reforms in financial management and capacity building to improve implementation of the MFMA
- The MFIP, which provides technical assistance and support to the National Treasury, provincial treasuries and municipalities by placing financial advisors with experience and expertise in municipal financial management to facilitate key reforms and skills transfer.

PART B: PERFORMANCE INFORMATION - Continued**4. PERFORMANCE INFORMATION BY PROGRAMME***Urban Development and Support*

- The Neighbourhood Development Partnership Programme, which supports municipal planning and investment in targeted locations, aimed at attracting and sustaining third-party capital investment and business development to improve the quality of life and access to opportunities in under-served townships or settlements
- The Integrated City Development Grant, which helps metropolitan municipalities to improve spatial targeting and sequencing of infrastructure investment, with a special focus on identified integration zones.

Employment Creation Facilitation

- The Employment Creation Facilitation sub-programme was introduced in 2011 to contribute to employment and inclusive growth by supporting innovative approaches to job creation and enterprise development.

Service Delivery Objectives and Indicators**Recent outputs**

Within the context of government's National Development Plan (NDP) and Medium-Term Strategic Framework (MTSF), Programme 8 seeks to contribute to building a capable and development-oriented state, while also strengthening government capacity to work with the private sector in promoting growth, employment, infrastructure investment and public service delivery. For 2016/17, Government Technical Advisory Centre (GTAC) has provided a coordination of reporting function for Programme 8.

GTAC's current portfolio of work includes projects in key sectors of government business:

The *Capital Projects Appraisal Unit* has conducted assessments in the energy and transport sectors, including a cost-benefit analysis of integrated public transport networks.

The *Technical Consulting Services Unit* supported 84 projects aimed at developing the capacity of client departments. This support included, among others, a review of the Eastern Cape special economic zones (SEZs), the implementation of an infrastructure support programme to Limpopo provincial departments, the establishment of a skills planning unit at the Department of Higher Education and Training, and supporting the process of rationalising small and financially unviable schools in Eastern Cape.

The *Public Expenditure and Policy Analysis (PEPA)* unit conducts expenditure reviews to closely scrutinise expenditure and programme performance data in particular sectors with a view to informing the cost-effectiveness of public policies and their spending implications. Public expenditure reviews were completed in a number of key sectors, including housing, agriculture, education, economic development, and administration.

The *Transaction Advisory Services Unit* has completed a review of a number of public-private partnership (PPP) assessments to streamline the implementation of these partnerships and improve project delivery timelines.

Underpinning the strategic objective to become a centre of excellence to support capacity building in the public sector, GTAC is consolidating its knowledge management systems and partnership arrangements with research, academic and development

4. PERFORMANCE INFORMATION BY PROGRAMME

partners to find additional, creative opportunities for shared learning and information sharing. Existing initiatives include management of the Development Southern Africa journal, regular electronic and hard copy newsletters highlighting GTAC activities, the annual public economics winter school and bursary programme and support to a number of academic, research and donor partnerships.

An important institutional development for GTAC is the submission of its first three-year strategic plan (2017/18 to 2019/20) and its first annual performance plan (2017/18). In line with these plans, GTAC will focus on prioritising delivery of the NDP by strengthening its partnerships with key institutions and organisations in both the public and private sectors.¹

Local government financial management support includes transfers to municipalities to support implementation of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and technical assistance to provincial treasuries and municipalities through the MFIP. The financial management grant (FMG) is a conditional grant governed by schedule 5(b) of DoRA. It promotes and supports reforms in financial management and capacity building in municipalities to enable them to implement the MFMA. The Chief Directorate: MFMA Implementation in the Office of the Accountant-General administers the FMG programme and must be read together with Vote 5.

In 2016/17, R465.3 million in grant funding was disbursed in terms of the Division of Revenue Act, 2015 (Act No. 1 of 2015), in two payments. At the end of August 2016, R422.3 million was transferred to 244 municipalities. Payment to 13 municipalities was delayed, subject to confirmation of primary bank account details resulting from the 2016 municipal demarcation process. Transfers of R42.9 million were made in September 2016 subsequent to receipt of confirmation of banking details.

Every month, municipalities must submit reports to the National Treasury on spending the grant, aligned with their support plans. Given staffing constraints, it is impossible for the National Treasury to undertake site visits or perform physical verifications at municipalities. The actual performance of the grant is best measured at municipal level and can be audited as part of the regularity audit performed by the Auditor-General.

At the end of March 2017, total spending levels averaged 61 per cent of the grant. The municipal financial year differs from the provincial financial year, and ends in June. In the past, spending has been close to 100 per cent at the municipal year-end. Regular follow up communication on spending levels have been undertaken.

The FMG contributed to the following outputs:

- 257 municipalities submitted their 2016/17 FMG support plans to NT
- 7 062 municipal officials have registered for minimum competency training, of which 2 690 officials have met the minimum competencies
- 125 municipalities utilised the FMG to prepare their 2015/16 AFS timeously, of which 95 percent (119 municipalities) submitted their AFS to the Auditor-General timeously
- 162 municipalities used the FMG to purchase and upgrade their financial management system to be compliant with the municipal standard chart of accounts (mSCOA)
- 1 198 interns are serving on the internship programme in municipalities across all nine provinces

¹ More information on GTAC performance is available in the 2016/17 GTAC Annual Report.

PART B: PERFORMANCE INFORMATION - Continued**4. PERFORMANCE INFORMATION BY PROGRAMME**

The MFIP phase II is a hands-on capacity building programme to improve the management of local government's financial affairs. The programme placed technical advisors in municipalities' budget and treasury offices, and in provincial treasuries' municipal finance management units, to help them implement the National Treasury's local government budget and financial management reform agenda. The programme was concluded on 31 March 2017.

The programme supported municipalities and provincial treasuries in two ways. Firstly, it strengthened the ability of municipalities to capacitate their budget and treasury offices by appointing officials who can ensure compliance with the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA). It also built the capacity of staff through training and development. Secondly, the programme assisted these officials to ensure technical compliance with the municipal accountability cycle, including strategic planning, budgeting, in-year implementation and compilation, annual financial statements, annual reporting, internal auditing, oversight and supply chain management.

The programme further assisted targeted municipalities with the implementation of the mSCOA, which was promulgated in 2014 with a legislated compliance date of 1 July 2017. It also supported targeted municipalities in addressing specific priority outcomes from the financial management capability maturity model (FMCMM) assessments in municipalities undertaken in 2015 and issues raised by the Auditor-General in its consolidated MFMA outcome reports, such as risk management, asset management, billing and revenue management, and audit outcomes, in the medium-term.

As at 31 March 2017, the programme provided support in the following areas:

- General financial management: 38 municipalities, with an eventual target of supporting 49 municipalities
- Improving the capacity of provincial treasuries to monitor, oversee and support local government: four provincial treasuries were supported but only two remained to the end of the programme due to resignation of advisors in two provincial treasuries
- Integrated infrastructure and asset management system, including accounting and audit support: 20 municipalities.
- Implementation of the mSCOA regulations in municipalities to six provincial treasuries
- Five specialists who support local government in improving financial management, with a focus on revenue, budgeting, assets, audit and the financial management capability maturity model

In 2016/17, 37 municipalities were supported through the placement of long-term advisors. A further eight advisors were based in the National Treasury providing specialist support to municipalities and provincial treasuries in key financial management disciplines and seven advisors provided programme management services in the PMU.

In terms of the number of training and development interventions, the programme has been directly responsible for providing support in all MFMA functional areas in municipalities being supported. 7 378 training sessions were completed with 1 063 officials trained for the duration of the MFIP II programme. In the year under review, municipalities received 3 937 training sessions from advisors located in municipalities compared to 2 553 sessions in the previous year. The increase in the number of training sessions and number of officials trained is mainly due to the increase in the number of municipalities supported during 2016/17.

PART B: PERFORMANCE INFORMATION - Continued**4. PERFORMANCE INFORMATION BY PROGRAMME****Table 6: Summary of training provided by quarter 4 in 2016/17 – all MFIP II municipalities as at 31 March 2017**

| FUNCTIONAL AREA | NUMBER OF QUARTERLY TRAINING SESSIONS COMPLETED | | | | Total | % |
|--------------------------|---|------------|--------------|--------------|--------------|-------------|
| | MAR-17 | DEC-16 | SEP-16 | JUN-16 | | |
| Revenue | 144 | 198 | 314 | 271 | 927 | 23.54% |
| Cash management | 51 | 85 | 191 | 74 | 401 | 10.18% |
| Budgeting | 46 | 48 | 83 | 247 | 424 | 10.76% |
| Reporting | 91 | 215 | 383 | 214 | 903 | 22.93% |
| Expenditure | 88 | 111 | 210 | 115 | 524 | 13.30% |
| Assets | 15 | 20 | 57 | 52 | 144 | 3.65% |
| SCM | 37 | 38 | 62 | 96 | 233 | 5.91% |
| SCOA | 40 | 58 | 76 | 99 | 273 | 6.93% |
| Norms and ratios | 1 | 1 | 6 | 7 | 15 | 0.38% |
| Business continuity plan | 1 | 3 | 11 | 1 | 16 | 0.40% |
| Delegations | 1 | 2 | 4 | 5 | 12 | 0.30% |
| Institutional matters | 4 | 4 | 21 | 36 | 65 | 1.65% |
| TOTAL | 519 | 783 | 1 418 | 1 217 | 3 937 | 100% |

The MFIP II programme steering committee approved the launch of an integrated infrastructure and asset management project in nine pilot municipalities identified by the respective provincial treasuries. The overall results were positive. The asset management project was officially concluded on 31 Jan 2017. 24 municipalities were supported through three service providers who assisted over 2014/15, 2015/16 and 2016/17. The number of audit queries on assets has reduced significantly in municipalities as evidenced by the review of audit reports and management letters. 14 municipalities were unqualified in respect of assets while ten indicated issues contributing to qualifications on matters such as valuations and insufficient supporting documentation for the audit.

The challenge was failure by municipality to pass communications of audit findings on asset related issues to the appointed service providers. Meetings to discuss asset management project close-out reports were arranged with all affected sites and close out reports have been sent to the municipal management.

Contract management support was approved and provided to 43 municipalities in KwaZulu-Natal to create contract registers, develop a filing method, contract reviews and standardised contract management and develop a provincial contract management framework. More than 3 000 contracts were uplifted, scanned, captured and filed. Further activities were:

- Identification of potential irregular expenditure
- Identify sample of contracts to review
- Provide on the job training

Across the project life span, 5 821 officials and stakeholders across the affected environment had received mSCOA related training as at 31 March 2017. Drawing closer to project-end, a strategic partnership was concluded resulting in the future outsourcing of all project related training (accredited and non-accredited) through a strategic partnership with the Certified Institute of Government Finance Audit and Risk Officers (CIGFARO (previously IMFO)) in cooperation with SALGA with effect from 1 December 2016.

PART B: PERFORMANCE INFORMATION - Continued**4. PERFORMANCE INFORMATION BY PROGRAMME**

Urban development and support comprises the neighbourhood development partnership grant and the integrated cities development grant, aimed at strengthening public and private investment in improved living and working conditions in townships and more spatially resilient, efficient and integrated towns and cities.

Established in 2006, the *neighbourhood development programme unit* is responsible for managing the neighbourhood development partnership grant. This grant aims to fund, support and facilitate the planning and implementation of neighbourhood development programmes and projects that provide catalytic infrastructure to attract third-party public and private sector investment. The objective is to realise the social and economic potential of targeted underserved neighbourhoods, improve residents' quality of life and contribute to South Africa's economic performance.

The NDP's human settlement chapter highlights the importance of transforming towns and cities spatially to improve access to economic opportunities as well as the quality of life of citizens, especially people in townships or living on the periphery. The unit's strategic planning and investment framework, the urban network strategy, supports this transformation, as well as broader economic developmental outcomes.

Using the urban network strategy as a guide to changing the spatial form of larger urban centres, the programme aims to:

- Support municipalities in city wide strategic planning to ensure more integrated, equitable, efficient and effective cities that can improve the lives of the urban poor
- Optimise public infrastructure investment, regulatory mechanisms and development incentives, as well as the coordinated management of targeted strategic nodes and urban hubs in townships
- Attract, coordinate and leverage private sector investment into the targeted transit-oriented, mixed-use precincts
- Provide the spatial-targeting component of the cities support programme, as reflected in the built environment performance plans for metros

The programme is governed by conditions set out in the Division of Revenue Act.

The Neighbourhood Development Partnership Grant comprises a technical assistance component and a capital grant component. The technical assistance component is intended for network, integration zone, precinct and project packaging and planning, as well as the coordination of urban management. The 2016/17 technical assistance budget was R22.2million and R13.6 million was spent by municipalities.

The Capital Grant component provides catalytic investment into targeted township precincts. In 2016/17, R591.9 million was transferred to municipalities for capital projects. Since its inception in 2006/07, the grant has registered 459 projects across more than 65 municipalities. 272 township projects have been completed to the value of over R3.6 billion, with 56 projects in urban areas and five in rural areas are still under construction. Neighbourhood development partnership grant projects in rural municipalities are supported in collaboration with the Department of Rural Development and Land Reform to explore the feasibility of a small town regeneration grant for rural areas.

The programme's interventions are ultimately aimed at leveraging third-party investment into targeted urban spaces, primarily urban hubs in townships. Third-party public and private investment since the inception of the programme is R4.98 billion. In order to increase the level and diversity of such investment, precinct management technical assistance has been provided since 2015/16.

4. PERFORMANCE INFORMATION BY PROGRAMME

Two pilot projects are under way: the Jabulani urban hub in Soweto, Johannesburg and the Mdantsane urban hub in Buffalo City. A third pilot in Msunduzi municipality has commenced in the Edendale precinct. Discussions are underway to finalise funding for precinct management support in eThekweni.

The *City Support Programme*, together with the *Neighbourhood Development Partnership Programme*, plays a significant role in promoting cities as the key drivers for transforming the spatial landscape and accelerating economic growth. Since its inception in 2012, with a team of three, the programme has become an important element of government's response to the challenges of urban growth. It is premised on the need for large urban municipalities to make a more focused contribution to national economic development and the reduction in poverty and inequality. The programme supports metropolitan municipalities in developing more inclusive, productive and sustainable cities.

The programme promotes an enabling policy and regulatory environment for city development, through improvements in the local government fiscal framework, support for best practices in urban development and direct technical assistance to metros. Projects and associated activities have been identified in consultation with cities, through their city support implementation plans. These plans are implemented at national level through five component plans (core city governance, human settlements, public transport, climate resilience and sustainability, and economic development). The programme contributes to the generation and sharing of innovative practices and processes, as requested by cities, as well as recommended changes to the enabling policy, regulatory and fiscal environment within which cities operate.

The City Support Programme has formed strategic partnerships with a number of institutions with a similar focus, including the Cities Network, GTAC, the World Bank, the Swiss Economic Cooperation and Development – SA (SECO), the Centre for Affordable Housing Finance in Africa, the DBSA, and the South African Local Government Association (SALGA). These collaborative agreements have assisted in driving the importance of South African cities as engines of growth. Formal engagements continue to provide insights into managing the complex challenges facing cities, which often result from policies such as segregated development. This year, the programme's engagements concluded discussions with the Swedish development agency, SECO, and dialogue with the Centre for Development and Enterprise on their forthcoming publications on cities and growth; and continued progress with the Department of Cooperative Governance and Traditional Affairs (CoGTA) on the development of a secondary cities programme.

The closer alignment between the CSP and CoGTA also lead to the alignment of the programme's outcomes to the nine integrated urban development framework (IUDF) levers.

In 2016/17, the city support programme concluded its planning phase, and moved into a delivery-focused period. During this period, the programme undertook the following initiatives:

- Municipal Money was created in response to the commitment made by the former Finance Minister in his 2016 Budget speech to launch a data portal that will provide all stakeholders with comparable, verified information on municipal financial and non-financial performance, in order to stimulate citizen involvement in local governance. This portal was launched in September 2016. This initiative has the potential to transform the way members of the public view and engage with municipal financial data. It has already started to contribute to enhanced civic oversight, greater transparency and increased accountability of newly elected municipal councils. As information is verified and updated regularly, members of the public can now track and compare how their newly elected leadership is performing on an on-going basis. Furthermore, citizens are able to email queries to their municipal management and leadership directly from the site, as well as share reports of municipal financial performance directly to social media.

PART B: PERFORMANCE INFORMATION - Continued**4. PERFORMANCE INFORMATION BY PROGRAMME**

- An executive city leadership course on city economic development was hosted in the fourth quarter. This course was well received and attended by (often newly appointed) politicians and officials from the eight metropolitan municipalities on the back of the local government elections in 2016. One of the key messages of the course was that economic development is an overall and transversal objective of a city. The course went beyond being purely informational, making some use of 'learning by doing' and allowing participants to actively reflect on the issues facing their cities, to examine and rethink the role of city governments in economic development, and to work on potential solutions and next steps. Planning support to cities through the annual build environment performance plans (BEPPs) process continued with a key focus on increasingly strong alignment across spheres of government, introducing a requirement to also indicate initiatives around informal settlements and marginalised areas.
- Support for the preparation of catalytic land development projects identified in BEPPs, including panel reviews facilitated by the Urban Land Institute. Project preparation assistance was also provided to Ekurhuleni regarding its Aerotropolis programme and the City of Tshwane market upgrade.
- Closer collaboration between CoGTA and the NT has led to improved alignment with the IUDF, with closer alignment between the levers and the work done by the CSP team. This is also complemented by ongoing work on the development of a secondary cities programme.

The *Jobs Fund* is a sub-programme in the National Treasury's Programme 8: Technical Support and Development Finance whose activities are recorded under Employment Creation Facilitation (ECF). A programme management unit responsible for the implementation of the programme on behalf of the National Treasury is established within GTAC. Through the Jobs Fund the ECF supports innovative partnership based approaches to sustainable employment creation. It also supports research into employment, income distribution and inclusive growth. This programme is implemented through SALDRU (REDI 3x3) as well as provides support to DPRU which administers the Employment Promotion Programme

The *Jobs Fund* operates on challenge fund principles and allocates matching grants following a competitive, open and transparent application process. Project allocations are made by an independent investment committee.

To date, seven calls for proposals (CFPs) have been issued. The objective is to support initiatives that innovatively catalyse new employment creation models that can be replicated and scaled. The fund offers once-off grants in the areas of enterprise development, infrastructure, support for job seekers and institutional capacity building. Since inception, 140 projects have been approved against a target of 130; 15 withdrew prior to contracting (leaving 125 on the approved portfolio) and 106 are currently in implementation. The quality of proposals submitted largely determines the number of projects approved. It is anticipated that the fund will reach the targeted number of projects approved on finalisation of the seventh call for proposals.

The fund has made steady progress against its targets, and exceeded several of these, including the matched funding leveraged indicator and the placement of job seekers in vacant permanent positions.

In 2016/17 the sixth CFPs, which focused on catalysing innovative job creation models, was concluded. Many of these projects are in full implementation. The fund received 262 concept note applications for this round, with 21 projects approved. R1.090 billion has been allocated towards these projects and they will create 20 108 new permanent jobs and 9 928 placements in vacant positions over the project implementation period.

PART B: PERFORMANCE INFORMATION - Continued**4. PERFORMANCE INFORMATION BY PROGRAMME**

The Jobs Fund has a specific focus on addressing women and youth unemployment. 60 percent of the permanent jobs created to date have gone to women and youth beneficiaries, while previously disadvantaged individuals account for 98% of the permanent jobs in the portfolio. In support of youth, the jobs fund has focused on supporting job creation initiatives that address the market failure of a mismatch between skills, labour supply and labour demand.

A mid-term evaluation indicates that the Jobs Fund presents good value for money in terms of economy, efficiency, potential for sustainability, and equity. Since inception, the fund has supported several impact maximising projects, one of which is the Trust for Urban Housing Finance (TUHF) Jobs Fund leveraging project. TUHF is a specialist inner-city commercial property financier that provides funding to small, medium and micro sized enterprises (SMMEs). The R200 000 000 grant funding received by TUHF during the job fund's third call for proposals (infrastructure) is being used to implement a R1 billion funding structure to finance new and existing entrepreneurs, especially previously disadvantaged individuals, to purchase and construct about 200 residential buildings. The project has to date leveraged R1 060 580 886 against the R200 000 000 grant.

This project has had a positive impact on local economic development and has contributed to urban regeneration. Not only has it increased access to finance for previously excluded entrepreneurs, it has also created direct permanent jobs in both the construction and management phases of the developments and many more indirect jobs in the inner city, given the nature of their economies.

Infrastructure Development support in the South African government has a strong and compelling vision that infrastructure should be scaled up, not only with mono-sectoral interventions, but with multi-sectoral interventions. The National Treasury promotes both the achievement of this vision and the optimisation of increased investments in infrastructure through the infrastructure delivery improvement programme (IDIP). IDIP has succeeded in establishing collaborative partnerships in the public sector to develop, test and implement the infrastructure delivery management system (IDMS). Both the adoption of the IDMS as the government's model of choice for the management of public sector infrastructure delivery as well as the publication of the National Treasury's standard for infrastructure procurement and delivery management (which is embedded in the IDMS), demonstrates that IDIP has achieved this objective. Subsequently, it was decided that the programme should not continue beyond March 2018. IDIP is therefore closing out and full accountability and responsibility for the IDMS is being placed with the appropriate national and provincial departments.

The seamless transition from IDIP to the national and provincial departments is ensured by means of an IDIP exit plan and an IDMS sustainability strategy. The IDIP exit plan describes how the programme intends to withdraw its resources while ensuring that achieved programme objectives are not jeopardised and that progress towards these objectives will continue after it ends. The objective of the IDMS sustainability strategy is both to maintain the benefits achieved by IDIP and to set in place a system whereby the benefits can expand beyond the original programme beneficiaries to all infrastructure delivery sectors and to local government. Within this transitional context the following key initiatives are being undertaken:

- The development and implementation of the infrastructure progression model (IPM) which combines dimensions of both capability and performance on a progression path towards infrastructure delivery outcomes and value for money, using the IDMS as the agreed standard for good practice. The IPM has both a critical transitional role and a role in supporting the ongoing institutionalisation of the IDMS beyond IDIP's exit. This implies that National Treasury's support for the institutionalisation of the IDMS will in future be driven by the provincial improvement plans based on the IPM findings and supporting provincial treasuries (PTs) in building their capacity to execute their monitoring, oversight and support role in relation to the IDMS. NT is working with PTs to develop a co-funding model in terms of which joint funding is being used to fill key IDMS related professional positions in PTs' infrastructure units

PART B: PERFORMANCE INFORMATION - Continued**4. PERFORMANCE INFORMATION BY PROGRAMME**

- Review and enhance the 2010 version of the IDMS toolkit to align it with recent policies, to promote value for money considerations and to ensure that the IDMS contributes to infrastructure that is valued by the public
- Knowledge Management as a core element to sustain the IDMS and to expand it to all sectors and to local government

Infrastructure Skills Development Grant (ISDG) was established by the National Treasury in terms of the Division of Revenue Act, to develop capacity within municipalities by creating a long-term and sustainable pool of young professionals within the built environment in specific technical fields (i.e. engineering, town planning, architecture, quantity surveying, geographic information systems, and project management), thereby improving infrastructure delivery and management.

The purpose of the grant is to recruit unemployed graduates into municipalities to be trained as required by the relevant statutory councils in the built environment. Capable municipalities recruit graduates in the built environment for training and register them with statutory bodies. During the training, municipalities benefit from the additional capacity, while the graduates gain relevant work experience, which is essential for professional registration. The importance of these skills is evidenced in that several municipalities have retained the graduates. The programme helps to address racial imbalances in the built environment profession, while also reducing graduate unemployment in the country.

To date, 435 graduates have enrolled in the programme in 16 participating municipalities. All graduates are assigned professionally registered mentors and work under municipal supervisors in their respective fields. Graduates are assigned to various projects in their fields, including the development, maintenance and operation of infrastructure. Graduates are rotated and seconded to various institutions in order to acquire all the necessary experience required for professional registration. The total 2016/17 allocation of R130.471 million was successfully transferred to participating municipalities. Municipalities are complying with the reporting systems and training is being implemented according to the requirements of the statutory councils.

SAICE-PDP was appointed as the service provider to evaluate the progress of the programme, to advise municipalities, as well as to monitor the professional registration readiness of each candidate. Its findings indicate that graduates are receiving relevant training, and those who will be ready to submit applications for professional registration during 2016/17 have been identified. It was recommended that municipalities allow graduates to rotate or second them to other institutions in order to meet registration requirements. GIS professional registration has been the most challenging skills category, however relevant courses were recommended for graduates to attend in order to meet registration requirements for the South African Geomatics Council (SAGC). All mentors and supervisors attended workshops to assist them to overcome mentoring and supervising barriers on the “road to registration” for the candidates.

Notable achievements include the following:

- An engineering graduate from George municipality received a scholarship to do research in the United Kingdom
- A scientist from Umhlathze municipality received a scholarship to do research in Japan
- 163 have successfully completed training and are registered as professionals, and 114 are employed within municipalities and across other sectors
- The South African Local Government Association (SALGA) is piloting a plant optimisation project in KwaZulu-Natal and a number of ISDG graduates are benefiting from the project through an opportunity to learn and solve water challenges experienced by municipalities

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

PERFORMANCE INDICATORS

| PROGRAMME 8: TECHNICAL SUPPORT AND DEPARTMENT FINANCE PROGRAMME MANAGEMENT | | | | |
|--|--|-----------------------|------------------------------------|---|
| INDICATOR | ACTUAL ACHIEVEMENT 2015/16 | TARGET 2016/17 | ACTUAL ACHIEVEMENT 2016/17 | REASON FOR DEVIATION |
| Establishment of gtac as a centre of excellence in public sector advisory services, transaction support, project management and public finance management | | | | |
| Progress reported in GTAC quarterly monitoring reports | The division has complied with the governance and reporting, monitoring and evaluation requirements during the 2015/16 financial year. Quarterly reports prepared and submitted to the Minister. | 4 quarterly reports | 4 quarterly report to the Minister | N/A |
| Number of technical advisory projects supported | 135 | 100 | 84 | Under-performance is attributed to this output being determined by user demand |
| Number of transaction advisory projects registered | | 12 | 25 | Over-performance is attributed to this output being determined by user demand |
| Number of capital project advisory work | 16 | 5 | 10 | Over-performance is attributed to the schedule delivery of multiple projects of varying sizes. |
| Number of performance and expenditure reviews | | >10 per year | 10 | Over-performance is attributed to the schedule delivery of multiple projects of varying sizes. 31 PER's were concluded since inception of this programme. 10 PER's were done for 2016/17. |
| Local government financial management improvement | | | | |
| Transfer of FMG funds to all municipalities | | All municipalities | All municipalities | N/A |

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

PERFORMANCE INDICATORS

| PROGRAMME 8: TECHNICAL SUPPORT AND DEPARTMENT FINANCE PROGRAMME MANAGEMENT | | | | |
|---|----------------------------|----------------|----------------------------|---|
| INDICATOR | ACTUAL ACHIEVEMENT 2015/16 | TARGET 2016/17 | ACTUAL ACHIEVEMENT 2016/17 | REASON FOR DEVIATION |
| Number of municipalities and provincial treasuries assisted through MFIP II | 50 | 49 | 36 | Under-performance is attributed to the project being demand driven and a decline in the number of municipalities supported in Q4 as the asset management project was finalized in Q3. No action plan required as MFIP III will commence in 2017/18 financial year. |
| Promotion of urban integration and neighbourhood development | | | | |
| Number of precinct plans completed | | 4 | 4 | N/A |
| Number of catalytic projects approved (cumulative) | 352 | 360 | 459 | Over-performance is attributed to the driver of this indicator being the 2015/16 NDPG capital grant allocation. Project approvals are required for this allocation in terms of the DORA. It is not possible to project the nature and value of individual projects and therefore smaller project values will result in more projects funded by the grant. |
| Third-party investment leveraged (cumulative) | R4 180m | R4 000m | R49 88m | Over-performance is attributed to this indicator being an outcome/impact level indicator and as such is not within the direct control of the Neighbourhood Development Programme. This indicator measures the investment decisions of third parties, i.e. public and private sector investors. |
| Number of projects confirmed within integration/spatial transformation zones | 30 | 12 | 12 | N/A |
| Number of integrated city development projects under implementation | 13 | 8 | 8 | N/A |
| Facilitation of employment creation and inclusive growth (8.4) | | | | |
| Number of Jobs Fund projects approved (cumulative) | 107 | 130 | 125 | Under-performance is attributed to Agriculture funding round (5th call) not yielding the anticipated number of new projects. The assessment of the Innovation funding round (6th call) has been finalised and the Jobs Fund Investment Committee has approved 21 projects, taking the total approved to 125 projects. |

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

PERFORMANCE INDICATORS

| PROGRAMME 8: TECHNICAL SUPPORT AND DEPARTMENT FINANCE PROGRAMME MANAGEMENT | | | | | | |
|---|----------------------------|----------------|----------------------------|--|--|--|
| INDICATOR | ACTUAL ACHIEVEMENT 2015/16 | TARGET 2016/17 | ACTUAL ACHIEVEMENT 2016/17 | REASON FOR DEVIATION | | |
| Grant funding approved (cumulative) | R5 499m | R6 500m | R6 508m | N/A | | |
| Matched funding committed (cumulative) | R6 442m | R9 000m | R9 099m | N/A | | |
| New jobs contracted (cumulative) | 142 445 | 150 000 | 136 069 | Under-performance is attributed to project withdrawals post contracting. | | |
| Number of placements contracted (cumulative) | 77 317 | 70 000 | 90 087 | Target adjusted upward in 2017/18 APP | | |
| Number of training opportunities contracted (cumulative) | 229 321 | 160 000 | 224 089 | Target adjusted upward in 2017/18 APP | | |
| Value of grant funding disbursed (cumulative) | R2 890m | R4 462m | R3734m | | | |

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

PERFORMANCE INDICATORS

| PROGRAMME 8: TECHNICAL SUPPORT AND DEPARTMENT FINANCE PROGRAMME MANAGEMENT | | | | |
|--|--|--|--|----------------------|
| INDICATOR | ACTUAL ACHIEVEMENT 2015/16 | TARGET 2016/17 | ACTUAL ACHIEVEMENT 2016/17 | REASON FOR DEVIATION |
| Jobs Fund evaluation report and dissemination of learning | Three case studies. 1st draft project level evaluations have been completed. The 2015 learning forum took place between 13 to 15 September 2015 and good feedback received. Mid-term review financial and technical proposal has been reviewed by the JF team and the service provider, Oxford policy management, should begin work in late April and submit its inception report and work plan to the fund in May 2016. | Mid-term evaluation report 1 learning event | 1 learning event Mid-term evaluation report | N/A |
| Number of employment, income distribution and inclusive growth research papers completed | 15 econ 3x3 articles have been published Three workshops held: spatial inequality (17 to 18 August 2015); income distribution (30 September) and inclusive growth (6 November 2015). | Completion of 80+ research papers | 81 | N/A |

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

| PROGRAMME 8: TECHNICAL SUPPORT AND DEPARTMENT FINANCE PROGRAMME MANAGEMENT | | | | |
|--|--|-----------------------|-----------------------------------|--|
| INDICATOR | ACTUAL ACHIEVEMENT 2015/16 | TARGET 2016/17 | ACTUAL ACHIEVEMENT 2016/17 | REASON FOR DEVIATION |
| Improved infrastructure planning, management and skills development | | | | |
| Number of technical assistants (TAs) deployed to provide capacity for infrastructure development | 32 | 34 | 12 | Under-performance attributed to user demand |
| Number of officials trained on the Infrastructure Delivery Management (IDM) toolkit | 183 | 160 | 1 793 | Over-performance is attributed to an increase in user demand |
| Number of graduates in training for professional registration in engineering, town planning, geographic information systems and project management | 435 graduates in training, with a total of 124 having successfully completed training and 63 have been employed in the sector. | 400 | 439 | Over-performance is attributed to an increase in user demand |

PART B: PERFORMANCE INFORMATION - Continued**4. PERFORMANCE INFORMATION BY PROGRAMME**

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE (INDICATORS AND ACTION PLANS)

| PROGRAMME 8: TECHNICAL SUPPORT AND DEPARTMENT FINANCE PROGRAMME MANAGEMENT | | |
|--|---|---|
| INDICATOR | DEVIATION | ACTION PLAN |
| Establishment of gtac as a centre of excellence in public sector advisory services, transaction support, project management and public finance management | | |
| Number of technical advisory projects supported | Under-performance is attributed to this output being determined by user demand | The nature of the number of projects supported is demand led. Projects may increase within the next financial year, depending on needs base from departments and organs of state. |
| Local government financial management improvement | | |
| Number of municipalities and provincial treasuries assisted through MFIP II | Under-performance is attributed to the project being demand driven and a decline in the number of municipalities supported in Q4 as the asset management project was finalised in Q3. | No action plan required as MFIP III will commence in 2017/18 financial year. |
| Facilitation of employment creation and inclusive growth | | |
| Number of Jobs Fund projects approved (cumulative) | Under-performance is attributed to Agriculture funding round (5th call) not yielding the anticipated number of new projects. The assessment of the Innovation funding round (6th call) has been finalised and the Jobs Fund Investment Committee has approved 21 projects, taking the total approved to 125 projects. | It is envisaged that the 7th CFP will push the actual to above the target |
| New jobs contracted (cumulative) | Under-performance is attributed to project withdrawals post contracting. | It is envisaged that the overall target will be achieved upon finalisation of the 7th call for proposals. |
| Value of grant funding disbursed (cumulative) | | |
| IMPROVED INFRASTRUCTURE PLANNING, MANAGEMENT AND SKILLS DEVELOPMENT | | |
| Number of technical assistants (TAs) deployed to provide capacity for infrastructure development | Under-performance attributed to user demand | N/A |

CHANGES TO PLANNED TARGETS

There are no changes to planned targets for this reporting period.

PART B: PERFORMANCE INFORMATION - Continued

4. PERFORMANCE INFORMATION BY PROGRAMME

Linking performance with budgets

| PROGRAMME 8 | 2016/17 | | | | | | | 2015/16 | | |
|---|------------------------|-------------------|-----------------|---------------------|--------------------|----------------|---|---------------------|--------------------|------------------|
| | 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 | R'000 |
| Local Government Financial Management Support | 587 935 | - | - | 587 935 | 587 935 | - | 100.0% | 573 946 | 573 946 | 573 946 |
| Urban Development and Support | 913 014 | - | - | 913 014 | 873 855 | 39 159 | 95.7% | 884 195 | 848 285 | 848 285 |
| Employment Creation Facilitation | 769 853 | - | - | 769 853 | 698 238 | 71 615 | 90.7% | 996 863 | 749 518 | 749 518 |
| Government Technical Advisory Centre | 88 006 | - | - | 88 006 | 88 006 | - | 100.0% | 83 609 | 83 609 | 83 609 |
| Infrastructure Development Support | 253 880 | - | (22 051) | 231 829 | 230 398 | 1 431 | 99.4% | 217 356 | 216 888 | 216 888 |
| Total | 2 612 688 | - | (22 051) | 2 590 637 | 2 478 432 | 112 205 | 95.7% | 2 755 969 | 2 472 246 | 2 472 246 |

PART B: PERFORMANCE INFORMATION - Continued**5. TRANSFER PAYMENTS****5.1 TRANSFER PAYMENTS TO PUBLIC ENTITIES**

The table below reflects the transfer payments made for the period 1 April 2016 to 31 March 2017

| NAME OF PUBLIC ENTITY | SERVICES RENDERED BY THE PUBLIC ENTITY | AMOUNT TRANSFERRED TO THE PUBLIC ENTITY (R'000) | AMOUNT SPENT BY THE PUBLIC ENTITY (R'000) | ACHIEVEMENTS OF THE PUBLIC ENTITY |
|--|---|---|---|--|
| 1. Accounting Standards Board | Determine standards of generally recognised accounting practice | 12 517 | 12 962 | Refer to General Information Public Entities reporting to Minister |
| 2. Co-operative Banks Development Agency | Regulate, promote and develop co-operative banking, including deposit-taking and lending co-operatives. | 16 872 | 16 872 | Refer to General Information Public Entities reporting to Minister |
| 3. Financial and Fiscal Commission | Assist and maintain fiscal the balance between fiscal decentralisation and the unitary state | 44 839 | 43 205 | Refer to General Information Public Entities reporting to Minister |
| 4. Financial Intelligence Centre | Assist in in the identification of unlawful activities, and combating of money laundering activities, financing of terrorism and related activities | 256 372 | 306 495 | Refer to General Information Public Entities reporting to Minister |
| 5. Government Technical Advisory Centre | Support public finance management through professional advisory services, programme and project management and transaction support | 713 607 | 713 607 | Refer to General Information Public Entities reporting to Minister |
| 6. Independent Regulatory Board for Auditors | Registration of auditors and the regulation of the training of public accountants and auditors | 28 978 | 28 978 | Refer to General Information Public Entities reporting to Minister |
| 7. South African Revenue Service | Efficient and effective collection of revenue | 9 363 676 | 9 363 676 | Refer to General Information Public Entities reporting to Minister |

PART B: PERFORMANCE INFORMATION - Continued**5. TRANSFER PAYMENTS****5.2 TRANSFER PAYMENTS TO ALL ORGANISATIONS OTHER THAN PUBLIC ENTITIES**

The table below reflects the transfer payments made for the period 1 April 2016 to 31 March 2017

| NAME OF TRANSFEREE | TYPE OF ORGANISATION | PURPOSE FOR WHICH THE FUNDS WERE USED | DID THE DEPT. COMPLY WITH S 38 (1) (J) OF THE PFMA | AMOUNT TRANSFERRED (R'000) | AMOUNT SPENT BY THE ENTITY | REASONS FOR THE FUNDS UNSPENT BY THE ENTITY |
|---------------------------|---|---|---|-----------------------------------|-----------------------------------|--|
| Economic Research SA | Research programme which is being funded by the National Treasury | Promote research capacity in areas such as economic growth, job creation, macroeconomic stability, poverty alleviation, financial sector development etc. | Yes | 11 999 | 11 999 | Not applicable |

All transfer payments which were budgeted for, transfer payments were made.

PART B: PERFORMANCE INFORMATION - Continued**6. CONDITIONAL GRANTS****6.1 CONDITIONAL GRANTS AND EARMARKED FUNDS PAID**

The table below describes each of the conditional grants and earmarked funds paid by the department.

CONDITIONAL GRANT 1: INTEGRATE CITY DEVELOPMENT GRANT

| DEPARTMENT WHO TRANSFERRED THE GRANT | NATIONAL TREASURY |
|--|---|
| Purpose of the grant | To provide a financial incentive for metropolitan municipalities to achieve a more compact, inclusive, productive and sustainable urban spatial form. |
| Expected outputs of the grant | The eligible municipalities are expected to conduct: <ul style="list-style-type: none"> • Authorised studies/strategies. • Infrastructure projects; acquire land and implement projects in identified integration zones • Implement planned catalytic/strategic projects within identified integration zones |
| Actual outputs achieved | In the 25 integration that were planned in 2016/17 financial year, thirteen integration zones are at implementation phase and twelve are at planning phase. |
| Amount per amended DORA | R266.805 million |
| Amount received (R'000) | 266 805 |
| Reasons if amount as per DORA was not received | Not applicable |
| Amount spent by the department (R'000) | 266 805 was transferred to municipalities |
| Reasons for the funds unspent by the entity | In the third quarter R83 million constituting 31% of grant allocation was spent. The low expenditure was due to Buffalo City and Nelson Mandela municipality not incurring expenditure in the current financial year. |
| Reasons for deviations on performance | The reasons for deviations on the performance were due to delays in the procurement processes. It was also due to slow recruitment in some municipalities |
| Measures taken to improve performance | Existing contractors would be utilised to implement their planned projects. |
| Monitoring mechanism by the receiving department | Section 71 is utilised by the unit to monitor the municipalities' expenditure on a quarterly basis. The evaluation reports are used to assess municipalities' financial and non-financial performance. |

PART B: PERFORMANCE INFORMATION - Continued**6. CONDITIONAL GRANTS****CONDITIONAL GRANT 2: INFRASTRUCTURE SKILLS DEVELOPMENT GRANT**

| DEPARTMENT WHO TRANSFERRED THE GRANT | NATIONAL TREASURY |
|--|---|
| Purpose of the grant | To recruit unemployed graduates into municipalities to be trained and professionally developed, as per the requirements of the relevant statutory councils within the built environment. |
| Expected outputs of the grant | <p>Outputs</p> <ul style="list-style-type: none"> • Number of built environment graduates registered as candidates for training and professional development as per requirements of the relevant statutory councils • Number of graduates recognised as registered professionals by the relevant statutory councils • Number of graduates employed as registered professionals within the built environment in local government. |
| Actual outputs achieved | In quarter three, 264 graduates were still receiving training in the programme, of which 163 have successfully completed training and are registered as professionals, and 114 are permanently employed within municipalities and across other sectors. |
| Amount per amended DORA | R130.471 million |
| Amount received (R'000) | 130 471 |
| Reasons if amount as per DORA was not received | Not applicable |
| Amount spent by the department (R'000) | 130 471 was transferred to municipalities |
| Reasons for the funds unspent by the entity | Municipalities spent R19 million. Low expenditure was due to graduate's completing training. It was also due to slow recruitment in some municipalities as a result of the 2016 municipal elections and demarcation process and the overlap between the municipal and the national financial years. |
| Reasons for deviations on performance | Not applicable |
| Measures taken to improve performance | Not applicable |
| Monitoring mechanism by the receiving department | Municipalities are required to submit quarterly reports reflecting their financial and non-financial performance. |

PART B: PERFORMANCE INFORMATION - Continued**6. CONDITIONAL GRANTS****CONDITIONAL GRANT 3: NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT**

| DEPARTMENT WHO TRANSFERRED THE GRANT | NATIONAL TREASURY |
|--|--|
| Purpose of the grant | To provide spatially targeted capital funding of intergovernmental project pipelines, supporting and facilitating economic development opportunities in previously disadvantaged areas. |
| Expected outputs of the grant | 80% spend of allocated Capex funds at municipal yearend resulting in delivery of targeted infrastructure projects as per grant purpose. |
| Actual outputs achieved | 49% spend of allocated Capex funds as at April 2017 by recipient municipalities which have not yet reached financial year end (30 June 2017) |
| Amount per amended DORA | R646.209 million |
| Amount received (R'000) | 646.209 |
| Reasons if amount as per DORA was not received | Municipal underspend of funds previously transferred |
| Amount spent by the department (R'000) | 591 860 was transferred to municipalities, and 15 190 was spent by the department. |
| Reasons for the funds unspent by the entity | R 258.3 million was spent by municipalities which have not yet reached financial year-end (30 June 2017). Lack of capacity and poor compliance of business process at municipal level also contributed to the slow spending. |
| Reasons for deviations on performance | Transfers that will not result in municipal spend should be withheld. |
| Measures taken to improve performance | Development of the Baseline Management Process based on cash flows and associated timelines, including support for alignment |
| Monitoring mechanism by the receiving department | Actual spend measured against Baseline Management Cash flows |

PART B: PERFORMANCE INFORMATION - Continued**6. CONDITIONAL GRANTS****CONDITIONAL GRANT 4: LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT**

| DEPARTMENT WHO TRANSFERRED THE GRANT | NATIONAL TREASURY |
|--|--|
| Purpose of the grant | To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Act Management (MFMA). |
| Expected outputs of the grant | Implementation of reforms such as the internship programme, upgrading IT systems to deliver reports, producing multi-year budgets, implementing new supply chain reforms, accounting standards, production of financial statements, preparation of recovery plans when needed, improve audits, etc. |
| Actual outputs achieved | Funds were transferred to all 257 municipalities for implementation of various reforms. |
| Amount per amended DORA | R 465 264 million |
| Amount received (R'000) | 465 264 |
| Reasons if amount as per DORA was not received | Not applicable |
| Amount spent by the department (R'000) | 465 264 was transferred to municipalities |
| Reasons for the funds unspent by the entity | Municipalities spent R249.6 million. The municipal financial year is different to the national financial year. The 2016/17 municipal financial year commences in July and therefore municipalities have 3 additional months to spend the remaining funds (April, May and June). The slow spending was also attributable to the 2016 municipal elections and demarcation process. |
| Reasons for deviations on performance | Not applicable |
| Measures taken to improve performance | Not applicable |
| Monitoring mechanism by the receiving department | Municipalities are required to submit a support plan before the start of the new financial year detailing how the FMG funds will be utilised. Municipalities are required to submit their monthly reports within 10 working days after the end of each month as well as quarterly and annual performance reports within with time frames stipulated in the DoRA. |

6.2 CONDITIONAL GRANTS AND EARMARKED FUNDS RECEIVED

No conditional grants and earmarked funds were received.

PART B: PERFORMANCE INFORMATION - Continued**7. DONOR FUNDS****7.1 DONOR FUNDS RECEIVED****DONOR FUND: TECHNICAL ASSISTANCE FACILITY (TAF)**

| | |
|---|--|
| Name of donor | USAID |
| Full amount of the funding | R 2 000 000 |
| Period of the commitment | 2016-2017 |
| Purpose of the funding | Design, implementation and ad hoc support towards development cooperation projects |
| Expected outputs | Technical Assistance provided |
| Actual outputs achieved | Technical assistant funded for period of 8 months |
| Amount received in current period (R'000) | 241 |
| Amount spent by the department (R'000) | 241 |
| Reasons for the funds unspent | Not applicable |
| Monitoring mechanism by the donor | Reports |

DONOR FUND: TCOBAP (ODA II-ODA IV)

| | |
|---|---|
| Name of donor | European Union |
| Full amount of the funding | Euro 6 710 000 |
| Period of the commitment | 2010-2016 (72 months) |
| Purpose of the funding | Enhancement of ODA Management |
| Expected outputs | <ul style="list-style-type: none"> Enhanced implementation of ODA by the government; Improved capacity development in the public finance management sector across all three spheres of government; Improved skills in monitoring and evaluation of projects/programmes in line with the government's |
| Actual outputs achieved | Efficient and effective ODA management and co-ordination promoted |
| Amount received in current period (R'000) | 693 |
| Amount spent by the department (R'000) | 533 |
| Reasons for the funds unspent | The programme closed on 31/10/2016 |
| Monitoring mechanism by the donor | Reports |

PART B: PERFORMANCE INFORMATION - Continued**7. DONOR FUNDS****DONOR FUND: BELGIUM TECHNICAL COOPERATION (BTC)**

| | |
|---|---|
| Name of donor | Belgium Technical Cooperation (BTC) |
| Full amount of the funding | R300 000 |
| Period of the commitment | Sept 2014 until Dec 2016 |
| Purpose of the funding | Supporting SA's National Health Insurance Reform |
| Expected outputs | To attend international courses, workshops, study tours to obtain knowledge and valuable experience for the designing and implementation of National Health Insurance (NHI) for SA. |
| Actual outputs achieved | All of the above achieved, reports were submitted to BTC. NHI is not yet implemented as this is an on-going project. |
| Amount received in current period (R'000) | 520 |
| Amount spent by the department (R'000) | - |
| Reasons for the funds unspent | Agreement for use of funds was until end of Dec 2016. Time did not permit for further use of funds. |
| Monitoring mechanism by the donor | Financial reports as well as event reports were submitted after each event. |

DONOR FUND: EUROPEAN UNION (EU)

| | |
|----------------------------|--|
| Name of donor | European Union Capacity Building for Public Finance Management Programme in South Africa also referred to as Financial Management Improvement Programme III (FMIP III) |
| Full amount of the funding | EUR 20 000 000 |
| Period of the commitment | 24 May 2012 – 24 May 2018 with an additional 6 months close-out phase. |
| Purpose of the funding | The programme aims to develop Public Financial Management capacity of National, Provincial and Local government in order to contribute to improved financial performance of the government of South Africa. |
| Expected outputs | For the reporting period, the Programme Coordinating Unit (PCU) housed within the Office of the Accountant-General: Capacity Building overseeing and managing the implementation of the programme planned to: <ul style="list-style-type: none"> • Pilot a Supply Chain Management Certificate Learnership at NQF level 5 consisting of 152 credits with 8 unit standards in two provinces namely Western Cape and KwaZulu-Natal for a total of 40 employed learners (20 per province) who hold various positions in middle to lower level management in Supply Chain Management; • Develop a Risk Management eLearning Tool and DVD; • Continue the management of the International Technical Assistance Team assisting National Treasury in implementing numerous activities for the programme. |

PART B: PERFORMANCE INFORMATION - Continued

7. DONOR FUNDS

| | |
|---|---|
| <p>Actual outputs achieved</p> | <p>The Programme Coordinating Unit (PCU) managed to achieve:</p> <ul style="list-style-type: none"> • Complete the pilot for the Supply Chain Management Certificate Learnership in the two provinces (Western Cape and KwaZulu-Natal) with a graduation ceremony held for the learners on the 8th of March 2017. • Complete the implementation of over 20 activities actioned by the International Technical Assistance Team assisting the PCU in the delivery of the programme. Highlights include: A Health Sector Review in KwaZulu-Natal and Western Cape; Review of the MFMA Regulatory Framework; Development of an eLearning programme for GRAP; Assistance in drafting of the new procurement Bill and roll-out of various training programmes for officials in the provinces on Strategic Planning; Asset management; Standard Charts of Account (SCOA). |
| <p>Amount received in current period (R'000)</p> | <p>10 904</p> |
| <p>Amount spent by the department (R'000)</p> | <p>5 984</p> |
| <p>Reasons for the funds unspent</p> | <p>The PCU struggled to find suitable candidates to fill key director level positions namely the PFM, Supply Chain Management and Risk Management expert positions for the unit due to a lack of public financial management skills in the country. However, significant progress has been made to fill these key positions with the Risk Management expert having joined the unit on 1 February 2017. Subsequently, the PFM expert position was also filled although after the period under review.</p> |
| <p>Monitoring mechanism by the donor</p> | <p>In terms of Financing Agreement and the Governance Framework (PRAG) of the European Union, the imprest administrator of National Treasury must draw up and submit interim implementation reports and a comprehensive final implementation report to the delegation for the programme. The reports are used to monitor the implementation progress of the programme by the delegation. Accordingly, National Treasury drew up and endorsed the following reports in the period under review for the programme;</p> <ul style="list-style-type: none"> • Progress Report as at 28 July 2016 • Progress Report as at 22 November 2016 • Progress Report as at 23 February 2017 • Annual Report for period 01 July 2015 – 30 June 2016 (financial year for the programme) <p>The donor representative attends the bimonthly FMIP III project meetings as well as the quarterly Capacity Building Steering Committee meetings.</p> |

PART B: PERFORMANCE INFORMATION - Continued**7. DONOR FUNDS****DONOR FUND: GOVERNMENT OF FLANDERS**

| | |
|---|---|
| Name of donor | Government of Flanders |
| Full amount of the funding | R 27 Million (in cash) over 5 year period. |
| Period of the commitment | 2012 – 2016 |
| Purpose of the funding | <ul style="list-style-type: none"> • Lay the groundwork for future project design and implementation in South Africa, both within and beyond the framework of South Africa – Flanders cooperation; • Build technical and managerial capacity within strategic and operational project partners, in order to implement projects more effectively; and • Compile and share lessons learned through Flanders-funded projects implemented in South Africa. |
| Expected outputs | <p>Over the 5 year implementation period:</p> <ul style="list-style-type: none"> • A number of projects completed in the fields of smallholder farming, social economic or social enterprise or employment creation. • A number of capacity building initiatives completed. • A number of case studies or knowledge sharing seminars completed. |
| Actual outputs achieved | <p>Over the 5 year period of the project, the following were the actual outputs:</p> <ul style="list-style-type: none"> • 22 projects completed in the area of smallholder farming, social economic or social enterprise or employment creation • 2 Capacity Building projects completed • 5 case studies completed and 2 knowledge-sharing colloquiums held. |
| Amount received in current period (R'000) | 5 060 |
| Amount spent by the department (R'000) | 4 910 |
| Reasons for the funds unspent | <p>These unspent funds are as a result of:</p> <ul style="list-style-type: none"> • Interest earned in the RDP • Returns of unspent funds from some of the project beneficiaries. |
| Monitoring mechanism by the donor | <p>The donor monitored the progress of the project through:</p> <ul style="list-style-type: none"> • A mid-term evaluation performed by an independent external evaluator; • Review and endorsement of the semi-annual and annual narrative and financial reports; • Being part of the Project Steering Committee that met on a quarterly basis. |

PART B: PERFORMANCE INFORMATION - Continued**7. DONOR FUNDS****DONOR FUND: AFRICAN FISCAL FORUM**

| | |
|---|---|
| Name of donor | GBS |
| Full amount of the funding | R12,5 million |
| Period of the commitment | 2015/16 to 2016/17 |
| Purpose of the funding | An assessment of the strength of Public Financial Management (PFM) in provinces using the PEFA methodology |
| Expected outputs | An assessment of the strength of Public Financial Management (PFM) in provinces using the PEFA methodology. Nine provincial PEFA reports produced. |
| Actual outputs achieved | All nine provincial and one consolidated reports were produced and delivered to National Treasury. |
| Amount received in current period (R'000) | 1 560 |
| Amount spent by the department (R'000) | 1 196 |
| Reasons for the funds unspent | The reports are still being edited by the service provider so that they can be published on National Treasury and PEFA website. The remaining funds will be utilised to pay the service provider. |
| Monitoring mechanism by the donor | Regular reporting |

DONOR FUND: EU - GENERAL BUDGET SUPPORT PROGRAMME

| | |
|---|---|
| Name of donor | EU - General Budget Support Programme |
| Full amount of the funding | R25 000 000 |
| Period of the commitment | 2014 - 2017 |
| Purpose of the funding | To support the development and implementation of a unified and consistent financial classification framework for all 278 municipalities in the form of a standard chart of accounts for local government. |
| Expected outputs | A Standard Chart of Accounts for local government is developed and piloted in selected municipalities. |
| Actual outputs achieved | The final mSCOA chart version 6.1 has been handed-over, and the pilot phase officially completed. |
| Amount received in current period (R'000) | 3 442 |
| Amount spent by the department (R'000) | 1 332 |
| Reasons for the funds unspent | Project was put on hold during November 2016 pending review of the project expenditure |
| Monitoring mechanism by the donor | Regular reporting |

PART B: PERFORMANCE INFORMATION - Continued**7. DONOR FUNDS****DONOR FUND: EU - CITY SUPPORT PROGRAMME**

| | |
|---|---|
| Name of donor | General Budget Support Programme |
| Full amount of the funding | R60 000 000 |
| Period of the commitment | 2013/14 - 2015/16 |
| Purpose of the funding | To support the implementation of the Cities Support Programme. |
| Expected outputs | Interventions within the Cities Support Programme implemented. |
| Actual outputs achieved | - |
| Amount received in current period (R'000) | 2 860 |
| Amount spent by the department (R'000) | - |
| Reasons for the funds unspent | The amount of R2.860 million was the remainder from the original R60 million budget and will be surrendered because the period for this programme has also expired. |
| Monitoring mechanism by the donor | Regular reports |

DONOR FUND: TECHNICAL ASSISTANCE FACILITY (TAF)

| | |
|---|--|
| Name of donor | USAID |
| Full amount of the funding | R 2 000 000 |
| Period of the commitment | 2016-2017 |
| Purpose of the funding | Design, implementation and ad hoc support towards development cooperation projects |
| Expected outputs | Technical assistance provided |
| Actual outputs achieved | Technical assistant funded for period of 8 months |
| Amount received in current period (R'000) | - |
| Amount spent by the department (R'000) | 240 |
| Reasons for the funds unspent | No new funding deposited by donor because the funding was originally from the closed USAID projects and were spent as agreed by USAID. |
| Monitoring mechanism by the donor | Reports |

DONOR FUND: BELGIUM - SCHOLARSHIP FUND

| | |
|---|--|
| Name of donor | Belgium |
| Full amount of the funding | Euro 14 182 |
| Period of the commitment | 2014-2015 (72 months) |
| Purpose of the funding | Funding of Master's Degree in Development Finance at Stellenbosch University |
| Expected outputs | Master's degree completed |
| Actual outputs achieved | 7 officials completed their degrees |
| Amount received in current period (R'000) | 7 |
| Amount spent by the department (R'000) | 7 |
| Reasons for the funds unspent | The programme closed on 31/12/2015 |
| Monitoring mechanism by the donor | Reports |

PART B: PERFORMANCE INFORMATION - Continued

8. CAPITAL INVESTMENT

8.1 CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

No capital investment was incurred during the 2016/17 financial year.



2016/17

NATIONAL TREASURY

Annual Report

PART C

GOVERNANCE



national treasury
Department
National Treasury
REPUBLIC OF SOUTH AFRICA

PART C: GOVERNANCE

1. INTRODUCTION

National Treasury is committed to continuously strengthen compliance, manage risks and uphold good governance within the risk, control and governance environment. This is fundamental to the management of public finance and the assurance that the utilisation of National Treasury resources is effective, efficient and realises optimum value for money. This in turn further enables National Treasury to deliver on its mandate with an accessible, service-centered and solutions orientated delivery approach.

2. RISK MANAGEMENT

In terms of section 38(1) of the Public Finance Management Act 1999, (Act No. 1 of 1999) (as amended) (PFMA), the Accounting Officer must ensure that the department develops and maintains effective, efficient and transparent systems of financial and risk management and internal control. The National Treasury established a risk management committee on 19 September 2002 and subsequently approved the terms of reference on 27 February 2003.

In the 2016/17 financial year the NT reconfigured the risk management committee into a risk committee (RC), consisting of members at the appropriate level in the NT management and a new risk committee chairperson has been appointed.

In order to improve the maturity level of risk management from its current level three out of the maximum maturity level of four, the NT initiated the integration of risk management processes to be aligned with the strategic planning process. The NT also performs quarterly risk assessments which are submitted, together with new and emerging risks, to the risk committee, and then reported in the audit committee meetings.

3. FRAUD AND CORRUPTION

The National Treasury has established an anticorruption capability that focuses on three elements of anti-fraud and anticorruption measures namely prevention, detection and enforcement.

Prevention measures entail all applicants, following an interview, being pre-screened before an appointment is made. All NT employees are required to be vetted, and all senior management and designated employees are obliged to disclose their financial interests annually.

The National Treasury provides for a confidential whistle blowing platform that enables any member of staff to report suspected fraud and corruption. The anticorruption unit also runs an anticorruption awareness campaign annually to make staff aware of the malady, and entrench a culture of anti-fraud and anticorruption practices.

The NT has established a case management register where reported and known corruption cases are recorded and monitored. Once a corruption case is reported, the anticorruption unit performs a preliminary investigation followed by a referral for further investigation where appropriate. In addition, progress in respect of cases that have been referred by the presidential hotline is reported, quarterly, to the Public Service Commission.

4. MINIMISING CONFLICT OF INTEREST

The implementation of the 2016 Public Service Regulations, in August 2016, brought about the prohibition of employees to do business with any organs of state, or of being a director of a public or private company conducting business with an organ of state. A process was put in place that required employees to either withdraw from such practices or to resign from public service. An electronic submission of financial disclosure was also introduced, and various new areas were introduced for disclosure. These new measures assist departments to raise awareness of possible conflict of interest for employees and to avoid them. The National Treasury continues to raise awareness and to coach and guide employees on how to avoid conflicts of interest. Where such interests are identified employees are engaged with and, where appropriate, standard disciplinary steps are taken in terms of the disciplinary code and procedure of the Public Service.

5. CODE OF CONDUCT

The code of conduct acts as a guideline to employees as to what is expected of them from an ethical point of view, both in their individual conduct and in their relationship with others. It provides guidelines in their relationship with the legislature, political and executive office bearers, other employees and members of the public. It spells out the spirit in which employees should perform their duties, what should be done to avoid conflicts of interests, and what is expected of them in terms of their personal conduct in public and private life. Compliance with the code enhances professionalism and helps to ensure confidence in the public service. The National Treasury builds a culture that encourages employees to think and behave ethically, by providing training and awareness through induction sessions, and employee relations capacity building sessions. These information and awareness sessions are conducted continuously to remind and reinforce ethical conduct by employees at all times.

Standard disciplinary steps are taken in terms of the disciplinary code and procedure of the Public Service if employees are in breach of the code of conduct.

6. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The National Treasury is committed to good management of safety, health and environmental factors affecting the department.

The National Treasury has a designated official responsible for safety, health, environmental, risk and quality (SHERQ) management. The SHERQ official is responsible to operationalise functions of the existing health and safety committee. Each business function has designated health and safety officials that are trained to manage health safety related priorities.

PART C: GOVERNANCE - Continued

The National Treasury continuously strengthens safety, health environment, risk identification and mitigation by:

- Improved communication with staff;
- Improved bulk text message communication when emergencies arise; and
- The establishment of a security forum with the City of Tshwane to co-ordinate crime prevention strategies.

Employees are encouraged to manage a healthy balance between work and their wellbeing by having regular health screenings provided by the NT at the onsite wellness clinic.

7. PORTFOLIO COMMITTEES

| PARLIAMENTARY COMMITTEES | | |
|---|--|--|
| DATE OF MEETING | MATTERS RAISED BY PARLIAMENTARY COMMITTEE | HOW NATIONAL TREASURY HAS ADDRESSED THESE MATTERS |
| Standing Committee on Finance (SCoF) | | |
| 6 April 2016 | National Treasury on its 2016 Strategic and Annual Performance plan | Matters addressed as presented at the meeting and subsequent responses to follow up questions. |
| 11 May 2016 | Chief Procurement Officer’s progress and new projects report | Records available from the Committee secretariat or on request from NT. |
| 17 May 2016 | SARS Commissioner & National Treasury on 2016 results on its role in building capacity in other parts of government, and especially the municipalities | |
| 25 May 2016 | Illicit Financial Flows, Base Erosion & Profit Sharing, Panama Papers: Treasury, SARB, Financial Intelligence Centre, SARS inputs | |
| 31 August 2016 | Financial Sector Regulation “Twin Peaks” Bill, JSE submission & deliberations; Land Bank board nomination | |
| 20 September 2016 | Progress report and preliminary financial results: South African Airways briefing | |
| 11 October 2016 | Employment Tax Incentive and Learnership Incentive; Taxation Laws Amendment Bill and Tax Administration Laws Amendment Bill Workshop | |
| 29 November 2016 | Davis Tax Committee briefing | |
| 7 December 2016 | FICA Amendment Bill referral, briefings; Financial Sector Regulation Bill, omission | |
| 15 February 2017 | Mandatory Audit Firm Rotation: public hearings; FICA Bill: proposed amendments | |
| 23 February 2017 | Budget 2017: Parliamentary Budget Office & Financial and Fiscal Commission briefing | |
| 28 March 2017 | 2017 Budget: Minister of Finance briefing | |

PART C: GOVERNANCE - Continued

| PARLIAMENTARY COMMITTEES | | |
|--|---|--|
| DATE OF MEETING | MATTERS RAISED BY PARLIAMENTARY COMMITTEE | HOW NATIONAL TREASURY HAS ADDRESSED THESE MATTERS |
| Standing Committee on Appropriations (SCoA) | | |
| 15 Mar 2016 | Division of Revenue Bill: adoption of Committee Report Division of Revenue Bill: public hearings | Matters addressed as presented at the meeting and subsequent responses to follow up questions. Records available from the Committee secretariat or on request from NT.- |
| 12 April 2016 | National Treasury on its 3rd Quarter 2015/16 performance | |
| 13 April 2016 | Progress with its efficiency drives: Office of the Chief Procurement Officer briefing | |
| 06 May 2016 | Appropriation Bill: briefing by National Treasury | |
| 23 August 2016 | National Treasury on its 4th Quarter 2015/16 & 1st Quarter 2016/17 performance | |
| 15 September 2016 | National Treasury Jan-Jun 2016 performance hearing | |
| 10 March 2017 | Division of Revenue Bill: National Treasury & Financial and Fiscal briefing | |
| 13 Mar 2017 | Division of Revenue Bill: public hearings | |
| 14 Mar 2017 | Committee Report on 2017 Division of Revenue Bill | |
| Select Committee on Finance (SeCoF) | | |
| 20 May 2016 | Financial Intelligence Centre Amendment Bill briefing ; North West Provincial Treasury on its 3rd & 4th 2015/16 Quarter performance | Matters addressed as presented at the meeting and subsequent responses to follow up questions. Records available from the Committee secretariat or on request from NT. |
| 24 Aug 2016 | Financial Sector Regulation Bill: National Treasury briefing | |

8. SCOPA RESOLUTIONS

There were no SCOPA resolutions adopted in financial year 2016/17.

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

The Accounting Officer approves the audit action plan. This is intended to establish a road map for addressing audit findings raised by the external auditors and to define internal control measures that will be put in place to prevent the recurrence of these findings in the future. Thereafter, an audit findings' register is established to track progress made on resolving the findings on a monthly basis.

PART C: GOVERNANCE - Continued

In addition, follow-up meetings are held quarterly to resolve any bottlenecks, in particular on the audit findings that have not met the deadline for resolution. This is done to ensure that there is adequate follow through and finalisation of the corrective measures within the agreed timelines.

The status of each audit finding in the register is presented to the audit committee for review every quarter. From time to time the audit committee will instruct internal audit to provide independent confirmation that the findings are resolved as indicated by management.

| NATURE OF QUALIFICATION, DISCLAIMER, ADVERSE OPINION AND MATTERS OF NON-COMPLIANCE | FINANCIAL YEAR IN WHICH IT FIRST AROSE | PROGRESS MADE IN CLEARING/ RESOLVING THE MATTER |
|--|--|--|
| Performance targets were found to be lacking in respect of the measurability. Performance indicators were not clearly defined. Technical indicator descriptions were either not adequate, or not adequately aligned, to performance targets. | 2013/14 | Significant strides were taken to strengthen the performance planning and reporting function in the department, including supplementing the capacity of the unit and alignment of the performance reporting system with the DPME performance measuring requirements and the NT performance management process. Engagements with the internal audit unit and DPME are also taking place. It is envisaged that this will yield further results in the APP 2017/18 process to resolve all the audit matters raised. |
| Misstatements in the annual financial statements. | 2015/16 | Monthly reconciliations are performed on all control accounts. Checking and verification is done by senior management before sign off by the CFO. Collaboration with key role players that contribute in the preparation of financial statement disclosures is undertaken to ensure completeness and accuracy. Formal reviews of financial statements are performed at different management levels, including the audit committee, before submission for approval. |
| Non-compliance with the normal supply chain management processes and procedures as prescribed in relevant regulations. | 2015/16 | A revised process has been implemented and meetings of BSC are taking place as scheduled. No limited bidding process is undertaken without a market analysis except where it is impractical to do so. In such cases, reasons are recorded and approved by a properly delegated official. |

10. INTERNAL CONTROL UNIT

In the period under review, the internal control unit continued with the coordination of the control activities within the department to promote efficiency, reduce the impact and likelihood of identified risks, and assisted in ensuring the reliability of financial statements and compliance with laws and regulations. Information and communication technology, as well as supply chain management related policies were reviewed and approved by the governance review committee that was established by the Accounting Officer to improve efficiency and ensure compliance with laws and regulations in these high risk areas.

PART C: GOVERNANCE - Continued

The audit action plan to address internal control weaknesses identified by the auditors was approved by the Accounting Officer and implemented to curb repeat audit findings which culminated in more than an 80 per cent resolution of the audit findings. Significant strides were made in ensuring compliance with laws and regulations by continuously implementing rigorous preventative, investigative and corrective internal control measures to address and report cases of non-compliance and deviations from the normal processes and procedures of the department.

The internal control unit will continue to improve and enhance its processes to achieve effective ways to better control operations and to help ensure that organisational objectives related to operations, reporting, and compliance are achieved.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

Internal auditing is an independent and objective assurance and consulting activity that is guided by a policy of adding value to improve the operations of the National Treasury, Co-operative Banks Development Agency (CBDA), Government Technical Advisory Centre (GTAC), the Accounting Standards Board (ASB) and Programme 7. It assists the National Treasury, CBDA, GTAC, ASB and Programme 7 in accomplishing their objectives by bringing a systematic and disciplined approach (an annual and three-year rolling risk based audit plan) to evaluate and improve the effectiveness of the organisations' governance, risk management and internal control.

Internal audit implemented its annual risk-based audit plan for 2016/17 as part of the three-year rolling plan about which management was consulted, and approved by the National Treasury audit committee. Forty three audits were planned for 2016/17. In line with management's request, and with the approval of the audit committee, two of the planned audits were postponed to the next financial year (2017/18), resulting in 41 planned audits taking place. An additional 16 ad hoc engagements brought the total number of audits to 57, all of which were conducted within the predetermined timeframes. This represents a 95 per cent completion of the approved 2016/17 audit plan.

All audit engagements and other work of internal audit were executed in accordance with the International Professional Practice Framework of Internal Audit, issued by the Institute of Internal Auditors.

The audit committee is established as a statutory committee in terms of section 38(1)(a)(ii) of the PFM and Treasury Regulation 3.1.13. The committee performs an oversight and advisory role to the National Treasury and is accountable to the Accounting Officer, Executive Authority and the public to properly consider and evaluate all matters as per its terms of reference.

The purpose of the committee is to assist the Executive Authority in fulfilling its oversight responsibilities and the Accounting Officer in executive duties regarding the financial reporting process, the management of risk, the system of internal control, the audit process, and the department's process for monitoring compliance with laws, regulations and the code of conduct. The committee also has a primary responsibility to the public to form an opinion on the effectiveness of those issues within its ambit, and communicates this in the annual report in terms of the Treasury Regulations.

Refer to tables on pages 185 to 187.

12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2017.

Background

- The audit committee is established as a statutory committee in terms of section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13.
- The committee has adopted formal terms of reference as its audit committee charter and has fulfilled its responsibilities for the year, in compliance with said terms of reference.

Membership and attendance

- The committee consists solely of independent members who are financially literate and have appropriate experience.
- The committee met nine times during the year.
- The following is a list of the members, their qualifications and a record of their attendance:

| NAME OF MEMBER | QUALIFICATIONS | APPOINTMENT DATE | NUMBER OF MEETINGS ATTENDED |
|----------------------------------|---|--|-----------------------------|
| Mr Joe Lesejane (Chairperson) | Chartered Accountant (SA), Fellow Chartered Management Accountant (UK), B.Com, B.Compt (Hons) and Certificate in Control Self-Assessment (CCSA), Chartered Director (SA) | 1 February 2013 – 30 November 2016 | 2 of 9 |
| Ms Octavia Matloa* | Chartered Accountant (SA), B. Com (Hons) and CTA | 1 July 2013 | 9 of 9 |
| Mr Ameen Amod | MBA (UCT), B. Com (UNISA), Certificate in Internal Audit (CIA - IIA), Certified Government Auditing Professional Auditor (CGAP – IIA) and Certification in Risk Management Assurance (CRMA – IIA), Chartered Director (IoDSA) | 1 July 2015 | 9 of 9 |
| Ms Anna Badimo | B.Sc Computer Science B.Sc Hons Computer Science MBA, MSC, CISM, CGEIT, Cobol Programming Diploma, Project Management Diploma, F Inst D (IoDSA) | 1 July 2015 | 9 of 9 |
| Ms Berenice Francis | Certification in Control Self-Assessment (CCSA), Certified Internal Auditor (CIA), B.Compt (Hons) and B.Com Accounting | 1 August 2013 – 31 July 2016 | 2 of 9 |
| Mr Brandon Furstenburg | Master of Science (MSc) in Financial Management, Master of Commerce (MCom) in Economics, BCom Hons, Bcom and FAIS exams: RE1, RE3 & RE5 | 1 June 2016 | 6 of 9 |

PART C: GOVERNANCE - Continued

| NAME OF MEMBER | QUALIFICATIONS | APPOINTMENT DATE | NUMBER OF MEETINGS ATTENDED |
|---------------------|--|------------------|-----------------------------|
| Mr Charl de Kock | Masters in IT Auditing, Honours degree in Accounting, Certified Information Systems Auditor (CISA), Certified Internal Auditor(CIA), South African Institute of Professional Accountants (SAIPA) | 1 February 2017 | 1 of 9 |
| Mr Luyanda Mangquku | Chartered Accountant (SA), Masters in Business Leadership, Honours Bachelor of Accounting and Honours Bachelor of Commerce, Advanced Company Law I & II | 1 July 2015 | 9 of 9 |

** Ms Octavia Matloa became Chairperson on 18 April 2016.*

The Audit Committee's Responsibilities

The Committee, in conjunction with the Risk Committee is satisfied that it has discharged its responsibilities in assisting the Accounting Officer with the following activities:

- The safeguarding of assets, the operation of adequate systems, control and reporting processes: and the preparation of accurate reporting and financial statements in compliance with the applicable legal requirements and accounting standards.
- Overseeing the activities of, and ensuring coordination between, the activities of internal and external audit.
- Providing a forum for discussing enterprise wide risks relating to financial, performance and regulatory exposures, and monitoring controls designed to minimise these risks.
- Reviewing the department's quarterly financial and performance information, annual report, including the annual performance information and annual financial statements, and any other public reports or announcements containing financial and non-financial information.
- Receiving and dealing with any complaints concerning the accounting practices, internal and external audit or the content and audit of its financial statements and performance reports, or related matters.
- Annually reviewing the Committee's work and charter; and making recommendations to the Accounting Officer to ensure the Committee's effectiveness.

Risk Management

- Management is responsible for the establishment and maintenance of an effective system of governance, risk management, the prevention and detection of fraud and internal controls.
- Internal audit was guided by the consolidated risk profile, critical audit areas and management's inputs in the formulation of its three-year strategic and annual plans.
- The department has a Risk Committee which is chaired by an independent member who reports directly to the Audit Committee.
- Due to a number of internal challenges which are in the process of being addressed the risk committee met three times and is currently in a process of properly setting up its governance structures to ensure that it functions effectively.
- A risk register is updated annually to ensure that all the major risks including emerging risks facing the department are effectively managed and the recent one was updated in the first quarter of 2017/18 financial year.

PART C: GOVERNANCE - Continued**Internal Audit**

The Committee approved a risk based three year rolling strategic internal audit plan and an annual audit coverage plan for the period 1 April 2016 to 31 March 2019 covering the following key audit activities:

| TYPE | TOTAL PLANNED AUDITS | TOTAL COMPLETED |
|------------------------------|----------------------|------------------|
| Regularity audit | 18 | 17 (94%) |
| Compliance audit | 3 | 3 (100%) |
| Performance audit | 8 | 7 (88%) |
| Information technology audit | 14 | 14 (100%) |
| Total planned audits | 43 | 41 (95%) |
| Postponed audits | 2 | 2 (100%) |
| Ad hoc audits | 16 | 16 (100%) |
| Total | 57 | |

The Committee reviewed all the Internal Audit reports and is satisfied:

- With the activities of the Internal Audit function, including its annual work programme, co-ordination with the External Auditors, the reports of significant investigations and the responses of management to specific recommendations.
- That Internal Audit conducted its work in accordance with the standards set by the Institute of Internal Auditors.
- With the implementation of improvement actions that were recommended during the external quality assurance review which the Internal Audit function underwent in the 2014/15 financial year, which gave them the general conformance rating in terms of their operations in compliance with the definition of Internal Auditing, International Standards for The Professional Practice of Internal Audit (ISPPA) and the Code of Ethics.

Accounting and Auditing Concerns Identified by Internal Audit

There are no accounting concerns that have been noted and brought to our attention; and all the auditing concerns which were brought to our attention were satisfactorily resolved by management and the Accounting Officer.

Other Identified Concerns

The Committee:

- Identified significant control weaknesses in the IFMS project control environment; management has initiated measures to deal with them; and we have initiated a forensic investigation to deal with the findings.
- Noted that despite progress made to achieve the set project milestones the IFMS project is still running behind schedule. Management is implementing measures to accelerate completion of the project.
- Identified significant challenges within the department's IT environment. These are receiving urgent attention. A detailed and independent end to end evaluation of the IT environment was completed by an independent service provider; and management is currently implementing the recommended remedial measures.
- The lack of controls to adequately and effectively mitigate the risks associated with the administration of Programme 7 (special pensions) using the CIVPEN system.

PART C: GOVERNANCE - Continued

Other than these matters, nothing significant has come to our attention to indicate any material breakdown in the functioning of controls, procedures and systems.

The Committee is therefore of the opinion that Internal Audit is independent, provided objective assurance and consulting activities that were designed to add value and improve the department's operations.

The Adequacy, Reliability and Accuracy of the Financial and Performance Information

The Committee is of the opinion, based on the information and explanations provided by management as well as the results of audits performed by the Internal Auditors, and the Auditor-General, that the financial and performance information provided by management to users of such information is adequate, reliable and accurate.

External Audit

- The Committee has reviewed the independence and objectivity of the External Auditors.
- The External Auditors attended nine meetings of the Committee.
- The Committee also had seven in-camera meetings with the External Auditors and we are satisfied that there are no unresolved issues of concern.
- The Committee reviewed and accepted the External Audit Report and all the accounting and auditing concerns were discussed with management.
- All identified major concerns were brought to the Accounting Officer's attention.
- The Committee did not identify any major concerns which warranted to be reported to the Accounting Authority and the Auditor-General.

The Effectiveness of Internal Controls

The Committee:

- Considered all the reports issued by the various assurance providers e.g. internal and external auditors.
- Noted management's actions in addressing identified control weaknesses and is satisfied with the following achievements reported during the year:

| ASSURANCE PROVIDER | TOTAL FINDINGS | RESOLVED FINDINGS | UNRESOLVED FINDINGS |
|--------------------|----------------|-------------------|---------------------|
| Internal audit | 237 | 136 | 101* |
| External audit | 39 | 22 | 17 |

** Included in the 101 are 52 findings that have not reached the agreed due date for management's implementation of remedial action.*

- We also noted findings raised by both internal and external auditors around performance information which management is addressing.
- In light of the above we report that the system of internal control for the period under review is considered to have been generally effective.

Compliance with Legal and Regulatory Provisions

The Committee has:

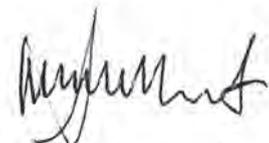
- Reviewed the in-year management and quarterly reports submitted in terms of the PFMA and DoRA and is satisfied that no material deviations were noted.
- Noted management's policies and procedures to ensure compliance with applicable laws and regulations.
- Concerns with the department's non-compliance to some of the legislative requirements as reflected in the audit report.

Evaluation of Financial Statements and Annual Report

The Committee has evaluated the annual financial statements and performance information for the year ended 31 March 2017 and duly recommended them for the Accounting Officer's approval prior to being submitted to the Auditor-General for audit.

The Committee reviewed the Auditor-General's management and audit reports and concurs with their conclusions. The Committee therefore accepts the audit opinion and conclusion expressed by the External Auditors on the annual financial statements, annual performance report and annual report.

We would like to express our appreciation to the former and current Directors-General, Mr Lungisa Fuzile and Mr Dondo Mogajane, for their leadership and support, and to Internal Audit and management for their commitment and achievement of the unqualified audit opinion.



Ms Octavia M Matloa

Chairperson

08 September 2017



2016/17

NATIONAL TREASURY

Annual Report

PART D

HUMAN RESOURCE MANAGEMENT



national treasury
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REPUBLIC OF SOUTH AFRICA

PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

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

2. OVERVIEW OF HUMAN RESOURCES

2.1 STATUS OF HUMAN RESOURCES IN THE DEPARTMENT

In the last financial year the vacancy rate decreased to 1.1% compared to 9.0% in 2015/16 financial year. This has been as a result of the implementation of the ceiling on compensation of employees introduced by the Budget Office.

In response to the ceiling, a moratorium on filling of positions was introduced in the department, resulting in unfunded vacant posts. In an effort to keep employees engaged, the department implemented the rotation of employees and also encouraged employees to act in vacant unfunded positions for exposure and development. The turnover rate for the period was 11.5%. The rotation of employees and acting in higher positions ensured that the department has diverse set of skills. 6 Interns were absorbed into permanent positions during the last financial year. The department's retention framework has been developed to support the identification and retention of key skills.

The employment equity statistics at the end of the financial year were with respect to persons with disabilities 1.07% and women at SMS level 47.24%. The main challenge experienced in recruiting persons with disabilities was in the Senior Management Service (SMS) cadre.

There was an increase in awareness and utilisation of the Department's Employee Health and Wellness (EHW) Programme.

2.2 HUMAN RESOURCE PRIORITIES FOR THE YEAR UNDER REVIEW

The following were priorities for the year under review:

- Employee Engagement - to ensure improved staff morale
- Talent Acquisition - through prioritisation of posts in line with critical and core needs
- Talent Development and Retention – that facilitates reduced turnover rate and skills gaps including improved leadership capability
- Human Resources Information Management – that ensures improved efficiency in HR processes and decision making

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

The department has a Human Resources Plan for 2014/2017 which will expire in June 2017. All positions in the department are advertised to encourage transparency and fair competition. Both the newspapers and DPSA vacancy circulars are used to advertise vacant positions. Where necessary, headhunting was conducted for key positions to attract experienced, skilled officials when the standard recruitment process failed to deliver suitable candidates. The department also has an approved Recruitment Policy.

PART D: HUMAN RESOURCE MANAGEMENT - Continued**2. OVERVIEW OF HUMAN RESOURCES****2.4 EMPLOYEE PERFORMANCE MANAGEMENT**

The department has an approved Performance Management and Development Policy for all staff. 93% of SMS members entered into performance agreements for the period. SMS members who did not sign performance agreements will not be eligible for any reward. The performance evaluations for 2015/16 were concluded and the outcome of the assessments was communicated to staff in the second quarter of the financial year. The department received 7 cases of grievances against the final results of the annual performance assessments. Performance improvement plans for nonperformers are being monitored.

2.5 EMPLOYEE HEALTH AND WELLNESS PROGRAMME

The Employee Health and Wellness (EHW) programme is fully operational in the department. 864 employees have undergone health risk assessments in the last year. Employees in the department as well as their immediate family members have access to 24 hour counselling services (telephonic and or face to face).

2.6 ACHIEVEMENTS AND CHALLENGES FACED BY THE DEPARTMENT**Achievements**

- Department was able to reduce its vacancy rate from 123 in 2015/16 to 13 in 2016/17
- The turnover rate reduced from 157 in 2015/16 to 140 in 2016/17
- Six interns absorbed into permanent positions
- EHW programmes implemented in the department
- Improvement in representation of females in SMS from 46.34% in the previous financial year to 47.24%, 3% in this reporting period
- Training of staff is being undertaken in line with the Work Place Skills Plan of the department

Challenges

- Limited employee engagement initiatives
- Implemented ceiling on compensation of employees
- Implementation of the 2016 Public Service Regulations

2.7 FUTURE HUMAN RESOURCE PLANS/GOALS

- Enhance employee engagement initiatives
- Enhance talent acquisition that is aligned to the Departmental strategic objectives
- Improved talent management initiatives
- Improved compliance to the legislative framework
- Implementation of human resources information management to ensure improved efficiency in HR processes and decision making

PART D: HUMAN RESOURCE MANAGEMENT - Continued**3. HUMAN RESOURCES OVERSIGHT STATISTICS****3.1 PERSONNEL RELATED EXPENDITURE****Table 3.1.1 Personnel expenditure by programme for the period 1 April 2016 and 31 March 2017**

| PROGRAMME | TOTAL EXPENDITURE (R'000) | PERSONNEL EXPENDITURE (R'000) | TRAINING EXPENDITURE (R'000) | PROFESSIONAL AND SPECIAL SERVICES (R'000) | PERSONNEL COST AS A PERCENT OF TOTAL EXPENDITURE | AVERAGE PERSONNEL COST PER EMPLOYEE (R'000) * |
|--|---------------------------|-------------------------------|------------------------------|---|--|---|
| Programme 1 Administration | 436 313 | 195 360 | 2 082 | 33 561 | 44.8 | 544 |
| Programme 2 Economic policy, tax, financial regulation and research | 151 182 | 79 655 | 521 | 28 366 | 52.7 | 821 |
| Programme 3 Public finance and budget management | 281 778 | 201 901 | 460 | 14 187 | 71.7 | 742 |
| Programme 4 Asset and liability management | 110 146 | 76 976 | 360 | 14 058 | 69.9 | 706 |
| Programme 5 Financial systems and accounting | 1 228 858 | 200 516 | 2 329 | 88 676 | 16.3 | 682 |
| Programme 6 International financial relations | 4 955 753 | 32 024 | 105 | 804 | 0.6 | 866 |
| Programme 7 Civil and military pensions, contributions to funds | 4 400 159 | 0 | 0 | 61 278 | 0.0 | 0 |
| Programme 8 Technical support and development finance | 2 478 432 | 0 | 0 | 310 424 | 0.0 | 0 |
| Programme 9 Revenue administration | 9 363 676 | 0 | 0 | 0 | 0.0 | 0 |
| Programme 10 Financial intelligence and state security | 4 812 487 | 0 | 0 | 0 | 0.0 | 0 |
| Total | 28 218 783 | 786 432 | 5 857 | 551 354 | | |

* Note: Percentage of average personnel cost per employee calculated based on the number of employees in table 3.1. Minister and Deputy Minister personnel expenditure included in total.

PART D: HUMAN RESOURCE MANAGEMENT - Continued**3. HUMAN RESOURCES OVERSIGHT STATISTICS****Table 3.1.2 Personnel costs by salary band for the period 2016/17**

| SALARY BANDS | PERSONNEL EXPENDITURE (R'000) | % OF TOTAL PERSONNEL COST | NO. OF EMPLOYEES | AVERAGE PERSONNEL COST PER EMPLOYEE (R'000) *** |
|--|-------------------------------|---------------------------|------------------|---|
| Lower skilled (Levels 1-2) | 0 | 0 | 0 | 0 |
| Skilled (Levels 3-5) | 12 058 | 1.5 | 51 | 236 |
| Highly skilled production (Levels 6-8) | 95 996 | 12.3 | 283 | 339 |
| Highly skilled supervision (Levels 9-12) | 358 971 | 45.9 | 544 | 660 |
| Senior management (Levels 13-16) | 315 196 | 40.3 | 288 | 1 094 |
| Total ** | 782 221 | 100 | 1 166 | 671 |

** Note: Minister and Deputy Minister personnel expenditure not included in total.

*** Note: Percentage of average personnel cost per employee calculated based on the number of employees in table 3.2.

The following tables provide a summary, per programme (Table 2.3) and salary band (Table 2.4), of expenditure incurred as a result of salaries, overtime, home owners allowance (HOA) and medical assistance. In each case, the table indicates the percentage of the personnel budget used for these items.

Table 3.1.3 Salaries, overtime, home owners allowance and medical assistance by programme, 2016/17

| PROGRAMME | SALARIES | | OVERTIME | | HOME OWNERS ALLOWANCE | | MEDICAL ASSISTANCE | |
|--------------|----------------|--|----------------|--|-----------------------|-----------------------------------|--------------------|--|
| | AMOUNT (R'000) | SALARIES AS A % OF PERSONNEL COST **** | AMOUNT (R'000) | OVERTIME AS A % OF PERSONNEL COST **** | AMOUNT (R'000) | HOA AS A % OF PERSONNEL COST **** | AMOUNT (R'000) | MEDICAL ASSISTANCE AS A % OF PERSONNEL COST **** |
| Programme 1 | 132 329 | 67.7 | 1 456 | 0.7 | 2 861 | 1.5 | 5 435 | 2.8 |
| Programme 2 | 53 380 | 67.0 | 0 | 0 | 880 | 1.1 | 1 218 | 1.5 |
| Programme 3 | 135 852 | 67.3 | 249 | 0.1 | 2 040 | 1.0 | 3 029 | 1.5 |
| Programme 4 | 52 502 | 68.2 | 0 | 0 | 1 031 | 1.3 | 1 413 | 1.8 |
| Programme 5 | 139 079 | 69.4 | 0 | 0 | 2 134 | 1.1 | 3 281 | 1.6 |
| Programme 6 | 18 054 | 56.4 | 0 | 0 | 235 | 0.7 | 583 | 1.8 |
| Programme 7 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Programme 8 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 531 196 | 67.5 | 1 705 | 0.2 | 9 181 | 1.2 | 14 959 | 1.9 |

**** Note: Percentages of personnel cost of salaries, overtime, HOA and medical assistance are calculated on the total personnel expenditure per programme in table 3.1.1

PART D: HUMAN RESOURCE MANAGEMENT - Continued**3. HUMAN RESOURCES OVERSIGHT STATISTICS****Table 3.1.4 Salaries, overtime, home owners allowance and medical assistance by salary band, 2016/17**

| SALARY BANDS | SALARIES | | OVERTIME | | HOME OWNERS ALLOWANCE | | MEDICAL ASSISTANCE | |
|--|----------------|-----------------------------------|----------------|-----------------------------------|-----------------------|------------------------------|--------------------|---|
| | AMOUNT (R'000) | SALARIES AS A % OF PERSONNEL COST | AMOUNT (R'000) | OVERTIME AS A % OF PERSONNEL COST | AMOUNT (R'000) | HOA AS A % OF PERSONNEL COST | AMOUNT (R'000) | MEDICAL ASSISTANCE AS A % OF PERSONNEL COST |
| Lower skilled (Levels 1-2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Skilled (Levels 3-5) | 8 210 | 68.1 | 292 | 2.4 | 603 | 5.0 | 889 | 7.4 |
| Highly skilled production (Levels 6-8) | 73 246 | 76.3 | 642 | 0.7 | 2 751 | 2.9 | 4 942 | 5.1 |
| Highly skilled supervision (Levels 9-12) | 250 617 | 69.8 | 771 | 0.2 | 3 212 | 0.9 | 6 347 | 1.8 |
| Senior management (Levels 13-16) | 196 596 | 60.1 | 0 | 0 | 2 615 | 0.8 | 2 763 | 0.8 |
| Total ***** | 528 669 | 67.6 | 1 705 | 0.2 | 9 181 | 1.2 | 14 941 | 1.9 |

***** Note: Minister and Deputy Minister personnel expenditure not included in total.

PART D: HUMAN RESOURCE MANAGEMENT - Continued**3. HUMAN RESOURCES OVERSIGHT STATISTICS****3.2 EMPLOYMENT AND VACANCIES****Table 3.2.1 Employment and vacancies by programme as on 31 March 2017**

| PROGRAMME | NUMBER OF FUNDED POSTS | HEADCOUNT | VACANCY RATE % | NUMBER OF POSTS FILLED ADDITIONAL TO THE ESTABLISHMENT |
|--|------------------------|--------------|----------------|--|
| Programme 1 Administration | 362 | 359 | 0.8 | 70 |
| Programme 2 Economic Policy and Financial Sector | 99 | 97 | 2.0 | 1 |
| Programme 3 Fiscal and Budget Group | 276 | 272 | 1.4 | 5 |
| Programme 4 Asset and Liability Management | 109 | 109 | 0.0 | 0 |
| Programme 5 Financial Accounting and Reporting | 297 | 294 | 1.0 | 38 |
| Programme 6 Economic policy and international financial relations | 38 | 37 | 2.6 | 1 |
| Programme 7 | 0 | 0 | 0 | 0 |
| Programme 8 | 0 | 0 | 0 | 0 |
| Total | 1 181 | 1 168 | 1.1 | 115 |

NB: Minister and Deputy Minister included in totals.

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2017

| SALARY BANDS | NUMBER OF POSTS | HEADCOUNT | VACANCY RATE % | NUMBER OF POSTS FILLED ADDITIONAL TO THE ESTABLISHMENT |
|---|-----------------|--------------|----------------|--|
| Lower skilled (levels 1-2) | 0 | 0 | 0 | 0 |
| Skilled (levels 3-5) | 51 | 51 | 0 | 0 |
| Highly skilled production (levels 6-8) | 283 | 283 | 0 | 67 |
| Highly skilled supervision (levels 9-12) | 546 | 544 | 0.4 | 33 |
| Senior management (levels 13-16) | 301 | 290 | 3.7 | 15 |
| Total | 1 181 | 1 168 | 1.1 | 115 |

NB: Vacancy reduced by additional appointments. Minister and Deputy Minister included in totals

PART D: HUMAN RESOURCE MANAGEMENT - Continued**3. HUMAN RESOURCES OVERSIGHT STATISTICS****Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2017**

No formal critical occupations were approved for National Treasury,

3.3 FILLING OF SMS POSTS**Table 3.3.1 SMS post information as of 31 March 2017**

| 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 | 0 |
| Salary Level 16 | 0 | 0 | 0 | 0 | 0 |
| Salary Level 15 | 17 | 14 | 82.4 | 3 | 17.6 |
| Salary Level 14 | 62 | 59 | 95.2 | 3 | 4.8 |
| Salary Level 13 | 219 | 214 | 97.7 | 5 | 2.3 |
| Total | 299 | 288 | 96.3 | 11 | 3.7 |

Minister and Deputy Minister excluded in totals.

Table 3.3.2 SMS post information as on 30 September 2016

| 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 | 0.0 |
| Salary Level 16 | 0 | 0 | 0.0 | 0 | 0.0 |
| Salary Level 15 | 18 | 15 | 83.3 | 3 | 16.7 |
| Salary Level 14 | 65 | 59 | 90.8 | 6 | 9.2 |
| Salary Level 13 | 246 | 220 | 89.4 | 26 | 10.6 |
| Total | 330 | 295 | 89.4 | 35 | 10.6 |

Minister and Deputy Minister excluded in totals.

PART D: HUMAN RESOURCE MANAGEMENT - Continued

3. HUMAN RESOURCES OVERSIGHT STATISTICS

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2016 to 31 March 2017

| SMS LEVEL | ADVERTISING | FILLING OF POSTS | |
|---|---|---|--|
| | NUMBER OF VACANCIES PER LEVEL ADVERTISED WITHIN 6 MONTHS OF BECOMING VACANT | NUMBER OF VACANCIES PER LEVEL FILLED WITHIN 6 MONTHS OF BECOMING VACANT | NUMBER OF VACANCIES PER LEVEL NOT FILLED WITHIN 6 MONTHS BUT FILLED WITHIN 12 MONTHS |
| Director-General/ Head of Department | 0 | 0 | 0 |
| Salary Level 16 | 0 | 0 | 0 |
| Salary Level 15 | 1 | 0 | 0 |
| Salary Level 14 | 7 | 1 | 6 |
| Salary Level 13 | 17 | 16 | 7 |
| Total | 25 | 17 | 13 |

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within six months and filled within 12 months after becoming vacant for the period 1 April 2016 and 31 March 2017

REASONS FOR VACANCIES NOT ADVERTISED WITHIN SIX MONTHS

Since the moratorium on posts and creation of a recruitment review committee, positions first need to be presented in line with the budget of a department. As soon as the committee approves the positions, they also need to be confirmed and verified by the organisation development team to incorporate committee recommendations before adverts can be approved.

REASONS FOR VACANCIES NOT FILLED WITHIN 12 MONTHS

In addition to the above statement, while the committee mentioned above is waiting to sit, line managers have opted for acting appointments with an emphasis of continuity of work. In certain circumstances, the process can take longer than 12 months to be completed.

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 2016 and 31 March 2017

REASONS FOR VACANCIES NOT ADVERTISED WITHIN SIX MONTHS

As part of the ceiling on compensation of employees, EXCO established the recruitment review committee to adjudicate on all vacant positions and prioritise the ones to be filled. The Committee first needs to approve any prior advertising positions and the delay in advertising is due to the committee not being able to meet, given other strategic and operational commitments.

REASONS FOR VACANCIES NOT FILLED WITHIN SIX MONTHS

The reason for positions not filled within six months is due to the recruitment process that needs to be followed which includes amongst others, approval by the recruitment review committee. The committee ensures that all recruitment activities are aligned to the compensation of employees and that the department remains within the budget allocated for a financial year. The time it takes for the committee to approve posts influences the average median period in which to fill them. However, the actual recruitment process to fill posts is within the DPSA recommended period which is within six months.

PART D: HUMAN RESOURCE MANAGEMENT - Continued**3. HUMAN RESOURCES OVERSIGHT STATISTICS****3.4 JOB EVALUATION****Table 3.4.1 Job evaluation, 1 April 2016 to 31 March 2017**

| SALARY BAND | NUMBER OF POSTS | NUMBER OF JOBS EVALUATED | % OF POSTS EVALUATED BY SALARY BANDS | POSTS UPGRADED | | POSTS DOWNGRADED | |
|--|-----------------|--------------------------|--------------------------------------|----------------|----------------------|------------------|----------------------|
| | | | | NUMBER | % OF POSTS EVALUATED | NUMBER | % OF POSTS EVALUATED |
| Lower skilled (Levels 1-2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Skilled (Levels 3-5) | 51 | 0 | 0 | 0 | 0 | 0 | 0 |
| Highly skilled production (Levels 6-8) | 283 | 0 | 0 | 0 | 0 | 0 | 0 |
| Highly skilled supervision (Levels 9-12) | 546 | 23 | 4.23 | 18 | 3.30 | 0 | 0 |
| Senior management service band A | 219 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior management service band B | 62 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior management service band C | 17 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior management service band D | 3 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 1 181 | 23 | 4.23 | 18 | 3.30 | 0 | 0 |

NB: Minister and Deputy Minister included in totals.

Table 3.4.2 Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2016 to 31 March 2017

| BENEFICIARIES | AFRICAN | ASIAN | COLOURED | WHITE | TOTAL |
|-----------------------------|----------|----------|----------|----------|----------|
| Female | 0 | 1 | 0 | 0 | 1 |
| Male | 1 | 0 | 0 | 0 | 1 |
| Employees with a disability | 0 | 0 | 0 | 0 | 0 |
| Total | 1 | 1 | 0 | 0 | 2 |

PART D: HUMAN RESOURCE MANAGEMENT - Continued**3. HUMAN RESOURCES OVERSIGHT STATISTICS****Table 3.4.3 Employees whose salary level exceeded the grade determined by job evaluation, 1 April 2016 to 31 March 2017 (in terms of PSR 1.V.C.3)**

| OCCUPATION | NUMBER OF EMPLOYEES | JOB EVALUATION LEVEL | REMUNERATION LEVEL | REASON FOR DEVIATION |
|---|---------------------|----------------------|--------------------|---|
| Deputy Director-General | 0 | 0 | 0 | - |
| Chief Director | 0 | 0 | 0 | - |
| Director | 1 | 13 | 14 | Attraction |
| Deputy Director | 5 | 11 and 12 | 12 and 13 | Retention and accelerated grade promotion |
| Assistant Director and below | 0 | 0 | 0 | - |
| Total number of employees whose salaries exceeded the level determined by job evaluation in 2016/17 | | | | 6 |
| Percentage of total employment (1168 as at 31 March 2017) | | | | 0.51% |

Table 3.4.4 Profile of employees whose salary level exceeded the grade determined by job evaluation, 1 April 2016 to 31 March 2017 (in terms of PSR 1.V.C.3)

| BENEFICIARIES | AFRICAN | ASIAN | COLOURED | WHITE | TOTAL |
|---------------|----------|----------|----------|----------|----------|
| Female | 1 | 0 | 0 | 2 | 3 |
| Male | 1 | 0 | 1 | 1 | 3 |
| Total | 2 | 0 | 1 | 3 | 6 |

| | |
|-----------------------------|------|
| Employees with a disability | None |
|-----------------------------|------|

PART D: HUMAN RESOURCE MANAGEMENT - Continued**3. HUMAN RESOURCES OVERSIGHT STATISTICS****3.5 EMPLOYMENT CHANGES****Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2016 to 31 March 2017**

| SALARY BAND | NUMBER OF EMPLOYEES PER BAND AS ON 31 MARCH 2016 | APPOINTMENTS AND TRANSFERS INTO THE DEPARTMENT | TERMINATIONS AND TRANSFERS OUT OF THE DEPARTMENT | TURNOVER RATE % |
|--|--|--|--|-----------------|
| Lower skilled (Levels 1-2) | 0 | 0 | 0 | 0 |
| Skilled (Levels 3-5) | 52 | 6 | 7 | 14.0 |
| Highly skilled production (Levels 6-8) | 306 | 30 | 43 | 13.5 |
| Highly skilled supervision (Levels 9-12) | 573 | 29 | 61 | 10.6 |
| Senior management service band A | 210 | 18 | 18 | 8.7 |
| Senior management service band B | 60 | 4 | 8 | 15.4 |
| Senior management service band C | 14 | 1 | 1 | 10 |
| Senior management service band D | 3 | 2 | 2 | 40 |
| Total | 1 218 | 90 | 140 | 11.5 |

NB: Minister and Deputy Minister included in totals (Senior Management Service Band D).

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2016 and 31 March 2017

No formal critical occupations were approved for the National Treasury

PART D: HUMAN RESOURCE MANAGEMENT - Continued**3. HUMAN RESOURCES OVERSIGHT STATISTICS****Table 3.5.3 Reasons for staff leaving the department**

| TERMINATION TYPE | NUMBER | % OF TOTAL |
|--|------------|------------|
| Death | 2 | 1.4 |
| Resignation | 84 | 60.0 |
| Expiry of contract | 33 | 23.6 |
| Dismissal – operational changes | 2 | 1.4 |
| Dismissal – misconduct | 0 | 0.0 |
| Dismissal – inefficiency | 0 | 0.0 |
| Discharged due to ill-health | 2 | 1.4 |
| Retirement | 8 | 5.7 |
| Transfer to other public service departments | 9 | 6.4 |
| Other | 0 | 0.0 |
| Total | 140 | 100 |
| Number of employees who left as a % of total employment (1168 as at 31 March 2017) | | 12.0% |

Table 3.5.4 Promotions by critical occupation for the period 1 April 2016 and 31 March 2017

No formal critical occupations were approved for the National Treasury

Table 3.5.5 Promotions by salary band for the period 1 April 2016 and 31 March 2017

| SALARY BAND | EMPLOYEES 31 MARCH 2016 | PROMOTIONS TO ANOTHER SALARY LEVEL | SALARY BAND PROMOTIONS AS A % OF EMPLOYEES BY SALARY LEVEL |
|---|-------------------------------|---------------------------------------|--|
| Lower skilled (Levels 1-2) | 0 | 0 | 0 |
| Skilled (Levels 3-5) | 52 | 0 | 0 |
| Highly skilled production (Levels 6-8) | 306 | 8 | 2.6 |
| Highly skilled supervision (Levels 9-12) | 573 | 34 | 5.9 |
| Senior management (Levels 13-16) | 287 | 3 | 1.0 |
| Total | 1 218 | 45 | 3.7 |

PART D: HUMAN RESOURCE MANAGEMENT - Continued**3. HUMAN RESOURCES OVERSIGHT STATISTICS****3.6 EMPLOYMENT EQUITY****Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2017**

| OCCUPATIONAL CATEGORIES (SASCO) | MALE | | | | FEMALE | | | | TOTAL |
|--|------------|-----------|-----------|-----------|------------|-----------|-----------|-----------|--------------|
| | AFRICAN | COLOURED | INDIAN | WHITE | AFRICAN | COLOURED | INDIAN | WHITE | |
| Legislators, senior officials and managers | 87 | 13 | 16 | 35 | 87 | 7 | 11 | 32 | 288 |
| Professionals | 210 | 14 | 6 | 30 | 239 | 6 | 12 | 26 | 543 |
| Technicians and associate professionals | 35 | 3 | 1 | 3 | 102 | 10 | 2 | 27 | 183 |
| Clerks | 27 | 0 | 0 | 0 | 65 | 2 | 5 | 11 | 110 |
| Service and sales workers | 18 | 1 | 0 | 0 | 11 | 0 | 0 | 0 | 30 |
| Plant and machine operators and assemblers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Elementary occupations | 8 | 0 | 0 | 0 | 6 | 0 | 0 | 0 | 14 |
| Total | 385 | 31 | 23 | 68 | 510 | 25 | 30 | 96 | 1 168 |

NB: Minister and Deputy Minister included in totals (Legislators, senior officials and managers).

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as at 31 March 2017

| OCCUPATIONAL BANDS | MALE | | | | FEMALE | | | | TOTAL |
|---|------------|-----------|-----------|-----------|------------|-----------|-----------|-----------|--------------|
| | AFRICAN | COLOURED | INDIAN | WHITE | AFRICAN | COLOURED | INDIAN | WHITE | |
| Top management | 7 | 1 | 3 | 3 | 3 | 0 | 0 | 0 | 17 |
| Senior management | 80 | 13 | 14 | 32 | 84 | 7 | 11 | 32 | 273 |
| Professionally qualified and experienced specialists and mid-management | 208 | 12 | 7 | 29 | 236 | 8 | 13 | 31 | 544 |
| Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents | 65 | 1 | 0 | 3 | 165 | 10 | 6 | 33 | 283 |
| Semi-skilled and discretionary decision making | 24 | 4 | 0 | 1 | 22 | 0 | 0 | 0 | 51 |
| Unskilled and defined decision making | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 384 | 31 | 24 | 68 | 510 | 25 | 30 | 96 | 1 168 |

NB: Minister and Deputy Minister included in totals (top management).

PART D: HUMAN RESOURCE MANAGEMENT - Continued**3. HUMAN RESOURCES OVERSIGHT STATISTICS****Table 3.6.3 Recruitment for the period 1 April 2016 to 31 March 2017**

| OCCUPATIONAL BANDS | MALE | | | | FEMALE | | | | TOTAL |
|---|-----------|----------|----------|----------|-----------|----------|----------|----------|-----------|
| | AFRICAN | COLOURED | INDIAN | WHITE | AFRICAN | COLOURED | INDIAN | WHITE | |
| Top management (15-16) | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 |
| Senior management (13-14) | 5 | 0 | 1 | 0 | 14 | 0 | 1 | 1 | 22 |
| Professionally qualified and experienced specialists and mid-management (9-12) | 10 | 0 | 0 | 0 | 17 | 2 | 0 | 0 | 29 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (6-8) | 13 | 0 | 0 | 0 | 15 | 0 | 2 | 0 | 30 |
| Semi-skilled and discretionary decision making (3-5) | 4 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 6 |
| Unskilled and defined decision making (1-2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 35 | 0 | 1 | 0 | 48 | 2 | 3 | 1 | 90 |
| Employees with disabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

NB: Minister and Deputy Minister included in totals (Top management).

Table 3.6.4 Promotions for the period 1 April 2016 to 31 March 2017

| OCCUPATIONAL BANDS | MALE | | | | FEMALE | | | | TOTAL |
|---|-----------|----------|----------|----------|-----------|----------|----------|----------|-----------|
| | AFRICAN | COLOURED | INDIAN | WHITE | AFRICAN | COLOURED | INDIAN | WHITE | |
| Top management (15-16) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior management (13-14) | 0 | 0 | 0 | 0 | 2 | 1 | 0 | 0 | 3 |
| Professionally qualified and experienced specialists and mid-management (9-12) | 11 | 0 | 3 | 2 | 16 | 1 | 0 | 1 | 34 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (6-8) | 3 | 0 | 0 | 0 | 4 | 0 | 0 | 1 | 8 |
| Semi-skilled and discretionary decision making (3-5) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Unskilled and defined decision making (1-2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 14 | 0 | 3 | 2 | 22 | 2 | 0 | 2 | 45 |
| Employees with disabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

PART D: HUMAN RESOURCE MANAGEMENT - Continued**3. HUMAN RESOURCES OVERSIGHT STATISTICS****Table 3.6.5 Terminations for the period 1 April 2016 to 31 March 2017**

| OCCUPATIONAL BANDS | MALE | | | | FEMALE | | | | TOTAL |
|---|-----------|----------|----------|-----------|-----------|----------|----------|-----------|------------|
| | AFRICAN | COLOURED | INDIAN | WHITE | AFRICAN | COLOURED | INDIAN | WHITE | |
| Top management (15-16) | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 2 |
| Senior management (13-14) | 2 | 2 | 0 | 7 | 8 | 0 | 2 | 6 | 27 |
| Professionally qualified and experienced specialists and mid-management (9-12) | 18 | 1 | 1 | 3 | 27 | 6 | 0 | 5 | 61 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (6-8) | 19 | 0 | 0 | 0 | 20 | 3 | 0 | 1 | 43 |
| Semi-skilled and discretionary decision making (3-5) | 3 | 1 | 0 | 0 | 3 | 0 | 0 | 0 | 7 |
| Unskilled and defined decision making (1-2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 43 | 4 | 2 | 10 | 58 | 9 | 2 | 12 | 140 |

NB: Minister and Deputy Minister included in totals (Top management).

Table 3.6.6 Disciplinary action for the period 1 April 2016 to 31 March 2017

| DISCIPLINARY ACTION | MALE | | | | FEMALE | | | | TOTAL |
|---------------------|---------|----------|--------|-------|---------|----------|--------|-------|-------|
| | AFRICAN | COLOURED | INDIAN | WHITE | AFRICAN | COLOURED | INDIAN | WHITE | |
| | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |

PART D: HUMAN RESOURCE MANAGEMENT - Continued**3. HUMAN RESOURCES OVERSIGHT STATISTICS****Table 3.6.7 Skills development for the period 1 April 2016 to 31 March 2017**

| OCCUPATIONAL CATEGORIES | MALE | | | | FEMALE | | | | TOTAL |
|--|------------|-----------|----------|-----------|------------|-----------|-----------|-----------|------------|
| | AFRICAN | COLOURED | INDIAN | WHITE | AFRICAN | COLOURED | INDIAN | WHITE | |
| Legislators, senior officials and managers | 48 | 7 | 3 | 17 | 60 | 1 | 6 | 17 | 159 |
| Professionals | 124 | 4 | 2 | 9 | 152 | 4 | 8 | 7 | 310 |
| Technicians and associate professionals | 25 | 1 | 1 | 1 | 58 | 3 | 2 | 9 | 100 |
| Clerks | 41 | 0 | 0 | 0 | 65 | 3 | 3 | 2 | 114 |
| Service and sales workers | 16 | 0 | 0 | 0 | 11 | 0 | 0 | 0 | 27 |
| 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 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| Total | 256 | 12 | 6 | 27 | 346 | 11 | 19 | 35 | 712 |
| Employees with disabilities | 0 | 2 | 0 | 2 | 0 | 0 | 0 | 0 | 4 |

NB: Minister and Deputy Minister not included in totals.

PART D: HUMAN RESOURCE MANAGEMENT - Continued**3. HUMAN RESOURCES OVERSIGHT STATISTICS****3.7 SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS**

To encourage good performance, the department granted the following performance rewards during the year under review. The information is presented in terms of race, gender, and disability (Table 3.7.1), salary bands (Table 3.7.2) and critical occupations (Table 3.7.3).

Table 3.7.1 Signing of performance agreements by SMS members as on 31 May 2016

| 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 | 16 | 14 | 8 | 57 |
| Salary Level 14 | 64 | 60 | 53 | 88 |
| Salary Level 13 | 244 | 213 | 207 | 97 |
| Total | 325 | 288 | 269 | 93 |

NB: Minister and Deputy Minister not included in totals.

Table 3.7.2 Reasons for not having concluded performance agreements for all SMS members as on 31 May 2016

| STATUS | 13 | 14 | 15 | 16 | TOTAL | REASONS |
|---|----------|----------|----------|----------|-----------|--|
| Minister advisor | 0 | 0 | 2 | 0 | 2 | Minister advisors, not applicable. |
| Seconded to other departments/entities/abroad | 2 | 3 | 4 | 0 | 9 | Agreements signed at recipient. |
| Incapacity leave | 2 | 1 | 0 | 0 | 3 | Not signed due to extended ill-health. |
| Resignation | 0 | 1 | 0 | 0 | 1 | 31 July 2016 (gave notice May 2016). |
| Retirement | 0 | 1 | 0 | 0 | 1 | 30 June 2016 (gave notice April 2016). |
| Performance agreements not submitted | 1 | 2 | 0 | 0 | 3 | Non-compliance. |
| Grand Total | 5 | 8 | 6 | 0 | 19 | |

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded performance agreements as on 31 May 2016

The three non-compliant SMS members would not be eligible for any rewards.

PART D: HUMAN RESOURCE MANAGEMENT - Continued**3. HUMAN RESOURCES OVERSIGHT STATISTICS****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, 1 April 2015 to 31 March 2016

| RACE AND GENDER | BENEFICIARY PROFILE | | | COST | |
|-----------------|-------------------------|------------------------------------|-------------------------|---------------|---------------------------|
| | NUMBER OF BENEFICIARIES | TOTAL NUMBER OF EMPLOYEES IN GROUP | % OF TOTAL WITHIN GROUP | COST (R'000) | AVERAGE COST PER EMPLOYEE |
| African | 648 | 913 | 72 | 7 096 | 10 950.62 |
| Male | 265 | 393 | 67 | 3 039 | 11 467.92 |
| Female | 383 | 520 | 74 | 4 057 | 10 592.69 |
| Asian | 37 | 53 | 70 | 600 | 16 216.22 |
| Male | 14 | 24 | 58 | 245 | 17 500.00 |
| Female | 23 | 29 | 79 | 355 | 15 434.78 |
| Coloured | 52 | 67 | 78 | 718 | 13 807.69 |
| Male | 25 | 35 | 71 | 363 | 14 520.00 |
| Female | 27 | 32 | 90 | 355 | 13 148.15 |
| White | 160 | 185 | 86 | 2 472 | 15 450.00 |
| Male | 65 | 78 | 83 | 1 139 | 17 523.08 |
| Female | 95 | 107 | 89 | 1 333 | 14 031.58 |
| Total | 897 | 1 218 | 74 | 10 886 | 12 136.01 |

Table 3.8.2 Performance rewards by salary band for personnel below SMS, (1 April 2015 to 31 March 2016)

| SALARY BAND | BENEFICIARY PROFILE | | | COST | | |
|--|-------------------------|---------------------|-------------------------------|--------------------|-----------------------------------|--|
| | NUMBER OF BENEFICIARIES | NUMBER OF EMPLOYEES | % OF TOTAL WITHIN SALARY BAND | TOTAL COST (R'000) | AVERAGE COST PER EMPLOYEE (R'000) | TOTAL COST AS A % OF THE TOTAL PERSONNEL EXPENDITURE |
| Lower skilled (Levels 1-2) | 0 | 0 | 0 | 0 | 0 | 0 |
| Skilled (Levels 3-5) | 48 | 52 | 92 | 171 | 4 | 0.02 |
| Highly skilled production (Levels 6-8) | 201 | 303 | 66 | 1 289 | 6 | 0.16 |
| Highly skilled supervision (Levels 9-12) | 445 | 578 | 77 | 5 101 | 11 | 0.65 |
| Total | 694 | 933 | 74 | 6 561 | 9 | 0.83 |

Table 3.8.3 Performance rewards by critical occupation for the period 1 April 2015 to 31 March 2016

No formal critical occupations were approved for the National Treasury.

PART D: HUMAN RESOURCE MANAGEMENT - Continued**3. HUMAN RESOURCES OVERSIGHT STATISTICS****Table 3.8.4 Performance related rewards (cash bonus), by salary band, for SMS (1 April 2015 to 31 March 2016)**

| SALARY BAND | BENEFICIARY PROFILE | | | TOTAL COST (R'000) | AVERAGE COST PER EMPLOYEE | TOTAL COST AS A % OF THE TOTAL PERSONNEL EXPENDITURE |
|--------------|-------------------------|---------------------|------------------------|--------------------|---------------------------|--|
| | NUMBER OF BENEFICIARIES | NUMBER OF EMPLOYEES | % OF TOTAL WITHIN BAND | | | |
| Band A | 154 | 208 | 74 | 3 169 | 20 575.23 | 0.40 |
| Band B | 43 | 60 | 72 | 1 028 | 23 912.30 | 0.13 |
| Band C | 6 | 14 | 43 | 128 | 21 284.85 | 0.02 |
| Band D | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 203 | 282 | 72 | 4 325 | 21 303.07 | 0.55 |

3.9 FOREIGN WORKERS**Table 3.9.1 Foreign workers by salary band, 1 April 2016 to 31 March 2017**

| SALARY BAND | MARCH 2016 | | MARCH 2017 | | CHANGE | |
|--|------------|------------|------------|------------|-----------|------------|
| | NUMBER | % OF TOTAL | NUMBER | % OF TOTAL | NUMBER | % CHANGE |
| Lower skilled (Levels 1-2) | 0 | 0 | 0 | 0 | 0 | 0 |
| Skilled (Levels 3-5) | 0 | 0 | 0 | 0 | 0 | 0 |
| Highly skilled production (Levels 6-8) | 0 | 0 | 0 | 0 | 0 | 0 |
| Highly skilled supervision (Levels 9-12) | 15 | 56 | 10 | 45 | -5 | -33 |
| Senior management (Levels 13-16) | 12 | 44 | 12 | 55 | 0 | 0 |
| Total | 27 | 100 | 22 | 100 | -5 | -19 |

Table 3.9.2 Foreign workers by major occupation, 1 April 2016 to 31 March 2017

| SALARY BAND | MARCH 2016 | | MARCH 2017 | | CHANGE | |
|------------------------|------------|------------|------------|------------|-----------|------------|
| | NUMBER | % OF TOTAL | NUMBER | % OF TOTAL | NUMBER | % CHANGE |
| Senior management | 12 | 44 | 12 | 55 | 0 | 0 |
| Professional qualified | 15 | 56 | 10 | 45 | -5 | -33 |
| Skilled technical | 0 | 0 | 0 | 0 | 0 | 0 |
| Semi-skilled | 0 | 0 | 0 | 0 | 0 | 0 |
| Unskilled | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 27 | 100 | 22 | 100 | -5 | -19 |

PART D: HUMAN RESOURCE MANAGEMENT - Continued**3. HUMAN RESOURCES OVERSIGHT STATISTICS****3.10 LEAVE UTILISATION****Table 3.10.1 Sick leave, 1 January 2016 to 31 December 2016**

| SALARY BAND | TOTAL DAYS | % DAYS WITH MEDICAL CERTIFICATION | NUMBER OF EMPLOYEES USING SICK LEAVE | % OF TOTAL EMPLOYEES USING SICK LEAVE | AVERAGE DAYS PER EMPLOYEE | ESTIMATED COST (R'000) |
|--|--------------|-----------------------------------|--------------------------------------|---------------------------------------|---------------------------|------------------------|
| Lower skilled (Levels 1-2) | 0 | 0 | 0 | 0 | 0 | 0 |
| Skilled (Levels 3-5) | 418 | 54.3 | 50 | 4.5 | 8 | 313 |
| Highly skilled production (Levels 6-8) | 2 388 | 49.3 | 296 | 26.5 | 8 | 3 219 |
| Highly skilled supervision (Levels 9-12) | 3 909 | 48.6 | 542 | 48.5 | 7 | 9 487 |
| Senior management (Levels 13-16) | 1 438 | 48.6 | 230 | 20.6 | 6 | 5 480 |
| Total | 8 153 | 49.1 | 1 118 | 100 | 7 | 18 499 |

Table 3.10.2 Disability leave (temporary and permanent), 1 January 2016 to 31 December 2016

| SALARY BAND | TOTAL DAYS TAKEN | % 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 | 0 | 0 | 0 | 0 | 0 |
| Skilled (Levels 3-5) | 0 | 0 | 0 | 0 | 0 | 0 |
| Highly skilled production (Levels 6-8) | 61 | 100 | 5 | 25 | 12 | 48 |
| Highly skilled supervision (Levels 9-12) | 638 | 100 | 7 | 35 | 91 | 1 909 |
| Senior management (Levels 13-16) | 941 | 100 | 8 | 40 | 118 | 3 374 |
| Total | 1 640 | 100 | 20 | 100 | 82 | 5 330 |

PART D: HUMAN RESOURCE MANAGEMENT - Continued**3. HUMAN RESOURCES OVERSIGHT STATISTICS****Table 3.10.3 Annual Leave for the period 1 January 2016 to 31 December 2016**

| SALARY BAND | TOTAL DAYS TAKEN | NUMBER OF EMPLOYEES USING ANNUAL LEAVE | AVERAGE PER EMPLOYEE |
|---|------------------|--|----------------------|
| Lower skilled (Levels 1-2) | 0 | 0 | 0 |
| Skilled (Levels 3-5) | 1 194 | 56 | 21 |
| Highly skilled production (Levels 6-8) | 6 329 | 351 | 18 |
| Highly skilled supervision (Levels 9-12) | 12 111 | 637 | 19 |
| Senior management (Levels 13-16) | 6 429 | 321 | 20 |
| Total | 26 063 | 1 365 | 19 |

Table 3.10.4 Capped leave for the period 1 January 2016 to 31 December 2016

| 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 2017 |
|---|----------------------------------|--|---|---|
| Lower skilled (Levels 1-2) | 0 | 0 | 0 | 0 |
| Skilled (Levels 3-5) | 0 | 0 | 0 | 29 |
| Highly skilled production (Levels 6-8) | 7 | 2 | 3.5 | 19 |
| Highly skilled supervision (Levels 9-12) | 78 | 11 | 7.12 | 30 |
| Senior management (Levels 13-16) | 5 | 2 | 2.5 | 45 |
| Total | 90 | 15 | 6.02 | 32 |

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

PART D: HUMAN RESOURCE MANAGEMENT - Continued**3. HUMAN RESOURCES OVERSIGHT STATISTICS****Table 3.10.5 Leave pay-outs for the period 1 April 2016 to 31 March 2017**

| REASON | TOTAL AMOUNT (R'000) (A) | NUMBER OF EMPLOYEES (B) | AVERAGE PAYMENT PER EMPLOYEE (R'000) (C=A/B) |
|---|--------------------------------|-------------------------------|---|
| Leave payout for 2016/17 due to non-utilisation of leave for the previous cycle | 0 | 0 | 0 |
| Capped leave payouts on termination of service for 2016/17 | 974 | 11 | 89 |
| Current leave payout on termination of service for 2016/17 | 2 837 | 128 | 22 |
| Total | 3 811 | 139 | 27 |

3.11 HIV/AIDS AND 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 AND RELATED DISEASES (IF ANY) | KEY STEPS TAKEN TO REDUCE THE RISK |
|--|---|
| The National Treasury provides regular health screenings through the on-site clinic. The highest trend of health issues noted is employees with signs of obesity and pre-hypertension. Pre-hypertension is a blood pressure that is higher than normal but not high enough to be deemed high blood pressure. | Employees are encouraged to follow a work-life balance by following exercise programmes and a healthy diet. |

Table 3.11.2 Details of health promotion and HIV and AIDS programmes

| QUESTION | YES | NO | DETAILS, IF YES |
|--|-----|----|--|
| 1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position. | x | | The incumbents of the Chief Director: Human Resource Management (CD: HRM) role implement the provisions contained in Part VI E of Chapter 1 of Public Service Regulations, 2001. <ul style="list-style-type: none"> • Ms TL Randall (CD: HRM) (1 April 2016 to 31 July 2016) • TA Musekwa (acting CD: HRM) (1 August 2016 to 31 December 2016) • Ms PS Tomotomo (CD: HRM) (1 January 2017 to 31 March 2017) |
| 2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose. | x | | The employee health and wellness unit is a sub-directorate of the organisational development directorate within the chief directorate: human resources management. The EHWP unit is run by a wellness specialist (assistant director). The unit has an annual budget available. The total expenditure for the financial year was R894 560.35. |

PART D: HUMAN RESOURCE MANAGEMENT - Continued**3. HUMAN RESOURCES OVERSIGHT STATISTICS**

| QUESTION | YES | NO | DETAILS, IF YES |
|---|-----|----|---|
| 3. Has the department introduced an employee assistance or health promotion programme for employees? If so, indicate the key elements/services of this programme. | x | | The National Treasury provides employee assistance programmes under its programme brand of Siyaphila. Siyaphila is a confidential, free, 24 hour, 365 day, personal support line for NT employees and their immediate family members. These services include counselling services, wellness management, HIV and Aids management, primary health care services and productivity management. |
| 4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent. | | x | The committee consists of employee across the department in various divisions. These include: <ul style="list-style-type: none"> • Sheridan Pillay • Johnny October • Margaret Serumula • Innocentia Machaba • Jolanda Petzer • Octavia Maphila • Nomlotha Mazibuko • Betty Malope • Judith Rudolph • Tebogo Legote |
| 5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed. | x | | The HIV and Aids and TB management policy has been reviewed and tabled at the Governance Review Committee and Departmental Bargaining Chambers for Consultation and Endorsement. A task team for employee health and wellness programmes, policies and frameworks has been established and is represented by stakeholders including: organised labour, employee relations, occupational health and safety, chief risk officer, corporate services and human resources management. |
| 6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures. | x | | Confidentiality clauses are in place and enforced. New infections are managed by the primary health care personnel. |
| 7. Does the department encourage its employees to undergo voluntary counselling and testing? If so, list the results that you have you achieved. | x | | In 2016/17, 141 employees voluntarily tested for HIV and Aids. The Department has a clinic on-site providing primary health care services. The clinic is serviced by a nurse twice a week, for four hours on each day, and a doctor one day a week, for an hour. The services are free and provide employees with an opportunity to do voluntary testing. In addition to this, the Siyaphila programme hosts six departmental events per annum where employees also have the opportunity to do voluntary testing. Nurses are present at each of the events to provide this service. |

PART D: HUMAN RESOURCE MANAGEMENT - Continued**3. HUMAN RESOURCES OVERSIGHT STATISTICS**

| QUESTION | YES | NO | DETAILS, IF YES |
|--|-----|----|---|
| 8. Has the department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators. | x | | <ul style="list-style-type: none"> • Rate of absenteeism • Number of health related complaints • Voluntary HIV and Aids reports (that do not compromise confidentiality) • EHWP satisfaction surveys • Wellness cards to continuously monitor and improve on health risk assessments • Quarterly and annual utilisation statistics of services (reach – one new employee, as well as utilisation including repeat users of numerous contact points) |

3.12 LABOUR RELATIONS**Table 3.12.1 Collective agreements, 1 April 2016 to 31 March 2017**

| SUBJECT MATTER | DATE |
|----------------|------|
| None | N/A |

Table 3.12.2 Misconduct and disciplinary hearings finalised, 1 April 2016 to 31 March 2017

| OUTCOMES OF DISCIPLINARY HEARINGS | NUMBER | % OF TOTAL |
|---|----------|------------|
| Guilty sanction of demotion was implemented | 1 | 100 |
| Total | 1 | 100 |

Table 3.12.3 Types of misconduct addressed at disciplinary hearings

| TYPE OF MISCONDUCT | NUMBER | % OF TOTAL |
|---|----------|------------|
| Gross insubordination, misleading the manager and failure to comply with policies and procedures. | 1 | 100 |
| Total | 1 | 100 |

Table 3.12.4 Grievances lodged for the period 1 April 2016 to 31 March 2017

| GRIEVANCES | NUMBER | % OF TOTAL |
|--|-----------|------------|
| Number of grievances resolved | 20 | 83 |
| Number of grievances not resolved | 4 | 17 |
| Total number of grievances lodged | 24 | 100 |

PART D: HUMAN RESOURCE MANAGEMENT - Continued**3. HUMAN RESOURCES OVERSIGHT STATISTICS****Table 3.12.5 Disputes lodged with councils for the period 1 April 2016 to 31 March 2017**

| DISPUTES | NUMBER | % OF TOTAL |
|--|----------|------------|
| Number of disputes upheld | 0 | 0 |
| Number of disputes dismissed | 0 | 0 |
| Number of disputes pending | 1 | 100 |
| Total number of disputes lodged | 1 | 100 |

Table 3.12.6 Strike actions for the period 1 April 2016 to 31 March 2017

| TOTAL NUMBER OF PERSON WORKING DAYS LOST | % OF TOTAL |
|--|------------|
| Total cost (R'000) of working days lost | 0 |
| Amount (R'000) recovered as a result of no work no pay | 0 |

Table 3.12.7 Precautionary suspensions for the period 1 April 2016 to 31 March 2017

| | |
|--|-------------|
| Number of people suspended | 3 |
| Number of people whose suspension exceeded 30 days | 2 |
| Average number of days suspended | 69 |
| Cost of suspensions | R154 789.87 |

3.13 SKILLS DEVELOPMENT**Table 3.13.1 Training needs identified as at 31 March 2016**

| OCCUPATIONAL CATEGORIES | GENDER | NUMBER OF EMPLOYEES AS AT 1 APRIL 2016 | TRAINING NEEDS IDENTIFIED AT START OF REPORTING PERIOD | | | |
|--|--------|--|--|---|-------------------------|-------|
| | | | LEARNERSHIPS | SKILLS PROGRAMMES AND OTHER SHORT COURSES | OTHER FORMS OF TRAINING | TOTAL |
| Legislators, senior officials and managers | Female | 133 | 0 | 76 | 9 | 85 |
| | Male | 150 | 0 | 64 | 8 | 72 |
| Professionals | Female | 288 | 17 | 179 | 24 | 220 |
| | Male | 255 | 17 | 171 | 27 | 215 |
| Technicians and associated professionals | Female | 165 | 0 | 131 | 34 | 165 |
| | Male | 65 | 0 | 42 | 6 | 48 |
| Clerks | Female | 87 | 0 | 41 | 46 | 87 |
| | Male | 31 | 0 | 1 | 30 | 31 |
| Service and sales workers | Female | 8 | 0 | 7 | 0 | 7 |
| | Male | 18 | 0 | 12 | 6 | 18 |
| 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 |

PART D: HUMAN RESOURCE MANAGEMENT - Continued**3. HUMAN RESOURCES OVERSIGHT STATISTICS**

| OCCUPATIONAL CATEGORIES | GENDER | NUMBER OF EMPLOYEES AS AT 1 APRIL 2016 | TRAINING NEEDS IDENTIFIED AT START OF REPORTING PERIOD | | | |
|--|--------|--|--|---|-------------------------|------------|
| | | | LEARNERSHIPS | SKILLS PROGRAMMES AND OTHER SHORT COURSES | OTHER FORMS OF TRAINING | TOTAL |
| Plant and machine operators and assemblers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Elementary occupations | Female | 7 | 0 | 6 | 0 | 6 |
| | Male | 9 | 0 | 5 | 0 | 5 |
| Subtotal | Female | 688 | 17 | 440 | 113 | 570 |
| | Male | 528 | 17 | 295 | 77 | 389 |
| Total | | 1216 | 34 | 735 | 190 | 959 |

** Note: Minister and Deputy Minister not included in total.

Table 3.13.2 Training provided, 1 April 2016 to 31 March 2017

| OCCUPATIONAL CATEGORIES | GENDER | NUMBER OF EMPLOYEES AS AT 1 APRIL 2016 | TRAINING PROVIDED WITHIN THE REPORTING PERIOD | | | |
|--|--------|--|---|---|-------------------------|------------|
| | | | LEARNERSHIPS | SKILLS PROGRAMMES AND OTHER SHORT COURSES | OTHER FORMS OF TRAINING | TOTAL |
| Legislators, senior officials and managers | Female | 133 | 0 | 70 | 14 | 84 |
| | Male | 150 | 0 | 64 | 11 | 75 |
| Professionals | Female | 288 | 19 | 109 | 43 | 171 |
| | Male | 255 | 20 | 79 | 40 | 139 |
| Technicians and associated professionals | Female | 165 | 0 | 46 | 26 | 72 |
| | Male | 65 | 0 | 24 | 4 | 28 |
| Clerks | Female | 87 | 0 | 7 | 66 | 73 |
| | Male | 31 | 0 | 1 | 40 | 41 |
| Service and sales workers | Female | 8 | 0 | 10 | 1 | 11 |
| | Male | 18 | 0 | 13 | 3 | 16 |
| 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 | 7 | 0 | 0 | 0 | 0 |
| | Male | 9 | 0 | 2 | 0 | 2 |
| Subtotal | Female | 688 | 19 | 242 | 150 | 411 |
| | Male | 528 | 20 | 183 | 98 | 301 |
| Total | | 1216 | 39 | 425 | 248 | 712 |

** Note: Minister and Deputy Minister not included in total.

PART D: HUMAN RESOURCE MANAGEMENT - Continued**3. HUMAN RESOURCES OVERSIGHT STATISTICS****3.14 INJURY ON DUTY****Table 3.14.1 Injuries on duty, 1 April 2016 to 31 March 2017**

| NATURE OF INJURY ON DUTY | NUMBER | % OF TOTAL |
|---------------------------------------|----------|-------------|
| Required basic medical attention only | 3 | 100% |
| Temporary total disablement | 0 | 0 |
| Permanent disablement | 0 | 0 |
| Fatal | 0 | 0 |
| Total | 3 | 100% |

3.15 UTILISATION OF CONSULTANTS**Table 3.15.1 Report on consultants appointments using appropriate funds for the period 1 April 2016 to 31 March 2017**

| PROJECT TITLE | TOTAL NUMBER OF CONSULTANTS | CONTRACT VALUE IN RAND |
|--|-----------------------------|------------------------|
| CONTRACTS CEDED | | |
| The infrastructure Delivery Improvement Programmers' (IDIP) contract ceded from the Development Bank of Southern Africa (DBSA) to National Treasury (NT) | 1 | R863 818.20 |
| The infrastructure Delivery Improvement Programmers' (IDIP) contract ceded from the Development Bank of Southern Africa (DBSA) to National Treasury (NT) | 1 | R1 571 302.00 |
| The infrastructure Delivery Improvement Programmers' (IDIP) contract ceded from the Development Bank of Southern Africa (DBSA) to National Treasury (NT) | 8 | R10 069.392.40 |
| Advisory support services for the interior design/decor and refurbishing of Africa regional center (ARC) of the new development bank (NDB) | 1 | R63 954.00 |
| Provision of technical assistance to the IDIP programme in Gauteng Province ceded from the DBSA to National Treasury. | 1 | R5 214 321.60 |
| Appointment of an IDIP design and support specialist for National Treasury contract ceded for DBSA to National Treasury. | 1 | R2 549 615.04 |
| Provision of technical assistance to the IDIP programme contract ceded from DBSA to National Treasury. | 1 | R5 903 121.37 |
| Provision of technical assistance to the IDIP programme contract ceded from DBSA to National Treasury. | 1 | R6 010 813.45 |
| Infrastructure monitoring system specialist for National Treasury contract ceded from DBSA to National Treasury. | 1 | R4 614 498.20 |
| Appointment of a resource to support the Free State provincial Treasury with the implementation and management of the IDMS, contract ceded from DBSA to National Treasury. | 1 | R4 767 905.72 |
| Appointment of a resource to advise ,assist and support the department of basic education with monitoring , reporting, oversight and support to provisional education departments, contract ceded from DBSA to National Treasury | 1 | R3 681 780.00 |
| Appointment of a resource to develop and enhance training programmes to support IDMS, contract ceded from DBSA to National Treasury. | 1 | R2 136 645.00 |

PART D: HUMAN RESOURCE MANAGEMENT - Continued**3. HUMAN RESOURCES OVERSIGHT STATISTICS**

| PROJECT TITLE | TOTAL NUMBER OF CONSULTANTS | CONTRACT VALUE IN RAND |
|---|------------------------------------|-------------------------------|
| CONTRACTS CEDED | | |
| Appointment of an IDIP strategic, monitoring and evaluation specialist for National Treasury, contract ceded from DBSA to National Treasury. | 1 | R2 792 435.52 |
| Appointment of a resource to develop and implement an interactive information technology system for IDMS of knowledge (RFP 147/2015), contract ceded from DBSA to National Treasury. Consultant name: | 1 | R4 295 410.56 |
| Appointment of a resource for project management of the enhanced IDMS and IDM toolkit development and subsequent rollout to all three spheres of government, contract ceded from DBSA to National Treasury. | 1 | R3 865 869.50 |
| Appointment of a resource to support the Eastern Cape provisional treasury with the implementation and management of the IDMS, contract ceded from DBSA to National Treasury. | 1 | R3 635 566.76 |
| Provision of technical assistance to the IDIP programme in Western Cape Province, contract ceded from DBSA to National Treasury. | 1 | R5 849 940.00 |
| Appointment of a resource to implement the IDMBOK through knowledge circles, communities of practice and knowledge management workshops contract ceded from DBSA to National Treasury. | 1 | R3 204 967.50 |
| Provision of technical assistance to the IDIP programme in Limpopo Province, contract ceded from DBSA to National Treasury. | 1 | R4 894 211.23 |
| Infrastructure delivery improvement programmes (IDIP) contracts that are to be ceded from the development bank of Southern Africa (DBSA) to the National Treasury (NT). | 1 | R2 027 047.68 |
| Infrastructure delivery improvement programmers'(IDIP)contract cede from DBSA to National Treasury | 1 | R648 945.00 |
| Infrastructure delivery improvement programmers'(IDIP) contract cede from DBSA to National Treasury | 1 | R3 017 397.60 |
| CONTRACTS AWARDED | | |
| Appointment of a service provider for change management and communication specialist in the supply chain management reforms initiative | 1 | R1 296 000.00 |
| Appointment of change management and communication management specialists in central supplier database implementation for the office of chief procurement officer | 1 | R498 544.80 |
| Appointment of short term technical assistant to assist, support the north west PT in implementation of the (IDMS) through the building of appropriate capacity to sustain the approved provincial IDMS | 1 | R648 945.00 |
| Appointment of service providers to conduct professional editing and instructional design on risk management guides | 1 | R128 700.00 |
| Appointment of external editor to assist with the editing and formatting of the 2015/16 annual debt management report. | 1 | R20 625.00 |
| Appointment of a service provider for the development of training material for the rollout of councilor induction programme (CIP) | 1 | R410 000.00 |
| Appointment of a service provider to render coaching services for Chief Director: Macro Economic Policy | 1 | R42 000.00 |

PART D: HUMAN RESOURCE MANAGEMENT - Continued**3. HUMAN RESOURCES OVERSIGHT STATISTICS**

| PROJECT TITLE | TOTAL NUMBER OF CONSULTANTS | CONTRACT VALUE IN RAND |
|---|------------------------------------|-------------------------------|
| Appointment of service provider for a change management specialist in the supply chain management reforms initiative | 1 | R1 440 000.00 |
| Appointment of Technical Expert to develop workshop material for management accounting in the public sector | 1 | R480 000.00 |
| Appointment of a service provider for the provision of a programme assistant for the city support programme for the period of 12 months | 1 | R330 000.00 |
| Appointment of a service provider to assist and support the NT with education sector knowledge in infrastructure planning | 1 | R487 350.00 |
| Appointment of a service provider to assist and support the NT with health sector knowledge in infrastructure planning | 1 | R487 350.00 |
| Appointment of a service provider to facilitate leadership development training and strategic planning sessions | 1 | R499 926.48 |
| Appointment of a service provider to edit the annual report for the 2015-16 financial year | 1 | R65 000.00 |
| Appointment of a service provider to review and update learning material on finance for non-financial managers | 1 | R240 000.00 |
| Appointment of a service provider to develop a concept note and operational plan for the 4th phase of the financial management improvement programme | 1 | R400 000.00 |
| Appointment of a single service provider for the printing and distribution of embargo related information | 1 | R3 186 520.00 |
| Amendment of financial implications to appoint a service provider for provision of high level programming language ABD interactive technical computing environment for algorithm development | 1 | R65 664.00 |
| Appoint a service provider to conduct financial intelligence center act (FICA) training to the board of directors and staff members of the co-operative financial institutions | 1 | R100 452.00 |
| Appointment of a service provider to conduct training on national credit act for the co-operative financial institutions board of directors and staff | 1 | R165 000.00 |
| Appointment of professional service provider(s) for implementation of the cities support programme (csp) for a period of 2 years (s24 business group) | 1 | R1 915 200.00 |
| Appointment of a service provider(S) to conduct forensic investigations on all payments relating to the Integrated Financial Management System (IFMS). | 1 | R1 133 239.88 |
| Appointment of professional service provider(s) for implementation of the cities support programme (csp) for a period of 2 years (s24 business group) | 1 | R3 699 360.00 |
| Appointment of a short term technical assistant (STTA) to provide technical expertise to support the new standard for infrastructure procurement and delivery (SIPDM) in the Eastern Cape Provincial Treasury | 1 | R456 000.00 |
| Appointment of a short term resource to assist and support the KwaZulu-Natal Provincial Treasury with the review of provincial infrastructure delivery management system (IDMS) framework document | 1 | R456 000.00 |
| Appointment of a service provider for the development of a costing model to project and quantify pension liabilities resulting from salary increases agreed at the public service coordinating bargaining council | 1 | R198 000.00 |

PART D: HUMAN RESOURCE MANAGEMENT - Continued**3. HUMAN RESOURCES OVERSIGHT STATISTICS**

| PROJECT TITLE | TOTAL NUMBER OF CONSULTANTS | CONTRACT VALUE IN RAND |
|---|------------------------------------|-------------------------------|
| Appointment of a Professional Service Provider to Provide Health Category Technical Support to the Office of The Chief Procurement Officer | 1 | R20 220 000.00 |
| Appointment of a Service Provider to provide technical support pertaining to the implementation of chapter 13 of the Municipal Financial Management Act for Local Municipality | 1 | R1 203 358.32 |
| Appointment of a service provider to review the capacitation of infrastructure units in the Provincial Departments of Health and Education (Funded through the Division of Revenue Act) for the Northern Cape, North West and Free | 1 | R458 850.00 |
| Appointment of a service provider to review the capacitation of infrastructure units in the Provincial Departments of Health and Education (Funded through the Division of Revenue Act) for the EC, KZN and WC Provinces. | 1 | R458 850.00 |
| Appointment of a service provider to assist and support the Northern Cape Provincial Treasury (PT) in the assessment of current planning and delivery of infrastructure processes in two municipalities. | 1 | R530 958.28 |
| Appointment for a freelance writer to develop, edit and proof read content for the CSD and IFMS iii quarterly publication and marketing material | 1 | R57 000.00 |
| Appointment of a professional service provider to develop the optimal group corporate structure for the realignment of the state-owned airline assets | 1 | R12 000 000.00 |
| Integrated Financial Management System (IFMS) Project: Service Provision transferred from IFMS 1 to IFMS 2 | | R383 000 000.00 |
| Appointment of a service provider to facilitate team coaching sessions for the office of the chief financial officer | 1 | R207 480.00 |
| Appointment of a service provider to develop and deliver training programmes to support the Infrastructure Delivery Management System | 1 | R8 215 000.00 |
| Appointment of a coal expert to analyse the quality of the coal delivered to Eskom by tegeta exploration and resources | 1 | R178 200.00 |
| Appointment of a service provider to review the overall progress on capacitation of infrastructure units in the provincial department of health and education funded through the division of revenue act for Gauteng Limpopo Mpumalanga | 1 | R496 240.00 |
| Appointment of a forensic firm to analyse the bank statement & testify in court on case 650/02/2016 | 1 | R194 940.00 |
| Appointment of a service provider to edit nine provincial public expenditure and financial accountability (Pefa) reports. | 2 | R103 626.00 |
| Appointment of a service provider to facilitate executive and leadership coaching sessions for the Chief Director: Global and Emerging Markets, | 1 | R43 200.00 |

This table refers to the total value of contracts concluded in the 2016/17 financial year and not to actual expenditure for the year. Contract value in Rands reflects the full contract amount and that may span over more than one financial year. Currently only the duration term of the contract is recorded and not the number of working days in a particular period.

PART D: HUMAN RESOURCE MANAGEMENT - Continued**3. HUMAN RESOURCES OVERSIGHT STATISTICS****Table 3.15.2 Report on consultant appointments using donor funds for the period 1 April 2016 and 31 March 2017**

| PROJECT TITLE | TOTAL NUMBER OF CONSULTANTS THAT WORKED ON PROJECT | DURATION (WORK DAYS) | DONOR AND CONTRACT VALUE IN RAND |
|--|--|----------------------|--|
| South Africa Urban Knowledge Hub Urban Technical Assistance (TA) Programme | 7 | 1 194 | Swiss Economic Cooperation and Development ZAR 1 26 000 000 |

| TOTAL NUMBER OF PROJECTS | TOTAL INDIVIDUAL CONSULTANTS | TOTAL DURATION WORK DAYS | TOTAL CONTRACT VALUE IN RAND |
|--|------------------------------|--------------------------|------------------------------|
| Improved business enabling environment and more competitive cities | 5 | 188 | ZAR 1 776 082 |
| Public financial management | 6 | 865 | ZAR 5 759 800 |
| Infrastructure finance | 1 | 40 | ZAR 420 000 |
| Land management | 6 | 143 | ZAR 951 419 |
| Urban regeneration | 2 | 105 | ZAR 531 500 |
| Integrated urban transport planning | 7 | 283 | ZAR 5 281 956 |
| Urbanisation review | 4 | 195 | ZAR 13 873 300 |

3.16 SEVERANCE PACKAGES**Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2016 and 31 March 2017**

| SALARY BAND | NUMBER OF APPLICATIONS RECEIVED | NUMBER OF APPLICATIONS REFERRED TO THE MPSA | NUMBER OF APPLICATIONS SUPPORTED BY MPSA | NUMBER OF PACKAGES APPROVED BY DEPARTMENT |
|--|---------------------------------|---|--|---|
| Lower skilled (Levels 1-2) | 0 | 0 | 0 | 0 |
| Skilled (Levels 3-5) | 0 | 0 | 0 | 0 |
| Highly skilled production (Levels 6-8) | 0 | 0 | 0 | 0 |
| Highly skilled supervision (Levels 9-12) | 0 | 0 | 0 | 0 |
| Senior management (Levels 13-16) | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 |



2016/17

NATIONAL TREASURY

Annual Report

PART E

FINANCIAL INFORMATION



national treasury
Department
National Treasury
REPUBLIC OF SOUTH AFRICA

2016/17 NATIONAL TREASURY

Annual Report

VOTE 7

CONTENTS



ANNUAL FINANCIAL STATEMENTS

1. Report of the auditor-general to Parliament on vote no. 7 National Treasury224
2. Appropriation Statement.....231
3. Notes to the Appropriation Statement.....301
4. Statement of Financial Performance305
5. Statement of Financial Position306
6. Statement of Changes in Net Assets.....307
7. Cash Flow Statement.....308
8. Notes to the Annual Financial Statements (including Accounting Policies)309
9. Annexures.....350



PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

**REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT
ON VOTE NO. 7 NATIONAL TREASURY**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

1. I have audited the financial statements of the National Treasury set out on pages 231 to 349, which comprise the appropriation statement, the statement of financial position as at 31 March 2017, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the 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 National Treasury as at 31 March 2017, 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 of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2016 (Act No. 3 of 2016) (DoRA).

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 auditor-general's responsibilities 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' Code of ethics for professional accountants (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

Restatement of corresponding figures

7. As disclosed in note 38 to the financial statements, the corresponding figures for 31 March 2016 have been restated as a result of errors in the financial statements of the department at, and for the year ended, 31 March 2017.

Material impairments

8. As disclosed in note 12 to the financial statements, material impairment of R13 billion were recognised in the accounts as a result of the investment in South African Airways.

Non-adjusting events after the reporting date

9. As disclosed in note 31 to the financial statements, the National Treasury made a payment of R2,2 billion to the South African Airways for full settlement of the Standard Chartered Bank short-term bridging facility, which was due on 30 June 2017.

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 7 NATIONAL TREASURY

Irregular expenditure

10. As disclosed in note 26 to the financial statements, irregular expenditure to the amount of R47,5 million was incurred, as the required procurement processes had not been followed.

Fruitless and wasteful expenditure

11. As disclosed in note 27 to the financial statements, fruitless and wasteful expenditure to the amount of R69,6 million was incurred, as the department made payments for which no services had been received.

Other matter

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

Unaudited supplementary schedules

13. The supplementary information set out on pages 350 to 404 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon

Responsibilities of accounting officer for the financial statements

14. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA and DoRA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

15. In preparing the financial statements, the accounting officer is responsible for assessing the National Treasury'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 intention is to liquidate the department or to cease operations, or there is no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

16. 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

**REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT
ON VOTE NO. 7 NATIONAL TREASURY**

**REPORT ON THE AUDIT OF THE ANNUAL
PERFORMANCE REPORT**

Introduction and scope

18. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
19. My procedures address the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
20. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2017:

| Programmes | Pages in the annual performance report |
|---|--|
| Programme 2: economic policy, tax, financial regulation and research | 63 – 72 |
| Programme 4: asset and liability management | 99 – 109 |
| Programme 7: civil and military pensions, contributions to funds and other benefits | 142 – 147 |
| Programme 8: technical and management support and development finance | 148 – 162 |

21. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
22. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following programmes:
 - Programme 2: economic policy, tax, financial regulation and research
 - Programme 4: asset and liability management
 - Programme 7: civil and military pensions, contributions to funds and other benefits
 - Programme 8: technical and management support and development finance

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 7 NATIONAL TREASURY

Other matters

23. I draw attention to the matters below.

Achievement of planned targets

24. Refer to the annual performance report on pages 53 to 162 for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a significant number of targets.

Adjustment of material misstatements

25. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of Programme 2 - economic policy, tax, financial regulation and research and Programme 4 - assets and liability management. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

REPORT ON AUDIT OF COMPLIANCE WITH LEGISLATION

Introduction and scope

26. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the department with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

27. The material findings in respect of the compliance criteria for the applicable subject matters are as follows:

Annual financial statements

28. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 40(1)(a) and (b) of the PFMA. Material misstatements of disclosure items identified by the auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified audit opinion.

Procurement and contract management

29. Goods and services with transaction values above R500 000 were procured without inviting competitive bids, as required by treasury regulation 16A6.1. A significant contract to the value of R383 million was awarded to a supplier on the integrated financial management system (IFMS) project without following the proper procurement process.

30. Contracts were extended without the approval of a properly delegated official as required by treasury regulation 8.1 and 8.2. of the PFMA.

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 7 NATIONAL TREASURY

31. A contract was awarded to a bidder based on preference points that were not allocated in accordance with the requirements of the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) (PPFA) and its regulations.

Expenditure management

32. Effective steps were not taken to prevent irregular expenditure, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1.

OTHER INFORMATION

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

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

35. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.

36. I have not yet received the annual report. When I do receive 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 re-issue my auditor's report amended as appropriate.

INTERNAL CONTROL DEFICIENCIES

37. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.

38. Management did not adequately review the financial statements and the annual performance report before submitting it for auditing. Material misstatements were identified during the audit process.

39. There was a lack of adherence to the supply chain management regulations by officials within the department.

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

**REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT
ON VOTE NO. 7 NATIONAL TREASURY**

OTHER REPORTS

40. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the department's financial statements, reported performance information, compliance with applicable legislation and other related matters. 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.
41. During the year the audit committee initiated a forensic audit into the IFMS. The investigation commenced in October 2016 and was still ongoing.

Auditor-General

Pretoria

31 August 2017



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 7 NATIONAL TREASURY

ANNEXURE – AUDITOR-GENERAL’S RESPONSIBILITY FOR THE AUDIT

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

Financial statements

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

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and here applicable, related safeguards.

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| APPROPRIATION PER PROGRAMME | | 2016/17 | | | | | | 2015/16 | | |
|--|---|------------------------|-------------------|----------|---------------------|--------------------|----------------|---|---------------------|--------------------------|
| | | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | FINAL ACTUAL EXPENDITURE |
| VOTED FUNDS | PROGRAMME | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 |
| 1. | Administration | 467 416 | (0) | (3 000) | 464 416 | 436 313 | 28 103 | 93.9% | 386 645 | 375 582 |
| 2. | Economic Policy Tax Financial Regulation and Research | 150 161 | 0 | 6 400 | 156 561 | 151 182 | 5 379 | 96.6% | 132 730 | 131 290 |
| 3. | Public Finance and Budget Management | 294 483 | - | - | 294 483 | 281 778 | 12 705 | 95.7% | 268 889 | 262 577 |
| 4. | Asset and Liability Management | 113 129 | - | - | 113 129 | 110 146 | 2 983 | 97.4% | 3 265 171 | 3 264 294 |
| 5. | Financial Accounting and Supply Chain Management Systems | 1 216 758 | - | 35 000 | 1 251 758 | 1 209 858 | 41 900 | 96.7% | 783 753 | 774 494 |
| 6. | International Financial Relations | 4 977 977 | - | (16 349) | 4 961 628 | 4 955 753 | 5 875 | 99.9% | 3 547 662 | 3 546 134 |
| 7. | Civil and Military Pensions Contributions to Funds and Other Benefits | 4 462 642 | - | - | 4 462 642 | 4 400 159 | 62 483 | 98.6% | 3 967 741 | 3 967 698 |
| 8. | Technical Support and Development Finance | 2 612 688 | - | (22 051) | 2 590 637 | 2 478 432 | 112 205 | 95.7% | 2 755 969 | 2 472 246 |
| 9. | Revenue Administration | 9 363 676 | - | - | 9 363 676 | 9 363 676 | - | 100.0% | 9 334 439 | 9 334 439 |
| 10. | Financial Intelligence and State Security | 4 812 487 | - | - | 4 812 487 | 4 812 487 | - | 100.0% | 4 562 062 | 4 562 062 |
| | TOTAL | 28 471 417 | - | - | 28 471 417 | 28 199 783 | 271 633 | 99.0% | 29 005 061 | 28 690 816 |
| Reconciliation with Statement of Financial Performance | | | | | | | | | | |
| Add: | | | | | | | | | | |
| Departmental receipts | | 4 951 206 | | | | | | | | |
| Aid assistance | | 30 016 | | | | | | | | |
| Actual amounts per Statement of Financial Performance (Total Revenue) | | 33 452 639 | | | | | | | | |
| Add: Aid assistance | | 16 734 | | | | | | | | |
| Actual amounts per Statement of Financial Performance (Total Expenditure) | | 28 216 517 | | | | | | | | |
| | | 70 009 | | | | | | | | |
| | | 28 760 825 | | | | | | | | |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| | 2016/17 | | | | | | 2015/16 | | |
|---|------------------------|-------------------|-----------------|---------------------|--------------------|----------------|---|---------------------|--------------------|
| | 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 |
| Current payments | 2 490 964 | (1 749) | (19 051) | 2 470 164 | 1 945 416 | 524 748 | 78.8% | 1 878 989 | 1 825 908 |
| Compensation of employees | 815 716 | (1 949) | - | 813 767 | 786 432 | 27 335 | 96.6% | 733 012 | 732 742 |
| Salaries and wages | 734 713 | (3 146) | - | 731 568 | 706 939 | 24 629 | 96.6% | 660 006 | 659 790 |
| Social contributions | 81 003 | 1 197 | - | 82 200 | 79 493 | 2 706 | 96.7% | 73 006 | 72 952 |
| Goods and services | 1 675 248 | 200 | (19 051) | 1 656 397 | 1 158 984 | 497 413 | 70.0% | 1 145 977 | 1 093 166 |
| Administrative fees | 3 370 | 906 | - | 4 276 | 3 264 | 1 012 | 76.3% | 4 287 | 3 510 |
| Advertising | 1 573 | (429) | - | 1 144 | 704 | 440 | 61.5% | 6 824 | 6 344 |
| Minor assets | 1 470 | (663) | - | 807 | 333 | 474 | 41.2% | 1 137 | 523 |
| Audit costs: External | 15 393 | (3 404) | - | 11 989 | 11 587 | 402 | 96.6% | 11 867 | 11 819 |
| Bursaries: Employees | 6 024 | 867 | - | 6 891 | 5 646 | 1 245 | 81.9% | 5 113 | 4 802 |
| Catering: Departmental activities | 1 452 | 159 | - | 1 611 | 1 272 | 339 | 79.0% | 969 | 1 098 |
| Communication (G&S) | 8 630 | (2 083) | - | 6 548 | 5 869 | 678 | 89.6% | 8 426 | 7 976 |
| Computer services | 829 186 | 20 498 | (3 000) | 846 684 | 402 009 | 444 675 | 47.5% | 370 107 | 368 743 |
| Consultants: Business and advisory services | 589 257 | (19 242) | (16 051) | 553 965 | 522 128 | 31 836 | 94.3% | 546 345 | 505 356 |
| Infrastructure and planning services | - | 40 | - | 40 | 39 | 1 | 98.3% | - | - |
| Legal services | 11 952 | 3 071 | - | 15 023 | 14 944 | 79 | 99.5% | 12 007 | 12 126 |
| Contractors | 2 606 | 41 | - | 2 647 | 2 374 | 273 | 89.7% | 2 278 | 2 414 |
| Agency and support / outsourced services | 11 397 | 1 087 | - | 12 484 | 11 908 | 576 | 95.4% | 11 105 | 11 052 |
| Entertainment | 496 | (38) | - | 458 | 88 | 370 | 19.1% | 288 | 121 |
| Fleet services (including government motor transport) | 1 528 | (5) | - | 1 523 | 1 478 | 45 | 97.0% | 1 357 | 1 350 |
| Consumable supplies | 2 394 | 228 | - | 2 622 | 2 371 | 251 | 90.4% | 2 342 | 2 196 |
| Consumable: Stationery printing and office supplies | 13 926 | (4 644) | - | 9 282 | 7 685 | 1 597 | 82.8% | 11 779 | 10 724 |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| | APPROPRIATION PER ECONOMIC CLASSIFICATION - CONTINUED | | | | | | | | | |
|--|---|----------------------|-----------------|------------------------|-----------------------|------------------|--|------------------------|--------------------------------|-----------------------|
| | 2016/17 | | | | | 2015/16 | | | | |
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | FINAL ACTUAL EXPENDITURE | ACTUAL EXPENDITURE |
| R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 | |
| Operating leases | 69 465 | 2 456 | - | 71 921 | 71 131 | 790 | 98.9% | 53 477 | 53 477 | 52 928 |
| Property payments | 28 607 | (2 876) | - | 25 731 | 25 260 | 471 | 98.2% | 23 060 | 23 060 | 23 057 |
| Travel and subsistence | 51 992 | 1 644 | - | 53 636 | 48 051 | 5 585 | 89.6% | 47 154 | 47 154 | 45 209 |
| Training and development | 9 763 | (1 197) | - | 8 566 | 5 857 | 2 709 | 68.4% | 7 526 | 7 526 | 5 132 |
| Operating payments | 7 035 | 3 503 | - | 10 538 | 9 500 | 1 038 | 90.2% | 7 438 | 7 438 | 6 272 |
| Venues and facilities | 7 732 | 281 | - | 8 013 | 5 486 | 2 527 | 68.5% | 11 081 | 11 081 | 10 404 |
| Rental and hiring | - | - | - | - | - | - | - | 10 | 10 | 10 |
| Transfers and subsidies | 21 922 325 | 1 749 | 19 051 | 21 943 125 | 21 790 667 | 152 458 | 99.3% | 21 234 215 | 21 234 215 | 20 985 425 |
| Provinces and municipalities | 1 486 540 | - | - | 1 486 540 | 1 454 400 | 32 140 | 97.8% | 1 435 256 | 1 435 256 | 1 411 831 |
| Municipal bank accounts | 1 486 540 | - | - | 1 486 540 | 1 454 400 | 32 140 | 97.8% | 1 435 256 | 1 435 256 | 1 411 831 |
| Departmental agencies and accounts | 15 096 038 | - | 35 400 | 15 131 438 | 15 074 146 | 57 292 | 99.6% | 15 041 883 | 15 041 883 | 14 816 595 |
| Departmental agencies (non-business entities) | 15 096 038 | - | 35 400 | 15 131 438 | 15 074 146 | 57 292 | 99.6% | 15 041 883 | 15 041 883 | 14 816 595 |
| Foreign governments and international organisations | 925 522 | - | (16 349) | 909 173 | 907 607 | 1 566 | 99.8% | 831 309 | 831 309 | 831 304 |
| Public corporations and private enterprises | 11 999 | - | - | 11 999 | 11 999 | - | 100.0% | 11 384 | 11 384 | 11 384 |
| Other transfers to public corporations | 11 999 | - | - | 11 999 | 11 999 | - | 100.0% | 11 384 | 11 384 | 11 384 |
| Households | 4 402 226 | 1 749 | - | 4 403 975 | 4 342 515 | 61 460 | 98.6% | 3 914 383 | 3 914 383 | 3 914 311 |
| Social benefits | 4 400 646 | 1 749 | - | 4 402 395 | 4 341 435 | 60 960 | 98.6% | 3 912 967 | 3 912 967 | 3 912 896 |
| Other transfers to households | 1 580 | - | - | 1 580 | 1 080 | 500 | 68.4% | 1 416 | 1 416 | 1 415 |
| Payments for capital assets | 56 893 | - | - | 56 893 | 462 473 | (405 580) | 812.9% | 45 853 | 45 853 | 33 210 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | 440 | 440 | - |
| Machinery and equipment | 56 863 | 3 | - | 56 866 | 46 379 | 10 487 | 81.6% | 45 413 | 45 413 | 33 210 |
| Transport equipment | 1 000 | 8 | - | 1 008 | 962 | 46 | 95.5% | 975 | 975 | - |
| Other machinery and equipment | 55 863 | (5) | - | 55 858 | 45 417 | 10 468 | 81.3% | 44 438 | 44 438 | 33 210 |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| APPROPRIATION PER ECONOMIC CLASSIFICATION - CONTINUED | | | | | | | | | | |
|--|------------------------------|-------------------------|----------------|---------------------------|--------------------------|----------------|---|---------------------------|--------------------------|--|
| | 2016/17 | | | | | 2015/16 | | | | |
| | ADJUSTED APPROPRIATION R'000 | SHIFTING OF FUNDS R'000 | VIREMENT R'000 | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | VARIANCE % | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | |
| Software and other intangible assets | 30 | (3) | | 27 | 416 094 | (416 067) | 1541088.9% | - | - | |
| Payment for financial assets | 4 001 235 | - | - | 4 001 235 | 4 001 228 | 7 | 100.0% | 5 846 004 | 5 846 273 | |
| Total | 28 471 417 | - | - | 28 471 417 | 28 199 783 | 271 633 | 99.0% | 29 005 061 | 28 690 816 | |

| PROGRAMME 1: ADMINISTRATION PER SUB PROGRAMME | | | | | | | | | | |
|--|------------------------------|-------------------------|----------------|---------------------------|--------------------------|---------------|---|---------------------------|--------------------------|--|
| | 2016/17 | | | | | 2015/16 | | | | |
| | ADJUSTED APPROPRIATION R'000 | SHIFTING OF FUNDS R'000 | VIREMENT R'000 | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | VARIANCE % | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | |
| 1. Ministry | 4 037 | - | - | 4 037 | 3 625 | 412 | 89.8% | 3 633 | 3 628 | |
| 2. Departmental Management | 52 253 | 282 | - | 52 535 | 50 461 | 2 074 | 96.1% | 48 351 | 47 115 | |
| 3. Corporate Services | 155 679 | 3 396 | - | 159 075 | 154 859 | 4 216 | 97.3% | 125 333 | 116 477 | |
| 4. Enterprise Wide Risk Management | 27 090 | 47 | - | 27 137 | 26 296 | 841 | 96.9% | 27 553 | 27 537 | |
| 5. Financial Administration | 51 794 | (3 245) | - | 48 549 | 37 881 | 10 668 | 78.0% | 38 862 | 38 701 | |
| 6. Legal Services | 20 024 | 3 482 | - | 23 506 | 22 914 | 592 | 97.5% | 18 749 | 18 656 | |
| 7. Internal Audit | 23 339 | 2 | - | 23 341 | 21 802 | 1 538 | 93.4% | 20 995 | 20 681 | |
| 8. Communications | 13 343 | (1 188) | (3 000) | 9 155 | 8 596 | 559 | 93.9% | 10 292 | 10 200 | |
| 9. Office Accommodation | 119 857 | (2 776) | - | 117 081 | 109 878 | 7 203 | 93.8% | 92 878 | 92 587 | |
| Total | 467 416 | (0) | (3 000) | 464 416 | 436 313 | 28 103 | 93.9% | 386 645 | 375 582 | |

| PROGRAMME 1: ADMINISTRATION PER ECONOMIC CLASSIFICATION | | | | | | | | | |
|--|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE |
| Current payments | 417 164 | (660) | (3 000) | 413 504 | 392 553 | 20 951 | 94.9% | 349 628 | 347 817 |
| Compensation of employees | 210 172 | (660) | - | 209 512 | 195 360 | 14 152 | 93.2% | 182 423 | 182 388 |
| Salaries and wages | 189 011 | (1 209) | - | 187 802 | 175 085 | 12 717 | 93.2% | 163 269 | 163 251 |
| Social contributions | 21 161 | 549 | - | 21 710 | 20 275 | 1 435 | 93.4% | 19 154 | 19 137 |
| Goods and services | 206 992 | (0) | (3 000) | 203 992 | 197 193 | 6 799 | 96.7% | 167 205 | 165 429 |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| | PROGRAMME 1: ADMINISTRATION PER SUB PROGRAMME - CONTINUED | | | | | | | | | |
|---|---|----------------------|----------|------------------------|-----------------------|----------|--|------------------------|-----------------------|--|
| | 2016/17 | | | | | 2015/16 | | | | |
| | 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 | R'000 | |
| Administrative fees | 987 | 47 | - | 1 034 | 540 | 494 | 52.2% | 1 902 | 1 607 | |
| Advertising | 532 | (82) | - | 450 | 255 | 195 | 56.6% | 677 | 455 | |
| Minor assets | 812 | (426) | - | 386 | 162 | 224 | 42.1% | 459 | 285 | |
| Audit costs: External | 7 500 | (2) | - | 7 498 | 7 272 | 226 | 97.0% | 7 417 | 7 417 | |
| Bursaries: Employees | 1 379 | 137 | - | 1 516 | 1 037 | 479 | 68.4% | 942 | 922 | |
| Catering: Departmental activities | 397 | 21 | - | 418 | 321 | 97 | 76.8% | 472 | 358 | |
| Communication (G&S) | 6 856 | (2 229) | - | 4 627 | 4 353 | 274 | 94.1% | 5 337 | 5 147 | |
| Computer services | 34 681 | 3 965 | (3 000) | 35 646 | 34 860 | 786 | 97.8% | 19 192 | 18 613 | |
| Consultants: Business and advisory services | 8 627 | (3 935) | - | 4 692 | 4 524 | 168 | 96.4% | 6 740 | 6 999 | |
| Infrastructure and planning services | - | 40 | - | 40 | 39 | 1 | 98.3% | - | - | |
| Legal services | 11 952 | 2 951 | - | 14 903 | 14 824 | 79 | 99.5% | 11 947 | 11 946 | |
| Contractors | 2 434 | 93 | - | 2 527 | 2 340 | 187 | 92.6% | 2 289 | 2 236 | |
| Agency and support / outsourced services | 11 082 | 1 331 | - | 12 413 | 11 873 | 540 | 95.6% | 11 003 | 11 001 | |
| Entertainment | 142 | (3) | - | 139 | 27 | 112 | 19.5% | 115 | 45 | |
| Fleet services (including government motor transport) | 1 512 | 1 | - | 1 513 | 1 478 | 35 | 97.7% | 1 281 | 1 272 | |
| Consumable supplies | 1 656 | 208 | - | 1 864 | 1 803 | 61 | 96.7% | 1 772 | 1 743 | |
| Consumable: Stationery printing and office supplies | 3 689 | (348) | - | 3 341 | 2 981 | 360 | 89.2% | 3 115 | 2 980 | |
| Operating leases | 64 483 | 2 031 | - | 66 514 | 66 026 | 488 | 99.3% | 51 130 | 51 091 | |
| Property payments | 28 607 | (2 876) | - | 25 731 | 25 260 | 471 | 98.2% | 23 060 | 23 057 | |
| Travel and subsistence | 15 329 | (607) | - | 14 722 | 14 115 | 607 | 95.9% | 14 410 | 14 364 | |
| Training and development | 3 322 | (407) | - | 2 915 | 2 082 | 833 | 71.4% | 2 749 | 2 705 | |
| Operating payments | 788 | 142 | - | 930 | 875 | 55 | 94.1% | 319 | 324 | |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| | PROGRAMME 1: ADMINISTRATION PER SUB PROGRAMME - CONTINUED | | | | | | | | | |
|---|---|-------------------|----------------|---------------------|--------------------|---------------|---|---------------------|--------------------|--------------------|
| | 2016/17 | | | | | 2015/16 | | | | |
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE | ACTUAL EXPENDITURE |
| R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 |
| Venues and facilities | 225 | (52) | - | 173 | 145 | 28 | 83.9% | 868 | 868 | 852 |
| Rental and hiring | - | - | - | - | - | - | - | 10 | 10 | 10 |
| Transfers and subsidies | 4,624 | 660 | - | 5,284 | 4,750 | 534 | 89.9% | 4,289 | 4,289 | 4,251 |
| <i>Departmental agencies and accounts</i> | <i>2 116</i> | <i>-</i> | <i>-</i> | <i>2 116</i> | <i>2 094</i> | <i>22</i> | <i>98.9%</i> | <i>1 916</i> | <i>1 916</i> | <i>1 859</i> |
| Departmental agencies (non-business entities) | 2 116 | - | - | 2 116 | 2 094 | 22 | 98.9% | 1 916 | 1 916 | 1 859 |
| Households | 2 508 | 660 | - | 3 168 | 2 657 | 511 | 83.9% | 2 373 | 2 373 | 2 392 |
| Social benefits | 928 | 660 | - | 1 588 | 1 576 | 12 | 99.3% | 957 | 957 | 977 |
| Other transfers to households | 1 580 | - | - | 1 580 | 1 080 | 500 | 68.4% | 1 416 | 1 416 | 1 415 |
| Payments for capital assets | 45 628 | - | - | 45 628 | 38 915 | 6 713 | 85.3% | 32 728 | 32 728 | 23 367 |
| Machinery and equipment | 45 628 | - | - | 45 628 | 38 915 | 6 713 | 85.3% | 32 728 | 32 728 | 23 367 |
| Transport equipment | 1 000 | 8 | - | 1 008 | 962 | 46 | 95.5% | 975 | 975 | - |
| Other machinery and equipment | 44 628 | (8) | - | 44 620 | 37 952 | 6 668 | 85.1% | 31 753 | 31 753 | 23 367 |
| Payment for financial assets | - | - | - | - | 95 | (95) | - | - | - | 147 |
| Total | 467 416 | (0) | (3 000) | 464 416 | 436 313 | 28 103 | 93.9% | 386 645 | 386 645 | 375 582 |

| | SUB-PROGRAMME: 1.1: MINISTRY | | | | | | | | | |
|----------------------------------|------------------------------|-------------------|----------|---------------------|--------------------|------------|---|---------------------|--------------------|--------------------|
| | 2016/17 | | | | | 2015/16 | | | | |
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE | ACTUAL EXPENDITURE |
| R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | |
| Economic classification | 4 037 | - | - | 4 037 | 3 625 | 412 | 89.8% | 3 633 | 3 633 | 3 628 |
| Current payments | 4 037 | - | - | 4 037 | 3 625 | 412 | 89.8% | 3 633 | 3 633 | 3 628 |
| <i>Compensation of employees</i> | <i>4 037</i> | <i>-</i> | <i>-</i> | <i>4 037</i> | <i>3 625</i> | <i>412</i> | <i>89.8%</i> | <i>3 633</i> | <i>3 633</i> | <i>3 628</i> |
| Salaries and wages | 3 714 | 323 | - | 4 037 | 3 625 | 412 | 89.8% | 3 629 | 3 629 | 3 628 |
| Social contributions | 323 | (323) | - | - | - | - | - | 4 | 4 | - |
| Total | 4 037 | - | - | 4 037 | 3 625 | 412 | 89.8% | 3 633 | 3 633 | 3 628 |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| SUB-PROGRAMME: 1.2: DEPARTMENTAL MANAGEMENT | 2016/17 | | | | | | | | | | 2015/16 | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|------------|---|---------------------|--------------------|---------------------|--------------------|--|--|
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE | FINAL APPROPRIATION | ACTUAL EXPENDITURE | | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 | | |
| ECONOMIC CLASSIFICATION | | | | | | | | | | | | | |
| Current payments | 50 144 | 179 | - | 50 323 | 48 465 | 1 858 | 96.3% | 46 476 | 46 476 | 46 312 | 46 312 | | |
| Compensation of employees | 30 778 | 2 655 | - | 33 433 | 32 363 | 1 070 | 96.8% | 28 390 | 28 390 | 28 432 | 28 432 | | |
| Salaries and wages | 28 450 | 1 950 | - | 30 400 | 29 420 | 980 | 96.8% | 25 651 | 25 651 | 25 694 | 25 694 | | |
| Social contributions | 2 328 | 705 | - | 3 033 | 2 943 | 90 | 97.0% | 2 739 | 2 739 | 2 738 | 2 738 | | |
| Goods and services | 19 366 | (2 476) | - | 16 890 | 16 102 | 788 | 95.3% | 18 086 | 18 086 | 17 880 | 17 880 | | |
| Administrative fees | 216 | 47 | - | 263 | 258 | 5 | 98.1% | 267 | 267 | 257 | 257 | | |
| Advertising | 78 | (31) | - | 47 | 46 | 1 | 98.2% | 29 | 29 | 29 | 29 | | |
| Minor assets | 125 | (77) | - | 48 | 17 | 31 | 34.8% | 4 | 4 | 1 | 1 | | |
| Bursaries: Employees | 147 | 24 | - | 171 | 121 | 50 | 70.6% | 210 | 210 | 164 | 164 | | |
| Catering: Departmental activities | 207 | 3 | - | 210 | 197 | 13 | 93.9% | 225 | 225 | 188 | 188 | | |
| Communication (G&S) | 730 | 128 | - | 858 | 844 | 14 | 98.3% | 1 246 | 1 246 | 1 245 | 1 245 | | |
| Computer services | 8 | 2 | - | 10 | 7 | 3 | 65.4% | 2 | 2 | 2 | 2 | | |
| Consultants: Business and advisory services | 1 223 | (1 125) | - | 98 | 96 | 2 | 97.7% | 745 | 745 | 738 | 738 | | |
| Legal services | 1 225 | (708) | - | 517 | 515 | 2 | 99.7% | 1 155 | 1 155 | 1 155 | 1 155 | | |
| Contractors | 23 | | - | 23 | 1 | 22 | 3.7% | 5 | 5 | 4 | 4 | | |
| Agency and support / outsourced services | 11 | 62 | - | 73 | 72 | 1 | 98.1% | 10 | 10 | 9 | 9 | | |
| Entertainment | 96 | - | - | 96 | 14 | 82 | 14.8% | 89 | 89 | 34 | 34 | | |
| Fleet services (including government motor transport) | 752 | (80) | - | 672 | 644 | 28 | 95.8% | 568 | 568 | 562 | 562 | | |
| Consumable supplies | 122 | (74) | - | 48 | 36 | 12 | 74.6% | 18 | 18 | 16 | 16 | | |
| Consumable: Stationery printing and office supplies | 690 | (235) | - | 455 | 390 | 65 | 85.8% | 332 | 332 | 328 | 328 | | |
| Operating leases | 412 | 143 | - | 555 | 396 | 159 | 71.3% | 238 | 238 | 232 | 232 | | |
| Travel and subsistence | 12 815 | (400) | - | 12 415 | 12 218 | 197 | 98.4% | 12 116 | 12 116 | 12 104 | 12 104 | | |
| Training and development | 247 | (124) | - | 123 | 69 | 54 | 56.4% | 2 | 2 | 2 | 2 | | |
| Operating payments | 19 | 16 | - | 35 | 17 | 18 | 49.0% | 3 | 3 | 1 | 1 | | |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| | SUB-PROGRAMME: 1.2: DEPARTMENTAL MANAGEMENT - CONTINUED | | | | | | | | | |
|--------------------------------|--|----------------------------|-------------------|------------------------------|-----------------------------|-------------------|--|------------------------------|-----------------------------|--|
| | 2016/17 | | | | | 2015/16 | | | | |
| | ADJUSTED APPROPRIATION R'000 | SHIFTING OF FUNDS R'000 | VIREMENT R'000 | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | VARIANCE R'000 | EXPENDITURE AS % OF FINAL APPROPRIATION % | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | |
| ECONOMIC CLASSIFICATION | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | |
| Venues and facilities | 220 | (47) | - | 173 | 145 | 28 | 83.9% | 812 | 799 | |
| Rental and hiring | - | - | - | - | - | - | - | 10 | 10 | |
| Transfers and subsidies | 597 | 103 | - | 700 | 697 | 3 | 99.6% | 570 | 567 | |
| <i>Households</i> | 597 | 103 | - | 700 | 697 | 3 | 99.6% | 570 | 567 | |
| Social benefits | 597 | 103 | - | 700 | 697 | 3 | 99.6% | 570 | 567 | |
| Payments for capital assets | 1 512 | - | - | 1 512 | 1 260 | 252 | 83.3% | 1 305 | 236 | |
| <i>Machinery and equipment</i> | 1 512 | - | - | 1 512 | 1 260 | 252 | 83.3% | 1 305 | 236 | |
| Transport equipment | 1 000 | 8 | - | 1 008 | 962 | 46 | 95.5% | 975 | 236 | |
| Other machinery and equipment | 512 | (8) | - | 504 | 297 | 207 | 59.0% | 330 | 236 | |
| Payment for financial assets | - | - | - | - | 39 | (39) | - | - | - | |
| Total | 52 253 | 282 | - | 52 535 | 50 461 | 2 074 | 96.1% | 48 351 | 47 115 | |

| | SUB-PROGRAMME: 1.3: CORPORATE SERVICES | | | | | | | | | |
|----------------------------------|---|----------------------------|-------------------|------------------------------|-----------------------------|-------------------|--|------------------------------|-----------------------------|--|
| | 2016/17 | | | | | 2015/16 | | | | |
| | ADJUSTED APPROPRIATION R'000 | SHIFTING OF FUNDS R'000 | VIREMENT R'000 | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | VARIANCE R'000 | EXPENDITURE AS % OF FINAL APPROPRIATION % | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | |
| ECONOMIC CLASSIFICATION | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | |
| Current payments | 117 321 | 291 | - | 117 612 | 114 324 | 3 288 | 97.2% | 95 625 | 94 872 | |
| <i>Compensation of employees</i> | 74 083 | 165 | - | 74 248 | 72 848 | 1 400 | 98.1% | 67 239 | 67 183 | |
| Salaries and wages | 67 583 | 15 | - | 67 598 | 66 224 | 1 374 | 98.0% | 61 028 | 60 977 | |
| Social contributions | 6 500 | 150 | - | 6 650 | 6 625 | 25 | 99.6% | 6 211 | 6 206 | |
| <i>Goods and services</i> | 43 238 | 126 | - | 43 364 | 41 475 | 1 889 | 95.6% | 28 386 | 27 689 | |
| Administrative fees | 324 | (46) | - | 278 | 131 | 147 | 47.3% | 998 | 757 | |
| Advertising | 324 | (44) | - | 280 | 201 | 79 | 71.6% | 348 | 267 | |
| Minor assets | 159 | (27) | - | 132 | 57 | 75 | 43.0% | 77 | 69 | |
| Bursaries: Employees | 439 | 106 | - | 545 | 477 | 68 | 87.5% | 331 | 332 | |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| SUB-PROGRAMME: 1.3: CORPORATE SERVICES - CONTINUED | 2016/17 | | | | | | | | | | 2015/16 | | |
|---|---------------------------|----------------------|----------|------------------------|-----------------------|-------------|--|------------------------|----------------------|-----------------------|---------|-------|--|
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | FINAL EXPENDITURE | ACTUAL EXPENDITURE | | | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 | R'000 | |
| ECONOMIC CLASSIFICATION | | | | | | | | | | | | | |
| Catering: Departmental activities | 38 | (4) | - | 35 | 8 | 27 | 22.0% | 76 | 26 | 26 | | | |
| Communication (G&S) | 5 320 | (2 443) | - | 2 877 | 2 852 | 25 | 99.1% | 2 892 | 2 889 | 2 889 | | | |
| Computer services | 28 877 | 4 978 | - | 33 855 | 33 495 | 360 | 98.9% | 16 532 | 16 336 | 16 336 | | | |
| Consultants: Business and advisory services | 4 287 | (2 368) | - | 1 919 | 1 807 | 112 | 94.2% | 4 331 | 4 368 | 4 368 | | | |
| Contractors | 65 | 117 | - | 182 | 92 | 90 | 50.5% | 30 | 27 | 27 | | | |
| Entertainment | 10 | 4 | - | 14 | 6 | 8 | 39.6% | 19 | 5 | 5 | | | |
| Fleet services (including government motor transport) | 1 | - | - | 1 | - | 1 | - | 3 | 2 | 2 | | | |
| Consumable supplies | 169 | 90 | - | 259 | 236 | 23 | 91.2% | 298 | 229 | 229 | | | |
| Consumable: Stationery printing and office supplies | 219 | (17) | - | 202 | 112 | 90 | 55.5% | 204 | 151 | 151 | | | |
| Operating leases | 221 | 26 | - | 247 | 215 | 32 | 86.9% | 147 | 145 | 145 | | | |
| Travel and subsistence | 640 | 106 | - | 746 | 527 | 219 | 70.7% | 622 | 612 | 612 | | | |
| Training and development | 1 668 | (404) | - | 1 264 | 757 | 507 | 59.9% | 1 460 | 1 455 | 1 455 | | | |
| Operating payments | 477 | 52 | - | 529 | 504 | 25 | 95.3% | 18 | 19 | 19 | | | |
| Transfers and subsidies | 3 846 | 305 | - | 4 151 | 3 625 | 526 | 87.3% | 3 448 | 3 446 | 3 446 | | | |
| Departmental agencies and accounts | 2 106 | - | - | 2 106 | 2 085 | 21 | 99.0% | 1 851 | 1 850 | 1 850 | | | |
| Departmental agencies (non-business entities) | 2 106 | - | - | 2 106 | 2 085 | 21 | 99.0% | 1 851 | 1 850 | 1 850 | | | |
| Households | 1 740 | 305 | - | 2 045 | 1 541 | 504 | 75.3% | 1 597 | 1 596 | 1 596 | | | |
| Social benefits | 160 | 305 | - | 465 | 460 | 5 | 99.0% | 202 | 202 | 202 | | | |
| Other transfers to households | 1 580 | - | - | 1 580 | 1 080 | 500 | 68.4% | 1 395 | 1 394 | 1 394 | | | |
| Payments for capital assets | 34 512 | 2 800 | - | 37 312 | 36 866 | 446 | 98.8% | 26 260 | 18 108 | 18 108 | | | |
| Machinery and equipment | 34 512 | 2 800 | - | 37 312 | 36 866 | 446 | 98.8% | 26 260 | 18 108 | 18 108 | | | |
| Other machinery and equipment | 34 512 | 2 800 | - | 37 312 | 36 866 | 446 | 98.8% | 26 260 | 18 108 | 18 108 | | | |
| Payment for financial assets | - | - | - | - | 44 | (44) | - | - | 51 | 51 | | | |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| SUB-PROGRAMME: 1.3: CORPORATE SERVICES - CONTINUED | | | | | | | | | |
|--|---------------------------------|----------------------------|-------------------|------------------------------|-----------------------------|-------------------|--|------------------------------|-----------------------------|
| ECONOMIC CLASSIFICATION | 2016/17 | | | | | 2015/16 | | | |
| | ADJUSTED APPROPRIATION R'000 | SHIFTING OF FUNDS R'000 | VIREMENT R'000 | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | VARIANCE R'000 | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 |
| Total | 155 679 | 3 396 | - | 159 075 | 154 859 | 4 216 | 97.3% | 125 333 | 116 477 |
| SUB-PROGRAMME: 1.4: ENTERPRISE WIDE RISK MANAGEMENT | | | | | | | | | |
| ECONOMIC CLASSIFICATION | 2016/17 | | | | | 2015/17 | | | |
| | ADJUSTED APPROPRIATION R'000 | SHIFTING OF FUNDS R'000 | VIREMENT R'000 | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | VARIANCE R'000 | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 |
| Current payments | 26 837 | (33) | - | 26 804 | 26 000 | 804 | 97.0% | 23 766 | 23 750 |
| <i>Compensation of employees</i> | 18 733 | (34) | - | 18 699 | 18 054 | 645 | 96.5% | 16 834 | 16 831 |
| Salaries and wages | 16 460 | (68) | - | 16 392 | 15 764 | 628 | 96.2% | 14 683 | 14 682 |
| Social contributions | 2 273 | 34 | - | 2 307 | 2 290 | 17 | 99.3% | 2 151 | 2 149 |
| Goods and services | 8 104 | 1 | - | 8 105 | 7 947 | 158 | 98.0% | 6 932 | 6 919 |
| Administrative fees | 22 | (1) | - | 21 | 7 | 14 | 33.5% | 11 | 11 |
| Advertising | 3 | - | - | 3 | 1 | 3 | 16.7% | - | - |
| Minor assets | 11 | - | - | 11 | 4 | 7 | 38.3% | - | - |
| Bursaries: Employees | 134 | (32) | - | 102 | 95 | 7 | 93.5% | 157 | 156 |
| Catering: Departmental activities | 15 | - | - | 15 | 5 | 10 | 32.4% | 15 | 14 |
| Communication (G&S) | 52 | 32 | - | 84 | 75 | 9 | 89.8% | 126 | 124 |
| Consultants: Business and advisory services | 114 | 106 | - | 220 | 220 | 0 | 99.8% | - | - |
| Contractors | 1 080 | (300) | - | 780 | 779 | 1 | 99.9% | 439 | 463 |
| Agency and support / outsourced services | 5 662 | 448 | - | 6 110 | 6 108 | 2 | 100.0% | 5 596 | 5 595 |
| Entertainment | 4 | - | - | 4 | - | 4 | - | - | - |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| SUB-PROGRAMME: 1.4: ENTERPRISE WIDE RISK MANAGEMENT - CONTINUED | 2016/17 | | | | | | | | | | 2015/17 | |
|---|-------------------------|---------------|----------|----------|---------------|---------------|-------------|---------------------|---------------------|-------------|---------------|-------------|
| | ECONOMIC CLASSIFICATION | ADJUSTED | SHIFTING | VIREMENT | FINAL | ACTUAL | VARIANCE | EXPENDITURE AS % OF | FINAL | ACTUAL | FINAL | ACTUAL |
| | | APPROPRIATION | OF FUNDS | R'000 | APPROPRIATION | APPROPRIATION | EXPENDITURE | R'000 | FINAL APPROPRIATION | EXPENDITURE | APPROPRIATION | EXPENDITURE |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 |
| Fleet services (including government motor transport) | - | - | - | - | - | - | - | - | - | 23 | 23 | 23 |
| Consumable supplies | 65 | (47) | - | 18 | 13 | 5 | 71.3% | 17 | 17 | 17 | 17 | |
| Consumable: Stationery printing and office supplies | 137 | (58) | - | 79 | 76 | 3 | 95.8% | 81 | 81 | 81 | 81 | |
| Operating leases | 37 | 29 | - | 66 | 65 | 1 | 98.8% | 39 | 39 | 39 | 39 | |
| Travel and subsistence | 395 | (60) | - | 335 | 288 | 47 | 86.0% | 283 | 280 | 280 | 280 | |
| Training and development | 369 | (115) | - | 254 | 211 | 43 | 82.9% | 142 | 114 | 114 | 114 | |
| Operating payments | 4 | (1) | - | 3 | - | 3 | - | 2 | 2 | 2 | 2 | |
| Venues and facilities | - | - | - | - | - | - | - | 1 | - | - | - | |
| Transfers and subsidies | - | 65 | - | 65 | 63 | 2 | 97.3% | 21 | 21 | 21 | 21 | |
| <i>Households</i> | - | 65 | - | 65 | 63 | 2 | 97.3% | 21 | 21 | 21 | 21 | |
| Social benefits | - | 65 | - | 65 | 63 | 2 | 97.3% | 21 | 21 | 21 | 21 | |
| Payments for capital assets | 253 | 15 | - | 268 | 231 | 37 | 86.1% | 3 766 | 3 765 | 3 765 | 3 765 | |
| <i>Machinery and equipment</i> | 253 | 15 | - | 268 | 231 | 37 | 86.1% | 3 766 | 3 765 | 3 765 | 3 765 | |
| Other machinery and equipment | 253 | 15 | - | 268 | 231 | 37 | 86.1% | 3 766 | 3 765 | 3 765 | 3 765 | |
| Payment for financial assets | - | - | - | - | 2 | (2) | - | - | 1 | 1 | 1 | |
| Total | 27 090 | 47 | - | 27 137 | 26 296 | 841 | 96.9% | 27 553 | 27 537 | 27 537 | 27 537 | |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| SUBPROGRAMME: 1.5: FINANCIAL ADMINISTRATION | 2016/17 | | | | | | 2015/16 | | |
|---|---------------------------|----------------------|----------|------------------------|-----------------------|--------------|--|------------------------|-----------------------|
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE |
| | R '000 | R '000 | R '000 | R '000 | R '000 | R '000 | % | R '000 | R '000 |
| ECONOMIC CLASSIFICATION | | | | | | | | | |
| Current payments | 51 358 | (3 268) | - | 48 090 | 37 485 | 10 605 | 77.9% | 37 948 | 37 905 |
| Compensation of employees | 40 433 | (3 282) | - | 37 151 | 27 630 | 9 521 | 74.4% | 27 978 | 27 973 |
| Salaries and wages | 35 424 | (3 299) | - | 32 125 | 23 845 | 8 280 | 74.2% | 24 164 | 24 162 |
| Social contributions | 5 009 | 17 | - | 5 026 | 3 785 | 1 241 | 75.3% | 3 814 | 3 811 |
| Goods and services | 10 925 | 14 | - | 10 939 | 9 855 | 1 084 | 90.1% | 9 970 | 9 932 |
| Administrative fees | 376 | (29) | - | 347 | 107 | 240 | 30.9% | 416 | 414 |
| Advertising | 51 | (15) | - | 36 | 1 | 35 | 3.2% | 33 | 32 |
| Minor assets | 38 | (2) | - | 36 | - | 36 | - | 127 | 67 |
| Audit costs: External | 7 500 | (2) | - | 7 498 | 7 272 | 226 | 97.0% | 7 417 | 7 417 |
| Bursaries: Employees | 338 | 118 | - | 456 | 246 | 210 | 54.0% | 122 | 120 |
| Catering: Departmental activities | 4 | - | - | 4 | 1 | 3 | 24.7% | 6 | 2 |
| Communication (G&S) | 67 | 7 | - | 74 | 33 | 41 | 44.5% | 175 | 173 |
| Computer services | 690 | (5) | - | 685 | 605 | 80 | 88.4% | 515 | 515 |
| Consultants: Business and advisory services | 22 | (22) | - | - | - | - | - | 7 | 7 |
| Contractors | 4 | - | - | 4 | - | 4 | - | 90 | 63 |
| Entertainment | 5 | (1) | - | 4 | 2 | 2 | 59.8% | 1 | 1 |
| Fleet services (including government motor transport) | | | | | | | | 1 | 1 |
| Consumable supplies | - | 23 | - | 23 | 20 | 3 | 86.7% | 33 | 53 |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| SUBPROGRAMME: 1.5: FINANCIAL ADMINISTRATION - CONTINUED | 2016/17 | | | | | | | | | | 2015/16 | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|---------------|---|---------------------|-------------------|--------------------|---------|-------|--|
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | FINAL EXPENDITURE | ACTUAL EXPENDITURE | | | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 | R'000 | |
| ECONOMIC CLASSIFICATION | | | | | | | | | | | | | |
| Consumable: Stationery printing and office supplies | 1 093 | (82) | - | 1 011 | 942 | 69 | 93.1% | 728 | 728 | 727 | | | |
| Operating leases | 135 | 22 | - | 157 | 126 | 31 | 80.0% | 54 | 54 | 51 | | | |
| Travel and subsistence | 255 | (35) | - | 220 | 165 | 55 | 74.9% | 79 | 79 | 95 | | | |
| Training and development | 327 | 37 | - | 364 | 319 | 45 | 87.6% | 162 | 162 | 183 | | | |
| Operating payments | 20 | | - | 20 | 15 | 5 | 76.7% | 4 | 4 | 11 | | | |
| Transfers and subsidies | 81 | 23 | - | 104 | 104 | 0 | 99.8% | 126 | 126 | 102 | | | |
| <i>Households</i> | <i>81</i> | <i>23</i> | <i>-</i> | <i>104</i> | <i>104</i> | <i>0</i> | <i>99.8%</i> | <i>126</i> | <i>126</i> | <i>102</i> | | | |
| Social benefits | 81 | 23 | - | 104 | 104 | 0 | 99.8% | 126 | 126 | 102 | | | |
| Payments for capital assets | 355 | - | - | 355 | 287 | 68 | 80.7% | 788 | 788 | 692 | | | |
| <i>Machinery and equipment</i> | <i>355</i> | <i>-</i> | <i>-</i> | <i>355</i> | <i>287</i> | <i>68</i> | <i>80.7%</i> | <i>788</i> | <i>788</i> | <i>692</i> | | | |
| Other machinery and equipment | 355 | - | - | 355 | 287 | 68 | 80.7% | 788 | 788 | 692 | | | |
| Payments for financial assets | - | - | - | - | 6 | (6) | - | - | - | 2 | | | |
| Total | 51 794 | (3 245) | - | 48 549 | 37 881 | 10 668 | 78.0% | 38 862 | 38 862 | 38 701 | | | |
| SUBPROGRAMME: 1.6: LEGAL SERVICES | | | | | | | | | | | | | |
| SUBPROGRAMME: 1.6: LEGAL SERVICES | 2016/17 | | | | | | | | | | 2015/17 | | |
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | FINAL EXPENDITURE | ACTUAL EXPENDITURE | | | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 | R'000 | |
| ECONOMIC CLASSIFICATION | | | | | | | | | | | | | |
| Current payments | 19 891 | 3 455 | - | 23 346 | 22 856 | 490 | 97.9% | 18 593 | 18 593 | 18 501 | | | |
| <i>Compensation of employees</i> | <i>8 628</i> | <i>(42)</i> | <i>-</i> | <i>8 586</i> | <i>8 263</i> | <i>323</i> | <i>96.2%</i> | <i>7 105</i> | <i>7 105</i> | <i>7 102</i> | | | |
| Salaries and wages | 7 715 | (44) | - | 7 671 | 7 380 | 291 | 96.2% | 6 365 | 6 365 | 6 363 | | | |
| Social contributions | 913 | 2 | - | 915 | 883 | 32 | 96.5% | 740 | 740 | 739 | | | |
| Goods and services | 11 263 | 3 497 | - | 14 760 | 14 593 | 167 | 98.9% | 11 488 | 11 488 | 11 399 | | | |
| Administrative fees | 5 | | - | 5 | 4 | 1 | 82.0% | 100 | 100 | 100 | | | |
| Advertising | 22 | | - | 22 | 1 | 22 | 2.3% | 41 | 41 | 20 | | | |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| SUBPROGRAMME: 1.6: LEGAL SERVICES - CONTINUED | 2016/17 | | | | | | | 2015/17 | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|------------|---|---------------------|--------------------|---------------|
| | 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 | R'000 |
| ECONOMIC CLASSIFICATION | | | | | | | | | | |
| Minor assets | 9 | (3) | - | 6 | 3 | 3 | 54.2% | 6 | 6 | 6 |
| Bursaries: Employees | 20 | (20) | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 1 | | - | 1 | - | 1 | - | - | - | - |
| Communication (G&S) | 5 | 3 | - | 8 | 8 | 0 | 94.6% | 35 | 35 | 35 |
| Consultants: Business and advisory services | 15 | (15) | - | - | - | - | - | 28 | 14 | 14 |
| Legal services | 10 727 | 3 659 | - | 14 386 | 14 309 | 77 | 99.5% | 10 792 | 10 791 | 10 791 |
| Entertainment | 10 | | - | 10 | - | 10 | - | 1 | 1 | 1 |
| Fleet services (including government motor transport) | - | - | - | - | - | - | - | 2 | 1 | 1 |
| Consumable supplies | 4 | (2) | - | 2 | 0 | 2 | 10.1% | 1 | 1 | 1 |
| Consumable: Stationery printing and office supplies | 41 | (18) | - | 23 | 21 | 2 | 92.4% | 16 | 15 | 15 |
| Operating leases | 63 | 9 | - | 72 | 71 | 1 | 99.3% | 50 | 49 | 49 |
| Travel and subsistence | 128 | (54) | - | 74 | 68 | 6 | 91.4% | 74 | 71 | 71 |
| Training and development | 209 | (62) | - | 147 | 105 | 42 | 71.6% | 338 | 292 | 292 |
| Operating payments | 4 | | - | 4 | 3 | 1 | 75.5% | 4 | 3 | 3 |
| Transfers and subsidies | - | 42 | - | 42 | 42 | 0 | 99.6% | - | - | - |
| Households | - | 42 | - | 42 | 42 | 0 | 99.6% | - | - | - |
| Social benefits | - | 42 | - | 42 | 42 | 0 | 99.6% | - | - | - |
| Payments for capital assets | 133 | (15) | - | 118 | 16 | 102 | 13.8% | 156 | 155 | 155 |
| Machinery and equipment | 133 | (15) | - | 118 | 16 | 102 | 13.8% | 156 | 155 | 155 |
| Other machinery and equipment | 133 | (15) | - | 118 | 16 | 102 | 13.8% | 156 | 155 | 155 |
| Total | 20 024 | 3 482 | - | 23 506 | 22 914 | 592 | 97.5% | 18 749 | 18 656 | 18 656 |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| SUB-PROGRAMME: 1.7: INTERNAL AUDIT | 2016/17 | | | | | | | | | | 2015/16 | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|------------|---|---------------------|-------------------|--------------------|--------------|--------------|--|
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | FINAL EXPENDITURE | ACTUAL EXPENDITURE | | | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 | R'000 | |
| ECONOMIC CLASSIFICATION | | | | | | | | | | | | | |
| Current payments | 23 070 | (25) | - | 23 046 | 21 686 | 1 360 | 94.1% | 20 748 | 20 748 | 20 459 | 17 134 | 15 648 | |
| Compensation of employees | 18 001 | (26) | - | 17 975 | 17 460 | 515 | 97.1% | 17 136 | 17 136 | 15 650 | 1 486 | 1 486 | |
| Salaries and wages | 16 278 | - | - | 16 278 | 15 770 | 508 | 96.9% | 15 650 | 15 650 | 1 486 | 1 486 | 1 486 | |
| Social contributions | 1 723 | (26) | - | 1 697 | 1 691 | 6 | 99.6% | 1 486 | 1 486 | 1 486 | 1 486 | 1 486 | |
| Goods and services | 5 069 | 2 | - | 5 071 | 4 225 | 845 | 83.3% | 3 612 | 3 612 | 3 325 | 3 325 | 3 325 | |
| Administrative fees | 14 | 50 | - | 64 | 10 | 54 | 15.6% | 87 | 87 | 46 | 46 | 46 | |
| Advertising | 54 | - | - | 54 | - | 54 | - | 137 | 137 | 53 | 53 | 53 | |
| Minor assets | 5 | 11 | - | 16 | - | 16 | - | 107 | 107 | 45 | 45 | 45 | |
| Bursaries: Employees | 263 | (39) | - | 224 | 91 | 133 | 40.4% | 82 | 82 | 110 | 110 | 110 | |
| Catering: Departmental activities | 25 | 22 | - | 47 | 46 | 0 | 99.1% | 21 | 21 | 24 | 24 | 24 | |
| Communication (G&S) | 30 | (20) | - | 10 | 8 | 2 | 83.9% | 41 | 41 | 40 | 40 | 40 | |
| Computer services | 690 | 130 | - | 820 | 502 | 318 | 61.3% | 425 | 425 | 62 | 62 | 62 | |
| Consultants: Business and advisory services | 2 950 | (526) | - | 2 424 | 2 382 | 42 | 98.3% | 1 548 | 1 548 | 1 791 | 1 791 | 1 791 | |
| Contractors | - | - | - | - | - | - | - | 10 | 10 | 5 | 5 | 5 | |
| Entertainment | 10 | (5) | - | 5 | 5 | 0 | 90.2% | 3 | 3 | 3 | 3 | 3 | |
| Fleet services (including government motor transport) | 3 | - | - | 3 | - | 3 | - | 1 | 1 | 1 | 1 | 1 | |
| Consumable: Stationery printing and office supplies | 50 | - | - | 50 | 33 | 17 | 65.5% | 79 | 79 | 74 | 74 | 74 | |
| Operating leases | 160 | - | - | 160 | 137 | 23 | 85.6% | 125 | 125 | 107 | 107 | 107 | |
| Travel and subsistence | 317 | 68 | - | 385 | 344 | 41 | 89.3% | 338 | 338 | 326 | 326 | 326 | |
| Training and development | 453 | 240 | - | 693 | 553 | 140 | 79.7% | 578 | 578 | 610 | 610 | 610 | |
| Operating payments | 45 | 71 | - | 116 | 115 | 1 | 99.2% | 27 | 27 | 27 | 27 | 27 | |
| Venues and facilities | - | - | - | - | - | - | - | 2 | 2 | 1 | 1 | 1 | |
| Transfers and subsidies | 79 | 26 | - | 105 | 104 | 1 | 99.4% | 59 | 59 | 58 | 58 | 58 | |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| ECONOMIC CLASSIFICATION | 2016/17 | | | | | | 2015/16 | | |
|--------------------------------|------------------------|-------------------|----------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| | 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 |
| <i>Households</i> | 79 | 26 | - | 105 | 104 | 1 | 99.4% | 59 | 58 |
| Social benefits | 79 | 26 | - | 105 | 104 | 1 | 99.4% | 59 | 58 |
| Payments for capital assets | 190 | - | - | 190 | 9 | 181 | 4.8% | 188 | 164 |
| <i>Machinery and equipment</i> | 190 | - | - | 190 | 9 | 181 | 4.8% | 188 | 164 |
| Other machinery and equipment | 190 | - | - | 190 | 9 | 181 | 4.8% | 188 | 164 |
| Payment of financial assets | - | - | - | - | 3 | (3) | - | - | - |
| Total | 23 339 | 2 | - | 23 341 | 21 802 | 1 538 | 93.4% | 20 995 | 20 681 |

| ECONOMIC CLASSIFICATION | 2016/17 | | | | | | 2015/16 | | |
|-----------------------------------|------------------------|-------------------|----------------|---------------------|--------------------|------------|---|---------------------|--------------------|
| | 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 |
| Current payments | 13 052 | (1 224) | (3 000) | 8 828 | 8 378 | 450 | 94.9% | 10 133 | 9 965 |
| <i>Compensation of employees</i> | 6 260 | (36) | - | 6 224 | 6 031 | 193 | 96.9% | 5 673 | 5 672 |
| Salaries and wages | 5 583 | (36) | - | 5 547 | 5 376 | 171 | 96.9% | 5 053 | 5 052 |
| Social contributions | 677 | - | - | 677 | 655 | 22 | 96.7% | 620 | 620 |
| Goods and services | 6 792 | (1 188) | (3 000) | 2 604 | 2 347 | 257 | 90.1% | 4 460 | 4 293 |
| Administrative fees | 25 | 4 | - | 29 | 21 | 8 | 71.5% | 21 | 21 |
| Advertising | - | 6 | - | 6 | 4 | 2 | 73.4% | 89 | 53 |
| Minor assets | 11 | 2 | - | 13 | 4 | 9 | 33.5% | 38 | 36 |
| Bursaries: Employees | 18 | - | - | 18 | 8 | 10 | 42.5% | - | - |
| Catering: Departmental activities | 107 | - | - | 107 | 64 | 43 | 59.9% | 129 | 104 |
| Communication (G&S) | 39 | - | - | 39 | 37 | 2 | 95.6% | 56 | 56 |
| Computer services | 4 316 | (1 102) | (3 000) | 214 | 195 | 19 | 91.3% | 1 510 | 1 491 |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| | 2016/17 | | | | | | | | | | 2015/16 | | |
|---|---------------------------|----------------------|----------------|------------------------|-----------------------|------------|--|------------------------|-----------------------|------------------------|-----------------------|--|--|
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE | FINAL APPROPRIATION | ACTUAL EXPENDITURE | | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 | | |
| Consultants: Business and advisory services | 16 | - | - | 16 | 5 | 11 | 33.9% | - | - | - | - | | |
| Entertainment | 5 | - | - | 5 | 1 | 4 | 10.1% | 2 | 2 | 1 | 1 | | |
| Contactors | 10 | (8) | - | 2 | - | 2 | - | - | - | - | - | | |
| Consumable supplies | 17 | - | - | 17 | 3 | 14 | 17.0% | 5 | 5 | 4 | 4 | | |
| Consumable: Stationery printing and office supplies | 1 373 | 74 | - | 1 447 | 1 349 | 98 | 93.2% | 1 606 | 1 552 | 1 552 | 1 552 | | |
| Operating leases | 112 | 71 | - | 183 | 175 | 8 | 95.8% | 89 | 86 | 86 | 86 | | |
| Travel and subsistence | 719 | (252) | - | 467 | 440 | 27 | 94.2% | 815 | 807 | 807 | 807 | | |
| Training and development | 19 | 4 | - | 23 | 22 | 1 | 97.1% | 47 | 30 | 30 | 30 | | |
| Operating payments | - | 18 | - | 18 | 18 | 0 | 98.2% | - | - | - | - | | |
| Venues and facilities | 5 | (5) | - | - | - | - | - | 53 | 52 | 52 | 52 | | |
| Transfers and subsidies | - | 36 | - | 36 | 35 | 1 | 98.4% | 49 | 48 | 48 | 48 | | |
| <i>Departmental agencies and accounts</i> | - | - | - | - | - | - | - | 49 | - | - | - | | |
| Departmental agencies (non-business entities) | - | - | - | - | - | - | - | 49 | - | - | - | | |
| <i>Households</i> | - | 36 | - | 36 | 35 | 1 | 98.4% | - | - | - | 48 | | |
| Social benefits | - | 36 | - | 36 | 35 | 1 | 98.4% | - | - | - | 48 | | |
| Payments for capital assets | 291 | - | - | 291 | 183 | 108 | 62.8% | 110 | 94 | 94 | 94 | | |
| <i>Machinery and equipment</i> | 291 | - | - | 291 | 183 | 108 | 62.8% | 110 | 94 | 94 | 94 | | |
| Other machinery and equipment | 291 | - | - | 291 | 183 | 108 | 62.8% | 110 | 94 | 94 | 94 | | |
| Payment for financial assets | - | - | - | - | - | - | - | - | - | 93 | 93 | | |
| Total | 13 343 | (1 188) | (3 000) | 9 155 | 8 596 | 559 | 93.9% | 10 292 | 10 200 | 10 200 | 10 200 | | |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| SUB-PROGRAMME: 1.9: OFFICE ACCOMMODATION | 2016/17 | | | | | | | | | | 2015/16 | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|---------------------|--------------------|--|--|
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE | FINAL APPROPRIATION | ACTUAL EXPENDITURE | | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 | | |
| ECONOMIC CLASSIFICATION | | | | | | | | | | | | | |
| Current payments | 111 454 | (36) | - | 111 418 | 109 735 | 1 683 | 98.5% | 92 707 | 92 707 | 92 707 | 92 425 | | |
| <i>Compensation of employees</i> | 9 219 | (60) | - | 9 159 | 9 086 | 73 | 99.2% | 8 435 | 8 435 | 8 435 | 8 433 | | |
| Salaries and wages | 7 804 | (50) | - | 7 754 | 7 682 | 72 | 99.1% | 7 046 | 7 046 | 7 046 | 7 045 | | |
| Social contributions | 1 415 | (10) | - | 1 405 | 1 404 | 1 | 99.9% | 1 389 | 1 389 | 1 389 | 1 388 | | |
| Goods and services | 102 235 | 24 | - | 102 259 | 100 649 | 1 610 | 98.4% | 84 272 | 84 272 | 84 272 | 83 992 | | |
| Administrative fees | 5 | 22 | - | 27 | 1 | 26 | 5.1% | 2 | 2 | 2 | 1 | | |
| Advertising | - | 2 | - | 2 | 2 | 1 | 75.0% | - | - | - | 1 | | |
| Minor assets | 454 | (330) | - | 124 | 77 | 47 | 62.2% | 100 | 100 | 100 | 61 | | |
| Bursaries: Employees | 20 | (20) | - | - | - | - | - | 40 | 40 | 40 | 40 | | |
| Communication (G&S) | 613 | 64 | - | 677 | 496 | 181 | 73.3% | 766 | 766 | 766 | 585 | | |
| Computer services | 100 | (38) | - | 62 | 56 | 6 | 90.3% | 207 | 207 | 207 | 207 | | |
| Consultants: Business and advisory services | - | 15 | - | 15 | 14 | 1 | 95.8% | 81 | 81 | 81 | 81 | | |
| Contractors | 1 252 | 284 | - | 1 536 | 1 469 | 67 | 95.6% | 1 715 | 1 715 | 1 715 | 1 674 | | |
| Agency and support / outsourced services | 5 409 | 821 | - | 6 230 | 5 693 | 537 | 91.4% | 5 397 | 5 397 | 5 397 | 5 397 | | |
| Entertainment | 2 | (1) | - | 1 | - | 1 | - | - | - | - | - | | |
| Fleet services (including government motor transport) | 756 | 81 | - | 837 | 834 | 3 | 99.7% | 683 | 683 | 683 | 682 | | |
| Consumable supplies | 1 279 | 218 | - | 1 497 | 1 495 | 2 | 99.9% | 1 400 | 1 400 | 1 400 | 1 423 | | |
| Consumable: Stationery printing and office supplies | 86 | (12) | - | 74 | 58 | 16 | 78.5% | 69 | 69 | 69 | 52 | | |
| Operating leases | 63 343 | 1 731 | - | 65 074 | 64 841 | 233 | 99.6% | 50 388 | 50 388 | 50 388 | 50 382 | | |
| Property payments | 28 607 | (2 876) | - | 25 731 | 25 260 | 471 | 98.2% | 23 060 | 23 060 | 23 060 | 23 057 | | |
| Travel and subsistence | 60 | 20 | - | 80 | 65 | 15 | 81.2% | 83 | 83 | 83 | 69 | | |
| Training and development | 30 | 17 | - | 47 | 45 | 2 | 96.6% | 20 | 20 | 20 | 19 | | |
| Infrastructure and planning services | - | 40 | - | 40 | 39 | 1 | 98.3% | - | - | - | - | | |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| | SUB-PROGRAMME: 1.9: OFFICE ACCOMMODATION - CONTINUED | | | | | | | | | |
|---|--|-------------------------------|-------------------|---------------------------------|--------------------------------|-------------------|---|---------------------------------|--------------------------------|--|
| | 2016/17 | | | | | 2015/16 | | | | |
| | ADJUSTED APPROPRIATION R'000 | SHIFTING OF FUNDS R'000 | VIREMENT R'000 | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | VARIANCE R'000 | EXPENDITURE AS % OF FINAL APPROPRIATION % | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | |
| Operating payments | 219 | (14) | - | 205 | 203 | 2 | 98.9% | 261 | 261 | |
| Transfers and subsidies | 21 | 60 | - | 81 | 79 | 2 | 97.7% | 16 | 9 | |
| <i>Departmental agencies and accounts</i> | 10 | - | - | 10 | 9 | 1 | 87.5% | 16 | 9 | |
| Departmental agencies (non-business entities) | 10 | - | - | 10 | 9 | 1 | 87.5% | 16 | 9 | |
| <i>Households</i> | 11 | 60 | - | 71 | 70 | 1 | 99.2% | - | - | |
| Social benefits | 11 | 60 | - | 71 | 70 | 1 | 99.2% | - | - | |
| Payments for capital assets | 8 382 | (2 800) | - | 5 582 | 63 | 5 519 | 1.1% | 155 | 153 | |
| <i>Machinery and equipment</i> | 8 382 | (2 800) | - | 5 582 | 63 | 5 519 | 1.1% | 155 | 153 | |
| Other machinery and equipment | 8 382 | (2 800) | - | 5 582 | 63 | 5 519 | 1.1% | 155 | 153 | |
| Payment for financial assets | - | - | - | - | 0 | (0) | - | - | - | |
| Total | 119 857 | (2 776) | - | 117 081 | 109 878 | 7 203 | 93.8% | 92 878 | 92 587 | |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| PROGRAMME 2: ECONOMIC POLICY TAX FINANCIAL REGULATION AND RESEARCH PER SUB-PROGRAMME | | | | | | | | | |
|---|---------------------------|-----------------------|--------------|------------------------|-----------------------|--------------|--|------------------------|-----------------------|
| | 2016/17 | | | | | 2015/16 | | | |
| | ADJUSTED APPROPRIATION | SHIFTING OFF 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 |
| 1. Programme Management for Economic Policy Tax Financial Regulation and Research | 24 467 | 14 663 | 6 000 | 45 130 | 44 968 | 162 | 99.6% | 21 245 | 21 199 |
| 2. Research | 11 943 | (4 019) | - | 7 924 | 7 269 | 655 | 91.7% | 11 697 | 10 968 |
| 3. Financial Sector Policy | 34 404 | (9 882) | - | 24 522 | 24 304 | 218 | 99.1% | 27 887 | 27 636 |
| 4. Tax Policy | 32 024 | 477 | - | 32 501 | 30 288 | 2 213 | 93.2% | 27 788 | 27 609 |
| 5. Economic Policy | 30 851 | (1 239) | - | 29 612 | 27 481 | 2 131 | 92.8% | 26 772 | 26 537 |
| 6. Cooperative Banking Development Agency | 16 472 | - | 400 | 16 872 | 16 872 | - | 100.0% | 17 341 | 17 341 |
| Total | 150 161 | - | 6 400 | 156 561 | 151 182 | 5 379 | 96.6% | 132 730 | 131 290 |
| PROGRAMME 2: ECONOMIC POLICY TAX FINANCIAL REGULATION AND RESEARCH PER ECONOMIC CLASSIFICATION | | | | | | | | | |
| Current payments | 120 592 | (162) | 6 000 | 126 430 | 121 315 | 5 115 | 96.0% | 103 195 | 102 203 |
| Compensation of employees | 83 873 | (162) | - | 83 711 | 79 655 | 4 056 | 95.2% | 78 240 | 78 214 |
| Salaries and wages | 75 513 | (197) | - | 75 316 | 71 502 | 3 814 | 94.9% | 70 447 | 70 426 |
| Social contributions | 8 360 | 35 | - | 8 395 | 8 153 | 242 | 97.1% | 7 793 | 7 788 |
| Goods and services | 36 719 | 0 | 6 000 | 42 719 | 41 659 | 1 060 | 97.5% | 24 955 | 23 989 |
| Administrative fees | 157 | 3 | - | 160 | 154 | 6 | 96.1% | 133 | 133 |
| Advertising | 153 | (47) | - | 106 | 102 | 4 | 96.7% | 253 | 247 |
| Minor assets | 46 | (44) | - | 2 | - | 2 | - | 28 | 4 |
| Bursaries: Employees | 440 | (154) | - | 286 | 280 | 7 | 97.7% | 289 | 288 |
| Catering: Departmental activities | 123 | - | - | 123 | 100 | 23 | 81.1% | 80 | 84 |
| Communication (G&S) | 154 | 179 | - | 333 | 327 | 6 | 98.2% | 422 | 422 |
| Computer services | 98 | (86) | - | 12 | 11 | 1 | 95.4% | 12 | 12 |
| Consultants: Business and advisory services | 22 655 | 260 | 6 000 | 28 915 | 28 246 | 669 | 97.7% | 12 203 | 11 487 |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| | PROGRAMME 2: ECONOMIC POLICY TAX FINANCIAL REGULATION AND RESEARCH PER SUB-PROGRAMME - CONTINUED | | | | | | | | | |
|---|---|--------------------------|-----------------|----------------------------|---------------------------|-----------------|--|----------------------------|---------------------------|---------------|
| | 2016/17 | | | | | 2015/16 | | | | |
| | 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 | R'000 | |
| Legal services | - | 120 | - | 120 | 120 | 0 | 99.8% | 180 | 180 | 180 |
| Contractors | - | 1 | - | 1 | - | 1 | - | 24 | 24 | 13 |
| Entertainment | 54 | - | - | 54 | 16 | 38 | 28.9% | 24 | 24 | 10 |
| Fleet services (including government motor transport) | - | - | - | - | - | - | - | 2 | 2 | 2 |
| Consumable supplies | 138 | (18) | - | 121 | 102 | 19 | 84.5% | 77 | 77 | 56 |
| Consumable: Stationery printing and office supplies | 1 006 | 441 | - | 1 447 | 1 418 | 30 | 97.9% | 521 | 521 | 511 |
| Operating leases | 407 | (18) | - | 389 | 369 | 20 | 94.9% | 298 | 298 | 285 |
| Travel and subsistence | 6 149 | 557 | - | 6 706 | 6 611 | 95 | 98.6% | 5 040 | 5 040 | 5 068 |
| Training and development | 940 | (356) | - | 584 | 521 | 63 | 89.2% | 373 | 373 | 313 |
| Operating payments | 4 188 | (828) | - | 3 360 | 3 283 | 77 | 97.7% | 4 676 | 4 676 | 4 548 |
| Venues and facilities | 11 | (11) | - | - | - | - | - | 320 | 320 | 326 |
| Transfers and subsidies | 28 618 | 162 | 400 | 29 180 | 29 178 | 2 | 100.0% | 28 807 | 28 807 | 28 805 |
| <i>Departmental agencies and accounts</i> | <i>16 472</i> | <i>-</i> | <i>400</i> | <i>16 872</i> | <i>16 872</i> | <i>-</i> | <i>100.0%</i> | <i>17 341</i> | <i>17 341</i> | <i>17 341</i> |
| Departmental agencies (non-business entities) | 16 472 | - | 400 | 16 872 | 16 872 | - | 100.0% | 17 341 | 17 341 | 17 341 |
| <i>Public corporations and private enterprises</i> | <i>11 999</i> | <i>-</i> | <i>-</i> | <i>11 999</i> | <i>11 999</i> | <i>-</i> | <i>100.0%</i> | <i>11 384</i> | <i>11 384</i> | <i>11 384</i> |
| Other transfers to public corporations | 11 999 | - | - | 11 999 | 11 999 | - | 100.0% | 11 384 | 11 384 | 11 384 |
| Households | 147 | 162 | - | 309 | 307 | 2 | 99.3% | 82 | 82 | 80 |
| Social benefits | 147 | 162 | - | 309 | 307 | 2 | 99.3% | 82 | 82 | 80 |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| PROGRAMME 2: ECONOMIC POLICY TAX FINANCIAL REGULATION AND RESEARCH PER SUB-PROGRAMME - CONTINUED | | | | | | | | | | | |
|--|------------------------|-------------------|--------------|---------------------|--------------------|--------------|---|---------------------|--------------------|---------------------|--------------------|
| | 2016/17 | | | | | | 2015/16 | | | | |
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE | FINAL APPROPRIATION | ACTUAL EXPENDITURE |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 |
| Payments for capital assets | 951 | - | - | 951 | 688 | 263 | 72.3% | 728 | 275 | 728 | 275 |
| <i>Machinery and equipment</i> | 951 | - | - | 951 | 688 | 263 | 72.3% | 728 | 275 | 728 | 275 |
| Other machinery and equipment | 951 | - | - | 951 | 688 | 263 | 72.3% | 728 | 275 | 728 | 275 |
| Payment for financial assets | - | - | - | - | 1 | (1) | - | - | 7 | - | 7 |
| Total | 150 161 | 0 | 6 400 | 156 561 | 151 182 | 5 380 | 96.6% | 132 730 | 131 290 | 132 730 | 131 290 |
| SUB-PROGRAMME 2.1: PROGRAMME MANAGEMENT FOR ECONOMIC POLICY TAX FINANCIAL REGULATION AND RESEARCH | | | | | | | | | | | |
| | 2016/17 | | | | | | 2015/16 | | | | |
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE | FINAL APPROPRIATION | ACTUAL EXPENDITURE |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 |
| ECONOMIC CLASSIFICATION | | | | | | | | | | | |
| Current payments | 12 180 | 14 663 | 6 000 | 32 843 | 32 758 | 86 | 99.7% | 9 779 | 9 759 | 9 779 | 9 759 |
| <i>Compensation of employees</i> | 8 901 | 24 | - | 8 925 | 8 857 | 68 | 99.2% | 7 245 | 7 232 | 7 245 | 7 232 |
| Salaries and wages | 7 856 | 24 | - | 7 880 | 7 838 | 42 | 99.5% | 6 377 | 6 364 | 6 377 | 6 364 |
| Social contributions | 1 045 | - | - | 1 045 | 1 019 | 26 | 97.5% | 868 | 868 | 868 | 868 |
| <i>Goods and services</i> | 3 279 | 14 639 | 6 000 | 23 918 | 23 901 | 17 | 99.9% | 2 534 | 2 527 | 2 534 | 2 527 |
| Administrative fees | 43 | (5) | - | 38 | 38 | 1 | 98.6% | 39 | 39 | 39 | 39 |
| Advertising | 49 | - | - | 49 | 49 | 0 | 99.0% | - | - | - | - |
| Minor assets | 10 | (10) | - | - | - | - | - | 10 | - | 10 | - |
| Bursaries: Employees | 12 | (7) | - | 5 | 5 | 0 | 98.8% | 3 | 3 | 3 | 3 |
| Catering: Departmental activities | 29 | (11) | - | 18 | 17 | 1 | 91.7% | 22 | 22 | 22 | 22 |
| Communication (G&S) | 32 | 21 | - | 53 | 53 | 0 | 99.4% | 92 | 92 | 92 | 92 |
| Computer services | 5 | (3) | - | 2 | 2 | 0 | 97.5% | 2 | 2 | 2 | 2 |
| Consultants: Business and advisory services | 297 | 14 680 | 6 000 | 20 977 | 20 977 | 0 | 100.0% | 458 | 483 | 458 | 483 |
| Contractors | - | - | - | - | - | - | - | 4 | 4 | 4 | 4 |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| SUB-PROGRAMME: 2.1: PROGRAMME MANAGEMENT FOR ECONOMIC POLICY TAX FINANCIAL REGULATION AND RESEARCH - CONTINUED | 2016/17 | | | | | | | | | | 2015/16 | | |
|--|------------------------|-------------------|--------------|---------------------|--------------------|------------|---|---------------------|-------------------|--------------------|---------|-------|--|
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | FINAL EXPENDITURE | ACTUAL EXPENDITURE | | | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 | R'000 | |
| Economic Classification | | | | | | | | | | | | | |
| Entertainment | 6 | 2 | - | 8 | 8 | 0 | 100.0% | 5 | 4 | | | | |
| Consumable supplies | 51 | 25 | - | 76 | 74 | 1 | 98.6% | 11 | 5 | | | | |
| Consumable: Stationery printing and office supplies | 423 | 117 | - | 540 | 537 | 4 | 99.3% | 43 | 42 | | | | |
| Operating leases | 22 | 3 | - | 25 | 24 | 1 | 97.1% | | | | | | |
| Travel and subsistence | 2 219 | (99) | - | 2 120 | 2 112 | 8 | 99.6% | 1 710 | 1 707 | | | | |
| Training and development | 70 | (63) | - | 7 | 6 | 1 | 85.6% | 43 | 29 | | | | |
| Operating payments | - | - | - | - | 0 | (0) | - | 84 | 83 | | | | |
| Venues and facilities | 11 | (11) | - | - | - | - | - | 8 | 12 | | | | |
| Transfers and subsidies | 11 999 | - | - | 11 999 | 11 999 | - | 100.0% | 11 384 | 11 384 | | | | |
| Public corporations and private enterprises | 11 999 | - | - | 11 999 | 11 999 | - | 100.0% | 11 384 | 11 384 | | | | |
| Other transfers to public corporations | 11 999 | - | - | 11 999 | 11 999 | - | 100.0% | 11 384 | 11 384 | | | | |
| Payments for capital assets | 288 | - | - | 288 | 211 | 77 | 73.4% | 82 | 56 | | | | |
| Machinery and equipment | 288 | - | - | 288 | 211 | 77 | 73.4% | 82 | 56 | | | | |
| Other machinery and equipment | 288 | - | - | 288 | 211 | 77 | 73.4% | 82 | 56 | | | | |
| Total | 24 467 | 14 663 | 6 000 | 45 130 | 44 968 | 162 | 99.6% | 21 245 | 21 199 | | | | |
| SUB-PROGRAMME: 2.2: RESEARCH | | | | | | | | | | | | | |
| SUB-PROGRAMME: 2.2: RESEARCH | 2016/17 | | | | | | | | | | 2015/16 | | |
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | FINAL EXPENDITURE | ACTUAL EXPENDITURE | | | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 | R'000 | |
| Economic Classification | | | | | | | | | | | | | |
| Current payments | 11 943 | (4 019) | - | 7 924 | 7 269 | 655 | 91.7% | 11 697 | 10 968 | | | | |
| Goods and services | 11 943 | (4 019) | - | 7 924 | 7 269 | 655 | 91.7% | 11 697 | 10 968 | | | | |
| Consultants: Business and advisory services | 11 943 | (4 019) | - | 7 924 | 7 269 | 655 | 91.7% | 11 697 | 10 968 | | | | |
| Total | 11 943 | (4 019) | - | 7 924 | 7 269 | 655 | 91.7% | 11 697 | 10 968 | | | | |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| ECONOMIC CLASSIFICATION | SUB-PROGRAMME: 2.3: FINANCIAL SECTOR POLICY | | | | | | | | | |
|---|---|----------------------------|-------------------|------------------------------|-----------------------------|-------------------|--|------------------------------|-----------------------------|--|
| | 2016/17 | | | | | 2015/16 | | | | |
| | ADJUSTED APPROPRIATION R'000 | SHIFTING OF FUNDS R'000 | VIREMENT R'000 | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | VARIANCE R'000 | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | |
| Current payments | 34 160 | (9 882) | - | 24 278 | 24 123 | 155 | 99.4% | 27 542 | 27 492 | |
| Compensation of employees | 21 097 | 149 | - | 21 246 | 21 150 | 96 | 99.6% | 25 200 | 25 198 | |
| Salaries and wages | 18 946 | 114 | - | 19 060 | 19 002 | 58 | 99.7% | 22 719 | 22 719 | |
| Social contributions | 2 151 | 35 | - | 2 186 | 2 148 | 38 | 98.3% | 2 481 | 2 479 | |
| Goods and services | 13 063 | (10 031) | - | 3 032 | 2 972 | 60 | 98.0% | 2 342 | 2 294 | |
| Administrative fees | 49 | (0) | - | 49 | 48 | 1 | 97.7% | 32 | 32 | |
| Advertising | 5 | (3) | - | 2 | - | 2 | - | 34 | 32 | |
| Minor assets | - | - | - | - | - | - | - | 3 | 1 | |
| Bursaries: Employees | 330 | (147) | - | 184 | 181 | 2 | 98.7% | 130 | 129 | |
| Catering: Departmental activities | 24 | (13) | - | 11 | 7 | 4 | 66.1% | 10 | 4 | |
| Communication (G&S) | 73 | 153 | - | 226 | 224 | 2 | 99.1% | 160 | 160 | |
| Computer services | 78 | (78) | - | - | - | - | - | - | - | |
| Consultants: Business and advisory services | 10 407 | (10 393) | - | 14 | 0 | 14 | 2.0% | 41 | 29 | |
| Legal fees | - | 120 | - | 120 | 120 | 0 | 99.8% | 180 | 180 | |
| Entertainment | 15 | (2) | - | 13 | 2 | 11 | 16.1% | 3 | 2 | |
| Fleet services (including government motor transport) | - | - | - | - | - | - | - | 2 | 2 | |
| Consumable supplies | 9 | (3) | - | 6 | 5 | 1 | 91.2% | 11 | 10 | |
| Consumable: Stationery printing and office supplies | 45 | (28) | - | 17 | 16 | 1 | 91.9% | 30 | 29 | |
| Operating leases | 179 | (25) | - | 154 | 151 | 3 | 98.1% | 116 | 115 | |
| Travel and subsistence | 1 455 | 617 | - | 2 072 | 2 055 | 17 | 99.2% | 1 169 | 1 165 | |
| Training and development | 252 | (102) | - | 150 | 149 | 1 | 99.5% | 107 | 92 | |
| Operating payments | 142 | (127) | - | 15 | 14 | 1 | 94.8% | 14 | 12 | |
| Venues and facilities | - | - | - | - | - | - | - | 300 | 300 | |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| SUB-PROGRAMME: 2.3: FINANCIAL SECTOR POLICY - CONTINUED | 2016/17 | | | | | | | 2015/16 | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|--------------------|
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE | ACTUAL EXPENDITURE |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 |
| ECONOMIC CLASSIFICATION | | | | | | | | | | |
| Transfers and subsidies | 147 | - | - | 147 | 147 | 0 | 99.8% | 52 | 51 | 51 |
| Households | 147 | - | - | 147 | 147 | 0 | 99.8% | 52 | 51 | 51 |
| Social benefits | 147 | - | - | 147 | 147 | 0 | 99.8% | 52 | 51 | 51 |
| Payments for capital assets | 97 | - | - | 97 | 34 | 63 | 34.6% | 293 | 89 | 89 |
| Machinery and equipment | 97 | - | - | 97 | 34 | 63 | 34.6% | 293 | 89 | 89 |
| Other machinery and equipment | 97 | - | - | 97 | 34 | 63 | 34.6% | 293 | 89 | 89 |
| Payment for financial assets | - | - | - | - | 1 | (1) | - | - | 4 | 4 |
| Total | 34 404 | (9 882) | - | 24 522 | 24 304 | 218 | 99.1% | 27 887 | 27 636 | 27 636 |
| SUB-PROGRAMME: 2.4: TAX POLICY | | | | | | | | | | |
| SUB-PROGRAMME: 2.4: TAX POLICY | 2016/17 | | | | | | | 2015/16 | | |
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE | ACTUAL EXPENDITURE |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 |
| ECONOMIC CLASSIFICATION | | | | | | | | | | |
| Current payments | 31 760 | 415 | - | 32 175 | 29 992 | 2 183 | 93.2% | 27 614 | 27 490 | 27 490 |
| Compensation of employees | 28 904 | (235) | - | 28 669 | 26 565 | 2 104 | 92.7% | 24 577 | 24 577 | 24 577 |
| Salaries and wages | 26 228 | (235) | - | 25 993 | 23 896 | 2 097 | 91.9% | 22 280 | 22 280 | 22 280 |
| Social contributions | 2 676 | - | - | 2 676 | 2 670 | 6 | 99.8% | 2 297 | 2 297 | 2 297 |
| Goods and services | 2 856 | 650 | - | 3 506 | 3 427 | 79 | 97.7% | 3 037 | 2 913 | 2 913 |
| Administrative fees | 31 | 18 | - | 49 | 48 | 1 | 97.5% | 37 | 37 | 37 |
| Advertising | - | - | - | - | - | - | - | 79 | 78 | 78 |
| Minor assets | 13 | (11) | - | 2 | - | 2 | - | 15 | 3 | 3 |
| Bursaries: Employees | 46 | (14) | - | 32 | 30 | 2 | 93.9% | 21 | 21 | 21 |
| Catering: Departmental activities | 51 | 24 | - | 75 | 74 | 1 | 98.7% | 48 | 47 | 47 |
| Communication (G&S) | 10 | 12 | - | 22 | 21 | 1 | 95.5% | 57 | 57 | 57 |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| ECONOMIC CLASSIFICATION | SUB-PROGRAMME: 2.4: TAX POLICY - CONTINUED | | | | | | | | | |
|---|--|-------------------------------|-------------------|---------------------------------|--------------------------------|-------------------|---|---------------------------------|--------------------------------|--|
| | 2016/17 | | | | | 2015/16 | | | | |
| | ADJUSTED APPROPRIATION R'000 | SHIFTING OF FUNDS R'000 | VIREMENT R'000 | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | VARIANCE R'000 | EXPENDITURE AS % OF FINAL APPROPRIATION % | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | |
| Consultants: Business and advisory services | 8 | (8) | - | - | - | - | - | 7 | 7 | |
| Contractors | - | 1 | - | 1 | - | 1 | - | 3 | - | |
| Entertainment | 15 | - | - | 15 | - | 15 | - | 5 | - | |
| Consumable supplies | 54 | (33) | - | 21 | 20 | 1 | 95.8% | 41 | 41 | |
| Consumable: Stationery printing and office supplies | 493 | 385 | - | 878 | 856 | 22 | 97.5% | 440 | 432 | |
| Operating leases | 1115 | 17 | - | 132 | 129 | 3 | 97.5% | 86 | 86 | |
| Travel and subsistence | 1 174 | 314 | - | 1 488 | 1 476 | 12 | 99.2% | 1 257 | 1 296 | |
| Training and development | 245 | (94) | - | 151 | 136 | 15 | 90.3% | 140 | 128 | |
| Operating payments | 601 | 39 | - | 640 | 637 | 3 | 99.5% | 800 | 680 | |
| Venues and facilities | - | - | - | - | - | - | - | 1 | - | |
| Transfers and subsidies | - | 62 | - | 62 | 61 | 1 | 99.2% | 18 | 18 | |
| Households | - | 62 | - | 62 | 61 | 1 | 99.2% | 18 | 18 | |
| Social benefits | - | 62 | - | 62 | 61 | 1 | 99.2% | 18 | 18 | |
| Payments for capital assets | 264 | - | - | 264 | 234 | 30 | 88.7% | 156 | 101 | |
| Machinery and equipment | 264 | - | - | 264 | 234 | 30 | 88.7% | 156 | 101 | |
| Other machinery and equipment | 264 | - | - | 264 | 234 | 30 | 88.7% | 156 | 101 | |
| Total | 32 024 | 477 | - | 32 501 | 30 288 | 2 213 | 93.2% | 27 788 | 27 609 | |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| SUB-PROGRAMME: 2.5: ECONOMIC POLICY | 2016/17 | | | | | | | | | | 2015/16 | | |
|---|-------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|---------------------|--------------------|--|
| | ECONOMIC CLASSIFICATION | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE | FINAL APPROPRIATION | ACTUAL EXPENDITURE | |
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 | |
| | 30 549 | (1 339) | - | 29 210 | 27 173 | 2 037 | 93.0% | 26 563 | 26 494 | 26 563 | 26 494 | | |
| <i>Current payments</i> | 24 971 | (100) | - | 24 871 | 23 083 | 1 788 | 92.8% | 21 218 | 21 207 | 21 218 | 21 207 | | |
| Salaries and wages | 22 483 | (100) | - | 22 383 | 20 766 | 1 617 | 92.8% | 19 071 | 19 063 | 19 071 | 19 063 | | |
| Social contributions | 2 488 | - | - | 2 488 | 2 317 | 171 | 93.1% | 2 147 | 2 144 | 2 147 | 2 144 | | |
| <i>Goods and services</i> | 5 578 | (1 239) | - | 4 339 | 4 091 | 248 | 94.3% | 5 345 | 5 287 | 5 345 | 5 287 | | |
| Administrative fees | 34 | (10) | - | 24 | 21 | 3 | 85.9% | 25 | 25 | 25 | 25 | | |
| Advertising | 99 | (44) | - | 55 | 54 | 1 | 98.1% | 140 | 137 | 140 | 137 | | |
| Minor assets | 23 | (23) | - | - | - | - | - | - | - | - | - | | |
| Bursaries: Employees | 30 549 | (1 339) | - | 29 210 | 27 173 | 2 037 | 93.0% | 135 | 135 | 135 | 135 | | |
| Catering: Departmental activities | 24 971 | (100) | - | 24 871 | 23 083 | 1 788 | 92.8% | - | 11 | - | 11 | | |
| Communication (G&S) | 22 483 | (100) | - | 22 383 | 20 766 | 1 617 | 92.8% | 113 | 113 | 113 | 113 | | |
| Computer services | 2 488 | - | - | 2 488 | 2 317 | 171 | 93.1% | 10 | 10 | 10 | 10 | | |
| Contractors | - | - | - | - | - | - | - | 17 | 9 | 17 | 9 | | |
| Entertainment | 18 | - | - | 18 | 6 | 12 | 31.3% | 11 | 4 | 11 | 4 | | |
| Consumable supplies | 24 | (6) | - | 18 | 2 | 16 | 9.6% | 14 | - | 14 | - | | |
| Consumable: Stationery printing and office supplies | 45 | (33) | - | 12 | 9 | 3 | 77.5% | 8 | 8 | 8 | 8 | | |
| Operating leases | 91 | (13) | - | 78 | 65 | 13 | 83.4% | 96 | 84 | 96 | 84 | | |
| Travel and subsistence | 1 301 | (275) | - | 1 026 | 968 | 58 | 94.4% | 904 | 900 | 904 | 900 | | |
| Training and development | 373 | (97) | - | 276 | 229 | 47 | 83.0% | 83 | 64 | 83 | 64 | | |
| Operating payments | 3 445 | (740) | - | 2 705 | 2 632 | 73 | 97.3% | 3 778 | 3 773 | 3 778 | 3 773 | | |
| Venues and facilities | - | - | - | - | - | - | - | 11 | 14 | 11 | 14 | | |
| Transfers and subsidies | - | 100 | - | 100 | 99 | 1 | 98.7% | 12 | 11 | 12 | 11 | | |
| <i>Households</i> | - | 100 | - | 100 | 99 | 1 | 98.7% | 12 | 11 | 12 | 11 | | |
| Social benefits | - | 100 | - | 100 | 99 | 1 | 98.7% | 12 | 11 | 12 | 11 | | |
| Payments for capital assets | 302 | - | - | 302 | 209 | 93 | 69.1% | 197 | 29 | 197 | 29 | | |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| SUB-PROGRAMME: 2.5: ECONOMIC POLICY - CONTINUED | | | | | | | | | | | |
|--|---------------------------------|----------------------------|-------------------|------------------------------|-----------------------------|-------------------|---|------------------------------|-----------------------------|------------------------------|-----------------------------|
| ECONOMIC CLASSIFICATION | 2016/17 | | | | | | 2015/16 | | | | |
| | ADJUSTED APPROPRIATION R'000 | SHIFTING OF FUNDS R'000 | VIREMENT R'000 | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | VARIANCE R'000 | EXPENDITURE AS % OF FINAL APPROPRIATION % | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 |
| <i>Machinery and equipment</i> | 302 | - | - | 302 | 209 | 93 | 69.1% | 197 | 29 | 197 | 29 |
| Other machinery and equipment | 302 | - | - | 302 | 209 | 93 | 69.1% | 197 | 29 | 197 | 29 |
| Payment of financial assets | - | - | - | - | - | - | - | - | 3 | - | 3 |
| Total | 30 851 | (1 239) | - | 29 612 | 27 481 | 2 131 | 92.8% | 26 772 | 26 537 | 26 772 | 26 537 |

| SUB-PROGRAMME: 2.6: COOPERATIVE BANKING DEVELOPMENT AGENCY | | | | | | | | | | | |
|---|---------------------------------|----------------------------|-------------------|------------------------------|-----------------------------|-------------------|---|------------------------------|-----------------------------|------------------------------|-----------------------------|
| ECONOMIC CLASSIFICATION | 2016/17 | | | | | | 2015/16 | | | | |
| | ADJUSTED APPROPRIATION R'000 | SHIFTING OF FUNDS R'000 | VIREMENT R'000 | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | VARIANCE R'000 | EXPENDITURE AS % OF FINAL APPROPRIATION % | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 |
| Transfers and subsidies | 16 472 | - | 400 | 16 872 | 16 872 | - | 100.0% | 17 341 | 17 341 | 17 341 | 17 341 |
| <i>Departmental agencies and accounts</i> | <i>16 472</i> | <i>-</i> | <i>400</i> | <i>16 872</i> | <i>16 872</i> | <i>-</i> | <i>100.0%</i> | <i>17 341</i> | <i>17 341</i> | <i>17 341</i> | <i>17 341</i> |
| Departmental agencies (non-business entities) | 16 472 | - | 400 | 16 872 | 16 872 | - | 100.0% | 17 341 | 17 341 | 17 341 | 17 341 |
| Total | 16 472 | - | 400 | 16 872 | 16 872 | - | 100.0% | 17 341 | 17 341 | 17 341 | 17 341 |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT PER SUB PROGRAMME | | | | | | | | | |
|--|---------------------------------|----------------------------|-------------------|------------------------------|-----------------------------|-------------------|--|------------------------------|-----------------------------|
| | 2016/17 | | | | | 2015/16 | | | |
| | ADJUSTED APPROPRIATION R'000 | SHIFTING OF FUNDS R'000 | VIREMENT R'000 | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | VARIANCE R'000 | EXPENDITURE AS % OF FINAL APPROPRIATION % | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 |
| 1. Programme Management for Public Finance and Budget Management | 22 979 | 419 | - | 23 398 | 21 417 | 1 981 | 91.5% | 18 061 | 17 884 |
| 2. Public Finance | 58 423 | 71 | - | 58 494 | 56 564 | 1 930 | 96.7% | 59 573 | 59 168 |
| 3. Budget Office and Coordination | 58 796 | 69 | - | 58 865 | 57 005 | 1 860 | 96.8% | 56 049 | 55 365 |
| 4. Intergovernmental Relations | 109 446 | (559) | - | 108 887 | 101 953 | 6 934 | 93.6% | 94 050 | 89 004 |
| 5. Financial and Fiscal Commission | 44 839 | - | - | 44 839 | 44 839 | - | 100.0% | 41 156 | 41 156 |
| Total | 294 483 | - | - | 294 483 | 281 778 | 12 705 | 95.7% | 268 889 | 262 577 |
| PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT PER ECONOMIC CLASSIFICATION | | | | | | | | | |
| Current payments | 247 456 | (236) | - | 247 220 | 235 015 | 12 205 | 95.1% | 224 546 | 218 731 |
| Compensation of employees | 207 610 | (236) | - | 207 374 | 201 901 | 5 473 | 97.4% | 192 474 | 192 344 |
| Salaries and wages | 187 083 | (527) | - | 186 556 | 181 646 | 4 910 | 97.4% | 173 788 | 173 676 |
| Social contributions | 20 527 | 291 | - | 20 818 | 20 255 | 563 | 97.3% | 18 686 | 18 668 |
| Goods and services | 39 846 | (0) | - | 39 846 | 33 114 | 6 732 | 83.1% | 32 072 | 26 387 |
| Administrative fees | 421 | 78 | - | 499 | 417 | 82 | 83.6% | 591 | 559 |
| Advertising | 333 | (117) | - | 216 | 103 | 113 | 47.7% | 376 | 258 |
| Minor assets | 115 | (39) | - | 76 | 16 | 60 | 21.6% | 104 | 38 |
| Bursaries: Employees | 857 | (89) | - | 768 | 583 | 185 | 76.0% | 859 | 835 |
| Catering: Departmental activities | 451 | 22 | - | 473 | 340 | 133 | 71.9% | 349 | 309 |
| Communication (G&S) | 415 | (9) | - | 406 | 290 | 115 | 71.6% | 926 | 896 |
| Computer services | 906 | (34) | - | 872 | 519 | 353 | 59.6% | 1 559 | 1 554 |
| Consultants: Business and advisory services | 18 195 | (1 304) | - | 16 891 | 14 177 | 2 714 | 83.9% | 10 479 | 6 821 |
| Contractors | 29 | - | - | 29 | 10 | 19 | 35.8% | 27 | 4 |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| | PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT PER ECONOMIC CLASSIFICATION - CONTINUED | | | | | | | | | |
|--|---|----------------------|----------|------------------------|-----------------------|---------------|--|------------------------|-----------------------|----------------|
| | 2016/17 | | | | | 2015/16 | | | | |
| | 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 | R'000 | |
| Agency and support / outsourced services | - | - | - | - | - | - | - | 1 | - | - |
| Entertainment | 125 | (35) | - | 90 | 19 | 71 | 21.5% | 59 | 27 | 27 |
| Fleet services (including government motor transport) | 2 | - | - | 2 | - | 2 | - | 8 | 6 | 6 |
| Consumable supplies | 373 | (86) | - | 287 | 229 | 58 | 79.7% | 395 | 340 | 340 |
| Consumable: Stationery printing and office supplies | 6 771 | (4 388) | - | 2 383 | 2 094 | 289 | 87.9% | 5 923 | 5 701 | 5 701 |
| Operating leases | 904 | 126 | - | 1 030 | 890 | 140 | 86.4% | 725 | 629 | 629 |
| Travel and subsistence | 8 763 | 1 487 | - | 10 250 | 8 326 | 1 924 | 81.2% | 8 607 | 7 848 | 7 848 |
| Training and development | 814 | (144) | - | 670 | 460 | 210 | 68.7% | 631 | 243 | 243 |
| Operating payments | 143 | 4 325 | - | 4 468 | 4 441 | 27 | 99.4% | 261 | 152 | 152 |
| Venues and facilities | 229 | 209 | - | 438 | 199 | 239 | 45.4% | 192 | 167 | 167 |
| Transfers and subsidies | 44 979 | 236 | - | 45 215 | 45 205 | 10 | 100.0% | 42 684 | 42 676 | 42 676 |
| <i>Departmental agencies and accounts</i> | <i>44 839</i> | <i>-</i> | <i>-</i> | <i>44 839</i> | <i>44 839</i> | <i>-</i> | <i>100.0%</i> | <i>41 156</i> | <i>41 156</i> | <i>41 156</i> |
| Departmental agencies (non- business entities) | 44 839 | - | - | 44 839 | 44 839 | - | 100.0% | 41 156 | 41 156 | 41 156 |
| Households | 140 | 236 | - | 376 | 366 | 10 | 97.4% | 1 528 | 1 520 | 1 520 |
| Social benefits | 140 | 236 | - | 376 | 366 | 10 | 97.4% | 1 528 | 1 520 | 1 520 |
| Payments for capital assets | 2 048 | - | - | 2 048 | 1 540 | 508 | 75.2% | 1 659 | 1 096 | 1 096 |
| <i>Machinery and equipment</i> | <i>2 048</i> | <i>-</i> | <i>-</i> | <i>2 048</i> | <i>1 540</i> | <i>508</i> | <i>75.2%</i> | <i>1 659</i> | <i>1 096</i> | <i>1 096</i> |
| Other machinery and equipment | 2 048 | - | - | 2 048 | 1 540 | 508 | 75.2% | 1 659 | 1 096 | 1 096 |
| Payment for financial assets | - | - | - | - | 18 | (18) | - | - | 74 | 74 |
| Total | 294 483 | (0) | - | 294 483 | 281 778 | 12 705 | 95.7% | 268 889 | 262 577 | 262 577 |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| ECONOMIC CLASSIFICATION | SUB-PROGRAMME 3.1: PROGRAMME MANAGEMENT FOR PUBLIC FINANCE AND BUDGET MANAGEMENT | | | | | | | | | | 2015/16 | |
|---|--|-------------------------|----------------|---------------------------|--------------------------|----------------|---|---------------------------|--------------------------|--|---------------------------|--------------------------|
| | 2016/17 | | | | | | | | | | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 |
| | ADJUSTED APPROPRIATION R'000 | SHIFTING OF FUNDS R'000 | VIREMENT R'000 | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | VARIANCE R'000 | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | | | |
| Current payments | 22 799 | 419 | - | 23 218 | 21 328 | 1 890 | 91.9% | 17 930 | 17 754 | | 17 754 | |
| Compensation of employees | 13 454 | - | - | 13 454 | 11 822 | 1 632 | 87.9% | 10 469 | 10 465 | | 10 465 | |
| Salaries and wages | 12 254 | (32) | - | 12 222 | 10 784 | 1 438 | 88.2% | 9 612 | 9 609 | | 9 609 | |
| Social contributions | 1 200 | 32 | - | 1 232 | 1 038 | 194 | 84.3% | 857 | 856 | | 856 | |
| Goods and services | 9 345 | 419 | - | 9 764 | 9 506 | 258 | 97.4% | 7 461 | 7 289 | | 7 289 | |
| Administrative fees | 47 | 50 | - | 97 | 90 | 7 | 92.6% | 60 | 58 | | 58 | |
| Advertising | 81 | (8) | - | 73 | 61 | 12 | 83.1% | 86 | 42 | | 42 | |
| Minor assets | 20 | (4) | - | 16 | 4 | 12 | 27.3% | 6 | - | | - | |
| Bursaries: Employees | - | 5 | - | 5 | 4 | 1 | 87.6% | - | - | | - | |
| Catering: Departmental activities | 104 | - | - | 104 | 48 | 56 | 46.6% | 121 | 92 | | 92 | |
| Communication (G&S) | 42 | 23 | - | 65 | 55 | 10 | 84.4% | 100 | 97 | | 97 | |
| Computer services | - | 1 | - | 1 | 0 | 1 | 26.0% | - | - | | - | |
| Consultants: Business and advisory services | 2 119 | 132 | - | 2 251 | 2 243 | 8 | 99.7% | 635 | 633 | | 633 | |
| Contractors | - | - | - | - | - | - | - | 2 | 1 | | 1 | |
| Entertainment | 18 | (5) | - | 13 | 5 | 8 | 39.0% | 7 | 4 | | 4 | |
| Fleet services (including government motor transport) | - | - | - | - | - | - | - | 1 | - | | - | |
| Consumable supplies | 53 | 6 | - | 59 | 53 | 6 | 89.1% | 107 | 85 | | 85 | |
| Consumable: Stationery printing and office supplies | 5 407 | (4 463) | - | 944 | 918 | 26 | 97.3% | 4 921 | 4 915 | | 4 915 | |
| Operating leases | 221 | 2 | - | 223 | 183 | 40 | 82.2% | 183 | 165 | | 165 | |
| Travel and subsistence | 1 018 | 495 | - | 1 513 | 1 477 | 36 | 97.6% | 1 113 | 1 104 | | 1 104 | |
| Training and development | 91 | (51) | - | 40 | 24 | 16 | 60.2% | 33 | 9 | | 9 | |
| Operating payments | - | 4 308 | - | 4 308 | 4 308 | 0 | 100.0% | 1 | - | | - | |
| Venues and facilities | 124 | (72) | - | 52 | 32 | 20 | 61.1% | 85 | 84 | | 84 | |
| Transfers and subsidies | - | - | - | - | - | - | - | 30 | 29 | | 29 | |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| SUB-PROGRAMME: 3.1: PROGRAMME MANAGEMENT FOR PUBLIC FINANCE AND BUDGET MANAGEMENT - CONTINUED | | | | | | | | | |
|--|---------------------------------|----------------------------|-------------------|------------------------------|-----------------------------|-------------------|--|------------------------------|-----------------------------|
| ECONOMIC CLASSIFICATION | 2016/17 | | | | | 2015/16 | | | |
| | ADJUSTED APPROPRIATION R'000 | SHIFTING OF FUNDS R'000 | VIREMENT R'000 | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | VARIANCE R'000 | EXPENDITURE AS % OF FINAL APPROPRIATION % | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 |
| <i>Households</i> | - | - | - | - | - | - | - | 30 | 29 |
| Social benefits | - | - | - | - | - | - | - | 30 | 29 |
| Payments for capital assets | 180 | - | - | 180 | 89 | 91 | 49.6% | 101 | 98 |
| <i>Machinery and equipment</i> | 180 | - | - | 180 | 89 | 91 | 49.6% | 101 | 98 |
| Other machinery and equipment | 180 | - | - | 180 | 89 | 91 | 49.6% | 101 | 98 |
| Payment for financial assets | - | - | - | - | - | - | - | - | 3 |
| Total | 22 979 | 419 | - | 23 398 | 21 417 | 1 981 | 91.5% | 18 061 | 17 884 |
| SUB-PROGRAMME: 3.2: PUBLIC FINANCE | | | | | | | | | |
| ECONOMIC CLASSIFICATION | 2016/17 | | | | | 2015/16 | | | |
| | ADJUSTED APPROPRIATION R'000 | SHIFTING OF FUNDS R'000 | VIREMENT R'000 | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | VARIANCE R'000 | EXPENDITURE AS % OF FINAL APPROPRIATION % | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 |
| Current payments | 57 841 | (71) | - | 57 770 | 55 897 | 1 873 | 96.8% | 57 846 | 57 527 |
| <i>Compensation of employees</i> | 54 934 | (71) | - | 54 863 | 53 704 | 1 159 | 97.9% | 55 338 | 55 328 |
| Salaries and wages | 49 284 | (114) | - | 49 170 | 48 109 | 1 061 | 97.8% | 49 687 | 49 680 |
| Social contributions | 5 650 | 43 | - | 5 693 | 5 594 | 99 | 98.3% | 5 651 | 5 648 |
| <i>Goods and services</i> | 2 907 | (0) | - | 2 907 | 2 193 | 714 | 75.4% | 2 508 | 2 199 |
| Administrative fees | 61 | 9 | - | 70 | 60 | 9 | 86.6% | 52 | 43 |
| Advertising | 70 | (29) | - | 41 | 26 | 15 | 62.8% | 63 | 57 |
| Minor assets | 14 | (3) | - | 11 | 2 | 9 | 17.1% | 33 | 9 |
| Bursaries: Employees | 483 | (62) | - | 421 | 274 | 147 | 65.1% | 461 | 450 |
| Catering: Departmental activities | 78 | (3) | - | 76 | 56 | 20 | 73.9% | 20 | 48 |
| Communication (G&S) | 116 | 2 | - | 118 | 81 | 37 | 68.8% | 218 | 208 |
| Computer services | - | - | - | - | - | - | - | - | - |
| Consultants: Business and advisory services | 337 | (148) | - | 189 | 66 | 123 | 34.9% | 105 | 104 |
| Contractors | 2 | 2 | - | 4 | 2 | 2 | 47.5% | 12 | 3 |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| SUB-PROGRAMME: 3.2: PUBLIC FINANCE - CONTINUED | 2016/17 | | | | | | | | | | 2015/16 | | |
|---|---------------------------|----------------------|----------|------------------------|-----------------------|--------------|--|------------------------|-----------------------|------------------------|-----------------------|------------------------|-----------------------|
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE | FINAL APPROPRIATION | ACTUAL EXPENDITURE | FINAL APPROPRIATION | ACTUAL EXPENDITURE |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| ECONOMIC CLASSIFICATION | | | | | | | | | | | | | |
| Agency and support / outsourced services | - | - | - | - | - | - | - | - | - | - | - | 1 | - |
| Entertainment | 28 | (5) | - | 23 | 3 | 20 | 12.2% | 19 | 6 | 19 | 6 | 19 | 6 |
| Fleet services (including government motor transport) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 88 | (34) | - | 54 | 25 | 29 | 45.8% | 45 | 34 | 45 | 34 | 45 | 34 |
| Consumable: Stationery printing and office supplies | 165 | 1 | - | 166 | 74 | 92 | 44.4% | 131 | 103 | 131 | 103 | 131 | 103 |
| Operating leases | 239 | 35 | - | 274 | 252 | 22 | 92.0% | 189 | 156 | 189 | 156 | 189 | 156 |
| Travel and subsistence | 1 013 | 272 | - | 1 285 | 1 145 | 140 | 89.1% | 981 | 873 | 981 | 873 | 981 | 873 |
| Training and development | 197 | (21) | - | 177 | 128 | 48 | 72.8% | 114 | 57 | 114 | 57 | 114 | 57 |
| Operating payments | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Venues and facilities | 16 | (16) | - | - | - | - | - | 64 | 48 | 64 | 48 | 64 | 48 |
| Transfers and subsidies | 64 | 71 | - | 135 | 130 | 5 | 96.2% | 1 363 | 1 360 | 1 363 | 1 360 | 1 363 | 1 360 |
| <i>Households</i> | <i>64</i> | <i>71</i> | <i>-</i> | <i>135</i> | <i>130</i> | <i>5</i> | <i>96.2%</i> | <i>1 363</i> | <i>1 360</i> | <i>1 363</i> | <i>1 360</i> | <i>1 363</i> | <i>1 360</i> |
| Social benefits | 64 | 71 | - | 135 | 130 | 5 | 96.2% | 1 363 | 1 360 | 1 363 | 1 360 | 1 363 | 1 360 |
| Payments for capital assets | 518 | 71 | - | 589 | 536 | 53 | 91.0% | 364 | 233 | 364 | 233 | 364 | 233 |
| <i>Machinery and equipment</i> | <i>518</i> | <i>71</i> | <i>-</i> | <i>589</i> | <i>536</i> | <i>53</i> | <i>91.0%</i> | <i>364</i> | <i>233</i> | <i>364</i> | <i>233</i> | <i>364</i> | <i>233</i> |
| Other machinery and equipment | 518 | 71 | - | 589 | 536 | 53 | 91.0% | 364 | 233 | 364 | 233 | 364 | 233 |
| Payments for financial assets | - | - | - | - | 1 | (1) | - | - | 48 | - | 48 | - | 48 |
| Total | 58 423 | 71 | - | 58 494 | 56 564 | 1 930 | 96.7% | 59 573 | 59 168 | 59 573 | 59 168 | 59 573 | 59 168 |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| SUB-PROGRAMME: 3.3: BUDGET OFFICE AND COORDINATION | 2016/17 | | | | | | 2015/16 | | |
|---|---------------------------|----------------------|----------|------------------------|-----------------------|------------|--|------------------------|-----------------------|
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE |
| | R '000 | R '000 | R '000 | R '000 | R '000 | R '000 | % | R '000 | R '000 |
| ECONOMIC CLASSIFICATION | | | | | | | | | |
| Current payments | 58 193 | 3 | - | 58 196 | 56 474 | 1 722 | 97.0% | 55 408 | 55 016 |
| Compensation of employees | 56 032 | (66) | - | 55 966 | 54 737 | 1 229 | 97.8% | 51 876 | 51 771 |
| Salaries and wages | 50 176 | (157) | - | 50 019 | 48 876 | 1 143 | 97.7% | 46 427 | 46 330 |
| Social contributions | 5 856 | 91 | - | 5 947 | 5 861 | 86 | 98.6% | 5 449 | 5 441 |
| Goods and services | 2 161 | 69 | - | 2 230 | 1 737 | 493 | 77.9% | 3 532 | 3 245 |
| Administrative fees | 72 | (16) | - | 56 | 37 | 18 | 67.1% | 110 | 106 |
| Advertising | 47 | (30) | - | 17 | 14 | 3 | 83.9% | 29 | 47 |
| Minor assets | 52 | (40) | - | 12 | - | 12 | - | 33 | 14 |
| Bursaries: Employees | 133 | 21 | - | 154 | 147 | 6 | 96.1% | 138 | 136 |
| Catering: Departmental activities | 32 | - | - | 32 | 10 | 22 | 31.4% | 30 | 9 |
| Communication (G&S) | 72 | (4) | - | 68 | 63 | 5 | 93.2% | 155 | 147 |
| Computer services | 37 | - | - | 37 | 34 | 3 | 90.7% | 1 | 1 |
| Consultants: Business and advisory services | - | 56 | - | 56 | - | 56 | - | 1 129 | 1 110 |
| Contractors | 5 | - | - | 5 | - | 5 | - | 2 | - |
| Entertainment | 31 | (12) | - | 19 | 4 | 15 | 20.0% | 3 | 5 |
| Fleet services (including government motor transport) | - | - | - | - | - | - | - | 1 | - |
| Consumable supplies | 32 | (14) | - | 18 | 16 | 2 | 86.4% | 5 | 10 |
| Consumable: Stationery printing and office supplies | 116 | (27) | - | 89 | 67 | 22 | 75.6% | 69 | 62 |
| Operating leases | 231 | 18 | - | 249 | 191 | 58 | 76.8% | 188 | 145 |
| Travel and subsistence | 1 110 | 119 | - | 1 229 | 1 051 | 178 | 85.5% | 1 300 | 1 287 |
| Training and development | 166 | (42) | - | 124 | 61 | 62 | 49.7% | 158 | 73 |
| Operating payments | 3 | - | - | 3 | - | 3 | - | 168 | 88 |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| SUB-PROGRAMME: 3.3: BUDGET OFFICE AND COORDINATION - CONTINUED | 2016/17 | | | | | | | | | | 2015/16 | | |
|--|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|---------------------|--------------------|-------|--|
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE | FINAL APPROPRIATION | ACTUAL EXPENDITURE | | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 | R'000 | |
| ECONOMIC CLASSIFICATION | | | | | | | | | | | | | |
| Venues and facilities | 22 | 41 | - | 63 | 41 | 22 | 64.5% | 13 | 5 | 13 | 5 | | |
| Transfers and subsidies | 24 | 66 | - | 90 | 87 | 3 | 96.7% | 96 | 94 | 96 | 94 | | |
| <i>Households</i> | 24 | 66 | - | 90 | 87 | 3 | 96.7% | 96 | 94 | 96 | 94 | | |
| Social benefits | 24 | 66 | - | 90 | 87 | 3 | 96.7% | 96 | 94 | 96 | 94 | | |
| Payments for capital assets | 579 | - | - | 579 | 440 | 139 | 76.0% | 545 | 254 | 545 | 254 | | |
| <i>Machinery and equipment</i> | 579 | - | - | 579 | 440 | 139 | 76.0% | 545 | 254 | 545 | 254 | | |
| Other machinery and equipment | 579 | - | - | 579 | 440 | 139 | 76.0% | 545 | 254 | 545 | 254 | | |
| Payments for financial assets | - | - | - | - | 5 | (5) | - | - | 1 | - | 1 | | |
| Total | 58 796 | 69 | - | 58 865 | 57 005 | 1 860 | 96.8% | 56 049 | 55 365 | 56 049 | 55 365 | | |
| SUB-PROGRAMME: 3.4: INTERGOVERNMENTAL RELATIONS | 2016/17 | | | | | | | | | | 2015/16 | | |
| ECONOMIC CLASSIFICATION | | | | | | | | | | | | | |
| Current payments | 108 623 | (587) | - | 108 036 | 101 316 | 6 720 | 93.8% | 93 362 | 88 434 | 93 362 | 88 434 | | |
| <i>Compensation of employees</i> | 83 190 | (99) | - | 83 091 | 81 638 | 1 453 | 98.3% | 74 791 | 74 780 | 74 791 | 74 780 | | |
| Salaries and wages | 75 369 | (224) | - | 75 145 | 73 877 | 1 268 | 98.3% | 68 062 | 68 057 | 68 062 | 68 057 | | |
| Social contributions | 7 821 | 125 | - | 7 946 | 7 761 | 185 | 97.7% | 6 729 | 6 723 | 6 729 | 6 723 | | |
| <i>Goods and services</i> | 25 433 | (488) | - | 24 945 | 19 678 | 5 267 | 78.9% | 18 571 | 13 654 | 18 571 | 13 654 | | |
| Administrative fees | 241 | 35 | - | 276 | 229 | 47 | 83.1% | 369 | 352 | 369 | 352 | | |
| Advertising | 135 | (50) | - | 85 | 2 | 83 | 2.6% | 198 | 112 | 198 | 112 | | |
| Minor assets | 29 | 8 | - | 37 | 10 | 27 | 27.6% | 32 | 15 | 32 | 15 | | |
| Bursaries: Employees | 241 | (53) | - | 189 | 158 | 31 | 83.6% | 260 | 249 | 260 | 249 | | |
| Catering: Departmental activities | 237 | 24 | - | 261 | 225 | 36 | 86.3% | 178 | 160 | 178 | 160 | | |
| Communication (G&S) | 185 | (30) | - | 156 | 92 | 64 | 58.9% | 453 | 444 | 453 | 444 | | |
| Computer services | 869 | (35) | - | 834 | 486 | 348 | 58.2% | 1 558 | 1 553 | 1 558 | 1 553 | | |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| ECONOMIC CLASSIFICATION | SUB-PROGRAMME: 3.4: INTERGOVERNMENTAL RELATIONS - CONTINUED | | | | | | | | | |
|---|---|-------------------------------|-------------------|---------------------------------|--------------------------------|-------------------|---|---------------------------------|--------------------------------|--|
| | 2016/17 | | | | | 2015/16 | | | | |
| | ADJUSTED APPROPRIATION R'000 | SHIFTING OF FUNDS R'000 | VIREMENT R'000 | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | VARIANCE R'000 | EXPENDITURE AS % OF FINAL APPROPRIATION % | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | |
| Consultants: Business and advisory services | 15 739 | (1 344) | - | 14 395 | 11 867 | 2 528 | 82.4% | 8 610 | 4 974 | |
| Contractors | 22 | (2) | - | 20 | 8 | 12 | 42.4% | 11 | - | |
| Entertainment | 48 | (13) | - | 35 | 8 | 27 | 22.0% | 30 | 12 | |
| Fleet services (including government motor transport) | 2 | - | - | 2 | - | 2 | - | 6 | 6 | |
| Consumable supplies | 200 | (44) | - | 156 | 136 | 20 | 87.0% | 238 | 211 | |
| Consumable: Stationery printing and office supplies | 1 083 | 100 | - | 1 183 | 1 035 | 148 | 87.5% | 802 | 621 | |
| Operating leases | 213 | 71 | - | 284 | 263 | 21 | 92.8% | 165 | 163 | |
| Travel and subsistence | 5 622 | 601 | - | 6 223 | 4 653 | 1 570 | 74.8% | 5 213 | 4 584 | |
| Training and development | 360 | (30) | - | 330 | 246 | 84 | 74.6% | 326 | 104 | |
| Operating payments | 140 | 17 | - | 157 | 133 | 24 | 84.9% | 92 | 64 | |
| Venues and facilities | 67 | 256 | - | 323 | 127 | 196 | 39.2% | 30 | 30 | |
| Transfers and subsidies | 52 | 99 | - | 151 | 149 | 2 | 98.8% | 39 | 37 | |
| <i>Households</i> | <i>52</i> | <i>99</i> | - | <i>151</i> | <i>149</i> | <i>2</i> | <i>98.8%</i> | <i>39</i> | <i>37</i> | |
| Social benefits | 52 | 99 | - | 151 | 149 | 2 | 98.8% | 39 | 37 | |
| Payments for capital assets | 771 | (71) | - | 700 | 475 | 225 | 67.9% | 649 | 511 | |
| <i>Machinery and equipment</i> | <i>771</i> | <i>(71)</i> | - | <i>700</i> | <i>475</i> | <i>225</i> | <i>67.9%</i> | <i>649</i> | <i>511</i> | |
| Other machinery and equipment | 771 | (71) | - | 700 | 475 | 225 | 67.9% | 649 | 511 | |
| Payment for financial assets | - | - | - | - | 12 | (12) | - | - | 22 | |
| Total | 109 446 | (559) | - | 108 887 | 101 953 | 6 934 | 93.6% | 94 050 | 89 004 | |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| SUB-PROGRAMME 3.5: FINANCIAL AND FISCAL COMMISSION | | | | | | | | | | |
|---|------------------------------|-------------------------|----------------|---------------------------|--------------------------|----------------|---|---------------------------|--------------------------|--|
| ECONOMIC CLASSIFICATION | 2016/17 | | | | | 2015/16 | | | | |
| | ADJUSTED APPROPRIATION R'000 | SHIFTING OF FUNDS R'000 | VIREMENT R'000 | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | VARIANCE R'000 | EXPENDITURE AS % OF FINAL APPROPRIATION % | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | |
| Transfers and subsidies | 44 839 | - | - | 44 839 | 44 839 | - | 100.0% | 41 156 | 41 156 | |
| Departmental agencies and accounts | 44 839 | - | - | 44 839 | 44 839 | - | 100.0% | 41 156 | 41 156 | |
| Departmental agencies (non-business entities) | 44 839 | - | - | 44 839 | 44 839 | - | 100.0% | 41 156 | 41 156 | |
| Total | 44 839 | - | - | 44 839 | 44 839 | - | 100.0% | 41 156 | 41 156 | |

| PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT PER SUB PROGRAMME | | | | | | | | | | |
|--|------------------------------|-------------------------|----------------|---------------------------|--------------------------|----------------|---|---------------------------|--------------------------|--|
| | 2016/17 | | | | | 2015/16 | | | | |
| | ADJUSTED APPROPRIATION R'000 | SHIFTING OF FUNDS R'000 | VIREMENT R'000 | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | VARIANCE R'000 | EXPENDITURE AS % OF FINAL APPROPRIATION % | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | |
| 1. Programme Management for Asset and Liability Management | 26 867 | (1 868) | - | 24 999 | 24 377 | 622 | 97.5% | 9 681 | 9 188 | |
| 2. State Owned Entity Financial Management and Governance | 33 917 | 17 | - | 33 934 | 33 533 | 401 | 98.8% | 30 903 | 30 818 | |
| 3. Government Debt Management | 18 930 | 42 | - | 18 972 | 18 824 | 148 | 99.2% | 19 562 | 19 446 | |
| 4. Financial Operations | 22 299 | 1 814 | - | 24 113 | 22 496 | 1 617 | 93.3% | 21 162 | 21 035 | |
| 5. Strategy and Risk Management | 11 116 | (5) | - | 11 111 | 10 916 | 195 | 98.2% | 9 850 | 9 794 | |
| 6. Financial Investments | - | - | - | - | - | - | - | 3 174 013 | 3 174 013 | |
| Total | 113 129 | - | - | 113 129 | 110 146 | 2 983 | 97.4% | 3 265 171 | 3 264 294 | |

| PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT PER ECONOMIC CLASSIFICATION | | | | | | | | | |
|--|---------|-------|---|---------|---------|-------|-------|--------|--------|
| Current payments | 112 027 | (162) | - | 111 865 | 108 902 | 2 963 | 97.4% | 89 644 | 89 147 |
| Compensation of employees | 77 377 | (162) | - | 77 215 | 76 976 | 239 | 99.7% | 72 097 | 72 088 |
| Salaries and wages | 69 172 | (202) | - | 68 971 | 68 770 | 201 | 99.7% | 64 567 | 64 560 |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| | PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT PER ECONOMIC CLASSIFICATION - CONTINUED | | | | | | | | | |
|---|--|-------------------|----------|---------------------|--------------------|--------------|---|---------------------|--------------------|--|
| | 2016/17 | | | | | 2015/16 | | | | |
| | 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 | R'000 | |
| Social contributions | 8 205 | 40 | - | 8 245 | 8 206 | 39 | 99.5% | 7 530 | 7 528 | |
| Goods and services | 34 650 | - | - | 34 650 | 31 926 | 2 724 | 92.1% | 17 547 | 17 059 | |
| Administrative fees | 72 | (6) | - | 67 | 48 | 18 | 72.8% | 75 | 64 | |
| Advertising | 50 | 33 | - | 83 | 80 | 3 | 96.4% | 164 | 161 | |
| Minor assets | 30 | - | - | 30 | 4 | 26 | 12.7% | 30 | 15 | |
| Audit costs: External | 500 | 65 | - | 565 | 564 | 1 | 99.9% | 511 | 510 | |
| Bursaries: Employees | 844 | (178) | - | 666 | 595 | 71 | 89.3% | 635 | 598 | |
| Catering: Departmental activities | 61 | 3 | - | 64 | 53 | 11 | 83.3% | 36 | 30 | |
| Communication (G&S) | 149 | (7) | - | 143 | 86 | 57 | 60.2% | 206 | 194 | |
| Computer services | 14 399 | (6) | - | 14 393 | 13 115 | 1 278 | 91.1% | 9 591 | 9 484 | |
| Consultants: Business and advisory services | 14 569 | (381) | - | 14 188 | 14 058 | 130 | 99.1% | 2 152 | 2 151 | |
| Contractors | 19 | - | - | 19 | - | 19 | - | 7 | 1 | |
| Entertainment | 33 | - | - | 33 | 2 | 31 | 7.2% | 11 | 7 | |
| Fleet services (including government motor transport) | 8 | - | - | 8 | - | 8 | - | 16 | 2 | |
| Consumable supplies | 5 | - | - | 5 | 3 | 3 | 50.0% | 23 | 19 | |
| Consumable: Stationery printing and office supplies | 567 | - | - | 567 | 371 | 196 | 65.4% | 564 | 518 | |
| Operating leases | 387 | 11 | - | 398 | 384 | 14 | 96.4% | 333 | 299 | |
| Travel and subsistence | 1 961 | 378 | - | 2 339 | 2 076 | 263 | 88.8% | 2 289 | 2 309 | |
| Training and development | 773 | (5) | - | 768 | 360 | 408 | 46.9% | 457 | 362 | |
| Operating payments | 143 | 91 | - | 234 | 74 | 160 | 31.8% | 40 | 40 | |
| Venues and facilities | 80 | 1 | - | 81 | 52 | 29 | 64.3% | 413 | 283 | |
| Transfers and subsidies | 369 | 162 | - | 531 | 528 | 3 | 99.4% | 904 | 902 | |
| Households | 369 | 162 | - | 531 | 528 | 3 | 99.4% | 904 | 902 | |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT PER ECONOMIC CLASSIFICATION - CONTINUED | | | | | | | | | | | | |
|--|---------------------------|----------------------|----------|------------------------|-----------------------|--------------|--|------------------------|-----------------------|----------|--|--|
| | 2016/17 | | | | | | 2015/16 | | | | | |
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | % | |
| Social benefits | 369 | 162 | - | 531 | 528 | 3 | 99.4% | 904 | 902 | | | |
| Payments for capital assets | 733 | - | - | 733 | 717 | 16 | 97.8% | 610 | 231 | | | |
| Machinery and equipment | 733 | - | - | 733 | 717 | 16 | 97.8% | 610 | 231 | | | |
| Other machinery and equipment | 733 | - | - | 733 | 717 | 16 | 97.8% | 610 | 231 | | | |
| Payment for financial assets | - | - | - | - | - | - | - | 3 174 013 | 3 174 014 | | | |
| Total | 113 129 | - | - | 113 129 | 110 146 | 2 983 | 97.4% | 3 265 171 | 3 264 294 | | | |

| SUB-PROGRAMME 4.1: PROGRAMME MANAGEMENT FOR ASSET AND LIABILITY MANAGEMENT | | | | | | | | | | | | |
|---|---------------------------|----------------------|----------|------------------------|-----------------------|------------|--|------------------------|-----------------------|----------|--|--|
| | 2016/17 | | | | | | 2015/16 | | | | | |
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | % | |
| ECONOMIC CLASSIFICATION | | | | | | | | | | | | |
| Current payments | 26 211 | (1 885) | - | 24 326 | 23 707 | 619 | 97.5% | 9 126 | 8 990 | | | |
| Compensation of employees | 3 110 | 9 | - | 3 119 | 3 117 | 2 | 99.9% | 2 730 | 2 725 | | | |
| Salaries and wages | 2 778 | (11) | - | 2 767 | 2 765 | 2 | 99.9% | 2 452 | 2 449 | | | |
| Social contributions | 332 | 20 | - | 352 | 351 | 1 | 99.8% | 278 | 276 | | | |
| Goods and services | 23 101 | (1 894) | - | 21 207 | 20 590 | 617 | 97.1% | 6 396 | 6 265 | | | |
| Administrative fees | 15 | (3) | - | 13 | 10 | 2 | 80.7% | 22 | 18 | | | |
| Advertising | 50 | 33 | - | 83 | 80 | 3 | 96.4% | 164 | 161 | | | |
| Minor assets | 5 | - | - | 5 | - | 5 | - | 21 | 10 | | | |
| Bursaries: Employees | 20 | (20) | - | - | - | - | - | - | - | | | |
| Catering: Departmental activities | 38 | 6 | - | 44 | 40 | 4 | 89.8% | 30 | 26 | | | |
| Communication (G&S) | 8 | 28 | - | 36 | 35 | 0 | 99.0% | 41 | 36 | | | |
| Computer services | 7 000 | (1 853) | - | 5 147 | 5 146 | 1 | 100.0% | 2 241 | 2 239 | | | |
| Consultants: Business and advisory services | 14 569 | (381) | - | 14 188 | 14 058 | 130 | 99.1% | 2 152 | 2 151 | | | |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| SUB-PROGRAMME: 4.1: PROGRAMME MANAGEMENT FOR ASSET AND LIABILITY MANAGEMENT - CONTINUED | | | | | | | | | |
|--|-------------------------------|--------------------------|-----------------|----------------------------|---------------------------|-----------------|--|----------------------------|---------------------------|
| ECONOMIC CLASSIFICATION | 2016/17 | | | | | 2015/16 | | | |
| | 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 |
| Contractors | 11 | - | - | 11 | - | 11 | - | 7 | 1 |
| Entertainment | 7 | - | - | 7 | 0 | 7 | 6.9% | - | 3 |
| Fleet services (including government motor transport) | 6 | - | - | 6 | - | 6 | - | 7 | 6 |
| Consumable supplies | 5 | - | - | 5 | 3 | 3 | 50.0% | 23 | 19 |
| Consumable: Stationery printing and office supplies | 565 | - | - | 565 | 371 | 194 | 65.7% | 564 | 518 |
| Operating leases | 7 | 10 | - | 17 | 17 | 0 | 99.1% | 10 | 10 |
| Travel and subsistence | 627 | 195 | - | 822 | 701 | 121 | 85.3% | 628 | 744 |
| Training and development | 48 | - | - | 48 | 4 | 44 | 8.1% | 33 | - |
| Operating payments | 40 | 91 | - | 131 | 74 | 57 | 56.8% | 40 | 40 |
| Venues and facilities | 80 | - | - | 80 | 52 | 28 | 65.1% | 413 | 283 |
| Transfers and subsidies | 2 | - | - | 2 | 1 | 1 | 75.0% | 28 | 28 |
| Households | 2 | - | - | 2 | 1 | 1 | 75.0% | 28 | 28 |
| Social benefits | 2 | - | - | 2 | 1 | 1 | 75.0% | 28 | 28 |
| Payments for capital assets | 654 | 17 | - | 671 | 669 | 2 | 99.7% | 527 | 170 |
| Machinery and equipment | 654 | 17 | - | 671 | 669 | 2 | 99.7% | 527 | 170 |
| Other machinery and equipment | 654 | 17 | - | 671 | 669 | 2 | 99.7% | 527 | 170 |
| Payment for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 26 867 | (1 868) | - | 24 999 | 24 377 | 622 | 97.5% | 9 681 | 9 188 |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| SUB-PROGRAMME: 4.2: STATE OWNED ENTITY FINANCIAL MANAGEMENT AND GOVERNANCE | 2016/17 | | | | | | | | | | 2015/16 | | |
|--|---------------------------|----------------------|----------|------------------------|-----------------------|----------|--|------------------------|-----------------------|------------------------|-----------------------|------------------------|-----------------------|
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE | FINAL APPROPRIATION | ACTUAL EXPENDITURE | FINAL APPROPRIATION | ACTUAL EXPENDITURE |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| ECONOMIC CLASSIFICATION | | | | | | | | | | | | | |
| Current payments | 33 536 | 22 | - | 33 558 | 33 165 | 393 | 98.8% | 30 819 | 30 819 | 30 735 | 30 819 | 30 735 | |
| Compensation of employees | 32 192 | 27 | - | 32 219 | 32 215 | 4 | 100.0% | 29 328 | 29 328 | 29 327 | 29 328 | 29 327 | |
| Salaries and wages | 28 991 | 29 | - | 29 020 | 29 017 | 2 | 100.0% | 26 429 | 26 429 | 26 428 | 26 429 | 26 428 | |
| Social contributions | 3 201 | (2) | - | 3 200 | 3 198 | 2 | 99.9% | 2 899 | 2 899 | 2 899 | 2 899 | 2 899 | |
| Goods and services | 1 344 | (5) | - | 1 339 | 950 | 389 | 71.0% | 1 491 | 1 491 | 1 408 | 1 491 | 1 408 | |
| Administrative fees | 20 | 2 | - | 22 | 14 | 8 | 63.2% | 23 | 23 | 18 | 23 | 18 | |
| Minor assets | - | - | - | - | - | - | - | 1 | 1 | - | 1 | - | |
| Bursaries: Employees | 418 | (61) | - | 357 | 313 | 44 | 87.6% | 454 | 454 | 428 | 454 | 428 | |
| Catering: Departmental activities | 12 | (5) | - | 7 | 6 | 1 | 88.1% | - | - | - | - | - | |
| Communication (G&S) | 67 | (4) | - | 63 | 12 | 51 | 19.0% | 74 | 74 | 73 | 74 | 73 | |
| Entertainment | 7 | - | - | 7 | 2 | 5 | 23.6% | 7 | 7 | 4 | 7 | 4 | |
| Venues and facilities | - | 1 | - | 1 | 0 | 1 | 4.2% | - | - | - | - | - | |
| Operating leases | 52 | 44 | - | 96 | 90 | 6 | 93.4% | 48 | 48 | 47 | 48 | 47 | |
| Travel and subsistence | 509 | 18 | - | 527 | 355 | 172 | 67.3% | 644 | 644 | 614 | 644 | 614 | |
| Training and development | 252 | - | - | 252 | 156 | 96 | 61.8% | 240 | 240 | 224 | 240 | 224 | |
| Transfers and subsidies | 351 | - | - | 351 | 350 | 1 | 99.8% | 44 | 44 | 43 | 44 | 43 | |
| Households | 351 | - | - | 351 | 350 | 1 | 99.8% | 44 | 44 | 43 | 44 | 43 | |
| Social benefits | 351 | - | - | 351 | 350 | 1 | 99.8% | 44 | 44 | 43 | 44 | 43 | |
| Payments for capital assets | 30 | (5) | - | 25 | 18 | 7 | 71.2% | 40 | 40 | 40 | 40 | 40 | |
| Machinery and equipment | 30 | (5) | - | 25 | 18 | 7 | 71.2% | 40 | 40 | 40 | 40 | 40 | |
| Other machinery and equipment | 30 | (5) | - | 25 | 18 | 7 | 71.2% | 40 | 40 | 40 | 40 | 40 | |
| Total | 33 917 | 17 | - | 33 934 | 33 533 | 401 | 98.8% | 30 903 | 30 903 | 30 818 | 30 903 | 30 818 | |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| SUB-PROGRAMME: 4.3: GOVERNMENT DEBT MANAGEMENT | 2016/17 | | | | | | | | | | 2015/16 | |
|---|------------------------|-------------------|----------|---------------------|--------------------|------------|---|---------------------|--------------------|-------|---------|--|
| | 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 | R'000 | R'000 | |
| ECONOMIC CLASSIFICATION | | | | | | | | | | | | |
| Current payments | 18 903 | 44 | - | 18 947 | 18 802 | 145 | 99.2% | 18 698 | 18 603 | | | |
| <i>Compensation of employees</i> | 17 473 | 45 | - | 17 518 | 17 517 | 1 | 100.0% | 17 481 | 17 479 | | | |
| Salaries and wages | 15 313 | 29 | - | 15 342 | 15 341 | 1 | 100.0% | 15 403 | 15 401 | | | |
| Social contributions | 2 160 | 16 | - | 2 176 | 2 176 | 0 | 100.0% | 2 078 | 2 078 | | | |
| <i>Goods and services</i> | 1 430 | (1) | - | 1 429 | 1 285 | 144 | 89.9% | 1 217 | 1 124 | | | |
| Administrative fees | 20 | - | - | 20 | 17 | 3 | 84.1% | 20 | 19 | | | |
| Consumables: Stationery printing and office supplies | 2 | - | - | 2 | - | 2 | - | - | - | | | |
| Minor assets | 10 | - | - | 10 | - | 10 | - | 5 | 5 | | | |
| Bursaries: Employees | 191 | 36 | - | 227 | 227 | 0 | 99.9% | 103 | 103 | | | |
| Catering: Departmental activities | 3 | (1) | - | 2 | 1 | 1 | 34.7% | 3 | 4 | | | |
| Communication (G&S) | 38 | (19) | - | 19 | 18 | 1 | 96.6% | 34 | 30 | | | |
| Contractors | 8 | - | - | 8 | - | 8 | - | - | - | | | |
| Entertainment | 5 | - | - | 5 | 0 | 5 | 5.0% | - | - | | | |
| Fleet services (including government motor transport) | 2 | - | - | 2 | - | 2 | - | 9 | 8 | | | |
| Operating leases | 260 | (54) | - | 206 | 201 | 5 | 97.6% | 255 | 222 | | | |
| Travel and subsistence | 689 | 42 | - | 731 | 682 | 49 | 93.3% | 701 | 671 | | | |
| Training and development | 202 | (5) | - | 197 | 139 | 58 | 70.8% | 87 | 62 | | | |
| <i>Transfers and subsidies</i> | 10 | 1 | - | 11 | 10 | 1 | 92.2% | 822 | 821 | | | |
| <i>Households</i> | 10 | 1 | - | 11 | 10 | 1 | 92.2% | 822 | 821 | | | |
| Social benefits | 10 | 1 | - | 11 | 10 | 1 | 92.2% | 822 | 821 | | | |
| <i>Payments for capital assets</i> | 17 | (3) | - | 14 | 12 | 2 | 87.8% | 42 | 21 | | | |
| <i>Machinery and equipment</i> | 17 | (3) | - | 14 | 12 | 2 | 87.8% | 42 | 21 | | | |
| Other machinery and equipment | 17 | (3) | - | 14 | 12 | 2 | 87.8% | 42 | 21 | | | |
| <i>Payment for financial assets</i> | - | - | - | - | - | - | - | - | 1 | | | |
| Total | 18 930 | 42 | - | 18 972 | 18 824 | 148 | 99.2% | 19 562 | 19 446 | | | |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| SUB-PROGRAMME: 4.4: FINANCIAL OPERATIONS | 2016/17 | | | | | | | | | | 2015/16 | | |
|--|---------------------------|----------------------|----------|------------------------|-----------------------|--------------|--|------------------------|-----------------------|------------------------|-----------------------|------------------------|-----------------------|
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE | FINAL APPROPRIATION | ACTUAL EXPENDITURE | FINAL APPROPRIATION | ACTUAL EXPENDITURE |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| ECONOMIC CLASSIFICATION | | | | | | | | | | | | | |
| Current payments | 22 283 | 1 657 | - | 23 940 | 22 326 | 1 614 | 93.3% | 21 152 | 21 025 | 21 152 | 21 025 | | |
| <i>Compensation of employees</i> | 14 033 | (243) | - | 13 790 | 13 675 | 115 | 99.2% | 13 091 | 13 091 | 13 091 | 13 091 | | |
| Salaries and wages | 12 616 | (242) | - | 12 374 | 12 292 | 82 | 99.3% | 11 798 | 11 798 | 11 798 | 11 798 | | |
| Social contributions | 1 417 | (1) | - | 1 416 | 1 382 | 34 | 97.6% | 1 293 | 1 293 | 1 293 | 1 293 | | |
| <i>Goods and services</i> | 8 250 | 1 900 | - | 10 150 | 8 651 | 1 499 | 85.2% | 8 061 | 7 934 | 8 061 | 7 934 | | |
| Administrative fees | 7 | (2) | - | 5 | 2 | 3 | 36.2% | 4 | 4 | 4 | 4 | | |
| Minor assets | 3 | - | - | 3 | - | 3 | - | - | - | - | - | | |
| Audit costs: External | 500 | 65 | - | 565 | 564 | 1 | 99.9% | 511 | 510 | 511 | 510 | | |
| Bursaries: Employees | 35 | - | - | 35 | - | 35 | - | - | - | - | - | | |
| Catering: Departmental activities | 4 | - | - | 4 | 0 | 4 | 11.9% | - | - | - | - | | |
| Communication (G&S) | 14 | (6) | - | 8 | 4 | 4 | 51.9% | 27 | 26 | 27 | 26 | | |
| Computer services | 7 399 | 1 847 | - | 9 246 | 7 970 | 1 276 | 86.2% | 7 350 | 7 245 | 7 350 | 7 245 | | |
| Entertainment | 7 | - | - | 7 | - | 7 | - | 3 | - | 3 | - | | |
| Operating leases | 20 | (4) | - | 16 | 14 | 2 | 90.2% | - | - | - | - | | |
| Travel and subsistence | - | - | - | - | 95 | (95) | - | 120 | 115 | 120 | 115 | | |
| Training and development | 158 | - | - | 158 | 2 | 156 | 1.0% | 46 | 34 | 46 | 34 | | |
| Operating payments | 103 | - | - | 103 | - | 103 | - | - | - | - | - | | |
| <i>Transfers and subsidies</i> | 6 | 161 | - | 167 | 166 | 1 | 99.4% | 10 | 10 | 10 | 10 | | |
| <i>Households</i> | 6 | 161 | - | 167 | 166 | 1 | 99.4% | 10 | 10 | 10 | 10 | | |
| Social benefits | 6 | 161 | - | 167 | 166 | 1 | 99.4% | 10 | 10 | 10 | 10 | | |
| Payments for capital assets | 10 | (4) | - | 6 | 4 | 2 | 62.5% | - | - | - | - | | |
| <i>Machinery and equipment</i> | 10 | (4) | - | 6 | 4 | 2 | 62.5% | - | - | - | - | | |
| Other machinery and equipment | 10 | (4) | - | 6 | 4 | 2 | 62.5% | - | - | - | - | | |
| Total | 22 299 | 1 814 | - | 24 113 | 22 496 | 1 617 | 93.3% | 21 162 | 21 035 | 21 162 | 21 035 | | |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| SUB-PROGRAMME: 4.5: STRATEGY AND RISK MANAGEMENT | 2016/17 | | | | | | 2015/16 | | |
|--|------------------------|-------------------|----------|---------------------|--------------------|------------|---|---------------------|--------------------|
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE |
| | R '000 | R '000 | R '000 | R '000 | R '000 | R '000 | % | R '000 | R '000 |
| ECONOMIC CLASSIFICATION | | | | | | | | | |
| Current payments | 11 094 | - | - | 11 094 | 10 902 | 192 | 98.3% | 9 849 | 9 794 |
| Compensation of employees | 10 569 | - | - | 10 569 | 10 453 | 116 | 98.9% | 9 467 | 9 466 |
| Salaries and wages | 9 474 | (6) | - | 9 468 | 9 354 | 114 | 98.8% | 8 485 | 8 484 |
| Social contributions | 1 095 | 6 | - | 1 101 | 1 099 | 2 | 99.8% | 982 | 982 |
| Goods and services | 525 | - | - | 525 | 449 | 76 | 85.5% | 382 | 328 |
| Administrative fees | 10 | (3) | - | 7 | 6 | 1 | 82.9% | 6 | 5 |
| Minor assets | 5 | - | - | 5 | - | 5 | - | 3 | - |
| Bursaries: Employees | 180 | (133) | - | 47 | 55 | (8) | 117.5% | 72 | 67 |
| Catering: Departmental activities | 4 | 3 | - | 7 | 6 | 1 | 92.3% | 3 | - |
| Communication (G&S) | 22 | (5) | - | 17 | 16 | 1 | 95.1% | 30 | 29 |
| Entertainment | 7 | - | - | 7 | - | 7 | - | 1 | - |
| Operating leases | 48 | 15 | - | 63 | 62 | 1 | 97.8% | 20 | 20 |
| Travel and subsistence | 48 | 15 | - | 63 | 62 | 1 | 97.8% | 196 | 165 |
| Training and development | 48 | 15 | - | 63 | 62 | 1 | 97.8% | 51 | 42 |
| Payments for capital assets | 22 | (5) | - | 17 | 14 | 3 | 81.6% | 1 | - |
| Machinery and equipment | 22 | (5) | - | 17 | 14 | 3 | 81.6% | 1 | - |
| Other machinery and equipment | 22 | (5) | - | 17 | 14 | 3 | 81.6% | 1 | - |
| Total | 11 116 | (5) | - | 11 111 | 10 916 | 195 | 98.2% | 9 850 | 9 794 |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| SUB-PROGRAMME 4.6: FINANCIAL INVESTMENTS | | | | | | | | | | | |
|--|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|---------------------|--------------------|
| 2016/17 | | | | | | | | | | | 2015/16 |
| ECONOMIC CLASSIFICATION | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE | FINAL APPROPRIATION | ACTUAL EXPENDITURE |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 |
| Payment for financial assets | - | - | - | - | - | - | - | - | - | 3 174 013 | 3 174 013 |
| Total | - | - | - | - | - | - | - | - | - | 3 174 013 | 3 174 013 |
| PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS PER SUB PROGRAMME | | | | | | | | | | | |
| 2016/17 | | | | | | | | | | | 2015/16 |
| 1. Programme Management for Financial Accounting and Supply Chain Management Systems | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE | FINAL APPROPRIATION | ACTUAL EXPENDITURE |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 |
| | 57 609 | 3 770 | - | 61 379 | 60 247 | 1 132 | 98.2% | 26 680 | 24 727 | 26 680 | 24 727 |
| 2. Office of the Chief Procurement Officer | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE | FINAL APPROPRIATION | ACTUAL EXPENDITURE |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 |
| | 68 246 | 382 | - | 68 628 | 67 508 | 1 120 | 98.4% | 57 072 | 55 277 | 57 072 | 55 277 |
| 3. Financial Systems | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE | FINAL APPROPRIATION | ACTUAL EXPENDITURE |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 |
| | 828 982 | (2 977) | - | 826 005 | 797 355 | 28 650 | 96.5% | 443 061 | 441 042 | 443 061 | 441 042 |
| 4. Financial Reporting for National Accounts | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE | FINAL APPROPRIATION | ACTUAL EXPENDITURE |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 |
| | 87 976 | (913) | - | 87 064 | 85 120 | 1 943 | 97.8% | 83 382 | 82 987 | 83 382 | 82 987 |
| 5. Financial Management Policy and Compliance Improvement | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE | FINAL APPROPRIATION | ACTUAL EXPENDITURE |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 |
| | 129 612 | (262) | - | 129 350 | 120 298 | 9 052 | 93.0% | 131 459 | 128 484 | 131 459 | 128 484 |
| 6. Audit Statutory Bodies | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE | FINAL APPROPRIATION | ACTUAL EXPENDITURE |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 |
| | 44 075 | - | 35 000 | 79 075 | 79 075 | 0 | 100.0% | 41 856 | 41 856 | 41 856 | 41 856 |
| 7. Service Charges: Commercial Banks | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE | FINAL APPROPRIATION | ACTUAL EXPENDITURE |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 |
| | 258 | - | - | 258 | 254 | 4 | 98.6% | 243 | 121 | 243 | 121 |
| Total | 1 216 758 | - | 35 000 | 1 251 758 | 1 209 858 | 41 900 | 96.7% | 783 753 | 774 494 | 783 753 | 774 494 |
| PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS PER ECONOMIC CLASSIFICATION | | | | | | | | | | | |
| Current payments | 1 125 013 | (701) | - | 1 124 312 | 668 755 | 455 557 | 59.5% | 690 339 | 682 887 | 690 339 | 682 887 |
| Compensation of employees | 203 402 | (701) | - | 202 701 | 200 516 | 2 185 | 98.9% | 179 548 | 179 487 | 179 548 | 179 487 |
| Salaries and wages | 183 623 | (871) | - | 182 752 | 180 797 | 1 955 | 98.9% | 162 244 | 162 192 | 162 244 | 162 192 |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| | PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS PER ECONOMIC CLASSIFICATION - CONTINUED | | | | | | | | | |
|---|---|-------------------|---------------|---------------------|--------------------|----------------|---|---------------------|--------------------|--|
| | 2016/17 | | | | | 2015/16 | | | | |
| | 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 | R'000 | |
| Social contributions | 19 779 | 170 | - | 19 949 | 19 719 | 230 | 98.8% | 17 304 | 17 295 | |
| Goods and services | 921 611 | - | - | 921 611 | 468 239 | 453 372 | 50.8% | 510 791 | 503 400 | |
| Administrative fees | 1 590 | 750 | - | 2 340 | 1 966 | 373 | 84.0% | 1 296 | 982 | |
| Advertising | 406 | (167) | - | 239 | 138 | 101 | 57.8% | 5 313 | 5 184 | |
| Minor assets | 370 | (99) | - | 271 | 135 | 136 | 49.8% | 464 | 181 | |
| Audit costs: External | 7 393 | (3 467) | - | 3 926 | 3 750 | 176 | 95.5% | 3 939 | 3 892 | |
| Bursaries: Employees | 2 027 | 1 223 | - | 3 250 | 2 930 | 320 | 90.2% | 2 263 | 2 056 | |
| Catering: Departmental activities | 385 | 114 | - | 499 | 447 | 51 | 89.7% | 424 | 295 | |
| Communication (G&S) | 764 | 49 | - | 813 | 659 | 154 | 81.1% | 1 141 | 931 | |
| Computer services | 778 868 | 16 538 | - | 795 406 | 353 164 | 442 242 | 44.4% | 339 340 | 338 837 | |
| Consultants: Business and advisory services | 107 232 | (13 407) | - | 93 825 | 88 660 | 5 166 | 94.5% | 138 790 | 137 433 | |
| Agency and support / outsourced services | - | 6 | - | 6 | 5 | 1 | 88.7% | - | - | |
| Contractors | 52 | (3) | - | 49 | 11 | 38 | 21.9% | 426 | 160 | |
| Entertainment | 122 | - | - | 122 | 22 | 100 | 18.0% | 91 | 28 | |
| Fleet services (including government motor transport) | 6 | (6) | - | - | - | - | - | 56 | 54 | |
| Consumable supplies | 151 | 149 | - | 300 | 229 | 70 | 76.6% | 105 | 16 | |
| Consumable: Stationery printing and office supplies | 1 728 | (331) | - | 1 397 | 727 | 670 | 52.1% | 1 563 | 954 | |
| Operating leases | 829 | 47 | - | 876 | 751 | 125 | 85.8% | 797 | 530 | |
| Travel and subsistence | 10 622 | (1 342) | - | 9 280 | 7 603 | 1 677 | 81.9% | 6 395 | 5 172 | |
| Training and development | 3 570 | (237) | - | 3 334 | 2 329 | 1 004 | 69.9% | 2 853 | 1 460 | |
| Operating payments | 660 | 149 | - | 809 | 442 | 367 | 54.6% | 953 | 861 | |
| Venues and facilities | 4 836 | 34 | - | 4 870 | 4 268 | 602 | 87.6% | 4 582 | 4 374 | |
| Transfers and subsidies | 85 861 | 701 | 35 000 | 121 562 | 121 557 | 5 | 100.0% | 83 533 | 83 511 | |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| | PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS PER ECONOMIC CLASSIFICATION - CONTINUED | | | | | | | | | |
|---|---|-------------------|---------------|---------------------|--------------------|---------------|---|---------------------|--------------------|----------------|
| | 2016/17 | | | | | 2015/16 | | | | |
| | 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 | R'000 | |
| <i>Departmental agencies and accounts</i> | 85 570 | - | 35 000 | 120 570 | 120 570 | 0 | 100.0% | 83 129 | 83 129 | 83 129 |
| Departmental agencies (non-business entities) | 85 570 | - | 35 000 | 120 570 | 120 570 | 0 | 100.0% | 83 129 | 83 129 | 83 129 |
| <i>Households</i> | 291 | 701 | - | 992 | 987 | 5 | 99.5% | 404 | 382 | 382 |
| Social benefits | 291 | 701 | - | 992 | 987 | 5 | 99.5% | 404 | 382 | 382 |
| Payments for capital assets | 5 884 | - | - | 5 884 | 419 541 | (413 657) | 7130.2% | 9 881 | 8 079 | 8 079 |
| <i>Buildings and other fixed structures</i> | - | - | - | - | - | - | - | 440 | - | - |
| Buildings | - | - | - | - | - | - | - | 440 | - | - |
| <i>Machinery and equipment</i> | 5 854 | 3 | - | 5 857 | 3 447 | 2 437 | 58.6% | 9 441 | 8 079 | 8 079 |
| Other machinery and equipment | 5 854 | 3 | - | 5 857 | 3 447 | 2 437 | 58.6% | 9 441 | 8 079 | 8 079 |
| <i>Software and other intangible assets</i> | 30 | (3) | - | 27 | 416 094 | (416 067) | 1541088.9% | - | - | - |
| Payment for financial assets | - | - | - | - | 6 | (6) | - | - | 17 | 17 |
| Total | 1 216 758 | - | 35 000 | 1 251 758 | 1 209 858 | 41 900 | 96.7% | 783 753 | 774 494 | 774 494 |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| SUB-PROGRAMME: 5.1: PROGRAMME MANAGEMENT FOR FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS | 2016/17 | | | | | | | | | | 2015/16 | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|------------|---|---------------------|-------------------|--------------------|---------|-------|--|
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | FINAL EXPENDITURE | ACTUAL EXPENDITURE | | | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 | R'000 | |
| ECONOMIC CLASSIFICATION | | | | | | | | | | | | | |
| Current payments | 56 537 | 3 577 | - | 60 114 | 59 178 | 936 | 98.4% | 26 470 | 24 554 | 24 554 | | | |
| <i>Compensation of employees</i> | 6 881 | 369 | - | 7 250 | 7 101 | 149 | 97.9% | 8 455 | 8 453 | 8 453 | | | |
| Salaries and wages | 6 111 | 365 | - | 6 476 | 6 372 | 104 | 98.4% | 7 608 | 7 607 | 7 607 | | | |
| Social contributions | 770 | 4 | - | 774 | 729 | 45 | 94.2% | 847 | 846 | 846 | | | |
| Goods and services | 49 656 | 3 208 | - | 52 864 | 52 077 | 787 | 98.5% | 18 015 | 16 101 | 16 101 | | | |
| Administrative fees | 68 | - | - | 68 | 15 | 53 | 21.8% | 36 | 19 | 19 | | | |
| Advertising | 67 | (67) | - | - | - | - | - | 4 558 | 4 513 | 4 513 | | | |
| Minor assets | 173 | (168) | - | 5 | - | 5 | - | 20 | 7 | 7 | | | |
| Bursaries: Employees | 62 | (44) | - | 18 | 17 | 1 | 95.3% | 105 | 45 | 45 | | | |
| Catering: Departmental activities | 46 | (31) | - | 16 | 15 | 0 | 97.2% | 58 | 31 | 31 | | | |
| Communication (G&S) | 53 | (22) | - | 31 | 26 | 5 | 83.5% | 92 | 82 | 82 | | | |
| Computer services | 1 | 7 | - | 8 | 6 | 2 | 81.2% | 1 | - | - | | | |
| Consultants: Business and advisory services | 47 054 | 4 217 | - | 51 271 | 51 269 | 2 | 100.0% | 10 847 | 10 239 | 10 239 | | | |
| Audit costs: External | 160 | (160) | - | - | - | - | - | - | - | - | | | |
| Agency and support / outsourced services | - | 6 | - | 6 | 5 | 1 | 88.7% | - | - | - | | | |
| Entertainment | 14 | - | - | 14 | 3 | 11 | 20.0% | 4 | 2 | 2 | | | |
| Fleet services (including government motor transport) | | | | | | | | 15 | 14 | 14 | | | |
| Consumable supplies | - | 38 | - | 38 | 36 | 2 | 94.5% | 23 | 3 | 3 | | | |
| Consumable: Stationery printing and office supplies | 104 | (41) | - | 63 | 40 | 23 | 62.8% | 55 | 17 | 17 | | | |
| Operating leases | 96 | 57 | - | 153 | 132 | 21 | 86.1% | 160 | 62 | 62 | | | |
| Travel and subsistence | 1 345 | (573) | - | 772 | 490 | 282 | 63.5% | 1 072 | 486 | 486 | | | |
| Training and development | 29 | (25) | - | 4 | 4 | 0 | 97.3% | 159 | 24 | 24 | | | |
| Operating payments | 173 | 64 | - | 237 | - | 237 | - | 564 | 557 | 557 | | | |
| Venues and facilities | 211 | (51) | - | 160 | 20 | 140 | 12.4% | 246 | - | - | | | |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| SUB-PROGRAMME: 5.1: PROGRAMME MANAGEMENT FOR FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS -CONTINUED | 2016/17 | | | | | | 2015/16 | | | | | | |
|--|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|----------|---|--------|--|
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | % | R'000 | |
| Economic Classification | | | | | | | | | | | | | |
| Transfers and subsidies | - | 13 | - | 13 | 13 | 0 | 99.7% | 91 | 90 | 91 | 99.7% | 90 | |
| Households | - | 13 | - | 13 | 13 | 0 | 99.7% | 91 | 90 | 91 | 99.7% | 90 | |
| Social benefits | - | 13 | - | 13 | 13 | 0 | 99.7% | 91 | 90 | 91 | 99.7% | 90 | |
| Payments for capital assets | 1 072 | 180 | - | 1 252 | 1 056 | 196 | 84.3% | 119 | 83 | 119 | 84.3% | 83 | |
| Machinery and equipment | 1 072 | 180 | - | 1 252 | 1 056 | 196 | 84.3% | 119 | 83 | 119 | 84.3% | 83 | |
| Other machinery and equipment | 1 072 | 180 | - | 1 252 | 1 056 | 196 | 84.3% | 119 | 83 | 119 | 84.3% | 83 | |
| Payment for financial assets | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total | 57 609 | 3 770 | - | 61 379 | 60 247 | 1 132 | 98.2% | 26 680 | 24 727 | 26 680 | 98.2% | 24 727 | |
| SUB-PROGRAMME: 5.2: OFFICE OF THE CHIEF PROCUREMENT OFFICER | | | | | | | | | | | | | |
| SUB-PROGRAMME: 5.2: OFFICE OF THE CHIEF PROCUREMENT OFFICER | 2016/17 | | | | | | 2015/16 | | | | | | |
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | % | R'000 | |
| Economic Classification | | | | | | | | | | | | | |
| Current payments | 67 170 | 545 | - | 67 715 | 66 844 | 871 | 98.7% | 55 631 | 54 285 | 55 631 | 98.7% | 54 285 | |
| Compensation of employees | 56 993 | 329 | - | 57 322 | 57 286 | 36 | 99.9% | 44 360 | 44 355 | 44 360 | 99.9% | 44 355 | |
| Salaries and wages | 51 017 | 204 | - | 51 221 | 51 196 | 25 | 100.0% | 39 616 | 39 613 | 39 616 | 100.0% | 39 613 | |
| Social contributions | 5 976 | 125 | - | 6 101 | 6 090 | 11 | 99.8% | 4 744 | 4 742 | 4 744 | 99.8% | 4 742 | |
| Goods and services | 10 177 | 216 | - | 10 393 | 9 558 | 835 | 92.0% | 11 271 | 9 930 | 11 271 | 92.0% | 9 930 | |
| Administrative fees | 910 | 830 | - | 1 740 | 1 532 | 208 | 88.1% | 793 | 680 | 793 | 88.1% | 680 | |
| Advertising | 64 | (34) | - | 30 | 18 | 12 | 60.0% | 359 | 318 | 359 | 60.0% | 318 | |
| Minor assets | 80 | (40) | - | 40 | 10 | 30 | 24.7% | 107 | 59 | 107 | 24.7% | 59 | |
| Audit costs: External | - | - | - | - | - | - | - | - | - | - | - | - | |
| Bursaries: Employees | 405 | 155 | - | 560 | 541 | 19 | 96.5% | 370 | 318 | 370 | 96.5% | 318 | |
| Catering: Departmental activities | 112 | 57 | - | 169 | 159 | 10 | 93.9% | 105 | 96 | 105 | 93.9% | 96 | |
| Communication (G&S) | 157 | 45 | - | 202 | 158 | 44 | 78.2% | 207 | 181 | 207 | 78.2% | 181 | |
| Computer services | 1 162 | (752) | - | 410 | 389 | 21 | 94.8% | 2 147 | 2 012 | 2 147 | 94.8% | 2 012 | |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| SUB-PROGRAMME: 5.2: OFFICE OF THE CHIEF PROCUREMENT OFFICER - CONTINUED | 2016/17 | | | | | | | | | | 2015/16 | |
|---|---------------------------|----------------------|----------|------------------------|-----------------------|--------------|--|------------------------|-----------------------|-------|---------|--|
| | 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 | R'000 | R'000 | |
| ECONOMIC CLASSIFICATION | | | | | | | | | | | | |
| Consultants: Business and advisory services | 4 040 | (219) | - | 3 821 | 3 781 | 41 | 98.9% | 4 544 | 4 530 | | | |
| Legal services | - | - | - | - | - | - | - | - | - | | | |
| Contractors | - | 9 | - | 9 | 7 | 2 | 72.8% | - | - | | | |
| Entertainment | 32 | - | - | 32 | 10 | 22 | 32.0% | 7 | 10 | | | |
| Consumable supplies | 62 | 98 | - | 160 | 150 | 9 | 94.2% | 38 | 7 | | | |
| Consumable: Stationery printing and office supplies | 467 | (90) | - | 377 | 264 | 113 | 70.0% | 309 | 182 | | | |
| Operating leases | 248 | (91) | - | 157 | 140 | 17 | 89.0% | 192 | 111 | | | |
| Travel and subsistence | 2 081 | 296 | - | 2 377 | 2 147 | 230 | 90.3% | 1 557 | 1 180 | | | |
| Training and development | 159 | (29) | - | 130 | 99 | 31 | 76.0% | 237 | 75 | | | |
| Operating payments | 100 | (1) | - | 99 | 76 | 23 | 77.1% | 132 | 97 | | | |
| Venues and facilities | 98 | (18) | - | 80 | 78 | 2 | 97.4% | 167 | 74 | | | |
| Transfers and subsidies | 180 | 17 | - | 197 | 196 | 1 | 99.3% | 127 | 126 | | | |
| Households | 180 | 17 | - | 197 | 196 | 1 | 99.3% | 127 | 126 | | | |
| Social benefits | 180 | 17 | - | 197 | 196 | 1 | 99.3% | 127 | 126 | | | |
| Payments for capital assets | 896 | (180) | - | 716 | 469 | 247 | 65.5% | 1 314 | 862 | | | |
| <i>Buildings and other fixed structures</i> | - | - | - | - | - | - | - | 440 | - | | | |
| Buildings | - | - | - | - | - | - | - | 440 | - | | | |
| Machinery and equipment | 896 | (180) | - | 716 | 469 | 247 | 65.5% | 874 | 862 | | | |
| Other machinery and equipment | 896 | (180) | - | 716 | 469 | 247 | 65.5% | 874 | 862 | | | |
| Payment for financial assets | - | - | - | - | - | - | - | - | 4 | | | |
| Total | 68 246 | 382 | - | 68 628 | 67 508 | 1 120 | 98.4% | 57 072 | 55 277 | | | |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| SUB-PROGRAMME: 5.3: FINANCIAL SYSTEMS | 2016/17 | | | | | | 2015/16 | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|----------------|---|---------------------|--------------------|
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| ECONOMIC CLASSIFICATION | | | | | | | | | |
| Current payments | 826 432 | (3 061) | - | 823 371 | 379 803 | 443 568 | 46.1% | 435 505 | 434 300 |
| Compensation of employees | 26 245 | 335 | - | 26 580 | 26 064 | 516 | 98.1% | 22 886 | 22 878 |
| Salaries and wages | 23 249 | 369 | - | 23 618 | 23 128 | 490 | 97.9% | 20 305 | 20 301 |
| Social contributions | 2 996 | (34) | - | 2 962 | 2 935 | 27 | 99.1% | 2 581 | 2 577 |
| Goods and services | 800 187 | (3 396) | - | 796 791 | 353 739 | 443 052 | 44.4% | 412 619 | 411 422 |
| Administrative fees | 65 | (40) | - | 25 | 6 | 19 | 24.6% | 31 | 11 |
| Advertising | 50 | (50) | - | - | - | - | - | - | - |
| Minor assets | 34 | 106 | - | 140 | 121 | 19 | 86.1% | 174 | 14 |
| Audit costs: External | 2 671 | (2 330) | - | 341 | 166 | 175 | 48.6% | 53 | 6 |
| Bursaries: Employees | 60 | 30 | - | 90 | 90 | 0 | 99.7% | 177 | 87 |
| Catering: Departmental activities | 15 | 4 | - | 19 | 11 | 8 | 59.9% | 20 | 12 |
| Communication (G&S) | 447 | (9) | - | 438 | 354 | 84 | 80.8% | 472 | 353 |
| Computer services | 771 020 | 17 096 | - | 788 116 | 346 331 | 441 785 | 43.9% | 330 982 | 330 635 |
| Consultants: Business and advisory services | 19 672 | (17 425) | - | 2 247 | 2 247 | 0 | 100.0% | 75 771 | 75 771 |
| Contractors | 23 | 2 | - | 25 | 3 | 22 | 12.6% | 34 | - |
| Entertainment | 10 | - | - | 10 | 2 | 8 | 22.4% | 5 | 2 |
| Fleet services (including government motor transport) | - | - | - | - | - | - | - | 33 | 33 |
| Consumable supplies | 26 | 13 | - | 39 | 35 | 4 | 89.4% | 6 | 2 |
| Consumable: Stationery printing and office supplies | 305 | (50) | - | 255 | 123 | 132 | 48.4% | 276 | 207 |
| Operating leases | 117 | 28 | - | 145 | 124 | 21 | 85.4% | 102 | 74 |
| Travel and subsistence | 1 546 | (1 016) | - | 530 | 179 | 351 | 33.8% | 465 | 274 |
| Training and development | 237 | (17) | - | 220 | 74 | 146 | 33.7% | 131 | 68 |
| Operating payments | 5 | - | - | 5 | - | 5 | - | - | - |
| Venues and facilities | 3 884 | 262 | - | 4 146 | 3 873 | 273 | 93.4% | 3 887 | 3 873 |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| SUB-PROGRAMME: 5.3: FINANCIAL SYSTEMS - CONTINUED | 2016/17 | | | | | | 2015/16 | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| ECONOMIC CLASSIFICATION | | | | | | | | | |
| Transfers and subsidies | - | 84 | - | 84 | 83 | 1 | 98.8% | - | - |
| Households | - | 84 | - | 84 | 83 | 1 | 98.8% | - | - |
| Social benefits | - | 84 | - | 84 | 83 | 1 | 98.8% | - | - |
| Payments for capital assets | 2 550 | - | - | 2 550 | 417 469 | (414 919) | 16371.3% | 7 556 | 6 742 |
| Machinery and equipment | 2 520 | 3 | - | 2 523 | 1 375 | 1 148 | 54.5% | 7 556 | 6 742 |
| Other machinery and equipment | 2 520 | - | - | 2 520 | 1 375 | 1 148 | 54.5% | 7 556 | 6 742 |
| Software and other intangible assets | 30 | (3) | - | 27 | 416 094 | (416 067) | 1541088.9% | - | - |
| Total | 828 982 | (2 977) | - | 826 005 | 797 355 | 28 650 | 96.5% | 443 061 | 441 042 |

| SUB-PROGRAMME: 5.4: FINANCIAL REPORTING FOR NATIONAL ACCOUNTS | 2016/17 | | | | | | 2015/16 | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| ECONOMIC CLASSIFICATION | | | | | | | | | |
| Current payments | 46 120 | (1 008) | - | 45 113 | 43 457 | 1 656 | 96.3% | 41 904 | 41 566 |
| Compensation of employees | 32 041 | (95) | - | 31 946 | 31 656 | 290 | 99.1% | 30 145 | 30 102 |
| Salaries and wages | 28 748 | (122) | - | 28 626 | 28 363 | 263 | 99.1% | 27 058 | 27 015 |
| Social contributions | 3 293 | 27 | - | 3 320 | 3 292 | 28 | 99.2% | 3 087 | 3 087 |
| Goods and services | 14 079 | (913) | - | 13 167 | 11 801 | 1 366 | 89.6% | 11 759 | 11 464 |
| Administrative fees | 51 | - | - | 51 | 32 | 19 | 61.8% | 36 | 31 |
| Advertising | 61 | (11) | - | 50 | - | 50 | - | 68 | 47 |
| Minor assets | 35 | - | - | 35 | - | 35 | - | 23 | 2 |
| Audit costs: External | 4 562 | (977) | - | 3 585 | 3 584 | 1 | 100.0% | 3 886 | 3 886 |
| Bursaries: Employees | 214 | (74) | - | 140 | - | 140 | - | 71 | 69 |
| Catering: Departmental activities | 50 | 64 | - | 114 | 109 | 5 | 95.4% | 95 | 41 |
| Communication (G&S) | 14 | 15 | - | 29 | 28 | 1 | 98.1% | 109 | 107 |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| SUB-PROGRAMME: 5.4: FINANCIAL REPORTING FOR NATIONAL ACCOUNTS - CONTINUED | 2016/17 | | | | | | | | | | 2015/16 | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|--------------|---|---------------------|-------------------|--------------------|---------|---------------|--|
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | FINAL EXPENDITURE | ACTUAL EXPENDITURE | | | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 | R'000 | |
| ECONOMIC CLASSIFICATION | | | | | | | | | | | | | |
| Computer services | 5 828 | 205 | - | 6 033 | 5 894 | 139 | 97.7% | 5 689 | 5 684 | 5 684 | | 7 | |
| Consultants: Business and advisory services | 550 | - | - | 550 | 493 | 57 | 89.6% | 11 | 11 | 11 | | 3 | |
| Entertainment | 22 | - | - | 22 | 0 | 22 | 1.5% | 27 | 27 | 27 | | 5 | |
| Fleet services (including government motor transport) | - | - | - | - | - | - | - | - | 6 | 6 | | 1 | |
| Consumable supplies | 32 | (2) | - | 30 | 5 | 25 | 15.6% | 11 | 11 | 11 | | 282 | |
| Consumable: Stationery printing and office supplies | 436 | (99) | - | 337 | 102 | 235 | 30.4% | 368 | 368 | 368 | | 170 | |
| Operating leases | 208 | 41 | - | 249 | 228 | 21 | 91.6% | 198 | 198 | 198 | | 816 | |
| Travel and subsistence | 1 343 | (71) | - | 1 272 | 902 | 370 | 70.9% | 858 | 858 | 858 | | 38 | |
| Training and development | 258 | (79) | - | 180 | 70 | 109 | 39.2% | 70 | 70 | 70 | | 54 | |
| Operating payments | 102 | 75 | - | 177 | 154 | 23 | 87.1% | 69 | 69 | 69 | | 221 | |
| Venues and facilities | 313 | - | - | 313 | 198 | 115 | 63.3% | 164 | 164 | 164 | | 41 320 | |
| Transfers and subsidies | 41 508 | 95 | - | 41 603 | 41 602 | 1 | 100.0% | 41 321 | 41 320 | 41 320 | | 41 273 | |
| Departmental agencies and accounts | 41 495 | - | - | 41 495 | 41 495 | - | 100.0% | 41 273 | 41 273 | 41 273 | | 41 273 | |
| Departmental agencies (non-business entities) | 41 495 | - | - | 41 495 | 41 495 | - | 100.0% | 41 273 | 41 273 | 41 273 | | 47 | |
| Households | 13 | 95 | - | 108 | 107 | 1 | 99.4% | 48 | 48 | 48 | | 47 | |
| Social benefits | 13 | 95 | - | 108 | 107 | 1 | 99.4% | 48 | 48 | 48 | | 99 | |
| Payments for capital assets | 348 | - | - | 348 | 61 | 287 | 17.6% | 157 | 157 | 157 | | 99 | |
| Machinery and equipment | 348 | - | - | 348 | 61 | 287 | 17.6% | 157 | 157 | 157 | | 99 | |
| Other machinery and equipment | 348 | - | - | 348 | 61 | 287 | 17.6% | 157 | 157 | 157 | | 2 | |
| Payment for financial assets | - | - | - | - | - | - | - | - | - | - | | 82 987 | |
| Total | 87 976 | (913) | - | 87 064 | 85 120 | 1 943 | 97.8% | 83 382 | 83 382 | 83 382 | | 82 987 | |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| SUB-PROGRAMME: 5.5: FINANCIAL MANAGEMENT POLICY AND COMPLIANCE IMPROVEMENT | 2016/17 | | | | | | | | | | 2015/16 | |
|--|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|-------|---------|--|
| | 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 | R'000 | R'000 | |
| ECONOMIC CLASSIFICATION | | | | | | | | | | | | |
| Current payments | 128 496 | (754) | - | 127 742 | 119 219 | 8 523 | 93.3% | 130 586 | 128 061 | | | |
| <i>Compensation of employees</i> | 81 242 | (1 639) | - | 79 603 | 78 410 | 1 193 | 98.5% | 73 702 | 73 699 | | | |
| Salaries and wages | 74 498 | (1 687) | - | 72 811 | 71 738 | 1 073 | 98.5% | 67 657 | 67 656 | | | |
| Social contributions | 6 744 | 48 | - | 6 792 | 6 672 | 120 | 98.2% | 6 045 | 6 043 | | | |
| Goods and services | 47 254 | 885 | - | 48 139 | 40 809 | 7 330 | 84.8% | 56 884 | 54 362 | | | |
| Administrative fees | 238 | (40) | - | 198 | 127 | 71 | 64.4% | 157 | 120 | | | |
| Advertising | 164 | (5) | - | 159 | 120 | 39 | 75.6% | 328 | 306 | | | |
| Minor assets | 48 | 3 | - | 51 | 5 | 46 | 8.9% | 140 | 99 | | | |
| Bursaries: Employees | 1 286 | 1 156 | - | 2 442 | 2 283 | 159 | 93.5% | 1 540 | 1 537 | | | |
| Catering: Departmental activities | 162 | 19 | - | 181 | 153 | 28 | 84.7% | 146 | 115 | | | |
| Communication (G&S) | 93 | 20 | - | 113 | 93 | 20 | 82.4% | 261 | 208 | | | |
| Computer services | 857 | (18) | - | 839 | 543 | 296 | 64.7% | 521 | 506 | | | |
| Consultants: Business and advisory services | 35 916 | 20 | - | 35 936 | 30 871 | 5 065 | 85.9% | 47 617 | 46 886 | | | |
| Legal services | - | - | - | - | - | - | - | - | - | | | |
| Contractors | 29 | (14) | - | 15 | 1 | 14 | 6.9% | 392 | 160 | | | |
| Entertainment | 44 | - | - | 44 | 6 | 38 | 14.3% | 48 | 11 | | | |
| Fleet services (including government motor transport) | 6 | (6) | - | - | - | - | - | 2 | 2 | | | |
| Consumable supplies | 31 | 2 | - | 33 | 4 | 29 | 10.9% | 27 | 3 | | | |
| Consumable: Stationery printing and office supplies | 416 | (51) | - | 365 | 198 | 167 | 54.3% | 555 | 266 | | | |
| Operating leases | 160 | 12 | - | 172 | 128 | 44 | 74.5% | 145 | 113 | | | |
| Travel and subsistence | 4 307 | 22 | - | 4 329 | 3 884 | 445 | 89.7% | 2 443 | 2 416 | | | |
| Training and development | 2 887 | (87) | - | 2 800 | 2 082 | 718 | 74.4% | 2 256 | 1 255 | | | |
| Operating payments | 280 | 11 | - | 291 | 211 | 80 | 72.6% | 188 | 153 | | | |
| Venues and facilities | 330 | (159) | - | 171 | 100 | 71 | 58.2% | 118 | 206 | | | |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| ECONOMIC CLASSIFICATION | SUB-PROGRAMME 5.5: FINANCIAL MANAGEMENT POLICY AND COMPLIANCE IMPROVEMENT - CONTINUED | | | | | | | | | |
|-------------------------------|---|-------------------------------|-------------------|---------------------------------|--------------------------------|-------------------|--|---------|---------------------------------|--------------------------------|
| | 2016/17 | | | | | 2015/16 | | | | |
| | ADJUSTED APPROPRIATION R'000 | SHIFTING OF FUNDS R'000 | VIREMENT R'000 | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | VARIANCE R'000 | EXPENDITURE AS % OF FINAL APPROPRIATION | % | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 |
| Transfers and subsidies | 98 | 492 | - | 590 | 588 | 2 | 99.6% | 138 | 119 | |
| Households | 98 | 492 | - | 590 | 588 | 2 | 99.6% | 138 | 119 | |
| Social benefits | 98 | 492 | - | 590 | 588 | 2 | 99.6% | 138 | 119 | |
| Payments for capital assets | 1 018 | - | - | 1 018 | 485 | 533 | 47.7% | 735 | 293 | |
| Machinery and equipment | 1 018 | - | - | 1 018 | 485 | 533 | 47.7% | 735 | 293 | |
| Other machinery and equipment | 1 018 | - | - | 1 018 | 485 | 533 | 47.7% | 735 | 293 | |
| Payment for financial assets | - | - | - | - | 6 | (6) | - | - | 11 | |
| Total | 129 612 | (262) | - | 129 350 | 120 298 | 9 052 | 93.0% | 131 459 | 128 484 | |

| ECONOMIC CLASSIFICATION | SUB-PROGRAMME 5.6: AUDIT STATUTORY BODIES | | | | | | | | | |
|---|---|-------------------------------|-------------------|---------------------------------|--------------------------------|-------------------|--|--------|---------------------------------|--------------------------------|
| | 2016/17 | | | | | 2015/16 | | | | |
| | ADJUSTED APPROPRIATION R'000 | SHIFTING OF FUNDS R'000 | VIREMENT R'000 | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | VARIANCE R'000 | EXPENDITURE AS % OF FINAL APPROPRIATION | % | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 |
| Transfers and subsidies | 44 075 | - | 35 000 | 79 075 | 79 075 | 0 | 100.0% | 41 856 | 41 856 | |
| Departmental agencies and accounts | 44 075 | - | 35 000 | 79 075 | 79 075 | 0 | 100.0% | 41 856 | 41 856 | |
| Departmental agencies (non-business entities) | 44 075 | - | 35 000 | 79 075 | 79 075 | 0 | 100.0% | 41 856 | 41 856 | |
| Total | 44 075 | - | 35 000 | 79 075 | 79 075 | 0 | 100.0% | 41 856 | 41 856 | |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| SUB-PROGRAMME 5.7: SERVICE CHARGES: COMMERCIAL BANKS | | | | | | | | | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|--|
| ECONOMIC CLASSIFICATION | 2016/17 | | | | | 2015/16 | | | | |
| | 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 | |
| Current payments | 258 | - | - | 258 | 254 | 4 | 98.6% | 243 | 121 | |
| Goods and services | 258 | - | - | 258 | 254 | 4 | 98.6% | 243 | 121 | |
| Administrative fees | 258 | - | - | 258 | 254 | 4 | 98.6% | 243 | 121 | |
| Total | 258 | - | - | 258 | 254 | 4 | 98.6% | 243 | 121 | |

| PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS PER SUB PROGRAMME | | | | | | | | | | |
|---|------------------------|-------------------|-----------------|---------------------|--------------------|--------------|---|---------------------|--------------------|--|
| | 2016/17 | | | | | 2015/16 | | | | |
| | 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 | |
| 1. Programme Management for International Financial Relations | 12 638 | (195) | - | 12 443 | 9 994 | 2 449 | 80.3% | 15 929 | 14 528 | |
| 2. International Economic Cooperation | 41 027 | 195 | - | 41 222 | 38 293 | 2 929 | 92.9% | 30 516 | 30 389 | |
| 3. African Integration and Support | 812 071 | 371 | (15 949) | 796 493 | 796 694 | (201) | 100.0% | 717 534 | 717 531 | |
| 4. International Development Funding Institutions | 4 091 915 | - | - | 4 091 915 | 4 091 776 | 139 | 100.0% | 2 762 651 | 2 762 655 | |
| 5. International Projects | 20 326 | (371) | (400) | 19 555 | 18 995 | 560 | 97.1% | 21 032 | 21 031 | |
| Total | 4 977 977 | - | (16 349) | 4 961 628 | 4 955 753 | 5 875 | 99.9% | 3 547 662 | 3 546 134 | |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| | PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS PER ECONOMIC CLASSIFICATION | | | | | | | | | |
|---|--|----------------------|----------|------------------------|-----------------------|--------------|--|------------------------|-----------------------|--|
| | 2016/17 | | | | | 2015/16 | | | | |
| | 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 | R'000 | |
| Current payments | 52 016 | (28) | - | 51 988 | 47 175 | 4 813 | 90.7% | 46 177 | 44 731 | |
| <i>Compensation of employees</i> | 33 282 | (28) | - | 33 254 | 32 024 | 1 230 | 96.3% | 28 230 | 28 221 | |
| Salaries and wages | 30 311 | (140) | - | 30 171 | 29 138 | 1 033 | 96.6% | 25 691 | 25 685 | |
| Social contributions | 2 971 | 112 | - | 3 083 | 2 886 | 197 | 93.6% | 2 539 | 2 536 | |
| Goods and services | 18 734 | - | - | 18 734 | 15 151 | 3 583 | 80.9% | 17 947 | 16 510 | |
| Administrative fees | 143 | 34 | - | 177 | 139 | 38 | 78.3% | 167 | 165 | |
| Advertising | 99 | (49) | - | 50 | 25 | 25 | 50.9% | 41 | 39 | |
| Minor assets | 97 | (55) | - | 42 | 15 | 27 | 36.2% | - | - | |
| Bursaries: Employees | 477 | (72) | - | 405 | 221 | 184 | 54.6% | 104 | 103 | |
| Catering: Departmental activities | 35 | - | - | 35 | 12 | 23 | 32.9% | 20 | 22 | |
| Communication (G&S) | 292 | (66) | - | 226 | 153 | 73 | 67.9% | 387 | 386 | |
| Computer services | 234 | 122 | - | 356 | 339 | 17 | 95.3% | 399 | 243 | |
| Consultants: Business and advisory services | 1 283 | (448) | - | 835 | 762 | 73 | 91.2% | 88 | 73 | |
| Contractors | 72 | (50) | - | 22 | 12 | 10 | 56.1% | - | - | |
| Agency and support / outsourced services | 315 | (250) | - | 65 | 30 | 35 | 46.3% | 88 | 51 | |
| Entertainment | 20 | - | - | 20 | 1 | 19 | 6.0% | 10 | 4 | |
| Fleet services (including government motor transport) | - | - | - | - | - | - | - | 2 | 2 | |
| Consumable supplies | 71 | (25) | - | 46 | 6 | 40 | 13.4% | 22 | 22 | |
| Consumable: Stationery printing and office supplies | 165 | (18) | - | 147 | 94 | 53 | 64.0% | 64 | 60 | |
| Operating leases | 2 455 | 259 | - | 2 714 | 2 711 | 3 | 99.9% | 194 | 94 | |
| Travel and subsistence | 9 168 | 1 170 | - | 10 338 | 9 319 | 1 019 | 90.1% | 10 361 | 10 448 | |
| Training and development | 344 | (49) | - | 295 | 105 | 190 | 35.5% | 105 | 49 | |
| Operating payments | 1 113 | (603) | - | 510 | 385 | 125 | 75.5% | 1 168 | 347 | |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| | PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS PER SUB PROGRAMME - CONTINUED | | | | | | | | | |
|---|--|--------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|-----------|
| | 2016/17 | | | | | 2015/16 | | | | |
| | ADJUSTED APPROPRIATION | SHIFTING OFF 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 | R'000 | |
| Venues and facilities | 2 351 | 100 | - | 2 451 | 822 | 1 629 | 33.5% | 4 727 | 4 402 | 4 402 |
| Transfers and subsidies | 923 077 | 28 | (16 349) | 906 756 | 906 397 | 359 | 100.0% | 829 247 | 829 242 | 829 242 |
| Foreign governments and international organisations | 923 077 | - | (16 349) | 906 728 | 906 370 | 358 | 100.0% | 829 226 | 829 222 | 829 222 |
| Households | - | 28 | - | 28 | 27 | 1 | 96.2% | 21 | 20 | 20 |
| Social benefits | - | 28 | - | 28 | 27 | 1 | 96.2% | 21 | 20 | 20 |
| Payments for capital assets | 1 649 | - | - | 1 649 | 1 073 | 576 | 65.1% | 247 | 162 | 162 |
| Machinery and equipment | 1 649 | - | - | 1 649 | 1 073 | 576 | 65.1% | 247 | 162 | 162 |
| Other machinery and equipment | 1 649 | - | - | 1 649 | 1 073 | 576 | 65.1% | 247 | 162 | 162 |
| Payment for financial assets | 4 001 235 | - | - | 4 001 235 | 4 001 108 | 127 | 100.0% | 2 671 991 | 2 671 999 | 2 671 999 |
| Total | 4 977 977 | - | (16 349) | 4 961 628 | 4 955 753 | 5 875 | 99.9% | 3 547 662 | 3 546 134 | 3 546 134 |

| | SUB-PROGRAMME 6.1: PROGRAMME MANAGEMENT FOR INTERNATIONAL FINANCIAL RELATIONS | | | | | | | | | |
|-----------------------------------|---|--------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|--------|
| | 2016/17 | | | | | 2015/16 | | | | |
| | ADJUSTED APPROPRIATION | SHIFTING OFF 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 | R'000 | |
| Current payments | 12 488 | (195) | - | 12 293 | 9 895 | 2 398 | 80.5% | 15 874 | 14 502 | 14 502 |
| Compensation of employees | 5 156 | - | - | 5 156 | 4 804 | 352 | 93.2% | 4 514 | 4 513 | 4 513 |
| Salaries and wages | 4 913 | - | - | 4 913 | 4 619 | 294 | 94.0% | 4 234 | 4 233 | 4 233 |
| Social contributions | 243 | - | - | 243 | 184 | 59 | 75.9% | 280 | 280 | 280 |
| Goods and services | 7 332 | (195) | - | 7 137 | 5 091 | 2 046 | 71.3% | 11 360 | 9 989 | 9 989 |
| Administrative fees | 20 | 31 | - | 51 | 50 | 1 | 98.4% | 43 | 43 | 43 |
| Advertising | 25 | (24) | - | 1 | - | 1 | - | 1 | - | - |
| Minor assets | 5 | - | - | 5 | 5 | 0 | 91.0% | - | - | - |
| Bursaries: Employees | 75 | (70) | - | 5 | 5 | 0 | 94.4% | - | - | - |
| Catering: Departmental activities | 11 | - | - | 11 | 7 | 4 | 66.0% | 10 | 3 | 3 |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| SUB-PROGRAMME: 6.1: PROGRAMME MANAGEMENT FOR INTERNATIONAL FINANCIAL RELATIONS - CONTINUED | 2016/17 | | | | | | | | | | 2015/16 | |
|--|------------------------|-------------------|----------|---------------------|--------------------|--------------|---|---------------------|-------------------|-------|---------|--|
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | FINAL EXPENDITURE | | | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 | |
| ECONOMIC CLASSIFICATION | | | | | | | | | | | | |
| Communication (G&S) | 107 | (52) | - | 55 | 54 | 1 | 97.7% | 183 | 182 | | | |
| Computer services | 50 | (34) | - | 16 | - | 16 | - | - | - | | | |
| Consultants: Business and advisory services | 219 | 513 | - | 732 | 732 | 0 | 100.0% | - | - | | | |
| Contractors | - | - | - | - | - | - | - | - | - | | | |
| Agency and support / outsourced services | - | - | - | - | - | - | - | - | - | | | |
| Entertainment | 3 | - | - | 3 | 0 | 3 | 5.5% | 1 | 2 | | | |
| Fleet services (including government motor transport) | - | - | - | - | - | - | - | 1 | 1 | | | |
| Consumable supplies | 23 | - | - | 23 | 4 | 19 | 16.7% | 4 | 4 | | | |
| Consumable: Stationery printing and office supplies | 49 | - | - | 49 | 30 | 19 | 61.2% | 29 | 29 | | | |
| Operating leases | 500 | (400) | - | 100 | 98 | 2 | 98.2% | 194 | 94 | | | |
| Travel and subsistence | 3 610 | 447 | - | 4 057 | 3 710 | 347 | 91.4% | 5 380 | 5 318 | | | |
| Training and development | 125 | - | - | 125 | 17 | 108 | 13.4% | 45 | 5 | | | |
| Operating payments | 1 010 | (606) | - | 404 | 380 | 24 | 94.0% | 1 167 | 346 | | | |
| Venues and facilities | 1 500 | - | - | 1 500 | - | 1 500 | - | 4 255 | 3 931 | | | |
| Payments for capital assets | 150 | - | - | 150 | 99 | 51 | 66.2% | 55 | 26 | | | |
| Machinery and equipment | 150 | - | - | 150 | 99 | 51 | 66.2% | 55 | 26 | | | |
| Other machinery and equipment | 150 | - | - | 150 | 99 | 51 | 66.2% | 55 | 26 | | | |
| Payment for financial assets | - | - | - | - | - | - | - | - | - | | | |
| Total | 12 638 | (195) | - | 12 443 | 9 994 | 2 449 | 80.3% | 15 929 | 14 528 | | | |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| SUB-PROGRAMME: 6.2: INTERNATIONAL ECONOMIC COOPERATION | 2016/17 | | | | | | | | | | 2015/16 | |
|--|---------------------------|----------------------|----------|------------------------|-----------------------|--------------|--|------------------------|-----------------------|--------------|--------------|--|
| | 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 | R'000 | R'000 | |
| ECONOMIC CLASSIFICATION | | | | | | | | | | | | |
| Current payments | 39 528 | 167 | - | 39 695 | 37 280 | 2 415 | 93.9% | 30 303 | 30 229 | 30 229 | 30 229 | |
| Compensation of employees | 28 126 | (28) | - | 28 098 | 27 220 | 878 | 96.9% | 23 716 | 23 708 | 23 708 | 23 708 | |
| Salaries and wages | 25 398 | (140) | - | 25 258 | 24 519 | 739 | 97.1% | 21 457 | 21 452 | 21 452 | 21 452 | |
| Social contributions | 2 728 | 112 | - | 2 840 | 2 701 | 139 | 95.1% | 2 259 | 2 256 | 2 256 | 2 256 | |
| Goods and services | 11 402 | 195 | - | 11 597 | 10 060 | 1 537 | 86.7% | 6 587 | 6 521 | 6 521 | 6 521 | |
| Administrative fees | 123 | 3 | - | 126 | 88 | 38 | 70.2% | 124 | 122 | 122 | 122 | |
| Advertising | 74 | (25) | - | 49 | 25 | 24 | 52.0% | 40 | 39 | 39 | 39 | |
| Minor assets | 92 | (55) | - | 37 | 11 | 26 | 28.8% | - | - | - | - | |
| Bursaries: Employees | 402 | (2) | - | 400 | 216 | 184 | 54.1% | 104 | 103 | 103 | 103 | |
| Catering: Departmental activities | 24 | - | - | 24 | 4 | 20 | 17.7% | 10 | 19 | 19 | 19 | |
| Communication (G&S) | 185 | (14) | - | 171 | 100 | 71 | 58.3% | 204 | 204 | 204 | 204 | |
| Computer services | 184 | 156 | - | 340 | 339 | 1 | 99.8% | 399 | 243 | 243 | 243 | |
| Consultants: Business and advisory services | 1 064 | (961) | - | 103 | 30 | 73 | 28.8% | 88 | 73 | 73 | 73 | |
| Contractors | 72 | (50) | - | 22 | 12 | 10 | 56.1% | - | - | - | - | |
| Agency and support / outsourced services | 315 | (250) | - | 65 | 30 | 35 | 46.3% | 41 | 20 | 20 | 20 | |
| Entertainment | 17 | - | - | 17 | 1 | 16 | 6.1% | 9 | 2 | 2 | 2 | |
| Fleet services (including government motor transport) | - | - | - | - | - | - | - | 1 | 1 | 1 | 1 | |
| Consumable supplies | 48 | (25) | - | 23 | 2 | 21 | 10.2% | 18 | 18 | 18 | 18 | |
| Consumable: Stationery printing and office supplies | 116 | (18) | - | 98 | 64 | 34 | 65.4% | 35 | 31 | 31 | 31 | |
| Operating leases | 1 955 | 659 | - | 2 614 | 2 612 | 2 | 99.9% | - | - | - | - | |
| Travel and subsistence | 5 558 | 723 | - | 6 281 | 5 610 | 671 | 89.3% | 4 981 | 5 130 | 5 130 | 5 130 | |
| Training and development | 219 | (49) | - | 170 | 88 | 82 | 51.7% | 60 | 44 | 44 | 44 | |
| Operating payments | 103 | 3 | - | 106 | 5 | 101 | 4.7% | 1 | 1 | 1 | 1 | |
| Venues and facilities | 851 | 100 | - | 951 | 822 | 129 | 86.4% | 472 | 471 | 471 | 471 | |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| SUB-PROGRAMME: 6.2: INTERNATIONAL ECONOMIC COOPERATION - CONTINUED | 2016/17 | | | | | | | | | | 2015/16 | | |
|--|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|---------------------|--------------------|-------|--|
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE | FINAL APPROPRIATION | ACTUAL EXPENDITURE | | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 | R'000 | |
| ECONOMIC CLASSIFICATION | | | | | | | | | | | | | |
| Transfers and subsidies | - | 28 | - | 28 | 27 | 1 | 96.2% | 21 | 20 | 21 | 20 | | |
| Households | - | 28 | - | 28 | 27 | 1 | 96.2% | 21 | 20 | 21 | 20 | | |
| Social benefits | - | 28 | - | 28 | 27 | 1 | 96.2% | 21 | 20 | 21 | 20 | | |
| Payments for capital assets | 1 499 | - | - | 1 499 | 973 | 526 | 64.9% | 192 | 136 | 192 | 136 | | |
| Machinery and equipment | 1 499 | - | - | 1 499 | 973 | 526 | 64.9% | 192 | 136 | 192 | 136 | | |
| Other machinery and equipment | 1 499 | - | - | 1 499 | 973 | 526 | 64.9% | 192 | 136 | 192 | 136 | | |
| Payment for financial assets | - | - | - | - | 12 | (12) | - | - | 4 | - | 4 | | |
| Total | 41 027 | 195 | - | 41 222 | 38 293 | 2 929 | 92.9% | 30 516 | 30 389 | 30 516 | 30 389 | | |

| SUB-PROGRAMME: 6.3: AFRICAN INTEGRATION AND SUPPORT | 2016/17 | | | | | | | | | | 2015/16 | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|---------------------|--------------------|-------|--|
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE | FINAL APPROPRIATION | ACTUAL EXPENDITURE | | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 | R'000 | |
| ECONOMIC CLASSIFICATION | | | | | | | | | | | | | |
| Transfers and subsidies | 812 071 | 371 | (15 949) | 796 493 | 796 694 | (201) | 100.0% | 717 534 | 717 531 | 717 534 | 717 531 | | |
| Foreign governments and international organisations | 812 071 | 371 | (15 949) | 796 493 | 796 694 | (201) | 100.0% | 717 534 | 717 531 | 717 534 | 717 531 | | |
| Total | 812 071 | 371 | (15 949) | 796 493 | 796 694 | (201) | 100.0% | 717 534 | 717 531 | 717 534 | 717 531 | | |

| SUB-PROGRAMME: 6.4: INTERNATIONAL DEVELOPMENT FUNDING INSTITUTIONS | 2016/17 | | | | | | | | | | 2015/16 | | |
|--|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|---------------------|--------------------|-------|--|
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE | FINAL APPROPRIATION | ACTUAL EXPENDITURE | | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 | R'000 | |
| ECONOMIC CLASSIFICATION | | | | | | | | | | | | | |
| Transfers and subsidies | 90 680 | - | - | 90 680 | 90 680 | - | 100.0% | 90 660 | 90 660 | 90 660 | 90 660 | | |
| Foreign governments and international organisations | 90 680 | - | - | 90 680 | 90 680 | - | 100.0% | 90 660 | 90 660 | 90 660 | 90 660 | | |
| Payment for financial assets | 4 001 235 | - | - | 4 001 235 | 4 001 096 | 139 | 100.0% | 2 671 991 | 2 671 995 | 2 671 991 | 2 671 995 | | |
| Total | 4 091 915 | - | - | 4 091 915 | 4 091 776 | 139 | 100.0% | 2 762 651 | 2 762 655 | 2 762 651 | 2 762 655 | | |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| SUB-PROGRAMME 6.5: INTERNATIONAL PROJECTS | | | | | | | | | |
|---|------------------------|-------------------|--------------|---------------------|--------------------|------------|---|---------------------|--------------------|
| ECONOMIC CLASSIFICATION | 2016/17 | | | | | 2015/16 | | | |
| | 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 |
| Transfers and subsidies | 20 326 | (371) | (400) | 19 555 | 18 995 | 560 | 97.1% | 21 032 | 21 031 |
| Foreign governments and international organisations | 20 326 | (371) | (400) | 19 555 | 18 995 | 560 | 97.1% | 21 032 | 21 031 |
| Total | 20 326 | (371) | (400) | 19 555 | 18 995 | 560 | 97.1% | 21 032 | 21 031 |

| PROGRAMME 7: CIVIL AND MILITARY PENSIONS CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS PER SUB PROGRAMME | | | | | | | | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| | 2016/17 | | | | | 2015/16 | | | |
| | 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 |
| 1. Government Pensions Administration Agency | 61 426 | 200 | - | 61 626 | 61 278 | 348 | 99.4% | 56 587 | 56 586 |
| 2. Civil Pensions and Contributions to Funds | 3 273 472 | 9 691 | - | 3 283 163 | 3 249 213 | 33 950 | 99.0% | 3 156 562 | 3 156 521 |
| 3. Military Pensions and Other Benefits | 1 127 744 | (9 891) | - | 1 117 853 | 1 089 668 | 28 185 | 97.5% | 754 592 | 754 591 |
| Total | 4 462 642 | - | - | 4 462 642 | 4 400 159 | 62 483 | 98.6% | 3 967 741 | 3 967 698 |

| PROGRAMME 7: CIVIL AND MILITARY PENSIONS CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS PER ECONOMIC CLASSIFICATION | | | | | | | | | |
|---|------------------|----------|----------|------------------|------------------|---------------|--------------|------------------|------------------|
| Current payments | 61 426 | 200 | - | 61 626 | 61 278 | 348 | 99.4% | 56 587 | 56 586 |
| Goods and services | 61 426 | 200 | - | 61 626 | 61 278 | 348 | 99.4% | 56 587 | 56 586 |
| Consultants: Business and advisory services | 61 426 | 200 | - | 61 626 | 61 278 | 348 | 99.4% | 56 587 | 56 586 |
| Transfers and subsidies | 4 401 216 | (200) | - | 4 401 016 | 4 338 881 | 62 135 | 98.6% | 3 911 154 | 3 911 097 |
| Foreign governments and international organisations | 2 445 | - | - | 2 445 | 1 237 | 1 208 | 50.6% | 2 083 | 2 082 |
| Households | 4 398 771 | (200) | - | 4 398 571 | 4 337 644 | 60 927 | 98.6% | 3 909 071 | 3 909 015 |
| Social benefits | 4 398 771 | (200) | - | 4 398 571 | 4 337 644 | 60 927 | 98.6% | 3 909 071 | 3 909 015 |
| Payment for financial assets | - | - | - | - | - | - | - | - | 15 |
| Total | 4 462 642 | - | - | 4 462 642 | 4 400 159 | 62 483 | 98.6% | 3 967 741 | 3 967 698 |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| SUB-PROGRAMME: 7.1: GOVERNMENT PENSIONS ADMINISTRATION AGENCY | 2016/17 | | | | | | | | | | 2015/16 | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|---------------------|--------------------|--|--|
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE | FINAL APPROPRIATION | ACTUAL EXPENDITURE | | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 | | |
| <i>Economic classification</i> | | | | | | | | | | | | | |
| Current payments | 61 426 | 200 | - | 61 626 | 61 278 | 348 | 99.4% | 56 587 | 56 586 | 56 587 | 56 586 | | |
| Goods and services | 61 426 | 200 | - | 61 626 | 61 278 | 348 | 99.4% | 56 587 | 56 586 | 56 587 | 56 586 | | |
| Consultants: Business and advisory services | 61 426 | 200 | - | 61 626 | 61 278 | 348 | 99.4% | 56 587 | 56 586 | 56 587 | 56 586 | | |
| Total | 61 426 | 200 | - | 61 626 | 61 278 | 348 | 99.4% | 56 587 | 56 586 | 56 587 | 56 586 | | |

| SUB-PROGRAMME: 7.2: CIVIL PENSIONS AND CONTRIBUTIONS TO FUNDS | 2016/17 | | | | | | | | | | 2015/16 | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|---------------------|--------------------|--|--|
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE | FINAL APPROPRIATION | ACTUAL EXPENDITURE | | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 | | |
| <i>Economic classification</i> | | | | | | | | | | | | | |
| Transfers and subsidies | 3 273 472 | 9 691 | - | 3 283 163 | 3 249 213 | 33 950 | 99.0% | 3 156 562 | 3 156 506 | 3 156 562 | 3 156 506 | | |
| Foreign governments and international organisations | 2 445 | - | - | 2 445 | 1 237 | 1 208 | 50.6% | 2 083 | 2 082 | 2 083 | 2 082 | | |
| Households | 3 271 027 | 9 691 | - | 3 280 718 | 3 247 976 | 32 742 | 99.0% | 3 154 479 | 3 154 424 | 3 154 479 | 3 154 424 | | |
| Social benefits | 3 271 027 | 9 691 | - | 3 280 718 | 3 247 976 | 32 742 | 99.0% | 3 154 479 | 3 154 424 | 3 154 479 | 3 154 424 | | |
| Payment for financial assets | - | - | - | - | - | - | - | - | 15 | - | 15 | | |
| Total | 3 273 472 | 9 691 | - | 3 283 163 | 3 249 213 | 33 950 | 99.0% | 3 156 562 | 3 156 521 | 3 156 562 | 3 156 521 | | |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| SUB-PROGRAMME: 7.3: MILITARY PENSIONS AND OTHER BENEFITS | 2016/17 | | | | | | | 2015/16 | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|--------------------|
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE | ACTUAL EXPENDITURE |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 |
| ECONOMIC CLASSIFICATION | | | | | | | | | | |
| Transfers and subsidies | 1 127 744 | (9 891) | - | 1 117 853 | 1 089 668 | 28 185 | 97.5% | 754 592 | 754 591 | 754 591 |
| Households | 1 127 744 | (9 891) | - | 1 117 853 | 1 089 668 | 28 185 | 97.5% | 754 592 | 754 591 | 754 591 |
| Social benefits | 1 127 744 | (9 891) | - | 1 117 853 | 1 089 668 | 28 185 | 97.5% | 754 592 | 754 591 | 754 591 |
| Total | 1 127 744 | (9 891) | - | 1 117 853 | 1 089 668 | 28 185 | 97.5% | 754 592 | 754 591 | 754 591 |
| PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE PER SUB PROGRAMME | 2016/17 | | | | | | | 2015/16 | | |
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE | ACTUAL EXPENDITURE |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 |
| 1. Local Government Financial Management Support | 587 935 | - | - | 587 935 | 587 935 | - | 100.0% | 573 946 | 573 946 | 573 946 |
| 2. Urban Development and Support | 913 014 | - | - | 913 014 | 873 855 | 39 159 | 95.7% | 884 195 | 848 285 | 848 285 |
| 3. Employment Creation Facilitation | 769 853 | - | - | 769 853 | 698 238 | 71 615 | 90.7% | 996 863 | 749 518 | 749 518 |
| 4. Government Technical Advisory Centre | 88 006 | - | - | 88 006 | 88 006 | - | 100.0% | 83 609 | 83 609 | 83 609 |
| 5. Infrastructure Development Support | 253 880 | - | (22 051) | 231 829 | 230 398 | 1 431 | 99.4% | 217 356 | 216 888 | 216 888 |
| Total | 2 612 688 | - | (22 051) | 2 590 637 | 2 478 432 | 112 205 | 95.7% | 2 755 969 | 2 472 246 | 2 472 246 |
| PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE PER ECONOMIC CLASSIFICATION | 2016/17 | | | | | | | 2015/16 | | |
| | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE | ACTUAL EXPENDITURE |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 |
| Current payments | 355 270 | - | (22 051) | 333 219 | 310 424 | 22 795 | 93.2% | 318 873 | 283 806 | 283 806 |
| Goods and services | 355 270 | - | (22 051) | 333 219 | 310 424 | 22 795 | 93.2% | 318 873 | 283 806 | 283 806 |
| Consultants: Business and advisory services | 355 270 | (227) | (22 051) | 332 992 | 310 424 | 22 568 | 93.2% | 318 873 | 283 806 | 283 806 |
| Operating payments | - | 227 | - | 227 | - | 227 | - | - | - | - |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| | PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE PER ECONOMIC CLASSIFICATION - CONTINUED | | | | | | | | | |
|---|--|----------------------------|-------------------|------------------------------|-----------------------------|-------------------|--|------------------------------|-----------------------------|--|
| | 2016/17 | | | | | 2015/16 | | | | |
| | ADJUSTED APPROPRIATION R'000 | SHIFTING OF FUNDS R'000 | VIREMENT R'000 | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | VARIANCE R'000 | EXPENDITURE AS % OF FINAL APPROPRIATION % | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | |
| Transfers and subsidies | 2 257 418 | - | - | 2 257 418 | 2 168 008 | 89 410 | 96.0% | 2 437 096 | 2 188 440 | |
| Provinces and municipalities | 1 486 540 | - | - | 1 486 540 | 1 454 400 | 32 140 | 97.8% | 1 435 256 | 1 411 831 | |
| Municipal bank accounts | 1 486 540 | - | - | 1 486 540 | 1 454 400 | 32 140 | 97.8% | 1 435 256 | 1 411 831 | |
| Departmental agencies and accounts | 770 878 | - | - | 770 878 | 713 608 | 57 270 | 92.6% | 1 001 840 | 776 609 | |
| Departmental agencies (non-business entities) | 770 878 | - | - | 770 878 | 713 608 | 57 270 | 92.6% | 1 001 840 | 776 609 | |
| Total | 2 612 688 | - | (22 051) | 2 590 637 | 2 478 432 | 112 205 | 95.7% | 2 755 969 | 2 472 246 | |

| | SUB-PROGRAMME 8.1: LOCAL GOVERNMENT FINANCIAL MANAGEMENT SUPPORT | | | | | | | | | |
|---|--|----------------------------|-------------------|------------------------------|-----------------------------|-------------------|--|------------------------------|-----------------------------|--|
| | 2016/17 | | | | | 2015/16 | | | | |
| | ADJUSTED APPROPRIATION R'000 | SHIFTING OF FUNDS R'000 | VIREMENT R'000 | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | VARIANCE R'000 | EXPENDITURE AS % OF FINAL APPROPRIATION % | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | |
| Current payments | 122 671 | - | - | 122 671 | 122 671 | - | 100.0% | 121 455 | 121 455 | |
| Goods and services | 122 671 | - | - | 122 671 | 122 671 | - | 100.0% | 121 455 | 121 455 | |
| Consultants: Business and advisory services | 122 671 | - | - | 122 671 | 122 671 | - | 100.0% | 121 455 | 121 455 | |
| Transfers and subsidies | 465 264 | - | - | 465 264 | 465 264 | - | 100.0% | 452 491 | 452 491 | |
| Provinces and municipalities | 465 264 | - | - | 465 264 | 465 264 | - | 100.0% | 452 491 | 452 491 | |
| Municipal bank accounts | 465 264 | - | - | 465 264 | 465 264 | - | 100.0% | 452 491 | 452 491 | |
| Total | 587 935 | - | - | 587 935 | 587 935 | - | 100.0% | 573 946 | 573 946 | |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| SUB-PROGRAMME: 8.2: URBAN DEVELOPMENT AND SUPPORT | 2016/17 | | | | | | | 2015/16 | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|---------------|---|---------------------|--------------------|-------|
| | 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 | R'000 |
| ECONOMIC CLASSIFICATION | | | | | | | | | | |
| Current payments | 22 209 | - | - | 22 209 | 15 190 | 7 019 | 68.4% | 25 895 | 13 410 | |
| Goods and services | 22 209 | - | - | 22 209 | 15 190 | 7 019 | 68.4% | 25 895 | 13 410 | |
| Consultants: Business and advisory services | 22 209 | - | - | 22 209 | 15 190 | 7 019 | 68.4% | 25 895 | 13 410 | |
| Transfers and subsidies | 890 805 | - | - | 890 805 | 858 665 | 32 140 | 96.4% | 858 300 | 834 875 | |
| Provinces and municipalities | 890 805 | - | - | 890 805 | 858 665 | 32 140 | 96.4% | 858 300 | 834 875 | |
| Municipal bank accounts | 890 805 | - | - | 890 805 | 858 665 | 32 140 | 96.4% | 858 300 | 834 875 | |
| Total | 913 014 | - | - | 913 014 | 873 855 | 39 159 | 95.7% | 884 195 | 848 285 | |

| SUB-PROGRAMME: 8.3: EMPLOYMENT CREATION FACILITATION | 2016/17 | | | | | | | 2015/16 | | |
|--|------------------------|-------------------|----------|---------------------|--------------------|---------------|---|---------------------|--------------------|-------|
| | 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 | R'000 |
| ECONOMIC CLASSIFICATION | | | | | | | | | | |
| Current payments | 86 981 | - | - | 86 981 | 72 636 | 14 345 | 83.5% | 78 632 | 56 518 | |
| Goods and services | 86 981 | - | - | 86 981 | 72 636 | 14 345 | 83.5% | 78 632 | 56 518 | |
| Consultants: Business and advisory services | 86 981 | - | - | 86 981 | 72 636 | 14 345 | 83.5% | 78 632 | 56 518 | |
| Transfers and subsidies | 682 872 | - | - | 682 872 | 625 602 | 57 270 | 91.6% | 918 231 | 693 000 | |
| Departmental agencies and accounts | 682 872 | - | - | 682 872 | 625 602 | 57 270 | 91.6% | 918 231 | 693 000 | |
| Departmental agencies (non-business entities) | 682 872 | - | - | 682 872 | 625 602 | 57 270 | 91.6% | 918 231 | 693 000 | |
| Total | 769 853 | - | - | 769 853 | 698 238 | 71 615 | 90.7% | 996 863 | 749 518 | |

SUB-PROGRAMME: 8.4: GOVERNMENT TECHNICAL ADVISORY CENTRE

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| | 2016/17 | | | | | | 2015/16 | | |
|---|------------------------------|-------------------------|----------------|---------------------------|--------------------------|----------------|---|---------------------------|--------------------------|
| | ADJUSTED APPROPRIATION R'000 | SHIFTING OF FUNDS R'000 | VIREMENT R'000 | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | VARIANCE R'000 | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 |
| ECONOMIC CLASSIFICATION | | | | | | | | | |
| Transfers and subsidies | 88 006 | - | - | 88 006 | 88 006 | - | 100.0% | 83 609 | 83 609 |
| <i>Departmental agencies and accounts</i> | 88 006 | - | - | 88 006 | 88 006 | - | 100.0% | 83 609 | 83 609 |
| Departmental agencies (non-business entities) | 88 006 | - | - | 88 006 | 88 006 | - | 100.0% | 83 609 | 83 609 |
| Total | 88 006 | - | - | 88 006 | 88 006 | - | 100.0% | 83 609 | 83 609 |
| SUB-PROGRAMME: 8.5: INFRASTRUCTURE DEVELOPMENT SUPPORT | | | | | | | | | |
| | 2016/17 | | | | | | 2015/16 | | |
| | ADJUSTED APPROPRIATION R'000 | SHIFTING OF FUNDS R'000 | VIREMENT R'000 | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | VARIANCE R'000 | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 |
| ECONOMIC CLASSIFICATION | | | | | | | | | |
| Current payments | 123 409 | (227) | (22 051) | 101 131 | 99 927 | 1 204 | 98.8% | 92 891 | 92 423 |
| <i>Goods and services</i> | 123 409 | (227) | (22 051) | 101 131 | 99 927 | 1 204 | 98.8% | 92 891 | 92 423 |
| Consultants: Business and advisory services | 123 409 | (227) | (22 051) | 101 131 | 99 927 | 1 204 | - | 92 891 | 92 423 |
| Operating payments | - | 227 | - | 227 | - | 227 | - | - | - |
| Transfers and subsidies | 130 471 | - | - | 130 471 | 130 471 | - | 100.0% | 124 465 | 124 465 |
| <i>Provinces and municipalities</i> | 130 471 | - | - | 130 471 | 130 471 | - | 100.0% | 124 465 | 124 465 |
| Municipal bank accounts | 130 471 | - | - | 130 471 | 130 471 | - | 100.0% | 124 465 | 124 465 |
| Total | 253 880 | - | (22 051) | 231 829 | 230 398 | 1 431 | 99.4% | 217 356 | 216 888 |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| PROGRAMME 9: REVENUE ADMINISTRATION PER SUB PROGRAMME | | | | | | | | | |
|--|------------------------------|-------------------------|----------------|---------------------------|--------------------------|----------------|---|---------------------------|--------------------------|
| | 2016/17 | | | | | 2015/16 | | | |
| | ADJUSTED APPROPRIATION R'000 | SHIFTING OFFFUNDS R'000 | VIREMENT R'000 | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | VARIANCE R'000 | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 |
| 1. South African Revenue Service | 9 363 676 | - | - | 9 363 676 | 9 363 676 | - | 100.0% | 9 334 439 | 9 334 439 |
| Total | 9 363 676 | - | - | 9 363 676 | 9 363 676 | - | 100.0% | 9 334 439 | 9 334 439 |

| PROGRAMME 9: REVENUE ADMINISTRATION PER ECONOMIC CLASSIFICATION | | | | | | | | | |
|--|------------------------------|-------------------------|----------------|---------------------------|--------------------------|----------------|---|---------------------------|--------------------------|
| | ADJUSTED APPROPRIATION R'000 | SHIFTING OFFFUNDS R'000 | VIREMENT R'000 | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | VARIANCE R'000 | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 |
| Transfers and subsidies | 9 363 676 | - | - | 9 363 676 | 9 363 676 | - | 100.0% | 9 334 439 | 9 334 439 |
| Departmental agencies and accounts | 9 363 676 | - | - | 9 363 676 | 9 363 676 | - | 100.0% | 9 334 439 | 9 334 439 |
| Departmental agencies (non-business entities) | 9 363 676 | - | - | 9 363 676 | 9 363 676 | - | 100.0% | 9 334 439 | 9 334 439 |
| Total | 9 363 676 | - | - | 9 363 676 | 9 363 676 | - | 100.0% | 9 334 439 | 9 334 439 |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| SUB-PROGRAMME 9.1: SOUTH AFRICAN REVENUE SERVICE | | | | | | | | | | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|---------------------|--------------------|
| 2016/17 | | | | | | | | | | | 2015/16 |
| ECONOMIC CLASSIFICATION | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE | FINAL APPROPRIATION | ACTUAL EXPENDITURE |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 |
| Transfers and subsidies | 9 363 676 | - | - | 9 363 676 | 9 363 676 | - | 100.0% | 9 334 439 | 9 334 439 | 9 334 439 | 9 334 439 |
| <i>Departmental agencies and accounts</i> | 9 363 676 | - | - | 9 363 676 | 9 363 676 | - | 100.0% | 9 334 439 | 9 334 439 | 9 334 439 | 9 334 439 |
| Departmental agencies (non-business entities) | 9 363 676 | - | - | 9 363 676 | 9 363 676 | - | 100.0% | 9 334 439 | 9 334 439 | 9 334 439 | 9 334 439 |
| Total | 9 363 676 | - | - | 9 363 676 | 9 363 676 | - | 100.0% | 9 334 439 | 9 334 439 | 9 334 439 | 9 334 439 |

| PROGRAMME 10: FINANCIAL INTELLIGENCE AND STATE SECURITY PER SUB PROGRAMME | | | | | | | | | | | |
|--|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|---------------------|--------------------|
| 2016/17 | | | | | | | | | | | 2015/16 |
| 1. Financial Intelligence Centre | ADJUSTED APPROPRIATION | SHIFTING OF FUNDS | VIREMENT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | EXPENDITURE AS % OF FINAL APPROPRIATION | FINAL APPROPRIATION | ACTUAL EXPENDITURE | FINAL APPROPRIATION | ACTUAL EXPENDITURE |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 |
| 1. Financial Intelligence Centre | 256 372 | - | - | 256 372 | 256 372 | - | 100.0% | 239 488 | 239 488 | 239 488 | 239 488 |
| 2. Secret Services | 4 556 115 | - | - | 4 556 115 | 4 556 115 | - | 100.0% | 4 322 574 | 4 322 574 | 4 322 574 | 4 322 574 |
| Total | 4 812 487 | - | - | 4 812 487 | 4 812 487 | - | 100.0% | 4 562 062 | 4 562 062 | 4 562 062 | 4 562 062 |

| PROGRAMME 10: FINANCIAL INTELLIGENCE AND STATE SECURITY PER ECONOMIC CLASSIFICATION | | | | | | | | | | | |
|--|------------------|----------|----------|------------------|------------------|----------|---------------|------------------|------------------|------------------|------------------|
| Transfers and subsidies | 4 812 487 | - | - | 4 812 487 | 4 812 487 | - | 100.0% | 4 562 062 | 4 562 062 | 4 562 062 | 4 562 062 |
| <i>Departmental agencies and accounts</i> | 4 812 487 | - | - | 4 812 487 | 4 812 487 | - | 100.0% | 4 562 062 | 4 562 062 | 4 562 062 | 4 562 062 |
| Departmental agencies (non-business entities) | 4 812 487 | - | - | 4 812 487 | 4 812 487 | - | 100.0% | 4 562 062 | 4 562 062 | 4 562 062 | 4 562 062 |
| Total | 4 812 487 | - | - | 4 812 487 | 4 812 487 | - | 100.0% | 4 562 062 | 4 562 062 | 4 562 062 | 4 562 062 |

PART E: FINANCIAL INFORMATION

for the year ended 31 March 2017

APPROPRIATION STATEMENT

| SUB-PROGRAMME: 10.1: FINANCIAL INTELLIGENCE CENTRE | | | | | | | | | | | |
|---|---------------------------------|----------------------------|-------------------|------------------------------|-----------------------------|-------------------|--|------------------------------|-----------------------------|--|------------------------------|
| ECONOMIC CLASSIFICATION | 2016/17 | | | | | | 2015/16 | | | | |
| | ADJUSTED APPROPRIATION R'000 | SHIFTING OF FUNDS R'000 | VIREMENT R'000 | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | VARIANCE R'000 | EXPENDITURE AS % OF FINAL APPROPRIATION % | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | EXPENDITURE AS % OF FINAL APPROPRIATION % | FINAL APPROPRIATION R'000 |
| Transfers and subsidies | 256 372 | - | - | 256 372 | 256 372 | - | 100.0% | 239 488 | 239 488 | 100.0% | 239 488 |
| Departmental agencies and accounts | 256 372 | - | - | 256 372 | 256 372 | - | 100.0% | 239 488 | 239 488 | 100.0% | 239 488 |
| Departmental agencies (non-business entities) | 256 372 | - | - | 256 372 | 256 372 | - | 100.0% | 239 488 | 239 488 | 100.0% | 239 488 |
| Total | 256 372 | - | - | 256 372 | 256 372 | - | 100.0% | 239 488 | 239 488 | 100.0% | 239 488 |

| SUB-PROGRAMME: 10.2: SECRET SERVICES | | | | | | | | | | | |
|---|---------------------------------|----------------------------|-------------------|------------------------------|-----------------------------|-------------------|--|------------------------------|-----------------------------|--|------------------------------|
| ECONOMIC CLASSIFICATION | 2016/17 | | | | | | 2015/16 | | | | |
| | ADJUSTED APPROPRIATION R'000 | SHIFTING OF FUNDS R'000 | VIREMENT R'000 | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | VARIANCE R'000 | EXPENDITURE AS % OF FINAL APPROPRIATION % | FINAL APPROPRIATION R'000 | ACTUAL EXPENDITURE R'000 | EXPENDITURE AS % OF FINAL APPROPRIATION % | FINAL APPROPRIATION R'000 |
| Transfers and subsidies | 4 812 487 | - | - | 4 812 487 | 4 812 487 | - | 100.0% | 4 322 574 | 4 322 574 | 100.0% | 4 322 574 |
| Departmental agencies and accounts | 4 812 487 | - | - | 4 812 487 | 4 812 487 | - | 100.0% | 4 322 574 | 4 322 574 | 100.0% | 4 322 574 |
| Departmental agencies (non-business entities) | 4 812 487 | - | - | 4 812 487 | 4 812 487 | - | 100.0% | 4 322 574 | 4 322 574 | 100.0% | 4 322 574 |
| Total | 4 812 487 | - | - | 4 812 487 | 4 812 487 | - | 100.0% | 4 322 574 | 4 322 574 | 100.0% | 4 322 574 |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

NOTES TO THE APPROPRIATION STATEMENT

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-F) to the Annual Financial Statements.

2. DETAIL OF SPECIFICALLY AND EXCLUSIVELY APPROPRIATED AMOUNTS VOTED (AFTER VIREMENT):

Detail of these transactions can be viewed in note 1 (Annual Appropriation).

3. DETAIL ON PAYMENTS FOR FINANCIAL ASSETS

Detail of these transactions can be viewed in note 6 (Payments for financial assets).

4. EXPLANATION OF MATERIAL VARIANCES FROM AMOUNTS VOTED

| PER PROGRAMME | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | VARIANCE AS A % OF FINAL APPROPRIATION |
|-----------------------------|---------------------|--------------------|----------|--|
| | R'000 | R'000 | R'000 | % |
| Programme 1: Administration | 464 416 | 436 313 | 28 103 | 6.1% |

R14.2 million relates to unspent funds on compensation of employees funding earmarked for the resolution 3 of 2009 for Corporate Services employees which was not approved for implementation subsequent to the EXCO decision to freeze certain vacant positions within the department in order to remain within the current expenditure ceiling. Other under-expenditure relates to the funds which were earmarked for the procurement of the generator which could not happen in the 2016/17 financial year due to delays in sourcing of a service provider, as well as savings generated on various items on goods and services due to the effective implementation of cost containment measures.

| | | | | |
|--|---------|---------|-------|------|
| Programme 2: Economic Policy Tax Financial Regulation and Research | 156 561 | 151 182 | 5 379 | 3.4% |
|--|---------|---------|-------|------|

R4.2 million relates to unspent funds on compensation of employees subsequent to the EXCO decision to freeze certain vacant positions within the department in order to remain within the current expenditure ceiling. Other unspent funds relate to the Economic Research projects which were deferred for implementation to the next financial year as well as a saving generated on various items due to the effective implementation of cost containment measures.

| | | | | |
|---|---------|---------|--------|------|
| Programme 3: Public Finance and Budget Management | 294 483 | 281 778 | 12 705 | 4.3% |
|---|---------|---------|--------|------|

R5.5 million relates to unspent funds on compensation of employees subsequent to the EXCO decision to freeze certain vacant positions within the department in order to remain within the current expenditure ceiling. Other under-expenditure was on consultancy services relating to the mSCOA project which could not be spent in full following the termination of one of the service provider's contract as well as a saving generated on various other items due to the effective implementation of the cost containment measures.

| | | | | |
|---|---------|---------|-------|------|
| Programme 4: Asset and Liability Management | 113 129 | 110 146 | 2 983 | 2.6% |
|---|---------|---------|-------|------|

The saving was generated through the effective implementation of the cost containment measures on various items.

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

NOTES TO THE APPROPRIATION STATEMENT

| PER PROGRAMME | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | VARIANCE AS A % OF FINAL APPROPRIATION |
|---|---------------------|--------------------|----------|--|
| | R'000 | R'000 | R'000 | % |
| Programme 5: Financial Accounting and Supply Chain Management Systems | 1 251 758 | 1 209 858 | 41 900 | 3.3% |

R5.8 million relates to unspent funds on consultancy services and R3.8 million was under-expenditure on audit fees due to actual costs that were lower than anticipated. Savings were also generated through the effective implementation of cost containment measures on various items.

| | | | | |
|--|-----------|-----------|-------|------|
| Programme 6: International Financial Relations | 4 961 628 | 4 955 753 | 5 875 | 0.1% |
|--|-----------|-----------|-------|------|

A saving of R4 million was generated through the effective implementation of cost containment measures on various items. The remaining balance was underspending on the preparation for hosting of the World Economic Forum Africa (WEFA) due to take place in May 2017.

| | | | | |
|--|-----------|-----------|--------|------|
| Programme 7: Civil and Military Pensions Contributions to Funds and Other Benefits | 4 462 642 | 4 400 159 | 62 483 | 1.4% |
|--|-----------|-----------|--------|------|

Underspending on Injury on Duty was due to challenges experienced in obtaining the outstanding information on awards that are in the employer's possession. SA Citizen Force and Other Benefits ex-servicemen underspending was due to a high number of rejected disability grant applications on military pensions.

| | | | | |
|--|-----------|-----------|---------|------|
| Programme 8: Technical Support and Development Finance | 2 590 637 | 2 478 432 | 112 205 | 4.3% |
|--|-----------|-----------|---------|------|

Underspending on the Jobs Fund as a result of less grant funds being disbursed than projected, due to disbursement conditions not being met by the Jobs Fund Partners. In addition funds were withheld as the Mbombela municipality did not spend all the funds transferred in November 2016.

| | | | | |
|-------------------------------------|-----------|-----------|---|------|
| Programme 9: Revenue Administration | 9 363 676 | 9 363 676 | 0 | 0.0% |
|-------------------------------------|-----------|-----------|---|------|

The expenditure on the programme was on par with the budgeted amount.

| | | | | |
|---|-----------|-----------|---|------|
| Programme 10: Financial Intelligence and State Security | 4 812 487 | 4 812 487 | 0 | 0.0% |
|---|-----------|-----------|---|------|

The expenditure on the programme was on par with the budgeted amount.

| | | | | |
|---------------------|------------|------------|---------|------|
| Total per programme | 28 471 417 | 28 199 783 | 271 633 | 0.9% |
|---------------------|------------|------------|---------|------|

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

NOTES TO THE APPROPRIATION STATEMENT

| PER ECONOMIC CLASSIFICATION | FINAL | ACTUAL | VARIANCE | VARIANCE AS |
|---|-------------------|-------------------|------------------|---------------|
| | APPROPRIATION | EXPENDITURE | | A % OF FINAL |
| | R'000 | R'000 | R'000 | % |
| Current payments | 2 470 164 | 1 945 416 | 524 748 | 21.2% |
| Compensation of employees | 813 767 | 786 432 | 27 335 | 3.4% |
| Goods and services | 1 656 397 | 1 158 984 | 497 413 | 30.0% |
| Transfers and subsidies | 21 943 125 | 21 790 667 | 152 458 | 0.7% |
| Provinces and municipalities | 1 486 540 | 1 454 400 | 32 140 | 2.2% |
| Departmental agencies and accounts | 15 131 438 | 15 074 146 | 57 292 | 0.4% |
| Public corporations and private enterprises | 11 999 | 11 999 | - | - |
| Foreign governments and international organisations | 909 173 | 907 607 | 1 566 | 0.2% |
| Households | 4 403 975 | 4 342 515 | 61 460 | 1.4% |
| Payments for capital assets | 56 893 | 462 473 | (405 580) | 812.9% |
| Machinery and equipment | 56 866 | 46 379 | 10 487 | 18.4% |
| Software and other intangible assets | 27 | 416 094 | (416 067) | 1 541 088.9% |
| Payments for financial assets | 4 001 235 | 4 001 228 | 7 | - |
| Total per economic classification | 28 471 417 | 28 199 783 | 271 633 | 1.0% |

Unspent funds on compensation of employees were due to earmarked funds for the resolution 3 of 2009 for Corporate Services employees which was not approved for implementation as well as EXCO decision to freeze certain vacant positions within the department in order to remain within the current expenditure ceiling. Material variances on goods and services and payment of capital assets were mainly due to reclassification of expenditure for purchase of software licences in line with the requirements of the Modified Cash Standard from goods and services where the amount was budgeted for, to payment of capital assets. Other savings were also generated on various items in goods and services as a result of effective implementation of the cost containment measures and on capital assets due to delays in replacing obsolete capital assets that are still in good working condition.

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

NOTES TO THE APPROPRIATION STATEMENT

| PER CONDITIONAL GRANT | FINAL APPROPRIATION | ACTUAL EXPENDITURE | VARIANCE | VARIANCE AS A % OF FINAL APPROPRIATION |
|--|------------------------|-----------------------|---------------|--|
| | R'000 | R'000 | R'000 | % |
| Local Gov. Fin Man Grant | 465 264 | 465 264 | - | - |
| Infrastructure Skills Dev Grant | 130 471 | 130 471 | - | - |
| Neighbourhood Dev. Partners Grant | 624 000 | 591 860 | 32 140 | 5.2% |
| Integrated Cities Develop Grant | 266 805 | 266 805 | - | - |
| Neighbourhood Dev. Partners Indirect Grant | 22,209 | 15,190 | 7,019 | 31.6% |
| Total | 1 508 749 | 1 469 590 | 39 159 | 2.6% |

Variance on the Neighbourhood Development Partnership Grant was due to funds that were withheld as the Mbombela municipality did not spend all the funds transferred in November 2016. The funds for the Neighbourhood Development Partnership Indirect Grant are paid to the GTAC bank account as and when needed according the approved payments schedule on goods and services, and the variance was due to slower than anticipated spending execution on the Grant.

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

STATEMENT OF FINANCIAL PERFORMANCE

| | NOTE | 2016/17 R'000 | 2015/16 R'000 |
|---|----------|-------------------|-------------------|
| REVENUE | | | |
| Annual appropriation | 1 | 28 471 417 | 29 005 061 |
| Departmental revenue | 2 | 4 951 206 | 5 602 331 |
| Aid assistance | Annex 1F | 30 016 | 92 598 |
| TOTAL REVENUE | | 33 452 639 | 34 699 990 |
| EXPENDITURE | | | |
| Current expenditure | | 1 962 143 | 1 888 152 |
| Compensation of employees | 4 | 786 431 | 732 742 |
| Goods and services | 5 | 1 158 984 | 1 085 401 |
| Aid assistance | Annex 1F | 16 728 | 70 009 |
| Transfers and subsidies | | 21 790 667 | 20 985 425 |
| Transfers and subsidies | 7 | 21 790 667 | 20 985 425 |
| Expenditure for capital assets | | 462 479 | 40 975 |
| Tangible capital assets | 8 | 46 385 | 34 939 |
| Intangible capital assets | 8 | 416 094 | 6 036 |
| Payment for financial assets | 6 | 4 001 228 | 5 846 273 |
| TOTAL EXPENDITURE | | 28 216 517 | 28 760 825 |
| SURPLUS FOR THE YEAR | | 5 236 122 | 5 939 165 |
| Reconciliation of net surplus for the year | | | |
| Voted funds | | 271 634 | 314 245 |
| Annual appropriation | | 239 494 | 290 820 |
| Conditional grants | | 32 140 | 23 425 |
| Departmental revenue | | 4 951 206 | 5 602 331 |
| Aid assistance | | 13 282 | 22 589 |
| SURPLUS FOR THE YEAR | | 5 236 122 | 5 939 165 |

Goods and services, and expenditure for capital assets prior year amounts were restated due to reclassification of software as intangible asset in line with the Modified Cash Standard.

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

STATEMENT OF FINANCIAL POSITION

| | NOTE | 2016/17 R'000 | 2015/16 R'000 |
|--|------|-------------------|-------------------|
| ASSETS | | | |
| Current assets | | 1 647 720 | 1 726 298 |
| Cash and cash equivalents | 9 | 297 010 | 350 362 |
| Prepayments and advances | 10 | 86 760 | 6 202 |
| Receivables | 11 | 6 516 | 14 432 |
| Loans | 13 | 1 257 434 | 1 355 302 |
| Non-current assets | | 13 434 038 | 14 582 721 |
| Investments | 12 | 13 409 714 | 13 409 714 |
| Receivables | 11 | 24 324 | 13 440 |
| Loans | 13 | - | 1 159 567 |
| TOTAL ASSETS | | 15 081 758 | 16 309 019 |
| LIABILITIES | | | |
| Current liabilities | | 413 524 | 383 724 |
| Voted funds to be surrendered to the Revenue Fund | 14 | 271 634 | 314 245 |
| Departmental revenue to be surrendered to the Revenue Fund | 15 | 29 383 | 9 022 |
| Bank overdraft | 16 | 65 830 | - |
| Payables | 17 | 33 395 | 37 868 |
| Aid assistance repayable | 3 | 13 282 | 22 589 |
| TOTAL LIABILITIES | | 413 524 | 383 724 |
| NET ASSETS | | 14 668 234 | 15 925 295 |
| Represented by: | | | |
| Capitalisation reserve | | 13 409 714 | 13 409 714 |
| Recoverable revenue | | 1 258 520 | 2 515 581 |
| TOTAL | | 14 668 234 | 15 925 295 |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

STATEMENT OF CHANGES IN NET ASSETS

| | NOTE | 2016/17 R'000 | 2015/16 R'000 |
|---|------|--------------------|---------------------|
| NET ASSETS | | | |
| Capitalisation reserves | | | |
| Opening balance | | 13 409 714 | 13 409 714 |
| Movement in equity | | - | - |
| Closing balance | | 13 409 714 | 13 409 714 |
| Recoverable revenue | | | |
| Opening balance | | 2 515 581 | 63 773 005 |
| Transfers: | | (1 257 061) | (61 257 424) |
| Loans written off | | - | (60 000 000) |
| Loans recovered (included in departmental receipts) | | (1 355 302) | (1 453 169) |
| Debts/loans raised | | 98 241 | 195 745 |
| Closing balance | | 1 258 520 | 2 515 581 |
| TOTAL | | 14 668 234 | 15 925 295 |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

CASH FLOW STATEMENT

| | NOTE | 2016/17 R'000 | 2015/16 R'000 |
|--|--------------------|--------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts | | 33 301 267 | 34 436 968 |
| Annual appropriated funds received | 1 | 28 471 417 | 29 005 061 |
| Departmental revenue received | | 918 432 | 962 095 |
| Interest received | 2.2 | 3 881 402 | 4 377 214 |
| Aid assistance received | 3 | 30 016 | 92 598 |
| Net increase/(decrease) in working capital | | (87 999) | (10 086) |
| Surrendered to Revenue Fund | | (5 245 090) | (6 143 984) |
| Surrendered to RDP Fund/Donor | 3 | (22 589) | (12 915) |
| Current payments | | (1 962 143) | (1 888 152) |
| Payments for financial assets | 6 | (4 001 228) | (5 846 273) |
| Transfers and subsidies paid | 7 | (21 790 667) | (20 985 425) |
| Net cash flow from operating activities | 18 | 191 551 | (449 867) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments for capital assets | 8 | (462 479) | (40 975) |
| Proceeds from sale of capital assets | 2 | 136 | 17 |
| Increase/decrease in loans | 13 | 1 257 435 | 61 257 434 |
| Net cash flows from investing activities | | 795 092 | 61 216 476 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Dividend received | 2.2 | 151 236 | 263 005 |
| Increase/decrease in net assets | | (1 257 061) | (61 257 424) |
| Net cash flows from financing activities | | (1 105 825) | (60 994 419) |
| Net increase/(decrease) in cash and cash equivalents | | (119 182) | (227 810) |
| Cash and cash equivalents at beginning of period | | 350 362 | 578 172 |
| Cash and cash equivalents at end of period | 9, & 16 | 231 180 | 350 362 |

Current payments and payments for capital assets prior year amounts were restated due to reclassification of software as intangible asset in line with the Modified Cash Standard.

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ACCOUNTING POLICIES

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Modified Cash Standard.

2. GOING CONCERN

The financial statements have been prepared on a going concern basis.

3. PRESENTATION CURRENCY

Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

4. ROUNDING

Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).

5. FOREIGN CURRENCY TRANSLATION

Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment/receipt and end March 2017 for disclosure purposes.

6. COMPARATIVE INFORMATION

6.1 Prior period comparative information

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

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ACCOUNTING POLICIES

6.2 Current year comparison with budget

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

7. REVENUE

7.1 Appropriated funds

Appropriated funds comprises of departmental allocations but exclude direct charges against the revenue fund (i.e. statutory appropriation) which are reported and audited separately as part of the consolidated annual financial statements. This includes extra-ordinary receipts.

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

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

7.2 Departmental revenue

Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.

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

7.3 Accrued departmental revenue

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and
- the amount of revenue can be measured reliably.

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

Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the department's write-off policy.

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ACCOUNTING POLICIES

8. EXPENDITURE

8.1 Compensation of employees

8.1.1 Salaries and wages

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

8.1.2 Social contributions

Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.

Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.

8.2 Other expenditure

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

8.3 Accruals and payables not recognised

Accruals and payables not recognised are recorded in the notes to the financial statements when the goods are received or in the case of services, when they are rendered to the department or in case of transfers and subsidies when they are due and payable. Accruals and payables not recognised are measured at cost.

8.4 Leases

8.4.1 Operating leases

Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.

The operating lease commitments are recorded in the notes to the financial statements.

8.4.2 Finance leases

Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.

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

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ACCOUNTING POLICIES

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

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

9. AID ASSISTANCE

9.1 Aid assistance received

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

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

9.2 Aid assistance paid

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

10. CASH AND CASH EQUIVALENTS

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

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

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

11. PREPAYMENTS AND ADVANCES

Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost. Prepayments are expensed when contractual obligations have been met or goods received or services rendered as agreed.

12. LOANS AND RECEIVABLES

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

13. INVESTMENTS

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

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ACCOUNTING POLICIES

14. FINANCIAL ASSETS

14.1 Financial assets (not covered elsewhere)

A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. At the reporting date a department shall measure its financial assets at cost less amounts already settled or written-off except for recognised loans and receivables which are measured at cost plus accrued interest where interest is charged less amounts already settled or written-off.

14.2 Impairment of financial assets

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

15. PAYABLES

Loans and payables are recognised in the statement of financial position at cost.

16. CAPITAL ASSETS

16.1 Immovable capital assets

Immovable capital assets are initially recorded in the notes to the financial statements at cost. Immovable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of immovable capital assets cannot be determined reliably, the immovable capital assets are measured at fair value for recording in the asset register.

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

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department in which case the completed project costs are transferred to that department.

16.2 Movable capital assets

Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined, the movable assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are 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 is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017**ACCOUNTING POLICIES****16.3 Intangible assets**

Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. Where the cost of intangible assets cannot be determined reliably the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

17. PROVISIONS, CONTINGENCIES AND COMMITMENTS**17.1 Provisions**

Provisions are recorded in the notes to the financial statements when there is a present, legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

17.2 Contingent liabilities

Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

17.3 Contingent assets

Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.

17.4 Commitments

Commitments (other than transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ACCOUNTING POLICIES

18. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:

- approved by Parliament or the Provincial Legislature with funding and the related funds are received; or
- approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or
- transferred to receivables for recovery.

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

19. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred. Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.

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.

20. IRREGULAR EXPENDITURE

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefore are provided in the note.

Irregular expenditure is removed from the note when it is either condoned by the relevant authority transferred to receivables for recovery or not condoned and is not recoverable.

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.

21. CHANGES IN ACCOUNTING POLICIES ACCOUNTING ESTIMATES AND ERRORS

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with Modified Cash Standard (MCS) requirements except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

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

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

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ACCOUNTING POLICIES

22. EVENTS AFTER THE REPORTING DATE

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

23. PRINCIPAL - AGENT ARRANGEMENTS

The department is party to a principal-agent arrangement for administrative services rendered on behalf of the National Treasury with respect to Programme 7 Civil and Military Pensions, Contributions to Funds and Other Benefits by the Government Pension Administration Agency, as well as the Government Technical Advisory Centre which provides technical assistance in the implementation of the Jobs Fund. In terms of these two arrangements the department is the principal and is responsible for providing funding for both programmes. 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.

24. CAPITALISATION RESERVE

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National Revenue Fund when the underlying asset is disposed and the related funds are received.

25. RECOVERABLE REVENUE

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

26. RELATED PARTY TRANSACTIONS

A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the Minister's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.

27. EMPLOYEE BENEFITS

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

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

| | 2016/17 | | 2015/16 | |
|---|------------------------|--------------------------|------------------------|--------------------------|
| | FINAL APPROPRIATION | ACTUAL FUNDS RECEIVED | FINAL APPROPRIATION | ACTUAL FUNDS RECEIVED |
| | R'000 | R'000 | R'000 | R'000 |
| 1. ANNUAL APPROPRIATION | | | | |
| 1. Administration | 464 416 | 464 416 | 386 645 | 386 645 |
| 2. Economic Policy Tax Financial Regulation and Research | 156 561 | 156 561 | 132 730 | 132 730 |
| 3. Public Finance and Budget Management | 294 483 | 294 483 | 268 889 | 268 889 |
| 4. Asset and Liability Management | 113 129 | 113 129 | 3 265 171 | 3 265 171 |
| 5. Financial Accounting and Supply Chain Management Systems | 1 251 758 | 1 251 758 | 783 753 | 783 753 |
| 6. International Financial Relations | 4 961 628 | 4 961 628 | 3 547 662 | 3 547 662 |
| 7. Civil and Military Pensions Contribution to Funds and Other benefits | 4 462 642 | 4 462 642 | 3 967 741 | 3 967 741 |
| 8. Technical Support and Development Finance | 2 590 637 | 2 590 637 | 2 755 969 | 2 755 969 |
| 9. Revenue Administration | 9 363 676 | 9 363 676 | 9 334 439 | 9 334 439 |
| 10. Financial Intelligence and State Security | 4 812 487 | 4 812 487 | 4 562 062 | 4 562 062 |
| Total | 28 471 417 | 28 471 417 | 29 005 061 | 29 005 061 |

2016/17
R'000

2015/16
R'000

1.1 Conditional Grants

| | | |
|-----------------------|-----------|-----------|
| Total grants received | 1 508 749 | 1 461 151 |
|-----------------------|-----------|-----------|

Conditional grants are included as part of the Annual Appropriation. Refer to note 39 and annexure 1A for more information on the conditional grants. Prior year amount was restated to include the Neighbourhood Development Partnership Grant (NDPG) DORA schedule 6(b) indirect grant which was omitted.

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

| | NOTE | 2016/17 R'000 | 2015/16 R'000 |
|---|------|------------------|------------------|
| 2. DEPARTMENTAL REVENUE | | | |
| Sales of goods and services other than capital assets | 2.1 | 11 827 | 38 639 |
| Interest dividends and rent on land | 2.2 | 4 032 638 | 4 640 219 |
| Sales of capital assets | 2.3 | 136 | 17 |
| Transactions in financial assets and liabilities | 2.4 | 906 605 | 923 456 |
| Departmental revenue collected | | 4 951 206 | 5 602 331 |

2.1 Sales of goods and services other than capital assets

| | | |
|--|---------------|---------------|
| Sales of goods and services produced by the department | 11 813 | 38 619 |
| Sales by market establishment | 102 | 103 |
| Administrative fees | 1 | 5 |
| Other sales | 11 710 | 38 511 |
| Sales of scrap waste and other used current goods | 14 | 20 |
| Total | 11 827 | 38 639 |

Current year other sales amount include fees collected from government departments providing guarantees for contracts to other entities R11.4 million (2015/16: R35.9 million) and other receipts R310 000 (2015/16: R2.7 million).
The decrease in revenue collected in the current year was due to decrease in guarantee fees collected as a result of reduction in drawdown amounts on which the guarantee fees are based.

2.2 Interest, dividends and rent on land

| | | |
|--------------|------------------|------------------|
| Interest | 3 881 402 | 4 377 214 |
| Dividends | 151 236 | 263 005 |
| Total | 4 032 638 | 4 640 219 |

Current year interest amount includes interest from interest-bearing accounts, such as tax and loan accounts R2.2 billion (2015/16: R1.9 billion) and foreign currency deposits R1.1 billion (2015/16: R1.8 billion) relating to the National Revenue Fund that is controlled and managed by the National Treasury, as well as the interest received on the Gautrain loan R515.3 million (2015/16: R613.2 million).

2.3 Sales of capital assets

| | | |
|-------------------------|------------|-----------|
| Machinery and equipment | 136 | 17 |
| Total | 136 | 17 |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

| | NOTE | 2016/17 R'000 | 2015/16 R'000 |
|---|------|------------------|------------------|
| 2.4 Transactions in financial assets and liabilities | | | |
| Loans and advances | | 840 000 | 840 000 |
| Receivables | | 748 | 550 |
| Other receipts including Recoverable Revenue | | 65 857 | 82 906 |
| Total | | 906 605 | 923 456 |

2.5 Cash received not recognised – 2016/17

| NAME OF INSTITUTION | AMOUNT RECEIVED R'000 | AMOUNT PAID TO NRF R'000 | BALANCE R'000 |
|-------------------------------------|-----------------------------|--------------------------------|------------------|
| Funds surrendered by municipalities | 285 530 | (285 530) | - |
| Total | 285 530 | (285 530) | - |

Cash received not recognised include unspent funds surrendered by the municipalities on conditional grants transferred by the department. These funds are not included in the departmental revenue. Prior year amount was restated in line with the Modified Cash Standard.

Cash received not recognised – 2015/16

| NAME OF INSTITUTION | AMOUNT RECEIVED R'000 | AMOUNT PAID TO NRF R'000 | BALANCE R'000 |
|-------------------------------------|-----------------------------|--------------------------------|------------------|
| Funds surrendered by municipalities | 87 701 | (87 701) | - |
| Total | 87 701 | (87 701) | - |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

| | NOTE | 2016/17 R'000 | 2015/16 R'000 |
|---|------|------------------|------------------|
| 3. AID ASSISTANCE | | | |
| 3.1 Aid assistance received in cash from RDP | | | |
| Foreign | | | |
| Opening balance | | 22 589 | 12 915 |
| Transferred from statement of financial performance | | 13 282 | 22 589 |
| Paid during the year | | (22 589) | (12 915) |
| Closing balance | | 13 282 | 22 589 |

Refer to annexure 1F for more information on Aid Assistance.

3.2 Analysis by source

| | | |
|-----------------------------------|---------------|---------------|
| Aid assistance repayable from RDP | 13 282 | 22 589 |
| Closing balance | 13 282 | 22 589 |

3.3 Analysis of balance

| | | |
|--------------------------|---------------|---------------|
| Aid assistance repayable | 13 282 | 22 589 |
| Closing balance | 13 282 | 22 589 |

4. COMPENSATION OF EMPLOYEES

4.1 Salaries and Wages

| | | |
|----------------------------------|----------------|----------------|
| Basic salary | 531 196 | 485 768 |
| Performance award | 11 276 | 21 517 |
| Service Based | 370 | 586 |
| Compensative/circumstantial | 3 210 | 2 530 |
| Other non-pensionable allowances | 160 886 | 149 389 |
| Total | 706 938 | 659 790 |

Compensative/circumstantial refers to payments and allowances paid to employees as compensation for cost relating to operational or job requirements e.g. acting allowance, overtime etc. Other non-pensionable allowances refer to all other non-pensionable allowances not separately provided for e.g. housing allowance etc.

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

| | NOTE | 2016/17 R'000 | 2015/16 R'000 |
|--|------|------------------|------------------|
| 4.2 Social contributions | | | |
| Employer contributions | | | |
| Pension | | 64 446 | 58 661 |
| Medical | | 14 960 | 14 210 |
| Bargaining council | | 87 | 81 |
| Total | | 79 493 | 72 952 |
| Total compensation of employees | | 786 431 | 732 742 |
| Average number of employees | | 1 161 | 1 232 |
| 5. GOODS AND SERVICES | | | |
| Administrative fees | | 3 264 | 3 510 |
| Advertising | | 704 | 6 344 |
| Minor Assets | 5.1 | 333 | 523 |
| Bursaries (employees) | | 5 646 | 4 802 |
| Catering | | 1 272 | 1 098 |
| Communication | | 5 869 | 6 247 |
| Computer services | 5.2 | 402 009 | 362 707 |
| Consultants business and advisory services | | 522 167 | 505 356 |
| Legal services | | 14 944 | 12 126 |
| Contractors | | 2 374 | 2 414 |
| Agency and support /outsourced services | | 11 908 | 11 052 |
| Entertainment | | 88 | 121 |
| Audit cost – external | 5.3 | 11 587 | 11 819 |
| Fleet services | | 1 478 | 1 350 |
| Consumables | 5.4 | 10 056 | 8 518 |
| Operating leases | | 71 131 | 52 928 |
| Property payments | 5.5 | 25 260 | 23 057 |
| Rental and hiring | | - | 10 |
| Travel and subsistence | 5.6 | 48 051 | 45 209 |
| Venues and facilities | | 5 486 | 10 404 |
| Training and staff development | | 5 857 | 5 132 |
| Other operating expenditure | 5.7 | 9 500 | 10 674 |
| Total | | 1 158 984 | 1 085 401 |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

| | NOTE | 2016/17 R'000 | 2015/16 R'000 |
|--|------|------------------|------------------|
|--|------|------------------|------------------|

Increase in operating payments was due to settlement of arrear lease payments made to the Department of Public Works as well as lease payments for office accommodation for the new regional BRICS Development Bank. Reclassification of prior year amount of R4.4 million from consumables line item to other operating expenditure was done in line with the requirements of the Modified Cash Standard. Computer service prior year amount was restated due to reclassification of software as intangible asset in line with the Modified Cash Standard.

5.1 Minor Assets

| | | |
|-------------------------|------------|------------|
| Machinery and equipment | 333 | 523 |
| Total | 333 | 523 |

5.2 Computer services

| | | |
|-------------------------------------|----------------|----------------|
| SITA computer services | 46 289 | 35 400 |
| External computer service providers | 355 720 | 327 307 |
| Total | 402 009 | 362 707 |

External computer service providers prior year amount was restated due to reclassification of software as intangible asset in line with the Modified Cash Standard. Current year amount relates to the information technology services provided by service providers on the development and maintenance of the Integrated Financial Management System (IFMS) R109.2 million (2015/16 - R102.6 million), legacy systems R192.2 million (2015/16 - R197.1 million) and other departmental systems R54.3 million (2015/16 - R27.6 million). These costs include upgrading and enhancements costs relating to programming, training on application systems and implementation, as well as maintenance and support, and annual software licences.

5.3 Audit cost – External

| | | |
|-------------------|---------------|---------------|
| Regularity audits | 11 587 | 11 819 |
| Total | 11 587 | 11 819 |

5.4 Consumables

| | | |
|---|---------------|--------------|
| Consumable supplies | 2 373 | 2 194 |
| Clothing material and accessories | 8 | 13 |
| Household supplies | 1 401 | 1 414 |
| Building material and supplies | 276 | 38 |
| Communication accessories | 1 | 2 |
| IT consumables | 648 | 685 |
| Other consumables | 39 | 42 |
| Stationery printing and office supplies | 7 683 | 6 324 |
| Total | 10 056 | 8 518 |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

| | NOTE | 2016/17 R'000 | 2015/16 R'000 |
|---|------|------------------|------------------|
| 5.5 Property payments | | | |
| Municipal services | | 24 027 | 21 494 |
| Property management fees | | 1 201 | 1 075 |
| Other (Pest control, fumigation etc.) | | 32 | 488 |
| Total | | 25 260 | 23 057 |
| 5.6 Travel and subsistence | | | |
| Local | | 22 607 | 23 581 |
| Foreign | | 25 444 | 21 628 |
| Total | | 48 051 | 45 209 |
| 5.7 Other operating expenditure | | | |
| Professional bodies membership and subscription fees | | 4 400 | 5 135 |
| Resettlement costs | | 423 | 296 |
| Other (Courier services, publications etc.) | | 4 677 | 5 243 |
| Total | | 9 500 | 10 674 |
| 6. Payment for financial assets | | | |
| Purchase of equity | | 4 001 096 | 2 671 991 |
| Extension of loans for policy purposes | | - | 3 174 013 |
| Debts written off | 6.1 | 132 | 269 |
| Total | | 4 001 228 | 5 846 273 |
| Purchase of equity current year amount relates to payments made to the New Development Bank (BRICS) R3.5 billion (2015/16 -R2.2 billion), African Development Bank R462.4 million (2015/16: R340 million) and World Bank R23.6 million (2015/16: R33.1 million). There were no payments made on extension of loans for policy purposes in the current year. | | | |
| 6.1 Debts written off | | | |
| Losses and damages | | 132 | 269 |
| Total | | 132 | 269 |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

| | NOTE | 2016/17 R'000 | 2015/16 R'000 |
|---|-----------------|-------------------|-------------------|
| 7. TRANSFERS AND SUBSIDIES | | | |
| Municipalities | <i>Note 37</i> | 1 454 400 | 1 411 831 |
| Departmental agencies and accounts | <i>Annex 1B</i> | 15 074 146 | 14 816 595 |
| Public corporations and private enterprises | <i>Annex 1C</i> | 11 999 | 11 384 |
| Foreign governments and international organisations | <i>Annex 1D</i> | 907 607 | 831 304 |
| Households | <i>Annex 1E</i> | 4 342 515 | 3 914 311 |
| Total | | 21 790 667 | 20 985 425 |
| Unspent funds | | | |
| Municipalities | | 843 658 | 691 769 |
| Departmental agencies and accounts | | 2 532 572 | 3 216 534 |
| Total | | 3 376 230 | 3 908 303 |

The increase in households transfers and subsidies was due to arrear payments on the post-retirement medical benefits as a result of delays in finalisation of exit documentation when the pensioner retires. Increase in foreign governments and international organisations transfers was due to exchange rate fluctuations that resulted in depreciation of the rand against foreign currency. The slower pace of expenditure on the municipal grants in the current year can be attributed to the municipal government elections that took place in August 2016 and overlap in financial years, and on departmental agencies was largely due to a continued slower than expected spending execution by entities. The prior year unspent funds were restated in line with the Modified Cash Standard.

8. EXPENDITURE FOR CAPITAL ASSETS

| | | |
|--------------------------|----------------|---------------|
| Tangible assets | 46 385 | 34 939 |
| Machinery and equipment | 46 385 | 34 939 |
| Intangible assets | 416 094 | 6 036 |
| Software | 416 094 | 6 036 |
| Total | 462 479 | 40 975 |

Intangible capital assets prior year amount was restated due to reclassification of software as intangible asset in line with the Modified Cash Standard.

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

| | NOTE | 2016/17 R'000 | 2015/16 R'000 |
|--|------|------------------|------------------|
|--|------|------------------|------------------|

8.1 Analysis of funds utilised to acquire capital assets – 2016/17

| | VOTED FUNDS R'000 | AID ASSISTANCE R'000 | TOTAL R'000 |
|--------------------------|----------------------|-------------------------|----------------|
| Tangible assets | | | |
| Machinery and equipment | 46 379 | 6 | 46 385 |
| Intangible assets | | | |
| Software | 416 094 | - | 416 094 |
| Total | 462 473 | 6 | 462 479 |

Analysis of funds utilised to acquire capital assets – 2015/16

| | | | |
|--------------------------|---------------|----------|---------------|
| Tangible assets | | | |
| Machinery and equipment | 34 939 | - | 34 939 |
| Intangible assets | | | |
| Software | 6 036 | - | 6 036 |
| Total | 40 975 | - | 40 975 |

8.2 Finance lease included in capital expenditure

| | | |
|-------------------------|--------------|--------------|
| Machinery and equipment | 1 300 | 1 832 |
| Total | 1 300 | 1 832 |

9. CASH AND CASH EQUIVALENTS

| | | |
|--|----------------|----------------|
| Consolidated Paymaster General Account | 230 232 | 329 148 |
| Cash on hand | 23 | 23 |
| Cash with commercial banks (Local) | 66 755 | 21 191 |
| Total | 297 010 | 350 362 |

The increase in the cash with commercial banks was due to funds that were received on the last day of the financial year i.e. 31 March 2017 in the commercial bank account and did not interface on time to the Paymaster General account.

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

| | NOTE | 2016/17 R'000 | 2015/16 R'000 |
|--|----------|------------------|------------------|
| 10. PREPAYMENTS AND ADVANCES | | | |
| Travel and subsistence | | 49 | 4 |
| Prepayments (not expensed) | 10.2 | 86 540 | - |
| Advances paid (not expensed) | 10.1 | 171 | 6 198 |
| Total | | 86 760 | 6 202 |
| 10.1 Advances paid | | | |
| National departments | Annex 5A | 76 | - |
| Public entities | Annex 5A | 95 | 5 855 |
| Other institutions | | - | 343 |
| Total | | 171 | 6 198 |
| 10.2 Prepayments (not expensed) | | | |
| Goods and services | | 19 000 | - |
| Transfers and subsidies | | 67 540 | - |
| Total | | 86 540 | - |

Increase in prepayments was due to the principle and practice of paying pensions that fall on a weekend or public holiday on the preceding business day, as a result in the current year pensions that were due on 01 April 2017 (Saturday) were paid on 31 March 2017 (Friday), this also resulted in the bank overdraft as reported in note 16. There was also a prepayment made to a contracted service provider as mobilisation fee. Decrease in advances paid was mainly due to the decline in inter-entity advances paid to the Government Pensions Administration Agency (GPAA) which manages programme 7 on behalf of the department.

11. RECEIVABLES

| | NOTE | 2016/17 | | | 2015/16 | | |
|-------------------------|------|------------------|----------------------|----------------|------------------|----------------------|----------------|
| | | R'000 CURRENT | R'000 NON-CURRENT | R'000 TOTAL | R'000 CURRENT | R'000 NON-CURRENT | R'000 TOTAL |
| Claims recoverable | 11.1 | 683 | 1 575 | 2 258 | 3 493 | 1 614 | 5 107 |
| Recoverable expenditure | 11.2 | 601 | 442 | 1 043 | 335 | 391 | 726 |
| Staff debt | 11.3 | 225 | 1 788 | 2 013 | 638 | 907 | 1 545 |
| Other debtors | 11.4 | 5 007 | 20 519 | 25 526 | 9 966 | 10 528 | 20 494 |
| Total | | 6 516 | 24 324 | 30 840 | 14 432 | 13 440 | 27 872 |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

| | NOTE | 2016/17 R'000 | 2015/16 R'000 |
|---|-------------------|------------------|------------------|
| 11.1 Claims recoverable | | | |
| National departments | | 1 216 | 4 251 |
| Provincial departments | | 21 | 40 |
| Foreign governments | | 1 021 | 816 |
| Total | | 2 258 | 5 107 |
| Disallowance damages and losses | | 585 | 474 |
| Disallowance miscellaneous | | 442 | 215 |
| Private telephones | | 16 | 37 |
| Total | | 1 043 | 726 |
| 11.3 Staff debt | | | |
| | Departmental Debt | 2 013 | 1 545 |
| Total | | 2 013 | 1 545 |
| 11.4 Other debtors | | | |
| Value Added Tax (SARS) | | 677 | 1 429 |
| Amounts owed by other departments – Civil and Military Pensions | | 3 851 | 2 420 |
| Outstanding debt – Civil and Military Pensions | | 29 | 29 |
| Disallowance – Civil and Military Pensions | | 5 487 | 5 282 |
| Disallowance – Special Pensions | | 15 482 | 11 334 |
| Total | | 25 526 | 20 494 |
| 11.5 Impairments of receivables | | | |
| Estimate of impairment of receivables | | 8 981 | 871 |

On note 11, the increase in non-current receivables was due to payments made to beneficiaries after they are deceased and could not be recovered on time as a result of delays experienced as a result of the dependents of the deceased pension beneficiaries taking longer to come forward and make claims. The settlement of monies owed could not be finalised until the dependents come forward.

On sub-note 11.5, the increase in impairments is due to irrecoverable debts on the civil and military pensions where debtors were deceased. Prior year amount was restated in line with the Modified Cash Standard.

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

| | NOTE | 2016/17 R'000 | 2015/16 R'000 |
|--|------|-------------------|-------------------|
| 12. INVESTMENTS | | | |
| Non-Current (non-current shares) | | | |
| Development Bank of Southern Africa | | 200 000 | 200 000 |
| Public Investment Corporation Limited | | 1 | 1 |
| Land Bank | | 200 955 | 200 955 |
| South African Airways | | 13 008 758 | 13 008 758 |
| Total | | 13 409 714 | 13 409 714 |
| Analysis of non-current investments | | | |
| Opening balance | | 13 409 714 | 13 409 714 |
| Non-cash movement | | - | - |
| Closing balance | | 13 409 714 | 13 409 714 |
| Impairment of investment | | | |
| Estimate of impairment of investment | | 13 008 758 | 13 008 758 |

Despite progress made in many areas, the impairment value remained the same as the prior year in line with the requirements of the Modified Cash Standard. The department shall assess at each reporting date whether there is any indication that the impairment may no longer exist or may have decreased. It must be noted that a new, full strength Board was appointed and an additional perpetual going concern guarantee of R4.72 billion was issued. Annual General Meeting was held where the Shareholder Compact for 2016/17 financial year was signed by the Minister of Finance and the Chairperson of the Board. The Long-Term Turnaround Strategy (LTTS) was reviewed and revalidated to ensure that the strategy is still appropriate for SAA as well as to address the weak financial situation of the airline, SAA five year Corporate Plan is expected to be delivered by the Board in June 2017.

13. LOANS

| | | |
|----------------------------|------------------|------------------|
| Public corporations | 1 257 434 | 2 514 869 |
| - Current | 1 257 434 | 1 355 302 |
| - Non-current | - | 1 159 567 |
| Total | 1 257 434 | 2 514 869 |
| Analysis of balance | | |
| Opening balance | 2 514 869 | 63 772 303 |
| New issues | 97 867 | 195 735 |
| Amount paid | (1 355 302) | (1 453 169) |
| Written off | - | (60 000 000) |
| Closing balance | 1 257 434 | 2 514 869 |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

| | NOTE | 2016/17 R'000 | 2015/16 R'000 |
|--|------|------------------|------------------|
|--|------|------------------|------------------|

The closing balance of R1.2 billion is the outstanding amount on the Gautrain loan which is the last instalment payable in April 2017. New issues amount of R97.9 million is the current year's accrued interest on the loan.
In the prior year the Eskom loan amount of R60 billion was derecognised in line with the requirements of the Modified Cash Standard due to the amendment of the Eskom Subordinated Loan Special Appropriation Act (2008/9 – 2010/11) 2008, that was promulgated on 6 July 2015 in the Government Gazette no. 38973.

14. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND

| | | | |
|--|--|----------------|----------------|
| Opening balance | | 314 245 | 521 392 |
| Transfer from statement of financial performance | | 271 634 | 314 245 |
| Paid during the year | | (314 245) | (521 392) |
| Closing balance | | 271 634 | 314 245 |

15. DEPARTMENTAL REVENUE TO BE SURRENDERED TO THE REVENUE FUND

| | | | |
|--|--|---------------|--------------|
| Opening balance | | 9 022 | 29 283 |
| Transfer from Statement of Financial Performance | | 4 951 206 | 5 602 331 |
| Paid during the year | | (4 930 845) | (5 622 592) |
| Closing balance | | 29 383 | 9 022 |

16. BANK OVERDRAFT

| | | | |
|--|--|---------------|----------|
| Consolidated Paymaster General Account | | 65 830 | - |
| Closing balance | | 65 830 | - |

The overdraft is related to the prepayments reported on note 10, and the R1.7 million difference between the prepayments amount and the overdraft is mainly due to the positive bank balance prior to the prepayments.

17. PAYABLES – CURRENT

| | | | |
|-------------------|------|---------------|---------------|
| Advances received | 17.1 | 6 527 | 13 060 |
| Clearing accounts | 17.2 | 4 | 268 |
| Other payables | 17.3 | 26 864 | 24 540 |
| Total | | 33 395 | 37 868 |

17.1 Advances received

| | | | |
|------------------------|----------|--------------|---------------|
| National departments | Annex 5B | 6 515 | 12 340 |
| Provincial departments | Annex 5B | - | 35 |
| Other institutions | Annex 5B | 12 | 685 |
| Total | | 6 527 | 13 060 |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

| | NOTE | 2016/17 R'000 | 2015/16 R'000 |
|-------------------------------|------|------------------|------------------|
| 17.2 Clearing accounts | | | |
| Income tax (PAYE) | | 4 | 182 |
| Persal Reversal Account | | - | 85 |
| Pension Fund | | - | 1 |
| Total | | 4 | 268 |

On sub-note 17.1, the advance received relates to the amount received from the Department of Health to assist the Office of the Chief Procurement Officer with funds to facilitate finalisation for roll-out of the project plan on transversal contract NT007-2016 which deals with hospital, medical and pharmaceutical related services.

17.3 Other payables

| | | |
|-----------------------------|---------------|---------------|
| Civil and military pensions | 17 460 | 17 014 |
| Special pensions | 9 404 | 7 526 |
| Total other pension | 26 864 | 24 540 |

18. Net cash flow available from operating activities

| | | |
|---|----------------|------------------|
| Net surplus as per Statement of Financial Performance | 5 236 122 | 5 939 165 |
| Add back non cash/cash movements not deemed operating activities | (5 044 571) | (6 389 032) |
| Decrease/(increase) in receivables – current | (2 968) | (4 982) |
| Increase in prepayments and advances | (80 558) | (5 974) |
| Increase/(decrease) in payables – current | (4 473) | 870 |
| Proceeds from sale of capital assets | (136) | (17) |
| Expenditure on capital assets | 462 479 | 40 975 |
| Surrenders to Revenue Fund | (5 245 090) | (6 143 984) |
| Surrenders to RDP Fund/Donor | (22 589) | (12 915) |
| Dividend received | (151 236) | (263 005) |
| Net cash flow (utilised)/generated by operating activities | 191 551 | (449 867) |

19. RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES

| | | |
|--|----------------|----------------|
| Consolidated Paymaster General account | 164 402 | 329 148 |
| Cash on hand | 23 | 23 |
| Cash with commercial banks (local) | 66 755 | 21 191 |
| Total | 231 180 | 350 362 |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

| | NOTE | 2016/17 R'000 | 2015/16 R'000 |
|-----------------------------------|----------------|-------------------|-------------------|
| 20. CONTINGENT LIABILITIES | | | |
| Other guarantees | <i>Annex3A</i> | 25 709 537 | 24 053 694 |
| Claims against the department | <i>Annex3B</i> | 2 388 187 | 2 106 040 |
| Other contingent liabilities | <i>Annex3B</i> | 544 840 | 512 466 |
| Total | | 28 642 564 | 26 672 200 |

Uncertainties relating to the amounts disclosed or timing of the outflow could not be disclosed due to the inherent risks on the events and circumstances underlying these amounts which are unfavourable to the department. The total amount on other guarantees is made up of capital amount R25 584 064 and interest R125 473. For further details on contingent liabilities refer to annexures 3A and 3B.

21. COMMITMENTS

| | | | |
|---------------------------------|--|------------------|------------------|
| Current expenditure | | | |
| Approved and contracted | | 9 285 299 | 7 576 470 |
| Approved and not yet contracted | | - | 3 128 |
| Total | | 9 285 299 | 7 579 598 |

The approved and contracted commitments are made up of the supply chain management related contracts i.e. goods and services of R5.8 billion (2015/16: R3.9 billion) and the Non-Statutory Forces commitment of R3.4 billion (2015/16: R3.6 billion). Contracts amounting to R1.996 million were approved subsequent to year-end and the approved and contracted amount was adjusted accordingly.

22. ACCRUALS

Listed by economic classification

| | 30 DAYS | 30+ DAYS | TOTAL | TOTAL |
|-------------------------|---------------|---------------|---------------|---------------|
| Goods and services | 33 486 | 7 141 | 40 627 | 8 988 |
| Transfers and subsidies | 21 694 | 8 705 | 30 399 | 21 263 |
| Capital assets | - | - | - | 69 |
| Total | 55 180 | 15 829 | 71 026 | 30 320 |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

| | NOTE | 2016/17 R'000 | 2015/16 R'000 |
|---|------|------------------|------------------|
| Listed by programme level | | | |
| Administration | | 5 571 | 3 527 |
| Economic Policy Tax Financial Regulation and Research | | 986 | 954 |
| Public Finance and Budget Management | | 7 083 | 1 062 |
| Asset and Liability Management | | 1 046 | 857 |
| Financial Accounting and Supply Chain Management Systems | | 25 399 | 1 121 |
| International Financial Relations | | 654 | 1 539 |
| Civil and Military Pensions Contributions to Funds and Other Benefits | | 30 287 | 21 260 |
| Technical Support and Development Finance | | | - |
| Total | | 71 026 | 30 320 |

The accruals disclosed relates to liabilities to pay for goods or services that have been received or supplied but have not been paid and have not been invoiced at year-end. All payments for goods or services that have been received or supplied and have been invoiced were paid as at year-end, hence no payables (not recognised) were disclosed. The increase in the current year accrual amount was mainly due to payments of audit fees (R1.3 million), consultancy fees (R5.4 million) and computer services for transversal systems (R20.9 million).

23. EMPLOYEE BENEFITS

| | | |
|-----------------------------------|---------------|---------------|
| Leave entitlement | 26 697 | 22 813 |
| Service bonus (thirteenth cheque) | 16 144 | 15 108 |
| Performance awards | 10 995 | 10 995 |
| Capped leave commitments | 12 091 | 12 842 |
| Long service awards | - | 418 |
| Other | 1 589 | - |
| Total | 67 516 | 62 176 |

At this stage the department is not able to reliably measure the long term portion of the long service awards due to complexities on the calculations involved and significant internal system limitations to assist with the calculations. In the current year the total short-term portion was settled hence no commitment was raised. Other benefits amount relates to amounts payable to former political office bearers.

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

| | NOTE | 2016/17 R'000 | 2015/16 R'000 |
|--|------|------------------|------------------|
|--|------|------------------|------------------|

24. LEASE COMMITMENTS

24.1 Operating leases commitments

| 2016/17 | BUILDINGS AND OTHER FIXED STRUCTURES R'000 | MACHINERY AND EQUIPMENT R'000 | TOTAL R'000 |
|--|--|-------------------------------------|----------------|
| Not later than 1 year | 60 766 | 3 020 | 63 786 |
| Later than 1 year and not later than 5 years | - | 3 230 | 3 230 |
| Total lease commitments | 60 766 | 6 250 | 67 016 |

| 2015/16 | BUILDINGS AND OTHER FIXED STRUCTURES R'000 | MACHINERY AND EQUIPMENT R'000 | TOTAL R'000 |
|--|--|-------------------------------------|----------------|
| Not later than 1 year | 53 609 | 2 181 | 55 790 |
| Later than 1 year and not later than 5 years | 15 435 | 2 010 | 17 445 |
| Total | 69 044 | 4 191 | 73 235 |

The current year buildings and other fixed structures lease commitments were based on projections that were calculated on current monthly payments for the next 12 months due to lease agreements that expired. At the reporting date, new agreements were not yet finalised between the department and the Department of Public Works. The 38 Church Square building was excluded because it was not yet handed over to the National Treasury and no certificate of occupancy was received from the Department of Public Works as at the reporting date.

24.1 Finance leases commitments

| 2016/17 | BUILDINGS AND OTHER FIXED STRUCTURES R'000 | MACHINERY AND EQUIPMENT R'000 | TOTAL R'000 |
|--|--|-------------------------------------|----------------|
| Not later than 1 year | - | 1 388 | 1 388 |
| Later than 1 year and not later than 5 years | - | 744 | 744 |
| Total lease commitments | - | 2 132 | 2 132 |

| 2015/16 | BUILDINGS AND OTHER FIXED STRUCTURES R'000 | MACHINERY AND EQUIPMENT R'000 | TOTAL R'000 |
|--|--|-------------------------------------|----------------|
| Not later than 1 year | - | 1 289 | 1 289 |
| Later than 1 year and not later than 5 years | - | 380 | 380 |
| Total | - | 1 669 | 1 669 |

Finance lease commitments relates to cellular phone contract held with the appointed service provider.

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

| | NOTE | 2016/17 R'000 | 2015/16 R'000 |
|---|------|------------------|------------------|
| 25. ACCRUED DEPARTMENTAL REVENUE | | | |
| Sales of goods and services other than capital assets | | 834 | - |
| Interest dividends and rent on land | | 261 206 | 204 916 |
| Transactions in financial assets and liabilities | | 96 | 40 |
| Total | | 262 136 | 204 956 |

25.1 Analysis of accrued departmental revenue

| | | |
|------------------------|----------------|----------------|
| Opening balance | 204 956 | 291 170 |
| Less: Amount received | (204 956) | (291 170) |
| Add: Amount recognised | 262 136 | 204 956 |
| Closing balance | 262 136 | 204 956 |

26. IRREGULAR EXPENDITURE

Reconciliation of irregular expenditure

| | | |
|---|---------------|----------|
| Opening balance | - | - |
| Add: Irregular expenditure – relating to prior year | 16 948 | - |
| Add: Irregular expenditure – relating to current year | 30 580 | - |
| Less: Prior year amounts condoned | (3 550) | - |
| Less: Current year amounts condoned | (3 488) | - |
| Closing balance | 40 490 | - |

26.1 Details of irregular expenditure – added current year (relating to current year)

| INCIDENT | DISCIPLINARY STEPS TAKEN | 2016/17 R'000 |
|--|--|------------------|
| Contract variation that was not properly approved by the relevant authority | Intention to issue warning letters was communicated to the responsible officials. | 3 488 |
| Contract that was awarded based on an incorrect BBBEE certificate that was used during the bid evaluation process of two companies who appear to have tendered as a joint venture. | Assessment is in progress and corrective steps will be recommended for approval by the accounting officer on completion. | 12 100 |
| Goods and services procured without obtaining three quotations and the reasons were not recorded and approved. | Assessment is in progress and corrective steps will be recommended for approval by the accounting officer on completion. | 16 |
| Procurement of services for the development and enhancement of the central supplier database (CSD) functionality that were procured in terms of the Treasury Regulation 16A6.6 through an existing SLA and not through a new tender process. | Assessment is in progress and corrective steps will be recommended for approval by the accounting officer on completion. | 14 976 |
| Total | | 30 580 |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

| | NOTE | 2016/17 R'000 | 2015/16 R'000 |
|--|------|------------------|------------------|
|--|------|------------------|------------------|

26.2 Details of irregular expenditure – condoned

| INCIDENT | CONDONED BY | 2016/17 R'000 |
|---|--------------------|------------------|
| Contract variation that was not properly approved by the relevant authority | Accounting Officer | 7 038 |

26.3 Prior period error

| NATURE OF PRIOR YEAR ERROR RELATING TO 2015/16 | 2016/17 R'000 |
|--|------------------|
| Contract variation that was not properly approved by the relevant authority | 3 550 |
| CSD services procured in terms of the Treasury Regulation 16A6.6 through an existing SLA | 13 398 |
| | <u>16 948</u> |

The prior year error amount was due to irregular expenditure that was identified in the current year. The irregular expenditure was due to contract variation that was implemented without obtaining proper approval from the relevant authority. Total amount of irregular expenditure incurred was R7.038 million (2016/17 – R3.488 million and 2015/16 – R3.550 million). In addition, services were procured for the development and enhancement of the central supplier database (CSD) functionality in terms of the Treasury Regulation 16A6.6 through an existing SLA and not through a new tender process. Total amount was R28.374 million (2016/17 – R14.976 million and 2015/16 – R13.398 million).

27. FRUITLESS AND WASTEFUL EXPENDITURE

| | | |
|---|---------------|----------|
| Opening balance | - | - |
| Fruitless and wasteful expenditure – current year | 69 614 | - |
| Total | <u>69 614</u> | <u>-</u> |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

| | NOTE | 2016/17 R'000 | 2015/16 R'000 |
|--|------|------------------|------------------|
|--|------|------------------|------------------|

27.1 Details of fruitless and wasteful expenditure – added current year (relating to current year)

| INCIDENT | DISCIPLINARY STEPS TAKEN | 2016/17 R'000 |
|---|--|------------------|
| Lease payments for office space relating to the establishment of the new BRICS Bank regional offices that were based on the requirements of the Bank as per the Articles of Agreement signed by the BRICS countries, and an open tender process that was followed | The office space was utilised during the financial year by the officials who coordinated the refurbishment of the offices and installation of equipment in the premises, as well as providing administrative support to the 'interim head' of the regional office. Appropriate corrective steps will be taken. | 2 584 |
| Upfront payment for technical support on perpetual software licences relating to the IFMS project as per the standard industry practice that were purchased upfront to take advantage of realised significant savings as well as mitigation of risks associated with security vulnerabilities and ensure that the latest versions are installed based on new release on the software. | Assessment is in progress and corrective steps will be recommended for approval by the accounting officer on completion. | 67 030 |
| Total | | 69 614 |

28. IMPAIRMENT (OTHER THAN RECEIVABLES AND INVESTMENTS)

| | | |
|-----------------------|---------------|---------------|
| Other material losses | 38 841 | 48 690 |
| Total | 38 841 | 48 690 |

Impairment of other material losses amounting to R38.8 million relate to special pension pay-outs made to 644 pensioners as a result of misinterpretation of the Special Pensions Act which were approved for write-off annually. In a legal opinion, it was cited that the prospects of winning these cases if referred to court were minimal and the enormous legal costs for all the cases were unaffordable and would not be justifiable.

29. PROVISIONS

| | | |
|----------------------------------|----------------|----------------|
| Military Pension | 15 423 | 10 981 |
| Injury on duty | 114 605 | 59 780 |
| Military Medical benefits | 5 716 | 2 076 |
| Post-Retirement Medical benefits | 4 719 | 1 900 |
| Admin Expense Claim | 4 877 | 5 054 |
| Special Pension | 31 773 | 24 838 |
| Adam Smith International Claim | - | 250 |
| SA Smit claim | 14 | 14 |
| Total | 177 127 | 104 893 |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

| | | | NOTE | 2016/17 R'000 | 2015/16 R'000 |
|--|--|--|--|---|------------------------------|
| 29.1 Reconciliation of movement in provisions – 2016/17 | | | | | |
| | MILITARY AND SPECIAL PENSIONS R'000 | INJURY ON DUTY AND ADMIN EXPENSE R'000 | MILITARY MEDICAL BENEFITS AND CLAIMS R'000 | POST- RETIREMENT MEDICAL BENEFITS R'000 | TOTAL PROVISIONS R'000 |
| Opening balance | 26 914 | 64 834 | 10 982 | 2 163 | 104 893 |
| Provisions raised | 45 006 | 116 928 | 15 870 | 35 935 | 213 739 |
| Settlement of provision | (23 635) | (58 952) | (7 433) | (33 365) | (123 385) |
| Unused amounts reversed | (10 795) | (3 329) | (3 996) | - | (18 120) |
| Closing balance | 37 490 | 119 481 | 15 423 | 4 733 | 177 127 |

29.2 Reconciliation of movement in provisions – 2015/16

| | | | | | |
|-------------------------|---------------|---------------|---------------|----------------|----------------|
| Opening balance | 30 324 | 56 185 | 13 075 | 761 | 100 345 |
| Provisions raised | 29 591 | 44 632 | 11 333 | 19 237 | 104 793 |
| Unused amounts reversed | (21 488) | (31 388) | (10 886) | (18 997) | (82 759) |
| Settlement of provision | (1 615) | (4 597) | (2 276) | (8 998) | (17 486) |
| Closing balance | 36 812 | 64 832 | 11 246 | (7 997) | 104 893 |

The increase in provisions is mostly due to delays that were initially experienced on receiving injury on duty claims from the Compensation Commission due to a new system that was introduced by the commission in the current year. When the system was fully operational there was a huge influx of claims received from the commission which could not be processed all at once and resulted in an increase in the injury on duty provision.

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

| NOTE | 2016/17 R'000 | 2015/16 R'000 |
|------|------------------|------------------|
|------|------------------|------------------|

30. RELATED PARTIES

30.1 Related parties falling under the Ministry of Finance Portfolio

1. The Financial and Fiscal Commission (FFC)
2. Financial Intelligence Centre (FIC)
3. Development Bank of Southern Africa Limited (DBSA)
4. Accounting Standards Board (ASB)
5. Financial Services Board (FSB)
6. Public Investment Corporation (PIC)
7. South African Revenue Service (SARS)
8. SASRIA Limited (SASRIA)
9. The Land and Agricultural Development Bank of South Africa (Land Bank)
10. Government Employee Pension Fund (GEPPF)
11. Independent Regulatory Board for Auditors (IRBA)
12. Financial Advisory Intermediary Services (FAIS) Ombudsman
13. Office of the Pension Fund Adjudicator (OPFA)
14. The Co-operative Banks Development Agency (CBDA)
15. Government Pensions Administration Agency (GPAA)
16. Government Technical Advisory Centre (GTAC)
17. South African Airways (SAA)
18. Office of the Tax Ombud (OTO)

30.2 Related party in-kind goods and services provided

| NAME | NATURE | SPACE OCCUPIED (M ²) | 2016/17 R'000 | 2015/16 R'000 |
|---|--------------------------------------|-------------------------------------|------------------|------------------|
| FINANCIAL | | | | |
| CBDA | Office space occupied | 754 | 1 792 | 2 090 |
| Government Technical Advisory Centre (GTAC) | Office space occupied | 4 213 | 8 842 | 10 251 |
| Department of Public Works | Building occupied (40 Church Square) | | 5 425 | 5 118 |
| ESAAG | Office space occupied | 139 | 482 | - |
| TOTAL | | | 16 541 | 17 459 |

Office space occupied by CBDA 754 m² (2015/16: 718 m²) and GTAC 4 213 m² (2015/16: 3 410 m²) at National Treasury office building without paying rental and municipal services. In the current year, the East and Southern African Association of Accountants-General (ESAAG) was also provided office space on the 27th floor at 240 Madiba Street.

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

| | NOTE | 2016/17 R'000 | 2015/16 R'000 |
|---|------|-------------------|-------------------|
| 29.3 Related party transactions | | | |
| Payments made to GTAC | | | |
| <i>Municipal Finance Improvement Programme</i> | | | |
| Goods and services: Consultancy services | | 122 671 | 121 455 |
| <i>Neighbourhood Development Partnership Grant</i> | | | |
| Goods and services: Consultancy services | | 15 190 | 25 895 |
| Total | | 137 861 | 147 350 |
| Year-end balances arising from revenue/payments | | | |
| Receivables from GTAC | | 118 347 | 189 245 |
| Payables to GTAC | | 1 008 | - |
| Total | | 119 355 | 189 245 |
| Prior year amount was restated in line with the Modified Cash Standard. | | | |
| Guarantees issued to related parties | | | |
| South African Airways | | 17 749 800 | 14 393 764 |
| Land Bank | | 3 792 728 | 5 304 378 |
| Development Bank of Southern Africa | | 4 041 536 | 4 355 552 |
| Total | | 25 584 064 | 24 053 694 |

30. KEY MANAGEMENT PERSONNEL

| | NO. OF INDIVIDUALS | | |
|--------------------------|--------------------|---------------|---------------|
| Political office bearers | 2 | 4 211 | 4 416 |
| Officials: | | | |
| Level 15 to 16 | 13 | 16 822 | 16 045 |
| Level 14 | 73 | 77 238 | 70 348 |
| Total | | 98 271 | 90 809 |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

| | NOTE | 2016/17 R'000 | 2015/16 R'000 |
|--|------|------------------|------------------|
| 31. NON-ADJUSTING EVENTS AFTER THE REPORTING DATE | | | |
| Tenders awarded after year-end | | 1 881 | - |
| Legal claim against the department received after year-end | | 50 545 | - |
| Settlement of the Gautrain loan | | 1 257 434 | - |
| Payment made to SAA after year-end | | 2 207 900 | - |
| Total | | 3 517 760 | - |

Legal claims were received against the Minister of Finance subsequent to the reporting. The long-term loan issued to the Gauteng Provincial Government in 2008/09 financial year for the Gautrain including interest charged was settled in full in April 2017. Payment was made to SAA for full settlement of the Standard Chartered Bank short-term bridging facility which was due on 30 June 2017.

32. MOVABLE TANGIBLE CAPITAL ASSETS

Movement in movable tangible capital assets per asset register for the year ended 31 March 2017

| | OPENING BALANCE R'000 | CURRENT YEAR ADJUSTMENTS TO PRIOR YEAR BALANCES R'000 | ADDITIONS R'000 | DISPOSALS R'000 | CLOSING BALANCE R'000 |
|--------------------------------------|-----------------------------|--|--------------------|--------------------|-----------------------------|
| Machinery and equipment | 152 220 | | 45 085 | (8 226) | 189 079 |
| Transport assets | 5 427 | | 962 | - | 6 389 |
| Computer equipment | 81 508 | 1 453 | 42 283 | (7 451) | 117 793 |
| Furniture and office equipment | 18 405 | (684) | 326 | (334) | 17 713 |
| Other machinery and equipment | 46 880 | (769) | 1 514 | (441) | 47 184 |
| Total movable tangible assets | 152 220 | - | 45 085 | (8 226) | 189 079 |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

| | | | NOTE | 2016/17 R'000 | 2015/16 R'000 |
|---|---------------|----------|--|---|------------------|
| 32.1 Additions | | | | | |
| | CASH | NON-CASH | (CAPITAL WORK IN PROGRESS CURRENT COSTS AND FINANCE LEASE PAYMENTS) | RECEIVED CURRENT NOT PAID (PAID CURRENT YEAR RECEIVED PRIOR YEAR) | TOTAL |
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Machinery and equipment | 46 385 | - | (1 300) | - | 45 085 |
| Transport assets | 962 | - | - | - | 962 |
| Computer equipment | 42 283 | - | - | - | 42 283 |
| Furniture and office equipment | 326 | - | - | - | 326 |
| Other machinery and equipment | 2 814 | - | (1 300) | - | 1 514 |
| Total additions of movable tangible capital assets | 46 385 | - | (1 300) | - | 45 085 |

MOVABLE TANGIBLE CAPITAL ASSETS UNDER INVESTIGATION

| | NUMBER | VALUE R'(000) |
|-------------------------|--------|------------------|
| Machinery and equipment | 96 | 1 633 |

32.2 Disposals

Disposals of movable tangible capital assets per asset register for the year ended 31 March 2017

| | ASSETS SOLD | TRANSFER OUT OR DESTROYED OR SCRAPPED | TOTAL DISPOSALS | CASH RECEIVED ACTUAL |
|--|--------------|---|--------------------|----------------------------|
| | R'000 | R'000 | R'000 | R'000 |
| Machinery and equipment | 1 495 | 6 731 | 8 226 | |
| Transport assets | - | - | - | |
| Computer equipment | 1 489 | 5 962 | 7 451 | 136 |
| Furniture and office equipment | 6 | 328 | 334 | |
| Other machinery and equipment | | 441 | 441 | |
| Total disposal of movable tangible capital assets | 1 495 | 6 731 | 8 226 | 136 |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

| | NOTE | 2016/17 R'000 | 2015/16 R'000 |
|--|------|------------------|------------------|
|--|------|------------------|------------------|

32.3 Movement for 2015/16

Movement in the movable tangible capital assets per asset register for the year ended 31 March 2016

| | OPENING BALANCE R'000 | CURRENT YEAR ADJUSTMENTS TO PRIOR YEAR BALANCES R'000 | ADDITIONS R'000 | DISPOSALS R'000 | CLOSING BALANCE R'000 |
|--------------------------------------|-----------------------------|---|--------------------|--------------------|-----------------------------|
| Machinery and equipment | 123 834 | (2) | 34 360 | (5 972) | 152 220 |
| Transport assets | 4 279 | - | 1 148 | - | 5 427 |
| Computer equipment | 60 931 | (319) | 25 403 | (4 507) | 81 508 |
| Furniture and office equipment | 18 783 | (105) | 453 | (726) | 18 405 |
| Other machinery and equipment | 39 841 | 422 | 7 356 | (739) | 46 880 |
| Total movable tangible assets | 123 834 | (2) | 34 360 | (5 972) | 152 220 |

33. MINOR ASSETS

Movement in minor assets per the asset register for the year ended 31 March 2017

| | INTANGIBLE ASSETS R'000 | HERITAGE ASSETS R'000 | MACHINERY AND EQUIPMENT R'000 | BIOLOGICAL ASSETS R'000 | CLOSING BALANCE R'000 |
|--|-------------------------------|-----------------------------|--|-------------------------------|-----------------------------|
| Opening balance | - | - | 32 929 | - | 32 929 |
| Current year adjustment to prior year balances | - | - | - | - | - |
| Additions | - | - | 645 | - | 645 |
| Disposal | - | - | (997) | - | (997) |
| Total | - | - | 32 577 | - | 32 577 |

| | MACHINERY AND EQUIPMENT | TOTAL |
|-------------------------------------|----------------------------|---------------|
| Number of minor assets at cost | 21 208 | 21 208 |
| Total number of minor assets | 21 208 | 21 208 |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

| | NOTE | 2016/17 R'000 | 2015/16 R'000 | | |
|--|-------------------------------|-----------------------------|-------------------------------------|-------------------------------|-----------------------------|
| Minor assets under investigation included in the asset register | | NUMBER | AMOUNT (R'000) | | |
| Machinery and equipment | 311 | | 521 | | |
| Movement in minor assets per the asset register for the year ended 31 March 2016 | | | | | |
| | INTANGIBLE ASSETS R'000 | HERITAGE ASSETS R'000 | MACHINERY AND EQUIPMENT R'000 | BIOLOGICAL ASSETS R'000 | CLOSING BALANCE R'000 |
| Opening balance | - | - | 33 570 | - | 33 570 |
| Additions | - | - | 523 | - | 523 |
| Disposals | - | - | (1 164) | - | (1 164) |
| Total | - | - | 32 929 | - | 32 929 |
| | | | MACHINERY AND EQUIPMENT | TOTAL | |
| Number of minor assets at cost | | | 22 501 | 22 501 | |
| Total number of minor assets | | | 22 501 | 22 501 | |

34. MOVABLE ASSETS WRITTEN OFF

Movable assets written off for the year ended 31 March 2017

| | INTANGIBLE ASSETS R'000 | HERITAGE ASSETS R'000 | SPECIALISED MILITARY ASSETS R'000 | MACHINERY AND EQUIPMENT R'000 | CLOSING BALANCE R'000 |
|--------------------|-------------------------------|-----------------------------|--|--|-----------------------------|
| Assets written off | - | - | - | 5 351 | 5 351 |
| Total | - | - | - | 5 351 | 5 351 |

Movable assets written off for the year ended 31 March 2016

| | INTANGIBLE ASSETS R'000 | HERITAGE ASSETS R'000 | SPECIALISED MILITARY ASSETS R'000 | MACHINERY AND EQUIPMENT R'000 | CLOSING BALANCE R'000 |
|--------------------|-------------------------------|-----------------------------|--|--|-----------------------------|
| Assets written off | - | - | - | 6 529 | 6 529 |
| Total | - | - | - | 6 529 | 6 529 |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

| | NOTE | 2016/17 R'000 | 2015/16 R'000 |
|--|------|------------------|------------------|
|--|------|------------------|------------------|

35. INTANGIBLE CAPITAL ASSETS

Movement in Intangible Capital Assets per the asset register for the year ended 31 March 2017

| | OPENING BALANCE R'000 | CURRENT YEAR ADJUSTMENTS TO PRIOR YEAR BALANCES R'000 | ADDITIONS R'000 | DISPOSALS R'000 | CLOSING BALANCE R'000 |
|--------------------------|-----------------------------|---|--------------------|--------------------|-----------------------------|
| Computer Software | 105 646 | - | 21 853 | - | 127 499 |
| Capital Work-in-progress | - | | 394 241 | | 394 241 |
| Total | 105 646 | - | 416 094 | - | 521 740 |

Capital Work-in-progress relates to the once-off bulk purchase of IFMS perpetual software licenses in order to take advantage of savings over the medium to long-term when considering the total cost of software ownership as opposed to the prohibitively expensive option of subscribing to software licenses at the time of deployment.

35.1 Additions

Additions to Intangible capital assets per asset register for the year ended 31 March 2017

| | CASH R'000 | NON-CASH R'000 | (DEVELOPMENT WORK-IN- PROGRESS CURRENT COSTS) R'000 | RECEIVED CURRENT NOT PAID (PAID CURRENT YEAR RECEIVED PRIOR YEAR) R'000 | TOTAL R'000 |
|---|---------------|-------------------|---|---|----------------|
| Description | | | | | |
| Computer Software | 21 853 | - | 394 241 | - | 416 094 |
| Total additions of Intangible capital assets | 21 853 | - | 394 241 | - | 416 094 |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

| | NOTE | 2016/17 R'000 | 2015/16 R'000 |
|--|------|------------------|------------------|
|--|------|------------------|------------------|

35.2 Disposals

Disposals of Intangible capital assets per asset register for the year ended 31 March 2017

| Description | ASSETS SOLD R'000 | TRANSFER OUT OR DESTROYED OR SCRAPPED R'000 | TOTAL DISPOSALS R'000 | CASH RECEIVED ACTUAL R'000 |
|--|----------------------|--|--------------------------|-------------------------------|
| Computer Software | - | - | - | - |
| Total Disposal of Intangible capital assets | - | - | - | - |

35.3 Intangible Capital Assets

Movement in Intangible Capital Assets per the asset register for the year ended 31 March 2016

| | OPENING BALANCE R'000 | PRIOR PERIOD ERROR R'000 | ADDITIONS R'000 | DISPOSALS R'000 | CLOSING BALANCE R'000 |
|--------------------------|--------------------------|-----------------------------|--------------------|--------------------|--------------------------|
| Computer Software | - | 99 610 | - | - | 99 610 |
| Capital Work-in-progress | - | - | 6 036 | - | 6 036 |
| Total | - | 99 610 | 6 036 | - | 105 646 |

35.4 Prior year error

2015/16

Nature of the prior year error

Computer software that was not recorded and disclosed in the prior years

105 646

Prior period error amount relates to the Safety-web system (R7.2 million), the Retail Bonds Back Office system (R26.9 million), the IFMS (PMM) Module (R52.1 million) and the Central Database system (R13.4 million). Additions to prior year amount relate to e-Procurement system (R5.1 million) and off-the-shelf software relating mSCOA (R888 000). Cash additions in the current year relate to the Central Database system (R14.9 million) and e-Procurement system (R6.9 million). Work-in-progress additions in the current year relates to the Integrated Financial Management System (R394.2 million) which is still under construction. The legacy system i.e. BAS, PERSAL, LOGIS and Vulindlela are recorded at R1 in line with Modified Cash Standard. It must be noted that the capital portion relating to the old bespoke (hybrid) IFMS system was impaired by SITA in March 2014 after the Commercial-Off-The-Shelf (COTS) solution architecture was approved by Cabinet, hence there was no restatement of prior year amount on IFMS.

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

| | NOTE | 2016/17 | 2015/16 |
|--|------|---------|---------|
| | | R'000 | R'000 |

36. IMMOVABLE TANGIBLE CAPITAL ASSETS

Movement in Immovable Tangible Capital Assets per the asset register for the year ended 31 March 2017

| | OPENING BALANCE | CURRENT YEAR ADJUSTMENTS TO PRIOR YEAR BALANCES | ADDITIONS | DISPOSALS | CLOSING BALANCE |
|------------------------|--------------------|---|-----------|-----------|--------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Other fixed Structures | 1 062 | - | - | - | 1 062 |
| Total | 1 062 | - | - | - | 1 062 |

36.1 Additions

Additions to immovable tangible capital assets per asset register for the year ended 31 March 2017

| | CASH | NON-CASH | (CAPITAL WORK- IN-PROGRESS CURRENT COSTS AND FINANCE LEASE PAYMENTS) | RECEIVED CURRENT NOT PAID (PAID CURRENT YEAR RECEIVED PRIOR YEAR) | TOTAL |
|--|-------|----------|--|---|-------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Description | | | | | |
| Other Fixed Structures | - | - | - | - | - |
| Total additions of immovable tangible capital assets | - | - | - | - | - |

36.2 Disposals

Disposals of immovable tangible capital assets per asset register for the year ended 31 March 2017

| | ASSETS SOLD | TRANSFER OUT OR DESTROYED OR SCRAPPED | TOTAL DISPOSALS | CASH RECEIVED ACTUAL |
|---|-------------|---|--------------------|----------------------------|
| | R'000 | R'000 | R'000 | R'000 |
| Description | | | | |
| Other fixed structures | - | - | - | - |
| Total disposal of immovable tangible capital assets | - | - | - | - |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

| | NOTE | 2016/17 R'000 | 2015/16 R'000 |
|--|------|------------------|------------------|
|--|------|------------------|------------------|

36.3 Immovable Tangible Capital Assets

Movement in immovable tangible capital assets per the asset register for the year ended 31 March 2016

| | OPENING BALANCE R'000 | CURRENT YEAR ADJUSTMENTS TO PRIOR YEAR BALANCES R'000 | ADDITIONS R'000 | DISPOSALS R'000 | CLOSING BALANCE R'000 |
|------------------------|-----------------------------|---|--------------------|--------------------|-----------------------------|
| Other fixed structures | 951 | - | 118 | (7) | 1 062 |
| Total | 951 | - | 118 | (7) | 1 062 |

37. PRINCIPAL-AGENT ARRANGEMENTS

37.1 Department acting as the principal – fees paid

| | 2016/17 R'000 | 2015/16 R'000 |
|---|------------------|------------------|
| Government Pension Administration Agency (GPAA) | 61 278 | 56 586 |
| Government Technical Assistance Centre (GTAC) | - | - |
| Total | 61 278 | 56 586 |

The department is party to a principal-agent arrangement with the Government Pensions Administration Agency which render administration services on behalf of the National Treasury with respect to Post-Retirement Medical subsidies, Military Pensions, Injury on Duty, Special Pensions and other pensions in relation to Judges, former State Presidents, Magistrates and Parliamentary Office Bearers and other administration as agreed between the Parties and specified in the Administration Agreement. The department pays fees to the Agency for the administration services that the agency renders on behalf of the National Treasury in terms of the Administration Agreement and there will be no possible cost implication if the arrangement is terminated. Resources that are under the custodianship of the agent are recognised and recorded by the agent. The prior year amount was restated to include only the fees paid to the agency in terms of the arrangement in line with the Modified Cash Standard. National Treasury allocated R9 billion to the Employment Creation Facilitation Fund for the Jobs Fund and the GTAC took over from the DBSA as implementing agent of the Jobs Fund on 01 April 2015, however, there are no fees payable in this arrangement.

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

| | NOTE | 2016/17 R'000 | 2015/16 R'000 |
|---|--------|------------------|------------------|
| 38. PRIOR PERIOD ERRORS | | | |
| 38.1 Correction of prior period errors | | | |
| Revenue | | | |
| Conditional grants received | 1.1&39 | | 25 895 |
| Cash received not recognised – amount received | 2.5 | | 87 701 |
| Cash received not recognised – amount paid to NRF | 2.5 | | (87 701) |
| Net effect | | | 25 895 |

Restatement of the Neighbourhood Development Partnership Grant (NDPG) DORA schedule 6(b) indirect grant which was not presented in the prior year as part of disclosures. This amount was recognised in the financial statements as part of annual appropriation. It was corrected to achieve adequate presentation of financial information and there was no impact on the disclosed AFS balances. Cash received but not recognised was restated for presentation purposes and there was no impact on the disclosed AFS balances.

| | | 2016/17 R'000 |
|--|---|------------------|
| Expenditure | | |
| Goods and services – computer services | 5 | (6 036) |
| Goods and services – consumables | 5 | (4 402) |
| Goods and services – Other operating expenditure | 5 | 4 402 |
| Expenditure for capital assets – intangible assets | 8 | 6 036 |
| Total | | - |

Prior year errors on good and services, and expenditure for capital assets were due to reclassification of expenditure in line with the requirements of the Modified Cash Standard. Affected AFS balances were adjusted accordingly.

Irregular Expenditure

| | | |
|--|----|---------------|
| Irregular expenditure - relating to prior year | 26 | 16 948 |
| Irregular expenditure - condoned | 26 | (3 550) |
| Total | | 13 398 |

The prior year error amount was due to irregular expenditure that was identified in the current year. The irregular expenditure was due to contract variation that was implemented without obtaining proper approval from the relevant authority. Total amount of irregular expenditure incurred was R7.038 million (2016/17 – R3.488 million and 2015/16 – R3.550 million). Intention to issue warning letters was communicated to the responsible officials.

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

| | NOTE | 2016/17 R'000 | 2015/16 R'000 |
|--|------|------------------|------------------|
| Intangible capital assets | | | |
| Opening balance - relating to prior year | 35.3 | | 99 610 |
| Additions – prior year | 35.3 | | 6 036 |
| Total | | | 105 646 |
| <p>Prior period error amount relates to the Safety-web system (R7.2 million), the Retail Bonds Back Office system (R26.9 million), the IFMS (PMM) Module (R52.1 million) and the Central Database system (R13.4 million). Additions to prior year amount relate to e-Procurement system (R5.1 million) and off-the-shelf software relating m-SCOA (R888 000). These amounts were restated in line with the Modified Cash Standard.</p> | | | |
| Transfers and subsidies – unspent funds | 7 | | 3 908 303 |
| <p>Under transfers and subsidies, the amount was restated for presentation purposes and there was no impact on the disclosed AFS balances in line with Modified Cash Standard.</p> | | | |
| Principal-Agency Relationships | | | |
| Prior year comparative amount | 37.1 | | 56 586 |
| <p>The prior year amount was restated to include only the fees paid to the agency in terms of the arrangement in line with the Modified Cash Standard</p> | | | |

PART E: FINANCIAL INFORMATION - Continued

for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

39. STATEMENT OF CONDITIONAL GRANTS RECEIVED

| NAME OF CONDITIONAL GRANT | GRANT ALLOCATION (2016/17) | | | | | | SPENT (2016/17) | | | | 2015/16 | |
|--|----------------------------|-----------|------------------|-------------------|------------------|-------------------------------|----------------------------|----------------------|--|-------------------------|----------------------------|--|
| | Division of Revenue Act | Rollovers | DORA Adjustments | Other Adjustments | Total Available | Amount received by department | Amount spent by department | Under / overspending | % of available funds spent by department | Division of Revenue Act | Amount spent by department | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | |
| Local Government Financial Management Grant | 465 264 | - | - | - | 465 264 | 465 264 | 465 264 | - | 100% | 452 491 | 452 491 | |
| Neighbourhood Development Partners Grant | 624 000 | - | - | - | 624 000 | 624 000 | 591 860 | 32 140 | 95% | 607 000 | 583 575 | |
| Infrastructure Skills Development Grant | 130 471 | - | - | - | 130 471 | 130 471 | 130 471 | - | 100% | 124 465 | 124 465 | |
| Integrated Cities Development Grant | 266 805 | - | - | - | 266 805 | 266 805 | 266 805 | - | 100% | 251 300 | 251 300 | |
| Total conditional grants paid to municipalities | 1 486 540 | - | - | - | 1 486 540 | 1 486 540 | 1 454 400 | 32 140 | 98% | 1 435 256 | 1 411 831 | |
| Neighbourhood Development Partners Indirect Grant | 22 209 | - | - | - | 22 209 | 22 209 | 15 190 | 7 019 | 68% | 25 895 | 13 410 | |
| Total conditional grants received | 1 508 749 | | | | 1 508 749 | 1 508 749 | 1 469 590 | 39 159 | 97% | 1 461 151 | 1 425 241 | |

The Neighbourhood Development Partners Indirect Grant was restated to include all conditional grants received as depicted in the Division of Revenue Act. The funds for the Neighbourhood Development Partnership Indirect Grant are paid to the GTAC bank account as and when needed according to the approved payments schedule on goods and services.

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

39.1 STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

39.1.1 INTEGRATED CITIES DEVELOPMENT GRANT

| NAME OF MUNICIPALITY | GRANT ALLOCATION (2016/17) | | | | | TRANSFER (2016/17) | | |
|----------------------|----------------------------------|--------------------|----------------------|--------------------------|--------------------------|-------------------------|--|--|
| | Division of Revenue Act R'000 | Rollovers R'000 | Adjustments R'000 | Total Available R'000 | Actual Transfer R'000 | Funds Withheld R'000 | Re-allocation by The National Treasury or National Department R'000 | |
| Buffalo City | 6 080 | - | - | 6 080 | 6 080 | - | - | |
| Nelson Mandela Bay | 9 276 | - | - | 9 276 | 9 276 | - | - | |
| Mangaung | 10 912 | - | - | 10 912 | 10 912 | - | - | |
| Ekurhuleni | 38 078 | - | - | 38 078 | 38 078 | - | - | |
| City of Johannesburg | 64 746 | - | - | 64 746 | 64 746 | - | - | |
| City of Tshwane | 42 652 | - | - | 42 652 | 42 652 | - | - | |
| Ethekwini | 50 256 | - | - | 50 256 | 50 256 | - | - | |
| City of Cape Town | 44 805 | - | - | 44 805 | 44 805 | - | - | |
| Total | 266 805 | - | - | 266 805 | 266 805 | - | - | |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

39.1.2 NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT

| NAME OF MUNICIPALITY | GRANT ALLOCATION (2016/17) | | | | TRANSFER (2016/17) | | |
|-----------------------------------|----------------------------|-----------|-----------------|-----------------|--------------------|----------------|---|
| | Division of Revenue Act | Rollovers | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by The National Treasury or National Department |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| City of Cape Town Metropolitan | 12 215 | - | 12 965 | 25 180 | 25 180 | - | - |
| City of Johannesburg Metropolitan | 60 730 | - | - | 60 730 | 60 730 | - | - |
| City of Tshwane Metropolitan | 48 500 | - | - | 48 500 | 48 500 | - | - |
| Ekurhuleni Metropolitan | 41 234 | - | 27 466 | 68 700 | 68 700 | - | - |
| eThekweni Metropolitan | 51 100 | - | 8 853 | 59 953 | 59 953 | - | - |
| Nelson Mandela Bay | 21 476 | - | (11 086) | 10 390 | 10 390 | - | - |
| Mogale City | 46 910 | - | (46 910) | - | - | - | - |
| Buffalo City | 19 346 | - | (19 346) | - | - | - | - |
| City of Matielosa | 26 052 | - | 9 273 | 35 325 | 35 325 | - | - |
| Emfuleni | 12 240 | - | (3 105) | 9 135 | 9 135 | - | - |
| Mbombela | 48 637 | - | 32 140 | 80 777 | 48 637 | 32 140 | - |
| Polokwane | 34 538 | - | - | 34 538 | 34 538 | - | - |
| Mangaung | 60 543 | - | (23 768) | 36 775 | 36 775 | - | - |
| Musunduzi | 22 110 | - | - | 22 110 | 22 110 | - | - |
| Newcastle | 28 323 | - | - | 28 323 | 28 323 | - | - |
| Rustenburg | 7 465 | - | (7 465) | - | - | - | - |
| Subtotal carried forward | 541 419 | | (20 983) | 520 436 | 488 296 | 32 140 | - |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

39.1.2 NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT - CONTINUED

| NAME OF MUNICIPALITY | GRANT ALLOCATION (2016/17) | | | | TRANSFER (2016/17) | | |
|--------------------------|----------------------------------|--------------------|----------------------|--------------------------|--------------------------|-------------------------|--|
| | Division of Revenue Act R'000 | Rollovers R'000 | Adjustments R'000 | Total Available R'000 | Actual Transfer R'000 | Funds Withheld R'000 | Re-allocation by The National Treasury or National Department R'000 |
| Subtotal brought forward | 541 419 | - | (20 983) | 520 436 | 520 436 | 32 140 | - |
| Emalahleni/Witbank | 33 081 | - | (23 081) | 10 000 | 10 000 | - | - |
| Sol Plaatjje | 7 500 | - | 17 500 | 25 000 | 25 000 | - | - |
| Kwadukuza | 11 000 | - | 4 690 | 15 690 | 15 690 | - | - |
| Ndwedwe | 11 000 | - | (3 920) | 7 080 | 7 080 | - | - |
| West Rand | 10 000 | - | 8 850 | 18 850 | 18 850 | - | - |
| Knysna | 10 000 | - | (7 000) | 3 000 | 3 000 | - | - |
| Amatole | - | - | 2 000 | 2 000 | 2 000 | - | - |
| Mandeni | - | - | 13 400 | 13 400 | 13 400 | - | - |
| Greater Tubatse | - | - | 8 544 | 8 544 | 8 544 | - | - |
| Total | 624 000 | - | - | 624 000 | 591 860 | 32 140 | - |

PART E: FINANCIAL INFORMATION - Continued

for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**39.1 STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES - CONTINUED****39.1.3 INFRASTRUCTURE DEVELOPMENT GRANT**

| NAME OF MUNICIPALITY | GRANT ALLOCATION (2016/17) | | | | TRANSFER (2016/17) | | |
|---|----------------------------------|--------------------|----------------------|--------------------------|--------------------------|-------------------------|--|
| | Division of Revenue Act R'000 | Rollovers R'000 | Adjustments R'000 | Total Available R'000 | Actual Transfer R'000 | Funds Withheld R'000 | Re-allocation by The National Treasury or National Department R'000 |
| Buffalo City | 9 000 | - | - | 9 000 | 9 000 | - | - |
| Nelson Mandela Bay | 14 500 | - | - | 14 500 | 14 500 | - | - |
| Enoch Mgijima | 1 120 | - | - | 1 120 | 1 120 | - | - |
| King Sabata Dalindyebo | 5 000 | - | - | 5 000 | 5 000 | - | - |
| Alfred Nzo District Municipality | 5 000 | - | - | 5 000 | 5 000 | - | - |
| City of Johannesburg | 7 700 | - | - | 7 700 | 7 700 | - | - |
| Rand West | 3 300 | - | - | 3 300 | 3 300 | - | - |
| eThekweni | 28 500 | - | - | 28 500 | 28 500 | - | - |
| uMhlatuze | 6 500 | - | - | 6 500 | 6 500 | - | - |
| Polokwane | 6 000 | - | - | 6 000 | 6 000 | - | - |
| Govan Mbeki | 14 000 | - | - | 14 000 | 14 000 | - | - |
| Gert Sibande District Municipality | 5 500 | - | - | 5 500 | 5 500 | - | - |
| Sol Plaatje | 3 700 | - | - | 3 700 | 3 700 | - | - |
| John Taolo Gaetsewe District Municipality | 3 000 | - | - | 3 000 | 3 000 | - | - |
| Lukhanji | 1 680 | - | - | 1 680 | 1 680 | - | - |
| City of Cape Town | 9 416 | - | - | 9 416 | 9 416 | - | - |
| George | 3 700 | - | - | 3 700 | 3 700 | - | - |
| Vhembe | 2 855 | - | - | 2 855 | 2 855 | - | - |
| Total | 130 471 | - | - | 130 471 | 130 471 | - | - |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

| 39.1.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT | GRANT ALLOCATION (2016/17) | | | | | TRANSFER (2016/17) | | |
|--|---|-------------------------|-----------|-------------|-----------------|--------------------|----------------|---|
| | NAME OF MUNICIPALITY | Division of Revenue Act | Rollovers | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by The National Treasury or National Department |
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| | IKail Garib | 2 010 | - | - | 2 010 | 2 010 | - | - |
| | IKheis | 2 010 | - | - | 2 010 | 2 010 | - | - |
| | Abaqulusi | 1 625 | - | - | 1 625 | 1 625 | - | - |
| | Albert Luthuli | 1 625 | - | - | 1 625 | 1 625 | - | - |
| | Alfred Duma | 3 450 | - | - | 3 450 | 3 450 | - | - |
| | Alfred Nzo District Municipality | 1 460 | - | - | 1 460 | 1 460 | - | - |
| | Amahlathi | 1 625 | - | - | 1 625 | 1 625 | - | - |
| | Amajuba District Municipality | 1 500 | - | - | 1 500 | 1 500 | - | - |
| | Amatole District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - |
| | Ba-Phalaborwa | 1 810 | - | - | 1 810 | 1 810 | - | - |
| | Beaufort West | 1 625 | - | - | 1 625 | 1 625 | - | - |
| | Bela Bela | 1 625 | - | - | 1 625 | 1 625 | - | - |
| | Bergvliet | 1 475 | - | - | 1 475 | 1 475 | - | - |
| | Big Five Hlabisa | 3 650 | - | - | 3 650 | 3 650 | - | - |
| | Bitou | 1 475 | - | - | 1 475 | 1 475 | - | - |
| | Blouberg | 2 433 | - | - | 2 433 | 2 433 | - | - |
| | Blue Crane Route | 1 625 | - | - | 1 625 | 1 625 | - | - |
| | Bojanala Platinum District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - |
| | Subtotal carried forward | 33 523 | - | - | 33 523 | 33 523 | - | - |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

39.1.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT - CONTINUED

| NAME OF MUNICIPALITY | GRANT ALLOCATION (2016/17) | | | | TRANSFER (2016/17) | | |
|--------------------------------------|----------------------------|-----------|-------------|-----------------|--------------------|----------------|---|
| | Division of Revenue Act | Rollovers | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by The National Treasury or National Department |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Subtotal brought forward | 33 523 | - | - | 33 523 | 33 523 | - | - |
| Breede Valley | 1 475 | - | - | 1 475 | 1 475 | - | - |
| Buffalo City | 1 300 | - | - | 1 300 | 1 300 | - | - |
| Bushbuckridge | 1 810 | - | - | 1 810 | 1 810 | - | - |
| Cape Agulhas | 1 475 | - | - | 1 475 | 1 475 | - | - |
| Cape Winelands District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - |
| Capricorn District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - |
| Cederberg | 1 475 | - | - | 1 475 | 1 475 | - | - |
| Central Karoo District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - |
| Chris Hani District Municipality | 1 500 | - | - | 1 500 | 1 500 | - | - |
| City of Cape Town | 1 050 | - | - | 1 050 | 1 050 | - | - |
| City of Johannesburg | 1 050 | - | - | 1 050 | 1 050 | - | - |
| City of Matlosana | 1 810 | - | - | 1 810 | 1 810 | - | - |
| City of Mbombela | 3 250 | - | - | 3 250 | 3 250 | - | - |
| City of Tshwane | 2 875 | - | - | 2 875 | 2 875 | - | - |
| Dannhauser | 1 825 | - | - | 1 825 | 1 825 | - | - |
| David Kruiper | 3 635 | - | - | 3 635 | 3 635 | - | - |
| Dihlabeng | 1 625 | - | - | 1 625 | 1 625 | - | - |
| Dikgatlong | 2 010 | - | - | 2 010 | 2 010 | - | - |
| Dipaleseng | 1 825 | - | - | 1 825 | 1 825 | - | - |
| Ditsobotla | 1 810 | - | - | 1 810 | 1 810 | - | - |
| Subtotal carried forward | 69 073 | - | - | 69 073 | - | - | - |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

| 39.1.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT - CONTINUED | NAME OF MUNICIPALITY | GRANT ALLOCATION (2016/17) | | | | TRANSFER (2016/17) | | |
|--|---|----------------------------|-----------|-------------|-----------------|--------------------|----------------|---|
| | | Division of Revenue Act | Rollovers | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by The National Treasury or National Department |
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| | Balance brought forward | 69 073 | - | - | 69 073 | - | - | - |
| | Dr Beyers Naude | 5 460 | - | - | 5 460 | 5 460 | - | - |
| | Dr JS Moroka | 1 625 | - | - | 1 625 | 1 625 | - | - |
| | Dr Kenneth Kaunda District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - |
| | Dr Nkosazana Dlamini Zuma | 3 650 | - | - | 3 650 | 3 650 | - | - |
| | Dr Ruth Segomotsi Mompoti District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - |
| | Drakenstein | 1 475 | - | - | 1 475 | 1 475 | - | - |
| | Eden District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - |
| | eDumbe | 1 825 | - | - | 1 825 | 1 825 | - | - |
| | Ehlanzeni District Municipality | 1 500 | - | - | 1 500 | 1 500 | - | - |
| | Ekurhuleni | 1 050 | - | - | 1 050 | 1 050 | - | - |
| | Elias Motsoaledi | 1 625 | - | - | 1 625 | 1 625 | - | - |
| | Elundini | 1 625 | - | - | 1 625 | 1 625 | - | - |
| | EMadlangeni | 1 825 | - | - | 1 825 | 1 825 | - | - |
| | Emakhazeni | 1 825 | - | - | 1 825 | 1 825 | - | - |
| | Emalahleni (EC) | 2 010 | - | - | 2 010 | 2 010 | - | - |
| | Emalahleni (MP) | 1 810 | - | - | 1 810 | 1 810 | - | - |
| | Emfuleni | 1 475 | - | - | 1 475 | 1 475 | - | - |
| | Emthanjeni | 1 625 | - | - | 1 625 | 1 625 | - | - |
| | Endumeni | 1 625 | - | - | 1 625 | 1 625 | - | - |
| | Engcobo | 1 625 | - | - | 1 625 | 1 625 | - | - |
| | Subtotal carried forward | 106 478 | - | - | 106 478 | 106 478 | - | - |

PART E: FINANCIAL INFORMATION - Continued

for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

| 39.1.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT - CONTINUED | GRANT ALLOCATION (2016/17) | | | | TRANSFER (2016/17) | | |
|--|----------------------------|-----------|-------------|-----------------|--------------------|----------------|---|
| | Division of Revenue Act | Rollovers | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by The National Treasury or National Department |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| NAME OF MUNICIPALITY | | | | | | | |
| Balance brought forward | 106 478 | - | - | 106 478 | 106 478 | - | - |
| Enoch Mgijima | 5 460 | - | - | 5 460 | 5 460 | - | - |
| Ephraim Mogale | 1 810 | - | - | 1 810 | 1 810 | - | - |
| eThekweni | 1 050 | - | - | 1 050 | 1 050 | - | - |
| Fezile Dabi District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - |
| Frances Baard District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - |
| Gamagara | 1 625 | - | - | 1 625 | 1 625 | - | - |
| Ga-Segwanyana | 1 810 | - | - | 1 810 | 1 810 | - | - |
| George | 1 475 | - | - | 1 475 | 1 475 | - | - |
| Gert Sibande District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - |
| Govan Mbeki | 1 625 | - | - | 1 625 | 1 625 | - | - |
| Great Kei | 2 010 | - | - | 2 010 | 2 010 | - | - |
| Greater Giyani | 1 810 | - | - | 1 810 | 1 810 | - | - |
| Greater Kokstad | 1 825 | - | - | 1 825 | 1 825 | - | - |
| Greater Letaba | 1 810 | - | - | 1 810 | 1 810 | - | - |
| Greater Taung | 2 010 | - | - | 2 010 | 2 010 | - | - |
| Greater Tzaneen | 1 810 | - | - | 1 810 | 1 810 | - | - |
| Hantam | 1 825 | - | - | 1 825 | 1 825 | - | - |
| Harry Gwala District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - |
| Hessequa | 1 475 | - | - | 1 475 | 1 475 | - | - |
| iLembe District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - |
| Subtotal carried forward | 142 158 | - | - | 142 158 | 142 158 | - | - |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

39.1.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT - CONTINUED

| NAME OF MUNICIPALITY | GRANT ALLOCATION (2016/17) | | | | TRANSFER (2016/17) | | |
|--------------------------------------|----------------------------|-----------|-------------|-----------------|--------------------|----------------|---|
| | Division of Revenue Act | Rollovers | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by The National Treasury or National Department |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Balance brought forward | 142 158 | - | - | 142 158 | 142 158 | - | - |
| Impendle | 1 825 | - | - | 1 825 | 1 825 | - | - |
| iNkosi Langalibalele | 3 450 | - | - | 3 450 | 3 450 | - | - |
| Intsika Yethu | 1 810 | - | - | 1 810 | 1 810 | - | - |
| Inxuba Yethemba | 1 810 | - | - | 1 810 | 1 810 | - | - |
| Joe Gqabi | 1 250 | - | - | 1 250 | 1 250 | - | - |
| Joe Morolong | 1 810 | - | - | 1 810 | 1 810 | - | - |
| John Taolo Gaetsewe | 1 250 | - | - | 1 250 | 1 250 | - | - |
| Jozini | 1 825 | - | - | 1 825 | 1 825 | - | - |
| Kagisano Molopo | 2 749 | - | - | 2 749 | 2 749 | - | - |
| Kamiesberg | 2 010 | - | - | 2 010 | 2 010 | - | - |
| Kannaland | 1 810 | - | - | 1 810 | 1 810 | - | - |
| Kareeberg | 1 825 | - | - | 1 825 | 1 825 | - | - |
| Karoo Hoogland | 1 825 | - | - | 1 825 | 1 825 | - | - |
| Kgatelopele | 2 010 | - | - | 2 010 | 2 010 | - | - |
| Kgetlengrivier | 2 010 | - | - | 2 010 | 2 010 | - | - |
| Khai-Ma | 1 825 | - | - | 1 825 | 1 825 | - | - |
| King Cetshwayo District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - |
| King Sabata Dalindyebo | 1 810 | - | - | 1 810 | 1 810 | - | - |
| Knysna | 1 475 | - | - | 1 475 | 1 475 | - | - |
| Kopanong | 1 625 | - | - | 1 625 | 1 625 | - | - |
| Subtotal carried forward | 179 412 | - | - | 179 412 | 179 412 | - | - |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

| 39.1.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT - CONTINUED | NAME OF MUNICIPALITY | GRANT ALLOCATION (2016/17) | | | | TRANSFER (2016/17) | | |
|--|-------------------------------------|----------------------------|-----------|-------------|-----------------|--------------------|----------------|---|
| | | Division of Revenue Act | Rollovers | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by The National Treasury or National Department |
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| | Balance brought forward | 179 412 | - | - | 179 412 | 179 412 | - | - |
| | Kouga | 1 625 | - | - | 1 625 | 1 625 | - | - |
| | Kou-kamma | 1 825 | - | - | 1 825 | 1 825 | - | - |
| | Kwa Sani | 1 725 | - | - | 1 725 | 1 725 | - | - |
| | KwaDukuza | 1 725 | - | - | 1 725 | 1 725 | - | - |
| | Laingsburg | 1 725 | - | - | 1 725 | 1 725 | - | - |
| | Langeberg | 1 475 | - | - | 1 475 | 1 475 | - | - |
| | Lejweleputswa District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - |
| | Lekwa | 1 625 | - | - | 1 625 | 1 625 | - | - |
| | Lekwa-Teemane | 1 810 | - | - | 1 810 | 1 810 | - | - |
| | Lepelle-Nkumpi | 1 810 | - | - | 1 810 | 1 810 | - | - |
| | Lephalale | 1 625 | - | - | 1 625 | 1 625 | - | - |
| | Lesedi | 1 475 | - | - | 1 475 | 1 475 | - | - |
| | Letsemeng | 1 825 | - | - | 1 825 | 1 825 | - | - |
| | LIM 368 | 3 635 | - | - | 3 635 | 3 635 | - | - |
| | LIM 345 | 2 010 | - | - | 2 010 | 2 010 | - | - |
| | LIM476 | 3 635 | - | - | 3 635 | 3 635 | - | - |
| | Madibeng | 1 625 | - | - | 1 625 | 1 625 | - | - |
| | Mafikeng | 1 810 | - | - | 1 810 | 1 810 | - | - |
| | Subtotal carried forward | 213 647 | - | - | 213 647 | 213 467 | - | - |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

39.1.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT - CONTINUED

| NAME OF MUNICIPALITY | GRANT ALLOCATION (2016/17) | | | | TRANSFER (2016/17) | | |
|---------------------------------|----------------------------------|--------------------|----------------------|--------------------------|--------------------------|-------------------------|--|
| | Division of Revenue Act R'000 | Rollovers R'000 | Adjustments R'000 | Total Available R'000 | Actual Transfer R'000 | Funds Withheld R'000 | Re-allocation by The National Treasury or National Department R'000 |
| Balance brought forward | 213 647 | - | - | 213 647 | 213 467 | - | - |
| Mafube | 2 010 | - | - | 2 010 | 2 010 | - | - |
| Magareng | 1 825 | - | - | 1 825 | 1 825 | - | - |
| Makana | 1 810 | - | - | 1 810 | 1 810 | - | - |
| Makhado | 1 625 | - | - | 1 625 | 1 625 | - | - |
| Makhuduthamaga | 1 625 | - | - | 1 625 | 1 625 | - | - |
| Maluti-a-Phofung | 1 810 | - | - | 1 810 | 1 810 | - | - |
| Mamusa | 2 010 | - | - | 2 010 | 2 010 | - | - |
| Mandeni | 1 825 | - | - | 1 825 | 1 825 | - | - |
| Mangaung | 3 310 | - | - | 3 310 | 3 310 | - | - |
| Mantsopa | 1 810 | - | - | 1 810 | 1 810 | - | - |
| Maphumulo | 1 825 | - | - | 1 825 | 1 825 | - | - |
| Maquassi Hills | 1 810 | - | - | 1 810 | 1 810 | - | - |
| Maruleng | 1 825 | - | - | 1 825 | 1 825 | - | - |
| Masilonyana | 1 825 | - | - | 1 825 | 1 825 | - | - |
| Matatiele | 1 625 | - | - | 1 625 | 1 625 | - | - |
| Matjhabeng | 1 810 | - | - | 1 810 | 1 810 | - | - |
| Matzikama | 1 475 | - | - | 1 475 | 1 475 | - | - |
| Mbhashe | 1 625 | - | - | 1 625 | 1 625 | - | - |
| Mbizana | 1 810 | - | - | 1 810 | 1 810 | - | - |
| Merafong City | 1 625 | - | - | 1 625 | 1 625 | - | - |
| Subtotal carried forward | 250 562 | - | - | 250 562 | 250 562 | - | - |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

39.1.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT - CONTINUED

| NAME OF MUNICIPALITY | GRANT ALLOCATION (2016/17) | | | | TRANSFER (2016/17) | | |
|---------------------------------|----------------------------|-----------|-------------|-----------------|--------------------|----------------|---|
| | Division of Revenue Act | Rollovers | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by The National Treasury or National Department |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Balance brought forward | 250 562 | - | - | 250 562 | 250 562 | - | - |
| Metsimaholo | 1 625 | - | - | 1 625 | 1 625 | - | - |
| Mfolozi | 1 825 | - | - | 1 825 | 1 825 | - | - |
| Mhlontlo | 2 010 | - | - | 2 010 | 2 010 | - | - |
| Midvaal | 1 475 | - | - | 1 475 | 1 475 | - | - |
| Mkhambathini | 1 825 | - | - | 1 825 | 1 825 | - | - |
| Mkhondo | 1 810 | - | - | 1 810 | 1 810 | - | - |
| Mnquma | 1 625 | - | - | 1 625 | 1 625 | - | - |
| Mogalakwena | 1 625 | - | - | 1 625 | 1 625 | - | - |
| Mogale City | 1 475 | - | - | 1 475 | 1 475 | - | - |
| Mohokare | 1 825 | - | - | 1 825 | 1 825 | - | - |
| Molemole | 2 233 | - | - | 2 233 | 2 233 | - | - |
| Mopani District Municipality | 1 460 | - | - | 1 460 | 1 460 | - | - |
| Moghaka | 1 810 | - | - | 1 810 | 1 810 | - | - |
| Moretele | 1 810 | - | - | 1 810 | 1 810 | - | - |
| Moses Kotane | 1 625 | - | - | 1 625 | 1 625 | - | - |
| Mossel Bay | 1 475 | - | - | 1 475 | 1 475 | - | - |
| Mpoofana | 1 825 | - | - | 1 825 | 1 825 | - | - |
| Msinga | 1 825 | - | - | 1 825 | 1 825 | - | - |
| Subtotal carried forward | 281 745 | - | - | 281 745 | 281 745 | - | - |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

39.1.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT - CONTINUED

| NAME OF MUNICIPALITY | GRANT ALLOCATION (2016/17) | | | | TRANSFER (2016/17) | | |
|---|----------------------------------|--------------------|----------------------|--------------------------|--------------------------|-------------------------|--|
| | Division of Revenue Act R'000 | Rollovers R'000 | Adjustments R'000 | Total Available R'000 | Actual Transfer R'000 | Funds Withheld R'000 | Re-allocation by The National Treasury or National Department R'000 |
| Balance brought forward | 281 745 | - | - | 281 745 | 281 745 | - | - |
| Msukaligwa | 1 810 | - | - | 1 810 | 1 810 | - | - |
| Msunduzi | 1 625 | - | - | 1 625 | 1 625 | - | - |
| Mthonjaneni | 2 738 | - | - | 2 738 | 2 738 | - | - |
| Mtubatuba | 1 825 | - | - | 1 825 | 1 825 | - | - |
| Musina | 1 825 | - | - | 1 825 | 1 825 | - | - |
| Nala | 2 010 | - | - | 2 010 | 2 010 | - | - |
| Naledi | 1 625 | - | - | 1 625 | 1 625 | - | - |
| Nama Khoi | 1 810 | - | - | 1 810 | 1 810 | - | - |
| Namakwa District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - |
| Ndlambe | 1 825 | - | - | 1 825 | 1 825 | - | - |
| Ndwedwe | 1 825 | - | - | 1 825 | 1 825 | - | - |
| Nelson Mandela | 1 050 | - | - | 1 050 | 1 050 | - | - |
| Newcastle | 1 625 | - | - | 1 625 | 1 625 | - | - |
| Ngaka Modiri Molema District Municipality | 1 460 | - | - | 1 460 | 1 460 | - | - |
| Ngqushwa | 2 010 | - | - | 2 010 | 2 010 | - | - |
| Ngquza Hill | 1 625 | - | - | 1 625 | 1 625 | - | - |
| Ngwathe | 1 810 | - | - | 1 810 | 1 810 | - | - |
| Nkandla | 1 825 | - | - | 1 825 | 1 825 | - | - |
| Nkangala District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - |
| Subtotal carried forward | 314 568 | - | - | 314 568 | 314 568 | - | - |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

39.1.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT - CONTINUED

| NAME OF MUNICIPALITY | GRANT ALLOCATION (2016/17) | | | | TRANSFER (2016/17) | | |
|--------------------------------------|----------------------------|-----------|-------------|-----------------|--------------------|----------------|---|
| | Division of Revenue Act | Rollovers | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by The National Treasury or National Department |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Balance brought forward | 314 568 | - | - | 314 568 | 314 568 | - | - |
| Nketoana | 1 625 | - | - | 1 625 | 1 625 | - | - |
| Nkomazi | 1 625 | - | - | 1 625 | 1 625 | - | - |
| Nongoma | 1 825 | - | - | 1 825 | 1 825 | - | - |
| Nquthu | 1 825 | - | - | 1 825 | 1 825 | - | - |
| Ntbankulu | 1 825 | - | - | 1 825 | 1 825 | - | - |
| NW405 | 3 635 | - | - | 3 635 | 3 635 | - | - |
| Nyandeni | 1 625 | - | - | 1 625 | 1 625 | - | - |
| O.R. Tambo District Municipality | 1 710 | - | - | 1 710 | 1 710 | - | - |
| Okhahlamba | 1 825 | - | - | 1 825 | 1 825 | - | - |
| Oudtshoorn | 1 475 | - | - | 1 475 | 1 475 | - | - |
| Overberg District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - |
| Overstrand | 1 475 | - | - | 1 475 | 1 475 | - | - |
| Phokwane | 1 810 | - | - | 1 810 | 1 810 | - | - |
| Phumelela | 2 010 | - | - | 2 010 | 2 010 | - | - |
| Pixley Ka Seme | 1 625 | - | - | 1 625 | 1 625 | - | - |
| Pixley Ka Seme District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - |
| Polokwane | 2 619 | - | - | 2 619 | 2 619 | - | - |
| Port St Johns | 1 825 | - | - | 1 825 | 1 825 | - | - |
| Prince Albert | 1 625 | - | - | 1 625 | 1 625 | - | - |
| Subtotal carried forward | 349 052 | - | - | 349 052 | 349 052 | - | - |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

| 39.1.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT - CONTINUED | GRANT ALLOCATION (2016/17) | | | | TRANSFER (2016/17) | | | |
|--|--------------------------------------|----------------------------------|--------------------|----------------------|--------------------------|--------------------------|-------------------------|--|
| | NAME OF MUNICIPALITY | Division of Revenue Act R'000 | Rollovers R'000 | Adjustments R'000 | Total Available R'000 | Actual Transfer R'000 | Funds Withheld R'000 | Re-allocation by The National Treasury or National Department R'000 |
| | Balance brought forward | 349 052 | - | - | 349 052 | 349 052 | - | - |
| | Ramotshere Moiloa | 1 810 | - | - | 1 810 | 1 810 | - | - |
| | Rand West City | 2 950 | - | - | 2 950 | 2 950 | - | - |
| | Ratlou | 1 825 | - | - | 1 825 | 1 825 | - | - |
| | Ray Nkonyeni | 3 450 | - | - | 3 450 | 3 450 | - | - |
| | Raymond Mhlaba | 3 650 | - | - | 3 650 | 3 650 | - | - |
| | Renosterberg | 2 010 | - | - | 2 010 | 2 010 | - | - |
| | Richmond | 1 825 | - | - | 1 825 | 1 825 | - | - |
| | Richtersveld | 1 825 | - | - | 1 825 | 1 825 | - | - |
| | Rustenburg | 1 625 | - | - | 1 625 | 1 625 | - | - |
| | Sakhisizwe | 1 625 | - | - | 1 625 | 1 625 | - | - |
| | Saldanha Bay | 1 475 | - | - | 1 475 | 1 475 | - | - |
| | Sarah Baartman District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - |
| | Sedibeng District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - |
| | Sekhukhune District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - |
| | Senqu | 1 625 | - | - | 1 625 | 1 625 | - | - |
| | Setsotho | 1 625 | - | - | 1 625 | 1 625 | - | - |
| | Siyancuma | 2 010 | - | - | 2 010 | 2 010 | - | - |
| | Subtotal carried forward | 382 132 | - | - | 382 132 | 382 142 | - | - |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

| 39.1.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT - CONTINUED | GRANT ALLOCATION (2016/17) | | | | TRANSFER (2016/17) | | |
|--|----------------------------|-----------|-------------|-----------------|--------------------|----------------|---|
| | Division of Revenue Act | Rollovers | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by The National Treasury or National Department |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Balance brought forward | 382 132 | - | - | 382 132 | 382 142 | - | - |
| Siyathemba | 2 010 | - | - | 2 010 | 2 010 | - | - |
| Sol Plaatje | 1 625 | - | - | 1 625 | 1 625 | - | - |
| Stellenbosch | 1 475 | - | - | 1 475 | 1 475 | - | - |
| Steve Tshwete | 1 625 | - | - | 1 625 | 1 625 | - | - |
| Sundays River Valley | 2 010 | - | - | 2 010 | 2 010 | - | - |
| Swartland | 1 475 | - | - | 1 475 | 1 475 | - | - |
| Swellendam | 1 625 | - | - | 1 625 | 1 625 | - | - |
| Thaba Chweu | 1 810 | - | - | 1 810 | 1 810 | - | - |
| Thabazimbi | 1 810 | - | - | 1 810 | 1 810 | - | - |
| Thabo Mofutsanyana | 1 250 | - | - | 1 250 | 1 250 | - | - |
| Theewaterskloof | 1 625 | - | - | 1 625 | 1 625 | - | - |
| Thembelihle | 2 010 | - | - | 2 010 | 2 010 | - | - |
| Thembisile | 1 625 | - | - | 1 625 | 1 625 | - | - |
| Thulamela | 1 625 | - | - | 1 625 | 1 625 | - | - |
| Tokologo | 1 825 | - | - | 1 825 | 1 825 | - | - |
| Tsantsabane | 2 010 | - | - | 2 010 | 2 010 | - | - |
| Tswaing | 2 010 | - | - | 2 010 | 2 010 | - | - |
| Tswelopele | 1 825 | - | - | 1 825 | 1 825 | - | - |
| Subtotal carried forward | 413 402 | - | - | 413 402 | 413 402 | - | - |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

39.1.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT - CONTINUED

| NAME OF MUNICIPALITY | GRANT ALLOCATION (2016/17) | | | | TRANSFER (2016/17) | | |
|-------------------------------------|----------------------------------|--------------------|----------------------|--------------------------|--------------------------|-------------------------|--|
| | Division of Revenue Act R'000 | Rollovers R'000 | Adjustments R'000 | Total Available R'000 | Actual Transfer R'000 | Funds Withheld R'000 | Re-allocation by The National Treasury or National Department R'000 |
| Balance brought forward | 413 402 | - | - | 413 402 | 413 402 | - | - |
| Ubuhebezwe | 1 825 | - | - | 1 825 | 1 825 | - | - |
| Ubuntu | 1 825 | - | - | 1 825 | 1 825 | - | - |
| Ugu District Municipality | 1 460 | - | - | 1 460 | 1 460 | - | - |
| Ulundi | 1 725 | - | - | 1 725 | 1 725 | - | - |
| uMdoni | 3 835 | - | - | 3 835 | 3 835 | - | - |
| uMgungundlovu District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - |
| Umhlabuyalingana | 1 825 | - | - | 1 825 | 1 825 | - | - |
| uMhlatuze | 2 537 | - | - | 2 537 | 2 537 | - | - |
| Umkhanyakude District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - |
| uMlalazi | 1 625 | - | - | 1 625 | 1 625 | - | - |
| uMngeni | 1 625 | - | - | 1 625 | 1 625 | - | - |
| uMshwathi | 1 825 | - | - | 1 825 | 1 825 | - | - |
| Umsobomvu | 1 825 | - | - | 1 825 | 1 825 | - | - |
| uMuziwabantu | 1 825 | - | - | 1 825 | 1 825 | - | - |
| Umvoti | 1 725 | - | - | 1 725 | 1 725 | - | - |
| Umzimvubu | 1 625 | - | - | 1 625 | 1 625 | - | - |
| Umzinyathi District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - |
| Subtotal carried forward | 444 259 | - | - | 444 259 | 444 259 | - | - |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

39.1.4 LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT - CONTINUED

| NAME OF MUNICIPALITY | GRANT ALLOCATION (2016/17) | | | | TRANSFER (2016/17) | | |
|-----------------------------------|----------------------------|-----------|-------------|-----------------|--------------------|----------------|---|
| | Division of Revenue Act | Rollovers | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by The National Treasury or National Department |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Balance brought forward | 444 259 | - | - | 444 259 | 444 259 | - | - |
| Umzumbhe | 1 825 | - | - | 1 825 | 1 825 | - | - |
| uPhongolo | 1 825 | - | - | 1 825 | 1 825 | - | - |
| Uthukela District Municipality | 1 460 | - | - | 1 460 | 1 460 | - | - |
| Vhembe District Municipality | 1 460 | - | - | 1 460 | 1 460 | - | - |
| Victor Khanye | 1 625 | - | - | 1 625 | 1 625 | - | - |
| Walter Sisulu | 3 835 | - | - | 3 835 | 3 835 | - | - |
| Waterberg District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - |
| West Coast District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - |
| West Rand District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - |
| Witzenberg | 1 475 | - | - | 1 475 | 1 475 | - | - |
| Xhariep District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - |
| Z.F. Mgcawu District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - |
| Zululand District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - |
| Subtotal carried forward | 465 264 | - | - | 465 264 | 465 264 | - | - |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: INTEGRATED CITIES DEVELOPMENT GRANT

| NAME OF MUNICIPALITY | GRANT ALLOCATION (2016/17) | | | TRANSFER (2016/17) | | | SPENT (2016/17) | | 2015/16 Division of Revenue Act | |
|----------------------|----------------------------|----------|-------------|--------------------|--------------------|-------------------|---|---------------------------------------|--|------------------------------------|
| | Division of Revenue Act | Rolovers | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by The National Treasury or National Department | Amount received by municipality | | Amount spent by municipality |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 |
| Buffalo City | 6 080 | - | - | 6 080 | 6 080 | - | - | 6 080 | - | 0% |
| Nelson Mandela Bay | 9 276 | - | - | 9 276 | 9 276 | - | - | 9 276 | 638 | 7% |
| Mangaung | 10 912 | - | - | 10 912 | 10 912 | - | - | 10 912 | 6 271 | 57% |
| Ekuhuleni | 38 078 | - | - | 38 078 | 38 078 | - | - | 38 078 | 5 405 | 14% |
| City of Johannesburg | 64 746 | - | - | 64 746 | 64 746 | - | - | 64 746 | 7 375 | 11% |
| City of Tshwane | 42 652 | - | - | 42 652 | 42 652 | - | - | 42 652 | 5 799 | 14% |
| Ethekwini | 50 256 | - | - | 50 256 | 50 256 | - | - | 50 256 | 41 001 | 82% |
| City of Cape Town | 44 805 | - | - | 44 805 | 44 805 | - | - | 44 805 | 17 291 | 39% |
| Total | 266 805 | - | - | 266 805 | 266 805 | - | - | 266 805 | 83 780 | 31% |
| | | | | | | | | | | 251 300 |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT

| NAME OF MUNICIPALITY | GRANT ALLOCATION (2016/17) | | | TRANSFER (2016/17) | | | SPENT (2016/17) | | | 2015/16 | |
|-----------------------------------|----------------------------|-----------|-----------------|--------------------|-----------------|----------------|---|---------------------------------|------------------------------|--|-------------------------|
| | Division of Revenue Act | Rollovers | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by The National Treasury or National Department | Amount received by municipality | Amount spent by municipality | % of available funds spent by municipality | Division of Revenue Act |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| City of Cape Town Metropolitan | 12 215 | - | 12 965 | 25 180 | 25 180 | - | - | 25 180 | 6 366 | 25% | 20 000 |
| City of Johannesburg Metropolitan | 60 730 | - | - | 60 730 | 60 730 | - | - | 60 730 | 6 735 | 11% | 60 000 |
| City of Tshwane Metropolitan | 48 500 | - | - | 48 500 | 48 500 | - | - | 48 500 | 38 989 | 80% | 60 000 |
| Ekurhuleni Metropolitan | 41 234 | - | 27 466 | 68 700 | 68 700 | - | - | 68 700 | 12 018 | 17% | 100 000 |
| eThekweni Metropolitan | 51 100 | - | 8 853 | 59 953 | 59 953 | - | - | 59 953 | 32 868 | 55% | 20 000 |
| Nelson Mandela | 21 476 | - | (11 086) | 10 390 | 10 390 | - | - | 10 390 | 5 088 | 49% | 10 000 |
| Mogale City | 46 910 | - | (46 910) | - | - | - | - | - | - | 0% | 70 000 |
| Buffalo City | 19 346 | - | (19 346) | - | - | - | - | - | - | 0% | 5 000 |
| City of Matlosana | 26 052 | - | 9 273 | 35 325 | 35 325 | - | - | 35 325 | 18 226 | 52% | 15 507 |
| Emfuleni | 12 240 | - | (3 105) | 9 135 | 9 135 | - | - | 9 135 | 3 240 | 35% | 9 623 |
| Mbombela | 48 637 | - | 32 140 | 80 777 | 48 637 | - | - | 48 637 | 33 432 | 69% | 20 000 |
| Polokwane | 34 538 | - | - | 34 538 | 34 538 | - | - | 34 538 | 13 697 | 40% | 25 000 |
| Mangaung | 60 543 | - | (23 768) | 36 775 | 36 775 | - | - | 36 775 | 12 589 | 34% | 20 000 |
| Misunduzi | 22 110 | - | - | 22 110 | 22 110 | - | - | 22 110 | 2 205 | 10% | 40 260 |
| Newcastle | 28 323 | - | - | 28 323 | 28 323 | - | - | 28 323 | 14 506 | 51% | 20 000 |
| Rustenburg | 7 465 | - | (7 465) | - | - | - | - | - | - | 0% | 14 610 |
| Subtotal carried forward | 541 419 | - | (20 983) | 520 436 | 488 296 | - | - | 488 296 | 199 959 | 41% | 510 000 |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT

| NAME OF MUNICIPALITY | GRANT ALLOCATION (2016/17) | | | | TRANSFER (2016/17) | | | SPENT (2016/17) | | | 2015/16 |
|---------------------------------|----------------------------|-----------|-----------------|-----------------|--------------------|----------------|---|---------------------------------|------------------------------|--|-------------------------|
| | Division of Revenue Act | Rollovers | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by The National Treasury or National Department | Amount received by municipality | Amount spent by municipality | % of available funds spent by municipality | Division of Revenue Act |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 |
| Subtotal brought forward | 541 419 | - | (20 983) | 520 436 | 488 296 | - | - | 488 296 | 199 959 | | 510 000 |
| Emalahleni/Witbank | 33 081 | - | (23 081) | 10 000 | 10 000 | - | - | 10 000 | 1 871 | 19% | 20 000 |
| Sol Plaatje | 7 500 | - | 17 500 | 25 000 | 25 000 | - | - | 25 000 | 5 615 | 22% | 22 000 |
| Kwadukuza | 11 000 | - | 4 690 | 15 690 | 15 690 | - | - | 15 690 | 14 057 | 90% | 20 000 |
| Ndwedwe | 11 000 | - | (3 920) | 7 080 | 7 080 | - | - | 7 080 | 7 080 | 100% | 5 000 |
| West Rand | 10 000 | - | 8 850 | 18 850 | 18 850 | - | - | 18 850 | 14 152 | 75% | 5 000 |
| Knysna | 10 000 | - | (7 000) | 3 000 | 3 000 | - | - | 3 000 | - | 0% | 25 000 |
| Amatole | - | - | 2 000 | 2 000 | 2 000 | - | - | 2 000 | 874 | 44% | |
| Mandeni | - | - | 13 400 | 13 400 | 13 400 | - | - | 13 400 | 6 182 | 46% | |
| Greater Tubatse | - | - | 8 544 | 8 544 | 8 544 | - | - | 8 544 | 8 544 | 100% | |
| Total | 624 000 | - | - | 624 000 | 591 860 | - | - | 591 860 | 258 334 | 44% | 607 000 |

PART E: FINANCIAL INFORMATION - Continued

for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**ANNEXURE 1A****STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: INFRASTRUCTURE SKILLS DEVELOPMENT GRANT**

| NAME OF MUNICIPALITY | GRANT ALLOCATION (2016/17) | | | TRANSFER (2016/17) | | | SPENT (2016/17) | | | 2015/16 Division of Revenue Act R'000 | |
|--|-------------------------------------|--------------------|----------------------|-----------------------------|-----------------------------|----------------------------|--|--|---|---|---|
| | Division of Revenue Act R'000 | Rollovers R'000 | Adjustments R'000 | Total Available R'000 | Actual Transfer R'000 | Funds Withheld R'000 | Re-allocation by The National Treasury or National Department R'000 | Amount received by municipality R'000 | Amount spent by municipality R'000 | | % of available funds spent by municipality % |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | | R'000 |
| Buffalo City | 9 000 | - | - | 9 000 | 9 000 | - | - | 9 000 | 1 381 | 15% | 8 500 |
| Nelson Mandela Bay | 14 500 | - | - | 14 500 | 14 500 | - | - | 14 500 | 1 409 | 10% | 9 000 |
| Enoch Mgijima | 1 120 | - | - | 1 120 | 1 120 | - | - | 1 120 | 430 | 38% | 2 800 |
| King Sabata Dalindyebo | 5 000 | - | - | 5 000 | 5 000 | - | - | 5 000 | 1 049 | 21% | 3 200 |
| Alfred Nzo District Municipality | 5 000 | - | - | 5 000 | 5 000 | - | - | 5 000 | 984 | 20% | 3 000 |
| City of Johannesburg | 7 700 | - | - | 7 700 | 7 700 | - | - | 7 700 | 1 256 | 16% | 7 700 |
| Rand West | 3 300 | - | - | 3 300 | 3 300 | - | - | 3 300 | 1 045 | 32% | 3 000 |
| eThekweni | 28 500 | - | - | 28 500 | 28 500 | - | - | 28 500 | 3 768 | 13% | 24 739 |
| uMhathuze | 6 500 | - | - | 6 500 | 6 500 | - | - | 6 500 | 740 | 11% | 7 500 |
| Polokwane | 6 000 | - | - | 6 000 | 6 000 | - | - | 6 000 | 754 | 13% | 5 000 |
| Govan Mbeki | 14 000 | - | - | 14 000 | 14 000 | - | - | 14 000 | 1 492 | 11% | 26 000 |
| Gert Sibande District Municipality | 5 500 | - | - | 5 500 | 5 500 | - | - | 5 500 | 1 202 | 22% | 7 000 |
| Sol Plaatjie | 3 700 | - | - | 3 700 | 3 700 | - | - | 3 700 | 221 | 6% | |
| John Taolo Gaetsewe District Municipality | 3 000 | - | - | 3 000 | 3 000 | - | - | 3 000 | 430 | 14% | |
| Lukhanji | 1 680 | - | - | 1 680 | 1 680 | - | - | 1 680 | | 0% | 3 500 |
| City of Cape Town | 9 416 | - | - | 9 416 | 9 416 | - | - | 9 416 | 2 075 | 22% | 3 000 |
| George | 3 700 | - | - | 3 700 | 3 700 | - | - | 3 700 | 818 | 22% | 7 526 |
| Vhembe | 2 855 | - | - | 2 855 | 2 855 | - | - | 2 855 | - | 0% | 3 000 |
| Total | 130 471 | - | - | 130 471 | 130 471 | - | - | 130 471 | 19 054 | 15% | 124 465 |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT

| NAME OF MUNICIPALITY | GRANT ALLOCATION (2016/17) | | | | TRANSFER (2016/17) | | | SPENT (2016/17) | | | 2015/16 |
|---------------------------------|----------------------------|-----------|-------------|-----------------|--------------------|----------------|---|---------------------------------|------------------------------|--|-------------------------|
| | Division of Revenue Act | Rollovers | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by The National Treasury or National Department | Amount received by municipality | Amount spent by municipality | % of available funds spent by municipality | Division of Revenue Act |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 |
| IKaifl Garib | 2 010 | - | - | 2 010 | 2 010 | - | - | 2 010 | 920 | 46% | 1 875 |
| IKheis | 2 010 | - | - | 2 010 | 2 010 | - | - | 2 010 | 1 279 | 64% | 1 875 |
| Abaqulusi | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 89 | 5% | 1 600 |
| Albert Luthuli | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 1 593 | 98% | 1 600 |
| Alfred Duma | 3 450 | - | - | 3 450 | 3 450 | - | - | 3 450 | 1 594 | 46% | 3 400 |
| Alfred Nzo | 1 460 | - | - | 1 460 | 1 460 | - | - | 1 460 | 1 114 | 76% | 1 600 |
| Amahlahi | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 1 163 | 72% | 1 325 |
| Amajuba District Municipality | 1 500 | - | - | 1 500 | 1 500 | - | - | 1 500 | 572 | 38% | 1 600 |
| Amatole District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - | 1 250 | 450 | 36% | 1 500 |
| Ba-Phalaborwa | 1 810 | - | - | 1 810 | 1 810 | - | - | 1 810 | 1 058 | 58% | 1 250 |
| Beaufort West | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 1 285 | 79% | 1 675 |
| Bela Bela | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 1 040 | 64% | 1 600 |
| Bergvriër | 1 475 | - | - | 1 475 | 1 475 | - | - | 1 475 | 531 | 36% | 1 600 |
| Big Five Hlabisa | 3 650 | - | - | 3 650 | 3 650 | - | - | 3 650 | 961 | 26% | 3 600 |
| Bitou | 1 475 | - | - | 1 475 | 1 475 | - | - | 1 475 | 451 | 31% | 1 450 |
| Blouberg | 2 433 | - | - | 2 433 | 2 433 | - | - | 2 433 | 1 358 | 56% | 1 450 |
| Blue Crane Route | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 783 | 48% | 1 800 |
| Bojanala Platinum | 1 250 | - | - | 1 250 | 1 250 | - | - | 1 250 | 486 | 39% | 1 600 |
| Subtotal carried forward | 33 523 | - | - | 33 523 | 33 523 | - | - | 33 523 | 16 727 | 50% | 32 400 |

PART E: FINANCIAL INFORMATION - Continued

for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT

| NAME OF MUNICIPALITY | GRANT ALLOCATION (2016/17) | | | TRANSFER (2016/17) | | | SPENT (2016/17) | | 2015/16 | |
|---------------------------------|----------------------------|-----------|-------------|--------------------|----------------|---|---------------------------------|------------------------------|--|---------------|
| | Division of Revenue Act | Rollovers | Adjustments | Actual Transfer | Funds Withheld | Re-allocation by The National Treasury or National Department | Amount received by municipality | Amount spent by municipality | % of available funds spent by municipality | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | |
| Subtotal brought forward | 33 523 | - | - | 33 523 | - | - | 33 523 | 16 727 | 50% | 32 400 |
| Breede Valley | 1 475 | - | - | 1 475 | - | - | 1 475 | 790 | 54% | 1 250 |
| Buffalo City | 1 300 | - | - | 1 300 | - | - | 1 300 | 379 | 29% | 1 450 |
| Bushbuckridge | 1 810 | - | - | 1 810 | - | - | 1 810 | 1 386 | 77% | 1 300 |
| Cape Agulhas | 1 475 | - | - | 1 475 | - | - | 1 475 | 1 466 | 99% | 1 675 |
| Cape Winelands | 1 250 | - | - | 1 250 | - | - | 1 250 | 932 | 75% | 1 800 |
| Capricorn District Municipality | 1 250 | - | - | 1 250 | - | - | 1 250 | 730 | 58% | 1 450 |
| Cederberg | 1 475 | - | - | 1 475 | - | - | 1 475 | 714 | 48% | 1 250 |
| Central Karoo | 1 250 | - | - | 1 250 | - | - | 1 250 | 510 | 41% | 1 250 |
| Chris Hani | 1 500 | - | - | 1 500 | - | - | 1 500 | 1 020 | 68% | 1 450 |
| City of Cape Town | 1 050 | - | - | 1 050 | - | - | 1 050 | 721 | 69% | 1 250 |
| City of Johannesburg | 1 050 | - | - | 1 050 | - | - | 1 050 | 704 | 67% | 1 500 |
| City of Matlosana | 1 810 | - | - | 1 810 | - | - | 1 810 | 494 | 27% | 1 050 |
| City of Mbombela | 3 250 | - | - | 3 250 | - | - | 3 250 | 1 287 | 40% | 3 200 |
| City of Tshwane | 2 875 | - | - | 2 875 | - | - | 2 875 | 2 875 | 100% | 1 675 |
| Dannhauser | 1 825 | - | - | 1 825 | - | - | 1 825 | 1 517 | 83% | 4 175 |
| Dawid Kruijer | 3 635 | - | - | 3 635 | - | - | 3 635 | 1 539 | 42% | 3 475 |
| Ditlhabeng | 1 625 | - | - | 1 625 | - | - | 1 625 | 872 | 54% | 1 600 |
| Dikgatlong | 2 010 | - | - | 2 010 | - | - | 2 010 | 1 834 | 91% | 1 875 |
| Subtotal carried forward | 65 438 | - | - | - | - | 65 438 | 36 497 | 56% | 65 075 | |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT

| NAME OF MUNICIPALITY | GRANT ALLOCATION (2016/17) | | | | TRANSFER (2016/17) | | | SPENT (2016/17) | | | 2015/16 |
|---------------------------------|----------------------------|-----------|-------------|-----------------|--------------------|----------------|---|---------------------------------|------------------------------|--|-------------------------|
| | Division of Revenue Act | Rollovers | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by The National Treasury or National Department | Amount received by municipality | Amount spent by municipality | % of available funds spent by municipality | Division of Revenue Act |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 |
| Subtotal brought forward | 65 438 | - | - | 65 438 | 65 438 | - | - | 65 438 | 36 497 | | 65 075 |
| Dipaleseng | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 568 | 31% | 1 800 |
| Ditsobotla | 1 810 | - | - | 1 810 | 1 810 | - | - | 1 810 | 1 275 | 70% | 1 675 |
| Dr Beyers Naude | 5 460 | - | - | 5 460 | 5 460 | - | - | 5 460 | 441 | 8% | 1 800 |
| Dr JS Moroka | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 521 | 32% | 1 250 |
| Dr Kenneth Kaunda | 1 250 | - | - | 1 250 | 1 250 | - | - | 1 250 | 974 | 78% | 1 250 |
| Dr Nkosazana | 3 650 | - | - | 3 650 | 3 650 | - | - | 3 650 | 2 985 | 82% | 3 600 |
| Dr Ruth Segomotsi Mompoti | 1 250 | - | - | 1 250 | 1 250 | - | - | 1 250 | 777 | 62% | 1 250 |
| Drakenstein | 1 475 | - | - | 1 475 | 1 475 | - | - | 1 475 | 1 053 | 71% | 1 800 |
| Eden District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - | 1 250 | 436 | 35% | 1 500 |
| eDumbe | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 1 521 | 83% | 1 050 |
| Ehlanzeni District Municipality | 1 500 | - | - | 1 500 | 1 500 | - | - | 1 500 | 336 | 22% | 1 600 |
| Ekurhuleni | 1 050 | - | - | 1 050 | 1 050 | - | - | 1 050 | 537 | 51% | 1 600 |
| Elias Motsoaledi | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 751 | 46% | 1 800 |
| Elundini | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 657 | 40% | 1 800 |
| EMadlangeni | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 1 569 | 86% | 1 875 |
| Emakhazeni | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 1 193 | 65% | 1 675 |
| Emalahleni (EC) | 2 010 | - | - | 2 010 | 2 010 | - | - | 2 010 | 1 045 | 52% | 1 450 |
| Emalahleni (MP) | 1 810 | - | - | 1 810 | 1 810 | - | - | 1 810 | 258 | 14% | 1 600 |
| Subtotal carried forward | 100 128 | - | - | 100 128 | 100 128 | - | - | 100 128 | 53 394 | 53% | 95 450 |

PART E: FINANCIAL INFORMATION - Continued

for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT

| NAME OF MUNICIPALITY | GRANT ALLOCATION (2016/17) | | | | TRANSFER (2016/17) | | | SPENT (2016/17) | | 2015/16 | |
|------------------------------------|----------------------------|-----------|-------------|-----------------|--------------------|----------------|---|---------------------------------|------------------------------|--|----------------|
| | Division of Revenue Act | Rollovers | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by The National Treasury or National Department | Amount received by municipality | Amount spent by municipality | % of available funds spent by municipality | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | |
| Subtotal brought forward | 100 128 | - | - | 100 128 | 100 128 | - | - | 100 128 | 53 394 | 53% | 95 450 |
| Emfuleni | 1 475 | - | - | 1 475 | 1 475 | - | - | 1 475 | 1 121 | 76% | 1 600 |
| Emthanjeni | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 1 625 | 100% | 1 600 |
| Endumeni | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 770 | 47% | 1 600 |
| Engcobo | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 1 419 | 87% | 1 675 |
| Enoch Mgijima | 5 460 | - | - | 5 460 | 5 460 | - | - | 5 460 | 656 | 12% | 5 275 |
| Ephraim Mogale | 1 810 | - | - | 1 810 | 1 810 | - | - | 1 810 | 502 | 28% | 1 800 |
| eThekweni | 1 050 | - | - | 1 050 | 1 050 | - | - | 1 050 | 1 050 | 100% | 1 800 |
| Fezile Dabi | 1 250 | - | - | 1 250 | 1 250 | - | - | 1 250 | 1 188 | 95% | 1 250 |
| Frances Baard | 1 250 | - | - | 1 250 | 1 250 | - | - | 1 250 | 677 | 54% | 1 250 |
| Gamagara | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 950 | 58% | 1 600 |
| Ga-Segwanyana | 1 810 | - | - | 1 810 | 1 810 | - | - | 1 810 | 1 077 | 60% | 1 875 |
| George | 1 475 | - | - | 1 475 | 1 475 | - | - | 1 475 | 699 | 47% | 1 675 |
| Gert Sibande District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - | 1 250 | 801 | 64% | 1 450 |
| Govan Mbeki | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 595 | 37% | 1 250 |
| Great Kei | 2 010 | - | - | 2 010 | 2 010 | - | - | 2 010 | 561 | 28% | 1 600 |
| Greater Giyani | 1 810 | - | - | 1 810 | 1 810 | - | - | 1 810 | 1 462 | 81% | 1 875 |
| Greater Kokstad | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 1 303 | 71% | 1 675 |
| Greater Letaba | 1 810 | - | - | 1 810 | 1 810 | - | - | 1 810 | 1 031 | 57% | 1 700 |
| Subtotal carried forward | 132 538 | - | - | 132 538 | 132 538 | - | - | 132 538 | 70 881 | 53% | 128 000 |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT

| NAME OF MUNICIPALITY | GRANT ALLOCATION (2016/17) | | | | TRANSFER (2016/17) | | | SPENT (2016/17) | | | 2015/16 |
|---|----------------------------|-----------|-------------|-----------------|--------------------|----------------|---|---------------------------------|------------------------------|--|-------------------------|
| | Division of Revenue Act | Rollovers | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by The National Treasury or National Department | Amount received by municipality | Amount spent by municipality | % of available funds spent by municipality | Division of Revenue Act |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 |
| Subtotal brought forward | 132 538 | - | - | 132 538 | 132 538 | - | - | 132 538 | 70 881 | 53% | 128 000 |
| Greater Taung | 2 010 | - | - | 2 010 | 2 010 | - | - | 2 010 | 883 | 44% | 1 675 |
| Greater Tzaneen | 1 810 | - | - | 1 810 | 1 810 | - | - | 1 810 | 1 335 | 74% | 1 875 |
| Hantam | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 1 216 | 67% | 1 675 |
| Harry Gwala District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - | 1 250 | 324 | 26% | 1 675 |
| Hessequa | 1 475 | - | - | 1 475 | 1 475 | - | - | 1 475 | 1 475 | 100% | 1 800 |
| iLembe District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - | 1 250 | 735 | 59% | 1 250 |
| Impendle | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 837 | 46% | 1 450 |
| iNkosi Langalibalele | 3 450 | - | - | 3 450 | 3 450 | - | - | 3 450 | 1 194 | 35% | 3 400 |
| Intsika Yethu | 1 810 | - | - | 1 810 | 1 810 | - | - | 1 810 | 760 | 42% | 1 800 |
| Inxuba Yethemba | 1 810 | - | - | 1 810 | 1 810 | - | - | 1 810 | 1 194 | 66% | 1 875 |
| Joe Gqabi District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - | 1 250 | 1 200 | 96% | 1 250 |
| Joe Morolong | 1 810 | - | - | 1 810 | 1 810 | - | - | 1 810 | 1 022 | 56% | 1 800 |
| John Taolo Gaetsewe District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - | 1 250 | 742 | 59% | 1 800 |
| Jozini | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 790 | 43% | 1 800 |
| Kagisano Molopo | 2 749 | - | - | 2 749 | 2 749 | - | - | 2 749 | 184 | 7% | 2 616 |
| Kamiesberg | 2 010 | - | - | 2 010 | 2 010 | - | - | 2 010 | 1 364 | 68% | 1 800 |
| Kannaland | 1 810 | - | - | 1 810 | 1 810 | - | - | 1 810 | 1 810 | 100% | 1 675 |
| Kareeberg | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 826 | 45% | 1 675 |
| Subtotal carried forward | 165 582 | - | - | 165 582 | 165 582 | - | - | 165 582 | 88 772 | 54% | 160 891 |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT

| NAME OF MUNICIPALITY | GRANT ALLOCATION (2016/17) | | | | TRANSFER (2016/17) | | | SPENT (2016/17) | | 2015/16 | |
|--------------------------------------|----------------------------|-----------|-------------|-----------------|--------------------|----------------|---|---------------------------------|------------------------------|--|-------------------------|
| | Division of Revenue Act | Rollovers | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by The National Treasury or National Department | Amount received by municipality | Amount spent by municipality | % of available funds spent by municipality | Division of Revenue Act |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 |
| Subtotal brought forward | 165 582 | - | - | 165 582 | 165 582 | - | - | 165 582 | 88 772 | 54% | 160 891 |
| Karoo Hoogland | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 1 630 | 89% | 1 250 |
| Kgatelopele | 2 010 | - | - | 2 010 | 2 010 | - | - | 2 010 | 1 285 | 64% | 1 675 |
| Kgetlengrivier | 2 010 | - | - | 2 010 | 2 010 | - | - | 2 010 | 1 079 | 54% | 1 250 |
| Khai-Ma | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 954 | 52% | 1 800 |
| King Cetshwayo District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - | 1 250 | 471 | 38% | 1 250 |
| King Sabata Dalindyebo | 1 810 | - | - | 1 810 | 1 810 | - | - | 1 810 | 1 120 | 62% | 1 875 |
| Knysna | 1 475 | - | - | 1 475 | 1 475 | - | - | 1 475 | 1 090 | 74% | 1 675 |
| Kopanong | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 900 | 55% | 1 800 |
| Kouga | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 421 | 26% | 1 800 |
| Kou-kamma | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 429 | 24% | 1 875 |
| Kwa Sani | 1 725 | - | - | 1 725 | 1 725 | - | - | 1 725 | 1 590 | 92% | 1 875 |
| KwaDukuza | 1 725 | - | - | 1 725 | 1 725 | - | - | 1 725 | 1 056 | 61% | 1 800 |
| Laingsburg | 1 725 | - | - | 1 725 | 1 725 | - | - | 1 725 | 958 | 56% | 1 675 |
| Langeberg | 1 475 | - | - | 1 475 | 1 475 | - | - | 1 475 | 1 212 | 82% | 1 450 |
| Lejweleputswa District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - | 1 250 | 652 | 52% | 1 600 |
| Lekwa | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 451 | 28% | 1 600 |
| Lekwa-Teemane | 1 810 | - | - | 1 810 | 1 810 | - | - | 1 810 | 336 | 19% | 1 800 |
| Lepelle-Nkumpi | 1 810 | - | - | 1 810 | 1 810 | - | - | 1 810 | 929 | 51% | 1 800 |
| Subtotal carried forward | 196 007 | - | - | 196 007 | 196 007 | - | - | 196 007 | 105 335 | 54% | 190 741 |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT

| NAME OF MUNICIPALITY | GRANT ALLOCATION (2016/17) | | | TRANSFER (2016/17) | | | SPENT (2016/17) | | | 2015/16 | |
|--------------------------|----------------------------|-----------|-------------|--------------------|-----------------|----------------|---|---------------------------------|------------------------------|--|-------------------------|
| | Division of Revenue Act | Rollovers | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by The National Treasury or National Department | Amount received by municipality | Amount spent by municipality | % of available funds spent by municipality | Division of Revenue Act |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 |
| Subtotal brought forward | 196 007 | - | - | 196 007 | 196 007 | - | - | 196 007 | 105 335 | 54% | 190 741 |
| Lephalale | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 1 624 | 100% | 1 700 |
| Lesedi | 1 475 | - | - | 1 475 | 1 475 | - | - | 1 475 | 1 120 | 76% | 1 700 |
| Letsemeng | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 1 440 | 79% | 1 450 |
| LIM 368 | 3 635 | - | - | 3 635 | 3 635 | - | - | 3 635 | 562 | 15% | 3 475 |
| LIM 345 | 2 010 | - | - | 2 010 | 2 010 | - | - | 2 010 | 198 | 10% | 3 400 |
| LIM476 | 3 635 | - | - | 3 635 | 3 635 | - | - | 3 635 | 2 127 | 59% | 3 550 |
| Madibeng | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 600 | 37% | 1 675 |
| Mafikeng | 1 810 | - | - | 1 810 | 1 810 | - | - | 1 810 | 968 | 53% | 1 600 |
| MaFube | 2 010 | - | - | 2 010 | 2 010 | - | - | 2 010 | 452 | 22% | 1 450 |
| Magareng | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 1 134 | 62% | 1 800 |
| Makana | 1 810 | - | - | 1 810 | 1 810 | - | - | 1 810 | 1 737 | 96% | 1 675 |
| Makhado | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 1 013 | 62% | 1 600 |
| Makhuduthamaga | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 1 026 | 63% | 1 675 |
| Maluti-a-Phofung | 1 810 | - | - | 1 810 | 1 810 | - | - | 1 810 | 46 | 3% | 1 875 |
| Mamusa | 2 010 | - | - | 2 010 | 2 010 | - | - | 2 010 | 420 | 21% | 1 800 |
| Mandeni | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 1 106 | 61% | 1 675 |
| Mangaung | 3 310 | - | - | 3 310 | 3 310 | - | - | 3 310 | 1 283 | 39% | 3 375 |
| Mantsopa | 1 810 | - | - | 1 810 | 1 810 | - | - | 1 810 | 1 484 | 82% | 1 600 |
| Subtotal carried forward | 233 307 | - | - | 233 307 | 233 307 | - | - | 233 307 | 123 675 | 53% | 227 816 |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT

| NAME OF MUNICIPALITY | GRANT ALLOCATION (2016/17) | | | | TRANSFER (2016/17) | | | SPENT (2016/17) | | 2015/16 | |
|---------------------------------|----------------------------|-----------|-------------|-----------------|--------------------|----------------|---|---------------------------------|------------------------------|--|----------------|
| | Division of Revenue Act | Rollovers | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by The National Treasury or National Department | Amount received by municipality | Amount spent by municipality | % of available funds spent by municipality | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | |
| Subtotal brought forward | 233 307 | - | - | 233 307 | 233 307 | - | - | 233 307 | 123 675 | 53% | 227 816 |
| Maphumulo | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 648 | 36% | 1 800 |
| Maquassi Hills | 1 810 | - | - | 1 810 | 1 810 | - | - | 1 810 | 300 | 17% | 1 675 |
| Maruleng | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 1 416 | 78% | 1 875 |
| Masilonyana | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 887 | 49% | 1 800 |
| Matatiele | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 764 | 47% | 1 300 |
| Matjhabeng | 1 810 | - | - | 1 810 | 1 810 | - | - | 1 810 | 1 515 | 84% | 1 675 |
| Matzikama | 1 475 | - | - | 1 475 | 1 475 | - | - | 1 475 | 1 162 | 79% | 1 800 |
| Mbhashe | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 1 625 | 100% | 1 675 |
| Mbizana | 1 810 | - | - | 1 810 | 1 810 | - | - | 1 810 | 861 | 48% | 1 800 |
| Merafong City | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 1 536 | 95% | 1 800 |
| Metsimaholo | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 391 | 24% | 1 600 |
| Mfolozi | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 916 | 50% | 1 675 |
| Mhlontlo | 2 010 | - | - | 2 010 | 2 010 | - | - | 2 010 | 756 | 38% | 1 450 |
| Midvaal | 1 475 | - | - | 1 475 | 1 475 | - | - | 1 475 | 842 | 57% | 1 600 |
| Mkhambathini | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 1 313 | 72% | 1 675 |
| Mkhondo | 1 810 | - | - | 1 810 | 1 810 | - | - | 1 810 | 742 | 41% | 1 600 |
| Mnquma | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 1 411 | 87% | 1 600 |
| Mogalakwena | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 1 057 | 65% | 1 600 |
| Subtotal carried forward | 264 382 | - | - | 264 382 | 264 382 | - | - | 264 382 | 141 817 | 54% | 257 816 |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT

| NAME OF MUNICIPALITY | GRANT ALLOCATION (2016/17) | | | | TRANSFER (2016/17) | | | SPENT (2016/17) | | | 2015/16 |
|---------------------------------|----------------------------|-----------|-------------|-----------------|--------------------|----------------|---|---------------------------------|------------------------------|--|-------------------------|
| | Division of Revenue Act | Rollovers | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by The National Treasury or National Department | Amount received by municipality | Amount spent by municipality | % of available funds spent by municipality | Division of Revenue Act |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 |
| Subtotal brought forward | 264 382 | - | - | 264 382 | 264 382 | - | - | 264 382 | 141 817 | 54% | 257 816 |
| Mogale City | 1 475 | - | - | 1 475 | 1 475 | - | - | 1 475 | 415 | 28% | 1 800 |
| Mohokare | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 579 | 32% | 1 875 |
| Molemole | 2 233 | - | - | 2 233 | 2 233 | - | - | 2 233 | 1 227 | 55% | 1 450 |
| Mopani District Municipality | 1 460 | - | - | 1 460 | 1 460 | - | - | 1 460 | 1 158 | 79% | 1 875 |
| Mochaka | 1 810 | - | - | 1 810 | 1 810 | - | - | 1 810 | 628 | 35% | 1 800 |
| Moretele | 1 810 | - | - | 1 810 | 1 810 | - | - | 1 810 | 700 | 39% | 1 675 |
| Moses Kotane | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 645 | 40% | 1 600 |
| Mossel Bay | 1 475 | - | - | 1 475 | 1 475 | - | - | 1 475 | 766 | 52% | 1 675 |
| Mpošana | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 1 270 | 70% | 1 600 |
| Msinga | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 250 | 14% | 1 450 |
| Msukaligwa | 1 810 | - | - | 1 810 | 1 810 | - | - | 1 810 | 345 | 19% | 1 800 |
| Msunduzi | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 1 071 | 66% | 1 600 |
| Mthonjaneni | 2 738 | - | - | 2 738 | 2 738 | - | - | 2 738 | 1 904 | 70% | 1 800 |
| Mtubatuba | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 533 | 29% | 1 325 |
| Musina | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 1 696 | 93% | 1 675 |
| Nala | 2 010 | - | - | 2 010 | 2 010 | - | - | 2 010 | 513 | 26% | 1 675 |
| Naledi | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 337 | 21% | 1 600 |
| Nama Khoi | 1 810 | - | - | 1 810 | 1 810 | - | - | 1 810 | 565 | 31% | 1 450 |
| Subtotal carried forward | 297 013 | - | - | 297 013 | 297 013 | - | - | 297 013 | 156 419 | 53% | 287 541 |

PART E: FINANCIAL INFORMATION - Continued

for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**ANNEXURE 1A****STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT**

| NAME OF MUNICIPALITY | GRANT ALLOCATION (2016/17) | | | | TRANSFER (2016/17) | | | SPENT (2016/17) | | | 2015/16 |
|---|----------------------------|-----------|-------------|-----------------|--------------------|----------------|---|---------------------------------|------------------------------|--|-------------------------|
| | Division of Revenue Act | Rollovers | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by The National Treasury or National Department | Amount received by municipality | Amount spent by municipality | % of available funds spent by municipality | Division of Revenue Act |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 |
| Subtotal brought forward | 297 013 | - | - | 297 013 | 297 013 | - | - | 297 013 | 156 419 | 53% | 287 541 |
| Namakwa District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - | 1 250 | 1 009 | 81% | 1 800 |
| Ndlambe | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 1 094 | 60% | 1 800 |
| Ndwedwe | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 545 | 30% | 1 675 |
| Nelson Mandela | 1 050 | - | - | 1 050 | 1 050 | - | - | 1 050 | 673 | 64% | 1 600 |
| Newcastle | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 1 449 | 89% | 1 800 |
| Ngaka Modiri Molema District Municipality | 1 460 | - | - | 1 460 | 1 460 | - | - | 1 460 | 222 | 15% | 1 800 |
| Ngqushwa | 2 010 | - | - | 2 010 | 2 010 | - | - | 2 010 | 1 799 | 90% | 1 800 |
| Ngqiza Hill | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 1 625 | 100% | 1 875 |
| Ngwathe | 1 810 | - | - | 1 810 | 1 810 | - | - | 1 810 | 1 659 | 92% | 1 875 |
| Nkandla | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 930 | 51% | 1 875 |
| Nkangala District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - | 1 250 | 1 199 | 96% | 1 600 |
| Nketoana | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 1 625 | 100% | 1 675 |
| Nkomazi | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 647 | 40% | 1 250 |
| Nongoma | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 1 229 | 67% | 1 800 |
| Nquthu | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 386 | 21% | 1 800 |
| Ntabankulu | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 804 | 44% | 1 050 |
| NW405 | 3 635 | - | - | 3 635 | 3 635 | - | - | 3 635 | 1 418 | 39% | 3 475 |
| Nyandeni | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 1 191 | 73% | 1 325 |
| Subtotal carried forward | 328 553 | - | - | 328 553 | 328 553 | - | - | 328 553 | 175 923 | 54% | 319 416 |

PART E: FINANCIAL INFORMATION - Continued

for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**ANNEXURE 1A****STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT**

| NAME OF MUNICIPALITY | GRANT ALLOCATION (2016/17) | | | | TRANSFER (2016/17) | | | SPENT (2016/17) | | | 2015/16 |
|--------------------------------------|----------------------------|-----------|-------------|-----------------|--------------------|----------------|---|---------------------------------|------------------------------|--|-------------------------|
| | Division of Revenue Act | Rollovers | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by The National Treasury or National Department | Amount received by municipality | Amount spent by municipality | % of available funds spent by municipality | Division of Revenue Act |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 |
| Subtotal brought forward | 328 553 | - | - | 328 553 | 328 553 | - | - | 328 553 | 175 923 | 54% | 319 416 |
| Q.R. Tambo District Municipality | 1 710 | - | - | 1 710 | 1 710 | - | - | 1 710 | 684 | 40% | 1 875 |
| Okhahlamba | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 518 | 28% | 1 600 |
| Oudtshoorn | 1 475 | - | - | 1 475 | 1 475 | - | - | 1 475 | 653 | 44% | 1 675 |
| Overberg District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - | 1 250 | 1 126 | 90% | 1 800 |
| Overstrand | 1 475 | - | - | 1 475 | 1 475 | - | - | 1 475 | 476 | 32% | 1 250 |
| Phokwane | 1 810 | - | - | 1 810 | 1 810 | - | - | 1 810 | 1 022 | 56% | 1 600 |
| Phumelela | 2 010 | - | - | 2 010 | 2 010 | - | - | 2 010 | 1 085 | 54% | 1 600 |
| Pixley Ka Seme | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 1 049 | 65% | 1 800 |
| Pixley Ka Seme District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - | 1 250 | 833 | 67% | 1 800 |
| Polokwane | 2 619 | - | - | 2 619 | 2 619 | - | - | 2 619 | 2 300 | 88% | 1 800 |
| Port St Johns | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 750 | 41% | 1 800 |
| Prince Albert | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 1 441 | 89% | 1 800 |
| Ramotshere Moiloa | 1 810 | - | - | 1 810 | 1 810 | - | - | 1 810 | 1 129 | 62% | 1 800 |
| Rand West City | 2 950 | - | - | 2 950 | 2 950 | - | - | 2 950 | 762 | 26% | 2 900 |
| Ratlou | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 1 056 | 58% | 1 575 |
| Ray Nkonyeni | 3 450 | - | - | 3 450 | 3 450 | - | - | 3 450 | 1 043 | 30% | 3 200 |
| Raymond Mhlabi | 3 650 | - | - | 3 650 | 3 650 | - | - | 3 650 | 1 206 | 33% | 3 600 |
| Renosterberg | 2 010 | - | - | 2 010 | 2 010 | - | - | 2 010 | 2 010 | 100% | 1 250 |
| Subtotal carried forward | 364 747 | - | - | 364 747 | 364 747 | - | - | 364 747 | 195 066 | 53% | 354 141 |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT

| NAME OF MUNICIPALITY | GRANT ALLOCATION (2016/17) | | | | TRANSFER (2016/17) | | | SPENT (2016/17) | | 2015/16 | |
|--------------------------------------|----------------------------|-----------|-------------|-----------------|--------------------|----------------|---|---------------------------------|------------------------------|--|-------------------------|
| | Division of Revenue Act | Rollovers | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by The National Treasury or National Department | Amount received by municipality | Amount spent by municipality | % of available funds spent by municipality | Division of Revenue Act |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Subtotal brought forward | 364 747 | - | - | 364 747 | 364 747 | - | - | 364 747 | 195 066 | 53% | 354 141 |
| Richmond | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 1 427 | 78% | 1 450 |
| Richtersveld | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 1 056 | 58% | 1 675 |
| Rustenburg | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 1 488 | 92% | 1 875 |
| Sakhisizwe | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 896 | 55% | 1 600 |
| Saidanha Bay | 1 475 | - | - | 1 475 | 1 475 | - | - | 1 475 | 975 | 66% | 1 250 |
| Sarah Baartman District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - | 1 250 | 804 | 64% | 1 875 |
| Sediberg District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - | 1 250 | 843 | 67% | 1 800 |
| Sekhukhune District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - | 1 250 | 595 | 48% | 1 600 |
| Senqu | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 472 | 29% | 1 675 |
| Setoto | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 808 | 50% | 1 450 |
| Siyancuma | 2 010 | - | - | 2 010 | 2 010 | - | - | 2 010 | 1 024 | 51% | 1 800 |
| Siyathemba | 2 010 | - | - | 2 010 | 2 010 | - | - | 2 010 | 1 729 | 86% | 1 875 |
| Sol Plaatje | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 814 | 50% | 1 800 |
| Stellenbosch | 1 475 | - | - | 1 475 | 1 475 | - | - | 1 475 | 442 | 30% | 1 800 |
| Steve Tshwete | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 1 570 | 97% | 1 600 |
| Sundays River Valley | 2 010 | - | - | 2 010 | 2 010 | - | - | 2 010 | 1 320 | 66% | 1 600 |
| Swartland | 1 475 | - | - | 1 475 | 1 475 | - | - | 1 475 | 591 | 40% | 1 450 |
| Swellendam | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 1 095 | 67% | 1 250 |
| Subtotal carried forward | 393 977 | - | - | 393 977 | 393 977 | - | - | 393 977 | 213 015 | 54% | 383 566 |

PART E: FINANCIAL INFORMATION - Continued

for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**ANNEXURE 1A****STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT**

| NAME OF MUNICIPALITY | GRANT ALLOCATION (2016/17) | | | | TRANSFER (2016/17) | | | SPENT (2016/17) | | | 2015/16 |
|--|----------------------------|-----------|-------------|-----------------|--------------------|----------------|---|---------------------------------|------------------------------|--|-------------------------|
| | Division of Revenue Act | Rollovers | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by The National Treasury or National Department | Amount received by municipality | Amount spent by municipality | % of available funds spent by municipality | Division of Revenue Act |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 |
| Subtotal brought forward | 393 977 | - | - | 393 977 | 393 977 | - | - | 393 977 | 213 015 | 54% | 383 566 |
| Thaba Chweu | 1 810 | - | - | 1 810 | 1 810 | - | - | 1 810 | 447 | 25% | 1 250 |
| Thabazimbi | 1 810 | - | - | 1 810 | 1 810 | - | - | 1 810 | 1 107 | 61% | 1 250 |
| Thabo Mofutsanyana District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - | 1 250 | - | 0% | 1 600 |
| Theewaterskloof | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 954 | 59% | 1 600 |
| Thembelihle | 2 010 | - | - | 2 010 | 2 010 | - | - | 2 010 | 1 686 | 84% | 1 875 |
| Thembisile | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 1 407 | 87% | 1 875 |
| Thulamela | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 1 447 | 89% | 1 600 |
| Tokologo | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 1 576 | 86% | 1 450 |
| Tsantsabane | 2 010 | - | - | 2 010 | 2 010 | - | - | 2 010 | 956 | 48% | 1 600 |
| Tswaing | 2 010 | - | - | 2 010 | 2 010 | - | - | 2 010 | 481 | 24% | 1 875 |
| Tswelopele | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 355 | 19% | 1 450 |
| Ubuhlebezwe | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 1 472 | 81% | 1 600 |
| Ubuntu | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 521 | 29% | 1 675 |
| Ugu District Municipality | 1 460 | - | - | 1 460 | 1 460 | - | - | 1 460 | 818 | 56% | 1 675 |
| Ulundi | 1 725 | - | - | 1 725 | 1 725 | - | - | 1 725 | 411 | 24% | 1 250 |
| uMdoni | 3 835 | - | - | 3 835 | 3 835 | - | - | 3 835 | 1 003 | 26% | 3 675 |
| uMgungundlovu District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - | 1 250 | 255 | 20% | 1 600 |
| Umhlabyalingana | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 811 | 44% | 1 875 |
| Subtotal carried forward | 427 147 | - | - | 427 147 | 427 147 | - | - | 427 147 | 228 722 | 54% | 414 341 |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT

| NAME OF MUNICIPALITY | GRANT ALLOCATION (2016/17) | | | | TRANSFER (2016/17) | | | SPENT (2016/17) | | 2015/16 | |
|----------------------------------|----------------------------|-----------|-------------|-----------------|--------------------|----------------|---|---------------------------------|------------------------------|--|-------------------------|
| | Division of Revenue Act | Rollovers | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by The National Treasury or National Department | Amount received by municipality | Amount spent by municipality | % of available funds spent by municipality | Division of Revenue Act |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 |
| Subtotal brought forward | 427 147 | - | - | 427 147 | 427 147 | - | - | 427 147 | 228 722 | 54% | 414 341 |
| uMhlatuze | 2 537 | - | - | 2 537 | 2 537 | - | - | 2 537 | 1 036 | 41% | 1 600 |
| Umkhanyakude | 1 250 | - | - | 1 250 | 1 250 | - | - | 1 250 | 1 026 | 82% | 1 600 |
| uMlalazi | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 864 | 53% | 1 600 |
| uMngeni | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 499 | 31% | 1 800 |
| uMshwathi | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 1 509 | 83% | 1 875 |
| Umsobomvu | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 1 800 | 99% | 1 800 |
| uMuziwabantu | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 1 131 | 62% | 1 875 |
| Umvoti | 1 725 | - | - | 1 725 | 1 725 | - | - | 1 725 | 832 | 48% | 1 800 |
| Umsizvubu | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 1 387 | 85% | 1 800 |
| Umninyathi District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - | 1 250 | 681 | 54% | 1 800 |
| Umzumbi | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 1 020 | 56% | 1 325 |
| uPhongolo | 1 825 | - | - | 1 825 | 1 825 | - | - | 1 825 | 964 | 53% | 1 700 |
| Uthukela | 1 460 | - | - | 1 460 | 1 460 | - | - | 1 460 | 1 053 | 72% | 1 800 |
| Vhembe District Municipality | 1 460 | - | - | 1 460 | 1 460 | - | - | 1 460 | 475 | 33% | 1 250 |
| Victor Khanye | 1 625 | - | - | 1 625 | 1 625 | - | - | 1 625 | 1 329 | 82% | 1 800 |
| Walter Sisulu | 3 835 | - | - | 3 835 | 3 835 | - | - | 3 835 | 833 | 22% | 1 875 |
| Waterberg District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - | 1 250 | 611 | 49% | 1 600 |
| West Coast District | 1 250 | - | - | 1 250 | 1 250 | - | - | 1 250 | 635 | 51% | 1 600 |
| Subtotal carried forward | 458 789 | - | - | 458 789 | 458 789 | - | - | 458 789 | 246 407 | 54% | 444 841 |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES: LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT

| NAME OF MUNICIPALITY | GRANT ALLOCATION (2016/17) | | | TRANSFER (2016/17) | | | SPENT (2016/17) | | | 2015/16 | |
|-----------------------------------|----------------------------|-----------|-------------|--------------------|-----------------|----------------|---|---------------------------------|------------------------------|--|-------------------------|
| | Division of Revenue Act | Rollovers | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by The National Treasury or National Department | Amount received by municipality | Amount spent by municipality | % of available funds spent by municipality | Division of Revenue Act |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Subtotal brought forward | 458 789 | - | - | 458 789 | 458 789 | - | - | 458 789 | 246 407 | 54% | 444 841 |
| West Rand District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - | 1 250 | 472 | 38% | 1 600 |
| Witzenberg | 1 475 | - | - | 1 475 | 1 475 | - | - | 1 475 | 608 | 41% | 1 600 |
| Xhariep District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - | 1 250 | 577 | 46% | 1 600 |
| Z.F. Mgcawu District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - | 1 250 | 625 | 50% | 1 250 |
| Zululand District Municipality | 1 250 | - | - | 1 250 | 1 250 | - | - | 1 250 | 885 | 71% | 1 600 |
| Total | 465 264 | - | - | 465 264 | 465 264 | - | - | 465 264 | 249 574 | 54% | 452 491 |
| Grand Total | 1 486 540 | - | - | 1 486 540 | 1 454 400 | - | - | 1 454 400 | 610 742 | 42% | 1 435 256 |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

| DEPARTMENT/ AGENCY/ ACCOUNT | TRANSFER ALLOCATION (2016/17) | | | | TRANSFER (2016/17) | | 2015/16 |
|---|-------------------------------|-----------|---------------|-------------------|--------------------|----------------------------------|-------------------|
| | Adjusted Appropriation | Rollovers | Adjustments | Total Available | Actual Transfer | % of Available funds Transferred | Appropriation Act |
| | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 |
| Skills Development Levy | 2 106 | | | 2 106 | 2 086 | 99% | 2 074 |
| TV Licences | 10 | | | 10 | 9 | 90% | 16 |
| Cooperative Banking Development Agency | 16 472 | | 400 | 16 872 | 16 872 | 100% | 16 176 |
| Financial and Fiscal Commission | 44 839 | | | 44 839 | 44 839 | 100% | 40 556 |
| Accounting Standards Board | 12 517 | | | 12 517 | 12 517 | 100% | 10 174 |
| Independent Regulatory Board for Auditors | 28 978 | | | 28 978 | 28 978 | 100% | 29 999 |
| Audit Statutory Bodies | 44 075 | | 35 000 | 79 075 | 79 075 | 100% | 41 856 |
| Government Technical Advisory Centre | 770 878 | | | 770 878 | 713 607 | 93% | 1 302 340 |
| South African Revenue Service | 9 363 676 | | | 9 363 676 | 9 363 676 | 100% | 9 434 439 |
| Financial Intelligence Centre | 256 372 | | | 256 372 | 256 372 | 100% | 234 488 |
| Secret Services | 4 556 115 | | | 4 556 115 | 4 556 115 | 100% | 4 308 317 |
| Total transfers to departmental agencies | 15 096 038 | - | 35 400 | 15 131 438 | 15 074 146 | 100% | 15 420 435 |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

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

| NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE | TRANSFER ALLOCATION (2016/17) | | | | TRANSFER (2016/17) | | | 2015/16 | |
|---|----------------------------------|-----------------|-------------------|-----------------------|-----------------------|----------------------------------|---------------|---------------|-------------------------|
| | Adjusted Appropriation Act R'000 | Rollovers R'000 | Adjustments R'000 | Total Available R'000 | Actual Transfer R'000 | % of Available funds Transferred | Capital R'000 | Current R'000 | Appropriation Act R'000 |
| Public Corporations | | | | | | | | | |
| Economic Research of Southern Africa | 11 999 | | | 11 999 | 11 999 | 100.0% | - | - | 11 384 |
| Total | 11 999 | | | 11 999 | 11 999 | 100.0% | - | - | 11 384 |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

ANNEXURE 1D

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

| FOREIGN GOVERNMENT / INTERNATIONAL ORGANISATION | TRANSFER ALLOCATION (2016/17) | | | | TRANSFER (2016/17) | | 2015/16 | |
|--|-------------------------------|-----------|-----------------|-----------------|--------------------|----------------------------------|-------------------|-------------------|
| | Adjusted Appropriation Act | Rollovers | Adjustments | Total Available | Actual Transfer | % of Available funds Transferred | Appropriation Act | Appropriation Act |
| | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Transfer | | | | | | | | |
| Commonwealth Fund for Technical Cooperation | 5 826 | - | - | 5 826 | 5 816 | 100% | 12 500 | |
| International Funding Facility for Immunisation | 14 550 | - | (771) | 13 779 | 13 180 | 96% | 653 444 | |
| Common Monetary Area Compensation | 802 091 | - | (9 840) | 792 251 | 792 267 | 100% | 90 660 | |
| World Bank Group (International Development Association) | 90 680 | - | - | 90 680 | 90 680 | 100% | - | |
| African Development Bank and African Development Fund | 1 269 | - | - | 1 269 | 1 008 | 79% | 959 | |
| African Regional Technical Assistance Centre for Southern Africa | 1 000 | - | - | 1 000 | 988 | 99% | - | |
| Infrastructure Consortium for Africa | | - | - | - | - | - | 1 474 | |
| Collaborative African Budget Reform Initiative | 1 552 | - | 371 | 1 923 | 2 431 | 126% | 1 000 | |
| African Institute for Economic Development and Planning | | - | - | - | - | - | 10 000 | |
| African Export Import Bank | | - | - | - | - | - | 2 322 | |
| African Risk Capacity | 6 109 | - | (6 109) | - | - | - | 5 533 | |
| United Kingdom Tax (FIGO) | 2 445 | - | - | 2 445 | 1 237 | 51% | - | |
| Total | 925 522 | - | (16 349) | 909 173 | 907 607 | 100% | 777 892 | |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

ANNEXURE 1E
STATEMENT OF TRANSFERS TO HOUSEHOLDS

| HOUSEHOLDS | TRANSFER ALLOCATION (2016/17) | | | | TRANSFER (2016/17) | | 2015/16 |
|--|-------------------------------|-----------|--------------|------------------|--------------------|----------------------------------|-------------------|
| | Adjusted Appropriation Act | Rollovers | Adjustments | Total Available | Actual Transfer | % of Available funds Transferred | Appropriation Act |
| | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 |
| Transfers | | | | | | | |
| Other benefits | 88 070 | | 5 018 | 93 088 | 92 820 | 100% | 89 070 |
| Injury on duty | 591 664 | | (10 000) | 581 664 | 563 450 | 97% | 550 172 |
| Military benefits ex-servicemen | 22 810 | | | 22 810 | 22 646 | 99% | 31 100 |
| SA citizen force | 214 846 | | (10 000) | 204 846 | 175 485 | 86% | 175 697 |
| Special pensions | 479 763 | | (21 084) | 458 679 | 447 781 | 98% | 472 325 |
| Post-retirement medical schemes contribution | 2 102 160 | | 35 724 | 2 137 884 | 2 135 862 | 100% | 1 805 689 |
| Social assistance (bursaries) | 1 580 | | | 1 580 | 1 080 | 68% | 1 395 |
| Service benefits leave gratuity | 1 842 | | 1 982 | 3 824 | 3 791 | 99% | 1 528 |
| Non-statutory Forces | 899 491 | | 109 | 899 600 | 899 600 | 100% | 737 300 |
| Total | 4 402 226 | - | 1 749 | 4 403 975 | 4 342 515 | 99% | 3 864 276 |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

ANNEXURE 1F

STATEMENT OF AID ASSISTANCE RECEIVED

| NAME OF DONOR | PURPOSE | OPENING | REVENUE | EXPENDITURE | SURRENDERED | CLOSING |
|--|---|-----------------------------------|---------|-------------|-----------------|-----------------------------------|
| | | BALANCE 01 April 2016 R'000 | R'000 | R'000 | TO RDP R'000 | BALANCE 31 March 2017 R'000 |
| Received in cash | | | | | | |
| European Union - Official Development Assistance (ODA III) | Improve capacity development in public finance management across the three spheres of government with emphasis on provincial and municipal levels | 485 | 172 | (170) | (485) | 2 |
| Capacity Building for Public Finance Management Programme | Develop public financial management capacity of national provincial and local government | 8 306 | 10 904 | (5 984) | (8 306) | 4 920 |
| Technical and Management Support (TMS) | Strengthening capacity of national and provincial departments and agencies to combating poverty and inequality | 5 060 | 5 060 | (4 910) | (5 060) | 150 |
| Cities Support Programme | Contribute to the implementation of the Medium Term Strategic Framework and accompanying outcomes based approach which aims to improve the conditions of life of South Africans and halving poverty and unemployment. | 2 860 | 2 860 | - | (2 860) | 2 860 |
| PFMA ASS IN PROV PEFA METH African Fiscal Forum (GA) | Measure the progress made with regards to Public Finance Management (PFM) improvement informing and guiding the Government's PFM capacity development programme in coordination with the donor community. | 1 535 | 1 560 | (1 196) | (1 535) | 364 |
| TC & ODA II (GA) | Enhance efficiency effectiveness and sustainable management of incoming and outgoing ODA to SA and to improve the management and impact of ODA on strategic development priorities of the country. | (141) | - | (4) | 145 | - |
| SCOA for Municipal Project | To finance the standard charts of accounts project in municipalities. | 2 041 | 3 442 | (1 332) | (2 041) | 2 110 |
| Technical Assistance Facility | Strengthening capacity of national and provincial departments in South Africa. | - | 240 | (241) | - | (1) |
| Gen Acc. of Donor - Belgium | Support for institutional transformation and improvement processes in the public sector | - | - | (240) | - | (240) |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

ANNEXURE 1F

STATEMENT OF AID ASSISTANCE RECEIVED

| NAME OF DONOR | PURPOSE | OPENING | REVENUE | EXPENDITURE | SURRENDERED | CLOSING |
|---|---|--------------------------|---------------|-----------------|-----------------|--------------------------|
| | | BALANCE 01 April 2016 | R'000 | R'000 | TO RDP | BALANCE 31 March 2017 |
| | | R'000 | R'000 | R'000 | R'000 | R'000 |
| Scholarship Programme | Belgium contribution towards the completion of masters and postgraduate degrees in development finance | - | 7 | (7) | - | - |
| THE BELG TECHNICAL COOP (BTC) | Belgium contribution towards the research in development finance | 130 | 520 | - | (130) | 520 |
| BUDGET OFF DATA ANALY PROJECT | Support for budget data analysis for improvement of budgeting processes in the public sector | 2 301 | 4 875 | (2 289) | (2 301) | 2 586 |
| JICADCIS PROJECT | Establish and operationalise a management information system (knowledge management information system for ODA (DCMIS)) | 12 | - | - | (12) | - |
| European Union - Official Development Assistance (ODA IV) | Improve capacity development in public finance management across the three spheres of government with emphasis on provincial and municipal levels | - | 376 | (363) | - | 13 |
| Subtotal foreign aid assistance received in cash | | 22 589 | 30 016 | (16 736) | (22 585) | 13 284 |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

ANNEXURE 1F
STATEMENT OF AID ASSISTANCE RECEIVED

| NAME OF DONOR | PURPOSE | OPENING BALANCE 01 April 2016 | REVENUE | EXPENDITURE | SURRENDERED TO RDP | CLOSING BALANCE 31 March 2017 |
|---|---|----------------------------------|---------|-------------|-----------------------|----------------------------------|
| | | R'000 | R'000 | R'000 | R'000 | R'000 |
| Subtotal foreign aid assistance received in cash | | 22 589 | 30 016 | (16 736) | (22 585) | 13 284 |
| Received in kind | | | | | | |
| GIZ - Governance Support Programme | Technical support for Office of the Chief Procurement Officer | - | 198 | (198) | - | - |
| Belgian Fund | Technical Assistance (TA) to support IDC in the upgrading of DCMS | - | 120 | (120) | - | - |
| GIZ - Governance Support Programme | Strategic Session for Office of the Chief Procurement Officer. | - | 35 | (35) | - | - |
| European Union | TA for Study of Philanthropic Review in South Africa | - | 79 | (79) | - | - |
| European Union | Knowledge Management Expert for IDC | - | 129 | (129) | - | - |
| European Union | Assistance to Review Technical Assistance Models in South Africa | - | 73 | (73) | - | - |
| European Union | TA to support to IDC | - | 117 | (117) | - | - |
| European Union | Provide Logistic Support to IDC and Related sectors | - | 80 | (80) | - | - |
| European Union | Management of ODA events and IDC workshops | - | 129 | (129) | - | - |
| Total local and foreign aid assistance received | | 22 589 | 30 976 | 17 696 | 22 585 | 13 284 |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

ANNEXURE 2A

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL PUBLIC ENTITIES

| NAME OF PUBLIC ENTITY | State Entity's PFMA Schedule type | % Held 2016/17 | % Held 2015/16 | Number of shares held | | Cost of investment | | Net Asset value of investment | | Profit/(Loss) for the year | | Losses guarantee |
|--|-----------------------------------|----------------|----------------|-----------------------|-------------------|--------------------|-------------------|-------------------------------|--------------------|----------------------------|------------------|------------------|
| | | | | 2016/17* | 2015/16 | R'000 | 2016/17* | R'000 | 2015/16 | R'000 | 2016/17* | |
| National/provincial public entities | | | | | | | | | | | | |
| Accounting Standards Board | Schedule 3A | - | - | - | - | - | - | 38 | 123 | (86) | (74) | No |
| Cooperative Banks Development Agency | Schedule 3A | - | - | - | - | - | - | 6 804 | 4 062 | 2 404 | (250) | No |
| Development Bank of Southern Africa | Schedule 2 | 100 | 100 | 200 000 | 200 000 | 200 000 | 31 971 063 | 29 265 059 | 2 758 289 | 2 576 679 | 2 576 679 | Yes |
| FAIS Ombudsman | Schedule 3A | - | - | - | - | - | 2 162 | 9 134 | (6 972) | 6 242 | 6 242 | No |
| Financial and Fiscal Commission | Schedule 1 | - | - | - | - | - | 7 632 | 2 077 | 5 128 | 1 095 | 1 095 | No |
| Financial Intelligence Centre | Schedule 3A | - | - | - | - | - | 98 352 | 85 010 | 15 232 | (1 611) | (1 611) | No |
| Financial Services Board | Schedule 3A | - | - | - | - | - | 412 442 | 280 853 | 131 589 | 46 094 | 46 094 | No |
| Government Pensions Administration Agency | Schedule 3A | - | - | - | - | - | 345 021 | 445 632 | (87 247) | (371 236) | (371 236) | No |
| Independent Regulatory Board for Auditors | Schedule 3A | - | - | - | - | - | 147 307 | 364 731 | - | - | 84 788 | No |
| Government Technical Advisory Centre | Schedule 3A | - | - | - | - | - | 44 925 | 49 586 | (4 662) | (3 169) | (3 169) | No |
| Land Bank | Schedule 2 | 100 | 100 | 200 955 | 200 955 | 200 955 | 5 227 078 | 6 098 413 | 305 757 | 159 774 | 159 774 | No |
| Office of the Pension Funds Adjudicator | Schedule 3A | - | - | - | - | - | 8 576 | 8 004 | 572 | (508) | (508) | No |
| Public Investment Corporation Ltd | Schedule 3B | 100 | 100 | 1 | 1 | 1 | 2 250 771 | 1 706 936 | 505 880 | 424 179 | 424 179 | No |
| SASRIA SOC Ltd | Schedule 3B | 100 | 100 | 1 | 1 | - | 5 749 629 | 5 372 536 | 532 954 | 504 119 | 504 119 | No |
| South African Airways SOC Ltd | Schedule 2 | 100 | 100 | 13 008 758 | 13 008 758 | 13 008 758 | (15 795 000) | (10 968 000) | (4 677 000) | (1 468 000) | (1 468 000) | Yes |
| South African Revenue Service | Schedule 3A | - | - | - | - | - | 3 581 935 | 4 432 593 | (623 368) | (203 314) | (203 314) | No |
| Total Investment | | | | 13 208 761 | 13 208 761 | 13 409 714 | 34 058 735 | 31 784 213 | (1 141 530) | 1 250 689 | 1 250 689 | |

PART A: GENERAL INFORMATION - Continued

ANNEXURE 2B

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES

| Name of Public Entity | Nature of business | Cost of investment | | Net Asset value of Investment | | Amounts owing to Entities | | Amounts owing by Entities | |
|---------------------------------------|---|--------------------|---------|-------------------------------|------------|---------------------------|----------|---------------------------|---------|
| | | 2016/17* | 2015/16 | 2016/17* | 2015/16 | 2016/17* | 2016/17* | 2016/17* | 2015/16 |
| Accounting Standards Board | Determine standards of generally recognised accounting practice | - | - | 38 | 123 | 69 | 55 | 338 | 350 |
| Co-operative Banks Development Agency | Establish a regulatory framework for co-operative banks | - | - | 6 804 | 4 062 | 3 806 | 1 355 | 1 916 | 7 287 |
| Development Bank of Southern Africa | Promote facilitate by funding mobilise socioeconomic development in Southern Africa while promoting efficiency, fairness, transparency and responsibility | 200 000 | 200 000 | 31 971 063 | 29 265 059 | 121 982 | 71 170 | 884 819 | 894 795 |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

ANNEXURE 2B

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES

| Name of Public Entity | Nature of business | Cost of investment | | Net Asset value of Investment | | Amounts owing to Entities | | Amounts owing by Entities | |
|---|--|--------------------|---------|-------------------------------|-----------|---------------------------|------------|---------------------------|---------|
| | | 2016/17* | | 2016/17 | | 2016/17* | | 2016/17 | |
| | | 2016/17* | 2015/16 | 2016/17* | 2015/16 | 2016/17* | 2016/17* | 2016/17* | 2015/16 |
| FAIS Ombudsman | Handling complaints in terms of the Financial Advisory and Intermediary Services Act (2002) | - | - | 2 162 | 9 134 | 730 | 8 918 | 2 231 | 1 830 |
| Financial and Fiscal Commission | Assist and maintain fiscal the balance between fiscal decentralisation and the unitary state | - | - | 7 632 | 2 077 | 23 | 8 | 665 | 1 165 |
| Financial Intelligence Centre | Assist in in the identification of unlawful activities and combating of money laundering activities, financing of terrorism and related activities | - | - | 98352.2493 | 85010 | 414 | 1 250 | 23 209 | 17 874 |
| Financial Services Board | To oversee the South African non-banking financial services industry in the public interest | - | - | 412 442 | 280 853 | 46 415 | 20 488 | 76 593 | 99 844 |
| Government Advisory Technical centre | Assist organs of state in building their capacity for efficient effective and transparent financial management. | - | - | 345 021 | 445 632 | 2 445 | 9 450 | 223 436 | 439 850 |
| Government Pensions Administration Agency | Government Employees Pension Fund in terms of the Government Employees Pension (GEP) Act (1996) | - | - | 147 307 | 364 731 | - | 139 490 | - | 105 122 |
| Independent Regulatory Board for Auditors | Registration of public accountants and auditors and for the regulation of the training of public accountants and auditors | - | - | 44 925 | 49 586 | 5 099 | 4 155 | 5 769 | 4 146 |
| Land Bank | Facilitate access to ownership of land for the development of farming enterprises and agricultural processes for the historically disadvantaged people | 200 955 | 200 955 | 5 227 078 | 6 098 413 | 138 949 | 36 527 837 | 163 998 | 383 547 |
| Office of the Pension Funds Adjudicator | The adjudicator's office investigates and determines complaints of abuse of power maladministration disputes of fact or law and employer dereliction of duty in respect of retirement pension funds. | - | - | 8 576 | 8 004 | 3 955 | 1 894 | 2 601 | 3 142 |

PART A: GENERAL INFORMATION - Continued

ANNEXURE 2B

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES

| Name of Public Entity | Nature of business | Cost of investment | | Net Asset value of Investment | | Amounts owing to Entities | | Amounts owing by Entities | |
|-----------------------------------|--|--------------------|-------------------|-------------------------------|-------------------|---------------------------|-------------------|---------------------------|-------------------|
| | | 2016/17* | | 2016/17* | | 2016/17* | | 2016/17 | |
| | | 2016/17* | 2015/16 | 2016/17* | 2015/16 | 2016/17* | 2016/17* | 2016/17* | 2015/16 |
| Public Investment Corporation Ltd | Invests funds on behalf of the South African public sector | 1 | 1 | 2 250 771 | 1 706 936 | 561 449 | 122 199 | 56 846 | 55 803 |
| SASRIA SOC Ltd | Special Risk Insurance | - | - | 5 749 629 | 5 372 536 | 273 782 | 158 709 | 51 162 | 144 644 |
| South African Airways SOC Ltd | South African Airways is South africa's national air carrier which operates a full service network in the international region and domestic routes | 13 008 758 | 13 008 758 | (15 795 000) | (10 968 000) | 6 780 000 | 8 284 000 | 9 762 000 | 8 321 000 |
| South African Revenue Service | Efficient and effective collection of revenue | - | - | 3 581 935 | 4 432 593 | 129 513 | 148 433 | 617 537 | 634 027 |
| | | 13 409 714 | 13 409 714 | 34 058 735 | 31 784 213 | 8 068 631 | 45 499 411 | 11 873 120 | 11 114 426 |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2016 - LOCAL

| Guarantor institution | Guarantee in respect of | Original guaranteed capital amount | Opening balance 1 April 2016 | Guarantees draw downs during the year | Guarantees repayments/cancelled/reduced/released during the year | Revaluation | Closing balance 31 March 2017 Revaluations | Guaranteed interest for year ended 31 March 2017 | Realised losses not recoverable i.e. claims paid out |
|--|--|------------------------------------|------------------------------|---------------------------------------|--|-------------|--|--|--|
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Development Bank of Southern Africa | Former Bophuthatswana Regional Authority | 126 060 | 66 790 | - | (2 317) | - | 64 473 | 28 743 | - |
| Land and Agricultural Development Bank of South Africa | Consolidation of debt | 100 000 | 92 728 | - | - | - | 92 728 | - | - |
| Land and Agricultural Development Bank of South Africa | Financial sustainability | 1 500 000 | 1 500 000 | - | (1 500 000) | - | - | - | - |
| Land and Agricultural Development Bank of South Africa | Financial sustainability | 4 000 000 | 2 700 000 | - | - | - | 2 700 000 | - | - |
| Land and Agricultural Development Bank of South Africa | Refinancing risk | 4 500 000 | - | - | - | - | - | - | - |
| South African Airways | Going concern 1 | 1 600 000 | 1 550 000 | 46 000 | - | - | 1 596 000 | 5 615 | - |
| South African Airways | Going concern 2 | 5 006 000 | 4 995 000 | - | (200 000) | - | 4 795 000 | 30 820 | - |
| South African Airways | Going concern 3 | 6 488 000 | 6 450 000 | - | - | - | 6 450 000 | 30 751 | - |
| South African Airways | SAA recapitalisation | 1 300 000 | 1 300 000 | - | - | - | 1 300 000 | - | - |
| South African Airways | Going concern 4 | 4 720 000 | - | 3 608 800 | - | - | 3 608 800 | 1 563 | - |
| South African Reserve Bank | African Bank Limited | 3 000 000 | - | - | - | - | - | - | - |
| | | 32 340 060 | 18 654 518 | 3 654 800 | (1 702 317) | - | 20 607 001 | 97 492 | - |

PART A: GENERAL INFORMATION - Continued**ANNEXURE 3A - CONTINUED****STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2017 – FOREIGN**

| Guarantor institution | Guarantee in respect of | Original guaranteed capital amount | Opening balance 1 April 2016 | Guarantees draw downs during the year | Guarantees repayments/ cancelled/ reduced/ released during the year | Revaluations | Closing balance 31 March 2017* | Guaranteed interest for year ended 31 March 2017* | Realised losses not recoverable i.e. claims paid out |
|--|-----------------------------------|------------------------------------|------------------------------|---------------------------------------|---|------------------|--------------------------------|---|--|
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Development Bank of Southern Africa | African Development Bank | 1 327 355 | 368 303 | - | (132 736) | (36 464) | 199 103 | 1 300 | - |
| Development Bank of Southern Africa | Agence Francaise de Developpement | 216 235 | 19 684 | - | (16 633) | (3 051) | - | - | - |
| Development Bank of Southern Africa | Eurobonds | 8 470 000 | 2 737 422 | 232 348 | - | - | 2 969 770 | 10 875 | - |
| Development Bank of Southern Africa | European Investment Bank | 1 134 729 | 137 977 | - | (82 878) | (13 660) | 41 439 | 30 | - |
| Development Bank of Southern Africa | Kreditanstalt fur Wiederaufbau | 414 695 | 294 442 | - | (20 735) | (45 625) | 228 082 | 1 153 | - |
| Development Bank of Southern Africa | Kreditanstalt fur Wiederaufbau | 206 688 | 189 556 | - | (10 334) | (29 372) | 149 850 | 758 | - |
| Development Bank of Southern Africa | Kreditanstalt fur Wiederaufbau | 177 805 | 195 050 | - | (8 652) | (30 224) | 156 174 | 790 | - |
| Development Bank of Southern Africa | Kreditanstalt fur Wiederaufbau | 181 306 | 146 953 | - | (8 851) | (22 771) | 115 331 | 583 | - |
| Development Bank of Southern Africa | Kreditanstalt fur Wiederaufbau | 195 522 | 150 394 | - | (9 776) | (23 304) | 117 314 | 593 | - |
| Land and Agricultural Development Bank of South Africa | African Development Bank | 1 000 000 | 1 000 000 | - | - | - | 1 000 000 | 11 899 | - |
| Total financial guarantees | Subtotal | 13 324 335 | 5 239 781 | 232 348 | (290 595) | (204 471) | 4 977 063 | 27 981 | - |
| | Total | 45 064 395 | 23 894 299 | 3 887 148 | (1 992 912) | (204 471) | 25 584 064 | 125 473 | - |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2017

| Nature of Liability | Opening balance 1 April 2016 | Liabilities incurred during the year | Liabilities paid/cancelled/reduced during the year | Liabilities recoverable (Provide details hereunder) | Closing Balance 31 March 2017 |
|---|------------------------------|--------------------------------------|--|---|-------------------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Claims against the department | | | | | |
| Compensation claim | 3 500 | - | (3 500) | - | - |
| Contract cancellation claims | 4 500 | - | - | - | 4 500 |
| Alexcor claims | 119 000 | - | - | - | 119 000 |
| Unlawful use of photograph claim | 500 | - | - | - | 500 |
| Xia Xu claim | 357 | - | (34) | - | 323 |
| Callcom claim | 2 400 | - | - | - | 2 400 |
| VMA Court Records claim | 50 | 140 | - | - | 190 |
| Medihelp claim | 9 997 | - | - | - | 9 997 |
| Transnet Second Benefit Fund claim | 1 963 000 | - | - | - | 1 963 000 |
| Gratuity payment claim | 479 | - | - | - | 479 |
| Payment of damages claim | 2 257 | - | - | - | 2 257 |
| Stolen cheque claim | - | 67 | - | - | 67 |
| Injury on duty claim | - | 233 | - | - | 233 |
| Services rendered claim | - | 33 134 | - | - | 33 134 |
| Breach of contract claim | - | 248 958 | - | - | 248 958 |
| Audit fees claim | - | 2 048 | - | - | 2 048 |
| Forfeited money claim | - | 1 101 | - | - | 1 101 |
| Subtotal | 2 106 040 | 285 681 | (3 534) | - | 2 388 187 |
| | | | | | |
| Military Pension | 344 325 | 54 843 | 17 576 | - | 381 592 |
| Injury on duty | 2 211 | 22 313 | 2 333 | - | 22 191 |
| Special Pension | 165 929 | 10 967 | 35 839 | - | 141 057 |
| Total other contingent liabilities | 512 465 | 88 123 | 55 748 | - | 544 840 |
| Total contingent liabilities | 2 618 505 | 339 569 | 59 251 | - | 2 898 823 |

PART A: GENERAL INFORMATION - Continued

ANNEXURE 4

CLAIMS RECOVERABLE

| The National Treasury | Confirmed balance outstanding | | Unconfirmed balance outstanding | | Total | |
|---------------------------------|-------------------------------|--------------|---------------------------------|--------------|--------------|--------------|
| | 2016/17 | 2015/16 | 2016/17 | 2015/16 | 2016/17 | 2015/16 |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Department | | | | | | |
| Gauteng | | 19 | | - | - | 19 |
| Western Cape | | - | 21 | 21 | 21 | 21 |
| National departments | | 3 110 | 1 217 | 1 141 | 1 217 | 4 251 |
| Foreign government | | - | 1 020 | 816 | 1 020 | 816 |
| Total claims recoverable | | 3 129 | 2 258 | 1 978 | 2 258 | 5 107 |

ANNEXURE 5A

INTER-ENTITY ADVANCES PAID

| Description | Confirmed balance | | Unconfirmed balance | | Total | |
|--|-------------------|----------|---------------------|--------------|------------|--------------|
| | 2016/17 | 2015/16 | 2016/17 | 2015/16 | 2016/17 | 2015/16 |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| National Department | | | | | | |
| DIRCO | | - | 76 | - | 76 | - |
| Public Entities | | | | | | |
| Government Pension Administration Agency | | - | 94 | 5 855 | 94 | 5 855 |
| Other institution | | | | | | |
| Foreign Post Office | | - | | 50 | | 50 |
| SA Post Office | | - | | 293 | | 293 |
| Total claims payable | | - | 170 | 6 198 | 170 | 6 198 |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

ANNEXURE 5B

INTER-ENTITY ADVANCES RECEIVED

| Description | Confirmed balance outstanding | | Unconfirmed balance outstanding | | Total | |
|-----------------------------|-------------------------------|------------------|---------------------------------|------------------|------------------|------------------|
| | 2016/17 R'000 | 2015/16 R'000 | 2016/17 R'000 | 2015/16 R'000 | 2016/17 R'000 | 2015/16 R'000 |
| Department/ Province/Entity | | | | | | |
| Health | - | - | 6 515 | 12 340 | 6 515 | 12 340 |
| Public Enterprises | - | - | - | - | - | - |
| Free State | - | - | - | 35 | - | 35 |
| Belgium | - | - | - | 59 | - | 59 |
| Intern - Jonathan Daven | - | - | 12 | 12 | 12 | 12 |
| Unspent Demarcation Mun | - | - | - | - | - | - |
| Common Wealth | - | - | - | 5 | - | 5 |
| Wings | - | - | - | 525 | - | 525 |
| Wings forex | - | - | - | 84 | - | 84 |
| Total claims payable | | | 6 527 | 13 060 | 6 527 | 13 060 |

PART E: FINANCIAL INFORMATION - Continued
for the year ended 31 March 2017

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

ANNEXURE 6

MOVEMENT IN CAPITAL WORK IN PROGRESS

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2017

| | Opening balance R'000 | Current Year Capital WIP R'000 | Completed Assets R'000 | Closing balance R'000 |
|--------------|--------------------------|--------------------------------------|------------------------------|--------------------------|
| SOFTWARE | | | | |
| Software | 6 036 | 394 262 | (6 036) | 394 262 |
| TOTAL | 6 036 | 394 262 | (6 036) | 394 262 |

| Age analysis on ongoing projects | Number of projects | | 2016/17 |
|----------------------------------|---|-------------------------------------|----------------|
| | Planned, Construction not started | Planned, Construction started | Total R'000 |
| 0 to 1 Year | | 1 | 394 262 |

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2016

| | Opening balance R'000 | Prior period error R'000 | Current Year Capital WIP R'000 | Completed Assets R'000 | Closing balance R'000 |
|--------------|--------------------------|--------------------------------|--------------------------------------|---------------------------|--------------------------|
| SOFTWARE | | | | | |
| Software | - | - | 6 036 | - | 6 036 |
| TOTAL | - | - | 6 036 | - | 6 036 |



2016/17

NATIONAL TREASURY

Annual Report

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