2023/24

NATIONAL TREASURY ANNUAL REPORT

VOTE 8

national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

2023/24

NATIONAL TREASURY ANNUAL REPORT

VOTE 8

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Private Bag X115, Pretoria, 0001 | 40 Church Square, Pretoria, 0002

Tel: +27 12 315 5944 | **Fax:** +27 12 406 5095

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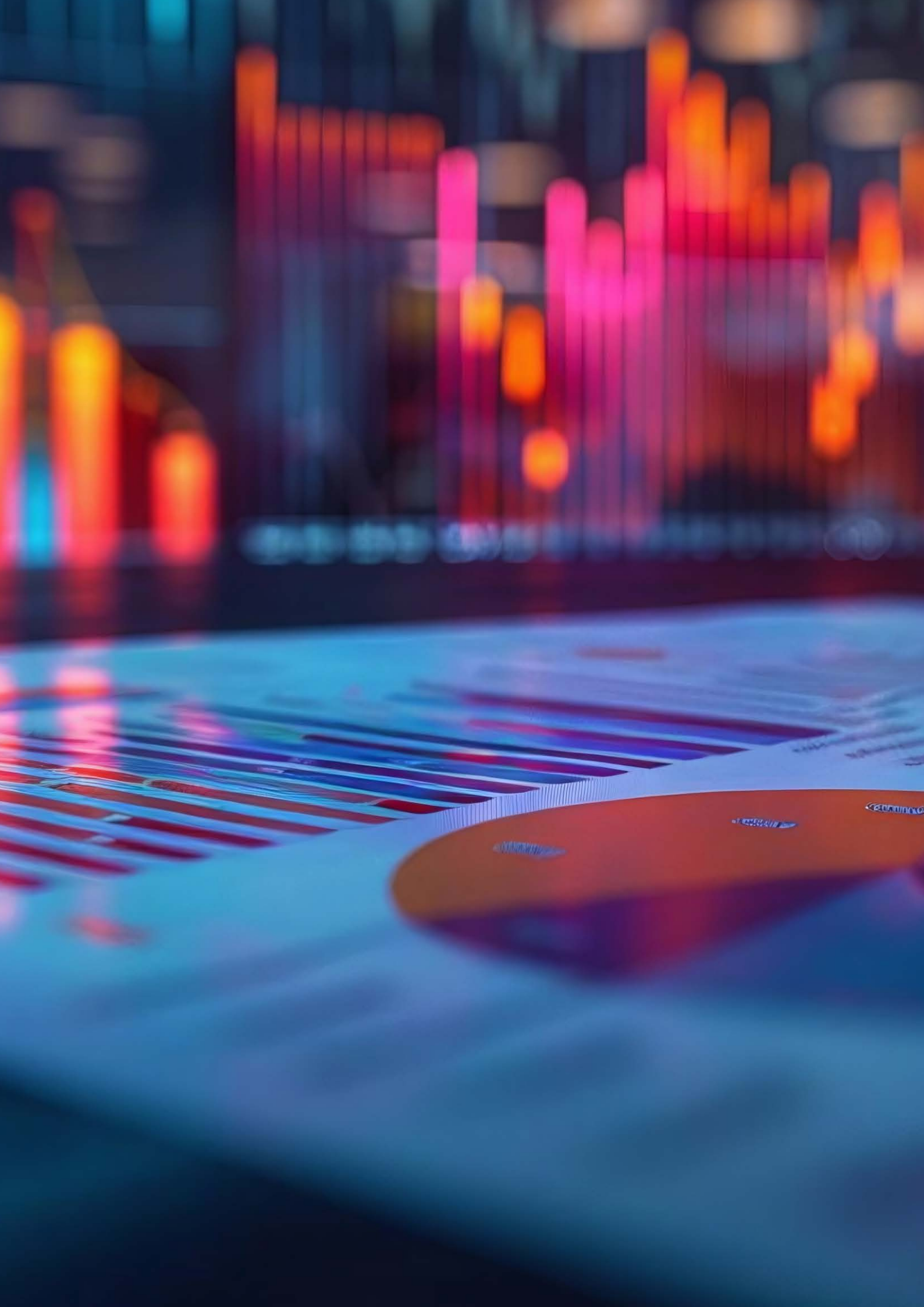

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PART A

GENERAL INFORMATION

DEPARTMENT INFORMATION 01

DEPARTMENT:	National Treasury
PHYSICAL ADDRESS:	40 Church Square, Pretoria, 0002
POSTAL ADDRESS:	Private Bag X115, Pretoria, 0001
TELEPHONE NUMBER/S:	+27(0) 12 315 5944
FAX NUMBER:	+27(0) 12 406 5095
EMAIL ADDRESS:	media@treasury.gov.za
WEBSITE ADDRESS:	www.treasury.gov.za
ISBN:	978-1-77997-254-5

02 LIST OF ABBREVIATIONS /ACRONYMS

ABBREVIATION	DESCRIPTION
AENE	Adjusted Estimates of National Expenditure
AFS	Annual Financial Statements
AGSA	Auditor-General South Africa
ASB	Accounting Standards Board
AU	African Union
BBBEE	Broad Based Black Economic Empowerment
BEE	Black Economic Empowerment
BFI	Budget Facility for Infrastructure
BRICS	Brazil, Russia, India, China and South Africa
CBDA	Co-operative Banks Development Agency
CSD	Central Supplier Database
DCoG	Department of Cooperative Governance
DPSA	Department of Public Service and Administration
DSBD	Department of Small Business Development
DTIC	Department of Trade, Industry and Competition
ENE	Estimates of National Expenditure
F15	Committee of Fifteen Finance Ministers
FAIS	Financial Advisory and Intermediary Services
FAQs	Frequently Asked Questions
FATF	Financial Action Task Force
FFC	Financial and Fiscal Commission
FIC	Financial Intelligence Centre
FICA	Financial Intelligence Centre Act (2002)
FSCA	Financial Sector Conduct Authority
G20	Group of 20
GBVF	Gender-Based Violence and Femicide
GDP	Gross Domestic Product
GEMS	Government Employees Medical Scheme
GEPF	Government Employees Pension Fund
GPAA	Government Pensions Administration Agency
GRAP	Standards of Generally Recognised Accounting Practice

LIST OF ABBREVIATIONS /ACRONYMS 02

ABBREVIATION	DESCRIPTION
GTAC	Government Technical Advisory Centre
ICT	Information and Communication Technology
IDMS	Infrastructure Delivery Management System
IFMS	Integrated Financial Management System
IMF	International Monetary Fund
IRBA	Independent Regulatory Board for Auditors
LOGIS	Logistical Information System
MCS	Modified Cash Standard
MFMA	Municipal Finance Management Act (2003)
mSCOA	Municipal Standard Chart of Accounts
MTBPS	Medium-term Budget Policy Statement
MTEF	Medium-term Expenditure Framework
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
OAG	Office of the Accountant-General
OCPO	Office of the Chief Procurement Officer
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
OTO	Office of the Tax Ombud
PAIA	Promotion of Access to Information Act (2000)
PERSAL	Personnel and Salary Administration System
PFMA	Public Finance Management Act (1999)
PIC	Public Investment Corporation
POPIA	Protection of Personal Information Act (2013)
PPP	Public-Private Partnership
SACU	Southern African Customs Union
SADC	Southern African Development Community
SALGA	South African Local Government Association
SANRAL	South African National Roads Agency
SAPS	South African Police Service
SARB	South African Reserve Bank

02 LIST OF ABBREVIATIONS /ACRONYMS

ABBREVIATION	DESCRIPTION
SARS	South African Revenue Service
SASRIA	South African Special Risk Insurance Association
SCM	Supply Chain Management
SCOF	Standing Committee on Finance
SCOPA	Standing Committee on Public Accounts
SEDA	Small Enterprise Development Agency
SEFA	Small Enterprise Finance Agency
SIU	Special Investigating Unit
SMME	Small, Medium and Micro Enterprises
SMS	Senior Management Service
SOC	State-Owned Company
SOE	State-Owned Entity
TCTA	Trans-Caledon Tunnel Authority
UIF	Unemployment Insurance Fund
WB	World Bank
WBG	World Bank Group

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PART A

GENERAL INFORMATION

FOREWORD BY THE MINISTER

FOREWORD BY THE MINISTER 03

Although the South African economy weathered significant storms in 2023/24, the National Treasury's strict adherence to policies reaped positive results. During the period under review, government made significant strides in addressing impediments to growth and risks to the fiscal outlook. At the same time, momentum has been building on the National Treasury's broad reform agenda. This was seen in the progress made in terms of legislative and regulatory reforms. In addition, South Africa prepared for another peaceful and fair election in May 2024. However, there were some setbacks during the period under review and much more needs to be done to overcome them. Against this backdrop, the National Treasury remains focused on pursuing a pro-growth developmental strategy.

The economy grew by a marginal 0.6 per cent in 2023. This was in the context of persistent electricity shortages that reached record levels and the transport sector having experienced considerable delays in freight rail and at ports. While action was taken to restore performance, especially through management changes at critical state-owned enterprises (SOEs), these challenges are entrenched in the country's historical economic performance. GDP growth has averaged only 0.8 per cent per year since 2012, which is symptomatic of persistent high unemployment and poverty. To turn the tide sustainably, government has prioritised reforms in the energy and logistics sector, along with other measures to reinforce the state's capacity. Combined with a fiscal consolidation effort that remains on track, these will bolster confidence and increase investment and employment.

ECONOMIC POLICY

Despite having to cope with the aftermath of the COVID-19 pandemic and ongoing geopolitical crises across the world, in 2023/24, government reported progress in terms of economic reforms. This included Operation Vulindlela, which counted among government's successes the clearing of backlogs for water use licences, completing the rollout of high-demand digital spectrum, rolling out the eVisa system, and approving the freight logistics roadmap and a new process for fast-tracking the approval of energy projects.

FISCAL POLICY

Government remains committed to the stability of public finances to ensure intergenerational fairness and the preservation of critical public services. In the period under review, government continued its efforts to improve the transparency of the national budget, maintain high-quality data management and analysis, and provide appropriate advice for the stability of the public-sector wage bill and international development cooperation. Through a combination of spending controls and revenue measures, while supporting measures to stimulate growth, government aims to narrow the budget deficit to 3.4 per cent of GDP by 2026/27. The financial outcomes of the year under review suggest that we are on track to meet these objectives.

Over the same period, the National Treasury successfully navigated the difficult economic and fiscal environment to present credible spending plans to Parliament in the 2024 Budget. This included providing adequate funding for the 2024 elections and maintaining the social wage (especially in the areas of social protection, education and health) at

03 FOREWORD BY THE MINISTER

"The National Treasury achieved its positive results in 2023/24 through **EXCELLENT GOVERNANCE AND MANAGEMENT CONTROLS.** This resulted in the department having received an unqualified audit for the period, with no material findings."

The National Treasury achieved its positive results in 2023/24 through excellent governance and management controls. This resulted in the department having received an unqualified audit for the period, with no material findings.

no less than 60 per cent of the overall budget. It also ensured that capital budgets are the fastest-growing component of non-interest expenditure. The department processed numerous in-year requests for funding unforeseeable and unavoidable events such as natural disasters.

To enhance fiscal sustainability and promote development, the National Treasury continued to implement a credible and fair fiscal framework to meet government's revenue requirements. This was done through the continued implementation of a responsive tax system that targets improved environmental sustainability, less inequality and productive revenue generation.

FINANCIAL SECTOR POLICY

At its plenary meetings in February 2023, the Financial Action Task Force (FATF) grey-listed South Africa for deficiencies it identified in the country's anti-money laundering and combating the financing of terrorism (AML/CFT) regime. A jointly agreed action plan containing 22 action items linked to the eight strategic deficiencies was adopted. As part of the plan, to be removed from the grey list, South Africa needed to address all 22 action items between January 2024 to January 2025. By the end of 2023/24, the number of outstanding items was reduced to 14, with some of them covering issues that involved law-enforcement agencies. Government is working diligently and collaboratively to address the remaining action items within the stipulated timeframe and believes that it can exit the grey list in 2025.

STRATEGIC CHOICES IN A CHALLENGING ENVIRONMENT

One of the pillars of government's macro-fiscal strategy is to improve the efficacy of public infrastructure investments. Various policy and regulatory reforms were initiated during the period under review and these are gaining pace. These reforms complement those in the energy, transport and water sectors to build the foundation for increased investments. Within its mandate, in 2023/24, the National Treasury published revised regulations for public-private partnerships (PPPs) for public comment. This was aimed at upscaling PPPs to allow for sharing the risks involved with public- infrastructure such as hospitals, roads, bridges and rail. A special budget facility for infrastructure (BFI) window allows the department to pilot two critical reforms: project evaluation outside of the budget process and unhindered infrastructure financing from the traditional mechanisms that are used to fund the operational aspects of the public service infrastructure budget.

To improve energy availability, a tax incentive for rooftop solar panels was introduced during 2023/24 for companies and individuals, and an indirect grant for smart electricity meters was allocated. The grant is aimed at supporting local government efforts to improve efficiency, billing accuracy and overall service delivery. It complements relief measures that were put in place to curtail municipal debt to Eskom and will target municipalities that are already in five of the six debt-relief programmes. Overall, the indirect grant is expected to provide better efficiency in energy provision and integrates renewable energy to meet consumer demands.

Meanwhile, the department continued to enhance the ability of cities and metros to make sustainable contributions to economic development and generate tax revenue. This was done by implementing catalytic infrastructure projects through initiatives such as the neighbourhood development programme, among others.

STRENGTHENING FINANCIAL MANAGEMENT IN LOCAL GOVERNMENT

During 2023/24, the municipal finance improvement programme was instrumental in supporting the reform agenda to address financial management problems at the local government level. The purpose of the programme is to improve financial management compliance, support, monitoring and oversight at this level of government. To further the agenda, in the 2024 Budget, I announced plans to comprehensively redesign the programme in a way that it could enhance the support provided to all spheres of government. To this end, R94.9 million was allocated over the medium term to the catalytic infrastructure and development support programme.

03 FOREWORD BY THE MINISTER

GLOBAL COOPERATION AND PARTICIPATION

South Africa successfully hosted the 15th BRICS summit in 2023/24. The summit heralded a new era of global cooperation among emerging market economies. One of its key outcomes was the expression of interest from several countries to join BRICS.

As highlighted in the joint statement of BRICS finance ministers and central bank governors, there is broad consensus among members on issues related to global economic and financial risks. In response to this, there was a successful adoption of a programmatic approach and guiding principles in infrastructure development and delivery in BRICS countries.

The National Treasury achieved its positive results in 2023/24 through excellent governance and management controls. This resulted in the department having received an unqualified audit for the period, with no material findings.

In view of the immense effort undertaken during the year, I would like to thank the Deputy Minister of Finance, Dr David Masondo, for his support and advice. I also thank the management of the various entities that report to the Minister of Finance, including the commissioner and staff of the South African Revenue Service (SARS). Finally, I wish to express my appreciation to the accounting officers responsible for the department's affairs in 2023/24: Mr Ismail Momoniat, who was acting Director-General until August 2023; and Dr Duncan Pieterse, the current Director-General. The success of their work largely hinged on the unfailing dedication and strength of their teams, who work tirelessly to ensure a better life for all South Africans.

ENOCH GODONGWANA
Minister of Finance
Date: 31 August 2024

2023/24

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GENERAL INFORMATION

REPORT OF THE DEPUTY MINISTER

REPORT OF THE DEPUTY MINISTER 04

The National Treasury's mandate is enshrined in the Constitution, section 216(1) of which binds the department to ensure transparency, accountability and sound financial controls in the management of South Africa's public finances. The Public Finance Management Act (1999) (PFMA) and the Municipal Finance Management Act (2003) (MFMA) outline the National Treasury's responsibilities, in terms of promoting government's fiscal policy and coordinating macroeconomic policy, as follows:

- Ensuring the stability and soundness of the financial system and financial services.
- Coordinating intergovernmental financial and fiscal relations.
- Managing the budget preparation process.
- Enforcing transparency and effective management in respect of revenue and expenditure, assets and liabilities, public entities and constitutional institutions.
- Overseeing the implementation of the provincial and local government infrastructure portfolio.
- Ensuring financial management governance and compliance with the PFMA and the MFMA across all spheres and entities of government.

In 2023/24, government intensified its efforts to deal with the crises of poor economic growth, unemployment and inequality. Although the reforms undertaken through these efforts will take some time to bear the intended results, they are essential to reach the targets set out in the National Development Plan (NDP). Government will continue playing a key role in the economy as a developmental state and will be an active partner with the private sector and local communities.

To date, efforts made through Operation Vulindlela, which was announced in 2020 to accelerate the implementation of structural reforms and support economic recovery, have successfully addressed significant bottlenecks within various economic sectors. By liberalising markets and facilitating collaboration between different parts of the government, it has played a crucial role in averting economic collapse. The national energy crisis committee, established in 2022, and the national logistics crisis committee, established in 2023, have been particularly impactful. Supported by resources and expertise from the business sector, these committees have enhanced public-private collaboration, leading to tangible improvements in energy and logistics infrastructure.

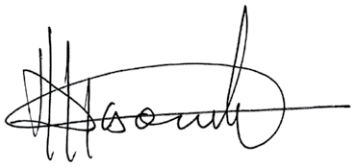
"Over the same period, the Government Technical Advisory Centre (GTAC) used its **BUDGET ALLOCATION OF R655.2 MILLION TO SUPPORT CRITICAL PROJECTS.**"

04 REPORT OF THE DEPUTY MINISTER

In the period under review, Operation Vulindlela continued to prioritise reforms in these sectors while expanding its focus to include critical areas such as water provision and ensuring that functional ports and efficient municipal services are key components of its strategy.

The National Treasury continued to advance various aspects of government's agenda to improve state capacity. As such, in 2023/24, capacity and support were provided to key institutions that report to the Ministry of Finance to continue playing a role in economic and financial development. During the year under review, SARS was allocated an additional R1 billion to improve its performance on raising revenue and fighting illicit financial activities. Over the same period, the Government Technical Advisory Centre (GTAC) used its budget allocation of R655.2 million to support critical projects. These included supporting infrastructure project planning and process reforms. The Financial Intelligence Centre (FIC) continues to fight financial crime and facilitate global financial intelligence and forensic cooperation. Over the reporting period, it played a key role in helping South Africa exit the FATF grey list.

I commend the Director-General and the entire National Treasury team for managing the department's extensive and complex mandate effectively and professionally. I further congratulate the department on achieving an unqualified audit without material findings. I would also like thank the Minister of Finance for his leadership during the year under review.



DR DAVID MASONDO
Deputy Minister of Finance
Date: 31 August 2024

2023/24

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GENERAL INFORMATION

REPORT OF THE ACCOUNTING OFFICER

REPORT OF THE ACCOUNTING OFFICER 05

5.1 OVERVIEW OF THE OPERATIONS OF THE DEPARTMENT

South Africa continues to show resilience against sustained systemic challenges that impede economic growth. This has led to weak employment opportunities, persistent inequality and pervading poverty. While global economic shocks continue to cause disruptions to our fiscal position, progress has been made on the government's fiscal reform agenda and pro-growth developmental strategy. During the reporting period, South Africans prepared to vote in the 2024 national elections, which provided an opportunity for us to reflect on the progress we've made since democracy and the priorities that still need to be realised. To this end, in 2023/24, the National Treasury continued its efforts to respond to South Africa's challenges while supporting economic growth, safeguarding the fiscal framework, delivering a redistributive budget and ensuring that public finances are managed as efficiently and appropriately as possible. The department also continued its endeavours to stabilise local government and SOEs, modernise public procurement and end corruption in government at all levels.

"...safeguarding the fiscal framework, delivering a redistributive budget and ensuring that **PUBLIC FINANCES ARE MANAGED AS EFFICIENTLY AND APPROPRIATELY** as possible"

Economic recovery in the wake of the COVID-19 pandemic slowed marginally during the period under review, with a decrease in growth globally from 3.5 per cent in 2022 to 3.3 per cent in 2023. This was due to persistent and broadening inflationary pressures, geopolitical tensions in Eastern Europe and the Middle East, and China's economic slowdown.

Elevated energy costs in Europe and heightened uncertainty in global oil markets placed pressure on households and businesses globally. Governments continued to implement a range of measures to counter the burden on their citizens. These interventions have come at a significant cost, limiting the scope for other public spending and, importantly for emerging economies, investment. Rising inflation was also driven by ongoing disruptions in supply chains. This was exacerbated by persistent tightness in labour markets in advanced economies, which, in turn, added to wage pressures. China's economy faced significant headwinds in 2023/24. Central banks across the world responded with rapid and synchronised tightening of their monetary policies. This led to continued appreciation of the US dollar against most other currencies and exacerbated challenges for emerging economies, such as South Africa, with significant external

05 REPORT OF THE ACCOUNTING OFFICER

debt denominated in US dollars. The International Monetary Fund (IMF) has revised its 2024 global economic growth forecast to 3.1 per cent – up from 2.9 per cent in October of last year. The IMF projects growth of 3.2 per cent in 2025. Initially, the South African economy bounced back relatively strongly from the economic effects of COVID-19, recording growth of 6.2 per cent in 2021/22 after a contraction of 6.9 per cent in 2020/21. However, this slowed substantially to just 1.4 per cent in 2022/23 and 0.7 per cent in 2023/24. Low to negative growth has been widespread across economic sectors, with only the transport, storage, communications and personal services sectors seeing growth of more than 2 per cent during the period under review.

Expenditure across all categories saw positive, albeit weak, growth during the reporting period. Household spending was particularly weak, registering just 0.5 per cent, down from 1.7 per cent in the previous year. Exports increased significantly, recording growth of 2.7 per cent in 2023/24. However, due to spending on imports, this growth had little impact on GDP. Gross fixed capital formation saw growth of 2 per cent but remains below pre-pandemic levels. Weak growth continues to run alongside low levels of business confidence, which decreased from an average of 38.8 index points in 2022/23 to just 30.3 points in 2023/24. In 2022/23, the current account balance reverted to its historical norm, recording a deficit of 1.3 per cent of GDP. This increased to 1.6 per cent of GDP in 2023/24 as import prices increased (largely because of increasing oil prices) and export commodity prices softened. The financial account surplus increased to R88.6 billion (1.3 per cent of GDP) in the 2023 calendar year, from a surplus of R67 billion (1 per cent of GDP) in 2022.

Fiscal metrics continued to improve slowly after the severe shock of the pandemic. The main budget deficit reached 9.9 per cent of GDP in 2020/21 before narrowing to 4.6 per cent in 2022/23. As at 31 March 2024, it was estimated at 3.9 per cent. Gross government debt, however, increased to 73.9 per cent of GDP in 2023/24, from 68 per cent in 2021/22, due to a direct debt takeover of a portion of Eskom's loan portfolio. To counter this, the 2024 Budget set a target to stabilise gross government debt at 75.3 per cent in 2025/26. South Africa's risk premium averaged 3.7 percentage points in 2023/24, a decrease from 4 percentage points in 2022/23 (below the pandemic high of 4.8 percentage points). The average real exchange rate depreciated by 4.2 per cent compared with the 2022/23 average.

Despite the constrained economic environment, the National Treasury has continued to fulfil its constitutional mandate and legislative obligations. In 2023/24, the department, with fortitude, implemented the strategy of stabilisation, recovery and reconstruction. This included ensuring fiscal sustainability, monitoring the use of scarce public resources by spending agencies and coordinating fiscal relations between the three spheres of government. Sound budgetary planning at the provincial and local government levels was encouraged and supported through capacity-building initiatives aimed at enabling prudent financial practices.

The department continued to deliver on its programme of conducting relevant research to inform policy making. This included analyses of monetary and exchange rate policies in support of competitiveness, price stability and economic growth relevant to global and financial market trends. Research and analytical support was provided to the policy process on addressing inequality, industrial policy, competition and regulation policy, as well as energy and just transition actions. As part of overseeing and implementing South Africa's macroeconomic policy framework, the department analysed and monitored macroeconomic trends and the policy framework to support sustainable economic growth. Appraisals were given on submissions to the International Trade Administration Commission.

REPORT OF THE ACCOUNTING OFFICER 05

Technical support was provided to Operation Vulindlela for implementing structural reforms in various sectors – such as electricity, telecommunications and logistics – to stimulate economic recovery and growth. The department continued to support the Southern Africa – Towards Inclusive Economic Development collaborative programme along with SARS and the United Nations University's World Institute for Development Economics Research, with a focus on the management of the administrative data lab.

Quarterly economic and revenue forecasts were produced with associated scenarios. These highlighted the primary risks to the baseline macroeconomic forecast as well as the evaluation of tax and expenditure proposals at the macro level. Emphasis has been placed on capacity building for forecasting and economic policy impact analysis.

Processes needed to implement tax proposals announced by the Minister of Finance in the 2023 Budget were carried out. During the reporting period, significant progress was made in tabling legislation to allow for the implementation of the two-pot retirement system, as well as providing temporary tax incentives for households and businesses to support the transition to clean energy.

The revenue analysis working committee, which was responsible for providing revised tax revenue forecasts in the 2023 Medium Term Budget Policy Statement (MTBPS) and the 2024 Budget, updating the estimates for tax expenditure for the Budget 2024 and proposing numerous technical tax amendments to be legislated in 2024/25. The outcome for revenue collections in 2023/24 was R46.6 billion below 2023 Budget estimates and marginally above 2024 Budget expectations. This was due to downward revisions to growth projections of the tax base in the near term, decreasing corporate income tax collections and higher VAT refund payments.

The National Treasury published a policy position statement, titled "A Simpler, Stronger Financial Sector Ombud System", to enhance consumer protection and encourage good-quality outcomes in the financial services sector. This was motivated by recommendations of the World Bank's 2021 country diagnostic study as well as public comments received. Legislative amendments to give effect to the two-pot system have been finalised. From 1 September 2024, retirement fund members will be able to make partial withdrawals from their retirement funds before retirement while preserving a portion that will only be accessible at retirement. Efforts to reform the financial regulatory system continued with the implementation from 1 April 2023 of the Financial Sector Regulation Act (2017), the Financial Sector and Deposit Insurance Levies Act (2022) and the Financial Sector and Deposit Insurance Levies (Administration) and Deposit Insurance Premiums Act (2022).

In conjunction with other government departments and agencies, significant work has been done by the department to strengthen South Africa's AML/CFT regime. This was in response to the FATF having grey-listed the country for deficiencies it had identified in February 2023. Work continued with the SARB's financial surveillance department to implement a capital flow management system that seeks to simplify cross-border trade and financial flows, while tightening the system for combating sophisticated financial crimes, unexplained wealth and suspicious financial flows.

During the reporting period, the department launched the Energy Bounce Back Loan Guarantee Scheme. The scheme is intended to incentivise the generation of an additional 1 000 MW of power through solar panels over a period of 12 months until 30 August 2024; while helping small business and households mitigate the effects of load shedding.

05 REPORT OF THE ACCOUNTING OFFICER

"The fund is now fully operational and, since its inception, has helped to package and approve 14 blended finance **PROJECTS AND PROGRAMMES TO THE VALUE OF R57.8 BILLION.**"

Efforts continued with the SARB to lay the foundations for the establishment of the Corporation for Deposit Insurance on 1 April 2024. This will enable bank depositors to have access, up to a stipulated limit, to their deposits should their banking institution fail, be liquidated and placed into resolution.

In 2023/24, the department led the national budget process, with the Budget Office responsible for publishing the Budget Review, the Estimates of National Expenditure (ENE), the MTBPS and the Adjusted Estimates of National Expenditure (AENE). The division also oversaw expenditure planning by providing fiscal advice, led the budget reform programme, managed official development assistance and compiled public finance statistics.

In addition to regulating, analysing and reporting on public sector infrastructure spending, treasury approvals and treasury views and recommendations were provided to provincial, national and municipal PPPs. Some of the larger projects that were granted approvals to go into procurement included the second phase of the Gautrain rapid rail transit system, Tygerberg Hospital and the redevelopment of six ports of entry by the Department of Home Affairs. Work began to amend Treasury Regulation 16 and municipal PPP regulations to align with recommendations from the PPP framework review.

The Infrastructure Fund maximises the cost-effective participation of private sector investors in government projects while facilitating early financial closure. The fund is now fully operational and, since its inception, has helped to package and approve 14 blended finance projects and programmes to the value of R57.8 billion.

Key milestones were reached on budget reforms with both budget tagging for Gender Responsive Budgeting (GRB) and Climate Budget Tagging (CBT) set for a second round of pilots in 2025. Medium-term expenditure framework (MTEF) process interactions with the Collaborative Africa Budget Reform Initiative, the Global Initiative on Fiscal Transparency, civil society and other institutions continued to deepen citizens' understanding of budgeting processes and fiscal information. This, in turn, strengthened transparency and increased public participation. The continued development and maintenance of the Vulekamali online portal enhance this expansive data repository and source for accessible public information.

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Summaries were provided of public sector finance statistics for the budget publications, and detailed information was provided to various internal and external stakeholders after the budget process. The publication of the 2023 Budget on the National Treasury's website included dashboards to accompany statistical tables. Government accounts were consolidated and classified by economic and functional classification for the 2022 MTBPS and 2023 Budget Review, and tables were prepared for the 2023 ENE. The development of a data warehouse to enhance the accessibility of data, particularly for users with entry-level IT skills, is still in progress.

The regulatory and governance environment continued to be enhanced by providing public entities with advice on legislative, financial and HR matters. Assistance was provided to prepare consolidated financial accounts and maintaining the budget databases and administrative records of the government sector in general, including public entities. Remuneration frameworks for public entities were developed and implemented.

Development cooperation, including official development assistance with international development partners, continued to be coordinated and mobilised. This took the form of grants and donations, direct and indirect, concessional loans and in-kind technical assistance. Geopolitical and global economic developments have affected the flow of official development assistance (ODA) to South Africa over the past few years. These developments and the classification of South Africa as an upper-middle income country have resulted in international development partners scaling down or withdrawing ODA to South Africa.

A total of R1.7 billion in ODA was received in 2023/24 compared with R871.5 million in 2022/23. This was attributed to a significant expansion in the support received from non-profit, non-governmental international organisations and non-traditional development partners such as The Global Fund to Fight AIDS, Tuberculosis and Malaria, which amounted to R1.5 billion in 2023/24. Without this support, ODA grants and donations from traditional development partners such as Canada, the European Union, France, Germany, Switzerland and the United States would have seen a decline from R323.9 million in 2022/23 to R204.5 million in 2023/24. Development cooperation with the Netherlands is expected to total €150 million over three years, focusing on green energy, a just energy transition and public infrastructure. Development cooperation with the United Kingdom will focus on urban economic development and research and knowledge-sharing. New agreements with non-traditional development partners such the OPEC Fund for International Development were also reached.

A multi-year wage agreement was concluded, which translated the non-pensionable cash allowance that was first introduced in 2021/22 into pensionable salary plus 3.3 per cent in 2023/24 and a CPI-linked increase of 4.7 per cent in 2024/25. The National Treasury estimated the cost of the 2023/24 wage increase at R37.4 billion for the senior and non-senior management levels in 2023/24, with carry-through costs in 2024/25. As announced by the Minister of Finance in the 2023 Budget Speech, significant trade-offs will be required to accommodate the wage agreement. As such, R23.6 billion was allocated in the 2023 MTBPS to assist only labour-intensive departments such as Education, Police, Health, Defence and Correctional Services with the implementation of the wage agreement. All other departments were expected to absorb the cost of the wage agreement within their baseline.

In collaboration with the Department of Public Service and Administration, the National Treasury issued a directive to

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implement controls on the PERSAL and PERSOL government payroll systems. Similarly, additional funding was allocated to selected labour-intensive departments in provinces. The 2023 MTBPS made additional allocations amounting to R87.9 billion over the 2024 MTEF to the departments of Basic and Higher Education, Health, Police, defence and Correctional Services. An additional R57.6 billion was allocated in the 2024 Budget to assist provinces and labour-intensive national departments.

Technical and institutional support continued to be provided to stakeholders on the public sector wage bill. This included the quantification of fiscal risks, a comparative public sector remuneration analysis and international benchmarking. The National Treasury partnered with the Department of Cooperative Governance on the remuneration review framework for senior managers in the local government sphere. The department also provided early cost analysis and inputs to the independent commission for the remuneration of public office-bearers annual recommendations for the cost-of-living

"The National Treasury advised the Department of Higher Education and Training on possible **STUDENT FUNDING INITIATIVES TO CATER FOR THE "MISSING MIDDLE** and how it should go about"

adjustment of public office-bearers. The amalgamation of the Temporary Employees Pension Fund and Associated Institutions Pension Fund progressed well during the period under review and is nearing completion.

During the reporting period, the department oversaw budgetary planning and execution in national departments and entities, provided advice and analysis on sectoral policies and programmes, monitored public expenditure, and offered advice on financial and budgetary aspects of public policy and spending proposals. The Public Finance division continued to be the primary link between the National Treasury and national departments and entities.

In the administrative services cluster, the National Treasury provided technical guidance to the Department of Home Affairs on the new Border Management Authority. Inputs were given to the National Treasury's response to the South African Special Risk Insurance Association's proposed government guarantee application. Advice was provided to meet South Africa's obligation to pay its second instalment to the World Bank's Financial Intermediary Fund for the pandemic prevention, preparedness and response.

The department also supported and participated in an in-depth review of spending on Census 2022 and the factors that

led to significant overspending on the census. It advised the Department of International Relations and Cooperation on certain provisions of the African Renaissance and International Cooperation Fund Amendment Bill to enable the fund to be replaced with the South African Development Partnership Agency.

In the justice and protection services cluster, support was provided to the Police department and the Independent Police Investigative Directorate through active participation in the Violence Prevention Forum, which enables the exchange of expertise on violence prevention and contributes valuable insights for policy development in the criminal justice sector. In 2023/24, the National Treasury provided policy support and advice to the Department of Justice and Constitutional Development and related public entities on exemption by Legal Aid South Africa to enter longer-term property leases. It also provided input into draft regulations relating to housing assistance for victims declared by the Truth and Reconciliation Commission and their beneficiaries. Continued support and advice were provided for the establishment of the Judicial Inspectorate for Correctional Services as a government component.

Assistance was provided to the Department of Defence to secure an additional allocation over the next three to accommodate the 2023/24 public sector wage agreement. The department secured funding for the deployment of members of the South African National Defence Force to support the South African Police Service during the 2024 elections and funding the deployment of military personnel in Mozambique as part of Operation Vikela.

In the education cluster, the department assisted and advised key stakeholders in the basic education sector on developing a results-based funding initiative to be piloted in the early childhood development function. It served on the project steering committee that oversees the implementation of phase IV of the presidential employment initiative, and on the project steering committee for teacher training on the robotics and coding project.

The National Treasury advised the Department of Higher Education and Training on possible student funding initiatives to cater for the "missing middle" and how it should go about addressing the slow rollout of infrastructure projects in the post-school sector.

The department advised the Unemployment Insurance Fund on its labour activation programme, and the Commission for Conciliation, Mediation and Arbitration on revenue augmentation. The Department of Employment and Labour was advised on the proposed national employment policy and on the department's restructuring, which includes unbundling the Unemployment Insurance Fund and the Compensation Fund from the department.

In the health and social development cluster, during the period under review, the National Treasury supported and advised the Department of Health on reforming two healthcare conditional grants, including consolidating funding for oncology services into the national tertiary services grant and merging the personal and non-personal services components of the indirect *national health insurance grant*. The department engaged stakeholders in the health sector, along with the South African Law Reform Commission, on potential reforms to medico-legal claims.

Input was provided to the policy process on basic income support, comprehensive social security reform and social protection for atypical workers; a strategy for the employment of social services workers; and a policy on the prevention

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and treatment of disorders related to substance use. Work continued in support of the Department of Social Development to analyse funding mechanisms and strategies for the non-profit sector, including modalities for service provision.

The National Treasury supported the economic services cluster by continuing to monitor conditions attached to the recapitalisation of Denel for the implementation its new business model; and Transnet for rehabilitating locomotives that are out of service and repairing infrastructure damaged by the floods in KwaZulu-Natal, Eastern Cape and Mpumalanga. Support was provided in developing conditions for the guarantee awarded to Transnet. Comments were provided on the National State Enterprises Bill and on memorandums on the establishment of a state-owned companies holding company. Assistance was provided to the Department of Agriculture, Land Reform and Rural Development with reprioritising funds between programmes to address an unprecedented drought brought on by La Niña, a weather phenomenon which sees general increases in global temperature. Comments were provided on the industrial waste tyre management plan, as well as implementation of the just energy transition investment plan and the hydrogen society roadmap.

The department also supported the gazetting of the green paper for the development and promotion of tourism in South Africa and the tourism masterplan for public notice and implementation. Work was undertaken with the Budget Office on the first phase of the climate budget tagging process, and the rollout of the workplan for the second phase under way. The Department of Small Business Development was supported with rolling out new programmes, including the energy intervention, and the Asset Assist and general dealer programmes, which are intended to provide financial and non-financial support to qualifying small enterprises to enhance competitiveness. Worked continued with the merger of the Small Enterprise Development Agency, the Small Enterprise Finance Agency and the Co-operative Banks Development Agency. Advice was provided on government options for supporting the new energy vehicle strategy led by the Department of Trade, Industry and Competition. The establishment of the special economic zones working group between the National Treasury and the department was coordinated to help resolve issues on the special economic zones programme.

In the urban development and infrastructure cluster, the department led the development of the draft disaster risk financing strategy and engaged on reforms to the community work programme. Ongoing policy support was provided to the interministerial task team to deal with matters raised by traditional and Khoi-San leaders in preparation for a

"The Department of Small Business Development was supported with rolling out new programmes, including the **ENERGY INTERVENTION, AND THE ASSET ASSIST AND GENERAL DEALER PROGRAMMES,** which are intended to provide financial and non-financial support..."

dialogue with the National House of Traditional and Khoi-San leaders.

Recommendations were made to the Minister of Finance on fees and tariffs of regulators such as the National Nuclear Regulator and the National Energy Regulator of South Africa. The National Treasury participated in consultations and provided comments on various financing and policy reforms to restructure human settlements conditional grants. It also provided input into the draft white paper on human settlements and formed part of the Operation Vulindlela titling steering committee to address the residential title deeds backlog in the low-income housing market. Comments were also provided on various legislative reforms undertaken by the department, such as the National Water Amendment Bill, the Water Services Amendment Bill, the draft water and sanitation services policy on privately owned land, and the proposed establishment of a national water resource infrastructure agency.

During the period under review, the department led the work on the long-term financing arrangements for the Gauteng freeway improvement project. It also provided support for the development of the devolution strategy for rail and commented on the private-sector participation framework.

The Intergovernmental Relations Division coordinates fiscal and financial relations between the national, provincial and local spheres of government. This function has significant impact, with 51.5 per cent (R900 billion) of non-interest expenditure for 2024/25 allocated to provinces and municipalities. The Division of Revenue Bill was tabled in February 2024 and included net additions of R19.3 billion over the medium term for provinces to fund carry-through costs of the 2023 wage agreement mainly in the education and health sectors, and an additional R8.1 billion over the medium term for municipalities to increase coverage of the provision of free basic services.

To ensure that grant funding is streamlined, funds were shifted from the indirect *national health insurance grant* to the *national tertiary services grant*. To improve the management of the indirect *national health insurance grant*, the personal services and non-personal services components of the grant are being merged into one component for the 2024 MTEF period to form the health systems component. The new component will continue to implement the programmes that were funded through the previous two components.

The National Treasury implemented a series of reforms aimed at improving performance and accountability. These include the development of a capability development programme and local government strategy for the National Treasury. This is intended to help strengthen the department's capacity to manage conditional grants effectively. The department finalised a report on the conditional grants review, from which options are being considered to improve intergovernmental grant systems, including streamlining existing conditional grants, aligning provincial and local government grants, and improving allocation methodologies.

To further address concerns about water and sanitation needs, a new requirement has been introduced that mandates using the Department of Water and Sanitation's assessment report results in all conditional grants funding water and sanitation. Policies continued to be updated to enhance the role of the private sector in financing municipal infrastructure. To this end, the Municipal Fiscal Powers and Functions Act (2007) is being amended to regulate the levying of the development charges. The updated municipal borrowing policy framework complements the use of development charges as a means for infrastructure financing. Strategies to implement the updated framework, spanning over the

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long term with some short-term and medium-term interventions, include capacity-building and stakeholder support in implementing initiatives to enable municipalities to produce a pipeline of bankable projects and access financing have been developed. This will be complemented with financing options, including blended financing options that aim to leverage funding sources from the Infrastructure Fund and the conditional grant system.

Further work was done to raise policy-based loans, mainly from development finance institutions and multilateral development banks. Proceeds from these loans can be deployed through local government conditional grants or through development finance institutions or multilateral development banks lending directly to municipalities with these developmental objectives attached to the financing.

Support was provided to metros in selected projects in the areas of economic development, human settlements, public transport, climate resilience, governance, and fiscal reforms. The spatial economic activity data project made good progress, a National Industrial Parks Summit was convened in April 2023, an IPR toolkit was being finalised and the work on city impact finance investment was finalised. All five township economic development strategies were approved with the focus shifted to supporting project implementation. The small-scale affordable rental project concluded the current phase of the work. Its next focus area will be on highlighting the potential of this market as a strategic niche for small-scale developers to ignite a spatial densification approach in strategic corridors in townships.

Work on climate responsiveness achieved a new milestone with the hosting of a peer learning workshop on extreme heat in South African cities. A just urban transition discussion document was launched and an energy scenarios development workshop was successfully held to shape and define critical scenarios for energy security in the country and the critical role that metros have to play in this reform agenda. Support was provided to the Department of Human Settlements to produce a human settlements' climate change response strategy. The principal focus was on scoping and obtaining stakeholder agreement on a major new reform agenda for trading services. The current phase of the work on minibus taxi reform was completed and a Public Transport capacity learning network is now operational for metros.

The sixth iteration of the executive leadership programme, themed "Navigating the Storms: Building adaptable and Resilient Cities", took place with representation from seven of the eight metros and key national departments. The change leadership facilitation mentoring programme was concluded during this reporting period. The reporting reforms project for metros concluded its work for the year with the issuing of an updated MFMA circular, circular 88, on the rationalisation of planning, budgeting and reporting requirements for the 2024/25 medium-term revenue and expenditure framework. Training on the cities infrastructure and delivery management system was provided. Support for the national land value capture programme in metros continued with a webinar series, the development of research reports and case studies, and technical support.

During the reporting period, support was provided to municipalities to prepare six municipal investment plans. This while 40 new catalytic projects were approved, and four project preparation reports were finalised. Ongoing programme and project management support was provided to 47 municipalities (eight metros, seven intermediate cities and 32 rural municipalities).

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"Support was provided to municipalities to prepare **SIX MUNICIPAL INVESTMENT PLANS.** This while 40 new catalytic projects were approved, and four project preparation reports were finalised."

The National Treasury oversaw the management of funds for the public employment programme. Despite initial challenges, the importance of public investment in fostering job creation, safeguarding existing employment opportunities and supporting livelihoods cannot be overstated with metropolitan municipalities. The target was to create approximately 27 072 job opportunities in 2023/24.

The *programme and project preparation support grant,* previously the integrated cities development programme, was established in 2021 to assist with programme and project packaging in municipal metros. In support of the eight metros, the grant selects bankable programmes and projects and those that can assist metros with collecting revenue.

Implementation of the infrastructure delivery management system continued with the aim of improving the delivery of infrastructure across provinces and municipalities. This work is made possible through the support of the partnership between government, represented by the National Treasury, and the government of Switzerland.

The rollout of infrastructure reporting model continued to national departments with the aim of institutionalising infrastructure reporting by government at a project level. This reform will contribute towards improved data on infrastructure in a central repository and ensure transparency across government institutions.

For 15 consecutive years, the department has successfully institutionalised the municipal budget and benchmark and the mid-year budget and performance assessment with the 17 non-delegated municipalities. The generic framework for the assessment and analysis of municipal budgets was updated in line with the municipal budget and reporting regulation. It was determined that 15 of the 17 non-delegated municipalities were funded for 2023/24. Several routine publications were issued during the reporting period, including the state of local government finances and financial management report.

In respect of debt relief, through various consultations, a better understanding was fostered of the complexities and systemic challenges in local government. This culminated in the Minister of Finance issuing the debt relief conditions for Eskom in the municipal space. Simultaneously, 22 municipal debt relief information sessions attended by approximately 1 200 participants were facilitated across all provinces. The municipal debt relief application process concluded in January

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2024 with 72 municipal submissions amounting to R56.8 billion of the R58.5 billion municipal debt owed to Eskom as of 31 March 2023. Of the 72 applications, 71 were approved (R55.3 billion) and are in various phases of entering the programme. In conjunction with this, research was conducted, and support was provided to the Department of Water and Sanitation on the development of the water debt relief concept document. The design and compilation of the smart meter grant framework also commenced. The department's involvement in these activities directly underpinned the Eskom and water debt relief frameworks and approval processes and is seen as an ongoing learning process to improve the National Treasury's wider revenue management initiatives and support.

Various revenue enhancement tools were developed to include all municipalities that are in debt relief. These municipalities were capacitated on the use of strengthened tariff and rates reconciliation tools towards improving how the revenue component is funded. A revenue assessment tool to support the integrated approach to revenue management, as agreed with the Department of Cooperative Governance, was also issued used by municipal and provincial treasuries to facilitate improved awareness of collection by councils and stakeholders. Indigent management and debt relief compliance tools were developed to integrate with municipalities' monthly MFMA section 71 reporting.

With the support of the municipal finance improvement programme, budget and revenue technical advisors and municipal support technical advisors, there has been progressive efforts to address shortfalls in the municipal revenue value chain. A revised approach to the development of financial recovery plans was implemented to enable better monitoring and easier implementation of the plans at municipal level. Through the programme, the National Treasury supported six provincial treasuries and 55 targeted municipalities with the implementation of the reform related to the Municipal Standard Chart of Accounts. The public information portal, Municipal Money, has been included in the Open Government Partnership's 5th national action plan as part of the National Treasury's commitment to improve transparency and public participation in local government processes.

Efforts continued to improve the conditional grant monitoring framework for local government. In 2023/24, an adjusted amount of R153.5 billion was allocated through the annual Division of Revenue Amendment Act in direct transfers to local government. The adjusted allocation (the original allocation was R163.9 billion before mid-year adjustments) includes unconditional transfers in the form of the equitable share and related (R95.2 billion), direct conditional grants allocated for capacity grants (R2.5 billion), direct conditional grants for infrastructure projects (R39.9 billion, including R7.6 bn for the *urban settlements development grant)* and indirect conditional grants (R8.3 billion).

An amount of R1.2 billion was ring-fenced in the *municipal disaster recovery grant* to fund repairs of infrastructure damaged by floods that occurred between February 2022 and March 2023 in Eastern Cape, KwaZulu-Natal, Limpopo and Mpumalanga. An additional amount of R372 million was allocated to the baseline of the *municipal disaster response grant* to make R744.4 million available to provide for the immediate release of funds for disaster response.

The National Treasury continues to assist underperforming municipalities to improve spending and manage conditional grants. A total of 136 municipalities requested rollovers for funds for unspent conditional grants in 2022/23, amounting to R6.8 billion. The National Treasury only approved R3.2 billion (47 per cent) of the amount requested. The amount was returned or repaid to the National Revenue Fund through offsetting against the 2023 equitable share. Included in the

R3.2 billion was repayment arrangements for the previous financial year against municipalities that could not repay their unspent uncommitted funds at once.

Further adjustments were made in line with sections 18 and 19 of the 2023 Division of Revenue Amendment Act by implementing the stopping of allocations against slow spending municipalities and reallocating the stopped funds to better performing municipalities. The National Treasury wrote to 161 municipalities across all provinces expressing its intention to stop their funds. This process resulted in R2 billions of R6.2 billion being stopped after due process was followed.

To continuously support and build capacity in provinces, the transformational coaching project for Provincial Treasuries senior management including HODs was successfully concluded, the Essentials of Budget Formulation and Analysis Course (EBFAC) training was conducted in in all provinces and the last leg of the Executive Education Programme is underway.

The Jobs Fund is a R9 billion challenge fund that offers a targeted programme of support for effective labour market interventions. The programme supports job creation in the short to medium terms and identifies scalable and replicable job creation models that will assist in addressing South Africa's unemployment crisis. To date, the Jobs Fund has concluded eleven funding rounds and has fully allocated its original R9 billion in grant funding to its portfolio of projects.

The fund has a portfolio of 163 job-creation projects that have facilitated the creation of 206 722 permanent jobs and placements. The fund's project partners have created a further 132 111 jobs, of which 20 177 are seasonal jobs that are expected to endure well beyond the project implementation period, 88 342 are short-term jobs and 23 592 are internships. About 319 756 people have thus far been trained through the supported projects. An additional 61 288 jobs have been created after the projects' implementation periods, revealing the catalytic effect of the fund's grant over time. The overall grant cost per job created is competitive at R23 356, which includes the fund's' operating costs. As at 31 March 2024, the Jobs Fund had disbursed R7.14 billion and leveraged an additional R14.27 billion from project partners.

In the year under review, the fund's 11th funding round had a total of 195 applications, of which 21 will be supported over the next two years. These projects are expected to create more than 17 000 permanent jobs; and when including shorter-term employment opportunities, the total jobs yield is expected to approach 23 000.
To improve transparency, Instruction Note no. 1 of 2023/24 was introduced that requires Cabinet members who have requested the Minister of Finance's concurrence for the issuance guarantees, indemnities and other securities to report those requests to the National Assembly on a quarterly basis.

Government continues to invest its surplus cash with ABSA, FirstRand, Nedbank and Standard Bank. The risk from the investment of government's surplus cash remains low, with banks showing an improvement in profitability on the back of increased revenue and improved efficiency.

During the period under review, guarantees were issued to Transnet and the South African Roads Agency Limited (Sanral). The Minister of Finance approved a special dispensation to allow Transnet to raise government

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guaranteed debt. The Minister of Finance concurred to the issuance of guarantees of R47 billion to Transnet and R7 billion to the South African National Roads Agency and provided a government guarantee of R14.7 billion to the Department of Mineral Resources and Energy for bid window 6 of the renewable energy independent power producer procurement programme.

All corporate plans and annual reports of schedule 2 and 3B public entities that were submitted within the PFMA-stipulated deadlines were reviewed during the period under review. The Land and Agricultural Bank of South Africa's remained exempt from submitting a corporate plan, as approved by the Minister of Finance, but it was still required to submit its shareholder compact and annual report. The process of concluding the bank's liability solution with lenders is expected to conclude before the end of 2024/25.

"To assist Denel with the implementation of its turnaround plan, the entity was recapitalised with **WITH R3.378 BILLION** subject to conditions."

During the period under review, the Minister of Finance concurred to an increase in the guarantees provided to the Trans-Caledon Tunnel Authority. Various applications in terms of section 54 of the PFMA were finalised for Transnet, the Airports Company of South Africa (ACSA), Denel, Eskom and the Central Energy Fund (CEF). Tariff submissions from all seven water boards were also reviewed.

To assist Denel with the implementation of its turnaround plan, the entity was recapitalised with R3.378 billion subject to conditions. For South African Airways to exit business rescue, a settlement agreement was reached between the rescue practitioners and the airline's creditors, which provided for a gradual payment of historical debts.

As at 31 March 2024, the Minister of Finance approved the disbursement of R76 billion to Eskom as part of the utility's R78 billion debt relief package for 2023/24. Of this, R44 billion was converted to equity after Eskom complied with all the strategic conditions for the periods ending 30 September and December 2023. The Eskom Debt Relief Amendment Act was gazetted in April 2024. This legislation is aimed at empowering the Minister of Finance to charge interest on the Eskom debt relief package and reduce allocations should Eskom not comply with the conditions of the act.

Inputs were provided on policy, legislation and strategies relating to the Eskom unbundling process, Transnet, the

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South African Post Office, the South African Broadcasting Corporation, Sentech, Broadband Infraco, the Central Energy Fund, climate finance, the just energy transition, the revised raw water pricing strategy and the business case for the establishment of the National Water Resources Infrastructure Agency.

Through section 70(2)(b) of the PFMA, Denel was allocated R3.213 billion to cover capital and interest payments on guaranteed debt under the domestic medium-term note programme as the entity continues to experience solvency and liquidity challenges. During the reporting period, borrowing authorisation and related limit applications, as well as foreign currency borrowing limit applications, from Eskom, Transnet, the Development Bank of Southern Africa and the Trans-Caledon Tunnel Authority were considered.

In July 2023, Fitch Ratings affirmed South Africa's BB- credit rating and "stable outlook". In November 2023, S&P Global Ratings affirmed its BB- credit rating and "stable" outlook for South Africa. Moody's did not publish a credit rating announcement after its review. However, it published a credit opinion report in November 2023, which stated that South Africa's "stable" outlook reflects Moody's expectation that government's debt burden will likely stabilise over the medium term as it remains committed to fiscal consolidation. The report further noted that while risks related to social demands and SOCs remain, government is likely to continue to re-prioritise spending to try to mitigate any negative impact on the fiscal deficits. In January 2024, Fitch affirmed South Africa's BB- credit rating and "stable" outlook.

Government successfully financed its gross borrowing requirement of R544 billion. The stock of government debt increased by R493.3 billion, from R4.8 trillion in March 2023 to R5.3 trillion in March 2024, while strategic risk benchmark indicators remained within recommended limits. The cost of servicing government debt amounted to R356.1 billion, lower than the revised budget estimate by approximately R31 million. During the reporting period, domestic and foreign loans amounting to R144.4 billion were repaid. All of government's rand and foreign currency commitments were met daily and surplus cash was invested.

Guidelines on the framework that requires accounting officers and authorities to report on progress made on unauthorised, irregular and fruitless and wasteful expenditure, were developed. These reports serve as a monitoring tool and precursor to identifying institutions in need of assistance.

Information sessions were provided upon request by PFMA institutions to ensure that their accounting officers and authorities comply with the legislative framework. Technical meetings were held with the Auditor-General of South Africa (AGSA) and PFMA-compliant institutions to provide clarity on the interpretation of the PFMA, Treasury Regulations and related instructions and frameworks. Responses to requests from PFMA-compliant institutions for the Office of the Accountant-General to condone irregular expenditure was provided, thereby supporting institutions to reduce irregular expenditure. The department developed and presented an annual progress report to PFMA institutions on financial management and compliance matters with the aim of supporting them to strengthen their oversight functions.

The National Treasury continued monitoring compliance with the requirement for national and provincial departments

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to pay suppliers within 30 days from receipt of invoices. Assistance was provided to suppliers with queries relating to the non-payment of invoices that were reported to the department's 30-day supplier hotline.

The MFMA helpdesk continued to respond to requests for clarification from municipalities and municipal entities on the MFMA provisions and regulatory oversight. Ongoing assistance has been provided through MFMA workshops and capacity building exercises for municipal public accounts committees to strengthen their financial management oversight.

Further support to and the training of municipal officials on the use of the web-enabled audit action plan and web-enabled assessments for financial capability and maturity level was given. The Muni eMonitor system was designed to strengthen municipalities' reporting capabilities and municipal entities' capacity to comply with the MFMA's provisions and supporting regulations. The system is expected to be rolled out in the new financial year at no cost to municipalities and municipal entities.

The financial management grant was transferred to all municipalities in 2023/24 to assist with improving financial management and implementing the MFMA. National revenue and expenditure information was monitored and reported through monthly reports in terms of section 32 of the PFMA. The department continued its efforts to support the improvement of audit outcomes; and the review, feedback and monitoring of annual financial statements preparation plans and audit action plans. MFMA coordinator meetings and chief financial officer forums were hosted.

Updates to all 12 accounting manuals were published to support the application of the Modified Cash Standard (MCS) applied by national and provincial departments. Additional illustrative guides and tools were developed to help departments understand and apply changes to the standard that come into effect on 1 April 2023.

Support was offered to departments during the audit cycle through responses to queries, engagements with the AGSA and the issuing of frequently asked questions (FAQs). Support was provided to the work of internal auditors and risk management professionals in PFMA and MFMA spending agencies. This entailed facilitating information-sharing sessions such as the public sector audit committee forum, attending audit committee meetings and responding to queries on the application of legislative prescripts. A web-based quality assurance self-assessment preparation tool for the internal audit function was developed. Risk management committees were also supported on applying the risk management framework and embedding risk management practices.

Ongoing support was provided to provincial treasuries, municipalities and government departments through advocacy, joint meetings, and one-on-one engagements, including key stakeholder engagements on initiatives related to supply chain management (SCM). Support was provided to the development and professionalisation of national, provincial and municipal departments' SCM function as a discipline through the interim SCM council.

A more focused view of management was adopted to address skills shortfalls relevant for public financial management. These included exploring sustainability strategies to enhance the conditions that enable progress through the interventions provided. The internship programme continued during the year under review. To ensure the effective implementation and achievement of the overall objectives of the financial management programme for improved

service delivery, a total of 52 projects were implemented during the reporting period. Of these, 36 were successfully completed, 13 are progressing as planned and three were cancelled. A total of 7 043 officials have thus far been trained against an end-of-programme target of 5 800, well beyond what was originally planned, and 46 learning networks have been established to date against a four-year target of three.

Significant progress was made through the Procurement Infrastructure and Knowledge Management (PINK) programme and the financial management programme for improved service delivery, both of which are donor-funded, in providing critical skills and building capacity. As this programme draws to a close, proposals for the enrolment of a new programme have been submitted.

The municipal internship programme, funded by the *local government financial management grant*, continued to grow at a steady pace during the reporting period. Currently, 30 trainee accountants are enrolled in the Chartered Accountants Academy (CAA).

Work continued to provide a stable platform for government's systems operations. This included ongoing maintenance and adaption of the PERSAL payroll system, the LOGIS logistical system, the basic accounting system and the Vulindlela management information system to comply with policy and user requirements. During the reporting period, the integrated financial management system was held in abeyance pending the completion of an investigation undertaken by the Special Investigating Unit. The programme is expected to be updated, which will inform the commencement of the work.

Capacity on critical forensic investigations related to public procurement was provided to law enforcement agencies, the National Prosecuting Authority and the South African Police Service. This was for the criminal investigation of complex commercial crime cases, including those related to the procurement of personal protective equipment. Cases were referred for criminal investigation, with advisory services provided to law enforcement agencies or anti-corruption task teams. To assist with building law enforcement institutions' capacity, training sessions on PFMA and MFMA case law for criminal convictions were conducted with members of the Directorate for Priority Crime Investigation and prosecutors from the Serious Commercial Crimes Unit.

The Minister of Finance tabled the Public Procurement Bill in Parliament on 30 June 2023 after it was approved by Cabinet in May 2023. After due process, the bill was passed in December 2023 and referred to the National Council of Provinces for consideration. The council's process has been followed, which included consideration by the Select Committee on Finance and holding public hearings in provinces. The Procurement Bill is expected to be enacted for the 7th democratic administration.

During the reporting period, 18 transversal term contracts were facilitated against a targeted 13. The contracts were arranged in sectors such as transport, medical and education services, voice and telecommunications, and clothing and textiles. As efforts are intensified to promote central procurement to benefit from economies of scale and streamline procurement efforts on common goods and services, the Office of the Chief Procurement Officer added 11 new commodities to its portfolio of commodities.

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The Central Database (CSD) continues to simplify and strengthen the accessibility of doing business with the state. Several enhancements to the database were made during the period under review. By the end of 2023/24, the system had 1 203 546 registered suppliers, of which 388 854 were women-owned, 329 604 are youth-owned and 9 921 owned by people with disabilities.

The eTender portal was also enhanced by adding a resource centre that enables the publication of standard specifications. The online tender submission process also improved with the simplified publication of tender publication statistics. During the reporting period, 34 910 procurement opportunities were advertised on the portal.

Accountability was conferred to accounting officers/authorities of organs of state in terms of PFMA SCM Instruction Note no. 3 of 2021/22 in that applications for departures from section 79 of the PFMA on the competitive process were conferred to accounting officers/authorities. Procurement transparency measures continued to be advanced by publishing procurement information by other means and through contract variations.

During the reporting period, 15 identified institutions attended the Supply Chain Management Governance Roadshows or visits. Bid Committee training with both PFMA and MFMA compliant institutions was conducted. The strategic procurement framework and good practice guides were updated and packaged for online use.

The department conducted research and produced draft concept papers on cost-effective procurement (value for money), innovation procurement, green/sustainable procurement, procurement methods and infrastructure procurement. Through the development of various sourcing strategies for client institutions over the years, a total of 723-line-item specifications for various commodity categories has been developed. These specifications are now hosted on the newly developed web-based specification library platform on the eTender portal.

The hosting of SCM forums continued in relation to work with various higher education institutions. An SCM training programme was developed through Enterprises University of Pretoria. This is expected to contribute to the professionalisation of SCM in the public service. Work was also done with Tshwane University of Technology on developing qualifications related specifically to SCM. Through continued support and collaboration with the Small Enterprise Development Agency, assistance was given to the development of the 10-module eLearning course for enterprise and supplier development practitioners.

As part of its contribution to building an ethical and progressive state, the department participated in the anti-corruption national dialogue hosted by the National Anti-Corruption Advisory Council and engaged with Corruption Watch on its 2023 report on procurement risk trends.

The department continued to manage South Africa's interests in shaping regional and global policies that advance the economic, financial and development objectives of the country and Africa. South Africa participates in the African Union Committee of 15 Finance Ministers (F15). Although participation in the F15 is intended to rotate every three years, this has not been the case since 2016 due to delays in approving the F15 rules of procedure with regards to tier 1

"The department continued to manage **SOUTH AFRICA'S INTERESTS IN SHAPING REGIONAL AND GLOBAL POLICIES** that advance the economic, financial and development objectives of the country and Africa."

countries' request to be made permanent members. The executive council directed that the F15 ministerial committee convene to finalise this matter. However, as the F15 secretariat is yet to do so, the matter is incomplete, and South Africa continued its participation in the period under review.

During the reporting period, the National Treasury participated in negotiations for the new scale of assessment to be applied from 2024 to 2026. The outcome of the negotiations was to continue applying the 2020-2023 scale of assessment from 2024 to 2026. As such, over the next three years, as a tier 1 country, South Africa will continue to contribute 7.5 per cent of the member states contributions to the African Union's budget.

With SARB, the National Treasury further participates in the AU specialised technical committee of ministers of finance, economic planning and development, and monetary affairs to advance South Africa's position on the establishment of AU financial institutions. A feasibility study to assess the possibilities of establishing all AU financial institutions within the context of the current economic environment in Africa, in line with the AU Constitutive Act, is yet to be concluded. An external expert was commissioned in 2023/24 to undertake the study in 2024/25.

The DTIC is the national focal point on matters relating to the Southern African Customs Union (SACU), with the National Treasury and SARS providing support. The National Treasury is responsible for the programme on the finance track led by finance ministers from the SACU region. The National Treasury manages the common revenue pool in terms of the 2002 SACU agreement. Part of this entailed participating in meetings of the task team assembled to reconcile 2023/24 trade data.

Oversight was administered, ensuring effective financial governance of the SACU secretariat by participating in the quarterly finance, risk and audit committee meetings. In addition, the period under review, oversaw the implementation of SACU's 2023/24 budget and business plan, and the approval of its 2023/24 internal audit plan. The work included finalising the costed implementation plan of the 2022 SACU strategic plan and overseeing a review of the secretariat pay structure. Also the pay philosophy and a review of SACU's organisational structure was overseen.

05 REPORT OF THE ACCOUNTING OFFICER

The department is responsible for the Common Monetary Area, which facilitates South Africa's relations with Eswatini, Lesotho and Namibia as governed by the Multilateral Monetary Area. During the reporting period, payments amounting to R1.4 billion to Eswatini, Lesotho and Namibia were made for the treatment of the rand as legal tender. A work programme for the Common Monetary Area's council was drafted with SARB and Eswatini, the current chair of the Common Monetary Area.

South Africa's engagement within the Southern African Development Community (SADC) macroeconomic convergence programme and all finance track work was managed, as informed by the SADC finance and investment protocol. This work included engaging in meetings of SADC countries' ministers of finance and investment, and the peer-review panel comprising central bank governors and ministers of finance. In addition, along with SARB, a peer-review mission to Malawi commenced.

During the period under review, work was conducted on the reprioritisation of projects of the SADC's 2020-2030 regional indicative strategic development plan. The development plan will serve as the SADC's framework and long-term implementation plan until 2029.

The department finalised the South Africa-AFRITAC South memorandum of commitment for the third phase of the project (2023/24-2027/28).

South Africa chaired the BRICS presidency from January-December 2023. The National Treasury, with SARB, led and represented South Africa in the BRICS finance track, with focus on the following priorities: global economy and multilateral cooperation, infrastructure and PPPs, cooperation on customs and taxes, and the think tank network on finance. Progress on the implementation of these priorities was captured in the joint statement of BRICS finance ministers and central bank governors, which was published during the BRICS Leaders' Summit in Johannesburg in August 2023.

Since becoming a member of the New Development Bank in 2015, South Africa has secured project loan funding amounting to US$6.2 billion for various sectors, of which US$3.6 billion has been disbursed (including US$1 billion to Transnet).

On 10 December 2023, South Africa became a non-regional member of the Asian Infrastructure Investment Bank. The National Treasury made a capital contribution of US$1 million for 50 shares and US$4 million for callable capital. This is the minimum number of shares a country can subscribe, for a total of 2 076 votes. The bank invests across infrastructure and other productive sectors, giving South Africa an opportunity to access funding for these growth driving projects.

During the reporting period, the National Treasury led South Africa's effective engagement and coordination with the finance track of the G20. In doing so, it advocated for the country's economic and financial interests. This included providing support to the President's successful engagement at the New Delhi G20 Summit in September 2023.

The G20 compact with Africa programme, which aims to stimulate economic activity in African economies continued to be supported. In 2023/24, the Democratic Republic of Congo became the 13th member of the programme. In the

discussions on support for vulnerable countries, South Africa advocated for the G20 to commit to increasing its efforts to implement the G20 common framework for debt treatment in a timely, orderly and coordinated manner.

Since 2022, South Africa has participated as a prospective member in meetings of the Paris Club. This provides the organisation with a sub-Saharan African perspective on global and regional developments in debt sustainability. As a prospective member, South Africa can attend all Paris Club meetings in their entirety, but all information shared at these meetings remains confidential. A prospective member has generally the same obligations as an ad hoc participant and is expected to take additional steps to share data and participate in debt workouts on its way to formal integration.

During the reporting period, the National Treasury successfully sustained the dialogue between South Africa and the International Monetary Fund (IMF), which included coordinating an IMF staff visit. The report on South Africa's article IV consultation with the IMF was published on 6 June 2023. During the period under review, South Africa supported the global ambition to reallocate the US$100 billion in special drawing rights allocations to vulnerable countries. This ambition has now been met. South Africa has also been advocating for these allocations to rechannelled to multilateral development banks to magnify its developmental impact. The IMF board is considering this proposal.

A major achievement was reached during the period under review regarding governance reforms within the IMF's international monetary and financial committee. This entailed the supporting of a 25th board chair being allocated for a third chair for sub-Saharan Africa at the IMF/World Bank Group annual meetings in October 2023. Before this, South Africa had been calling for a third chair for sub-Saharan African for more than a decade.

South Africa's relations with the Organisation for Economic Cooperation and Development (OECD) are carried out through the enhanced engagement method. This aims to augment the participation of major emerging and developing

"Since becoming a member of the New Development Bank in 2015, South Africa has secured project loan funding amounting to **US$6.2 BILLION FOR VARIOUS SECTORS, OF WHICH US$3.6 BILLION** has been disbursed..."

economies in the daily work of the OECD. During the reporting period, the Minister of Finance, on behalf of the South African government, signed a memorandum of understanding on cooperative activities and a joint work programme with the OECD. Spanning five years with joint reviews every two years, the joint work programme focuses on five key

05 REPORT OF THE ACCOUNTING OFFICER

areas: inclusive growth and competitiveness, SMME development, trade and investment promotion, skills development and institutional strengthening.

Support was provided to the Minister of Finance, who led the South African government delegation to the annual meeting of the World Economic Forum. The concessional fund of the World Bank Group was supported through South Africa's engagement in the International Development Association. Through participation in the mid-term review by the National Treasury, key priorities such as job creation and private sector development were retained as priority areas for the remaining IDA-20 period.

The department participated in the just energy transition partnership with the delivery of the just energy transition implementation plan, which was launched ahead of the COP28 Summit in December 2023. The National Treasury received a US$500 000 grant allocation from the Sustainable Energy Fund for Africa in 2023/24. The fund is managed by the African Development Bank to provide technical assistance to support policy and technical work underpinning the just energy transition.

During the period under review, continued support was provided to the Minister of Finance in his role as the governor of the World Bank. A key area of discussion was the World Bank's evolution roadmap, which highlighted the crucial need to translate the World Bank Group's vision into meaningful and impactful outcomes for developing countries. The South Africa country partnership framework for the period 2022-2026, which underpins the collaboration between South Africa and the World Bank Group, saw a significant deepening of the bank's partnerships and its convening role for scaled-up impact in key sectoral reform and geographical areas. This includes network infrastructure for energy and a just transition, transport and sub-national engagement. The growing financing portfolio with the International Bank for Reconstruction and Development was made apparent by the approval of South Africa's request for US$1 billion in 2023/24 to support South Africa's just energy transition.

Continued support was provided to the Minister of Finance in his role as governor of the African Development Bank. In October 2023, through the National Treasury, South Africa received development policy financing – a programme-based operation of US$300 million that supports the South Africa energy governance and climate resilience programme. The National Treasury's division concerned with civil and military pensions, contributions to funds and other benefits continued to provide pension and post-retirement medical benefits to former employees of state departments and bodies, and similar benefits to retired members of the military. The programme paid all validated benefits within stipulated timeframes against a targeted 99 per cent.

Overall, R6.6 billion was paid out in 2023/24 compared with R6.7 billion in 2022/23. This decrease was attributed to the recapitalisation of the Government Employees Medical Scheme in 2022/23. The number of pensioners and beneficiaries increased by 4.4 per cent, from 168 469 in 2022/23 to 179 894 in 2023/24. This increase was attributed partly to an 8 per cent increase in post-retirement medical subsidy pensioners and beneficiaries, from 147 568 in 2022/23 to 159 379 in 2022/23.

By maintaining continual monitoring and data cleansing, the programme achieved a 99.99 per cent resolution of

the integrity of data against the targeted 99 per cent. For fraudulent claims, the programme achieved a 99.99 per cent reduction against the targeted 98 per cent. This was attributed to effective and adequate internal controls and mitigating risks in the value chain. Roadshows and member education drives were implemented in all provinces.

5.2 OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT

5.2.1 DEPARTMENTAL RECEIPTS

The following table provides a breakdown of the sources of revenue and performance for 2023/24

Table 1: Sources of Revenue

DEPARTMENTAL RECEIPTS	2022/23		2023/24			
	ESTIMATE	ACTUAL AMOUNT COLLECTED	(OVER)/ UNDER COLLECTION	ESTIMATE	ACTUAL AMOUNT COLLECTED	(OVER)/UNDER COLLECTION
	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts	-	-	-		-	-
Sale of goods and services other than capital assets	247 826	8 452	239 374	3 229	4 107	- 878
Interest, dividends and rent on land	7 888 401	8 789 001	-900 600	8 156 048	12 620 660	-4 464 612
Sale of capital assets	-	-	0	-	681	-681
Financial transactions in assets and liabilities	290 970	20 482	270 488	291 300	60 998	230 302
Total	**8 427 197**	**8 817 935**	**-390 738**	**8 450 577**	**12 686 446**	**-4 235 869**

Revenue from interest and dividends relates to 99 per cent of the department's total revenue. The department over collected by R4 228 billion mainly due to more interest received from dividends, received from the Public Investment Corporation (PIC), and investments in the tax and loan accounts for the period.

SALE OF GOODS AND SERVICES

The over-collection of R878 000 is mainly due to an increase in guaranteed fees collected and no guarantee fees projected for Transnet (R1.2 million).

05 REPORT OF THE ACCOUNTING OFFICER

INTEREST

The over collection of R4.465 billion is mainly due to more interest income received from investments in the tax and loan accounts foreign currency deposit and dividends from the PIC.

SALES OF CAPITAL ASSETS

The over-collection of R681 000 is mainly due to auctioning of vehicles for the department.

FINANCIAL TRANSACTIONS

The deficit of R237 916 is due to less than anticipated surplus funds received from entities.

5.2.2 PROGRAMME EXPENDITURE

The following table provides a high-level, year-on-year comparison of expenditure incurred by the department against appropriated funds.

Table 2: Payment expenditure made by programmes for 1 April 2023 – 31 March 2024

PROGRAMME	2022/23			2023/24		
	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	541 619	486 826	54 793	609 884	486 176	123 708
Economic Policy Tax Financial Regulation and Research	158 212	119 142	39 070	138 370	127 462	10 908
Public Finance and Budget Management	4 374 731	4 289 832	84 899	4 003 767	3 977 671	26 096
Asset and Liability Management	6 024 410	5 225 491	798 919	657 653	656 361	1 292
Financial Accounting and Supply Chain Management Systems	946 132	716 652	229 480	821 580	754 884	66 696
International Financial Relations	2 857 266	2 848 635	8 631	2 754 112	2 707 658	46 454
Civil and Military Pensions Contributions to Funds and Other Benefits	6 904 051	6 773 586	130 465	6 659 738	6 659 665	73.4

Revenue Administration	11 635 781	11 635 781	-	13 280 696	13 280 696	-
Financial Intelligence and State Security	5 395 482	5 395 482	-	5 424 478	5 424 478	-
Total	**38 837 684**	**37 491 427**	**1 346 257**	**34 350 278**	**34 075 050**	**275 227**

The department's 2023/24 budget allocation was R34.350 billion. Actual expenditure as at 31 March 2024 amounted to R34.075 billion, representing 99.2 per cent of the total budget. The underspending is broken down as follows:

- **Compensation of employees (R3.5 million):** Mainly due to the slow filling of vacant positions in various programmes due to cost-containment measures.
- **Goods and services (R129.4 million):**
  - R30.3 million mainly on under-payments for capital assets due to delays in the procurement of network and storage infrastructure; and computer services due to delays in the procurement of VM Ware and Microsoft licences. The bidding process was concluded, and a service-level agreement has been signed. The department expected the hardware to be delivered in May 2024 and the payment of invoices will be processed in 2024/25.
  - R17.8 million on consultancy services within the Intergovernmental Relations Division mainly in relation to the municipal finance recovery services project. This was due to less-than-anticipated deliverables being met. Invoices were issued based on deliverables.
  - R11.4 million on travel and subsistence due to the cost-containment instruction issued in October 2023. This impacted meeting attendance, especially the size of the delegations that were approved by the Director-General and Minister to attend. The unspent funds will be returned to the fiscus.
  - R9.3 million on consultancy services for various projects within the OCPO that are currently at various stages of the procurement process.
  - R5.3 million on consultants within the Economic Policy Division due to delays in appointing consultants for macro reviews and growth strategy workshops. Expenditure was expected to increase in February 2024 once the master service agreements had been signed, but this did not materialise. In addition, some funds were retained for emolument attachment payments within the Tax and Financial Sector Policy Division.
  - R6.1 million on computer services for the IFMS pending the finalisation and outcome of the SIU's report, and lower-than-anticipated spending on legacy systems such as LOGIS software maintenance.
  - R1.5 million on venues and facilities on the Financial Accounting and Supply Chain Management Systems Programme and the International Financial Relations Programme due to lower-than-anticipated spending on fewer in-person meetings, training courses and workshops that would have required venue facilities. In addition, the World Economic Forum on Africa was not hosted in South Africa in the period under review.

05 REPORT OF THE ACCOUNTING OFFICER

The unspent funds will be returned to the fiscus.

- R1.5 million on the Jobs Fund related to delays in receiving all documentation from GTAC for cost recovery invoice and low spending on compensation of employees due to resignations and the ongoing process of filling positions.
- R46.2 million on various items, including consultancy, communication, contracting and repairs, across programmes.

- **Goods and services (R129.4 million):**
  - R28.8 million within the Common Monetary Area related to lower-than-anticipated SARB estimates for transfer payments to Eswatini, Namibia and Lesotho.
  - R10.2 million on various programmes due to lower-than-anticipated spending and savings on the foreign currency payment to the International Fund Facility for Immunisation. This was due to the stronger rand against the US dollar.
- **Payment of capital assets (R100.2 million):** The underspending was mainly related to the ICT unit's procurement of network and storage infrastructure. The terms of reference for the tender process were submitted in September 2023, followed by the advertisement of the tender in October 2023. Spending will commence once the procurement process has been completed. The Director-General approved the recommended service provider and the contract management team initiated the contracting processes in February 2024. The funds are likely to form part of the request to roll over funds to 2024/25.
- **Payment for financial assets (R5.2 million):** The underspending related to payment to the WB due to South Africa paying the final tranche for its subscription to the 2018 International Bank for Reconstruction and Development's general capital increase. This resulted in a saving due to a favourable foreign exchange rate.

PROGRAMME 1

Spent R486.176 million, 79.7 per cent of programme's budget allocation.

PROGRAMME 2

Spent R127.461 million, 92.1 per cent of the programme's budget allocation.

PROGRAMME 3

Spent R3.978 billion, 99.3 per cent of the programme's budget allocation.

PROGRAMME 4

Spent R656.361 million, 99.8 per cent of the programme's budget allocation.

PROGRAMME 5

Spent R754.884 million, 91.9 per cent of the programme's budget allocation.

PROGRAMME 6

Spent R2.708 billion, 98.3 per cent of the programme's budget allocation.

PROGRAMME 7

Spent R6.660 billion, 99.9 per cent of the programme's budget allocation.

PROGRAMME 8

Transferred R13.281 billion, 100 per cent of the programme's total budget allocation.

PROGRAMME 9

Transferred R5.424 billion, representing 100 per cent of the programme's budget allocation.

5.2.3 VIREMENTS/ROLLOVERS

The department applied internal virements from savings to cover overspending mainly on the following:

- Programme 1 sourced an aggregate of R35.5 million: received R300 thousand (gave R1.8 million to programme 3 and received R2.1 million from programme 2 to cover the shortfall in compensation of employees), sourced R26.8 million to programme 7 shortfall on households and sourced R9 million to SARS for the wage settlement.
- Programme 2 sourced R12 million to cover the shortfall on compensation of employees (R9.7 million to programme 3, R1.6 million to programme 3 and R700 000 to programme 1).
- Programme 3 sourced an aggregate of R7.7 million: received R8.3 million (gave R1.4 million to programme 1 and received R9.7 million from programme to cover the shortfall on compensation of employees), sourced R16 million to programme 8 to SARS for the wage settlement.
- Programme 4 received an aggregate of R24.274 million: received R24.274 million from programme 7 to cover the shortfall on the goods and services on the Eskom independent assessment and gave R1 million from programme 6 to cover the shortfall on compensation of employees.
- Programme 5 sourced an aggregate of R48.7 million: received R50 million from programme 7 for the audit statutory bodies, gave R2.7 million to programme 6 to cover the shortfall on compensation of employees, and sourced R96 million to SARS for the wage settlement.
- Programme 6 received an aggregate of R163.780 million: received R7.1 million to cover the shortfall on compensation of employees, received R158.780 million from programme 7 to cover shortfall on the Common

05 REPORT OF THE ACCOUNTING OFFICER

Monetary Area and WB, and sourced R2.1 million to SARS for the wage settlement.

- Programme 7 sourced an aggregate of R208.054 million: received R26.8 million from programme 1 to cover the shortfall on the post-retirement medical benefit, gave R234 054 to programme 4 (R25 274), programme 5 (R50 million) and programme 6 (R158.780 million).
- Programme 8 received an additional R123.1 million to cover the shortfall on the wage settlement. SARS received an additional special appropriation of R1 billion.
- The submission for R221 million in rollovers was requested by the department.

5.2.4 UNAUTHORISED EXPENDITURE

No unauthorised expenditure was recorded after the application of virements.

5.2.5 IRREGULAR EXPENDITURE

The department started the financial year with irregular expenditure cases to the value of R279.634 million. The department's internal controls have proven to be effective in that there was only one new irregular expenditure transaction/case identified and reported in the 2023/24 AFS.

The irregular expenditure confirmed and reported in the 2023/24 AFS was R10.757 million relating to multiyear contracts. During the reporting period, no irregular expenditure was condoned. The department had a cumulative closing balance of R290.329 million at the end of the reporting period.

All irregular expenditure incurred by the department is investigated and will be condoned in terms of the applicable framework.

5.2.6 FRUITLESS AND WASTEFUL EXPENDITURE

There were no new cases of fruitless and wasteful expenditure reported in 2023/24.

5.2.7 SUPPLY CHAIN MANAGEMENT

The Department did not conclude any unsolicited bid proposals for the year under review.

Procurement of goods and services is centralised in the SCM directorate. Procurement was done through the approved annual

demand and procurement plan, which is prepared, implemented and monitored in line with the PFMA.

In 2023/24, the department procured goods and services according to the procurement plan, with 67 projects. An average of 46 per cent was advertised, 7 per cent was cancelled and 22 per cent was deferred to 2024/25. Standard operating procedures and processes are in place to mitigate against the occurrence of irregular, fruitless and wasteful, and unauthorised expenditure, through the design and implementation of monitoring, preventative and corrective controls.

Conflict of interest is managed through procurement and other processes. The SCM directorate continuously ensures that:

- SCM practitioners, role players and bid committee members disclose their financial interests.
- Vetting of senior management, employees and key suppliers is undertaken.
- Verification of bidders' conduct against the register of tender defaulters and database of restricted suppliers is undertaken.

EXEMPTION AND DEVIATIONS

The department managed, recorded, and reported all deviations approved to the Office of Chief Procurement Officer, and the Auditor-General South Africa. No Exemptions were realized for the period 2023/24.

5.2.8 ADJUSTING EVENTS AFTER THE REPORTING DATE

The were no adjusting events after the reporting date.

5.2.9 NON-ADJUSTING EVENTS AFTER THE REPORTING DATE

On 8 April 2024, the Eskom Debt Relief Amendment Act was gazetted to amend section 2 of the Eskom Debt Relief Act (2023), to provide for the payment of interest by Eskom on amounts advanced as a loan, further empowering the Minister of Finance to reduce the amounts for the requirements of Eskom as highlighted in subsection 1 of the Eskom Debt Relief Act (2023) in the event of noncompliance with conditions.

This amendment will not have any impact on the amounts disclosed in the 2023/24 AFS. The estimate for the financial effects of interest chargeable to Eskom could not be made as the process will only become effective after the Minister of Finance signs an implementation agreement with Eskom. Interest will apply prospective to disbursements made to Eskom after the agreement is signed.

05 REPORT OF THE ACCOUNTING OFFICER

APPRECIATION AND CONCLUSION

I am confident that the department's performance outcomes and achievement of an unqualified audit with no material findings delivers on the commitments made in the 2023/24 Annual Performance Plan by Mr Ismail Momoniat as the acting director-general. I wish to thank Mr Momoniat for serving the National Treasury with integrity and commitment. My gratitude is extended to the National Treasury team for their tenacious and dedicated service not only to the department but to the whole of government and the South African public.

The department joins me in welcoming the appointment of Mr Ashor Sarupen as second Deputy Minister of Finance and wish him great success during his tenure.

Finally, I'd like to thank Minister Enoch Godongwana and Deputy Minister David Masondo for their leadership, guidance and steadfast support.

DR DUNCAN PIETERSE
Accounting Officer
Date: 29 August 2024

STATEMENT OF RESPONSIBILITY & CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

06

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 free from any omissions.

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

The AFS (Part F) has been prepared in accordance with the MCS and the relevant frameworks and guidelines issued by the National Treasury.

The Accounting Officer is responsible for the preparation of the AFS 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 performance and HR information, and the AFS.

External auditors are engaged to express an independent opinion on the AFS.

In my opinion, the annual report fairly reflects the operations, performance and HR information and financial affairs of the department for the financial year ended 31 March 2024.

Yours faithfully,

DR DUNCAN PIETERSE
Accounting Officer
Date: 29 August 2024

07 STRATEGIC OVERVIEW

7.1. VISION

The National Treasury strives to be professional, courageous and trusted, working in partnership to mobilise resources, to improve the living standards of South Africans.

We aspire to excellence in the quality of our analysis, advice and execution of our financial management responsibilities.

7.2 MISSION

As custodians of the nation's financial resources we oversee the management of public finances, we maintain the stability of the macro-economic and financial sectors and we ensure the effective financial regulation of the economy. We embrace innovation and sustainability as we strive to realise the full potential of South Africa's economy and people. In doing this, we value and invest in our staff, hold them accountable, recognise each contribution and celebrate our diversity.

7.3 VALUES

We are guided by a core set of values:

- Integrity - We do the right thing by holding ourselves to exemplary ethical standards.
- Professionalism - Our work is of the highest quality, accuracy and reliable.
- Accountability - We are responsible for our decisions, actions and our work.
- Consultation - We believe in consulting within and outside our organisation.
- Transparency - We are committed to being accessible, honest, trustworthy and open.

LEGISLATIVE & OTHER MANDATES 08

The National Treasury's legislative mandate is drawn from chapter 13 of the Constitution. This chapter requires the establishment of a National Treasury tasked with enforcing compliance with uniform treasury norms and standards to ensure transparency, accountability and sound management of public finances. This mandate is further elaborated in the PFMA and MFMA.

Among its responsibilities, the department is mandated to promote the national government's fiscal policy; coordinate macroeconomic policy; ensure the stability and soundness of the financial system and of financial services; coordinate intergovernmental financial and fiscal relations; manage the budget preparation process; exercise control over implementation of annual national budgets and adjustments budgets; monitor the implementation of provincial and municipal budgets; promote good budget and fiscal management by municipalities; and enforce treasury norms and standards applicable to departments, public entities, constitutional institutions and municipalities.

There have been no significant changes to the National Treasury's legislative and other mandates during the reporting period.

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 (SCOF), the Select Committee on Finance, the Standing Committee on Public Accounts (SCOPA) and the Standing Committee on Appropriations.

PART A

GENERAL INFORMATION

ORGANISATIONAL STRUCTURE

2023/24

NATIONAL TREASURY

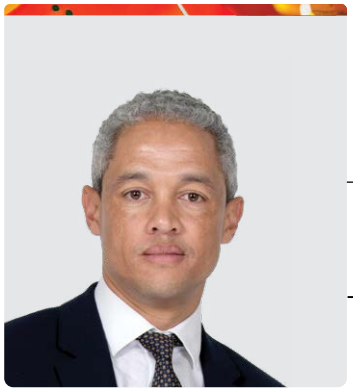
ANNUAL REPORT

VOTE 8

09 ORGANISATIONAL STRUCTURE

ENOCH GODONGWANA
Minister of Finance

DAVID MASONDO
Deputy Minister of Finance



DUNCAN PIETERSE
Director-General

MALIJENG NGQALENI

HEAD:
Intergovernmental Relations

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

STADI MNGOMEZULU

HEAD:
Corporate Services

- Strategic Projects & Support
- Human Resources Management
- Financial Management
- Information & Communications Technology
- Facilities Management
- Security Management

BOIPUSO MODISE

HEAD:
Economic Policy

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

RENDANI RANDELA

ACTING HEAD:
Public Finance

- Justice & Protection Services
- Economic Services
- Administrative Services
- Education & Related Departments & Labour
- Health & Social Development
- Urban Development & Infrastructure

OFFICE OF THE DIRECTOR-GENERAL

- Media Liaison & Communications
- Legal Services
- Legislation
- Internal Audit
- Enterprise Risk Management
- Strategic Planning, Monitoring & Evaluation

ORGANISATIONAL STRUCTURE 09

MENDOE NTSWAHLANA

HEAD:
Chief Procurement Office

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

EDGAR SISHI

HEAD:
Budget Office

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

MMAKGOSHI LEKHETHE

HEAD:
Asset & Liability Management

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

SHABEER KHAN

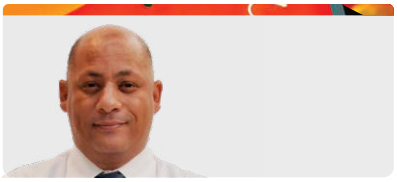
HEAD:
Office of the Accountant-General

- 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)

CHRISTOPHER AXELSON

ACTING HEAD:
Tax & Financial Sector Policy

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



MARLON GESWINT

ACTING HEAD:
International & Regional Economic Policy

- African Economic Integration
- Multilateral Development Banks & Concessional Finance
- Global and Emerging Markets
- Country and Thematic Analysis

2023/24

NATIONAL TREASURY

ANNUAL REPORT

VOTE 8

PART A

PUBLIC ENTITIES REPORTING TO THE MINISTER

PUBLIC ENTITIES REPORTING TO THE MINISTER 10

the gpaa
Department:
Government Pensions Administration Agency
REPUBLIC OF SOUTH AFRICA

A total of 17 entities report to the Minister of Finance through governance arrangements that provide each with autonomy and enable the alignment of their strategies with government policy. Eight of these entities – the Accounting Standards Board (ASB), CBDA, the Financial and Fiscal Commission (FFC), FIC, GTAC, the Independent Regulatory Board for Auditors (IRBA), the Office of the Tax Ombud (OTO) and SARS – receive transfers from the National Treasury.

The remaining nine entities generate their own revenue. These are: the Financial Sector Conduct Authority (FSCA), the Ombud Council, the Office of the Ombud for Financial Services Providers (FAIS Ombud), the Office of the Pension Funds Adjudicator, the Government Pensions Administration Agency (GPAA), the Development Bank of Southern Africa, the PIC, the Land and Agricultural Development Bank of South Africa and SASRIA.

Each entity develops and reports on its own strategic and corporate plans. The performance report on the 17 entities describes each of their approaches. It also shows how their work relates to the National Treasury's strategic objectives, which are in turn aimed at achieving the goals of the NDP.

10 PUBLIC ENTITIES REPORTING TO THE MINISTER

ACCOUNTING STANDARDS BOARD

(Schedule 3a national public entity)

The ASB is a schedule 3A public entity. Its legislative mandate is to develop uniform standards of generally recognised accounting practice (GRAP) standards for all spheres of government to fulfil section 216(1)(a) of the Constitution and the PFMA, as amended. The ASB promotes accountability, transparency and the effective management of revenue, expenditure, and assets and liabilities of the entities to which the standards apply.

Key achievements during the reporting period:

- Issued a proposed accounting standard on social benefits for comment. Only cash benefits provided to individuals and households are included in the scope of this standard. Work will be done in future to develop accounting requirements for in-kind benefits and those provided to entities. Social benefits represent a significant expense – and obligation – for government and its entities.
- The post-implementation review of the standard on accounting by principals and agents was completed. The review was important as the identification of principals and agents was the subject of a court case between AGSA and the Western Cape Department of Economic Opportunities. After the case was concluded, many stakeholders asked whether the standard needed revision. While identifying principals and agents remains a difficult area of judgement for stakeholders, no significant deficiencies were observed by stakeholders.
- The project on enhancing the application of GRAP standards was initiated during the period under review. The purpose of the project is to aid preparers and users of financial statements to better understand accounting standards that are applied in them and provide information about the results achieved by applying the standards. Content on topical accounting issues was shared on the ASB's YouTube channel throughout the year. The project has been well received by preparers and auditors.

COOPERATIVE BANKS DEVELOPMENT AGENCY

(Schedule 3a national public entity)

The CBDA is a schedule 3A public entity established in terms of the Co-operative Banks Act (2007). Its mandate is to create a strong and vibrant cooperative banking sector. Its vision is to facilitate financial inclusion, economic transformation and sector competitiveness to expand and promote the co-operative banking sector.

Key achievements during the reporting period:

- Continued with capacity-building initiatives for cooperative banking institutions through providing direct technical assistance, training and pre-registration support for prospective institutions.
- Participated in a panel discussion hosted by the DSBD, themed "A well-coordinated, capable and cohesive ecosystem supporting economic growth through small enterprises".
- Participated in the DSBD's 2023/24 planning cycle during the final portfolio strategic planning session.

- Facilitated technical requirements, costing models and value propositions for the proposed establishment of a national secondary cooperative bank in collaboration with the WB.
- Provided comprehensive comments on the draft standards issued by the Prudential Authority.
- Achieved all targets, including conducting 12 training programmes, providing 72 direct technical assistance sessions, making 41 monitoring interventions and assisting all organised groups that approached the agency for assistance.
- Published four newsletters and its 2022/23 annual performance report. Conducted 26 outreach and education activities about the cooperative banking institution model, resulting in increased public awareness. Outreach was done by means of a media statement issued by the cooperative banking sector in December 2023 and word-of-mouth engagements involving officials from the agency.
- Established collaborations and partnerships and engaged with 26 stakeholders, including the WB; the DSBD; SEFA; SEDA; the Eastern Cape Department of Economic Development, Environmental Affairs and Tourism; the Prudential Authority; the Department of Women, Youth and Persons with Disabilities; the National Development Agency; and the University of Johannesburg.
- Ensured sound governance and financial management, reflected in an unqualified audit opinion from AGSA on its 2022/23 AFS.

DEVELOPMENT BANK OF SOUTHERN AFRICA

(Schedule 2 major public entity)

The Development Bank of Southern Africa is a schedule 2 major public entity. It was established by the Development Bank of Southern Africa Act (1997). As one of Africa's leading development finance institutions, the bank aims to accelerate inclusive development in Africa by expanding access to development finance to effectively implement integrated and sustainable infrastructure development. Infrastructure-led economic growth, which responds to the socioeconomic needs of all people, as well as addressing the threat of climate change, is vital to improving the lives of Africa's growing population.

Key achievements during the reporting period:

During the reporting period, the bank:

- Recorded a net profit of R4.6 billion and achieved a return on equity on sustainable earnings of 8.7 per cent.
- Facilitated and supported infrastructure delivery to the value of R72.9 billion constituting:
  - R17 billion of total loans and bonds disbursements
  - R17.2 billion of prepared projects approved for funding
  - R4.6 billion of infrastructure implementation support delivered
  - R31.6 billion of total funds catalysed for infrastructure projects
  - R2.5 billion of infrastructure unlocked to under-resourced municipalities.
- R4.5 billion of projects approved for existing climate and environmental facilities.
- R4.1 billion spent to benefit black-owned entities (50 per cent and above black shareholding), of which R2.3 billion

10 PUBLIC ENTITIES REPORTING TO THE MINISTER

benefited entities owned by black women (30 per cent and above black women shareholding).

- Provided funding for the refurbishment and construction of 24 new schools. This is expected to benefit more than 19 130 learners.
- Provided funding for the construction of ventilated improved pit latrine toilets to benefit 17 289 learners.
- Facilitated 31 830 jobs.
- Incurred no irregular expenditure.

FINANCIAL AND FISCAL COMMISSION

(Schedule 1 Constitutional institution)

The FFC is a schedule 1 constitutional institution established in terms of chapter 13, sections 220-222 of the Constitution. The commission derives its mandate from the Financial and Fiscal Commission Act (1997), which requires it to advise relevant authorities on financial and fiscal requirements for national, provincial and local spheres of government in terms of section 220 of the Constitution. Other legislation that informs the commission's mandate includes the Borrowing Powers of Provincial Governments Act (1996), the Intergovernmental Fiscal Relations Act (1997), the Provincial Tax Regulation Process Act (2001), the Municipal Finance Management Act (2003), the Municipal Systems Amendment Act (2003), the Municipal Fiscal Powers and Functions Act (2007) and the Money Bills Amendment Procedure and Related Matters Act (2009).

Key achievements during the reporting period:

- Delivered all constitutional and legislative submissions, including the FFC's annual submission on the Division of Revenue Bill, on time.
- Published 10 policy briefs and 1 technical report.
- Tabled the submission on the 2023 MTBPS in terms of the 2023 Division of Revenue Amendment Bill and the 2023 Adjustments Appropriation Bill.

FINANCIAL INTELLIGENCE CENTRE

(Schedule 3a national public entity)

The FIC is a schedule 3A public entity established by the Financial Intelligence Centre Act (2001) (FICA) to combat money laundering and the financing of terrorist and related activities, identify the proceeds of unlawful activities, exchange information with law enforcement and other local and international agencies, supervise and enforce compliance, and facilitate effective supervision and enforcement by supervisory bodies in terms of FICA. To deliver on this mandate and protect the integrity of South Africa's financial system, the act works in conjunction with other legislation, including the Prevention of Organised Crime Act (1998), the Protection of Constitutional Democracy Against Terrorist and Related Activities Act (2004) and the South African Police Service Act (1995).

PUBLIC ENTITIES REPORTING TO THE MINISTER 10

Key achievements during the reporting period:

- Produced 2 670 reactive reports and 1 147 proactive reports, of which 109 were high priority.
- Responded to 110 requests to block funds in 2023/24.
- Conducted 48 FICA risk and compliance awareness initiatives, 558 risk-based inspections on accountable and reporting institutions and issued nine notices of sanctions to enhance FICA compliance.

FINANCIAL SECTOR CONDUCT AUTHORITY

(Schedule 3a national public entity)

The FSCA is a schedule 3A public entity established in terms of the Financial Sector Regulation Act (2017). It is mandated to serve as a financial sector market conduct and integrity regulator and is responsible for ensuring the integrity of financial markets, as set out in the act. The authority focuses exclusively on regulating and supervising the conduct of entities that provide financial products and services. These include, among others, banks, insurers, the investment sector, retirement funds, administrators and intermediaries, and institutions and infrastructures involved in financial markets. An important component of the FSCA's mandate is promoting financial literacy through financial education..

Key achievements during the reporting period:

- Launched the first 11 modules of the newly revised trustee training toolkit e-learning platform in the second quarter. The new toolkit is aimed at ensuring that retirement fund trustees have updated information about their responsibilities, including legislative requirements, to better equip them to exercise their fiduciary duties. The second phase of the programme was launched in March 2024 with the release of 22 additional modules.
- Successfully implemented its three-year regulation plan, with 94.4 per cent of regulatory initiatives having been completed.
- As part of the FSCA's ongoing efforts to foster a culture of compliance and safeguard the integrity of South Africa's financial sector, its enforcement division, in collaboration with the communications department, embarked on a strategic roadshow across three major metropolitan hubs. The FSCA regulatory actions report was presented during these roadshows. The report provides an overview of the FSCA's enforcement activities over the past financial year and highlights the enforcement sanctions it imposes. It also provides crucial statistics that illuminate industry trends and areas that require the heightened vigilance.
- Published an article on its consumer education website (fscamymoney.co.za) that outlines consumer considerations in relation to crypto assets. The article highlighted the risks of crypto assets and explained the implications of the declaration of crypto assets as a financial product in terms of the Financial Advisory and Intermediary Services Act (2002) (FAIS Act).
- Published a report that analysed emerging risks, which includes cybercrime/cybersecurity risks and unregistered business operations in the funeral insurance industry. The report provides in-depth insights and recommendations to mitigate these risks to the sector.
- Produced a report on the levels of trust in the financial sector using data from its financial customer sentiment

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and behaviour study. The report provides a nuanced understanding of customer trust in financial institutions, explaining factors that shape public perception and the FSCA's role in promoting trust through robust regulatory oversight.

- Published the open finance FSCA policy recommendations report, which outlines the authority's policy approach to open finance and proposes a programme of work in this regard. The report reflects the comprehensive stakeholder engagement that has taken place since publishing the draft position paper on open finance in 2023. The report incorporates comments on the position paper and submissions made in terms of the information request in October 2023.
- On 19 March 2024, the FSCA published a statement on consumer vulnerability. The statement examines the concept of consumer vulnerability and outlines its relevance in the context of South Africa's market conduct regulatory framework. The FSCA initiated a stakeholder consultation process, inviting industry participants, consumer advocacy groups and other key stakeholders to contribute their perspectives and insights on how an approach to consumer vulnerability can be refined and embedded in the financial sector regulatory and supervisory landscape.

GOVERNMENT PENSIONS ADMINISTRATION AGENCY

(Government component)

The GPAA provides pension administration services to the Government Employees Pension Fund (GEPF) and the National Treasury in terms of the Government Employees Pension Law (1996) and the Associated Institutions Pension Fund Act (1963). On behalf of the National Treasury, the agency administers the Temporary Employees Pension Fund in terms of the Temporary Employees Pension Fund Act (1979) and the Associated Institutions Pension Fund in terms of the Associated Institutions Pension Fund Act (1963).

Post-retirement medical subsidies are administered by the GPAA, as provided for and regulated by resolutions of the Public Service Coordinating Bargaining Council; military pensions are administered in terms of the Military Pensions Act (1976); injury-on-duty payments are administered in terms of the Compensation for Occupational Injuries and Diseases Act (1993); and special pensions are administered in terms of the Special Pensions Act (1996).

Key achievements during the reporting period:

- Paid an average of 97.02 per cent of benefits on time on receipt of duly completed documentation (94.1 per cent of GEPF payments and 99.99 per cent of National Treasury payments).
- Admitted an average of 99.99 per cent of new members within 14 days (100 per cent for the GEPF and 99.98 per cent for the National Treasury).
- Serviced 99.8 per cent of total clients who visited the GPAA offices throughout the country.
- Reached an average of 62.03 per cent of clients through digital communication channels

PUBLIC ENTITIES REPORTING TO THE MINISTER 10

GOVERNMENT TECHNICAL ADVISORY CENTRE

(Government component)

The centre was established in terms of the Public Service Act (1994) as a government component. Its mandate is to assist organs of state to build their capacity for efficient, effective and transparent financial management. The centre's objectives are to provide consulting services to government departments and other organs of state, specialised procurement support for high-impact government initiatives, advice on the feasibility of infrastructure projects, knowledge management for projects undertaken and any ancillary support.

Key achievements during the reporting period:

- Supported 21 institutional development projects, ranging from business case development, diagnostics and reviews, feasibility studies, function shifts, organisational reviews and development, intergovernmental infrastructure delivery support, and programme and project management support.
- Successfully hosted six capacity-building events for PPPs.
- Four personnel remuneration analyses were conducted for the Department of Health, the Department of Defence, the Western Cape Provincial Treasury and the National Treasury's Budget Office Division. These analyses provided valuable insights into personnel and expenditure in their respective areas.
- An analysis was conducted for spending on defence remuneration, as captured on the PERSAL government payroll database for the period 2010/11 to 2022/23. This included an analysis of savings through various headcount reduction strategies.
- Provided three training sessions on producing spending reviews for the Department of Science and Innovation, the Western Cape Provincial Treasury and the Gauteng Provincial Treasury

INDEPENDENT REGULATORY BOARD FOR AUDITORS

(Schedule 3a: national public entity)

IRBA is a schedule 3A public entity established in terms of the Auditing Profession Act (2005). Its mandate is to protect the public by regulating audits performed by registered auditors; improve the development and maintenance of internationally comparable ethical and auditing standards for auditors that promote investment and, as a consequence, employment in South Africa; set out measures to advance the implementation of appropriate standards of competence and good ethics in the auditing profession; and provide for procedures for disciplinary action in instances of improper conduct by auditors. If executed properly, this mandate ensures that the financial interests of investors are protected and that high-quality audits are delivered. This, in turn, provides confidence in and reliance on financial statements and consequential investments.

One of the board's priority areas is to restore confidence and trust in the auditing profession through its revised five-year strategy. The strategy focuses on improved audit quality, comprehensive stakeholder engagements that emphasise collaboration without compromising independence with the view to promote broader reforms, and the sustainability and relevance of the profession and the regulator.

10 PUBLIC ENTITIES REPORTING TO THE MINISTER

Key achievements during the reporting period:

Education and transformation

- The board accredited the Association of Chartered Certified Accountants South Africa as a professional accounting body that will provide an additional route to the audit development programme for aspiring registered auditors.
- The number of active registered candidate auditors on the audit development programme reached 601 in 2023/24, from 550 in 2022/23. The board has acknowledged that bold and innovative steps need to be taken to increase the pipeline and promote the attractiveness of the auditing profession. Consequently, it has offered a registration fee exemption for registered candidate auditors who want to join the audit development programme in the next financial year.

Enhancing audit quality

- The 2023 public inspections report on audit quality demonstrates progress made on the implementation of inspection initiatives, especially regarding the early remediation of identified deficiencies at audit firms. The board also published the 2023 survey report on audit quality indicators, which tracks key measures and trends that drive audit quality within audit firms.
- The IRBA rule on enhanced auditor reporting for the audit of financial statements of public interest entities was prescribed and has enhancements to the content of independent audit reports in South Africa. This rule is effective for audits of financial statements of public interest entities for periods ending on or after 15 December 2024.
- The board prescribed four rules arising from the International Standards on Quality Management (ISQM 1), which deals with ultimate responsibility and accountability for the system of quality management, transparency reports, engagement with a quality reviewer and an assistant, and assembly and retention of audit documentation.

Strengthening stakeholder engagement

- IRBA's Restoring Confidence 2.0 project has reached maturity and will be concluded in early 2024/25. This is expected to pave the way to streamlining the board's core activities and focusing on developing its next five-year strategy (2026-2030). The board and the auditing profession have taken positive steps to restore confidence and trust in the profession and achieve objectives earlier than planned, as reflected by stakeholders.
- In 2023/24, the IRBA hosted the Board meeting of the International Forum of Independent Audit Regulators in Johannesburg. Among other things, the event provided an opportunity for other African countries that would like to apply for membership to the forum to engage directly with its officers and secretariat.

Enforcing IRBA's mandate

- The board's investigations department made significant progress in addressing the backlog of matters that occurred between 2018 and 2021. This led to a 30 per cent decrease in the investigations backlog from 2021 to date. The backlog was caused by more investigations being initiated in this period than what could be finalised. At its peak, more than 230 matters were still under investigation.

- The joint efforts of the board's transitional disciplinary committee, disciplinary committee and legal department led to the conclusion of a record 22 disciplinary matters in the reporting period. This resulted in clearing the backlog that was accumulated after amendments were made to the Auditing Profession Act (2005) in 2021. Some of the cases that were finalised included high-profile matters related to auditors implicated in state capture, the VBS Mutual Bank and Transnet cases, where fines were imposed.

Operational effectiveness

- IRBA attained a clean audit for compliance with laws and regulations, performance information and received an unqualified audit opinion from AGSA on its AFS. This was despite having faced resource constraints and stringent cost-containment measures.

LAND AND AGRICULTURAL DEVELOPMENT BANK OF SOUTH AFRICA

(Schedule 2 major public entity)

The Land and Agricultural Bank of South Africa is a schedule 2 major public entity. As a development finance institution, it is mandated to address agricultural and rural development in South Africa. The bank operates in the agricultural and agribusiness sectors and is regulated by the Land and Agricultural Development Bank Act (2002) and the PFMA.

Key achievements during the reporting period:

- Collected R3.958 billion from clients and disbursed R543 million as part of the bank's strategy to pay lenders and remedy that default position it incurred in 2020/21.
- The group is expected to report a loss of approximately R97 million in 2023/24 compared with a profit of R492 million in the previous year 2023. On banking operations alone, the group is expected to post a loss of R114 million compared with a profit of R473 million in the previous year.
- Gross interest income was R2.6 billion and net interest income was R703 million, compared with R2.76 billion and R607 million reported in the previous year

OFFICE OF THE OMBUD FOR FINANCIAL SERVICES PROVIDERS

(Schedule 3a national public entity)

The FAIS Ombud is a schedule 3A public entity established in terms of section 20(1) of the FAIS Act. Its mandate, which mainly involves considering and resolving complaints in a procedurally fair, informal, economical and expeditious manner, emanates from section 20(3) of the FAIS Act and is discharged by the Ombud for Financial Services Providers, who is, in terms of section 21(1) of the FAIS Act, appointed by the Minister of Finance.

The extended mandate of the FAIS Ombud is derived from the operation of section 211 of the Financial Sector Regulation Act (2017). In terms of this legislation, the Ombud Council is entitled to designate any ombud scheme (including the

10 PUBLIC ENTITIES REPORTING TO THE MINISTER

FAIS Ombud) to deal with and resolve complaints about financial services or products of a particular kind. This applies to services or products offered in a context where there is no ombud scheme or statutory ombud that resolves complaints of that kind.

Key achievements during the reporting period:

- Received 10 574 complaints in 2023/23, a year-on-year decrease of 3.6 per cent of complaints (10 970) received during the previous reporting period. Of these, 84 per cent (8 887) were justiciable, meaning they were subject to trial in a court of law.
- Of the complaints received in the reporting period, 27 per cent (2 809) of these were within the scope of the office's mandate.
- Of the total complaints received, 16 per cent (1 692) of these were premature complaints in accordance with rule 4(iv) of the rules on proceedings of the office.
- A total of 8 033 complaints (90.4 per cent) of all justiciable complaints received by the office were resolved in the reporting period.
- The number of complaints settled amounted to 1 079, representing an overall settlement ratio of 28.4 per cent.
- The overall settlement value was R28 415 222.05.
- Referred 5 207 complaints to other agencies to provide the required assistance as part of the FAIS Ombud's commitment to enhance access to justice for all South Africans.

OFFICE OF THE PENSION FUNDS ADJUDICATOR

(Schedule 3a national public entity)

The Office of the Pension Funds Adjudicator is mandated to investigate and determine complaints lodged in terms of the Pension Funds Act (1956). To fulfil its mandate, the office is required to ensure procedurally fair, economical and expeditious resolutions of complaints in terms of the act. This is achieved by ensuring that its services are accessible to all, that it investigates complaints in a procedurally fair manner to reach just resolutions swiftly, in accordance with the law. At the same time, the office is expected to incorporate innovation and proactive thought and action in its activities and provide opportunities for individual growth to its staff. The office's jurisdiction is only applicable to funds registered under the Pension Funds Act (1956).

Key achievements during the reporting period: .

- Received 9 177 complaints from across all provinces through various mediums.
- Finalised 9 719 complaints, including those carried over from 2022/23. Of these, 1 511 were settled, 5 379 were formally determined, 1 509 were deemed out of jurisdiction for various reasons, and 1 320 were closed for other reasons

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OFFICE OF THE TAX OMBUD

(Schedule 3a national public entity)

The OTO is a schedule 3A public entity established in terms of the Tax Administration Act (2011). Its purpose is to review and address any complaint by a taxpayer regarding a service, procedural or administrative matter arising from the application of the provision of a tax act by SARS. The office aims to enhance confidence in South Africa's tax administration.

Key achievements during the reporting period:

- Conducted evaluations and reviews of 4 618 complaints.
- A total of 2 178 complaints were resolved by SARS.
- SARS implemented 99.8 per cent (2 173 out of 2 178) of the OTO's recommendations.
- The value generated from public relations activities in the media amounted to R11 038 175.
- Media coverage spanned across print, broadcast and digital platforms, resulting in 116 news items.
- Engaged with 97 institutions on various subjects.
- The number of visitors to the website increased to 13 700 compared with the previous year's 10 000 visitors.
- The number of email subscribers increased to 2 203, an 83 per cent increase from the previous year.
- The number of LinkedIn followers grew to 1 696, a 29.7 per cent increase from the previous year.
- The top 10 refunds (VAT and corporate tax) issued to taxpayers through interventions amounted to R179 184 944.39.

OMBUD COUNCIL

The Ombud Council was established in terms of chapter 14 of the Financial Sector Regulation Act (2017). Its objective is to assist in ensuring that financial customers have access to, and can use, affordable, effective, independent and fair alternative dispute resolution processes for complaints about financial institutions. To this end, the council exercises oversight over statutory and recognised industry ombud schemes in the financial sector. It does so by using a range of regulatory, supervisory and enforcement powers conferred on it by the act. In effect, the Ombud Council is the regulator of financial ombud schemes and the financial ombud system. The council is still in its establishment phase but has made progress in its institutional development. Income from levies, collected by the FSCA, began to flow as the Levies Act (2022) came into operation.

Key achievements during the reporting period:

- Processed the recognition application of the national financial ombud scheme, which is an amalgamation of the former industry ombud schemes for the banking, credit, long-term and short-term insurance sectors.

10 PUBLIC ENTITIES REPORTING TO THE MINISTER

The council revoked the recognition of the four industry schemes to coincide with the commencement of the national financial ombud scheme. The scheme was officially recognised and commenced its operations as from 1 March 2024. This marks an important milestone in the reform and consolidation of the financial sector ombud system, and a key step towards the implementation of the broader reforms recommended by the WB and endorsed by the National Treasury.

- In terms of section 201 of the Financial Sector Regulation Act (2017), the council is empowered to develop regulatory instruments in the form of Ombud Council rules, imposing obligations on ombuds and ombud schemes in support of its mandate. The council published its first set of draft rules on its website in the second quarter of the reporting period, directed to the FAIS Ombud. The rules replace those that were previously made in terms of the FAIS Act. They propose an increase in the maximum compensation the FAIS Ombud can award and several other improvements on process. Feedback on the draft rules was reviewed and the rules were submitted to the National Treasury to facilitate submission to Parliament. The rules are expected to come into operation in the first quarter of 2024/25.

The council has worked closely with the National Treasury, the WB and the FSCA to assist the National Treasury in formulating a policy response to the recommendations of the WB diagnostic for the reform of the ombud system. To this end, the council participated in a briefing session to the relevant National Treasury deputy director-general on the matter during the quarter. This culminated in the National Treasury's publication of a policy paper titled "A Simpler, Stronger Financial Sector Ombud System" in February 2024. This policy paper provides confirmation of the Ombud Council's strategic approach to the anticipated reforms of the ombud system and will be instrumental in guiding the council's strategy in future.

PUBLIC INVESTMENT CORPORATION

(Schedule 3b national government business enterprise)

The PIC is a schedule 3B government business enterprise established in terms of the Public Investment Corporation Act (2004). The corporation is a registered financial services provider wholly owned by government, with the Minister of Finance as shareholder representative. The corporation is mandated to invest funds on behalf of its clients based on investment mandates, as agreed with each client and approved by the FSCA. The corporation's clients are public sector entities, including pension, provident, social security, development and guardian funds.

Key achievements during the reporting period:

Assets under management

- These increased by 3.6 per cent to R2.7 trillion as at 31 March 2024. This was mainly driven by movements in key markets. Among the top three clients, the UIF's assets under the PIC's management increased by 12 per cent to R149.5 billion, the Compensation Fund's grew by 9.1 per cent to R110.3 billion and the GEPF's increased by 2.9 per cent to R2.4 trillion. The GEPF accounts for 87.9 per cent of the total assets under the PIC's management,

followed by the UIF (5.6 per cent) and the Compensation Fund (4.1 per cent). The PIC has several other clients, with a combined assets under management value of R64.3 billion, representing a 4.8 per cent year-on-year increase.

Listed investments portfolio overview

- The PIC drove the transformation of the asset management industry through the external manager programme. It also allocated 70.24 per cent of its brokerage fees to brokers that are 51 per cent owned or have at least 30 per cent of its management controlled by historically disadvantaged individuals. The number of brokerage allocated to firms on BEE levels 1-3 in 2024 was 98 per cent. The PIC approximately R624 million in asset management fees during the period under review (base and performance fees combined), R360 million of which was paid to BEE firms, for portfolio management services on domestic assets.
- On a three-year rolling basis, the PIC's listed investment team outperformed the market by 0.3 per cent in 2023/24. The local listed equities portfolio also outperformed its benchmark (JSE All Share Index) by 0.34 per cent.
- Inflation-linked and conventional bonds portfolios outperformed their respective benchmarks by 0.38 per cent and 0.11 per cent. However, the cash component underperformed by three basis points (0.03 per cent). The portfolio's listed property component also outperformed the JSE's SA Listed Property Index benchmark by 0.08 per cent. The global equity portfolio outperformed its benchmark by 1.19 per cent, while global bonds outperformed by 5.8 per cent.
- In 2009, external black-owned firms managed 17 per cent of the R65 billion in externalised assets allocated by the PIC. By the end of 2023/24, these allocations had increased substantially to R167 billion. The PIC has allocated 66 per cent of its client assets to domestic firms with more than 51 per cent black ownership and 30 per cent black management control.
- Acting on behalf of its clients, the PIC is the largest holder of bonds in Eskom (R84.6 billion), Transnet (R13.8 billion) and SANRAL Agency (R8.7 billion). The PIC continued to retain its exposure to other important development finance institutions, including the Development Bank of Southern Africa and the Industrial Development Corporation. These investments are aligned with the PIC's client mandates and are essential for critical networks the economy. The corporation continues to achieve returns that are commensurate with the associated risks of these investments for the benefit of its clients, their members and beneficiaries

Overview of unlisted investments portfolio

Unlisted investments (excluding unlisted property investments)

- The PIC's unlisted investment mandate allows it to invest directly with private entities and indirectly via external fund managers and intermediaries. This can be done domestically and on the rest of the African continent to generate good financial returns while supporting positive long-term economic, social and environmental outcomes for clients. As at 31 March 2024, the unlisted portfolio value was at R75 billion.
- During the reporting period, the PIC approved investments to the value of R8.4 billion. This was in terms of new unlisted mandates entered into with the GEPF and other clients. The funding approvals included direct and indirect

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investments in South Africa and Africa. Total disbursements for the year amounted to R3.9 billion, including those in the legacy portfolio. Included in the total disbursements is R3 billion related to approvals in 2023/24 (35 per cent of approvals).

- Two significant transactions that were approved during the year under review:
  - An investment of R714 million in Levoca 805 (Pty) Ltd, a level-1 BEE company that is fully black-owned, with black women commanding a 42.5 per cent share. The transaction allowed Levoca to acquire about 19.5 per cent of Metrofibre Networx (Pty) Ltd, an open access fibre network and internet service provider established in 2010. Metrofibre provides 10 000km of fibre to homes and businesses in Eastern Cape, Gauteng, KwaZulu-Natal, Mpumalanga, North West, Northern Cape and Western Cape. Of the homes it serves, 61 per cent are in urban areas and 31 per cent are in peri-urban areas.
  - Approved an investment of R400 million in Ezimali Afrika (Pty) Ltd, a subsidiary of Kutana Asset Finance (Pty) Ltd, which is 51 per cent owned by black women. This investment provides funding on the balance sheet to provide asset finance rental solutions to SMMEs.

Unlisted property investments

- The unlisted property investments division invests in broad real estate sectors domestically and elsewhere in Africa to generate financial returns while supporting positive long-term economic, social and environmental outcomes for clients. The PIC's investment mandate is to invest in direct properties through undivided shareholdings, as well as indirectly through private real estate companies and equity funds. As at 31 March 2024, the portfolio was valued at R51 billion.
- During the period under review, the PIC approved R5.3 billion for investments entered with the GEPF and other clients. The funding approvals included direct and indirect investments in South Africa and elsewhere on the continent. Total disbursements for the year amounted to R4.9 billion, with the inclusion of the legacy portfolio. An amount of R3.6 billion is included in the total amount of disbursements. This relates to approvals in 2023/24, representing 68 per cent of all approvals.
- Two significant transactions approved during reporting period:
  - Approved an acquisition of a 30 per cent strategic equity interest in Attacq Waterfall Investment Company (Pty) Ltd amounting R2.7 billion. Attacq Waterfall Investment Company is a level-1 BEE company that is fully owned by Attacq Ltd, a JSE-listed real estate investment trust. The investment provided the PIC with an opportunity to unlock broader value whereby the GEPF investment into Attacq Waterfall Investment Company facilitates value creation over time.
  - The PIC approved an investment of R1.2 billion in Shenge Property Group (Pty) Ltd. Shenge is an investment vehicle alongside Nthoese Investments (Pty) Ltd, a fully black-owned and managed property development and management company with a proven track record spanning 28 years. The investment is part of a strategy to develop rural and township retail assets with a risk-aligned, operational and experienced partner. The investment vehicle will focus on retail properties in densely populated and economically active but underserviced townships and rural areas. With a property portfolio valued at R2.9 billion, Nthoese is one of the leading black-owned property development and investment companies in South Africa.

Early-Stage Fund

- In 2018, the PIC undertook an analysis of the funding spectrum in South Africa and noted considerable capital available for established and profitable companies (also known as late-stage businesses). The analysis revealed that a sizeable amount was channelled into research and development by government, universities, non-governmental organisations and the private sector. Based on this, the PIC identified a funding gap for early-stage projects that limits the growth of the innovative and high-value initiatives that are important to stimulate economic growth and employment creation. As a result, the PIC Early-Stage Fund was established to catalyse nascent projects, create new industries, drive fresh innovation, support job creation (particularly for young people and women), unlock economic growth and promote gender equality while generating financial returns. In this way, the PIC is charting a course of excellence by leading institutional capital into the early-stage and venture capital markets to attract investors and deepen the pool of available funds.
- The Early-Stage Fund was unlocked when the GEPF allocated R1.4 billion in April 2022 alongside R264.5 million that was allocated incrementally between 2021 and 2023 by the Department of Science and Innovation.
- During the year under review, the PIC approved investments valued at R470 million from the Early-Stage Fund's for investments in South Africa. Total disbursements for the year amounted to R45 million, of which 9.6 per cent (R4.3 million) were approved in 2023/24.
- Two significant transactions that were approved during the year under review:
  - Approved an investment of R175 million in the IDF Innovation Fund to enable the fund to continue supporting South African start-ups. The fund proactively invests in innovative and technology-enabled businesses that drive growth through a proactive gender lens investing strategy that aims to achieve commercial and social returns.
  - To strengthen efforts to find sustainable energy sources in line with the South Africa's transition to low-carbon economies, the PIC approved an investment of R45 million in Bambili Energy (Pty) Ltd, a manufacturer of fuel cells and their components. The investment was made for Bambili to acquire 77 per cent of HyPlat (Pty) Ltd, which is a global supplier of fuel cell components to the fuel cell industry. Bambili provides energy solutions to business and property developments using locally developed intellectual property, and locally sourced input materials and manufacturing capacity.

SOUTH AFRICAN REVENUE SERVICE

(Schedule 3a national public entity)

In terms of the South African Revenue Service Act (1997), SARS is mandated to collect all revenues due to the state and administer trade to support government in meeting its key growth and developmental objectives. This involves facilitating legitimate trade, protecting South African ports of entry and eliminating illegal trade and tax evasion.

10 PUBLIC ENTITIES REPORTING TO THE MINISTER

Key achievements during the reporting period:

- Revenue collection for 2023/24 was R1.74 trillion, a 3.2 per cent increase from the previous year's collection of R1.69 trillion.
- Revenue collected through the compliance programme contributed R260.5 billion of total revenue for 2023/24. This included R78.1 billion collected for noncompliance with risk management, R12.2 billion for noncompliance with customs and excise laws, and R20.1 billion for criminal and illicit economic activities.
- Processed 8.4 million personal income tax assessments. Included in this were 3.8 million auto assessments during the filing season. SARS paid 3.5 million refunds valued at R40.2 billion, compared with the 3 million refunds valued at R36.4 billion in the previous year.
- A total of 88.49 per cent of taxpayers and traders used digital and self-help platforms to interact with SARS.

Positive trend in headline indicators since 2019

- Net revenue (compound annual growth rate) of 6.2 per cent.
- Compliance revenue (compound annual growth rate) of 23 per cent.
- Trade facilitation increased by 52 per cent.
- Positive trend in tax buoyancy.
- Voluntary compliance increased by 1.2 per cent.
- Taxpayer service improved from 55 per cent to more than 80 per cent.
- Public trust increased from 48 per cent to 75 per cent.
- Attitude towards compliance increased from 66 per cent to 77 per cent.
- Employee engagement improved from 61 per cent to 69 per cent.
- Seamless taxpayer experience for almost 4 million standard individual taxpayers.
- Authorised economic operator licensees increased to 302 since 2020.
- SARS was recognised during the period under review as:
  - The most innovative public sector organisation for digitalisation.
  - The best employer to work for, as expressed by BCom professionals.
- Litigation: Successful in 86 per cent of court judgments.
- Prevented more than R370 billion impermissible refunds in five years.
- Syndicated tax and customs crime: Raised R78 billion assessment and R37 in revenue in four years.
- Attained a clean audit report from AGSA for 2023

SOUTH AFRICAN SPECIAL RISK INSURANCE ASSOCIATION

(Schedule 3b national government business enterprise)

SASRIA is a schedule 3B government business enterprise established in terms of the Conversion of SASRIA Act (1998) and the Companies Act (2008), with government as its sole shareholder. The insurer is mandated to support the insurance industry by providing cover for special risks such as riots, strikes, political unrest, terrorist attacks, public disorder and labour disturbances.

PUBLIC ENTITIES REPORTING TO THE MINISTER 10

Key achievements during the reporting period:

- Sustained growth reflected in gross written premium income increase of 17.6 per cent, amounting to R5.4 billion.
- Unqualified audit opinion for 2022/23.
- Only 2 of 2 607 claims received during the period were overturned by the Ombudsman for Short-Term Insurance.
- Average gross claims incurred loss ratio was 11.8 per cent over a three-year rolling period, excluding incurred but not reported reserve and catastrophic events.
- The operational expense ratio of 4.7 per cent, which is within the 6-7 per cent target.
- Achieved a 4.9 per cent reduction in policy administration and intermediary fees, which is within the 3-5 per cent target

SASRIA reported a profit before taxation of R3.7 billion for the year ended 31 March 2024. This is attributable to an investment income of R1 billion because of an increase in assets under management and a favourable interest-rate environment; and an underwriting profit of R2.7 billion resulting from gross written premium growth and a positive claims experience.

NAME OF ENTITY	LEGISLATIVE MANDATE	FINANCIAL RELATIONSHIP	NATURE OF OPERATION
Accounting Standards Board	Public Finance Management Act (1999)	Transfer payments	Serve the public interest by setting standards of GRAP and providing guidance for financial and other performance information reported by the public sector
Cooperative Banks Development Agency	Cooperative Banks Act (2007)	Transfer payments	Support, promote and develop cooperative banking; and register, supervise and regulate deposit-taking financial services cooperatives, savings and credit cooperatives, community banks and village banks as cooperative banks
Development Bank of Southern Africa	Development Bank of Southern Africa Act (1997)	No transfer from the National Treasury	Advance development impact in the region by expanding access to development finance, and effectively integrating and implementing sustainable development solutions
Financial and Fiscal Commission	Constitution of the Republic of South Africa, chapter 13, section 220	Transfer payments	Make recommendations to organs of state on financial and fiscal matters in accordance with section 220 of the Constitution
Financial Intelligence Centre	Financial Intelligence Centre Act (2001)	Transfer payments	Identify the proceeds of crime, combat money laundering and the financing of terrorism, exchange information with law enforcement and other local and international agencies, supervise and enforce FICA compliance and facilitate effective supervision and enforcement with supervisory bodies

10 PUBLIC ENTITIES REPORTING TO THE MINISTER

NAME OF ENTITY	LEGISLATIVE MANDATE	FINANCIAL RELATIONSHIP	NATURE OF OPERATION
Financial Sector Conduct Authority	Financial Sector Regulation Act (2017)	No transfer from the National Treasury	Regulate and supervise the market conduct of the financial services sector, ensuring the integrity and efficiency of the formal markets and allied institutions, protecting consumers of financial services and improving access including through financial literacy programmes.
Government Pensions Administration Agency	Public Service Act (1994)	No transfer from the National Treasury	Administer pension benefits, funeral benefits, post-retirement medical subsidies, military pensions, injury-on-duty payments, and special pensions on behalf of the GEPF and the National Treasury
Government Technical Advisory Centre	Public Service Act (1994), section 7A(4)	Transfer payments	Assist organs of state to build their capacity for efficient, effective and transparent financial management, stimulate debate and promote discourse in the public economics space using a range of communications and knowledge-management approaches to optimise learning across the public sector
Independent Regulatory Board for Auditors	Auditing Profession Act (2005)	Transfer payments	Protect the sections of the public that rely on the services of registered auditors and to provide support to registered auditors
Land and Agricultural Development Bank of South Africa	Land and Agricultural Development Bank Act (2002)	No transfer from the National Treasury	Provide financial services to the commercial farming sector and to agri-business and to make available new, appropriately designed financial products that facilitate access to finance by new entrants to agriculture from historically disadvantaged backgrounds.
Office of the Ombud for Financial Services Providers	Financial Advisory and Intermediary Services Act (2002) Financial Services Ombud Schemes Act (2004)	No transfer from the National Treasury	Resolve financial services complaints in an economical, informal and expeditious manner that flows directly from section 20 of the FAIS Act.
Office of the Pension Funds Adjudicator	Pension Funds Act (1956)	No transfer from the National Treasury	Investigate and determine complaints lodged in terms of the act
Office of the Tax Ombud	Tax Administration Act (2011), section 16(1))	Transfer payments	Review and address any complaint by a taxpayer regarding a service matter or a procedural or administrative matter arising from the application of the provisions of a tax act by SARS

PUBLIC ENTITIES REPORTING TO THE MINISTER 10

NAME OF ENTITY	LEGISLATIVE MANDATE	FINANCIAL RELATIONSHIP	NATURE OF OPERATION
Ombud Council	Financial Sector Regulation Act (2017)	Transfer payments	Assist in ensuring that financial customers have access to, and can use affordable, effective, independent and fair alternative dispute resolution processes for complaints about financial institutions in relation to financial products and services
Public Investment Corporation	Financial Advisory and Intermediary Services Act (2004)	No transfer from the National Treasury	Manage 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
South African Revenue Service	South African Revenue Service Act (1997)	Transfer payments	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
South African Special Risks Insurance Association	Reinsurance of Damages and Losses Act (1990) Conversion of the South African Special Risks Insurance Association Act (1998)	No transfer from the National Treasury	Offer insurance to all individuals, businesses and public entities that own assets in South Africa

2023/24

NATIONAL TREASURY

ANNUAL REPORT

VOTE 8

PART B

PERFORMANCE INFORMATION

AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES 01

1. PARLIAMENTARY SERVICE

AGSA provides a reasonable assurance opinion on the selected programmes in the management report and all material findings reported therein will be included under the heading "Report on the audit of the annual performance report" in the auditor's report.

Refer to page 307 for the Report of the Auditor-General, published as Part F: Financial Information.

02 OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 SERVICE DELIVERY ENVIRONMENT

Global economic recovery in the wake of the COVID-19 pandemic slowed marginally during the period under review, with a decrease in growth from 3.5 per cent in 2022 to 3.3 per cent in 2023. Growth was hindered by persistent and broadening inflationary pressures, geopolitical tensions in Eastern Europe and the Middle East and China's economic slowdown.

Elevated energy costs in Europe and heightened uncertainty in global oil markets filtered through to exacerbate financial strain on households and businesses, which South Africa was not immune to. To counter this, governments have continued to implement a range of measures, including incentives, price caps and targeted financial support, to alleviate the burden on their populations. However, these interventions have come at a significant fiscal cost, limiting the scope for other public spending and investment.

Inflation was also driven by ongoing disruptions in supply chains, although there has been some easing compared with those that occurred at the height of the pandemic. Persistent tightness in labour markets in advanced economies has added to wage pressures, which exacerbated inflation.

China's economy faced significant headwinds in 2023/24. The country's zero-COVID policy, which persisted into early 2023, left lingering effects on consumer confidence, business investment and supply chain stability. Although the Chinese government eventually eased restrictions, the country's economic recovery was uneven. The property sector, which represents a substantial portion of China's GDP, continued to struggle, with numerous developers facing financial difficulties and weaker demand.

Central banks across the world responded with rapid and synchronised tightening of monetary policy. The United States Federal Reserve, the European Central Bank and other major central banks continued to hike rates in a bid to rein in inflation, though the pace moderated somewhat compared with 2022.

The aggressive monetary tightening led to a continued appreciation of the US dollar against most other currencies. This has exacerbated challenges for emerging market economies, particularly those, such as South Africa, with significant external debt denominated in US dollars. As a result, these countries have faced higher debt-service costs, capital outflows and currency depreciation, which further complicates their economic outlooks.

The weakness in China's property market also had broader implications for global trade and economic activity. China's demand for raw materials, construction equipment and other goods slowed considerably, leading to reduced export opportunities for many countries, particularly in Asia and Latin America. Given the country's central role in manufacturing and trade, China's slower growth has weighed heavily on global supply chains. According to the IMF's World Economic Outlook, global output was expected to decrease marginally to 3.2 per cent in 2024 and 3.3 per cent in 2025.

Initially, the South African economy bounced back relatively strongly from the economic effects of COVID-19, recording growth of 6.2 per cent in 2021/22 after a contraction of 6.9 per cent in 2020/21. However, this slowed substantially to

just 1.4 per cent in 2022/23 and 0.7 per cent in 2023/24. As such, the current level of growth remains inadequate to meaningfully address the persistent challenges of poverty, inequality and unemployment.

Low to negative growth has been widespread across economic sectors, with only the transport, storage, communications and personal services sectors seeing growth of more than 2 per cent during the period under review. Four out of ten sectors (agriculture, forestry and fisheries; construction; electricity, gas and water; and trade catering and accommodation) had negative growth. Although mining and quarrying saw nominal growth of 0.4 per cent in 2023/24, it was from a low baseline of -7.2 per cent growth in the previous year. This was primarily because of decreasing global export commodity prices, which worsened the adverse impacts of load shedding and transportation logistics issues.

Expenditure across all categories saw positive, albeit weak, growth during the reporting period. Household spending was particularly weak, registering just 0.5 per cent, down from 1.7 per cent in the previous year.

Exports increased significantly, recording growth of 2.7 per cent in 2023/24. However, this growth was not in line spending on imports, meaning that net exports did not have much impact on GDP. Gross fixed capital formation saw growth of 2 per cent but remains below pre-pandemic levels.

Weak growth continues to run alongside low levels of business confidence, which decreased from an average of 38.8 index points in 2022/23 to just 30.3 points in 2023/24. This was largely attributed to ongoing energy constraints and logistical challenges that hamper growth.

Disruptions to global trade caused by the COVID-19 pandemic saw government's current account move into a historically unusual surplus. This was due to lower import prices (predominantly for oil) and volumes, and increasing export prices (initially gold, driven by safe-haven demand, and later other commodities such as platinum group metals, coal and iron ore). As such, there were favourable terms of trade shock, a trade surplus and a resultant current account surplus of 2.8 per cent of GDP in 2020/21, increasing to 3.2 per cent of GDP in 2021/22. But since then, the current account balance reverted to its historical norm of a deficit in 2022/23, recording one of 1.3 per cent of GDP. This increased to 1.6 per cent of GDP in 2023/24 as import prices increased (largely because of increasing oil prices) and export commodity prices softened.

The financial account surplus increased to R88.6 billion (1.3 per cent of GDP) in the 2023 calendar year, from a surplus of R67 billion (1 per cent of GDP) in 2022. This was driven by inflows of net foreign direct investment, net portfolio investment and net other investments (to record outflows).

Fiscal metrics continued to improve slowly after the severe shock of the pandemic. This was seen in increased government spending as part of its COVID-19 response and relief efforts combined with contractions in tax revenue and economic growth. The main budget deficit reached 9.9 per cent of GDP in 2020/21 before narrowing to 4.6 per cent in 2022/23. As at 31 March 2024, it was estimated at 3.9 per cent. Gross government debt, however, increased to 73.9 per cent of GDP in 2023/24, from 68 per cent in 2021/22 due to a direct debt takeover of a portion of Eskom's loan portfolio. To counter this, the 2024 Budget set a target to stabilise gross government debt at 75.3 per cent in 2025/26.

02 OVERVIEW OF DEPARTMENTAL PERFORMANCE

South Africa's risk premium averaged 3.7 percentage points in 2023/24, a decrease from 4 percentage points in 2022/23 (below the pandemic high of 4.8 percentage points). The average real exchange rate depreciated by 4.2 per cent compared with the 2022/23 average. The depreciation of the rand was influenced by tight monetary policies in advanced economies (particularly the US). Again, this was coupled with idiosyncratic challenges such as load shedding and logistical constraints.

The reforms embodied in the economic reconstruction and recovery plan and Operation Vulindlela (a collaboration between the National Treasury and the Presidency aimed at fast-tracking necessary structural reforms and supporting economic recovery) continue apace. Progress on these initiatives is detailed below.

Energy sector

- Since the amendment of schedule 2 of the Electricity Regulation Act (2006) to lift the licensing threshold for embedded generation in August 2021 and subsequently remove the threshold in December 2022, there has been a significant increase in private sector investment in renewable energy. By April 2024, projects that are set to generate more than 6 800 MW have been registered with the National Energy Regulator of South Africa. The Energy One-Stop Shop was launched in July 2023 and coordinates regulatory processes and fast-tracks approvals for energy projects. The one-stop shop now supports more than 130 projects at various stages of development. Power generation from these projects is expected to amount to about 22 500 MW, with an estimated investment of R390 billion that is still needed.
- Rooftop photovoltaic installations more than doubled, resulting in an increase in solar power generation from 2 500 MW in December 2022 to more than 5 400 MW by February 2024. This was aided by new solar tax incentives from March 2023 and the Energy Bounce Back Loan Guarantee Scheme.
- Progress has been made in unbundling Eskom into separate entities (generation, transmission and distribution). This included establishing the National Transmission Company of South Africa as an independent subsidiary of Eskom. The company's board of directors has been appointed and all suspensive conditions for its establishment were met by the deadline of 1 April 2024.
- The Electricity Regulation Amendment Bill was passed by the National Assembly and is with the National Council of Provinces for concurrence. The bill aims to reform the energy sector by establishing a competitive electricity market to promote long-term energy security and catalyse transformation in the energy sector.
- To address Eskom's debt burden, the 2023 Budget introduced R254 billion in debt relief to Eskom, subject to stringent conditions. This is expected to alleviate pressure on the utility's balance sheet, enabling it to conduct necessary maintenance and support the restructuring of the electricity market. The Eskom Debt Relief Bill was signed into law by the President during the period under review.

OVERVIEW OF DEPARTMENTAL PERFORMANCE 02

Freight logistics

- The policy framework outlined in the 2022 White Paper on National Rail Policy was adopted during the period under review. The framework sets out actions to modernise South Africa's rail network and details government's plans to make rail a competitive mode of freight and commuter transport. Part of this entails opening the sector to private investment and effective economic regulation.
- Transnet is working to establish a separate infrastructure manager within Transnet Freight Rail. This intervention is aimed at enabling third-party access to the core rail network, among other things.
- The Transnet Freight Rail infrastructure manager published a draft network statement and access price for public comment. The public comments process will be facilitated by the Interim Rail Economic Regulatory Capacity, an interim rail economic regulatory body, which will also provide recommendations for finalising the network statement.
- The viability of private sector partnerships continued to be explored, and initiatives to crowd-in private investment were under way, to improve the performance of the container terminals at Durban Pier 2 and Ngqura in Gqeberha. In the period under review, Transnet concluded the process of selecting an equity partner for Durban Pier 2.
- The Economic Regulation of Transport Bill was passed in Parliament and is awaiting the President's assent. This is a critical step towards reforming the freight logistics system towards establishing a transport economic regulator that will oversee third-party access to the rail network.
- The freight logistics roadmap was finalised and approved by Cabinet. The roadmap provides a clear reform path towards resolving the immediate operational challenges that drive the decrease of rail and ports and outlines interventions that are necessary to fundamentally restructure the logistics sector through policy and legislation. The national logistics crisis committee has been formally constituted as the relevant structure for the implementation of the roadmap.

Digital communications

- The national rapid deployment policy and policy direction, as well as the standard draft by-law for the deployment of electronic communications facilities, were gazetted. These are expected to help accelerate the rollout of telecommunications infrastructure such as fibre and towers.
- On 31 July 2023, analogue transmission for frequencies above 694 MHz was switched off, enabling the outstanding spectrum that was auctioned in March 2022 to be released to licensees. This will support, among other things, investment, improved quality of service and reduction in the costs of communication.
- The next-generation radio frequency spectrum policy was approved by Cabinet. The policy aims to advance the availability of spectrum along with the flexibility of its use, including through establishing a secondary market for spectrum, promoting competition in the assignment of spectrum and achieving optimum pricing of spectrum.

02 OVERVIEW OF DEPARTMENTAL PERFORMANCE

Table 1: Economic indicators

	2019/20	2020/21	2021/22	2022/23	2023/24
GDP growth (y/y)	0.4%	(6.8%)	(6.8%)	1.3%	0.7%
Household consumption growth (y/y)	1.7%	(7.3%)	(7.3%)	2%	0.5%
Gross fixed capital formation growth (y/y)	(2.4%)	(15.8%)	(15.8%)	4.7%	2%
RMB/BER Business Confidence Index (aver-age)	23.25	26	45.25	38.75	30.25
RMB/BER Consumer Confidence Index (aver-age)	(4,50)	(19,25)	(11,25)	(19,00)	(18,25)
RMB/BER Consumer Confidence Index (aver-age)	29,3%	29,8%	34,8%	33,1%	32,4%
Consumer inflation (y/y)	4,2%	2,9%	5,2%	7,2%	5,5%

Source: Statistics South Africa, Bureau for Economic Research

2.2 SERVICE DELIVERY IMPROVEMENT PLAN

In pursuit of service delivery improvement, the department has commenced with the process of developing an organisational management framework required in terms of chapter 3, part 3 (36) of the 2016 Public Service Regulations, which obliges that an executive authority shall establish and maintain an operations management framework that shall include:

- an approved service delivery model
- a list of all core mandated services provided by the department
- mapped business processes for all services
- standard operating procedures for all services
- service standards for all services
- a service delivery charter referred to in regulation 37
- a service delivery improvement plan referred to in regulation 38.

The framework will be anchored in the department's strategic goals and mandate. It is expected to enhance the department's capacity for the planning, development, implementation and institutionalisation of service delivery tools, systems, processes, mechanisms and intervention programmes that are meant to improve the quality of its services.

ORGANISATIONAL ENVIRONMENT

In pursuit of the National Treasury's strategic objectives for organisational advancement and enhancement, as outlined in its 2020-2025 strategic plan, the department continually executes its organisational optimisation plan. The plan is grounded in the following:

- Pillar 1: Enhance governance, strategic planning, and HR and financial management services.
- Pillar 2: Cultivate and fortify organisational leadership and enhance internal collaboration frameworks and protocols within divisions.

OVERVIEW OF DEPARTMENTAL PERFORMANCE 02

- Pillar 3: Foster and enhance organisational structures that encompass nurturing trust and improving communication.
- Pillar 4: Establish and further collaborative partnerships

During 2023/24, an organisational review of the National Treasury was concluded and the rollout of its new organisational structure commenced. The review was intended to ensure that the department has institutional capacity to uphold national priorities, as mandated by the Constitution. Of importance were the department's recent endeavours to strengthen its capability to respond effectively to its mandate on municipal financial management.

In the pursuit of Pillar 2, the design concepts of the approved macro-organisational structure aim to promote collaboration within and between divisions. This decision was influenced by the business procedures that were charted and recorded in a manner that strengthens intra-departmental interdependencies. The merging of budgeting, performance planning, supervision, risk management, employee performance contracting and performance assessment was fully developed throughout the department. The employee performance management system is now completely synchronised with the organisational performance management structure. The strategic planning, monitoring and evaluation and HR management units continued to guarantee harmonious planning. As such, the annual operational plan and chief directorate: operational plans shaped performance agreements, appraisals and assessments.

Pillar 3, which is focused on enhancing and fortifying organisational structures through trust-building and improved communication, prompted the ongoing efforts by the Director-General's special purpose committee. These efforts, which were intended to enhance engagement between executive management and National Treasury staff, included staff surveys and discussion sessions. Through these engagements, the committee identified targeted interventions in seven key areas as part of its role in leading gender mainstreaming initiatives.

These areas are:

- values and ethics stream
- policies workstream
- working conditions workstream
- facilities and security workstream
- development workstream
- inclusivity workstream
- campaigns workstream

The strategic planning, monitoring and evaluation, enterprise risk management, financial management, HR management, knowledge management and internal audit units have commenced with the rollout of the corporate management system. This was developed as an integrated solution to modernise and automate the department's planning, monitoring and reporting ecosystem, known as the organisational performance monitoring management system. The system integrates risk, organisational performance planning, monitoring and reporting; demand planning; budgeting; and IT planning on a single IT platform. It also links to the audit findings register and the HR performance management and development system.

02 OVERVIEW OF DEPARTMENTAL PERFORMANCE

The risk management unit continued to conduct risk management and anti-corruption awareness initiatives across the department. To this end, during the reporting period, 14 sessions were convened with various business units. Governance, risk management and compliance are three interrelated and interconnected facets of corporate governance. They ensure that the department can reliably achieve its mandate and objectives, address uncertainty and act with integrity.

In 2023/24, risk management was enhanced through the fully functional risk management committee. The committee provides oversight over the effectiveness of the risk management function to make recommendations on improvements and monitor progress on targets. During the reporting period, the risk management unit conducted business continuity assessments across all divisions to protect the department from disruptive incidents that might hinder its mandated service delivery. Business continuity planning provides assurance that the department is capable to continue delivering its services at pre-defined acceptable levels after a disruptive incident.

In terms of implementing the department's anti-corruption policy, the risk management unit conducted awareness campaigns on ethics management and anti-corruption and commenced with the implementation of lifestyle audits on staff.

To ensure the proper management of records in compliance with the National Archives and Record Service of South Africa Act (1996), the records management unit enhanced its efforts to maintain the National Treasury's records management system. In 2023/24, more than 150 000 records were scanned and uploaded to Microsoft SharePoint. These records are accessible online using platforms approved by the department and in line with security protocol.

During the reporting period, the records management unit conducted extensive awareness campaigns on the requirements of the Promotion of Access to Information Act (2000) (PAIA), which gives the public access to records held by the state with reasonable limitations. During the reporting period, 24 PAIA requests were processed by the department. The department also fully complied with the requirements of the Protection of Personal Information Act (2013) (POPIA), which obliges the department to ensure the privacy of legal entities and individuals, as well as lawful processes of personal information.

The knowledge management unit intensified its efforts to harness the department's collective knowledge. This was part of its efforts to implement the knowledge management strategy. As such, the unit completed developing an information knowledge management system, which will serve as a repository of accessible information to be used to support operational efficiencies in the department. Various divisions within the National Treasury contributed to the repository. The system also allows for the preservation and sharing of knowledge assets with analytics that allow content owners to measure the efficacy and impact of their knowledge assets.

The implementation of the ICT three-year plan commenced in 2023/24 with the objective of enhancing technology innovation across the department. The ICT governance committee, which comprises a multidisciplinary team from all divisions, oversees the implementation of seven ICT projects: video conferencing, Microsoft cybersecurity, e-Leave phase 1, the HR online exit form, the OCPO register, the ministry's digital platform and the HEAT Ivanti Voice system.

OVERVIEW OF DEPARTMENTAL PERFORMANCE 02

The ICT unit also continued to support the department in delivering its services. This was done by ensuring compliance with the ICT service-level agreements for network services, storage servers and availability, operational-level agreements and application availability; and the implementation and maintenance of enterprise ICT security, and the business continuity plan. Through the OCPO, the unit continued to support the provision of services to external stakeholders of National Treasury. As such, it oversees the functionality of the CSD. Through the OAG, the ICT unit supports the functionality of government accounting systems.

ICT services continued to enable National Treasury employees to securely work off site as part of the department's rotational working model. Cloud solutions acquired by the unit resulted in multiple benefits, which included accessing files anywhere from any device at any time, and improved collaboration and communication using advanced digital platforms. This, in turn, provided better business continuity as secure cloud platforms were used. Collaboration with external stakeholders was also simplified and made more secure. The use of Microsoft Viva provided employees with better insight into their work environment, time management and general wellbeing.

The HR management unit continued to ensure compliance with requirements and directives issued by the DPSA. In this regard, compliance reports on the gender equity strategic framework and job access strategic framework were submitted to the department. A monthly report is also provided to the DPSA on the implementation of and progress made on the objectives of the national strategic plan on gender-based violence and femicide (GBVF). An awareness campaign for the 16 Days of Activism for No Violence Against Women and Children was conducted on 25 November 2023. As part of the campaign, 400 white ribbons were issued to staff, posters aimed at raising awareness about gender-based violence were placed on notice boards, and awareness raising emails were sent to all staff members. The gender equality workshop was conducted on 1 December 2023 to address gender-related issues. Psychosocial services are made available to the staff members to support the victims of GBVF, in line with the national strategic plan.

The unit submitted the National Treasury's operational plan on the employee health and wellbeing programme to the DPSA. During the period under review, the unit submitted an implementation plan on its four disability frameworks to the Department of Women, Youth and Persons with Disabilities. A monitoring tool on self-assessment regarding gender and disability was also completed and submitted to the department. In 2023/24, the HR management unit ensured full compliance on all statutory requirements in submitting financial disclosures, including Public Service Regulation 41(b)(vi), performance agreements, probation reports and leave management.

The unit provided organisational development services to ensure that the National Treasury delivered its services efficiently. As the department's new organisational structure was approved by executive management in 2023/24, the full rollout of the organisational design has commenced. All posts that were advertised in 2023/24 were reviewed and aligned with job descriptions and evaluated as per Public Service Regulations 40 and 41(3).

Towards achieving the objective of embedding a learning environment in the National Treasury, the HR management unit, in partnership with the National School of Government, continued to provide various learning and development interventions during the reporting period. These were packaged as part of the quarterly training calendar. The

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mentorship and coaching framework for senior management service (SMS) members and executive management staff continued in 2023/24. As at 31 March 2023, staff in the OCPO and the Economic Policy Division were still completing the coaching programme.

As part of the revised National Treasury talent management framework, 19 onboarding and 15 exit interviews were conducted in 2023/24. To promote formal career pathing for all positions in the department, the unit ensured that all job descriptions had formal career pathing to enhance career advancement. The graduate development programme continued to serve as a pipeline for the department's entry-level positions. As such, the National Treasury continued to maintain a high representation of women at the SMS level and continued to strive in the representation of persons with disabilities. Investment in employees continued through the learning and development programmes that are tailor-made for the required skills and competencies.

The National Treasury remains committed to achieving its mandate according to the PFMA, which is to:

- promote government's fiscal policy framework
- coordinate macroeconomic policy and intergovernmental financial relations
- manage the budget preparation process
- facilitate the annual Division of Revenue Act, which provides for equitable distribution of nationally raised revenue between national, provincial and local government
- monitor the implementation of provincial budgets.

The mandate is further elaborated in the section 5(2) of the MFMA, which entails: monitoring municipal budgets; promoting good budgets and fiscal management by municipalities; promoting good accounting and reporting practices in municipalities; monitoring, supporting and assessing compliance with MFMA prescripts; and investigating any system of financial management and internal control in municipalities and municipal entities. The mandate extends to the issuance of regulations on all aspects of the MFMA, which includes investments, borrowing, budgeting, accounting, assets, reporting, competencies, expenditure and cost-containment measures, SCM, PPPs, and financial misconduct and criminal procedures, among others.

During the reporting period, the department worked to ensure an enabling organisational environment to deliver on the key focus areas in its 2023/24 annual performance plan. This included:

- coordinating the national budgeting process
- monitoring and analysing public expenditure and managing future spending growth and fiscal risk
- •oordinating fiscal relations between the three spheres of government with emphasis on ensuring sound budgetary planning at the provincial and local levels of government
- providing advice and input into tax policy, frameworks and legislation, and strengthening financial sector regulation
- conducting research into strategic areas of the economy to better inform the implementation of economic policy
- managing government's annual funding programme by way of optimally managing public debt, ensuring that government's liquidity requirements are met through effective cash management, and overseeing SOCs to enable

their achievement of government's policy objectives in a manner that is financially and fiscally sustainable

- strengthening public sector financial management and improving financial management governance and compliance across all spheres of government and in government entities
- •government's financial systems
- overseeing and improving government's supply management systems and making government procurement more transparent, efficient, effective and economical
- advancing South Africa's national economic interests, in the context of reputable international institutions dealing with economic development and facilitating regional and international cooperation
- supporting infrastructure development and economically integrated cities and communities.

2.3 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

No new key policy developments were made during the period under review.

Key legislative changes made during the reporting period:

- The Eskom Debt Relief Act (2023) provides for funding over three years for debt relief for Eskom in the form of a loan and for conditions for the conversion of loan amounts to shares for the State.
- The Financial Matters Amendment Act (2023) provides for –
  - the amalgamation of the Associated Institutions Pension Fund into the GEPF
  - he retrospective application of military pension benefits for life partners of members
  - replacing judicial management of the Land and Agricultural Development Bank of South Africa with business rescue under the Companies Act (2008)
  - implementing measures to strengthen the processes to deal with alleged improper conduct by auditors.

2023/24

NATIONAL TREASURY

ANNUAL REPORT

VOTE 8

PART B

PERFORMANCE INFORMATION

INSTITUTIONAL IMPACTS AND OUTCOMES

INSTITUTIONAL IMPACTS AND OUTCOMES 03

OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE ACHIEVEMENT OF THE 5-YEAR TARGETS
PROGRAMME 1: ADMINISTRATION Ensure effective leadership, strategic management and administrative support to the National Treasury through continuous refinement of its organisational strategy and structure, in line with appropriate legislation and best practice.	**CORPORATE SERVICES DIVISION** The division continued to provide integrated business solutions in the areas of HR and financial management, security and facilities management, and ICT. The **Financial Management unit** continued to exercise governance to curb deviations and incidents of noncompliance. The unit enhanced the contract management and monitoring process in line with the approved Contract Management and Administration Framework. It also provided financial resource support to internal and external stakeholders with transparent and credible budgeting processes that align with the operational plans, annual performance plan and procurement plans, including the MTEF, the ENE, AENE and rollovers in line with the PFMA, Treasury Regulations and public finance guidelines. Semi-annual and annual tax reconciliations were compiled accurately and submitted to SARS six weeks before the closing date. The unit improved its control measures to process supplier payments, achieving 98.4 per cent of payments in an average of 13 days from receipt of invoice. Preparation and fair presentation of audited financial statements remain a core function. This includes coordinating internal and external audit processes on behalf of the department. In support of capacity building, the unit continues to provide skills development through rotation opportunities to trainee chartered accountants. One trainee assisted with the quality review of the AFS. The preparation and review process of the AFS consistently improved in 2023/24, as the process was successfully completed on time by the preparer and referred to internal control and internal audit for review. All necessary approvals were granted, including from the audit committee and were secured and submitted to the OAG by 31 May 2024. The financial management unit continued to provide administrative support to other business units through efficient internal control and personnel remuneration, and supply chain, asset, budget, revenue and expenditure management.

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OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE ACHIEVEMENT OF THE 5-YEAR TARGETS
PROGRAMME 1: ADMINISTRATION Ensure effective leadership, strategic management and administrative support to the National Treasury through continuous refinement of its organisational strategy and structure, in line with appropriate legislation and best practice.	**CORPORATE SERVICES DIVISION** The **HR Management unit** needs to be agile in its practices. This includes making policy changes and embedding some of the reimagined ways of working after lessons learnt from the COVID-19 pandemic. This is seen to attract and retain key talent. Self-service initiatives, such as e-Recruitment, automated performance management processes and e-Leave, continue to advance improvements that contribute to a high-performance culture. The department continues to ensure a high percentage of women's representation at the SMS level and the achievement of disability targets has improved. The graduate development programme continues to be a pipeline for entry-level positions in the department. Mentorship and coaching initiatives are structured and continuously rolled out to employees as part of their developmental journey. The department encourages rotation as a means of continuous professional development and retention. The department has since put in place the recognition and rewards policy to retain staff, among other things. International exposure through secondments, as well as leadership and development interventions, create opportunities for employees and serve as employee engagement and retention mechanisms. The Minister of Public Service and Administration issued a directive in October 2023 that introduced control measures aimed at assisting executive authorities in managing fiscal sustainability during the process of creating and filling vacant posts. The **ICT unit** implemented various technologies to facilitate hybrid work for officials. These included automated memorandum generation, digital signatures, MS OneDrive, MS Teams and MS Exchange Online. These tools were invaluable in ensuring seamless operations from anywhere. To enhance productivity and capitalise on the lessons learnt, the ICT unit has also leveraged data analytics and business intelligence technologies. These tools enable the measurement of productivity and collaboration across different work settings, including at the office, home and other locations, regardless of the device being used.

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PROGRAMME 1: ADMINISTRATION Ensure effective leadership, strategic management and administrative support to the National Treasury through continuous refinement of its organisational strategy and structure, in line with appropriate legislation and best practice.	**CORPORATE SERVICES DIVISION** During the reporting period, officials used these tools to great effect. More than 1 million chat messages were exchanged, facilitating constant communication and collaboration. Officials also logged more than 100 000 hours of online meetings. This showcased the power of digital platforms to maintain workflow continuity and foster collaboration in a remote working environment. There were also more than 180 000 documents uploaded for signatures on the signing hub. **OFFICE OF THE DIRECTOR-GENERAL** The **Risk management unit** provided assurance in 2023/24 through managing risks at the strategic and operational levels. Its strengthened integration of risk management with planning, performance and audit activities has resulted in credible and timely risk reporting to ensure improved decision-making. The department achieved a risk maturity level of 5 through ongoing initiatives to improve its risk management culture. The business continuity management policy was approved in 2023/24 to bring the business continuity management system in line with best practice. The department launched a business impact analysis project to identify priority business process with a view to ultimately update the business continuity plan. Organisational resilience is attained through hybrid working strategies, and deploying virtual private networks and enhanced incident management processes. The anti-corruption and ethics management policy was approved to outline operating standards for disclosing financial interest, remunerative work outside the public service, and managing gifts and lifestyle audits, among other things. Highlights of the department's ethics management and anti-corruption efforts include finalising lifestyle reviews, reviewing the ethics and anti-corruption risk profile, rolling out awareness initiatives and investigating allegations of fraud and corruption. The **strategic planning monitoring and evaluation unit** played a crucial role in ensuring effective and strategic execution of the department's mandate.

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PROGRAMME 1: ADMINISTRATION Ensure effective leadership, strategic management and administrative support to the National Treasury through continuous refinement of its organisational strategy and structure, in line with appropriate legislation and best practice.	**OFFICE OF THE DIRECTOR-GENERAL** This was done by aligning annual departmental planning efforts with overall government priorities set out in government's 2019-2024 medium-term strategic framework (MTSF), departmental outcomes set out in its 2020-2025 strategic plan, medium-term budgeting framework and institutional risk management. As custodian of the National Treasury's planning ecosystem, the unit coordinated the department's planning cycle across the various planning levels to produce vital planning documents. These included the department's 2024/25 annual performance and operational plans, divisional plans. The performance monitoring component ensured the capability to monitor and report progress made towards achieving the strategic priorities and outcomes at the strategic and operational levels. The department contributed to government's 30-year Review Report. This is a comprehensive report that assesses the department's contribution over three decades towards achieving government's long-term performance targets through identifying trends, challenges and opportunities. The report provides valuable insights for strategic decision-making as government moves towards the seventh democratic administration. The unit compiled quarterly performance reports on progress made towards achieving MTSF priorities. By monitoring performance at regular intervals, the department ensures alignment with broader national goals. As such, it submits quarterly performance reports on progress made towards achieving annual performance targets. Progress reports of specific programmatic areas within the department also form part of these quarterly reports. The quarterly performance reports are critical deliverables and serve two interrelated objectives: they constitute the department's reporting on compliance, as they are submitted to government through the Department of Planning, Monitoring and Evaluation as a regulatory requirement; and they are critical management instruments that enable the department to make informed decisions on service delivery and identify early warning signals on poor performance so that corrective action can be taken by programme managers.

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PROGRAMME 1: ADMINISTRATION Ensure effective leadership, strategic management and administrative support to the National Treasury through continuous refinement of its organisational strategy and structure, in line with appropriate legislation and best practice.	**OFFICE OF THE DIRECTOR-GENERAL** At the operational level, reports on the chief directorate: operational plans and divisional operational plans reports were compiled and submitted to programme managers and the executive management. These operational performance reports are aligned with the performance management development system and are used to benchmark individual employee performance across the department. In essence, the performance monitoring component bridges the gap between strategic visioning and operational execution. It empowers the department to make informed decisions, enhance efficiency and drive developmental impact. 2023/24 was the first year of rolling out the organisational performance management system, which is aimed at integrating the department's planning, budgeting, risk management, auditing and procurement processes. The system was successfully used to produce quarterly performance reports. In 2024/25, the full rollout of the budgeting, procurement, risk management and learning and innovation modules is expected to be accelerated. The **internal audit unit** implemented its annual risk-based audit plan for 2023/24, as part of the three-year rolling plan, after consultation with management and approval by the National Treasury's audit committee. Accordingly, 26 audits were approved and planned for in the revised audit plan for the year under review. In addition, 22 audits were completed and reported to the audit committee. Four ad hoc audits were executed and reported on, bringing the total to 26 audits completed. All audits and other work of the Internal Audit function was conducted in accordance with the International Standards for the Professional Practice of Internal Audit, as issued by the Institute of Internal Auditors. The **legislation unit** continued to develop and process annual budget and other draft legislation, as well as scrutinise subordinate legislation according to the needs identified by the National Treasury and, more broadly, by government. It provided input on draft legislation developed by other departments that impacts on the National Treasury's mandate and the fiscus.

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PROGRAMME 1: ADMINISTRATION Ensure effective leadership, strategic management and administrative support to the National Treasury through continuous refinement of its organisational strategy and structure, in line with appropriate legislation and best practice.	**OFFICE OF THE DIRECTOR-GENERAL** It also provided legal advice on a range of matters to assist the National Treasury with implementing its mandate and ensuring that its internal operations are legally sound. The **communications unit** successfully maintained transparent and effective communications between the department and all its stakeholders during the reporting period. The **legal services unit** is responsible for providing a comprehensive legal advisory service to the National Treasury to execute its mandate effectively and legally. During the period under review, the unit provided civil litigation services for about 159 cases with a complex mix of law and policy that involved constitutional attacks on legislation, procurement, special pensions, labour and general litigation.

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OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE ACHIEVEMENT OF THE 5-YEAR TARGETS
PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH Promote economic policy coherence around the objectives of growth and jobs and improve South Africa's macroeconomic and microeconomic frameworks by conducting ongoing analysis, research and policy advisory services. The programme supports economic growth, employment and macroeconomic stability and retirement reform by: • developing tax policy proposals and supporting tax legislation for the annual budget • monitoring the collection of revenue through ongoing consultation with relevant stakeholders and analysing the factors determining tax collection • providing macroeconomic forecasts and scenario modelling • providing economic policy analysis, research, assessment and advice on macro and microeconomics, including government policy proposals.	**ECONOMIC POLICY DIVISION** The division conducts economic research and manages the Southern Africa – Towards Inclusive Economic Development research programme. The programme is a collaboration between various government departments and international agencies to produce high-quality, evidence-based policy research and build the state's capacity for economic policy development and implementation. During the reporting period, the division: • analysed and monitored the monetary and exchange-rate policies and framework to support competitiveness, price stability and economic growth • analysed and monitored macroeconomic variables and the policy framework to support sustainable economic growth • analysed South Africa's prevailing labour market landscape • analysed submissions from the International Trade Administration Commission • provided input into key policy processes, including actions taken towards reforming the electricity sector and facilitating a just transition in the energy sector • Provided technical support to Operation Vulindlela to accelerate the implementation of structural reforms. **TAX AND FINANCIAL SECTOR POLICY DIVISION** The 2023 Budget included tax proposals prepared by the division and approved by the Minister of Finance. The proposals provided tax relief totaling R13 billion to support the clean energy transition, increase electricity supply and limit the impact of consistently high fuel prices. These were included in chapter 4 of the Budget Review along with numerous technical tax proposals that were included in annexure C of the Budget Review. The division prepared and published the necessary tax legislation to give effect to these proposals. The tax bills for the 2023 Budget were tabled and adopted by Parliament and enacted into law after consultation and engagements with the Standing and Select Committees on Finance.

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OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE ACHIEVEMENT OF THE 5-YEAR TARGETS
PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT Promote growth, social development and poverty reduction through: sound fiscal and financial policies and through effective, efficient and appropriate allocation of public funds to address government's policy priorities. It aims to achieve these objectives by: • Providing analysis and advice on fiscal policy and public finances, intergovernmental financial relations and expenditure planning and priorities. • Managing the annual budget process and providing public finance management support.	**BUDGET OFFICE DIVISION** The BFI is a multidisciplinary facility that brings together various expertise across government to make recommendations on the technical feasibility and readiness of infrastructure projects. The BFI supports quality public investments by improving the planning, technical assessment, budgeting and execution of large infrastructure projects. It has helped build a pipeline of projects that have undergone rigorous technical analysis and ensures that the budgeting and commitment of fiscal resources is transparent. Seven BFI windows have been run to support large infrastructure projects. The seventh window of the BFI showed that public institutions continue to build capacity to contribute to a strong pipeline of projects that are ready for funding. Through the BFI processes, more than R4.9 billion was approved in the 2024 MTEF period. The approved projects and programmes include the Western Cape Rapid Schools Programme and the Olifants Management Model Programme 2B and 2B+. The Infrastructure Fund's role is to maximise the cost-effective participation of private sector investors in government projects while facilitating early financial closure. The fund has been operating for two years and is now has full capacity to develop blended financing solutions with government and the private sector. To date, the Infrastructure Fund has assisted in packaging and financing of 14 blended finance projects and programmes, with a capital value of R57.8 billion. Of this, R25.7 billion has been approved through the BFI, R34.5 billion is expected to be raised from the private sector and R6.1 billion is expected from other grants. Following more than a decade of low growth, South Africa confronts difficult fiscal choices. South Africa's government gross loan debt as a percentage of GDP is at its highest point since 1947. Rapid growth in debt-service costs chokes the economy and public finances. Debt-service costs now consume one of every five rands of government revenue and absorb a larger share of the budget than basic education, social protection or health. Government is staying the course on the medium-term fiscal strategy outlined in the 2023 MTBPS.

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OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE ACHIEVEMENT OF THE 5-YEAR TARGETS
PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT Promote growth, social development and poverty reduction through: sound fiscal and financial policies and through effective, efficient and appropriate allocation of public funds to address government's policy priorities. It aims to achieve these objectives by: • Providing analysis and advice on fiscal policy and public finances, intergovernmental financial relations and expenditure planning and priorities. • Managing the annual budget process and providing public finance management support.	**INTERGOVERNMENTAL RELATIONS DIVISION** The same intentions were communicated to municipalities through a municipal finance management circular, issued in 2020 for implementation from July 2021. The circular was followed by the development of the local government IDMS toolkit, was adopted in 2020 and is ongoing. The IDMS IT platform was developed and is available for all officials to access knowledge. The platform has a helpdesk function for any infrastructure-related queries. Reforms as per the infrastructure reporting model have been successfully implemented for reporting national departments' infrastructure budgets and projects in a central repository, like provinces. The model has created an opportunity to train staff in the national sphere to implement sound performance monitoring systems for infrastructure delivery and other interventions in the built environment. In 2023/24, the three IDMS modules – on SCM, planning and budgeting, and performance and risk management – were accredited as unit standards by the Public Service Sector Education and Training Authority. Training was piloted in provincial and national departments. The development of a higher certificate in the IDMS curriculum is under way and intended to continuously build state capacity. The division completed annual assessments of infrastructure plans to encourage improvements in the planning, funding and delivery of infrastructure projects. The cities support programme continued to provide support to metros. Key milestones during the reporting period included the approval of the trading service reform programme, which is aimed at using grant and financing systems more effectively to turn around metro trading services. All metro township economic development strategies are now being implemented. In 2023/24, the township economic development project produced a circular economy strategy for eThekwini, KwaZulu-Natal, and a shipping container informal economy report on Delft for the City of Cape Town. Financial support from the African Development Bank to enterprise support organisations is under way in Hammanskraal and Thembisa, Gauteng.

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PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT Promote growth, social development and poverty reduction through: sound fiscal and financial policies and through effective, efficient and appropriate allocation of public funds to address government's policy priorities. It aims to achieve these objectives by: • Providing analysis and advice on fiscal policy and public finances, intergovernmental financial relations and expenditure planning and priorities. • Managing the annual budget process and providing public finance management support.	**INTERGOVERNMENTAL RELATIONS DIVISION** In 2023/24, the neighbourhood development partnership programme (NDPP) continued to provide support to 47 municipalities in planning and delivering catalytic projects in spatially targeted areas by developing six investment plans and approving 40 catalytic projects. During the period under review, the NDPP attracted more than R318 million in third-party investment in these areas, which contributed to economic growth and job creation. In collaboration with the Presidency, the NDPP manages the public employment programme by funding city-led employment programmes. The NDPP also manages the programme and project preparation support grant to assist metro municipalities with programme and project packaging. The programme has established a panel of service providers through GTAC to support cities with programme and project preparation. In 2023/24, the NDPP collaborated with various partners in the public sector, including, among others: the DSBD; DTIC; the Department of Public Works and Infrastructure; the Department of Agriculture, Land Reform and Rural Development; the South African Local Government Association (SALGA); DCoG; and Infrastructure South Africa. The NDPP also collaborated with international partners, including the German Development Cooperation's inclusive violence and crime prevention programme on several safety projects, and will continue with the capacity-building programme for the department's portfolio of municipalities. The programme has forged a partnership with the European Union's general budget support to deliver economic development projects in selected municipalities. The division continued to monitor the implementation of provincial budgets in the period under review. This included concluding the rollover process successfully, as well as the stopping and reallocation process. These processes are important for provincial treasuries to table adjustment budgets within the legislated period. The division also coordinated the provincial budget process through issuing the budget process calendar, provincial MTEF guidelines, the estimates of provincial revenue and expenditure guide, and the budget programme structure circular. These are instrumental when provinces compile draft budgets for submission to the National Treasury. The budget benchmark process was concluded successfully despite delays caused by provincial treasuries in finalising their second draft budget submissions.

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OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE ACHIEVEMENT OF THE 5-YEAR TARGETS
PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT Promote growth, social development and poverty reduction through: sound fiscal and financial policies and through effective, efficient and appropriate allocation of public funds to address government's policy priorities. It aims to achieve these objectives by: • Providing analysis and advice on fiscal policy and public finances, intergovernmental financial relations and expenditure planning and priorities. • Managing the annual budget process and providing public finance management support.	**INTERGOVERNMENTAL RELATIONS DIVISION** To continuously support and build capacity in provinces, the transformational coaching project for provincial treasuries' senior management, including heads of department, was successfully concluded in 2023/24. Feedback received from trainees suggested that they found the journey to be a meaningful learning experience. They indicated that the training should be cascaded down to other levels of leadership across provincial treasuries. Some of the commitments made during the training included navigating the work environment in a compassionate manner and being attentive to team members and other stakeholders. The Intergovernmental Relations Division continued to collaborate with provincial treasuries to assist with improving their revenue collection. Reforms were made to provincial and local government fiscal frameworks by introducing several reforms to municipal grants. These included the merger of the personal and non-personal services components of the national health insurance indirect grant to improve how the grant is managed; amending the allocating criteria for the infrastructure component of the early childhood development grant to allow for each province to build at least two new low-cost early childhood development centres in each financial year; and providing funds through the early childhood development grant for the piloting of a nutrition support programme and a results-based service delivery model (this function was shifted to the Department of Basic Education as implementation will be done nationally). A series of reforms were implemented in 2023/24 that are aimed at improving performance and accountability. These reforms include the development of a capability development programme and local government strategy for the National Treasury, which will help strengthen the department's capacity to manage the conditional grants system effectively. The department finalised a report on the conditional grants review, which includes performance incentives for infrastructure grants and introduces utility sector reform incentives to encourage improved performance.

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PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT Promote growth, social development and poverty reduction through: sound fiscal and financial policies and through effective, efficient and appropriate allocation of public funds to address government's policy priorities. It aims to achieve these objectives by: • Providing analysis and advice on fiscal policy and public finances, intergovernmental financial relations and expenditure planning and priorities. • Managing the annual budget process and providing public finance management support.	**INTERGOVERNMENTAL RELATIONS DIVISION** To further address concerns about water and sanitation needs, a new requirement was introduced that mandates using the Department of Water and Sanitation's assessment report results in all conditional grants that fund water and sanitation activities. This data-driven approach is expected to assist in ensuring that key needs are addressed and that resources are used effectively. The draft Municipal Fiscal Powers and Functions Amendment Bill, which is aimed at enabling the uniform regulation of development charges, was endorsed by the National Assembly on 25 May 2023 and passed by the National Council of Provinces on 24 October 2023. On 5 March 2024, Parliament submitted the bill to the Presidency for assent. For 15 consecutive years, the division has successfully institutionalised two formal annual engagements: the municipal budget benchmark and the mid-year budget and performance assessment with the 17 non-delegated municipalities. The generic framework for assessment and analysis of municipal budgets was updated in line with the municipal budget and reporting regulation. Guidance was provided to municipalities on preparing their 2024/25 medium-term revenue and expenditure budgets through MFMA circulars (no. 126, 7 December 2023; and no. 128, 8 March 2024). Hybrid budget and benchmark meetings were held with all 17 non-delegated municipalities to assess the funding position of their 2023/24 budgets. The division also assessed the adopted budgets for 2023/24 and it was determined that 15 of the 17 non-delegated municipalities were funded. Several routine publications were issued during the reporting period, including the state of local government finances and financial management report. The frequent publication of budget and in-year financial performance information for local government enables better oversight and serves as an early warning mechanism for the need to improve municipal performance. Various revenue enhancement tools were developed during the reporting period, including all municipalities participating in municipal debt-relief programmes. Capacity was built within these municipalities for using the strengthened tariff and rates reconciliation tools towards improving the revenue component.

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PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT Promote growth, social development and poverty reduction through: sound fiscal and financial policies and through effective, efficient and appropriate allocation of public funds to address government's policy priorities. It aims to achieve these objectives by: • Providing analysis and advice on fiscal policy and public finances, intergovernmental financial relations and expenditure planning and priorities. • Managing the annual budget process and providing public finance management support.	**INTERGOVERNMENTAL RELATIONS DIVISION** A revised approach to the development of financial recovery plans was implemented to enable better monitoring and easier implementation of the plans at the municipal level. A panel of service providers was appointed over a three-year period to assist the municipal financial recovery services unit in preparing of financial recovery plans. Workshops were held with all provinces to deepen their understanding of the MFMA section 139 intervention framework and the preconditions that must exist for the different types of interventions to be invoked. The unit is also supported by technical experts through the municipal finance improvement programme. There are nine experts who provide support on governance, institutional, finance and service delivery matters. The division continued to improve the conditional grant monitoring framework for local government. In 2023/24, the division facilitated R153.5 billion, through the annual Division of Revenue Amendment Act, in direct transfers to local government. In ensuring that future disasters can be responded to by means of the municipal disaster recovery grant, R1.2 billion was ring-fenced in 2023/24 to fund repairs of infrastructure damaged by floods that occurred between February 2022 and March 2023 in Eastern Cape, KwaZulu-Natal, Limpopo and Mpumalanga. An additional R372 million was added to the baseline of the municipal disaster response grant to make a total of R744.4 million available for responding disasters immediately. The National Treasury continues to assist underperforming municipalities to improve their spending and manage conditional grants. If conditional grants are unspent at the end of a financial year, municipalities must request permission to roll them over to the next financial year. Failure to secure approval from the National Treasury results in these funds having to be repaid into the National Revenue Fund.

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OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE ACHIEVEMENT OF THE 5-YEAR TARGETS
PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT Manages government's annual funding programme in a manner that ensures prudent cash management and an optimal portfolio of debt and other fiscal obligations. Promote and enforce prudent financial management of SOEs through financial analysis and oversight.	**ASSET AND LIABILITY MANAGEMENT DIVISION** To improve transparency, Cabinet Ministers who issue guarantees, indemnities or securities must report quarterly to the National Assembly any request for guarantees, indemnities or securities that have been submitted to the Minister of Finance. Three new guarantees were issued during 2023/24, R47 billion to Transnet and R7 billion to SANRAL. In addition, the Minister of Finance provided a government guarantee amounting to R14.7 billion to the Department of Mineral Resources and Energy for the sixth bidding window of the independent power producer procurement programme. The minister concurred to an increase in the guarantees provided to the TCTA from R25 billion to R35.5 billion, which will allow the authority to raise financing for the second phase of the Lesotho Highlands Water Project. During the reporting period, there was improvement in government's investment of surplus cash. This was due to an improved operating environment locally and internationally, which has seen improvement in profitability and asset quality. The banks have met their regulatory minimum requirements for liquidity and capital adequacy, indicating their ability to meet obligations to creditors and government under stressed conditions. The division continued to review all corporate plans and annual reports from major SOEs, development finance institutions and water boards that were submitted within the PFMA-stipulated deadlines. The analysis formed the basis for reporting in the Budget Review and MTBPS, which deliberated fiscal risks and informed stakeholders about SOEs' performance over the reporting period. The Land and Agricultural Bank of South Africa remains exempt from submitting its corporate plan due to its ongoing state of defaulting. The division continually monitored the guarantees to Eskom, Denel, TCTA, South African Airways, Transnet and the Land and Agricultural Bank of South Africa; and provided quarterly reports on compliance with guarantee conditions of the fiscal liability committee. During the reporting period, borrowing authorisation and related limit applications, as well as foreign currency borrowing limit applications from the following public entities were considered: Eskom, Transnet, the TCTA and the Development Bank of Southern Africa.

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PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT Manages government's annual funding programme in a manner that ensures prudent cash management and an optimal portfolio of debt and other fiscal obligations. Promote and enforce prudent financial management of SOEs through financial analysis and oversight.	**ASSET AND LIABILITY MANAGEMENT DIVISION** All the strategic risk benchmark indicators were within their range/limits. The share of the inflation-linked bonds as a percentage of total domestic debt decreased from 23.7 per cent to 22.2 per cent due to the redemption of the R197 bond. The share of short-term debt maturing in 12 months (Treasury bills) as a percentage of total domestic debt increased from 10.1 per cent to 11 per cent due to an increase in Treasury bill auction levels. Government successfully financed its gross borrowing requirement of R544 billion. This was financed through net issuance of domestic short-term loans (R88.7 billion), domestic long-term loans (R336.2 billion) and foreign loans of R45.7 billion (equivalent to US$2.4 billion). In addition, R73.4 billion of cash and other balances were used to finance the gross borrowing requirement. During the reporting period, R73 billion (cash) of short-dated bonds were exchanged for long-dated bonds. The cost of servicing government debt amounted to R356.1 billion in 2023/24, lower than the revised estimate in the 2024 Budget, by approximately R31 million. During the reporting period, domestic and foreign loans of R144.4 billion were repaid. The division met all government's rand and foreign currency commitments daily, and surplus cash was optimally invested.

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OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE ACHIEVEMENT OF THE 5-YEAR TARGETS
PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS This programme comprises of two divisions: the OAG and the OCPO. It facilitates accountability, governance and oversight by promoting effective, economic and transparent management of revenue, expenditure, assets and liabilities across all spheres of government and public entities. The OAG provides financial support through the financial management grant and technical assistance in the form of specialist advisor placements to municipalities. This augments municipalities' own resources to implement the reforms legislated in the MFMA. The grant also assists municipalities in building institutional and technical skills in all aspects of financial management, including: • appointing suitably qualified financial officials • growing the internship programme for graduates to be absorbed into municipalities • implementing budget reforms • improving SCM • addressing shortcomings in revenue management • implementing controls in expenditure management • developing asset management plans that also address their repair and maintenance of assets • producing accurate accounting records • assisting in achieving auditing compliance and in producing reports that are reliable and of a high quality • supporting the training of officials to meet minimum competencies.	**OFFICE OF THE ACCOUNTANT-GENERAL DIVISION** The OAG is the custodian of the PFMA and the MFMA in the National Treasury. The division is tasked with facilitating accountability and transparency in the management of the country's financial resources. The review of the PFMA and MFMA commenced in 2021/22 and continued in 2022/23, with key stakeholders consulted to address comments received. This process continued into 2023/24. The process will include policy consideration and amendments submitted to Cabinet, and will be subjected to additional public consultation processes. The OAG continued to support PFMA and MFMA institutions by providing information sessions on the implementation of the acts and its prescripts. Critical compliance areas were monitored and reported to government oversight committees, including a Cabinet memo tracking five-years audit outcome progress for all PFMA institutions. Exemptions, departures and condonations were also considered based on sound motivations received. Technical meetings were held throughout the financial year with AGSA's technical unit to clarify and assist in resolving disputes for both PFMA and MFMA prescripts. Several measures and capacity-building initiatives were implemented to assist PFMA and MFMA institutions in their efforts to reduce incidences of irregular, fruitless and wasteful expenditure, and the resultant unfavourable audit outcomes. FAQs on irregular expenditure were clarified in guidelines and quarterly reports. An unauthorized, irregular, fruitless and wasteful reduction strategy and guiding tools and the Consequence Management and Accountability Framework, were rolled out and implementation monitored. The OAG continued to monitor compliance by national and provincial departments with the prescribed requirement to pay suppliers within 30 days of receipt of a complete invoice, and support suppliers with related complaints and queries.

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OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE ACHIEVEMENT OF THE 5-YEAR TARGETS
PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS The OCPO aims to: • modernise the state procurement system to be fair, equitable, transparent, competitive and cost-effective • enable the efficient, economic effective and transparent use of financial and other resources, including state assets, for improved service delivery • promote, support and enforce the transparent and effective management of state procurement and the sound stewardship of government assets and resources.	**OFFICE OF THE ACCOUNTANT-GENERAL DIVISION** A report covering areas including compliance regarding the payment of suppliers, reasons for late and/or noncompliance and interventions by the National Treasury to improve the status of compliance by national and provincial departments was submitted to Cabinet, SCOPA and SCOF. The OAG presented an annual progress report on PFMA financial management and compliance to SCOPA and SCOF to assist with information to strengthen their oversight functions. The reports also provided information on strategic initiatives taken to address transversal matters and those that pose challenges during audits of PFMA institutions. A memorandum on the audit outcomes of PFMA institutions was submitted to Cabinet. The OAG maintained stakeholder engagements with professional bodies to build synergies on financial management trends. A separate webpage on the MCS was made available to allow practitioners to gain a high-level understanding of the requirements of each chapter and access useful supporting documentation. Ongoing support was offered to departments during the audit cycle through responses to queries, engagements with AGSA and the issuing of frequently asked questions. Technical support was rendered to national, provincial and local government institutions in accounting, risk management and internal audit. Information-sharing platforms were used to disseminate information on new initiatives, creating opportunities for interaction with peers and providing guidance where necessary. Such sessions were convened to discuss the revised global internal audit standards, and new internal audit and risk management initiatives. Audit committees were supported through the Public Sector Audit Committee Forum, the induction of new audit committees, the attendance of audit committee meetings as observers and advisors, and the provision of responses to queries on the application of legislative prescripts.

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OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE ACHIEVEMENT OF THE 5-YEAR TARGETS
PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS Manage South Africa's interests in shaping regional and global policies that advance the economic, financial and development objectives of the country and those of Africa as a whole.	**INTERNATIONAL AND REGIONAL ECONOMIC POLICY DIVISION** During the period under review, the division ensured that budgets of the AU Commission and SACU are aligned with fiscal conditions in member states. Importantly, South Africa's annual contributions to the AU will remain unchanged, demonstrating the country's commitment to financial stability and responsible spending. In addition, South Africa will continue its F15 membership, allowing it to oversee and monitor the AU's budget expenditure. SACU finally discussed the work programme for the region, in line with South Africa's request for the development of a work plan after the adoption of a SACU strategic plan in 2022. F15 members successfully negotiated the AU new scale of assessment for 2024-2026. As a result, South Africa's contributions to the AU will remain at 7.5 per cent of the AU budget for the next three years. This aligns with South Africa's ongoing fiscal consolidation efforts that aim to contain expenditure. During the reporting period, the completion of the review of the conditions of service and guidelines for the appointment of senior executives, including the executive secretary, strengthened the appointment processes. The SADC's macroeconomic convergence programme continues to be a key feature of the regional integration agenda. As part of the convergence, South Africa peer-reviewed Malawi's economic performance against targets for the period 2018-2022. The programme will continue to monitor implementation of South Africa's recommendations to Malawi. The division facilitated the finalisation of the memorandum of commitment between AFRITAC South and South Africa for the period 2023-2027. On behalf of the South African government, the National Treasury successfully concluded the IMF staff visit from 27 November to 1 December 2023.

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PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS Manage South Africa's interests in shaping regional and global policies that advance the economic, financial and development objectives of the country and those of Africa as a whole.	**INTERNATIONAL AND REGIONAL ECONOMIC POLICY DIVISION** South Africa also had an IMF article IV consultation from 1-17 March 2023, which resulted in South Africa's article IV report being published on 6 June 2023. The 2023 staff visit focused on follow-ups from the MTBPS and recent developments and policies to ensure macro-financial stability, particularly in the areas of fiscal adjustment, public debt and structural reforms. The National Treasury supported the President in his engagement in the G20 Summit in New Delhi, India, in September 2023. The AU was accepted as a permanent G20 member at the summit. In support of the most vulnerable countries, the National Treasury represented South Africa in advocating for a timely, orderly and coordinated implementation of the G20 common framework for debt treatment beyond the debt-service suspension initiative. South Africa also participated as vice-chair in the G20 official creditor committee for Zambia, with France and China as the co-chairs, and in the official creditor committees for Ghana and Ethiopia. Since 2022, South Africa has participated as a prospective member of the Paris Club. This status provides countries with the opportunity to join the Paris Club as a full member in the near term and demonstrates South Africa's interest to work more closely on sovereign debt issues, especially as they relate to African countries. A major achievement was reached with regards to reforms in IMF governance. During the IMF/WBG annual meetings in October 2023, the IMF's International Monetary and Financial Committee supported a 25th board chair to be allocated as a third chair for sub-Saharan Africa. South Africa has been calling for this third chair for more than a decade. The National Treasury chaired the BRICS finance track at the 15th BRICS Sumit in Johannesburg in August 2023.

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PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS Manage South Africa's interests in shaping regional and global policies that advance the economic, financial and development objectives of the country and those of Africa as a whole.	**INTERNATIONAL AND REGIONAL ECONOMIC POLICY DIVISION** The department's priorities included global economic and multilateral cooperation, infrastructure and PPPs, cooperation on customs and taxes, and the think tank network on finance. The progress on the implementation of these priorities was captured in the joint statement of BRICS finance ministers and central bank governors, which was published during the summit. Since becoming a member of the New Development Bank, South Africa has secured funding approval for US$6.2 billion for various sectors, of which US$3.6 billion was disbursed in 2023/24. On 10 December 2023, South Africa became a non-regional member of the Asian Infrastructure Investment Bank. The National Treasury made a capital contribution of US$1 million for 50 shares and US$4 million (callable capital), which is the minimum number of shares a country can subscribe, for a total of 2 076 votes. The bank's investments are made across infrastructure and other productive sectors. This gives South Africa an opportunity to access investment funding from the bank. South Africa is the African Development Bank's biggest client, accounting for more than 40 per cent of its portfolio. As at 31 March 2023, the bank had 22 ongoing projects in South Africa valued at US$5.6 billion (R76.8 billion). The overall performance of the portfolio was assessed as "satisfactory". South Africa received a US$500 000 grant through the Sustainable Energy Fund for Africa, which is managed by the African Development Bank, to provide technical assistance to support policy and technical work that underpins the just energy transition. This work was implemented in 2023/2024 and focused on developing off-balance sheet options for investment into transmission lines and grid infrastructure. During the reporting period, the National Treasury represented South Africa in the meetings of the African Development Fund and International Development Association.

03 INSTITUTIONAL IMPACTS AND OUTCOMES

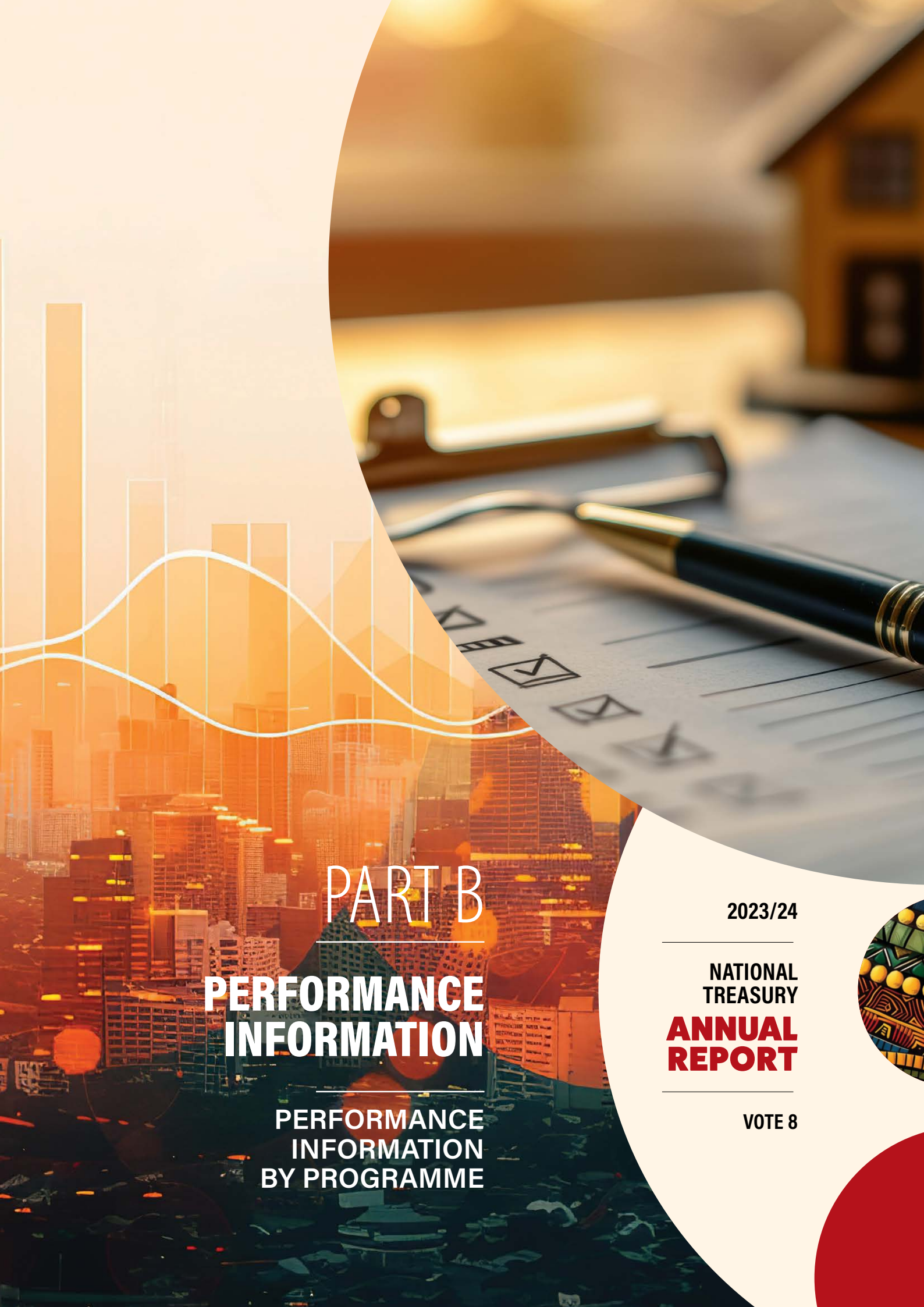
OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE ACHIEVEMENT OF THE 5-YEAR TARGETS
PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS Manage South Africa's interests in shaping regional and global policies that advance the economic, financial and development objectives of the country and those of Africa as a whole.	**INTERNATIONAL AND REGIONAL ECONOMIC POLICY DIVISION** Continued participation in these meetings has enabled South Africa to maintain its voice in these concessional funds and, as one of the only African donors to the International Development Association, to influence its strategic focus to ensure that it is geared towards meeting the needs of low-income African countries. Through consistent lobbying, South Africa has played an instrumental role in convincing more African countries to contribute towards the association's fund, thereby increasing the voice and influence of Africa in discussions. The National Treasury represented South Africa in Finance track Meetings of the United Nations Framework Convention on Climate Change, which considers a broad range of issues including, providing strategic directions to the vertical climate funds of the framework convention, negotiations on the New Collective Quantified Goal for Climate Finance, as well as the Sharm el Sheikh Dialogue on article 2.1.c of the Paris Agreement. The South Africa country partnership framework for the period 2022-2026, which underpins the collaboration between South Africa and the WBG, has seen a significant deepening of the group's partnerships and its convening role for scaled-up impact. In addition, there has been a major reorientation of its engagement with the South African government from a knowledge-focused to a broader knowledge and financing partnership. The bank's support deepened in key sectoral reform and geographical areas, including network infrastructure for energy and a just transition, transport and sub-national engagement. South Africa's growing financing portfolio with the International Bank for Reconstruction and Development was made apparent by a net commitment from the bank of US$1.462 billion (as at 31 March 2023) for four projects. Notably, the portfolio comprises a US$1 billion second development policy operation directly provided to the National Treasury to bolster the country's just energy transition, as outlined in the just energy transition investment plan.

INSTITUTIONAL IMPACTS AND OUTCOMES 03

OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE ACHIEVEMENT OF THE 5-YEAR TARGETS
PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS Manage South Africa's interests in shaping regional and global policies that advance the economic, financial and development objectives of the country and those of Africa as a whole.	**INTERNATIONAL AND REGIONAL ECONOMIC POLICY DIVISION** The International Finance Corporation's portfolio in South Africa increased by US$371 million during 2023/24, to reach a total value of US$3.1 billion. The financing instruments comprised debt, equity and guarantees. The National Treasury coordinated South Africa's delegation at the 2023 annual meeting of the World Economic Forum. At the meeting, on behalf of government, the Minister of Finance signed a memorandum of understanding on cooperative activities, and a joint work programme with the World Economic Forum. The memorandum of understanding establishes a comprehensive framework of cooperation with the OECD across various policy areas to advance the implementation of the NDP and MTSF, emphasising inclusive growth, job creation and reducing inequality. Spanning five years, the joint work programme, with joint reviews every two years, focuses on five key areas: inclusive growth and competitiveness, SMME development, trade and investment promotion, skills development and institutional strengthening.

03 INSTITUTIONAL IMPACTS AND OUTCOMES

OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE ACHIEVEMENT OF THE 5-YEAR TARGETS
PROGRAMME 7: CIVIL AND MILITARY PENSIONS, CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS Provide for the processing and payment of pensions to members and their dependants in terms of various statutes, collective bargaining agreements and other commitments.	**CIVIL AND MILITARY PENSIONS, CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS** During the reporting period, all indicators were achieved. Of the three, two were exceeded. • 100 per cent benefits paid within liability date against a targeted 99 per cent. • 99.99 per cent fewer fraudulent benefit claims prevented from materialising against a targeted 98 per cent. • 99.99 per cent achievement of data integrity against a targeted 99 per cent. The achievement and overachievement on targets were attributed to the continuous monitoring of production statistics and the effective administration of programme fund benefits.



PART B

PERFORMANCE INFORMATION

PERFORMANCE INFORMATION BY PROGRAMME

2023/24

NATIONAL TREASURY

ANNUAL REPORT

VOTE 8

04 PERFORMANCE INFORMATION BY PROGRAMME

4.1 PROGRAMME 1: ADMINISTRATION

Purpose: Provide strategic leadership, management and support services to the department.

INSTITUTIONAL OUTCOMES

- Sound financial controls and management of public finances.

SUB-PROGRAMMES

Office of the Minister and Deputy Minister

The Minister of Finance provides strategic direction and leadership to the National Treasury. With the support of the Deputy Minister, the Minister of Finance is also responsible for policy matters and departmental outcomes.

This subprogramme supports the minister and deputy minister by providing executive and administrative services. It is responsible for the development of systems and mechanisms that deal with parliamentary questions and replies, Cabinet matters, correspondence, submissions and memorandums.

Office of the Director-General

The Director-General supports the Minister of Finance in providing strategic direction and leadership to the National Treasury. The Director-General is also responsible for departmental outputs and implementation as well as all responsibilities conferred by being the department's accounting officer.

Management

This subprogramme primarily provides administrative services and reports directly to the Director-General. It consists of the following support services:

Internal Audit contributes to the strengthening of the National Treasury's accountability and enhancing public stewardship by evaluating and improving the adequacy and effectiveness of governance, risk management and control processes. The unit provides robust and practical strategic advice and recommendations founded on aligning the business with best practice. By acting as a frame of reference, the unit also supports the OAG in providing guidance and support to internal audit functions in government.

Enterprise Risk Management iimproves organisational risk communication and knowledge sharing, developing a common risk language that ensures that a risk management culture is embedded in the National Treasury. The unit supports evidence-based decision-making by reducing uncertainty. This is realised by providing a holistic view of risk and the application of a robust risk management system. Fraud prevention is an integral part of the strategy, operations and administration function. The unit ensures that the National Treasury has a strategic risk profile register that enables coordination and alignment of strategic initiatives across the department.

PERFORMANCE INFORMATION BY PROGRAMME 04

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

Legal Services is responsible for providing a comprehensive legal advisory service to enable the National Treasury to carry out its mandate effectively within the law.

Legislation provides legislative services which include managing the National Treasury's legislative programme, drafting or checking draft fiscal and intergovernmental and financial sector regulation legislation, and commenting on other legislation as well as advising on the interpretation of legislation.

Communication furthers National Treasury transparency imperatives by ensuring effective communication between National Treasury and its stakeholders.

Corporate Services

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

Human Resources Management ensures transactional and transformational HR support so that the National Treasury can attract, develop and retain the skills needed to deliver on the department's mandate and objectives.

Financial Management administers 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 achieving service excellence and maintaining administrative controls.

Information and Communication Technology improves the National Treasury's operational efficiency, optimises costs, drives innovation and accelerates the delivery of services. The unit 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 National Treasury's institutional memory and tangible knowledge and providing management support to internal projects. Knowledge management deals with the conservation and pollination of organisational information created within and in-partnership with the National Treasury. Records management focuses on the preservation of tangible knowledge so that it can be accessed easily and comply with the National Archives Act (2003).

Public Entities Oversight ensures that entities reporting to the Minister of Finance are compliant with relevant governance and reporting requirements and reports progress made in this regard to the minister.

04 PERFORMANCE INFORMATION BY PROGRAMME

Facilities and Security Management ensures continuous stringent physical and information security and provides, maintains and services available facilities.

SERVICE DELIVERY OBJECTIVES AND INDICATORS

Recent outputs

Support for enterprise-wide risk management was provided during the period under review. This included a review and integration of planning, performance and audit information to assess risks. Regular in-depth analyses of the internal operational and external working environment contributed to building a risk-intelligent department and added value in decision-making and strategic outcomes. Advocacy initiatives continued to be implemented, thereby maintaining a risk management culture that promotes transparency and accountability. Governance was also improved with the approval of the business continuity management and the anti-corruption and ethics management policies.

The department launched the business impact analysis project to identify priority business processes to update the business continuity plan. The department's ethics management and anti-corruption efforts included finalising lifestyle reviews, reviewing the ethics and anti-corruption risk profile, rolling out awareness initiatives and investigating allegations of fraud and corruption.

After consulting management and gaining approval from the audit committee, the annual risk-based audit plan for 2023/24 was implemented as part of the three-year rolling plan. A total of 26 audits were planned for and approved in the revised 2023/24 plan, and 22 audits were completed and reported to the committee. Four ad hoc audits were executed and reported on, making up the targeted 26 audits. All audits and other work of the internal audit function was conducted in accordance with International Standards for the Professional Practice of Internal Audit, as issued by the Institute of Internal Auditors.

Significant strides were made in the year under review towards advancing systematic institutional planning, performance monitoring and reporting on the implementation of the department's mandate, strategic goals and objectives. This has bolstered evidence-based decision-making and provided executive management with confidence in the effective and efficient execution of departmental programmes. As a result, the department has successfully met all the statutory and regulatory compliance requirements for planning and performance accountability.

Consecutive unqualified audits with no material findings were achieved. The integration of performance planning, budgeting, risk management, expenditure monitoring and performance reporting was key to this achievement. The strategic management framework is supported by two critical pillars: synchronising strategic and annual performance plans with budget allocations via the MTEF, and harmonising operational plans and budgets, risk management tools and individual performance contracts. Further improvements in the monitoring and reporting tools for strategic projects were made. They have not only improved execution and oversight, but reinforced institutional performance and accountability. These are high-impact projects that are crucial for achieving the department's goals and entail a reputational risk if not executed successfully.

PERFORMANCE INFORMATION BY PROGRAMME 04

An integrated strategic planning and reporting management system organisational performance management monitoring system is being rolled out to automate planning; and budgeting; risk, procurement, project and knowledge management. The initial rollout, which focused on planning, monitoring, reporting and budgeting, is at an advanced stage. This system is expected to enhance productivity, improve efficiency, promote integration, boost performance and reduce the efforts and costs associated with departmental planning and reporting.

During the reporting period, the HR management unit continued to drive focal organisational development strategies to address identified workforce challenges. To acquire the best talent, a combination of internal and external talent sourcing was used, coupled with secondments and rotations. Other platforms in addition to the public service vacancy circular were used to reach the appropriate level of talent.

The National Treasury's vacancy rate decreased to 16 per cent in 2023/24, from 17 per cent in 2022/23. This was due to the reprioritisation of service-delivery needs and delays in finalising recruitment processes. The latter was a result of the directive issued by the DPSA on the implementation of control measures aimed at assisting executive authorities in managing fiscal sustainability during the process of creating and filling vacant posts in departments. The turnover rate for the period under review was 8.1 per cent, compared with 7.6 per cent in the previous year. The approach towards employee rotation and the placement of employees acting in higher positions ensured that the department has a diverse set of skills and builds a substantive management pipeline.

The graduate development programme is a key enabler for investment in retaining talent. It is a cornerstone of the initiatives delivered by the department to foster the next generation of leaders, along with the external bursary scheme and the Chartered Accountants Academy. Professionally, for the beneficiaries, this marks the start of a journey towards gaining practical work experience that complements studies and professional growth.

The unit ensures continuous engagement in various skills development initiatives, including the bursary programme and other human capital development strategies to address ongoing skills requirements, and build and maintain the talent pipeline. The National Treasury's retention framework is being finalised to support the identification and retention of key skills within the department over the MTEF period. Some of the initiatives that support retention strategies have already been implemented. These include, among others, the recognition and rewards policy, the mentorship and coaching framework, and the flexible working conditions and overtime remuneration policy.

Skills development in the National Treasury continues to be an organisational priority. As the department generally attracts highly skilled employees with the required technical knowledge, the focus is on developing their leadership and management skills, including behavioural and generic competencies in the short to medium term, and allowing for these skills to mature and address the department's managerial leadership needs in the medium and long terms. This was realised in 2023/24 through appointing Stellenbosch University to provide customised leadership and management development programmes for officials who occupy management positions from levels 9 to 16. These programmes seek to address employees' career progression and ensure that there is a structured way of building a leadership pipeline for the department. Programmes offered include women in leadership and negotiating skills. Although emphasis is placed

04 PERFORMANCE INFORMATION BY PROGRAMME

on these skills, the unit continues to support the technical and competency-related training needs of all employees across functional areas and echelons by supporting employees' training aligned with their individual development plan. This is reflected in the training budget spent on employees.

A total of 614 women were employed permanently at the National Treasury as at 31 March 2024. Of these, 137 women are in SMS positions. This highlights the department's commitment to gender equality in leadership and management roles. It also shows a deliberate effort to create a diverse and inclusive workplace where women have equal opportunities to succeed in senior positions. Overall, 54.2 per cent of the National Treasury's SMS employees are women, reflecting a balanced gender distribution throughout the organisation. In addition, 0.8 per cent of the department's staff complement includes people with disabilities. This demonstrates the National Treasury's dedication to fostering diversity and equality across all levels and sectors of employment. The department's staff complement includes employees who are below the age of 35, indicating a diverse age mix in the workforce comprising experienced professionals and younger talents.

In advocating for transformation, gender equality and women empowerment, the National Treasury hosted the Director-General's special purpose workshop on 18 May 2023. The workshop was aimed at women employees under the theme "Empowered Women Empower Women" and focused on critical issues affecting women's career development, including advancement, leadership and discrimination. It featured several speakers who addressed topics related to women's empowerment. As part of commemorating Women's Month, an event was hosted in August 2023 under the theme "Women`s Economic Rights and Empowerment: Building Back Better for Women's Improvement".

To date, the National Treasury has conducted quarterly awareness initiatives to address GBVF in line with the national strategic plan on GBVF. A webinar on gender equality in the workplace was also conducted for all staff members. This further embedded the importance of gender equality and promoted an inclusive organisational culture that is free from discrimination. The National Treasury ensures that psychosocial services, among other servicers, are always available for victims of GBVF.

The department's performance management system was enhanced through the review of the performance management policy. During the reporting period, 98 per cent of SMS members entered into performance agreements. Those who did not sign performance agreements with their line managers were not eligible for performance-related recognition or reward, and consequence management was instituted against them.

The institutionalisation of the Ndzhaka ("the inheritance") project was facilitated with the securing of an implementation partnership with GTAC. This innovative knowledge-harvesting initiative aims to capture and preserve the institutional memory of the organisation's cornerstone institutional reforms through academic papers and first-hand oracle recordings. The development of the National Treasury's integrated knowledge and information management system was coordinated during the period under review, with financial support from the Swiss State Secretariat for Economic Affairs. Work continued documenting the National Treasury's core business processes as part of the organisational review project and to provide business analysis support to the department's divisions. Support was provided to the capacity building unit with the implementation of knowledge management as part of the key results area to the eight pilot

municipalities in Mpumalanga and Free State. This was done through the donor-funded procurement infrastructure and knowledge management project.

Records management support continued to be provided to the National Treasury, ministry of finance, GTAC and the CBDA, in compliance with the National Archives Act (1996) and applicable regulations. Bulk paper records were scanned and uploaded to MS SharePoint, which provided staff and auditors easy remote access to official National Treasury records. Paper files in the departmental archives repository were retrieved as required for reference and audit purposes, and valuable records were collected from various business units, captured in the records database and stored in the repository. Non-archival records were disposed of in line with the relevant legislation.

In collaboration with knowledge management unit, in 2023/24, the review of various policies to ensure that the department complies with POPIA was facilitated. The personal information impact assessment was conducted during the period under review in all business units that collect and process personal information. The PAIA manual was updated and published. The POPIA framework was developed and approved, as was the records management policy. Continued POPIA and PAIA awareness and training sessions were conducted. The department received 34 requests for access to its records from members of the public. Access was granted to 12 of these requests, 8 were denied and 14 were transferred to relevant entities, in line with the act.

ICT support was provided to the National Treasury's business units, enabling them to provide services in accordance with the department's constitutional mandate. Several key initiatives were implemented in 2023/24 that built on the existing ICT foundation while responding to the challenges posed by hybrid working conditions. The following was delivered on the critical support pillars of:

- augmenting professional services capacity, which assists in implementing the most cost-effective critical initiatives
- implementing private cloud services over the medium to long term
- implementing business automation through systems such as Ministry digital platform, the OCPO register, Microsoft cybersecurity software, video conferencing, HEAT Ivanti Voice Implementation and MS OneDrive that boosted operational efficiencies
- phase 2 of business automation has begun with the aim of enhancing the performance management and development system, the e-Leave and e-Recruitment systems and MS Teams to include Viva and other learning tools
- establishing a security management committee that will be responsible for approving and implementing best practices.

In line with the objective to oversee SOEs reporting to the Minister of Finance, constructive, consistent and solutions-based recommendations continued to be provided during the period under review. To ensure that entities' strategic objectives were aligned with government priorities, the strategic and annual performance plans of all SOEs were reviewed for ministerial approval and timeously tabled in Parliament. Inputs were provided in the allocation of financial resources to 16 public entities and appropriate funding recommendations were made during the MTEF, ENE and AENE preparation processes. Public entities were supported with the completion and implementation of strategic projects, and requests for the retention of surplus funds were approved timeously. The unit advised entities on the filling of executive management vacancies and the minister on the appointment of board members. Stakeholder relationships

04 PERFORMANCE INFORMATION BY PROGRAMME

were strengthened to improve accountability in the deployment of public funds, help inform decisions and provide support for long-term sustainability.

Governance continued to be exercised during the reporting period to curb deviations and incidents of noncompliance. Contract management continued to be strengthened, and processes were monitored in line with the approved contract management and administration framework. Financial resource support was provided to internal and external stakeholders, with transparent and credible budgeting processes aligned with operational, annual performance and procurement plans. These included the MTEF, ENE, AENE and rollovers in line with the PFMA, Treasury Regulations, the annual Appropriation Act and public finance guidelines.

Biannual and annual tax reconciliations were compiled accurately and submitted to SARS on 9 April 2024, six weeks before the closing date. Control measures for processing supplier payments were improved, with 98.4 per cent of payments processed at an average of 13 days from receipt of invoice. The preparation and fair presentation of audited financial statements remains the unit's core function. This includes coordinating internal and external audit processes on behalf of the department. In support of capacity building, skills development continued to be provided during the period under review. This was done by making rotation opportunities available to trainee chartered accountants. For example, one trainee assisted with the quality review of the AFS. As a result, the preparation and review of the AFS improved in 2023/24. This was made evident by the timeous completion of the AFS; its referral for review to internal control and internal audit; the securing of all necessary approvals, including from the audit committee; and its submission to the OAG by 31 May 2024. Administrative support continues to be provided to other business units through effective and efficient internal control and personnel remuneration; and effective supply-chain, asset, budget, revenue and expenditure management.

The department continued to deliver on its commitment to creating and sustaining, as far as possible, a risk-free operating environment that safeguards lives and protects classified and sensitive information, assets and internal business processes. During the reporting period, a safety, health, environment, risk and quality committee convened quarterly to ensure that the National Treasury monitors compliance with the Occupational Health and Safety Act (1993) and its regulations. Occupational health and safety committee members were trained on first aid level 1 in 2023/24. An evacuation drill was conducted in conjunction with the City of Tshwane Metropolitan Municipality as part of testing the National Treasury's state of readiness and response to an emergency in terms of its approved emergency management plan.

Vetting of employees continued at an appropriate level depending on the level of access to sensitive state information. The level of compliance with the vetting prescripts is at 98 per cent.

In 2023/24, personnel suitability checks were conducted on all prospective candidates. Contractors that rendered services on behalf of the National Treasury were screened. In conjunction with law-enforcement agencies, stringent security measures were conducted in safeguarding national budget information, including the Budget Speech and MTBPS, prior to their release, and there were no information leakages.

PERFORMANCE INFORMATION BY PROGRAMME 04

Measures continued to be taken to ensure that the physical environment is conducive to productivity, safety and sustainability. The functionality, comfort and efficiency of the current buildings and infrastructure occupied by the department was maintained, noting the challenges in this regard while initiating a process of acquiring alternative accommodation for the National Treasury through the Department of Public Works and Infrastructure.

Transparent and effective communication between the department and all its stakeholders has been maintained during the reporting period.

- Ambassador Duty Free, Flamingo and NU Africa Risk Services – the unit successfully opposed a constitutional challenge to the quota system, which places a cap on the total volume of duty-free tobacco and alcohol that diplomats and missions may purchase.
- Democratic Alliance and SALGA – the unit successfully opposed a challenge on the electricity tariff increase on the basis that its non-implementation will negatively affect the fiscus.
- Solidarity – the National Treasury filed an affidavit explaining to the court the validity and constitutionality of its decision to approve the shifting of funds to the Department of Health's compensation of employees' budget to enable the department to do preparatory work related to the National Health Insurance Fund. This resulted in Solidarity abandoning their court order sought against the National Treasury.
- Afriforum – the unit successfully opposed a challenge to the National Treasury's approval of the retention of funds by the African Renaissance and International Cooperation Fund.
- COVID Care Alliance – the unit successfully opposed an application for a court order demanding that the National Treasury should not make funds available for COVID-19 vaccines.
- The unit successfully opposed various procurement matters where the awarding of transversal tenders was challenged.

Successful action was taken that averted litigation. These were related to various matters where orders were sought against the Minister of Finance to consent to the cancelling of bonds that have become *bona vacantia*.

Commercial legal advice was given on a range of transactions concerning borrowing (including the issuance of maiden domestic Sukuk issuance), loans, guarantees and indemnities, as well as various contractual arrangements between the National Treasury, service providers and third parties. Legal advisory services were provided on the application of various laws and assisted National Treasury officials with statements requested by law-enforcement agencies.

During the reporting period, the annual and two adjustments budget bills for 2023/24 were attended to, and the tabling of the annual budget bills for 2024/25 was facilitated. The Public Procurement Bill was tabled in June 2023 and passed by the National Assembly in December 2023. The Pension Funds Amendment Bill was tabled in Parliament in January 2024 and passed by the National Assembly in March 2024. The Municipal Fiscal Powers and Functions Amendment Bill, which regulates development charges for municipalities, was passed by both Houses of Parliament in February 2024. The Gold and Foreign Exchange Contingency Reserve Amendment Bill was tabled in Parliament in February 2023.

Support was provided to the development of draft regulations to amend existing regulations regarding PPPs in terms of the PFMA and MFMA. These amendments were published for public comment in February 2024. Work on the draft

04 PERFORMANCE INFORMATION BY PROGRAMME

Conduct of Financial Institutions Bill continued during the reporting period. Valuable input was provided on draft legislation developed by other departments, and various instructions and other legal instruments were scrutinised. Legal advice was provided to the department and the Minister of Finance on various matters critical to the National Treasury and institutions to which the legislation it administers applies.

PROGRAMME 1: ADMINISTRATION

APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/2022	AUDITED ACTUAL PERFORMANCE 2022/2023	PLANNED ANNUAL TARGET 2023/2024	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASON FOR DEVIATIONS
PROGRAMME 1: ADMINISTRATION									
1.1.1	Sound financial controls and management of public finances	ICT service delivery reports	Percentage of ICT service delivery standards met	90%	95%	93%	94%	1%	Over-performance is attributed to the backup test restores that were conducted as part of business continuity. The backup success rate and the restore success rate improved the disaster recovery readiness performance.
1.1.2		Audit Outcome	Audit Opinion obtained	Qualified audit opinion with 62.5% more findings than 2020/21 on financial performance information	Qualified audit opinion with 38% fewer findings than 2021//22 on financial performance information	Unqualified audit opinion with 15% fewer findings than 2022/23 on financial performance information	Unqualified audit opinion with 57% fewer findings than 2022/23 on financial performance information.	Unqualified audit opinion with 42% more fewer findings than 2022/23 on financial performance information	Over-performance is attributed to the implementation of audit action plans and effective internal controls in place which contributed to non-reoccurrence of audit findings.
				Unqualified audit opinion with 100% more findings than 2020/21 on non-financial performance information	Unqualified audit opinion with 100% fewer findings than 2021/22 on non- financial performance information	Unqualified audit opinion with no audit findings on non-financial performance information	Unqualified audit opinion with no audit findings on non-financial performance information	N/A	N/A

04 PERFORMANCE INFORMATION BY PROGRAMME

APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/2022	AUDITED ACTUAL PERFORMANCE 2022/2023	PLANNED ANNUAL TARGET 2023/2024	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASON FOR DEVIATIONS
PROGRAMME 1: ADMINISTRATION									
1.1.3		Risk Management Maturity report	Risk Management Maturity Assessment level achieved	5	5	5	5	N/A	N/A
1.1.4		Annual Training report	Percentage spend of training and development budget	60%	62%	70%	96%	26%	Over-performance is attributed to individual coaching for SMS members that took place during this period.
1.1.5		Quarterly reports	Number of quarterly reports on the implementation of the action plan on gender mainstreaming produced	4	4	4	4	N/A	N/A

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE (INDICATORS AND ACTION PLANS)

No underperformance.

CHANGES TO PLANNED TARGETS

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

LINKING PERFORMANCE WITH BUDGETS

PROGRAMME 1: ADMINISTRATION	2022 / 23 FINANCIAL YEAR			2023 / 24 FINANCIAL YEAR		
	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
Ministry	4 411	3 972	439	4 137	4 136	1
Departmental Management	66 227	59 804	6 423	68 002	63 236	4.8
Corporate Services	182 526	163 317	19 209	235 591	134 042	101 549
Enterprise-Wide Risk Management	35 357	33 064	2 293	39 367	36 352	3 015
Financial Administration	57 378	54 565	2 813	62 619	58 768	3 851
Legal Services	26 285	24 812	1 473	29 549	29 134	4 152
Internal Audit	24 015	19 658	4 357	21 337	19 359	1 978
Communications	11 199	10 641	558	12 774	11 471	1 303
Office Accommodation	134 221	116 993	17 228	136 508	129 678	6 830
Total	**541 619**	**486 826**	**54 793**	**609 884**	**486 176**	**123 708**

04 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, the financial sector, taxation and regulatory reform.

INSTITUTIONAL OUTCOMES

- Coherent economic policy advocated
- Sustainable public finances

SUB-PROGRAMMES

Research

This sub-programme promotes economic research institutions by funding economic research in the public interest and dedicated economic research on behalf of the National Treasury. This includes research into the promotion of macroeconomic stability, poverty alleviation, social security and retirement reform and financial sector policy development. Most funding is assigned towards long-term agreements with institutions and for ad hoc economic research related projects.

Financial Sector Policy

This subprogramme is 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.

Tax Policy

This subprogramme is responsible for preparing tax and revenue proposals for the annual national budget, and for drafting the necessary tax legislation to give effect to the proposals adopted. The unit also processes recommendations made by the Davis Tax Committee to the Minister of Finance and provides advice to the Minister on such recommendations. The unit 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 improved environmental sustainability, reduction of inequality and raising revenue.

PERFORMANCE INFORMATION BY PROGRAMME 04

Economic Policy

This subprogramme provides macroeconomic and microeconomic policy analysis, economic forecasts that inform the budget and MTBPS and scenario modelling. The sound policy advice on the economic environment assists in promoting economic policy coherence in relation to the objectives of growth and job creation. It also helps to improve South Africa's macroeconomic and microeconomic framework as policy advice is mainly focused on creating decent employment through inclusive economic growth.

SERVICE DELIVERY OBJECTIVES AND INDICATORS

Recent outputs

Tax and Financial Sector Policy

The division carried out the processes required to implement the tax proposals announced by the Minister of Finance in the 2023 Budget. These included following up on implementing tax proposals made in the 2022 Budget; conducting research and drafting legislation; consulting with the public and the standing and select committees on finance; adjusting specific policy measures and related legislation, taking into account public comments; and tabling legislation and facilitating their enactment. in 2023, the division made significant progress in tabling legislation to allow the implementation of the two-pot retirement system, while working with all stakeholders to ensure this fundamental reform is as seamless as possible. Temporary tax incentives for households and businesses to support the clean energy transition were also implemented during the year.

The division coordinated and chaired the revenue analysis working committee, which provided for revised tax revenue forecasts in the 2023 MTBPS and the 2024 Budget. For the 2024 Budget, it also updated the estimates for tax expenditure and proposed numerous technical tax amendments to be legislated in 2024/25. At the time of the 2023 MTBPS, revenue for 2023/24 was expected to fall short of estimates in the 2023 Budget by R56.8 billion due to downward revisions to near-term tax base growth projections, lower corporate income tax collections and higher VAT refund payments. The decrease in corporate tax collections and increase in VAT refund payments slowed in the second half of 2023/24. As such, the outcome for 2023/24 revenue collections was R46.6 billion below 2023 Budget estimates and marginally above expectations outlined in the 2024 Budget.

The National Treasury published its policy position statement titled "A Simpler, Stronger Financial Sector Ombud System" in February 2024. The Policy Position Statement follows the publication of a WB diagnostic study in 2021 titled "South Africa – Financial Ombud System Diagnostic". The study provided an independent review of South Africa's financial ombud system and recommended reforms to enhance consumer protection and encourage effective outcomes in the financial services sector. Diagnostic recommendations and public comments were incorporated and informed the department's policy position.

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Legislative amendments to give effect to the two-pot system, to commence 1 September 2024, were finalised. The system is a reform that will allow retirement fund members to make partial withdrawals from their retirement funds before retirement, while preserving a portion that can only be accessed at retirement.

The division continued its efforts to reform the financial regulatory system and implement the Financial Sector Regulation Act (2017). Implementation of the Financial Sector and Deposit Insurance Levies Act (2022) and the Financial Sector and Deposit Insurance Levies (Administration) and Deposit Insurance Premiums (2022) commenced on 1 April 2023. The Financial Sector and Deposit Insurance Levies Act (2022) provides for the imposition of financial sector levies on supervised entities, as envisaged in terms of section 237 of the Financial Sector Regulation Act (2017). The Financial Sector and Deposit Insurance Levies (Administration) and Deposit Insurance Premiums Act (2022) provides for the collection and administration of levies imposed in terms of the Financial Sector and Deposit Insurance Levies Act (2022).

Along with other government departments and agencies, the division also continued working on strengthening the country's AML/CFT regime. This was after the FATF's grey-listing of South Africa in February 2023. Progress reports on how South Africa is addressing deficiencies identified by the FATF are compiled quarterly until the country effectively demonstrates that sufficient improvements have been made to the regime for it to be removed from the grey list.

During the reporting period, the division launched the Energy Bounce Back Loan Guarantee Scheme, an initiative meant to support the resilience of small businesses and households to the persistent difficulties resulting from unreliable power supply and/or load shedding. The loan guarantee scheme incentivises the generation of an additional 1 000 MW of power through rooftop photovoltaic solar panel over a period of 12 months until 30 August 2024, while helping small businesses and households mitigate the effects of load shedding.

The division continued working with SARB in laying the foundations for the establishment of the Corporation for Deposit Insurance on 1 April 2024. The corporation, which is a wholly owned subsidiary of SARB, is charged with the responsibility of managing the country's Deposit Insurance Fund. The fund's role is to enable bank depositors to have access, up to a stipulated limit, to their deposits should their banking institution fail, be liquidated and placed into resolution.

The division also continued working with SARB's financial surveillance department to implement a capital flow management system that seeks to simplify cross-border trade and financial flows, while tightening the system for combating sophisticated financial crimes, unexplained wealth and suspicious financial flows.

Economic Policy

During the period under review, the division continued to produce policy-relevant research, reports and presentations in accordance with its research programme. These included analyses of monetary and exchange-rate policies in support of competitiveness, price stability and economic growth relevant to global and financial market trends. As part of overseeing and implementing South Africa's macroeconomic policy framework, the division analysed and monitored macroeconomic trends and the policy framework to support sustainable economic growth. Research and analytical

support was provided to develop policies to address inequality, industrial policy, competition and regulation policy, as well as energy and just transition actions.

The division generated appraisals of submissions to the International Trade Administration Commission, participated in stakeholder engagement forums and provided guidance to technical task teams and stakeholders. It also provided technical support to Operation Vulindlela to implement structural reforms in various sectors such as electricity, telecommunications and logistics.

During the period under review, the division continued to support the collaborative programme Southern Africa – Towards Inclusive Economic Development along with SARS and the United Nations University's World Institute for Development Economics Research, particularly with the management of the administrative data lab.

During the reporting period, the division produced quarterly economic and revenue forecasts accompanied by scenarios that highlight the main risks to the baseline macroeconomic forecast. In addition to providing information about the macroeconomic outlook, significant capacity-building activities were carried out to ensure continuity and to mitigate against institutional risks. This included extensive training in forecasting and economic policy impact analysis. The division also continued to assist with the evaluation of tax and expenditure proposals on a macro level.

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

APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/2022	AUDITED ACTUAL PERFORMANCE 2022/2023	PLANNED ANNUAL TARGET 2023/2024	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASON FOR DEVIATIONS
PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH									
2.1.1	Coherent economic policy advocated	Research papers	Number of research papers completed	#	15	30	30	N/A	N/A
2.1.2		Financial sector legislation	Financial sector legislation drafted	Financial sector legislation submitted for tabling in Parliament	Financial sector legislation submitted for tabling in Parliament	Financial sector legislation submitted for tabling in Parliament	Financial sector legislation submitted for tabling in Parliament	N/A	N/A
2.1.3		Tax legislation	Legislation to give effect to tax proposals from the Budget drafted	Tax legislation submitted for tabling in Parliament	Tax legislation submitted for tabling in Parliament	Tax legislation submitted for tabling in Parliament	Tax legislation submitted for tabling in Parliament	N/A	N/A
2.1.4	Sustainable public finances	Economic forecasts	Number of economic forecasts developed	4	4	4	4	N/A	N/A
2.1.5	Coherent economic policy advocated	Analysis and advice	Number of macro and microeconomic policy analysis and advice reports produced	#	8	8	9	1	Over-performance is attributed to an increase in requests for macro and microeconomic policy analysis and advice reports

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE (INDICATORS AND ACTION PLANS)

No under-performance.

CHANGES TO PLANNED TARGETS

There were no changes to planned targets for the period under review.

LINKING PERFORMANCE WITH BUDGETS

PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH	2022 / 23 FINANCIAL YEAR			2023 / 24 FINANCIAL YEAR		
	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
Programme Management for Economic Policy, Tax, Financial Regulation and Research	46 492	20 982	25 510	29 758	22 254	8
Financial Sector Policy	26 629	21 203	5 426	29 205	28 422	1
Tax Policy	33 320	29 360	3 960	28 517	27 370	1
Economic Policy	30 940	26 767	4 173	29 979	28 504	1
Cooperative Banks Development Agency	20 831	20 831	-	20 911	20 911	–
Total	**158 212**	**119 142**	**39 070**	**138 370**	**127 462**	**11**

04 PERFORMANCE INFORMATION BY PROGRAMME

4.3 PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

Purpose: Provide analysis and advice on fiscal policy and public finances, intergovernmental financial relations, expenditure planning and priorities. Manage government's annual budget process and provide public finance management support. Facilitate employment creation and high-impact government initiatives, and strengthen infrastructure planning and delivery.

INSTITUTIONAL OUTCOMES

- Coherent economic policy advocated
- Sustainable public finances

SUB-PROGRAMMES

Budget Office

This subprogramme 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. It 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

This subprogramme provides financial and budgetary analysis, advises on policy and service delivery trends, and manages 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 the efficient and effective use of these resources. The division also reports to Parliament quarterly on the spending of national departments and selected public entities. Based on engagements with departments, the Public Finance team provides recommendations annually to the medium-term expenditure committee, the ministers' committee on the budget and Cabinet.

Intergovernmental Relations

This subprogramme 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

SERVICE DELIVERY OBJECTIVES AND INDICATORS

Recent outputs

Budget Office

The division is responsible for the national budget process, including the publication of the Budget Review, the ENE, the MTBPS and the AENE. During the reporting period, the division oversaw expenditure planning, provided fiscal advice, led the budget reform programme, managed ODA and compiled public finance statistics.

In 2023/24, two fiscal frameworks and two fiscal policy chapters for the 2023 MTBPS and the 2024 Budget were published. The fiscal risks statement and technical annexure published in the 2023 MTBPS were also some of the key outputs of this reporting period. The department played a leading role in providing fiscal policy advice and working with all relevant stakeholders – including the Ministers' Committee on the Budget, Cabinet and Parliament – to ensure that all relevant processes were completed for the approval and adoption of the fiscal framework.

In addition to the fiscal policy unit's work of regulating, analysing and reporting on public sector infrastructure spending, treasury approvals and treasury views and recommendations were provided to provincial, national and municipal PPPs. Some of the large projects that were granted approval to go into procurement included the second phase of the Gautrain rapid rail transit system, Tygerberg Hospital and the redevelopment of six ports of entry by the Department of Home Affairs. Phase 2 of the Inkosi Albert Luthuli Central Hospital went to market and a preferred bidder was chosen. The negotiation process has begun with the service provider, and if all necessary approvals are granted, the project will enter financial close. The 2023 MTBPS and 2024 Budget Review provided updates on infrastructure spending. Work has started to amend Treasury Regulation 16 and municipal PPP regulations in line with recommendations from the PPP framework review. The public comment period for the draft legislative amendments closed on 30 March 2024. The Infrastructure Fund's role is to maximise the cost-effective participation of private sector investors in government projects while facilitating early financial closure. The fund has been operating for two years and has full capacity to develop blended financing solutions with the public and private sectors. To date, the Infrastructure Fund has assisted in packaging and financing of 14 blended finance projects and programmes, with a capital value of R57.8 billion.

The expenditure planning unit plans and coordinates the annual national government MTEF and in-year budget process and maintains the budget process calendar. The unit is the secretariat to the medium-term expenditure committee. The annual processes for decision-making on budget allocations are carried out in consultation with the Minister of Finance and the Ministers' Committee on the Budget. Various guidelines were issued to government institutions on the input requirements for the budget process. The unit administers the process of budget consultations, culminating in Cabinet

04 PERFORMANCE INFORMATION BY PROGRAMME

approval of the budget allocations tabled in the budget and the adjustments budget. The production of all budget legislation and schedules for the annual and adjustments budgets was successfully coordinated during the period under review. The unit also provides leadership for budget reforms. Key milestones in 2023/24 were on budget tagging for gender-responsive budgeting and climate budget tagging, both of which are ready for the second round of piloting in 2025. MTEF process interactions with the Collaborative Africa Budget Reform Initiative, the Global Initiative on Fiscal Transparency, civil society and other institutions continued to deepen transparency, increase public participation and enhance understanding of budgeting processes and information. The unit successfully coordinated the mainstreaming of cross-cutting reforms into the budget process, as well as the continued development and maintenance of the Vulekamali online portal, whose hosting service was successfully migrated from a service provider to the National Treasury.

The public finance statistics unit provides summaries of public sector finance statistics for the budget publications, as well as detailed information to various internal and external stakeholders after the budget process. The publication of the 2024 Budget on the National Treasury website included dashboards to accompany statistical tables. The statistics are classified according to international and national standards and stored in a secure structured query language server database.

During the reporting period, government accounts, including the operating account, capital account and consolidated financing position, were consolidated and classified by economic and functional classification for the 2023 MTBPS and 2024 Budget Review, and tables were prepared for the 2024 ENE. The development of a data warehouse to enhance the accessibility of data, particularly for users with entry-level IT skills, is still in progress.

Enhancements to the existing dashboard highlight critical information for users in the in-year monitoring and reporting systems of national departments and the quarterly reporting systems of public entities. The partnership with the technical support services unit in the OAG continued to manage the Standard Chart of Accounts and its related committee. The committee published several classification circulars and participated in user forums on the basic accounting system.

The public entities governance unit implements the recommendations of the public entities' governance review framework and provides institutional support to various national and provincial public entities. It does so to enhance the regulatory and governance environment by providing advice on, among other things, legislative, financial and HR. Assistance was provided to prepare consolidated financial accounts and maintain the budget databases and administrative records of government in general, including public entities.

The unit developed and implemented remuneration frameworks for public entities. It also 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 chief directorate: international development cooperation coordinates and mobilises development cooperation, including ODA, with international development partners. It oversees and monitors this in collaboration with development partners and government institutions as well as non-profit organisations and the private sector, where applicable. Development cooperation with and ODA from development partners takes the form of grants and donations, direct and indirect, concessional loans and in-kind technical assistance.

PERFORMANCE INFORMATION BY PROGRAMME 04

Developments in global geopolitics and the global economy have affected development cooperation, specifically the flows of ODA to South Africa, over the recent past. These developments and the classification of South Africa as an upper-middle income country have resulted in development partners – including the Nordic countries; the Netherlands; Belgium, including Flanders; and the United Kingdom ¬– scaling down or withdrawing ODA to South Africa over the past few years.

A total of R1.7 billion in official developmental assistance was received in 2023/24, compared with R871.5 million in the previous year. This increase was mainly driven by a significant expansion in the support received from non-profit, non-governmental international organisations and non-traditional development partners such as The Global Fund to Fight AIDS, Tuberculosis and Malaria, which amounted to R1.5 billion in 2023/24. Without this support, ODA grants and donations from traditional development partners – such as Canada, the European Union, France, Germany, Switzerland and the United States – would have seen a decrease from R323.9 million in 2022/23 to R204.5 million in 2023/24.

Development cooperation and ODA in the form of grants and donations from traditional development partners is expected to continue to decrease. A noticeable shift towards ODA in the form concessional loans and in-kind technical assistance is expected going forward. There has also been an increase in interest from development partners to pursue economic cooperation instead. Notwithstanding this, in 2023/24, South Africa concluded agreements with some of its existing traditional development partners on several new initiatives with new envelopes of funding and support, mainly from the European Union and Germany. Development cooperation with other traditional development partners, such as Canada, France, Switzerland and the United States, is expected to continue, albeit at a reduced scale and with the trending shift towards concessional loans and in-kind technical assistance.

Some development partners that had previously withdrawn from South Africa, such as the Netherlands and the United Kingdom, initiated processes to re-establish development cooperation with South Africa in 2023/24. New agreements with non-traditional development partners such the OPEC Fund for International Development were also concluded in 2023/24.

The public sector remuneration analysis and forecasting unit provides timely analysis and policy advice on the fiscal impact of government's remuneration policies. These include forecasts of the two main drivers of the public sector wage bill over the medium term: the remuneration and headcount of public service employees. The wage bill accounts for a large share of public finances. As such, the sustainability of public finances depends largely on government's ability to curb its growth.

The National Treasury and the DPSA, along with relevant labour unions, concluded a multiyear wage agreement comprising the translation of the non-pensionable cash allowance, which was first introduced in 2021/22 into pensionable salary plus 3.3 per cent in 2023/24 and an inflation-linked increase of 4.7 per cent in 2024/25.

The National Treasury estimated the cost of the 2023/24 wage increase to be R37.4 billion for SMS and non-SMS members in 2023/24, with carry-through costs in subsequent financial years. The Minister of Finance stated in the 2023 Budget Speech that the cost of the wage agreement for 2023/24 will require significant trade-offs in government spending

04 PERFORMANCE INFORMATION BY PROGRAMME

over the short and medium terms. As a result, only R23.6 billion was allocated in the 2023 MTBPS to assist labour-intensive departments in education, police, health, defence and correctional services with the implementation of the wage agreement. All other departments were expected to absorb the cost of the wage agreement within their baseline through stricter headcount management. As such, the National Treasury, in collaboration with the DPSA, assisted in producing a directive to be implemented on the PERSAL and PERSOL government payroll systems. This directive outlined control measures to support executive authorities to operate within the financial ceilings for their departments, when creating and filling non-essential vacant posts. The directive was implemented in 2023/24, effective 1 November 2023.

Additional funding was allocated to alleviate the cost pressures associated with the wage settlement in provinces and selected labour-intensive national departments. In the 2023 MTBPS, additional allocations amounting to R87.9 billion were made over the 2024 MTEF period to education, health, police, defence and correctional services departments. A further R57.6 billion was added during the 2024 Budget to assist provinces and labour-intensive national departments, including the Department of Home Affairs, with the implementation of the 2023 wage agreement. All other clusters are expected to continue absorbing the wage increase within their baselines through an implementation of the directive in 2024/25.

Technical and institutional support was provided to various stakeholders on the public sector wage bill in 2023/24. These included the quantification of the fiscal risks associated with the public sector wage bill, comparative public sectors remuneration analysis, as well as international benchmarking. This information was then collated to draft two critical documents during 2023/24 that form part of the broader budget process: the 2024 MTEF guidelines for costing and budgeting for compensation of employees, and Annexure B (compensation and employment data) of the 2023 MTBPS. Moreover, technical assistance was also provided to both internal and external stakeholders on queries relating to conditions of service for employees in various public entities.

During the period under review, the unit successfully partnered with DCoG on the remuneration review framework for senior managers in the local government sphere. This process entailed reviewing the grading and realignment of salaries for senior managers to address the salary overlap across the different levels. In addition, a yearly cost analysis was provided on upper limits of total remuneration packages payable to municipal managers and managers directly accountable to municipal managers as part of the set consultation process.

A yearly cost analysis and inputs were provided to the independent commission for the remuneration of public office bearers, as well as annual recommendations for the cost-of-living adjustment of public office bearers. The unit continues to provide a perspective of National Treasury analysis as a stakeholder to the commission on related aspects of the major remuneration review report. The review focuses on remuneration and other resources that are necessary to enable an office bearer to perform their functions effectively.

The amalgamation of the Temporary Employees Pension Fund and the Associated Institutions Pension Fund progressed well in 2023/24 and is nearing completion, with a targeted completion date of 31 August 2024. This process was delayed by the absence of a legal framework permitting amalgamations. More specifically, the law did not allow for the Associated Institutions Pension Fund's amalgamation into the GEPF. The Financial Matters Amendment Act (2023) came

into effect on 14 July 2023. It serves to overcome legal hurdles and amend certain definitions and other provisions to align these acts with their administration by the Minister of Finance.

Public Finance

The division oversees budgetary planning and execution in national departments and entities, provides advice on and analysis of sectoral policies and programmes, monitors public expenditure, and advises on financial and budgetary aspects of public policy and spending proposals. It also provides advice to the minister, deputy minister and director-general on Cabinet memorandums and public finance issues that require ministerial concurrence or approval from the National Treasury. It is the primary link between the National Treasury and other national departments and entities.

The administrative services unit within the division oversees the finances and budgets of several central government departments and entities. Departments and other key structures that the unit worked with during the period under review included:

Department of Home Affairs

- Provided support and technical guidance to the new Border Management Authority, including forming part of the entity's operations technical committee.

National Treasury

- Provided inputs in response to AGSA's queries in relation to the Land and Agricultural Development Bank of South Africa's capitalisation and its compliance with the conditions attached to that capitalisation.
- Provided inputs to the National Treasury's response to SASRIA's proposed government guarantee application.
- Provided technical support and advice to the department, which enabled it to meet South Africa's obligation to pay its second instalment to the WB Financial Intermediary Funds for COVID-19 prevention, preparedness and response.

Statistics South Africa

- Supported and participated in an in-depth review of spending on Census 2022. The review was aimed at obtaining a full understanding of the factors that may have led to the significant overspending on the census.

Government Communication and Information System

- Provided technical support to the department on its strategy to respond to media consumption patterns that have shifted to digital platforms. This involved advising the department on how it could go about funding its envisaged over-the-top streaming service. The National Treasury proposed that it would enable the department to repurpose a portion of the funds that were previously allocated towards Vuk'uzenzele newspaper, a print publication.

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Department of Planning, Monitoring and Evaluation

- Provided technical advice to the department in relation to the envisaged transfer of a function (national spatial development framework) from the Department of Agriculture, Land Reform and Rural Development.

Department of Public Service Administration and National School of Government

- Provided technical advice to the National School of Government on the financial implications and feasibility of the proposed relocation of the school to larger and more adequate premises.
- Provided technical advice on the interpretation, applicability and advisability of various cost-containment measures affecting goods and services, payments for capital assets and compensation of employees.

Department of International Relations and Cooperation

- Provided advice on certain provisions of the African Renaissance International Cooperation Fund Amendment Bill to enable the replacement of the African Renaissance International Cooperation Fund with a fund and public entity to be called the South African Development Partnership Agency, and with the signing and proclamation of the bill, and the automatic dissolution of the partnership agency as a government component.

Department of Public Works and Infrastructure

- Assisted the Property Management Trading Entity in understanding the extent to which the National Treasury could, in terms of the PFMA, assist it in managing the financial implications of the derecognition of some of its revenue. The derecognition came after the audit of the entity's 2022/23 AFS.
- Provided technical advice on the financial and other resource implications of the Property Management Trading Entity's revenue enhancement strategy.

The justice and protection services unit oversees planning, expenditure and service delivery by departments in the justice, crime prevention and security cluster. Key achievements during the reporting period included:

Police, and Independent Police Investigative Directorate

- Continued to promote sound financial management among client departments and entities through in-year monitoring and financial management compliance initiatives. These included monthly and quarterly expenditure reports; an assessment of the revision of the tariff structure for SAPS; and an assessment of the Private Security Industry Regulatory Authority's application to retain surplus funds.
- Participated in the Violence Prevention Forum and collaborated with the Institute for Security Studies, Phaphama and civil society organisations. These collaborative platforms are instrumental in fostering the exchange of expertise on violence prevention and contribute valuable insights to policy formulation within the criminal justice sector. They also serve as avenues for enhancing strategies that use research to strengthen the policy development process.

PERFORMANCE INFORMATION BY PROGRAMME 04

Justice and protection services

Provided policy support and advice on requests by the Department of Justice and Constitutional Development and related public entities for:

- Inputs by the National Treasury on South Africa's 9th-11th periodic report to the 111th session of the Committee on the Elimination of Racial Discrimination, which was held in Geneva, Switzerland, in November 2023.
- Exemption by Legal Aid South Africa to enter longer-term property leases (more than five years) in terms of Treasury Regulations.
- Consultation with the Minister of Finance on the Western Cape Provincial Powers Bill, as well as the Minister of Finance's concurrence on:
  - draft regulations relating to housing assistance for declared victims recognised through the Truth and Reconciliation Commission and their beneficiaries in terms of section 40(2) of the Promotion of National Unity and Regulation Act (1995)
  - the proposed remuneration, allowances, benefits and privileges payable to members of the Information Regulator
  - the interest rate payable on certain monies in the Guardian's Fund in terms of section 88 of the Administration of Estates Act (1965).

Judicial administration and correctional services directorate

- Provided continued support and advice in the establishment of the Judicial Inspectorate for Correctional Services as a government component.
- Supported the Department of Correctional Services with input on the feasibility study for the self-sustainability model aimed at the department generating its own revenue and producing food for offenders.

Defence and military veterans directorate

- Helped the Department of Defence secure an additional allocation over the next three years to cater for adjustments arising from the 2023/24 public sector wage agreement and for the deployment of South African National Defence Force members in support of the police during the 2024 national and provincial elections.
- Continued to support the Department of Defence in implementing its HR reforms to deal with pressure on its compensation of employees budget.
- Continued to support the Department of Defence in funding the deployment of South African National Defence Force personnel in Mozambique through Operation Vikela.
- Provided support to the Department of Military Veterans in finalising and gazetted military veterans' pension benefit regulations to enable the implementation of the pension benefit to deserving military veterans and their dependants.

The education and related departments unit monitors and advises on several functions implemented mainly by provinces and public entities. During the reporting period, the unit assisted with improved monitoring of spending and

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service delivery, and reviews of departmental policies and approaches to implementation. It also advised on financial management issues. The following departments were assisted:

Department of Basic Education

- Assisted and advised the basic education sector on developing a results-based funding initiative to be piloted in the early childhood development function.
- Served on the project steering committee that oversees the implementation of the fourth phase of the presidential employment initiative and advised on the planning for further phases of this initiative.
- Served on the teacher demographic dividend focus group that helps evaluate and guide ongoing research in personnel planning in the education sector.
- Supported the international development coordination chief directorate with the implementation of the Education for Employment donor-funded collaborative project with the departments of basic education, higher education and training, and employment and labour.
- Served on the project steering committee for teacher training on the robotics and coding project with teacher unions.
- Served as the National Treasury representative in the heads of education finance sub-committee.

Department of Higher Education and Training

- Served on the project steering committee for the skills development dialogue series as part of the capacity-building programme for the employment promotion initiative.
- Advised the department on possible student funding initiatives to cater for the "missing middle".
- Served on the joint health sciences education committee, which deals with the provision of health science-related qualifications at higher education institutions with the departments of health and higher education and training.
- Advised the department on addressing the slow rollout of infrastructure projects in the post-school sector.

Department of Employment and Labour

- Provided advice to the department on the fourth phase of the presidential employment initiative and advised on planning for further phases of this initiative.
- Served on the adjudication committee for public employment services subsidy schemes for people with disabilities.
- Served on the National Treasury/UIF steering committee to review the contribution rate of unemployment insurance.
- Served on the committee working on the public entities shared service model.
- Served on the Education for Employment steering committee.
- Provided advice and guidance to the UIF on its labour activation programme and the Commission for Conciliation, Mediation and Arbitration on revenue augmentation.
- Provided comments and participated in discussions on the Department of Employment and Labour's proposed national employment policy.

- Participated in WB discussions on the review of public employment services and interoperable systems for grants and jobs.
- Provided comments and participated in discussions on the proposed policy on the extension of social security coverage to atypical and informal sector workers for retirement and risk benefits, and the comprehensive social security provided by the Department of Social Development.
- Served on the steering committee working on the development of a feasibility study and business case for the Presidential Climate Commission which is temporarily housed at the National Economic Development and Labour Council.
- Provided advice and support to the department on the unbundling of the UIF and the Compensation Fund from the department and the restructuring of the department.

Department of Sports, Arts and Culture

- Provided advice and support on the fourth phase of the presidential employment initiative.
- Provided advice and guidance to the department on aligning the Mzansi golden economy strategy's open call for proposals with the budget process.

The health and social development unit oversees the budgets, spending and service delivery of the departments of health; social development; and women, youth and persons with disabilities, and provides support and advice to these sectors in several policy areas. Work carried out in 2023/24 included:

Department of Health

- Facilitated the 2023/24 budget process for health, including hosting a 3x3 and 10x10, conducting analysis on the implications of the public sector wage agreement for the health sector, which contributed to additional allocations being made to fund the agreement.
- Reformed two health conditional grants, including consolidating funding for oncology services into the national tertiary services grant and merging the personal and non-personal services components of the indirect national health insurance grant.
- Effected various budgetary and financial management changes, including shifting funds for the social impact bond to Department of Health, increasing funding for the Office of the Health Ombud and dealing with a range of pressures linked to overall budget reductions.
- Supported the Intergovernmental Relations Division in the provincial benchmark process and provincial visits, and the Department of Health during facility visits.
- Continued supporting the Asset and Liability Management Division with preparation and reporting for loans related to the COVID-19 pandemic.
- Engaged with the health sector, together with the South African Law Reform Commission, on potential reforms to medico-legal claims.
- Authored a chapter in the District Health Barometer on district health expenditure.

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Department of Social Development

- Developed options and a costing for what might replace the grant and engaged partner departments on possible options.
- Collaborated with the WB on a project to link grants with employment.
- Reviewed and provided input into several policies proposed by the Department of Social Development. These included policies on basic income support, comprehensive social security reform and social protection for atypical workers; a strategy for the employment of social services workers; and a policy on prevention of and treatment for substance use disorders. Work continued with the department to analyse funding mechanisms and strategies for the non-profit sector, including modalities for providing services.
- Various financial management actions, including approving the South African Social Security Agency's application to retain surplus funds, virement requests and others.
- Supported the Intergovernmental Relations Division in the provincial benchmarking process.
- Supported the Asset and Liability Management Division with preparation and reporting on the COVID-19 social relief of distress loans from international finance institutions.
- Facilitated the 2024/25 budget process for social development. This included a detailed expenditure analysis for national and provincial departments of social development.
- In support of the Department of Planning, Monitoring and Evaluation, provided input on annual performance plans and commented on achievements against quarterly performance targets.
- Reviewed COVID-19 social relief of distress regulations to enable the Minister of Finance's concurrence and supported the indemnity of the department in its partnership banks to facilitate means testing.

Department of Women, Youth and Persons with Disabilities

- Assisted the department in complying with its financial reporting and review. Provided feedback to the department on proposed amendment of policies, acts and budget programme structure.
- Analysis of the National Youth Development Agency's national youth service programme and other youth support initiatives driven by the department.

Provided inputs on the department's submissions to Cabinet, including regular reports to Cabinet on progress in implementing the national strategic plan on GBVF, reports on performance in the implementation of the 2015 White Paper on the Rights of Persons with Disabilities, plans for awareness coordination events, and policies and strategies on youth development.

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The economic services unit provides budget, policy and expenditure management and support to national departments and public entities in the economic cluster. The departments include the Department of Public Enterprises; the Department of Agriculture, Land Reform and Rural Development; the Department of Forestry, Fisheries and the Environment; the Department of Science and Innovation; the DSBD; and the DTIC. Key achievements during the reporting period included:

Department of Public Enterprises

In collaboration with the Asset and Liability Management Division:

- Continued to monitor conditions attached to the recapitalisation of Denel for the implementation its new business model; and Transnet for rehabilitating locomotives that are out of service and repairing infrastructure damaged by the floods in KwaZulu-Natal, Eastern Cape and Mpumalanga.
- Provided support in developing conditions for the guarantee awarded to Transnet. The unit also participated in the SOE monthly monitoring meetings.
- Organised a workshop with SOEs on the budget process.
- Organised and facilitated meetings for the 2024 MTEF budget process with the department and its SOCs. This included conducting a comprehensive baseline analysis to inform recommendations to the medium-term expenditure committee.
- Provided comments on the National State Enterprises Bill and memorandums on the establishment of a holding company for SOCs.
- Reviewed and commented on the SOC bailout funding framework and the department's 2024/25 annual performance plan.

Department of Agriculture, Land Reform and Rural Development

- Assisted the department and KwaZulu-Natal provincial department with BFI applications to boost agricultural value chains in KwaZulu-Natal.
- Assisted the department with reprioritising funds between programmes to address an unprecedented drought brought on by La Niña weather phenomenon, which generally increases global temperatures.
- Convened the Agriculture Coordination Forum, a coordination structure between national and provincial departments in the agriculture sector. The forum is chaired by the National Treasury and the Department of Agriculture, Land Reform and Rural Development to drive and ensure policy coherence and resource allocation across all spheres of government
- Continued work with its membership to the interministerial committee on land reform, which aims to accelerate the land reform process to find sustainable solutions.

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Department of Forestry, Fisheries and the Environment

- Provided comments on the industrial waste tyre management plan, which outlines the guidelines and compliance requirements for all stakeholders. The plan also sets out the mandate, brief and criteria that prospective implementers must meet to be eligible for operationalising and executing waste tyre management.
- Reviewed the department's request for the Minister of Finance to grant concurrence on the extended producer responsibility scheme fee applications for the paper and packaging, lighting and electrical and electronic waste streams. Together with the National Treasury's legal unit, advised the Minister of Finance on the appropriate response.
- Provided comments on the implementation of the just energy transition investment plan, which provides a sound basis for South Africa to galvanise national and international resources from a wide range of countries and sources. The purpose of this initiative is to reduce greenhouse gas emissions, build energy security, and ensure a just transition of coal-dependent regions and communities to new areas.
- Worked with the Budget Office Division on the first phase of the climate budget tagging process, which is a key reform in the budget process. The purpose of this process is to identify, classify, weigh and mark climate-relevant spending in the public finance system. The rollout of the workplan for the second phase is under way. This will include training budget analysts and establishing the climate budget tagging governance structure, which includes key sector departments.

Department of Science and Innovation

- Assisted the department in establishing the interdepartmental task team that comprises officials from the Department of Science and Innovation; the Department of Planning, Monitoring and Evaluation; and the National Treasury. The purpose of this is to ensure that the national science, technology and innovation priorities find expression in the budget prioritisation framework, the MTEF, annual performance plans and departments' expenditure estimates. To this effect, the task team has finalised the terms of reference, which will guide the implementation of governance arrangements, as envisaged in the 2019 White Paper on Science and Innovation. This process seeks to improve the coordination of public funding for science, technology and innovation and research and development across government.
- Facilitated the shifting of funds to the Department of Health for the South African Medical Research Council to implement the social impact bond project.
- Provided comments on the implementation of the hydrogen society roadmap, which is expected to support inclusive growth and assist government to reduce unemployment, poverty and inequality.
- Conducted a site visit to the Square Kilometre Array at the South African Radio Astronomy Observatory in Carnarvon, Northern Cape.

Department of Small Business Development

- Supported the department with rolling out new programmes such as the energy intervention, asset assist and general dealer programmes that are intended to provide financial and non-financial support to qualifying small enterprises to enhance their competitiveness.

- Worked with the legal unit, the Budget Office Division and the Tax and Financial Sector Policy Division on the proposed merger of the SEDA, SEFA and the CBDA. The purpose of the merger is to expand the reach and target of government support to small businesses to assist more small enterprises and cooperatives across the country and enhance their developmental impact.
- Organised and facilitated meetings for the 2024 MTEF budget process with the department, including conducting a comprehensive baseline analysis to inform recommendations to medium-term expenditure committee.

Department of Tourism

- Provided comments for gazetting the green paper on the development and promotion of tourism in South Africa.
- Provided comments on the relaunch of the Tourism Equity Fund to address transformation issues in the tourism sector.
- Provided comments on gazetting the tourism master plan for public notice and implementation.

Department of Trade, Industry and Competition

- Reviewed and analysed requests from the department to retain surplus funds for its schedule 3 public entities.
- Organised and facilitated meetings with the department and entities for the 2024 MTEF budget process. This included conducting a comprehensive baseline analysis to inform recommendations to medium-term expenditure committee.
- Convened the Economic Development Coordination Forum, a coordination structure between national and provincial departments in the economic development cluster. The forum is chaired by the National Treasury and the DTIC to drive and ensure policy coherence, resource allocation and interventions to enable inclusive economic growth and employment.
- Collaborated with the Economic Policy Division and the Tax and Financial Sector Policy Division and advised the Minister of Finance on government options for supporting the new energy vehicle strategy led by the DTIC. Facilitated collaboration between the National Treasury, the British High Commission, the German Corporation for International Cooperation and the Trade and Industrial Policy Strategies institution to host international benchmarking workshops on the new energy vehicles.
- Collaborated with the Economic Policy Division and the WB towards developing a framework for government business incentives and engaged relevant departments on developing a single register for the beneficiaries of government business incentives.
- Coordinated the establishment of the special economic zones working group between the National Treasury and the DTIC to help resolve issues on the special economic zones programme.
- Facilitated a compilation of advice to the Minister of Finance on the designation of the Namakwa special economic zone and provided comments to the DTIC on the proposed Fetakgomo-Tubatse special economic zone.
- Reviewed and commented on various policy documents, including the 2023 Electric Vehicles White Paper, the green hydrogen commercialisation strategy, the Competition Commission's market inquiry into online intermediation platforms and the DTIC's 2024/25 annual performance plan, among others.
- Facilitated the on-boarding of a newly scheduled public entity, the Takeover Regulation Panel, into the budget

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process. This included the preparation of MTEF and ENE submissions and other compliance requirements in terms of the PFMA.

The urban development and infrastructure unit provides budget, policy and expenditure management and support to national departments and public entities involved in the built environment and infrastructure. These include the Department of Transport, the Department of Mineral Resources and Energy, the Department of Water and Sanitation, the Department of Human Settlements, the Department of Communications and Digital Technologies, DCoG and the Department of Traditional Affairs. The following departments were supported during the reporting period:

Department of Cooperative Governance

- Led the development of the draft disaster risk financing strategy and engaged with the department on reforms to the community work programme.
- Provided inputs on the proposed establishment of the SADC Humanitarian and Emergency Operations Centre, and comments on various regulatory and legislative reforms undertaken by the department.

Department of Traditional Affairs

- Provided ongoing policy support and advice in workstreams 2 and 4 of the interministerial task team to deal with matters raised by traditional and Khoi-San leaders in preparation for a dialogue with the National House of Traditional and Khoi-San leaders.

Department of Mineral Resources and Energy

- Made recommendations to the Minister of Finance on fees and tariffs of regulators such as the National Nuclear Regulator and the National Energy Regulator of South Africa.
- Participated in consultations and provided comments on various regulatory and legislative reforms undertaken by the department.

Department of Human Settlements

- Participated in the Operation Vulindlela titling steering committee to address the residential title deeds backlog in the low-income housing market segment.
- Participated in consultations and provided comments on various financing and policy reforms regarding the restructuring of human settlements conditional grants and the draft white paper for human settlements.

Department of Communications and Digital Technologies

- Participated in the monitoring task team for the South African Post Office with the department to monitor progress against conditions imposed in the 2023 Second Adjustments Appropriation Act.

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- Continued to participate in consultations on various legislative reforms undertaken by the department regarding the implementation of a white paper on ICT policy.

Department of Water and Sanitation

- Provided comments on the draft norms and standards for tariff setting under section 10 of the Water Services Act (1997)
- Made recommendations to the Minister of Finance on concurrence for the proposed new national raw water pricing strategy.
- Provided comments on various legislative reforms undertaken by the department, such as the National Water Amendment Bill, the Water Services Amendment Bill, the draft water and sanitation services policy on privately owned land, and the proposed establishment of a national water resource infrastructure agency.

Department of Transport

- Supported the department in its oversight role on the disbursement of public transport grants. This was done through continued engagements with metros, including the public transport operational subsidy policy.
- Led the work on the long-term financing arrangements for the Gauteng freeway improvement project.
- Supported the department on the development of the devolution strategy for rail and commented on the private sector participation framework.

Intergovernmental Relations

The division coordinates fiscal and financial relations between the national, provincial and local spheres of government. This function has significant impact, with a planned allocation of 51.5 per cent (R900 billion) for non-interest expenditure to provinces and municipalities in 2024/25. Most of this planned expenditure is for priority programmes such as education, healthcare and providing free basic services.

The division coordinates inputs for the split of nationally raised revenue between the three spheres of government, the annual Division of Revenue Bill and Division of Revenue Amendment Bill, and the development of the framework for managing conditional grants. The 2024 Division of Revenue Bill was tabled in February 2024 and included net additions of R19.3 billion over the MTEF period for provinces to fund carry-through costs of the 2023 wage agreement, mainly in the education and health sectors. An additional R8.1 billion over the medium term was also allocated for municipalities to increase their provision of free basic services.

To ensure the streamlining of grant funding, funds were shifted from the national health insurance grant to the national tertiary services grant. This shift allows for the funding of oncology services to be consolidated under a single conditional grant. The funds will be used for the continued development and expansion of tertiary services. To improve the management of the national health insurance indirect grant, the personal and non-personal services components of the grant will be merged into one component for the 2024 MTEF period. The newly merged health systems component will continue to implement the programmes that were funded through the previous two components.

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During the period under review, the National Treasury implemented a series of reforms aimed at improving municipal performance and accountability. These included the development of a capability development programme and local government strategy for the department, which will help strengthen its capacity to manage the conditional grants system effectively. The department also finalised a report on the conditional grants review, which included performance incentives for infrastructure grants and introduced reform incentives to public utilities to encourage better performance. From this review, several reform options are being considered to improve intergovernmental grant systems, including streamlining existing conditional grants, aligning provincial and local government grants, and improving allocation methodologies.

To further address concerns about water and sanitation needs, a new requirement was introduced during the period under review that mandates the use of the Department of Water and Sanitation's assessment report results in all conditional grants that fund water and sanitation. This data-driven approach is expected to help with ensuring that key needs are addressed and that resources are used effectively. The division continued to update policies to enhance the role of the private sector in financing municipal infrastructure.

To establish an unambiguous, fair and consistent basis through which municipalities can recover development charges for all land development projects that require statutory approvals through the municipal land use planning system, amendments to the Municipal Fiscal Powers and Functions Act (2007) began in 2023/24. These amendments are aimed at regulating how development charges are levied. Development charges are one of the key financing instruments for the provision of strategic infrastructure that has the potential to accelerate economic growth. The amendment bill was adopted by the National Assembly on 25 May 2023 and the National Council of Provinces on 24 October 2023. It was then submitted to the President for assent.

Through private and public financiers, the credit market has not been used optimally to address increasing infrastructure investment backlogs. The updated Municipal Borrowing Policy Framework complements the use of development charges as a means for infrastructure financing. Strategies to implement the updated framework, spanning over the long term with some short-term and medium-term interventions, include capacity-building and stakeholder support for implementing initiatives to enable municipalities to produce pipelines of bankable projects and access financing. This will be complemented by financing options, including blended financing options that aim to leverage off the Infrastructure Fund and the conditional grant system. During the period under review, the division published quarterly municipal borrowing bulletins that provide information on municipal borrowing trends and activities.

The division supports work done by the Asset and Liability Management Division in raising policy-based loans, mainly from development finance institutions and multilateral development banks. These have developmental outcomes attached to them for various policy initiatives such as the just energy transition process. Funds from these loans can be deployed through local government conditional grants or through development finance institutions and multilateral development banks that lend directly to municipalities with developmental objectives attached to the financing. This is aligned with one of the objectives of the updated municipal borrowing policy framework, which seeks to have borrowing from development finance institutions and multilateral development banks guided by a social and developmental investment approach. In doing so, demonstrable social outcomes are considered alongside potential financial returns.

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The cities support programme continued to provide support to metros in selected projects in the areas of economic development, human settlements, public transport, climate resilience, governance and fiscal reforms.

The City Economic Development Managers' Forum, a learning and policy dialogue platform for cities, met regularly during the period under review. Engagements were documented in the forum's 2023 publication titled "Celebrating City Economic Development Champions". The spatial economic activity data project made good progress in 2023/24. This included instituting an impactful intergovernmental partnership between the National Treasury; the DTIC; DCoG, SARS, Statistics South Africa and the UK Department of International Development. The formal launch took place in June 2023 where the first publication of this data, the Cities Economic Outlook 2023, was launched. A knowledge exchange was set up between the spatial economic activity data project and the UK Foreign, Commonwealth and Development Office with two key events held in this reporting period. This was an intergovernmental session that focused on enabling administrative data sharing for the production and analytics of local statistics, and a training event on data needs for cities, with the UK office team present. More than 150 local government practitioners attended the events.

Under the industrial parks support programme for cities, the National Treasury and the DTIC jointly convened a National Industrial Parks Summit in April 2023. A toolkit for the programme is being finalised that integrates all the knowledge products developed through the programme over the past four years. The work on the city impact finance investment was finalised during the period under review. The related training material that was developed through this process was piloted through a five-week training programme for City of eThekwini officials. The training materials were then converted into an impact finance investment learning management platform, which will be made available on the cities support programme's website. All five township economic development strategies were approved during the period under review, with the focus now on support for project implementation.

With new support from the UK Foreign, Commonwealth and Development Office, a circular economy strategy was developed for eThekwini, a shipping container informal economy report was drafted on Delft for the City of Cape Town, while the African Development Bank-financed support to enterprise support organisations is under way in Hammanskraal and Tembisa in Gauteng. The small-scale affordable rental project concluded this phase of the work with the development of enabling procedures for a national symposium. This work now assists in highlighting the potential of this market as a strategic niche for the small-scale developers to ignite a spatial densification approach in strategic corridors in townships. The work on metro titling reforms progressed well in 2023/24 in partnership with Operation Vulindlela, with a round table having been held successfully.

Work on climate responsiveness achieved new milestones with the hosting of an "Extreme Heat in South African Cities" peer learning workshop. Through a partnership between the National Treasury, the Presidential Climate Commission, the WBand African Centre for Cities, a discussion document on a just urban transition was launched. An energy scenarios development workshop was successfully convened with participation from all metros and key national departments and SOEs. This was done to shape and define critical scenarios for energy security in the country and the critical role that metros play in this reform agenda. Support was provided to the Department of Human Settlements to produce a human settlements climate change response strategy, for which a well-attended stakeholder engagement workshop was held.

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Successful stakeholder engagements took place with the DTIC, the Department of Forestry, Fisheries and the Environment and others on a disaster risk financing strategy. Concerted effort was made to scope and obtain stakeholder agreement on a major new reform agenda for trading services. A guidance note for the water financing component of the urban settlements development grant and an associated resource document was drafted and is on track to be signed off for release by the National Treasury in 2024/25. Approval was given to the urban water reform programme with a mandate from the WB to begin scoping the programme, the programme for results financing incentive and the grant-based financing approach.

This phase of the work on minibus taxi reform was completed with a successful two-day workshop, during which the outcomes of the detailed research studies were presented and discussed. A public transport capacity learning network is now operational for metros. It met several times in 2023/24, with an average of 60 metro officials attending each session. The sixth iteration of the executive leadership programme, themed "Navigating the Storms: Building Adaptable and Resilient Cities", took place with representation from seven of the eight metros and key national departments.

The change leadership facilitation mentoring programme supported by the division concluded in December 2023, with 15 facilitators from the National School of Government and Tshwane Leadership Academy concluding their training in change leadership process facilitation. The reporting reforms project for metros concluded the work for the year by issuing an updated MFMA circular 88 on rationalising planning, budgeting and reporting requirements for the 2024/25 medium-term revenue and expenditure framework. This was published in December 2023.

Training was provided to between 40 to 50 city officials for work on the cities infrastructure and delivery management system. The training was conducted over three days. Training on development charges was undertaken for the metros, intermediate city municipalities and other local municipalities. The land value capture support to metros, a collaboration with the Development Action Group and the Lincoln Institute for Land Policy, continued with a cities webinar series on land value capturing, research reports and case studies, and technical support to several cities. The National Land Value Capture Dialogue was held in November 2023. It brought together more than 50 urban practitioners from all spheres of government, civil society, the built environment sector, the private sector, academia and development organisations. The NDPP was established in 2006 in response to the socioeconomic redevelopment challenges in South Africa's townships. Its associated grant, the neighbourhood development partnership grant, comprises two funding streams: the technical assistance grant for municipal planning in investment areas and a capital grant for funding selected catalytic projects in investment areas. The purpose of the grant is to support municipal planning and implementation processes, including to catalyse investment in underserved neighbourhoods and spatially targeted townships and key settlements. This is intended to attract and sustain third-party capital investments that are aimed at spatial and economic transformation to improve quality of life and access to opportunities.

This work is guided by the urban and regional network strategy, which targets urban-hub precincts and regional service centres with secondary linkages to underserved residential areas and built environment upgrade projects in urban or rural townships. The strategy consists of a set of sequential activities that optimise public infrastructure investment, fiscal and regulatory measures and coordinated urban management in targeted transit-orientated locations. The strategy is aligned with the NDP's spatial targeting and investment principles. Ultimately, the NDPP aims to contribute to the broader goal of creating liveable, sustainable, resilient, efficient and integrated towns and cities.

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During the reporting period, support was provided to municipalities to prepare six municipal investment plans, 40 new catalytic projects were approved, and four project preparation reports were finalised. Ongoing programme and project management support was provided to 47 municipalities (eight metros, seven intermediate cities and 32 rural municipalities).

The division oversaw the management of funds for the public employment programme. These funds are earmarked for: implementing new initiatives or expanding existing city-led employment programmes aimed at enhancing informal settlement infrastructure, fostering township economic growth, maintaining and managing public spaces and assets in residential and economic hubs, promoting environmental sustainability through greening and cleaning efforts, ensuring food safety, innovating service delivery methods, facilitating the exchange and management of local knowledge and information, enhancing community safety measures, providing environmental services and management, and promoting community tourism. Despite encountering initial challenges, the importance of public investment in fostering job creation, safeguarding existing employment opportunities, and supporting livelihoods cannot be overstated. To this end, metropolitan municipalities targeted approximately 27 072 job opportunities for the for the period under review.

The programme project preparation support grant was established in 2021 to assist with programme and project packaging in metro municipalities. The programme was previously called the integrated cities development programme. There was an urgent need for a grant to help prepare an implementation-ready and bankable pipeline of projects that could be brought to market. Supporting the eight metros, the grant selects programmes and projects that are bankable and programmes/projects that can assist metros with their revenue collection. The grant ensures that this is achieved by having an effective, transparent systems supporting project approvals process (within a clearly defined authorising environment) in the metropolitan municipalities. The grant is managed through work plans, with activities relating to the establishment and institutionalisation of a programme and project preparation capability.

The division continued to support the implementation of the IDMS to improve the delivery of infrastructure across provinces and in local government. Implementation is supported by two major initiatives. The first is the development of the local government IDMS toolkit, which seeks to customise the IDMS for implementation by local and district municipalities and continue to support municipalities with the implementation of the local government framework for infrastructure delivery and procurement management, which is the legislated component of the toolkit. This work is made possible through the support of the partnership between government, represented by the National Treasury, and the government of Switzerland. Although the development of the toolkit is still at an early stage, workshops have been held with municipalities on the implementation of the framework. The other initiative was the introduction of a performance-based system for provincial departments of education and health to institutionalise IDMS principles related to planning and delivery.

Infrastructure plans for all provincial education and health departments were assessed in collaboration with the national departments of basic education and health. During the period under review, the division facilitated a best practice workshop to enable learning among provinces to strengthen various sections of the planning documents and conducted visits to provinces that did not qualify for performance incentive allocations to address specific areas

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for improvement. These interventions are expected to yield positive results during the next assessment period. The provincial and national departments are required to implement the IDMS through the local government framework for infrastructure delivery and procurement management instruction. The institutionalisation or implementation of the IDMS within the departments should result in better planning, implementation, monitoring and oversight of infrastructure delivery.

The rollout of the infrastructure reporting model to national departments took place during the period under review. The model seeks to institutionalise infrastructure reporting by government at a project level. This reform will contribute towards infrastructure improved data in a central repository and transparency across government institutions.

For 15 consecutive years, the division has successfully institutionalised two formal annual engagements: the municipal budget and benchmark, and the mid-year budget and performance assessment with the 17 non-delegated municipalities. During the period under review, the generic framework for assessment and analysis of municipal budgets was updated in line with the municipal budget and reporting regulation. Guidance was provided to municipalities on preparing their 2024/25 medium-term revenue and expenditure framework budgets through MFMA circulars (no. 126, 7 December 2023; and 128, 8 March 2024). Hybrid budget and benchmark meetings were held with all 17 non-delegated municipalities to assess the funding position of their 2023/24 budgets. The division also assessed the adopted budgets for 2023/24, and it was determined that 15 of the 17 non-delegated municipalities were funded.

Several routine publications were issued during the reporting period, including the state of local government finances and financial management report. The routine publication of budget and in-year financial performance information for local government enables better oversight and serves as an early warning mechanism for the need to improve municipal performance.

As part of fostering sustainable financial management, revenue management served as an essential pillar for better service delivery in municipalities. During this period, the division considered the following as its key contributions towards revenue enhancement and integration/restoration of best practise financial management in the local sphere. In respect of debt relief, through various consultations, a better understanding was fostered on the complexities and systemic challenges in the local government space. This took place across all National Treasury divisions and Eskom, culminating in the Minister of Finance issuing the debt relief conditions for Eskom in the municipal space.

Simultaneously, 22 municipal debt relief information sessions with about 1 200 participants were facilitated in all provinces. These included key stakeholders such as municipalities, DCoG, SALGA, banks and an interactive approach with the media. This was done to raise awareness of the relief with a message that recovery lies in a return to basic best practice in financial management. The municipal debt relief applications process concluded in January 2024, with 72 municipal submissions, amounting to R56.8 billion of the R58.5 billion municipal debt owed to Eskom as at 31 March 2023. In total, 71 of the applications were approved (R55.3 billion) and are in various phases of onboarding in the debt relief programme. A focus area during the period under review was onboarding provincial treasuries and the debt relief team with implementing debt relief monitoring. The implementation process itself involved five detailed investigations into the municipalities that defaulted the most on payments to Eskom. This provided a much better perspective of the

financial dysfunctionality and systemic challenges than the earlier desktop analysis. Ongoing stakeholder hearings are undertaken with defaulters that consecutively failed to maintain the Eskom account. This was done to strengthen an integrated approach to support and enforce the requirement for returning to best and basic financial management. To this end, approximately 40 sessions were facilitated during the period under review.

Research and support to the Department of Water and Sanitation was provided through developing the water debt relief concept document. The design of the smart meter grant framework was also compiled. The framework was preceded by issuing the National Treasury RT29 transversal tender for smart metering. Without this issuance, it would not have been possible for work on the smart meter grant framework to commence from 1 April 2024. The division's work in this regard directly underpinned the Eskom and water debt relief frameworks and the Eskom debt relief approval processes and is seen as an ongoing learning process to improve the division's wider revenue management initiatives and support. Various revenue enhancement tools were developed during the reporting period. These included building capacity for all municipalities participating in the debt relief programme for them to use the strengthened tariff and rates reconciliation tools for improving the funding of the revenue component. A revenue assessment tool to support the integrated approach to revenue management, as agreed with DCoG, was also issued for use by municipalities and provincial treasuries. Debt relief compliance tools were developed towards facilitating improved council and stakeholder awareness of collection and indigent management. These were designed to be integrated into municipalities' monthly MFMA section 71 reporting. The GoMuni portal was extended to facilitate the improvement of municipalities' reporting on revenue management-related information. This is key to the funding of the revenue component of municipal budgets.

Through the support of the municipal finance improvement programme, budget and revenue technical advisors and municipal support technical advisors, the division has been able to progressively address the shortfalls in the municipal revenue value chain. This was done by focusing on setting cost-reflective tariffs and the completeness of revenue by reconciling information contained in the general valuation roll with the information on the billing system (financial system). This reconciliation assisted municipalities to develop standard operating procedures and budget policies that are legal proofed against municipal customers who try to find leniency loopholes. In addition to these focus areas, the technical advisors support municipalities in revenue-related areas of the management letters and auditor-general reports.

A revised approach to the development of financial recovery plans was implemented during the period under review to enable better monitoring and easier implementation of the plans at the municipal level. A panel of service providers has been appointed over a three-year period to assist the municipal financial recovery services unit in the preparation of financial recovery plans. Workshops were held with all provinces to deepen the understanding of the MFMA section 139 intervention framework and the preconditions that must exist for the different types of interventions to be invoked. Support was provided by technical experts through the municipal finance improvement programme. There are currently nine experts who provide guidance on matters related to governance, institutional, finance and service delivery matters.

Through the municipal finance improvement programme, the National Treasury supported six provincial treasuries and 55 targeted municipalities with the implementation of the mSCOA reform. Several training initiatives were pursued to

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increase the technical and oversight capacity of treasuries across all spheres of government on the mSCOA reform, and version 6.8 of the mSCOA was issued.

The public information portal, Municipal Money, was included in the Open Government Partnership's fifth national action plan as part of the National Treasury's commitment to improve transparency and public participation in local government processes.

The division continued to improve the conditional grant monitoring framework for local government. In 2023/24, R153.5 billion was allocated through the 2023 Division of Revenue Amendment Act in direct transfers to local government. The adjusted allocation of R153.5 billion (previously R163.9 billion before mid-term adjustments), includes unconditional transfers in the form of the local government equitable share and related transfers (R95.2 billion), direct conditional grants allocated for capacity grants (R2.5 billion), direct conditional grants for infrastructure projects (R39.9 billion, including the urban settlements development grant of R7.6 billion) and indirect conditional grants amounting to R8.3 billion.

In ensuring that future potential disasters can be responded to by means of the municipal disaster recovery grant, R1.2 billion was ring-fenced to fund the repairs of infrastructure damaged by severe flooding between February 2022 and March 2023 in Eastern Cape, KwaZulu-Natal, Limpopo and Mpumalanga. An additional R372 million was added to the baseline of the municipal disaster response grant to make a total of R744.4 million available for immediate release in response to disasters.

The National Treasury continues to assist underperforming municipalities to improve their spending and effectively manage conditional grants. If conditional grants are unspent at the end of a financial year, municipalities must request permission to roll them over to the next financial year. Failure to secure approval from the National Treasury results in these funds having to be repaid into the National Revenue Fund. A total of 136 municipalities requested rollovers for unspent conditional grants in 2022/23, amounting to R6.8 billion. However, the National Treasury approved a total rollover amount of R3.2 billion, 47 per cent of the amount requested. During the finalisation of the rollover and unspent conditional grant process, R3.2 billion was returned or repaid to the National Revenue Fund by offsetting it against the 2023 local government equitable share. This amount includes repayment arrangements of unspent conditional grants for the previous financial year against municipalities that could not repay their unspent uncommitted funds at once.

In 2023/24, further adjustments were made in line with sections 18 and 19 of the 2023 Division of Revenue Amendment Act by stopping allocations to slow-spending municipalities and reallocating the stopped funds to better performing municipalities. The National Treasury wrote to 161 municipalities across all provinces, expressing its intention to stop their funds due to significant underperformance and noncompliance against conditional grants frameworks and provisions of the act. This is an annual consultative process with transferring officers and is done to avoid fiscal dumping of large, un-transferred amounts in March. It is also done to avoid potential rollover requests at the end of the municipal financial year in June, and to monitor performance on grant spending by mid-year to determine if it's on track to achieve annual targets. An amount of R2 billion from a proposed R6.2 billion was stopped for underperforming municipalities. It is important to note that this process requires municipalities that have their funds stopped to reprioritise their projects and

use the subsequent year's funding to deliver services or eradicate backlogs with the remaining funds. The reallocation of funds prioritises fast-moving projects and impactful programmes against municipalities that do not have adequate funding to accelerate service delivery.

The division continued with monitoring the implementation of provincial budgets. This included publishing provincial revenue and expenditure reports quarterly. Annual provincial budget visits were held in a hybrid manner (i.e. in-person and virtually), depending on the preference of the provincial treasuries. Collaboration with other divisions within the National Treasury and other national departments continues to strengthen the monitoring of provincial spending. The rollover process for conditional grants was concluded successfully in 2023/24 to ensure that provincial departments surrender unspent funds to the National Revenue Fund. The stopping and reallocation process of the human settlements development grant was concluded earlier than previous years because of the clause included in the 2023 Division of Revenue Act.

The division held workshops on the Division of Revenue Bill with sectors that have conditional grants. The purpose of these workshops was to inform these sectors on the changes made to each grant and the clauses that might affect them. Provincial budget benchmark meetings were successfully held in December 2023 and January 2024. Recommendations were made on areas that require improvement before the tabling of provincial budgets.

To continuously support and build capacity in provinces, the transformational coaching project for provincial treasuries' senior management, including heads of department, was successfully concluded in 2023/24. Feedback received from trainees suggested that they found the journey to be a meaningful learning experience. They indicated that the training should be cascaded down to other levels of leadership across provincial treasuries. Some of the commitments made during the training included navigating the work environment with compassion and being attentive to team members and other stakeholders. Training on the essentials of budget formulation and analysis course was conducted in all provinces and within the National Treasury. The last leg of the executive education programme – offered by the National School of Government in partnership with University College London's Institute for Innovation and Public Purpose – was expected to conclude in early April 2024. The programme was attended by senior managers in the unit and deputy directors.

Jobs Fund project management

The Jobs Fund is a R9 billion challenge fund that offers a targeted programme of support for effective labour market interventions. The programme supports job creation in the short to medium term and identifies scalable and replicable job creation models that will assist in addressing South Africa's unemployment crisis. To date, the fund has concluded 11 funding rounds. It offers matched funding grants across four funding windows (enterprise development, infrastructure, support for work seekers and institutional capacity building). Grant funding is made available through a competitive process to initiatives that innovatively solve employment challenges and have the potential to be scaled up.

The fund has fully allocated its original R9 billion in grant funding to its portfolio of projects. Its project partners have committed R14.5 billion in matched funding over the implementation period. As at 31 March 2024, the Jobs Fund had

04 PERFORMANCE INFORMATION BY PROGRAMME

disbursed R7.14 billion and leveraged an additional R14.27 billion from project partners, resulting in a competitive 1:2 funding ratio. The Jobs Fund has a portfolio of 163 job creation projects and has exceeded its permanent job creation target of 150 000.

As at 31 March 2024, the fund had facilitated the creation of 206 722 permanent jobs and placements. In addition, the fund's project partners have created a further 132 111 jobs, comprising 20 177 seasonal jobs, which will endure well beyond the implementation period for these projects, 88 342 short-term jobs, and 23 592 internships. A total of 319 756 people have been trained through the fund's supported projects. This group of people comprised, among others, young work seekers, entrepreneurs and employees of SMMEs. An additional 61 288 jobs were created after the projects' implementation periods, revealing the catalytic effect of the fund's grant over time. The overall grant cost per job created is competitive, at R23 356, which includes the fund's operating costs.

In the year under review, the Jobs Fund concluded its 11th funding round. The response to this round has been positive, with a total of 195 applications received. This highlights the continuing interest from the private sector to engage with the Jobs Fund in driving sustainable job-creation initiatives. A total of 21 projects from the funding round will be supported over the next two years. These projects cover diverse sectors, such as financial services, agriculture, training and capacity building, ICT, business services, education, electricity and the arts. The 21 supported projects are anticipated to deliver more than 17 000 permanent jobs. When including shorter-term employment opportunities, the total jobs yield is expected to approach 23 000.

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/2022	AUDITED ACTUAL PERFORMANCE 2022/2023	PLANNED ANNUAL TARGET 2023/2024	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASON FOR DEVIATIONS
PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT									
3.1.1	Sustainable public finances	Published budget legislation and documentation	Published budget legislation and documentation	Appropriation Bill, ENE and Budget Review published in February	Appropriation Bill, ENE and Budget Review published in February	Appropriation Bill, ENE and Budget Review published	Appropriation Bill, ENE and Budget Review published	N/A	N/A
				Adjustments Appropriation Bill, AENE and MTBPS published in November	Adjustments Appropriation Bill, AENE and MTBPS published	Adjustments Appropriation Bill, AENE and MTBPS published	Adjustments Appropriation Bill, AENE and MTBPS published	N/A	
3.1.2		DoR Bill DoR Amendment Bill	Number of Division of Revenue and Division of Revenue Amendment Bills published annually	2	2	2	2	N/A	N/A
3.1.3		Provincial and local government fiscal policy reforms	Number of reforms introduced to enhance provincial and local government fiscal frameworks	3	3	3	3	N/A	N/A

04 PERFORMANCE INFORMATION BY PROGRAMME

APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/2022	AUDITED ACTUAL PERFORMANCE 2022/2023	PLANNED ANNUAL TARGET 2023/2024	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASON FOR DEVIATIONS
PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT									
3.1.4		Progress reports on the economic development strategies produced	Number of township economic development strategies produced	#	#	1	1	N/A	N/A
3.1.5		Infrastructure plans assessment reports	Percentage of infrastructure plans assessment reports reviewed	#	100%	100%	100%	N/A	N/A
3.1.6	Coherent economic policy advocated	Approved catalytic projects	Number of catalytic projects approved in spatially targeted areas within metropolitan cities, secondary cities and rural towns	60	31	35	40	5	Overperformance is attributed to more than originally anticipated implementation ready projects received from municipalities for approval.
3.1.7	Sustainable public finances	Quarterly financial status reports	Number of quarterly financial reports published	8	8	8	8	N/A	N/A

PERFORMANCE INFORMATION BY PROGRAMME 04

APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/2022	AUDITED ACTUAL PERFORMANCE 2022/2023	PLANNED ANNUAL TARGET 2023/2024	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASON FOR DEVIATIONS
PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT									
3.1.8		Financial recovery plans	Percentage of requests to draft mandatory financial recovery plans responded to within 90 days of receipt	0%	0%	100%	33.33%	-66.67%	Under-performance is attributed to the delays in the finalisation of the FRPs due to the following: -Cancellations and postponement of consultative meetings due to unavailability of relevant stakeholders including Councils; -Delays in submission of information required to finalise the FRPs; and -Delays in the publication of draft FRPs into the local newspapers due to budget constraints experienced by municipalities.

04 PERFORMANCE INFORMATION BY PROGRAMME

APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/2022	AUDITED ACTUAL PERFORMANCE 2022/2023	PLANNED ANNUAL TARGET 2023/2024	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASON FOR DEVIATIONS
PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT									
3.1.9		Cabinet memos comments	Percentage of Cabinet memos received commented on	98%	97%	100%	99,5%	-0,5%	Under-performance is attributed to one cabinet memorandum not been timeously commented on due to delays in processing.
3.1.10		SCOA reports	Number of quarterly expenditure reports submitted to the Standing Committee on Appropriations	4	4	4	4	N/A	N/A
3.1.11		Technical advisors in place	Number of technical advisors placed at National Treasury, provincial treasuries and municipalities through the Municipal Finance Improvement Programme (MFIP)	73	65	80	75	-5	Under-performance is attributed to resignations received during the reporting period.

PERFORMANCE INFORMATION BY PROGRAMME 04

APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/2022	AUDITED ACTUAL PERFORMANCE 2022/2023	PLANNED ANNUAL TARGET 2023/2024	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASON FOR DEVIATIONS
PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT									
3.1.12		Grant funding disbursed	Value of grant funding disbursed (cumulative across the term of project)	R6 075m	R6 465m	R7 350m	R7 190m	-R 160m	Under-performance is attributed to Jobs Fund disbursements being impacted by lower economic growth, high interest rates, power cuts on projects' implementation environment, the impact of continued logistical disruptions to agricultural value chains and continued higher agricultural and logistical input costs.

UNDER-PERFORMING INDICATORS AND ACTION PLANS					
PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT					
APP#	**OUTCOME**	**OUTPUT**	**OUTPUT INDICATOR**	**REASON FOR DEVIATION**	**ACTION PLAN**
3.1.8	Sustainable public finances	Financial recovery plans	Percentage of requests to draft mandatory financial recovery plans responded to within 90 days of receipt	Underperformance attributed to the delays in the finalisation of the financial recovery plans due to the following: -cancellations and postponement of consultative meetings due to unavailability of relevant stakeholders, including councils -delays in submitting information required to finalise the financial recovery plans -delays in the publication of draft financial recovery plans in local newspapers due to budget constraints experienced by municipalities	The financial recovery plan has since been approved subsequent to the 90 days.
3.1.9	Sustainable public finances	Cabinet memos comments	Percentage of Cabinet memos received commented on	Underperformance attributed to one Cabinet memorandum not having been timeously commented on due to delays in processing	The divisional monitoring system has been further strengthened with additional levels of controls
3.1.11	Sustainable public finances	Technical advisors in place	Number of technical advisors placed at the National Treasury, provincial treasuries and municipalities through the municipal finance improvement programme	Underperformance attributed to resignations received during the reporting period	The municipal finance improvement programme project management unit is in the process of procuring a panel from which the rapid procurement of technical advisors and replacements can be sourced. The technical advisors will commence in the first quarter of 2024/25.
3.1.12	Sustainable public finances	Grant funding disbursed	Value of grant funding disbursed (cumulative across the term of project)	Underperformance attributed to Jobs Fund disbursements being impacted by lower economic growth, high interest rates, power cuts on projects' implementation environment, the impact of continued logistical disruptions to agricultural value chains and continued higher agricultural and logistical input costs.	The Jobs Fund has a performance monitoring and tracking framework in place. This includes conducting project site visits and quarterly project implementation review meetings. Disbursement of funds is stringently managed, and funds are only released when performance targets and project conditions are met

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE (INDICATORS AND ACTION PLANS)

No under-performance.

CHANGES TO PLANNED TARGETS

There were no changes to planned targets for the period under review.

LINKING PERFORMANCE WITH BUDGETS

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT	2022 / 23 FINANCIAL YEAR			2023 / 24 FINANCIAL YEAR		
	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
Programme Management for Public Finance and Budget Management	19 978	18 457	1 521	21 861.80	19 880.81	2
Public Finance	75 859	74 438	1 421	77 725.00	76 098.33	2
Budget Office and Coordination	66 752	65 101	1 651	74 247	73 260	1
Intergovernmental Relations	226 905	181 227	45 678	163 475	143 836	20
Financial and Fiscal Commission	63 839	63 839	-	59 084	59 084	-
Facilitation of Conditional Grants	2 379 601	2 379 601	-	2 384 589	2 384 589	-
Catalytic Infrastructure and Development Support Programme	752 402	741 540	10 862	567 559	567 219	0
Government Technical Advisory Centre	789 395	765 629	23 766	655 226	653 704	2
Total	**4 374 731**	**4 289 832**	**84 899**	**4 003 767**	**3 977 671**	**26**

04 PERFORMANCE INFORMATION BY PROGRAMME

4.4 PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

Purpose: Prudently manage government's financial assets and liabilities.

INSTITUTIONAL OUTCOMES

Sound financial controls and management of public finances

SUB-PROGRAMMES

Programme Management for Asset and Liability Management

This subprogramme provides the overall management and regulatory support related to the programme, including support for planning, delivery implementation, monitoring and associated activities that include the management of government debt, financial assets and investments.

State-Owned Companies (SOCs) Financial Management and Governance

This subprogramme is responsible for overseeing SOCs 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.

Government Debt Management

This subprogramme 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.

Financial Operations

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

Strategy and Risk Management

TThis subprogramme develops and maintains a risk management framework for government's debt and contingent liabilities, and monitors the implementation of strategies to ensure that risks remain within tolerance thresholds and that the risk of an adverse sovereign credit rating is mitigated.

PERFORMANCE INFORMATION BY PROGRAMME 04

SERVICE DELIVERY OBJECTIVES AND INDICATORS

Recent outputs

To improve transparency, Instruction Note no. 1 of 2023/24 was introduced. It requires Cabinet members who have requested the Minister of Finance's concurrence for the issuance of guarantees, indemnities and other securities to report those requests to the National Assembly quarterly. Government continues to invest its surplus cash with ABSA, FirstRand, Nedbank and Standard Bank. The risk from the investment of government's surplus cash remains low, with these banks showing an improvement in profitability on the back of increased revenue. Efficiency also improved as the banks reduced their operating costs. The banks have strong liquidity and are well capitalised in line with regulatory requirements. However, asset quality deteriorated slightly in 2023/24 due to the impact of rising interest rates on customers' ability to service debt.

During the period under review, guarantees were issued to Transnet and the South African Roads Agency. Transnet did not meet the minimum criteria that must be met by SOCs and government departments when submitting requests for guarantees. As such, the Minister of Finance approved a special dispensation to allow Transnet to raise government-guaranteed debt. The Minister concurred to the issuance of a R47 billion guarantee to Transnet and a R7 billion guarantee to SANRAL. The Minister also provided a government guarantee amounting to R14.7 billion to the Department of Mineral Resources and Energy for the sixth bid window of the independent power producer procurement programme.

All corporate plans and annual reports of schedule 2 and 3B public entities submitted within the PFMA-stipulated deadlines were reviewed during the period under review. Ongoing assessments of these SOCs' alignment with government priorities, strategies and financial performance, as well as soundness of corporate governance, were conducted. The aim of this was to proactively identify possible risks so that appropriate mitigating actions can be taken. Most SOCs submitted their corporate plans and annual reports on or before the deadline mandated by the PFMA, with some experiencing delays in finalising audits for various reasons.

The Land and Agricultural Bank of South Africa's submission of its corporate plan, as required by the PFMA, remains exempted (as approved by the Minister of Finance). However, the bank is still expected to submit a shareholder's compact and annual report. Since April 2020, the bank has been negotiating with its lenders to rectify its default status through a process called liability solution, which is expected before the end of 2024/25.

During the period under review, the Minister of Finance concurred to an increase in the guarantees provided to the TCTA from R25 billion to R35.5 billion, which will allow the authority to raise financing for the second phase of the Lesotho Highlands Water Project. Various applications in terms of section 54 of the PFMA were finalised for Transnet, the Airports Company of South Africa, Denel, Eskom and the Central Energy Fund. Tariff submissions from all seven water boards were reviewed and analysed in terms of the MFMA and response letters were issued. Inputs were provided to Eskom's request for the National Treasury's comments on the proposed amounts for the independent power producer procurement programme's sixth multiyear price determination as per the requirements of the government support framework agreement.

04 PERFORMANCE INFORMATION BY PROGRAMME

To assist Denel with the implementation of its turnaround plan, the entity was recapitalised with R3.4 billion, subject to meeting pre-disbursement and post-disbursement conditions. These entities were recapitalised as per the Special Appropriation Act (2022). For South African Airways to exit business rescue, a settlement agreement was reached between the rescue practitioners and the airline's creditors, which provided for a gradual payment of historical debts. Consequently, an additional R1 billion was allocated in 2023/24 to assist with these outstanding obligations.

As at 31 March 2024, the Minister of Finance approved the disbursement of R76 billion to Eskom as part of the R78 billion Eskom debt relief package for 2023/24. Of this allocation, R44 billion was converted to equity after Eskom complied with all the strategic conditions for the periods ending 30 September and December 2023. The Eskom Debt Relief Amendment Bill will be gazetted in the new financial year. It empowers the Minister of Finance to charge interest on the Eskom debt relief package and reduce allocations should Eskom not comply with the conditions of the Eskom Debt Relief Act (2023). As at 31 December 2023, government's exposure in terms of Eskom's guaranteed debt (including interest and inflation) amounted to R355 billion. The availability period of the R350 billion guarantee framework agreement ended on 31 March 2023. Eskom has used R326 billion in government guarantees through the framework. Inputs were provided on policy, legislation and strategies related to Eskom's unbundling process, Transnet, the South African Post Office, the South African Broadcasting Corporation, Sentech, Broadband Infraco, the Central Energy Fund, climate finance and a just energy transition. The National Treasury also provided inputs into the revised raw water pricing strategy as well as the business case for the establishment of the National Water Resources Infrastructure Agency. In addition, the National Treasury provided inputs on the business rescue plan for the South African Post Office that was developed by business rescue practitioners.

The guarantees to Eskom, Denel, the TCTA, South African Airways, Transnet and the Land and Agricultural Bank of South Africa were regularly monitored. Quarterly reports on compliance with guarantee conditions were provided to the fiscal liability committee. Through section 70(2)(b) of the PFMA, Denel was allocated R3.2 billion to cover capital and interest payments on guaranteed debt under the domestic medium-term note programme as the entity continues to experience solvency and liquidity challenges. Denel had a R2.5 billion guarantee, valid until 2028/29, to secure bank guarantees to conclude the Egypt missile export contract. This guarantee was never used because the contract was cancelled. Ultimately, both guarantees were rescinded and closed in December 2023, rendering the facilities unavailable into the future.

During the reporting period, borrowing authorisation and related limit applications, as well as foreign currency borrowing limit applications from Eskom, Transnet, the Development Bank of Southern Africa and the TCTA were considered.

In July 2023, Fitch Ratings affirmed South Africa's BB- credit rating and "stable" outlook. According to Fitch, South Africa's credit rating is constrained by low real GDP growth due in the main part to power shortages, a high level of inequality, a high government debt-to-GDP ratio and a modest path of fiscal consolidation. The rating is supported by a favourable debt structure with long maturities and denominated mostly in local currency as well as a credible monetary policy framework.

PERFORMANCE INFORMATION BY PROGRAMME 04

In November 2023, S&P Global Ratings affirmed South Africa's BB- credit rating and "stable" outlook. The outlook balances South Africa's credit strengths, particularly a credible central bank, a flexible exchange rate, an actively traded currency, and deep capital markets against infrastructure-related pressures on growth, and downside risks to the fiscal and debt position.

Moody's did not publish a credit rating announcement following its review. Rather, it published a "credit opinion" report in November 2023. According to the agency, South Africa's stable rating outlook reflected its expectation that government's debt burden will likely stabilise over the medium term as it remains committed to fiscal consolidation. While risks related to social demands and SOCs remain, government is likely to continue to reprioritise spending to try to mitigate any negative impacts on fiscal deficits.

In January 2024, Fitch affirmed South Africa's BB- credit rating and "stable" outlook. According to Fitch, South Africa's credit rating is constrained by low real GDP growth, high level of inequality, a high and increasing government debt-to-GDP ratio and a modest path of fiscal consolidation. Growth is hampered by power shortages and a struggling logistic sector. The rating was supported by a favourable debt structure with long maturities and denominated mostly in local currency, strong institutions as well as a credible monetary policy framework.

Government successfully financed the gross borrowing requirement of R544 billion. This was done through net issuance of domestic short-term loans (R88.7 billion), domestic long-term loans (R336.2 billion) and foreign loans of R45.7 billion (equivalent to US$2.4 billion). In addition, R73.4 billion in cash and other balances was used to finance the gross borrowing requirement. During the period under review, R73 billion (in cash) of short-dated bonds were exchanged for long-dated bonds.

The stock of government debt increased by R493.3 billion, from R4.8 trillion in March 2023 to R5.3 trillion in March 2024, while strategic risk benchmark indicators remained within recommended limits. The cost of servicing government debt amounted to R356.1 billion, lower than the revised budget estimate by approximately R31 million. During the reporting period, domestic and foreign loans amounting to R144.4 billion were repaid. The division met all government's rand and foreign currency commitments daily and surplus cash was invested.

Owing to the strategic intent to reconstruct the inflation-linked bond funding curve, the I2031, I2043 and I2058 bonds were introduced during 2023/24. This assisted in limiting the overall potential funding shortfall associated with this funding portfolio. The reopening of the R210 and R202 bonds also assisted in further minimising the shortfall in the portfolio caused by failed auctions. Furthermore, the introduction of the R2053 bond to the fixed rate bond portfolio assisted in maximising the overall liquidity position, as 16 per cent of funding for fixed-rate bonds was allocated into the R2053 bond due to its favourable price.

Long-term debt (bond) auction levels remained the same from 2022/23 and the overall weighted cost of funding was at 9.3 per cent relative to 7.9 per cent in the previous year.

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/2022	AUDITED ACTUAL PERFORMANCE 2022/2023	PLANNED ANNUAL TARGET 2023/2024	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASON FOR DEVIATIONS
4.1.1	Sound financial controls and management of public finances	Reviewed planning and performance documents	Percentage of complete corporate plans received from Schedule 2 and 3B public entities reviewed	100%	100%	100%	100%	N/A	N/A
4.1.2			Percentage of annual reports received from Schedule 2 and 3B public entities reviewed	100%	100%	100%	100%	N/A	N/A
4.1.3		Reviewed complete applications	Percentage of complete PFMA Section 51(g), 52, 54(2), 55, and 92 applications received from Schedule 2 and 3B public entities reviewed	86%	93%	100%	100%	N/A	N/A
4.1.4			Percentage of complete review requests of borrowing limit applications relating to Schedule 2 and 3B public entities reviewed	100%	100%	100%	100%	N/A	N/A

PERFORMANCE INFORMATION BY PROGRAMME 04

APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/2022	AUDITED ACTUAL PERFORMANCE 2022/2023	PLANNED ANNUAL TARGET 2023/2024	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASON FOR DEVIATIONS
4.1.5			Percentage of complete guarantee applications received from Schedule 2 and 3B public entities reviewed	100%	100%	100%	100%	N/A	N/A
4.1.6		Annual gross borrowing requirement and refinancing risks benchmarks reports	Percentage of annual gross borrowing requirement met in compliance to the risk benchmarks	#	#	100%	100%	N/A	N/A

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE (INDICATORS AND ACTION PLANS)

No under-performance.

CHANGES TO PLANNED TARGETS

There were no changes to planned targets for the period under review.

LINKING PERFORMANCE WITH BUDGETS

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT	2022 / 23 FINANCIAL YEAR			2023 / 24 FINANCIAL YEAR		
	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
Programme Management for Asset and Liability Management	25 987	18 729	7 258	51 858	51 474	0
State Owned Entity Financial Management and Governance	5 936 852	5 148 837	788 015	540 253	540 133	0
Government Debt Management	21 066	20 583	483	22 943	23 076.60	-0
Financial Operations	29 711	27 879	1 832	32 065	31 295.95	1
Strategy and Risk Management	10 794	9 464	1 330	10 534	10 381	0
Total	**6 024 410**	**5 225 491**	**798 919**	**657 653**	**656 361**	**1**

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.

INSTITUTIONAL OUTCOMES

- Coherent economic policy advocated
- Sustainable public finances

SUB-PROGRAMMES

Programme Management for Financial Accounting and Supply Chain Systems

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

Office of Accountant-General

The purpose of this sub-programme is to facilitate accountability, governance and oversight by promoting transparent, economic, efficient and effective management in respect of revenue, expenditure, assets and liabilities in the South African public sector through:

- financial systems to maintain and improve existing financial management systems and develops and implements the IFMS. This will replace ageing and fragmented financial, supply chain and HR management systems within national and provincial departments
- financial reporting for national accounts, which 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
- financial management policy and compliance improvement to promote financial management compliance with the PFMA and MFMA through the development of supporting guides and frameworks, instructions and regulations, and provide implementation support in the three spheres of government. It regulates financial management and accounting policies and sets the risk and internal audit frameworks in the three spheres of government. It also provides technical and other support for institutional capacity building relating to financial management, and assistance with specialised performance audits and investigations of malpractice across all spheres of government

Office of the Chief Procurement Officer

The purpose of this subprogramme is to manage policy and legislative formulation for procurement systems in government, reduce wasteful expenditure and bring about efficient and cost-effective procurement across government.

04 PERFORMANCE INFORMATION BY PROGRAMME

The office aims to enable the efficient, economic, effective and transparent use of financial and other resources, including state assets, for improved service delivery, that supports and enforces 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

During the period under review, a quarterly reporting guideline was developed on the framework that requires accounting officers and authorities to report on progress made on providing details of unauthorised, irregular and fruitless and wasteful expenditure. These reports serve as a monitoring tool and precursor to identifying institutions in need of assistance.

Information sessions were provided upon request by PFMA institutions to ensure that accounting officers and authorities comply with the legislative framework. Assistance was provided on the interpretation, application and implementation of the PFMA and its prescripts. These sessions were attended by, among others, members of boards, executive management, and financial and non-financial practitioners. They dealt with various topics related to the PFMA, including an overview of the PFMA and what entails irregular, fruitless and wasteful expenditure.

Technical meetings were held throughout the reporting period with AGSA and PFMA-compliant institutions to provide clarity on the interpretation of the PFMA, Treasury Regulations and related instructions and frameworks. Responses to requests from PFMA-compliant institutions for the division to condone irregular expenditure was provided. This has supported institutions to reduce irregular expenditure.

In 2023/24, the National Treasury continued monitoring compliance with the requirement for national and provincial departments to pay suppliers within 30 days from receipt of an invoice in terms of section 38(1)(f) of the PFMA and Treasury Regulation 8.2.3. The department provided quarterly reports in this regard to relevant stakeholders, including the Department of Planning, Monitoring and Evaluation, the Office of the Public Service Commission and the DSBD. The National Treasury continued to assist and support suppliers with queries reported to the department's 30-day supplier hotline. These queries were mostly related to the non-payment of invoices by government institutions.

The department developed and presented an annual progress report to PFMA institutions on financial management and compliance matters. This was intended to provide them with information to strengthen their oversight functions. The department also prepared and tabled memorandums on audit outcomes of the PFMA institutions to Cabinet.
The MFMA helpdesk responds to requests for clarification from municipalities and municipal entities on MFMA legislation and regulatory oversight. In the period under review, the MFMA mailbox provided a central point through which requests were forwarded to relevant departments, provincial treasuries, municipalities and

municipal entities for responses, including assisting with implementing the MFMA. Through the responses given via the MFMA helpdesk, municipalities and municipal entities were able to gain a better understanding of the MFMA's facets, such as: revenue; budgets; investments; SCM; borrowing; minimum competencies; measures to process and manage unauthorised, irregular and fruitless and wasteful expenditure; and applying consequence management procedures. These responses were intended to support municipal officials with improving their understanding of their roles and responsibilities. They were also intended to improve councillors' oversight activities, including how they interpret and implement relevant provisions.

Ongoing assistance was provided through MFMA workshops and capacity-building exercises for municipal public accounts committees to strengthen their financial management oversight. This included their roles and responsibilities in addressing unauthorised, irregular and fruitless and wasteful expenditure. A process is under way to review the MFMA.

The provision of support and training to municipal officials continued during the period under review on the use of the web-enabled audit action plan and web-enabled assessments for financial capability and maturity levels. A new initiative called the Muni eMonitor system was designed to strengthen municipalities' reporting capabilities and municipal entities' capacity to comply with MFMA provisions and supporting regulations. The system is expected to be rolled out in 2024/25 and will be available at no additional cost to municipalities and municipal entities.

MFMA coordinator meetings were hosted virtually with officials of provincial treasuries, the national and provincial departments of cooperative governance, AGSA, SALGA and other stakeholders. These meetings covered a range of MFMA and financial management-related priorities, reforms and support measures that assist in coordinating the coherent and consistent application of the MFMA and improving compliance with the act.

The financial management grant was transferred to all 257 municipalities in 2023/24 to assist them with improving financial management and implementing the MFMA. A review of the support plans submitted by municipalities indicated that funds were allocated for appointing financial management interns, improving financial management systems, supporting the preparation of asset registers, training officials to meet minimum competency levels, addressing audit findings, addressing shortcomings in assessments of the financial management capability maturity model, supporting the implementation of financial misconduct regulations, and strengthening financial governance and the capacity of the budget and treasury office.

National revenue and expenditure information was monitored and reported through monthly reports in terms of section 32 of the PFMA. Initiatives continued to support national departments, entities, municipalities and provincial treasuries with accounting and reporting queries. Efforts also continued to support improving audit outcomes; and reviewing, providing feedback and monitoring AFS preparation plans and audit action plans. A review was conducted, and feedback provided on interim financial statements. The division participated in internal stakeholder engagements such as mid-term budget visits, MFMA joint meetings and external stakeholder engagements, including the Public Sector Accounting Forum, to provide information on technical accounting developments. Chief financial officers forums were hosted for officials in national institutions and local governments. Through

04 PERFORMANCE INFORMATION BY PROGRAMME

these, peer learning and experience sharing related to the operational impacts of coordination, communication and implementation of financial management and governance reforms were facilitated.

Updates to all 12 accounting manuals were published in support of the application of the MCS applied by national and provincial departments. Additional illustrative guides and tools were developed to help departments understand and apply changes to the MCS that come into effect on 1 April 2023. A webpage on the MCS was developed that allows practitioners to gain a high-level understanding of the requirements per chapter and access useful supporting documents associated with each.

Support was also offered to departments during the audit cycle through responses to queries, engagements with AGSA and the issuing of FAQs.

Support continued to be provided to the work of internal auditors and risk management professionals in PFMA and MFMA spending agencies. Information-sharing sessions were convened to disseminate information on new internal audit and risk management initiatives, discuss the revised global internal audit standards, and create opportunities for interaction with various stakeholders and provide guidance where necessary. Audit committees were supported through the public sector audit committee's facilitation of new committee inductions, attendance of audit committee meetings and responses to queries on the application of legislative prescripts. Risk management committees also received support on the risk management framework and the embedding of risk management practices. State-of-readiness reviews were conducted to determine the effectiveness of internal audit functions and measure the quality of work performed within them. Reports generated from these reviews informed how additional support was to be provided.

A more focused view of management was taken in the period under review to address the skills shortfalls that are relevant for public financial management. Sustainability strategies are being explored to enhance conditions that allow progress to be made through programme interventions to be embedded within the identified pilot provinces and municipalities.

The implementation of the internship programme, which is funded through the financial management grant, continued during the reporting period. Regular performance evaluations, rotational workplans and absorbing interns at the end of their training period helped improve the programme. The verification process to implement this programme is now managed through an electronic interface with the support of the relevant provincial treasuries. All interns now have formal contracts in place across the eight pilot municipalities.

A total of 52 projects were implemented during the reporting period to ensure the effective implementation and achievement of the objectives of the financial management capacity development for improved service delivery programme. Of these, 36 were successfully completed, 13 are progressing as planned and 3 were cancelled. A total of 7 043 officials have been trained against an end-of-programme target of 5 800, well beyond what was originally planned. A significant achievement was reached in respect of the public financial management learning networks

performance indicator, with 46 learning networks established to date against a four-year target of three. Data quality assurance and verification processes were conducted in consultation with all project owners to ensure that the respective project delivery was in line with performance indicators and targets. Four capacity-building steering committee meetings were held during the reporting period. The steering committee oversees the implementation of donor-funded programmes and provides governance oversight for the programme.

Significant progress was made through donor-funded programmes, such as the procurement infrastructure and knowledge management programme, in providing critical skills and building capacity in identified municipalities and departments. This was particularly the case in provinces as programmes ended in 2023/24. Proposals for the enrolment of new programmes has taken place through donor-mobilisation efforts of the capacity building unit. Support in developing a pool of accounting professionals continued during the period under review through the Chartered Accountants Academy. Currently, 30 trainee accountants are enrolled in the programme.

The unit has developed a web-based quality assurance self-assessment preparation tool for the internal audit function. The tool is primarily used for the internal audit function to conduct its own due diligence by providing a mechanism to assess its compliance with the International Standards for the Professional Practice of Internal Auditing, as issued by the Institute of Internal Auditors. The standards provide a mechanism to identify, among other things, repeat and transversal findings for further improvement at all levels of government, including SOEs. They will, in turn, aid them in providing more effective services to the institutions they serve.

Ongoing development took place for MFMA-related competency statements for asset management, management accounting, financial accounting, and revenue and expenditure.

Ongoing support was also provided to provincial treasuries, municipalities and government departments through advocacy, joint meetings, and one-on-one engagements. Key stakeholder engagements on SCM-related initiatives were held at SCM/chief financial officer forums. Introductory meetings were coordinated with SALGA, provincial treasuries and municipalities on the pilot delivery of the SCM executive development programme for councillors. Support was provided and contributions were made to the development and professionalisation of the SCM function as a discipline. This was done through the interim SCM council, which formally participated and submitted input, comments and recommendations to the DPSA and National School of Government's coordinating team for professionalising the public service.

Work continued to ensure that government operations ran optimally. This included ongoing maintenance and adoption of the PERSAL government payroll system, the LOGIS logistical information system, the basic accounting system and the Operation Vulindlela management information system to comply with policy and user requirements. All assignments leading up to pilot implementation have been completed. These included a change readiness assessment, pre-common design training for pilot and lead sites and the conceptual model for the IFMS centre of excellence. However, the programme has been held in abeyance pending the completion of an investigation undertaken by the SIU.

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Investigative capacity on critical forensic investigations related to public procurement was provided to law enforcement agencies, the National Prosecuting Authority and SAPS in the criminal investigation of complex commercial crime cases. These included cases related to the procurement of personal protective equipment. Cases were referred for criminal investigation, with advisory services provided to law enforcement agencies or anti-corruption task teams. To assist with building capacity in law enforcement institutions, national training sessions on PFMA and MFMA case law for criminal convictions were conducted with members of the Directorate for Priority Crime Investigation (the Hawks) and prosecutors from the Specialised Commercial Crime Unit.

Collaboration continued with the Asset Forfeiture Unit to recover state funds to the National Revenue Fund, as well as other assets lost through crime. The division was part of several teams that were involved in the protection of whistle-blowers on foreign bribery.

OFFICE OF THE CHIEF PROCUREMENT OFFICER

The Minister of Finance tabled the Public Procurement Bill in Parliament on 30 June 2023 after it was approved by Cabinet in May 2023. The National Assembly referred the tabled bill to SCOF for consideration. The standing committee then published the bill for written public comments during July/September 2023. SCOF conducted various oral public hearings based on written submissions from several stakeholders between September and November 2023. OCPO supported the standing committee process by submitting responses to written comments from stakeholders. After consideration of the written submissions, oral public hearings and deliberations, SCOF submitted a revised Public Procurement Bill to the National Assembly for consideration. The National Assembly passed the bill in December 2023 and referred it to the National Council of Provinces for consideration.

The National Council of Provinces referred the bill to the Select Committee on Finance for consideration. The select committee began its processes on 6 February 2024, which included a briefing within the committee, followed by briefings of the relevant committees of provincial legislatures. OCPO also participated in the physical public hearing sessions at several provincial sites conducted by the relevant committees of provincial legislatures. This took place from 15 February 2024 to 22 March 2024. The parliamentary process on the bill is expected will to be finalised before Parliament reconvenes.

During the reporting period, 40 transversal term contracts were facilitated against a targeted 13 contracts. The aim of these contracts is to ensure that the sourcing of goods and services brought about savings and achieved economies of scale through bulk purchasing. The contracts were arranged in sectors such as transport, medical services, educational services, voice and telecommunications, and clothing and textiles.

As OCPO intensifies its efforts to promote central procurement to benefit from economies of scale and reduce procurement efforts on common goods and services, it has taken over the facilitation of 11 new commodities in its portfolio.

Government's CSD continues to simplify and strengthen the accessibility of doing business with the state. During the reporting period, the platform had multiple improvements that included enhanced reports and strengthened system

integration with third-party systems. By the end of 2023/24, the system had 1 203 546 registered suppliers, of which 388 854 were women-owned, 329 604 were youth-owned and 9 921 were owned by people with disabilities.

The eTenders portal was also improved to have a resource centre that enables the publication of standard specifications. The online tender submission process was further improved to include the simplified publication of tender publication statistics on the "transparency" page. During the reporting period, 34 910 procurement opportunities were advertised on the platform. Through OCPO, the National Treasury published information on public sector procurement that was planned for the year.

Accountability was conferred to the accounting officer/authority of the organ of state in terms of PFMA SCM Instruction Note no. 3 of 2021/22. This meant that applications for departures from section 79 of the PFMA on the competitive process were conferred to the accounting officer/authority. The accounting officer/authority assesses applications for departure from the competitive process on reasonable and justifiable grounds. Such procurement is reported to the National Treasury in line with the relevant instruction note.

In the period under review, the office continued to advance transparency in the procurement process by publishing procurement information by other means and through contract variations. These publications foster public confidence in the public SCM system.

During the reporting period, 15 institutions were identified and attended SCM governance roadshows or visits. These institutions included, among others, Eskom, Transnet and the South African Broadcasting Corporation. The aim of the roadshows was to support institutions bound by the prescripts of the PFMA to overcome the challenges they experienced with implementing National Treasury norms and standards to enhance SCM governance and compliance. OCPO conducted bid committee training with PFMA and MFMA compliant institutions. A total of 7 504 delegates from 134 PFMA-compliant institutions attended the bid committee training, while 3 979 delegates from 208 MFMA-compliant institutions attended. The office regularly updates parliamentary committees on procurement-related matters related to organs of state.

The process to review, enhance, revise, edit, proofread, and package the strategic procurement framework was undertaken and concluded in 2023/24. The framework and good practice guides have been updated and packaged in a web-based format. A consultation process with the selected national and provincial institutions on the revised strategic procurement framework took place in November 2023 to ensure that stakeholders are appraised of the developments and the anticipated changes made to the framework. The revised framework has been enhanced to consider current SCM best practices and are aligned with the current procurement legislative regimes. They also accommodate eminent changes in the procurement field.

During the period under review, research was conducted and draft concept papers were produced on value for money, procurement of innovation, green/sustainable procurement, procurement methods and infrastructure procurement. The aim of the research was to identify gaps in the current processes, understand the global application of such concepts and see how they can be applied in the South African public procurement environment. The papers were concluded in draft formats and will undergo further development through engagements with stakeholders in 2024/25.

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Through the development of various sourcing strategies for client institutions over the years, 723 line item specifications for various commodity categories were developed. These specifications are hosted on the newly developed web-based specification library platform on the eTenders portal. Institutions that need to use them now have easy access.

The development of the government online travel booking solution was done in consultation with PAG. The consultation process continued until the department's budget adjustment impacted negatively on the project's funding. The national travel policy framework (now called the national travel framework) and cost-containment directives are currently under review, as recommended by the Minister of Finance.

Building an effective client support strategy has always been a priority of the division. During this reporting period, SCM forums continued to be conducted with national departments and provincial treasuries. These forums focused on shared experiences on compliance with SCM Instruction Note no. 9, which outlines the mandatory use of the eTenders portal by all organs of state.

Work continued with various higher education institutions. These partnerships led to the development of an SCM training programme through Enterprises University of Pretoria. The programme contributes to the ideas of the public service professionalisation framework through capacity building and skills development for SCM practitioners in the public sector. A review and inputs were provided to Tshwane University of Technology for SCM qualifications at the national diploma, bachelors, postgraduate and honours and master's level.

To further address the challenge of professionalisation in public procurement, a meeting was hosted with SAPICS, a professional body for supply chain professionals, to share experiences on challenges faced by public procurement. The discussions also involved funding options, including seeking grants from the Public Service Sector Education and Training Authority.

In support of government's goal of building an ethical and progressive state, OCPO participated in the anti-corruption national dialogue that was planned by the National Anti-Corruption Advisory Council in collaboration with the Presidency. The focus was on sharing the progress made by OCPO to improve the integrity and credibility of the public procurement system. An engagement discussion was hosted with Corruption Watch to deliberate on it 2023 report on procurement risk trends. The discussion and presentation took place at the Gauteng premier's office in the form of a webinar titled "Improved Integrity of the Public Procurement System to Ensure the Fair, Effective and Efficient use of public resources".

Through continued support and collaboration with SEDA, assistance was provided for the development of the 10-module eLearning course for enterprise and supplier development practitioners. The established community of practice includes OCPO with a workstream that focuses on the knowledge, skills requirements, and professional development of practitioners who are key players in the transformation of the public procurement agenda.

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS

APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/2022	AUDITED ACTUAL PERFORMANCE 2022/2023	PLANNED ANNUAL TARGET 2023/2024	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASON FOR DEVIATIONS
5.1.1	Sound financial controls and management of public finances	Public Finance Norms and Standards	Percentage of norms and standards developed	#	100%	100%	100%	N/A	N/A
5.1.2		Public Finance Governance Reports	Number of governance reports produced	50	64	32	56	24	Over-performance is attributed to an increased number of governance matters identified to improve financial management governance and compliance.
5.1.3		Public Finance Management Capacity Development Programmes Reports	Number of Public Finance Management Capacity Development Programmes progress reports produced	20	28	22	24	2	Over-performance is attributed to an increased demand for capacity development programmes to strengthen the implementation of both PFMA and MFMA reforms by public institutions

04 PERFORMANCE INFORMATION BY PROGRAMME

APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/2022	AUDITED ACTUAL PERFORMANCE 2022/2023	PLANNED ANNUAL TARGET 2023/2024	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASON FOR DEVIATIONS
5.1.4		Transversal systems available	Percentage availability of transversal systems	100%	100%	98%	100%	2%	Over-performance is attributed to the transversal systems remaining stable throughout the financial year, providing a predictable and reliable processing environment to all mainframe clients.
5.1.5		Statutory reports	Number of statutory reports produced	21	21	20	18	-2	Under-performance is attributed to delayed finalisation of the statutory reports due to inputs required.

PERFORMANCE INFORMATION BY PROGRAMME 04

APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/2022	AUDITED ACTUAL PERFORMANCE 2022/2023	PLANNED ANNUAL TARGET 2023/2024	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASON FOR DEVIATIONS
5.1.6		IFMS II plan implementation Reports	Implementation of the IFMS II plan	Functional and technical specifications of IFMS system not developed IFMS Generic template not developed Roll out of the generic template for accelerated implementation to Lead Sites and Pilot Sites not achieved	IFMS system not developed e-Recruitment module not implemented at Pilot Sites and Lead Sites	Roll-out of e-Recruitment module at 4 selected Depart-ments IFMS system developed	Roll-out of e-Recruitment module at 4 selected de-partments not achieved IFMS system not developed	Roll-out of e-Recruitment module at 4 selected de-partments not achieved IFMS system not developed	Under-performance is attributed to the key programme activities having been put on hold following a preliminary report on IFMS by SIU.
5.1.7	Sound financial controls and management of public finances	SCM compliance report	Number of quarterly compliance reports produced	4	4	4	4	N/A	N/A
5.1.8		Approved SCM directives	Percentage of approved SCM directives	100%	100%	100%	No opportunity to demonstrate	N/A	No policy interventions identified during this financial year.

04 PERFORMANCE INFORMATION BY PROGRAMME

APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/2022	AUDITED ACTUAL PERFORMANCE 2022/2023	PLANNED ANNUAL TARGET 2023/2024	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASON FOR DEVIATIONS
5.1.9		Progress reports on SCM institutional support	Number of progress reports on SCM institutional support programme conducted	#	4	4	3	-1	Underperformance is attributed to delays in the signing-off of a progress report due to greater internal engagements required.
5.1.10		Transversal term contracts	Number of transversal term contracts implemented	35	27	13	40	27	Over-performance is attributed to the initiation of planned contracts ahead of schedule and the decision to extend contracts that were expiring as an alternative sourcing strategy.
5.1.11		Strategic sourcing opportunities plan reports	Percentage implementation of the strategic sourcing opportunities plan	93%	98%	100%	82%	-18%	Underperformance is attributed to the uncertainty of the online booking tool project's continuity because of the proposed budget adjustments.

PERFORMANCE INFORMATION BY PROGRAMME 04

APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/2022	AUDITED ACTUAL PERFORMANCE 2022/2023	PLANNED ANNUAL TARGET 2023/2024	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASON FOR DEVIATIONS
5.1.12	Sound financial controls and management of public finances	Procurement legislation	Procurement legislation developed	#	Public Procurement Bill submitted to Cabinet	Draft Public Procurement Regulations produced	Draft Public Procurement Regulations not produced	Draft Public Procurement Regulations not produced	Underperformance is attributed to the Public Procurement Bill being in the parliamentary process during the period under review.

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

UNDER-PERFORMING INDICATORS AND ACTION PLANS

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS

APP#	OUTCOME	OUTPUT	OUTPUT INDICATOR	REASON FOR DEVIATION	ACTION PLAN
5.1.5	Sound financial controls and management of public finances	Statutory Reports	Number of statutory reports produced	Under-performance is attributed to delayed finalisation of the statutory reports due to inputs required.	Measures have been put in place to ensure finalisation of reports within the required timeframes.
5.1.6	Sound financial controls and management of public finances	IFMS II plan implementation Reports	Implementation of the IFMS II plan	Under-performance is attributed to the key programme activities having been put on hold following a preliminary report on IFMS by SIU.	NT is currently addressing the draft SIU report and has made submissions to the SIU in this regard.
5.1.9	Sound financial controls and management of public finances	Progress reports on SCM institutional support	Number of progress reports on SCM institutional support programme conducted	Underperformance is attributed to delays in the signing-off of a progress report due to greater internal engagements required.	Measures have been put in place to ensure finalisation of internal engagements within the required timeframes.
5.1.11	Sound financial controls and management of public finances	Strategic sourcing opportunities plan reports	Percentage implementation of the strategic sourcing opportunities plan	Underperformance is attributed to the uncertainty of the online booking tool project's continuity because of the proposed budget adjustments.	Effect of budget adjustments are being deliberated on within the department's internal process.
5.1.12	Sound financial controls and management of public finances	Procurement legislation	Procurement legislation developed	Underperformance is attributed to the Public Procurement Bill being in the parliamentary process during the period under review.	The Draft Public Procurement Regulations are envisaged to be drafted in 2024/25.

CHANGES TO PLANNED TARGETS

There were no changes to planned targets for the period under review.

LINKING PERFORMANCE WITH BUDGETS

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS	2022 / 23 FINANCIAL YEAR			2023 / 24 FINANCIAL YEAR		
	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
Programme Management for Financial Accounting and Supply Chain Management Systems	121 193	41 773	79 420	8 620	8 400	220
Pm For Procurement Office				51 926	49 914	2 012
Office of the Chief Procurement Officer	121 193	41 773	79 420	83 022	79 229	3 793
Financial Systems	451 145	317 572	133 573	377 299	333 764	43 535
Financial Reporting for National Accounts	113 013	111 265	1 748	115 252	114 391	860
Financial Management Policy and Compliance Improvement	132 316	122 168	10 148	135 125	118 907	16 217
Service Charges: Commercial Banks	325	297	28	336	277	59
Audit Statutory Bodies	50 000	50 000	-	50 000	50 000	-
Total	**946 132**	**716 652**	**229 480**	**821 580**	**754 884**	**66 696**

04 PERFORMANCE INFORMATION BY PROGRAMME

4.6 PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

Purpose: Advocate for South Africa's financial, economic and developmental interests in forums regionally and globally.

INSTITUTIONAL OUTCOMES

Coherent economic policy advocated

SUB-PROGRAMMES

Programme Management for International Financial Relations

This subprogramme supports the planning, monitoring and delivering of the programme's activities. The unit oversees South Africa's representation in international and regional financial institutions and organisations; manages bilateral and multilateral relationships on behalf of the National Treasury; and plans, implements and monitors work 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 and organisations. This entails working through key economic institutions and forums such as the African Development Bank, the United Nations Economic Commission for Africa, the AU and related specialised technical committees, the SADC Project Preparation and Development Facility, the G20, BRICS and the IMF.

African Integration and Support

This subprogramme serves mainly as a vehicle to enable the National Treasury to engage with Africa through SACU, the SADC and the AU. The focus is on pursuing regional integration objectives around resource mobilisation, adherence to prudent policies and laying the foundation for long-term economic development through, among other things, infrastructure investment. Engagement with Africa includes strengthening bilateral relations with key countries. This subprogramme is responsible for the transfer of payments to countries in the Common Monetary Area.

International Development Funding Institutions

This subprogramme provides for subscriptions and contributions to international development institutions, organisations, and multilateral banks. It transfers funds to the African Development Bank and the WBG for buying shares and subscriptions contributing to general and selective increases in the authorised capital of the WBG and the African

Development Bank, which in turn allows South Africa to access loan financing from these institutions. Contributions are also made to the African Development Fund and the International Development Association, and through providing concessional loans and grants to low-income countries.

International Projects

This subprogramme transfers funds to international projects and interventions. It supports priorities such as building capacity and providing support to disaster-hit and impoverished areas. To this end, the National Treasury contributes to the IMF-supported AFRITAC South, the African Institute for Economic Development and Planning, the Collective Africa Budget Reform Initiative, the Commonwealth Fund for Technical Cooperation and the International Finance Facility for Immunisation. The facility transfers funds to Gavi (the Vaccine Alliance), a public-private global health partnership aimed at supporting healthcare 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 reporting period, the division continued to manage South Africa's interests in shaping regional and global policies that advance the economic, financial and development objectives of the country and Africa.

Africa

Through the National Treasury, South Africa participates in the committee of 15 finance ministers (F15) of the AU. The F15 is the only group that has the capacity to hold the AU Commission accountable, and ensure value for money and transparency within the AU budget. The department is responsible for advancing positions of national interest within the AU specialised technical committee of ministers of finance, economic planning and development and monetary affairs.

Although participation in the F15 is intended to rotate every three years, this has not been applied since 2016 due to a delay in approving the F15 rules of procedure. This was due to the request by tier 1 countries (South Africa, Nigeria, Egypt, Morocco and Algeria) to be permanent members of the F15. In July 2023, the executive council directed that the F15 ministerial committee convene with at least three ministers of finance in attendance to finalise the F15 rules of procedure. However, this remains incomplete as the F15 secretariat is yet to convene the requested meeting. As such, South Africa continues to participate in the F15 committee until the rules are finalised.

During the reporting period, the National Treasury participated in negotiations for the new scale of assessment to be applied from 2024 to 2026. The outcome of the negotiations was to continue applying the 2020-2023 scale of assessment from 2024 to 2026. As such, over the next three years, as a tier 1 country, South Africa will continue to contribute 7.5 per cent of the member states contributions to the AU budget.

04 PERFORMANCE INFORMATION BY PROGRAMME

With SARB, the National Treasury further participates in the AU specialised technical committee of ministers of finance, economic planning and development, and monetary affairs to advance South Africa's position on the establishment of AU financial institutions. A feasibility study to assess the possibilities of establishing all AU financial institutions within the context of the current economic environment in Africa, in line with the AU Constitutive Act, is yet to be concluded. An external expert was commissioned in 2023/24 to undertake the study in 2024/25.

SACU

The DTIC is the national focal point on matters relating to SACU, with the National Treasury and SARS providing support. National Treasury is responsible for the programme on the finance track led by finance ministers from the SACU region.

The National Treasury manages the common revenue pool in terms of the 2002 SACU agreement. As part of this work programme, the department has participated in the 2023/24 trade data reconciliation task team meetings. These meetings are held to determine SACU revenue shares for member states, as well as the budget for the SACU secretariat.

The division exercised oversight by ensuring effective financial governance of the SACU secretariat by participating in the quarterly finance, risk and audit committee meetings. In addition, during the period under review, the division oversaw the implementation of SACU's 2023/24 budget and business plan, and the approval of its 2023/24 internal audit plan. The work included finalising the costed implementation plan of the 2022 SACU strategic plan and overseeing a review of the secretariat pay structure. The division also oversaw the pay philosophy and a review of SACU's organisational structure. In 2023/24, support was provided to the Minister of Finance and President during the 5th Ministerial Retreat and SACU Summit to advance South Africa's position.

The division is also responsible for the Common Monetary Area, which facilitates South Africa's relations with Eswatini, Lesotho and Namibia as governed by the Multilateral Monetary Area. During the reporting period, a payment of R1.4 billion to Eswatini, Lesotho and Namibia was made for the treatment of the South African rand as legal tender. A work programme for Common Monetary Area's council was drafted together with SARB and Eswatini, the current chair of the Common Monetary Area.

SADC

South Africa's engagement within SADC's macroeconomic convergence programme and all finance track work was managed, as informed by the SADC finance and investment protocol. This included engaging in meetings of the ministers of finance and investment, and the peer-review panel comprising central bank governors and ministers of finance. In addition, a peer-review mission was undertaken with SARB to assess the performance of Malawi's economy against primary, secondary and tertiary indicators of the SADC macroeconomic convergence programme criteria. The final report was presented to the peer-review panel in July 2023.

During the period under review, work was conducted in the reprioritisation of projects of the 2020-2030 regional indicative strategic development plan. The development plan will serve as SADC's framework and long-term implementation plan until 2029. Work continued on strengthening good financial management in the SADC secretariat through the

division's participation in the finance committee meetings. The reports of the finance committee were approved at council meetings that were held in August 2023 and March 2024.

The division finalised South Africa-AFRITAC South memorandum of commitment for the third phase of the project (2023/24-2027/28).

BRICS group

South Africa chaired the BRICS presidency from January-December 2023. The National Treasury, with SARB, led and represented South Africa in the BRICS finance track, with focus on the following priorities: global economy and multilateral cooperation, infrastructure and PPPs, mutual cooperation on customs and taxes, and the think tank network on finance. Progress on the implementation of these priorities was captured in the joint statement of BRICS finance ministers and central bank governors, which was published during the BRICS Leaders' Summit in Johannesburg in August 2023.

New Development Bank

Since becoming a member of the New Development Bank in 2015, South Africa has secured project loan funding amounting to US$6.2 billion for various sectors, of which US$3.6 billion has been disbursed. This includes a notable loan of US$1 billion to Transnet, which was approved during the period under review.

Asian Infrastructure Investment Bank

On 10 December 2023, South Africa became a non-regional member of the Asian Infrastructure Investment Bank. The National Treasury made a capital contribution of US$1 million for 50 shares and US$4 million for callable capital. This is the minimum number of shares a country can subscribe, for a total of 2 076 votes. The bank invests across infrastructure and other productive sectors, which gives South Africa an opportunity to access funding.

G20

During the reporting period, the National Treasury led South Africa's effective engagement and coordination with the finance track of the G20. In doing so, it advocated for the country's economic and financial interests.

Support was provided to the President's successful engagement at the New Delhi G20 Summit in September 2023. A the summit, South Africa emphasised the need to:

- strengthen multilateral cooperation in addressing food and energy insecurity, and emphasised Africa's support for a discussion on policy options to address the effects of volatility in food and energy markets
- reform multilateral development banks to evolve and address the challenges of the 21st century. However, safeguarding the country-led model must remain a priority in the evolution discussion as well as ensuring that the WB's programmes are supportive of national development priorities
- improve the implementation of the common framework for debt treatments, and a speedy resolution and finalisation of the debt treatment for Zambia

04 PERFORMANCE INFORMATION BY PROGRAMME

- enhance and expand global partnership for sustainable development, which is supported by the concrete policies and actions outlined in the Addis Ababa Action Agenda on financing for development.

In the period under review, the division supported the G20 Compact with Africa initiative, which aims to stimulate economic activity in African economies. Thus far, 13 African countries have been enrolled since its launch in 2017, with the South African and German finance ministries co-chairs. South Africa co-chaired the Africa Advisory Group meeting with Germany on 16 November 2023. At the meeting, the Democratic Republic of Congo was welcomed as the 13th member of the Compact with Africa programme. The meeting also took note of the rising interest of other countries to enrol.

In the discussions on support for vulnerable countries, South Africa advocated for the G20 to commit to increasing its efforts to implement the G20 common framework for debt treatment in a timely, orderly and coordinated manner. South Africa has participated in the official creditor committee for Zambia as vice-chair, with France and China as co-chairs. South Africa is also participating as an official creditor in the official creditor committees of Ethiopia and Ghana.

Since 2022, South Africa has participated as a prospective member in meetings of the Paris Club. This provides the organisation with a sub-Saharan African perspective on global and regional developments in debt sustainability. As a prospective member, South Africa is able to attend all Paris Club meetings in their entirety, but all information shared at these meetings remains confidential. A prospective member has generally the same obligations as an ad hoc participant and is expected to take additional steps to share data and participate in debt workouts on its way to formal integration.

IMF

During the reporting period, the National Treasury successfully sustained the dialogue between South Africa and the IMF, including coordinating the IMF staff visit from 27 November to 1 December 2023. South Africa also had an IMF article IV consultation from 1-17 March 2023. South Africa's article IV report was published on 6 June 2023.

To magnify the impact of the IMF's general special drawing rights allocation of US$650 billion in August 2021, South Africa has been advocating for countries with strong external positions to voluntarily channel a share of their allocations to help vulnerable low-income and middle-income countries. In this regard, during the period under review, South Africa supported the global ambition to reallocate the US$100 billion in special drawing rights allocations to vulnerable countries. This ambition has now been met. South Africa has also been advocating for these allocations to rechannelled to multilateral development banks to magnify its developmental impact. The IMF board is considering this proposal.

A major achievement was reached during the period under review regarding IMF governance reforms in the IMF's International Monetary and Financial Committee. This entailed supporting a 25th board chair being allocated as a third chair for sub-Saharan Africa at the IMF/WBG annual meetings in October 2023. Before this, South Africa had been calling for a third chair for sub-Saharan African for more than a decade.

PERFORMANCE INFORMATION BY PROGRAMME 04

OECD

South Africa's relations with the OECD are carried out through the enhanced engagement method. This aims to augment the participation of major emerging markets and developing economies in the daily work of the OECD. This augmentation is achieved by fostering collaboration and promoting the sharing of perspectives and policy approaches with OECD bodies, adhering to OECD legal instruments and integrating with the OECD's statistical databases and policy indicators.
During the reporting period, the Minister of Finance, on behalf of the South African government, signed a memorandum of understanding on cooperative activities and a joint work programme with the OECD. The memorandum establishes a comprehensive framework of cooperation across various policy areas to advance the implementation of the NDP and MTSF, emphasising inclusive growth, job creation and reducing inequality.

Spanning five years with joint reviews every two years, the joint work programme focuses on five key areas: inclusive growth and competitiveness, SMME development, trade and investment promotion, skills development and institutional strengthening.

World Economic Forum

Support was provided to the Minister of Finance, who led the South African government delegation to the annual meeting of the World Economic Forum. The delegation, which included government ministers and business representatives from across the world, presented the country's policies and positions on domestic and international lobal issues. The delegation also highlighted investment opportunities to attract foreign investment, foster partnerships and showcase South Africa's commitment to sustainable economic growth and innovation.

Concessional finance

The concessional fund of the WBG was supported through South Africa's engagement in the International Development Association. The association established a crisis facility to provide additional resources to member countries, specifically African countries affected by compounding and overlapping global crises. Through participation in the mid-term review by the National Treasury, key priorities such as job creation and private sector development were retained as priority areas for the remaining IDA-20 period.

In 2023/24, the division supported South Africa's effective engagement in the African Development Fund, which is the concessional fund of the African Development Bank. Through South Africa's active engagement, the fund's governors agreed to market borrowing as a source of finance to available concessional resources for low-income African countries. The ADF17 working group focused on critical issues such as debt sustainability in African countries, as well as the fund's grant compensation mechanism in preparation for the ADF17 replenishment discussions, which are expected to take place in 2025.

04 PERFORMANCE INFORMATION BY PROGRAMME

Climate change

The division supported the National Treasury's participation in the just energy transition partnership, working closely with the project management unit that was established to coordinate the implementation of the partnership's investment plan. A key outcome of this work was the delivery of the just energy transition implementation plan that was launched ahead of the COP28 Summit in December 2023. The division also led South Africa's participation in the finance discussions in the United Nations Framework Convention on Climate Change at the COP28 Summit, which saw the conclusion of the first Global Stock Take. It also provided guidance to the operating entities of the financing mechanism and the establishment of an ad hoc work programme for 2024. The purpose of the programme was to take forward negotiations on the new collective quantified goal for climate finance, which is expected to be approved at the COP29 Summit in November 2024.

During the period under review, the division provided support for the Minister of Finance's participation in international platforms, meetings and events regarding international climate finance issues and South Africa's just energy transition. The National Treasury's participation in the review of proposals to international climate funds, including the Green Climate Fund and the Global Environmental Fund, was facilitated.

The National Treasury received a US$500 000 grant allocation from the Sustainable Energy Fund for Africa in 2023/24. The fund is managed by the African Development Bank to provide technical assistance to support policy and technical work underpinning the just energy transition.

MULTILATERAL DEVELOPMENT BANKS

WB

During the period under review, continued support was provided to the Minister of Finance in his role as WB governor. This was done to successfully advance the positions of South Africa and African countries within the context of WB discussions. This included South Africa's active participation in the biannual meetings of the WB board of governors, as well as supporting the work of South Africa's constituency at the WB. A key area of discussion in the reporting period was the WB's evolution roadmap, which highlighted the crucial need to translate the WBG's vision into meaningful and impactful outcomes for developing countries.

The South Africa country partnership framework for the period 2022-2026, which underpins the collaboration between South Africa and the WBG, saw a significant deepening of the bank's partnerships and its convening role for scaled-up impact. In addition, during the period under review, there was a major reorientation of the group's engagement with the South African government, from a knowledge-focused to a broader knowledge and financing partnership. As such, the bank's support deepened in key sectoral reform and geographical areas, including network infrastructure for energy and a just transition, transport and sub-national engagement.

PERFORMANCE INFORMATION BY PROGRAMME 04

The growing financing portfolio with the International Bank for Reconstruction and Development was made apparent by the approval of South Africa's request for US$1 billion in 2023/24. These funds were granted to support South Africa's just energy transition, as outlined in the just energy transition investment plan. This represents the second development policy operation that was directly provided to the National Treasury. The International Bank for Reconstruction and Development facility enables the National Treasury to raise funding at very affordable rates, thereby assisting in reducing government's public debt burden.

African Development Bank

In 2023/24, the division continued to support the Minister of Finance in his role as governor of the African Development Bank to advance South Africa's positions. This included South Africa's active participation in the annual meetings of the bank's board of governors, as well as supporting the work of South Africa's constituency at the bank.

In October 2023, through the National Treasury, South Africa received development policy financing – a programme-based operation of US$ 300 million that supports the South Africa energy governance and climate resilience programme.

ROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/2022	AUDITED ACTUAL PERFORMANCE 2022/2023	PLANNED ANNUAL TARGET 2023/2024	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASON FOR DEVIATIONS
6.1.1	Coherent economic policy ad-vocated	Economic surveillance response-reports	Percentage of economic surveillance reports responded to	100%	100%	100%	100%	N/A	N/A
6.1.2		Advocacy forums	Number of advocacy forums hosted for uptake of development finance	1	3	2	2	N/A	N/A
6.1.3		Country partnership framework progress reports	Number of country partnership framework progress reports produced	3	2	2	2	N/A	N/A
6.1.4		Engagement strategies and priorities developed	Number of engagement strategies and priorities developed	N/A	2	2	3	1	Over-performance is attributed to the IMF third chair strategy being approved earlier that anticipated.

PERFORMANCE INFORMATION BY PROGRAMME 04

APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/2022	AUDITED ACTUAL PERFORMANCE 2022/2023	PLANNED ANNUAL TARGET 2023/2024	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASON FOR DEVIATIONS
6.1.5		Outcomes of South Africa's engagements in regional and global forums analysis reports	Number of analysis reports on the outcomes of South Africa's engagements in regional and global forums produced	1	1	1	1	N/A	N/A
6.1.6		Policy positions	Percentage of policy positions developed	100%	100%	100%	100%	N/A	N/A

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE (INDICATORS AND ACTION PLANS)

No under-performance.

CHANGES TO PLANNED TARGETS

There were no changes to planned targets for the period under review.

LINKING PERFORMANCE WITH BUDGETS

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS	2022 / 23 FINANCIAL YEAR			2023 / 24 FINANCIAL YEAR		
	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
Programme Management for International Finan-cial Relations	15,787	14,657	1,130	15,787	14,657	1,130
International Economic Cooperation	40,527	35,127	5,400	40,527	35,127	5,400
African Integration and Support	1,537,974	1,505,453	32,521	1,537,974	1,505,453	32,521
International Development Funding Institutions	1,132,829	1,126,550	6,279	1,132,829	1,126,550	6,279
International Projects	26,995	25,871	1,124	26,995	25,871	1,124
Total	**2,754,112**	**2,707,658**	**46,454**	**2,754,112**	**2,707,658**	**46,454**

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.

INSTITUTIONAL OUTCOMES

- Sound financial control and management of public finances.

SUBPROGRAMMES

Civil Pensions and Contributions to Funds

This subprogramme – comprising post-retirement medical benefits, injury-on-duty and special pensions – provides for medical subsidies to retired civil servants and pension payments to injured and disabled civil servants, to the beneficiaries of deceased civil servants and to former struggle veterans.

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.

SERVICE DELIVERY OBJECTIVES AND INDICATORS

Recent outputs

The programme achieved 100 per cent against the targeted 99 per cent for payments of validated benefits within stipulated timeframes. The programme paid out R6.6 billion in 2023/24 compared to R6.7 billion in 2022/23. This is attributed to the recapitalisation of GEMS that was paid in 2022/23 that did not apply in 2023/24. The number of pensioners and beneficiaries increased by 4.4 per cent, from 168 469 in 2022/23 to 179 894 in 2023/24. This increase is attributed partly to an 8 per cent increase in post-retirement medical subsidy pensioners and beneficiaries from 147 568 in 2022/23 to 159 379 in 2023/24.

04 PERFORMANCE INFORMATION BY PROGRAMME

By maintaining continuous monitoring and data cleansing, the programme achieved a 99.99 per cent resolution of the integrity of data against the target of 99 per cent. For fraudulent claims, the programme achieved a 99.99 per cent reduction against the targeted 98 per cent. This is attributed to effective and adequate internal controls and mitigating risks in the value chain.

Stakeholder Relations

Roadshows and member education drives were implemented in all provinces in the following areas:

North West (Klerksdorp); Limpopo (Burgersford); KwaZulu-Natal (Richards Bay and Vryheid); Free State (Parys); Mpumalanga (Kwa Mhlanga); Northern Cape (Kuruman); Western Cape (Hermanus): Eastern Cape (Gqeberha) and Gauteng (Hammanskraal and Ga-Rankuwa).

Focus areas in 2024/25:

To increase efficiencies and enhance service delivery, the technology innovation project for post-retirement medical subsidies and injury-on-duty claims in progress. This project will de-link the processing of claims for post-retirement medical subsidies from the pension claims process to improve turnaround times for processing medical subsidy claims. The automation of the injury-on-duty award lodgement system will ensure that payment is made to beneficiaries and dependants within shorter turnaround times.

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

APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/2022	AUDITED ACTUAL PERFORMANCE 2022/2023	PLANNED ANNUAL TARGET 2023/2024	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASON FOR DEVIATIONS
7.1.1	Sound financial control and management of public finances	Validated benefits payment reports	Percentage of benefits validated paid within liable dates	99.9%	99.9%	99%	100%	1%	Over-performance is attributed to continuous monitoring of production statistics and maintain the momentum of the team performance.
7.1.2		Fraudulent claims reports	Percentage reduction of fraudulent claims	100% fewer fraudulent claims than 2020/21	99.9% fewer fraudulent claims than 2021/22	98% fewer fraudulent claims than 2022/23	99.99% fewer fraudulent claims than 2022/23	1.99%	Over-performance is attributed to proactive review and checking of benefit claims with the assistance of the Forensic unit marriage and beneficiary validations
7.1.3		Exceptions report	Percentage integrity of client data	100%	99.9%	99%	99.99%	0.99%	Over-performance is attributed to continuous monitoring of programme membership, identifying exceptions and addressing these promptly.

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE (INDICATORS AND ACTION PLANS)

No under-performance.

CHANGES TO PLANNED TARGETS

There were no changes to planned targets for the period under review.

LINKING PERFORMANCE WITH BUDGETS

PROGRAMME 7: CIVIL AND MILITARY PENSIONS CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS	2022 / 23 FINANCIAL YEAR			2023 / 24 FINANCIAL YEAR		
	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
Government Pensions Administration Agency	12 604	10 076	2 528	62,482	62,481	1
Civil and Pensions Funds	34 355	30 529	3 826	6,373,436	6,373,367	69
Military Pensions and Other Benefits	1 665 690	1 664 242	1 448	223,820	223,817	3
Total	**1 119 684**	**1 119 326**	**358**	**6,659,738**	**6,659,665**	**73**

PART B

PERFORMANCE INFORMATION

TRANSFER PAYMENTS

2023/24

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05 TRANSFER PAYMENTS

5.1 TRANSFER PAYMENTS TO PUBLIC ENTITIES

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 GRAP standards	14 569	14 569	Refer to general information on public entities reporting to the Minister of Finance
2. Co-operative Banks Development Agency	Regulate, promote and develop cooperative banking, including de-posit-taking and lending cooperatives	20 831	20 831	Refer to general information on public entities reporting to the Minister of Finance
3. Financial and Fiscal Commission	Assist and maintain the balance between fiscal decentralisation and the unitary state	63 839	63 839	Refer to general information on public entities reporting to the Minister of Finance
4. Financial Intelligence Centre	Assist in the identification of unlawful activities, combating money-laundering activities and the financing of terrorism	316 820	316 820	Refer to general information on public entities reporting to the Minister of Finance
5. Government Technical Advisory Centre	Support public finance management through professional advisory services, programme and project management and transaction support	75 619	75 619	Refer to General Information Public Entities reporting to Minister
6. Independent Regulatory Board for Auditors	Registration of auditors and regulation of the training of public accountants and auditors	45 684	45 684	Refer to general information on public entities reporting to the Minister of Finance
7. South African Revenue Service*	Efficient and effective collection of revenue	11 635 781	11 635 781	Refer to general information on public entities reporting to the Minister of Finance

***The OTO receives transfers through SARS**

5.2 TRANSFER PAYMENTS TO ALL ORGANISATIONS OTHER THAN PUBLIC ENTITIES

NAME OF TRANSFEREE	TYPE OF ORGANISATION	PURPOSE FOR WHICH THE FUNDS WERE USED	COMPLIANCE WITH PFMA SECTION 38 (1) (J)	AMOUNT TRANSFERRED (R'000)	AMOUNT SPENT BY THE TRANSFEREE (R'000)	REASONS FOR UNSPENT FUNDS
8. African Regional Technical Assistance Centre	Foreign and International organization	Provide technical assistance and cooperation in core macroeconomic and financial management	Yes	–	–	N/A
9. Common Monetary Area Compensation	Foreign and International organization	Compensate the contracting parties of the multilateral monetary agreement for rands in circulation	Yes	1 622 143	1 622 143	N/A
10. International Finance Facility for Immunization-Donations and Gifts	Foreign and International organization	Support healthcare, particularly the provision of vaccines to reduce the number of vaccine preventable deaths among children in low-income countries	Yes	18 030	18 030	N/A
11. Institute for Development and Economic Planning	Foreign and International organization	Improve public sector management and development planning in support of member states' structural transformation	Yes	1 262	1 262	N/A
12. African Development Bank & Fund	Foreign and International organization	Provide financial and capacity-building support to low-income countries that are members of the African Development Bank and the WB, respectively	Yes	77 667	77 667	N/A
13. Collaborative African Budget Reform Initiative	Foreign and International organization	Provide capacity building in Africa's financial sector management, budget reform and governance through South Africa's contribution	Yes	2 553	2 553	N/A
14. Common-wealth Fund for Technical Cooperation	Foreign and International organization	Provide support for common secretarial goals and programmes on annual basis	Yes	6 432	6 432	N/A
15. United Kingdom Tax	Foreign and International organization	These are members locally recruited and ap-pointed or deemed to have been appointed under section 1 of the Diplomatic Mission in United Kingdom Service Act (1961)	Yes	635	635	N/A

05 TRANSFER PAYMENTS

NAME OF TRANSFEREE	TYPE OF ORGANISATION	PURPOSE FOR WHICH THE FUNDS WERE USED	COMPLIANCE WITH PFMA SECTION 38 (1) (J)	AMOUNT TRANSFERRED (R'000)	AMOUNT SPENT BY THE TRANSFEREE (R'000)	REASONS FOR UNSPENT FUNDS
16. World Bank	Foreign and International organization	Provide concessional loans and grants to low-income countries	Yes	63 289	63 289	N/A
17. New Development Bank Project Preparation Fund	Foreign and International Organization	Project support to New Development Bank regional office	Yes	18 228	18 228	N/A
18. Financial Intermediary Fund	Foreign and International Organization	Support low-income and middle-income countries in preparing, preventing and responding to future pandemics	Yes	38 285	38 285	N/A

Transfer payments were made in respect of all transfer payments budgeted for.

PART B

PERFORMANCE INFORMATION

CONDITIONAL GRANTS

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06 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: PROGRAMME PROJECT PREPARATION SUPPORT GRANT

TRANSFERRING DEPARTMENT: NATIONAL TREASURY	
Purpose of the grant	Support metropolitan municipalities to develop a pipeline of investment-ready capital programmes and projects through establishing and institutionalising an effective and efficient system of programme and project preparation, and allocating adequate municipal resources for preparation activities.
Expected outputs	• Effective and transparent system for project approvals (clearly defined authorising environment) in metropolitan municipalities. • Increased investment in programme and project preparation by metropolitan municipalities. • Credible pipeline of bankable projects developed by metropolitan municipalities. • Improved project partnerships between metropolitan municipalities and the private sector. • Number of feasibility studies/strategies completed. • Long-term programmes/projects to attract private investment and improve metropolitan municipalities' revenue collection.
Outputs achieved	• 4 cities have functioning authorising environments (City of Ekurhuleni, City of Cape Town, City of Tshwane, City of Johannesburg). Other cities are in progress. • Increased investment in programme and project preparation by metropolitan municipalities. • Eight workplans were developed with a credible pipeline of bankable projects.
Amount per amended Division of Revenue Act	R318.7 million
Amount received	R318.7 million
Reasons if amount as per Division of Revenue Act not received	N/A
Amount spent by the department/ municipality	R318.7 million was transferred to eight metropolitan municipalities
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	N/A
Measures taken to improve performance	Panel for professional service providers set up for any metro requiring technical assistance.
Monitoring mechanism by the receiving department	• Submit a work plan of activities related to establishing and institutionalising programme and project preparation. • Compile and submit monthly and quarterly expenditure and progress reports in line with neighbourhood development partnership grant requirements and as stipulated in the 2022 Division of Revenue Act. • Engage stakeholders to develop partnerships that leverage funding into the targeted locations. • Implement the work plan and report on progress.

CONDITIONAL GRANT 2: INFRASTRUCTURE SKILLS DEVELOPMENT GRANT

DEPARTMENT WHO TRANSFERRED THE GRANT: NATIONAL TREASURY	
Purpose of the grant	Recruit unemployed graduates into municipalities, to be trained and professionally registered with the relevant statutory councils in the built environment.
Expected outputs of the grant	• Number of built environment graduates in training and registered as candidates for professional registration with the relevant statutory councils. • Number of graduates registered as professionals by the relevant statutory councils. • Number of graduates employed as registered professionals in the built environment in local government.
Outputs achieved	• During the reporting period, 357 graduates were in training. • From 2012/13 to 2023/24, a cumulative total of 396 graduates have successfully completed training and are registered as professionals. The cumulative output is reflected as recruitment is not conducted on an annual basis as it is a three-year graduate training programme. Graduates exit the programme on completing all the requirements and competencies of the respective statutory councils for professional registration. • From 2012/13 to 2023/24, 310 graduates have been permanently employed in municipalities and across other sectors.
Amount per amended Division of Revenue Act	R151.4 million
Amount received	R151.4 million
Reasons if amount as per Division of Revenue Act not received	N/A
Amount spent by the department/ municipality	• R151.4 million was transferred to municipalities receiving the infrastructure skills development grant. • Municipalities spent R115.9 million out of R151.4 million.
Reasons for the funds unspent by the entity	Spending was affected by slow recruitment of graduates by municipalities.
Reasons for deviations on performance	N/A
Measures taken to improve performance	Municipalities to increase the number of graduates recruited. Graduates will be enrolled to attend the relevant courses and training.
Monitoring mechanism by the receiving department	• Municipalities submit monthly, quarterly, and annual reports reflecting their financial and non-financial performance. • The National Treasury hosts infrastructure skills development grant workshops with municipalities to discuss spending progress and continuously provides support and guidance towards the implementation of the grant.

06 CONDITIONAL GRANTS

CONDITIONAL GRANT 3: NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT

DEPARTMENT WHO TRANSFERRED THE GRANT: NATIONAL TREASURY	
Purpose of the grant	Plan, catalyse and invest in targeted locations to attract and sustain third-party capital investments aimed at spatial transformation. This towards the end of improving the quality of life and access to opportunities for residents in South Africa's targeted locations (underserved neighbourhoods, generally townships and rural towns).
Expected outputs of the grant	• 35 catalytic projects. • 6 investment plans. • 8 public employment programme business plans.
Outputs achieved	• 40 catalytic projects approved at municipal year-end. • 6 investment plans approved at year-end. • 8 public employment programme business plans
Amount per amended Division of Revenue Act	Schedule 5B: R1.3 billion; schedule 6B: R189.3 million
Amount received (R'000)	Schedule 5B: R1.3 billion; schedule 6B: R189.2 million.
Reasons if amount as per Division of Revenue Act not received	N/A
Amount spent by the department/ municipality	• Schedule 5B: R1.3 billion • Schedule 6B: R189.2 million
Reasons for the funds unspent by the entity	For Schedule 6B, R155 000 was unspent because of delays in work deliverables in some of the participating municipalities. These funds were paid back to the National Revenue Fund.
Reasons for deviations on performance	Over-performance is attributed to the multiyear project pipeline being approved to ensure project continuity and alignment with multiyear planned project cash flows reflected in MTEF budgets.
Measures taken to improve performance	Application of the baseline management process based on cash flows and work plans and associated timelines, including support for alignment.
Monitoring mechanism by the receiving department	Actual spend measured against baseline management cash flows, public employment programme business and implementation plans, investment planning review sessions and work plans.

CONDITIONAL GRANT 4: LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT

TRANSFERRING DEPARTMENT: NATIONAL TREASURY	
Purpose of the grant	Promote and support reforms in financial management by building capacity in municipalities towards implementing the MFMA.
Expected outputs of the grant	Implement the graduate internship programme, upgrade reporting systems, implement asset management reforms and accounting standards, prepare financial statements, develop audit action plans to improve outcomes and the financial management capability majority model.
Outputs achieved	Funds were transferred to 257 municipalities.
Amount per amended Division of Revenue Act	R568.6 million
Amount received	R568.6 million
Reasons if amount as per Division of Revenue Act not received	N/A
Amount spent by the department/ municipality	• R568.6 million was transferred to municipalities. • Municipalities spent R323.5 million.
Reasons for the funds unspent by the entity	The municipal financial year begins in July and ends in June, which is different from the national financial year (April to March). As such, for 2023/24, municipalities have three additional months (April, May and June) to spend grant funds. Municipalities' cash flow projections indicate that the bulk of the funds will be spent between April and June
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	Municipalities are required to submit support plans prior to the commencement of their new financial year. The plan entails priority areas using the grant. Thereafter, municipalities are required to submit monthly and quarterly reports.

6.2 CONDITIONAL GRANTS AND EARMARKED FUNDS RECEIVEDPAID

No conditional grants and earmarked funds were received.

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PART B

PERFORMANCE INFORMATION

DONOR FUNDS

DONOR FUNDS 07

7.1 DONOR FUNDS RECEIVED

DONOR FUND: European Union (EU)

Name of donor	European Union (EU): Public financial management capacity development programme for Improved service delivery in South Africa, also referred to as the financial management capacity development programme for improved service delivery.
Full amount of the funding	€15 million
Period of the commitment	2018-2024
Purpose of the funding	Improve public finance management and participatory decision-making in all spheres of government, with a focus on the local government sphere.
Expected outputs	• Key result area 1: Increased professionalisation of public financial management in all spheres of government (national, provincial and local). • Key result area 2: Enhanced capacity of provincial treasuries to perform their roles related to provincial departments and municipalities. • Key result area 3: Improved capacity of municipalities to manage public funds and deliver services.
Outputs achieved	• The programme came to an end in March 2024. • 3rd Public Financial Management Conference held in September 2023. • Roll out and support of the iDevelop programme. • Rollout of several public finance management training programmes and system development.
Amount received in current period (R'000)	No funds were received from the European Union during in 2023/24, but the National Treasury used the remaining funds that were underspent in previous years.
Amount spent by the department (R'000)	R6.6 million (programme estimate)
Reasons for the funds unspent	Funds were unspent due to the inability to appoint a programme coordinator for the closeout period. The monitoring and evaluation director resigned and was not replaced.
Monitoring mechanism by the donor	• Quarterly progress reports approved by the National Treasury capacity-building steering committee. • Yearly implementation report. • Annual expenditure verification.

07 DONOR FUNDS

DONOR FUND: General Budget Support 5th Call to Municipalities

Name of donor	European Union
Full amount of the funding	R322 million
Period of the commitment	2020/21-2023/24
Purpose of the funding	• Enhance and promote local economic development mechanisms in identified municipalities.
Expected outputs	• Improved waste management in the Buffalo City Metro, starting with Duncan Village. • Ease of doing business environment within the KwaDukuza municipality. • Implement a supervisory control and data acquisition system that will ensure a stable and reliable electricity supply for the residents of KwaDukuza municipality. • Increase agricultural production within the Nyandeni municipality. • Transition Marburg Motor Mechanics Automotive Cooperative in Ray Nkonyeni local municipality to a state-of-the-art mechanical workshop. • Enhance economic governance and infrastructure within the Sol Plaatje local municipality, focusing on fostering business expansion, attraction and retention initiatives. • Enhance the productivity of the manufacturing sector through the development of manufacturing hubs, thereby improving the overall local economy of the Winnie Madikizela Mandela local municipality.
Outputs achieved	• Waste management project beneficiaries officially commenced training on recyclable waste collection in November and started collecting waste. • KwaDukuza (ease of doing business) – stakeholders can make online applications and track their applications. Municipal officials were trained in new systems and tools. • The KwaDukuza supervisory control and data acquisition system is being installed in 13 (instead of 10) electricity substations. • Nyandeni animal feed processing plant – environmental impact assessment report with positive outcomes received from the provincial Department of Economic Development, Environmental Affairs and Tourism. Appointment of the service provider is imminent. • Ray Nkonyeni – main buildings for the project completed, but the supply and installation of workshop equipment are still pending. • The Sol Plaatjie local municipality business application underwent testing and piloting for the electronic one-stop shop to improve business efficiencies, reduce red tape and decrease business costs and time. • Winnie Madikizela Mandela local municipality – during the reporting period, the municipality achieved the following milestones: (1) obtained approval for environmental authorisation, (2) completed the recruitment of communities for capacity building, (3) conducted a review of the project steering committee in ward 4, (4) organised progress and technical meetings and (5) developed business plans for three hubs.
Amount received in current period (R'000)	R103.9 million
Amount spent by the department (R'000)	R81.5 million
Reasons for the funds unspent	• The delay in securing a service provider for the infrastructure implementation also led to a subsequent delay in purchasing building materials and equipment. • Municipalities operate on a financial year that differs from national and provincial governments, leading to a lag in project implementation.
Monitoring mechanism by the donor	• The general budget support programme is managed solely by the South African government with no inputs from donors.

DONOR FUNDS 07

DONOR FUND: United States Agency for International Development technical assistance facility

Name of donor	United States Agency for International Development (USAID), including counterpart funding
Full amount of the funding	R54.1 million
Period of the commitment	2016-current
Purpose of the funding	Provide technical assistance across government in addressing short-term critical policy and operational blockages in service delivery across all spheres of government.
Expected outputs	Technical assistance.
Outputs achieved	• Fixed-term contract employees (chief directorate: international development cooperation) • BFI (chief directorate: fiscal policy) • SCM and audit review experts (chief directorate: international development cooperation) • National Anti-Corruption Advisory Council (the Presidency) • Fiscal policy technical assistance (chief directorate: Office of the Director General – Budget Office) • Emerging chief financial officer strategic financial leadership programme (chief directorate: chief financial officer)
Amount received in current period (R'000)	R6.6 million
Amount spent by the department (R'000)	R5.3 million
Reasons for the funds unspent	• Late submission of invoices by service providers for SCM and audit review experts. • No BFI call in 2023/24. • Exchange rate savings in settlement of invoices for the emerging chief financial officer strategic financial leadership programme (US$ denominated)
Monitoring mechanism by the donor	The technical assistance facility is managed solely by the South African government with no inputs from the donors.

07 DONOR FUNDS

DONOR FUND: Infrastructure Delivery Management System

Name of donor Full amount of the funding	International Donor Corporation R98.4 million
Period of the commitment	3 years (ending 31 March 2026 based on the revised business case)
Purpose of the funding	• Enable infrastructure practitioners to have access to the most up-to-date and relevant tacit and explicit knowledge through a dynamic IT platform that will enable them to provide effective and efficient infrastructure delivery. This through using relevant infrastructure-related systems, processes and methodologies.
Expected outputs	• Enhanced IDMS and IDMS toolkit. • IDMS for Buddies. • IDMS management companion • Certificate for higher education for IDMS. • Development and implementation of IDMS linked to unit standard training (accredited by the Public Service Education and Training Authority). • Rollout of the IDMS through knowledge circles. • Rollout and implementation of the IDMS through structured communities of practice. • evelopment of mentoring and coaching guidelines for the implementation of the IDMS. • Conducting of annual knowledge management workshops. • Identification and documentation of best practice methodologies and case studies. • Design and develop an interactive IDMS body of knowledge IT platform. • Support and helpdesk function designed and implemented. • Deliver a programme support function to all expected deliverables.
Outputs achieved	As at 31 March 2024, the following outputs/deliverables had been completed: • IDMS and IDMS toolkit were enhanced and deployed on the IT platform. • IDMS management companion developed and deployed. • 3 IDMS Modules were linked to existing unit standards and were subsequently approved and accredited by the Public Service Education and Training Authority. • Rollout of the IDMS through knowledge circles (ongoing process). • Various knowledge management workshops conducted. • Best practice methodology was developed, and 2 case studies were deployed on the IT platform • IT platform designed, developed and deployed (enhancements and maintenance are ongoing). • The support and helpdesk function were established and is functioning. • A programme support office was appointed and is functioning.
Amount received in current period (R'000)	R30.1 million
Amount spent by the department (R'000)	R21.3 million
Reasons for the funds unspent	• Progress towards the development of the local government IDMS toolkit did not progress as intended. This resulted in subsequent activities such as the editorial, graphic design and deployment thereof on the IT platform not being completed. Also, the completion and rollout of knowledge circles in local government did not progress due to the lack of the local government IDMS toolkit. • National and provincial governments did not respond to IDMS training proposals/plans as expected. Interventions were undertaken only on a limited scale.

Monitoring mechanism by the donor	• The chief directorate: provincial and local government infrastructure is responsible for the execution of this project and is supported by the OAG, OCPO, Corporate Services Division, Public Finance Division and the Budget Office Division. • The stakeholders play an oversight role as part of the established project steering committee, chaired by the director of the Corporate Services Unit. • The project is also supported by a dedicated project support office responsible for project planning, budget management, resource management, quality management, risk management, and monitoring and evaluation (output and outcome level)

DONOR FUND: Continuous Professional Development on Public Finance Management

Name of donor	European Union/general budget support
Full amount of the funding	R946 800
Period of the commitment	31 March 2024
Purpose of the funding	• Roll out component III of the public finance management executive leadership programme for National Treasury to support and achieve NDP imperatives of building state capacity.
Expected outputs	a. Component I: Public finance management leadership (induction) workshops (virtual and in-person) for members of the executive council and heads of department in all provinces. b. Component II: Public finance management leadership innovation (executive education programme for inclusive economic growth) through an academic partnership with the National School of Government (executive education programme). c. Component III: Public finance management leadership innovation (executive education programme) for practitioners. The last leg (2023/24) focused on component III, hence the budget allocation of R946 800.
Outputs achieved	• The budget allocation for 2023/24 was R946 800.00 to deliver the public finance management leadership programme through the National School of Government as part of its collaboration with University College London. • This training targeted 30 national treasury officials. All but one official attended the training, which took place between 21 February 2024 and 10 April 2024. • This training was initially planned to be completed by the National School of Government on 27 March 2024, but the last sessions went into 2024/25 due to the Easter holidays in March 2024. As such, the invoice of R915 240 for the last cohort of 29 officials was received on 9 July 2024 for payment in 2024/25. • Owing to the receipt of invoice after 31 March 2024, no funds were received and processed for payment (no funds received, no funds spent
Amount received in current period (R'000)	Nil
Amount spent by the department (R'000)	Nil
Reasons for the funds unspent	• Training was initially intended to be completed on the 27 March 2024 but went on beyond the end of the reporting period. As such, the invoice was received in July 2024 and processed in 2024/25.
Monitoring mechanism by the donor	• Compiling and submitting quarterly progress reports to the National Treasury's international development coordination unit.

07 DONOR FUNDS

DONOR FUND: Web-Based Provincial Budget Analysis Reporting System

Name of donor	European Union/general budget support
Full amount of the funding	R12.3 million
Period of the commitment	31 March 2024
Purpose of the funding	• Create an integrated web-based tool that will improve provinces' budget preparation, implementation and monitoring processes.
Expected outputs	• Conduct system requirements and produce a detailed report. • Design look and feel of the application. • Migrate and upgrade the existing MS Excel-based planning and budget reporting systems into an integrated web-based application. • Conduct workshops and/or job training to transfer skills to the end-user to operate, manage and maintain the application. • Ensure that the system interfaces or links data from other systems (such as PERSAL and Operation Vulindlela, among others). • Enhance system summary reports, tables, graphs and dashboards, including historical data. • Pilot the web-based application and produce a fieldwork report. • Ensure successful system deployment, launch and full rollout. • Develop system technical, administrator and training manuals
Outputs achieved	• All outputs achieved except for piloting the application and system deployment.
Amount received in current period (R'000)	R5.5 million
Amount spent by the department (R'000)	R3.4 million
Reasons for the funds unspent	• The contract came to an end on 22 March 2024, before the service provider could complete the work. The project was delayed due to the lengthy process that had to be followed to gain access to data from the Vulindlela system. There were also some technical complexities that took a long time for the service provider to resolve.
Monitoring mechanism by the donor	Quarterly status update reports compiled for the international development coordination unit.

2023/24

NATIONAL TREASURY

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PART B

PERFORMANCE INFORMATION

CAPITAL INVESTMENT

CAPITAL INVESTMENT 08

No capital investment was incurred in 2023/24.

2023/24

NATIONAL TREASURY

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PART C

GOVERNANCE

INTRODUCTION 01

The National Treasury remains committed to continuously strengthening compliance, managing risks and, through performance and conformance, practice good governance. This is fundamental to managing public finances to ensure that the department uses its resources optimally and cost-effectively. The department is also committed to adopting an accessible, service-centred and solutions-orientated approach to delivering on its mandate.

02 RISK MANAGEMENT

In 2023/24, the structure of the chief risk office was provided with capacity to ensure the continued delivery of the risk management programme. Accordingly, the department's annual risk management plan was executed through facilitating risk identification, monitoring and reporting at the strategic and operational levels. Continuous efforts to entrench a risk management culture in the department were advanced through integration with assurance providers and advocacy programmes.

During the reporting period, the National Treasury continued to maintain a level-5 risk maturity by ensuring that best practice, standards and guidelines were adhered to. Risk reports to oversight structures that integrate performance reporting and audit findings formed part of decision-making in management structures. The compliance management function was strengthened through recognition of the "compliance universe", which comprised the department's legislative obligations. This will subsequently set the foundation for monitoring compliance with key legislation and managing risks that have the potential to lead to adverse legal outcomes for the department.

The National Treasury's business continuity management unit continuously adapts to organisational changes to ensure resilience. In 2023/24, the department's business continuity management policy was approved to align departmental processes with best practice. The department initiated an organisation-wide business impact analysis project to ensure that the plan remains relevant and fit for purpose. The project is expected to be finalised in the next reporting period. Continuity of operations is achieved through hybrid working strategies and the deployment of a virtual private network to ensure that information is secure.

The department's risk management committee continued its work during the reporting period. The committee is responsible for providing oversight on the implementation of enterprise risk management policies, systems and processes.

FRAUD AND CORRUPTION 03

The National Treasury remains resolute in its zero-tolerance policy on fraud and corruption. During the period under review, this was underpinned by the approval of the anti-corruption and ethics management policy. This resulted in the enhanced management of conflicts of interest, remunerative work outside the public service, gifts and the disclosure of other financial interests. The department also continued to implement preventative and detective controls to manage the risk of corruption in the workplace. These controls included pre-employment screening during the recruitment process and security vetting upon appointment, as well as company screening on the competitive bidding process.

In 2023/24, The department's anti-corruption and ethics risk profile was reviewed and risk mitigation plans were monitored. Key departmental processes, including ICT systems, were subjected to regular review by internal and external assurance providers. Lifestyle reviews were also conducted to deter staff from using departmental processes for personal gain. Investigations are conducted on reports of alleged fraud, corruption and unethical conduct, and matters that are reported to law enforcement agencies are being followed up.

Awareness remains a key pillar in the department's anti-corruption efforts. The highlight of its annual anti-corruption awareness plan was the financial crimes webinar, which was held to coincide with International Anti-Corruption Day. The webinar was aimed at sharing knowledge with staff on what financial crimes are and how they can avoid falling victim to such crimes. It also provided an in-depth understanding of whistle-blowing mechanisms that are in place for employees. Additional awareness was raised though workshops, email communications to all staff and one-on-one advisories.

04 CONFLICT OF INTEREST

The National Treasury minimises conflict of interest by raising awareness of and applying the 2016 Public Service Regulations and directives from the DPSA. During the reporting period, all SMS staff disclosed their financial interests electronically within the stipulated deadline. Financial disclosure is also compulsory for middle management service (levels 11 and 12) staff, SCM officials and those in finance, as well as assistant directors (level 9 and 10). These disclosures are analysed and reported to the Director-General. Noncompliance with the 2016 Public Service Regulations is dealt with in terms of the disciplinary code and procedures for the public service and chapter 7 of the SMS handbook.

The department implemented measures that prohibit officials from conducting business with organs of state. This is done by analysing information drawn from the PERSAL government payroll system and the CSD. If such interests are identified, officials are engaged and, where appropriate, disciplinary steps are taken in terms of the disciplinary code and procedures for the public service and chapter 7 of the SMS handbook.

CODE OF CONDUCT 05

The code of conduct details how National Treasury officials are expected to deal with members of the public and legislatures, political and executive office bearers and other stakeholders. Its purpose is to promote a culture of ethical behaviour and ensure public trust and confidence in the integrity and professionalism of the department's officials. To reinforce ethical conduct among its officials, the National Treasury provides continuous training and initiates activities to raise awareness. These are often done through induction and capacity-building sessions. Disciplinary steps are taken if employees are found to be in contravention of the code of conduct.

06 HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The department's security and facilities management units provide measures to ensure that it is compliant with occupational health and safety requirements. Duly trained appointees on section 16.2 of the Occupational Health and Safety Act (1993) and related regulations dealing with legal liability are responsible for overseeing compliance.

A safety, health, environment, risk and quality committee convenes quarterly. The purpose of the committee is to ensure that the National Treasury monitors compliance with the act and its regulations. The committee has a full complement of members.

Committee members were trained during the fourth quarter of 2023/24. A total of 20 members were trained in first aid level 1.

An evacuation drill was conducted on 21 November 2023 in conjunction with the City of Tshwane Metropolitan Municipality. This was part of testing the National Treasury's state of readiness and response to any emergency in terms of its approved emergency management plan.

VETTING 07

The security management unit continued to vet employees at an appropriate level according to their level of access to sensitive state information. The level of compliance with the vetting prescripts was 98% as at 31 March 2024.

During the period under review, the unit conducted personnel suitability checks on all prospective candidates to ensure that the National Treasury recruits and retains personnel who are security competent. Service providers were also screened prior commencing their work on behalf of the National Treasury.

In conjunction with law enforcement agencies, the security management unit successfully implemented stringent measures to safeguard sensitive budget information, such as the Budget Speech and other budget documents, prior their publication and presentation to Parliament. As such, no information leakages were experienced.

08 PORTFOLIO COMMITTEES

PARLIAMENTARY COMMITTEES

Standing Committee on Finance (SCoF)

STANDING COMMITTEE ON FINANCE (SCoF)	
DATE OF MEETING	**TOPIC**
26 Mar 2024	Responsible Spending Bill: Motion of desirability rejected
22 Mar 2024	Pension Funds Amendment Bill: Adoption
20 Mar 2024	Responsible Spending Bill: National Treasury and private member response to public submissions
19 Mar 2024	Pension Funds Amendment Bill: National Treasury response to public submissions
13 Mar 2024	Responsible Spending Bill: Public hearings
12 Mar 2024	Pension Funds Amendment Bill: Public hearings
05 Mar 2024	2024 fiscal framework and revenue proposals: Committee report
01 Mar 2024	2024 Budget (fiscal framework and revenue proposals): National Treasury and SARS response to public submissions
28 Feb 2024	2024 Budget (fiscal framework and revenue proposals): Public hearings
27 Feb 2024	2024 Budget: Parliamentary Budget Office and FFC briefing
22 Feb 2024	2024 Budget: National Treasury briefing (with minister)
20 Feb 2024	Briefing on Ithala Bank
14 Feb 2024	Responsible Spending Bill: Dr George, MP (briefing)
06 Feb 2024	Pension Funds Amendment Bill: National Treasury briefing
05 Dec 2023	Municipal Fiscal Powers and Functions Amendment Bill: National Treasury briefing on proposed technical amendments and adoption
04 Dec 2023	Public Procurement Bill: Committee report, Revenue Laws Amendment Bill (implementation date of two-pot system)
01 Dec 2023	Public Procurement Bill: Motion of desirability and adoption
29 Nov 2023	Public Procurement Bill: Deliberation and adoption of proposed amendments
28 Nov 2023	Public Procurement Bill: Deliberations
24 Nov 2023	Outcomes of Competition Commission's investigation into currency manipulation by banks
24 Nov 2023	Public Procurement Bill: National Treasury response to public submissions and stakeholder input
22 Nov 2023	Taxation Laws Amendment Bill; Tax Administration Laws Amendment Bill: Adoption
21 Nov 2023	Revenue Laws Amendment Bill and Rates Bill: Adoption
17 Nov 2023	Public Procurement Bill: National Treasury response to public submissions and stakeholder input
14 Nov 2023	2023 revised fiscal framework and revenue proposals
10 Nov 2023	2023 revised fiscal framework and revenue proposals: National Treasury and SARS response to public submissions
08 Nov 2023	2023 revised fiscal framework and revenue proposals: Public hearings
07 Nov 2023	2023 MTBPS: Parliamentary Budget Office and FFC briefing
02 Nov 2023	2023 MTBPS: National Treasury briefing (with Ministry)
01 Nov 2023	Closed meeting
25 Oct 2023	2023 Tax Bills, Rates Bills and Revenue Law Bills: National Treasury response to public submissions
24 Oct 2023	Committee budget review and recommendation report
18 Oct 2023	SARS 2022/23 Annual Report

PORTFOLIO COMMITTEES 08

STANDING COMMITTEE ON FINANCE (SCoF)	
DATE OF MEETING	**TOPIC**
17 Oct 2023	National Treasury 2022/23 Annual Report (with minister)
11 Oct 2023	OTO 2022/23 Annual Report
10 Oct 2023	National Treasury portfolio 2022/23 audits (with AGSA)
20 Sep 2023	2023 Tax Bills and Rates Bill: Public hearings
19 Sep 2023	Draft Revenue Laws Bills: Public hearings
13 Sep 2023	Public Procurement Bill: Public hearings day 2
12 Sep 2023	Public Procurement Bill: Public hearings day 1
06 Sep 2023	South African Reserve Bank Amendment Bill: Discussion and way forward
05 Sep 2023	Public Procurement Bill: National Treasury briefing
30 Aug 2023	Phala Phala Investigation; and SARB and Prudential Authority 2022/23 annual reports
29 Aug 2023	Draft Revenue Bills, Tax Bills and Rates Bill: National Treasury briefing
06 Jun 2023	Financial stability review: SARB briefing
30 May 2023	Impact and effectiveness of the Jobs Fund, plans for recapitalisation and future contribution
23 May 2023	Public Procurement Bill: National Treasury briefing
17 May 2023	Financial Matters Amendment Bill and Municipal Fiscal Powers and Functions Amendment Bill: Adoption; Financial and Fiscal Commission members remuneration
10 May 2023	IFMS implementation: National Treasury, DPSA and State Information Technology Agency engagement (with DPSA deputy minister)
09 May 2023	Financial Matters Amendment Bill and Municipal Fiscal Powers and Functions Amendment Bill: National Treasury response to public submissions
03 May 2023	National Treasury budget: Committee report
02 May 2023	Committee oversight visit reports
19 Apr 2023	SARS 2023/24 Annual Performance Plan
18 Apr 2023	National Treasury 2023/24 Annual Performance Plan (with minister)
05 Apr 2023	Eskom section 92 PFMA exemption (withdrawn), with minister

08 PORTFOLIO COMMITTEES

STANDING COMMITTEE ON APPROPRIATIONS (SCOA)

STANDING COMMITTEE ON APPROPRIATIONS (SCOA)	
DATE OF MEETING	**TOPIC**
20 Mar 2024	Division of Revenue Bill, Second Adjustments Appropriation (2023/24) Bill ands Gold and Foreign Exchange Contingency Reserve Account Defrayal Amendment Bill: Consideration
15 Mar 2024	Gold and Foreign Exchange Contingency Reserve Account Defrayment Amendment Bill: Public hearings
13 Mar 2024	Division of Revenue Bill and Second Adjustments Appropriation (2023/24) Bill: Public hearings
12 Mar 2024	Division of Revenue Bill: SALGA input
06 Mar 2024	Division of Revenue Bill; Second Adjustments Appropriation (2023/24) Bill and Gold and Foreign Exchange Contingency Reserve Account Defrayment Amendment Bill: Financial and Fiscal Commission briefing
05 Mar 2024	Division of Revenue Bill; Second Adjustments Appropriation (2023/24) Bill and Gold and Foreign Exchange Contingency Reserve Account Defrayal Amendment Bill: Parliamentary Budget Office briefing
28 Feb 2024	Division of Revenue Bill; Second Adjustments Amendment Bill and Foreign Exchange Contingency Reserve Account Defrayal Amendment Bill: National Treasury briefing
22 Feb 2024	2024 Budget: Treasury briefing (with minister)
14 Feb 2024	Q3 expenditure of SOEs for 2023/24
05 Dec 2023	MTBPS, Adjustments Appropriation Bill and Eskom Debt Relief Amendment Bill: Committee reports
01 Dec 2023	MTBPS, Adjustments Appropriation Bill and Eskom Debt Relief Amendment Bill: Public hearings
29 Nov 2023	Adjustments Appropriation Bill: Department of Basic Education and four provincial education departments' input (with Deputy Minister of Finance)
28 Nov 2023	Adjustments Appropriation Bill: Department of Health briefing (with Deputy Minister of Finance)
28 Nov 2023	Briefing by departments of human settlements and water and sanitation on 2023 Adjustments Appropriation Bill (with minister and deputy minister)
24 Nov 2023	Adjustments Appropriation Bill: DCoG briefing (with minister)
21 Nov 2023	Division of Revenue Amendment Bill: Finalisation and adoption
17 Nov 2023	Public hearings on the MTBPS and 2023 Division of Revenue Amendment Bill
15 Nov 2023	Division of Revenue Amendment Bill, Adjustments Appropriation Bill and Eskom Debt Relief Amendment Bill: Financial and Fiscal Commission briefing
14 Nov 2023	Division of Revenue Amendment Bill, Adjustments Appropriation Bill and Eskom Debt Relief Amendment Bill: Parliamentary Budget Office briefing
08 Nov 2023	Division of Revenue Amendment Bill, Adjustments Appropriation Bill and Eskom Debt Relief Amendment Bill: National Treasury briefing
19 Sep 2023	Devolution of the infrastructure maintenance function from the Department of Public Works and Infrastructure to the South African National Defence Force (with ministers present)
13 Sep 2023	Government's performance against the NDP targets and MTSF priorities (with Deputy Minister in the Presidency)
05 Sep 2023	Financial and Fiscal Commission 2024/25 division of revenue annual submission
29 Aug 2023	National Treasury Q1 2023/24 performance (focus on national departments and SOEs)
13 Jun 2023	Oversight visit report to Transnet and Passenger Rail Agency of South Africa
06 Jun 2023	Appropriation Bill: Committee report
30 May 2023	Appropriation Bill: National Treasury response to public submissions, preliminary spending outcomes as at the end of Q4, National Treasury update on SOCs

PORTFOLIO COMMITTEES 08

STANDING COMMITTEE ON APPROPRIATIONS (SCOA)	
DATE OF MEETING	**TOPIC**
26 May 2023	Appropriation Bill: Public hearings
23 May 2023	Appropriation Bill: Department of Transport briefing (with minister)
17 May 2023	Appropriation Bill: Department of Public Works and Infrastructure briefing (with minister and deputy minister)
16 May 2023	Appropriation Bill: Department of Health briefing (with ministry)
10 May 2023	Appropriation Bill: Department of Water and Sanitation briefing (with minister and deputy minister)
09 May 2023	Briefing on the 2023 Appropriation Bill: Department of Communications and Digital Technologies and South African Post Office (with ministry)
03 May 2023	Appropriation Bill: Department of Basic Education briefing (with minister)
28 Apr 2023	Eskom Debt Relief Bill: Committee report
26 Apr 2023	Eskom Debt Relief Bill: Public hearings
25 Apr 2023	Eskom Debt Relief Bill: Department of Public Enterprises and Eskom briefing (with minister)
20 Apr 2023	Appropriation Bill and Eskom Debt Relief Bill: Parliamentary Budget Office briefing
19 Apr 2023	Appropriation Bill and Eskom Debt Relief Bill: Financial and Fiscal Commission briefing
18 Apr 2023	Appropriation Bill and Eskom Debt Relief Bill: National Treasury briefing

08 PORTFOLIO COMMITTEES

SELECT COMMITTEE ON FINANCE

SELECT COMMITTEE ON FINANCE (SECOF)	
DATE OF MEETING	**TOPIC**
26 Mar 2024	Pension Funds Amendment Bill: National Treasury briefing
25 Mar 2024	Revenue Laws Amendment Bill: Adoption
19 Mar 2024	Revenue Laws Amendment Bill: Proposed amendments by Association for Savings and Investment South Africa and
Institute of Retirement Funds Africa	Division of Revenue Bill: SALGA input
19 Mar 2024	Public Procurement Bill: National Treasury response to public submissions
15 Mar 2024	Revenue Laws Amendment Bill and Pension Funds Amendment Bill: Public hearings
14 Mar 2024	Postponed: Response by National Treasury on submissions to the Public Procurement Bill
12 Mar 2024	Revenue Laws Amendment Bill: National Treasury briefing
05 Mar 2024	2024 fiscal framework and revenue proposals: Committee report
23 Feb 2024	Public Procurement Bill: Public hearings
22 Feb 2024	2024 Budget: National Treasury briefing (with minister)
06 Feb 2024	Public Procurement Bill: National Treasury briefing
09 Feb 2024 until 06 Mar 2024	Provincial briefings on the Public Procurement Bill (all provinces)
01 Dec 2023	Taxation Laws Amendment Bill, Tax Administration Laws Amendment Bill and Rates Bill: Committee reports
29 Nov 2023	Rates Bill, Taxation Laws Amendment Bill, Tax Administration Laws Amendment Bill: Public hearings
21 Nov 2023	Taxation Laws Amendment Bill, Tax Administration Laws Amendment Bill, Rates Bill and Revenue Laws Amendment Bill: National Treasury briefing
14 Nov 2023	2023 revised fiscal framework and revenue: Proposals
01 Dec 2023	Taxation Laws Amendment Bill, Tax Administration Laws Amendment Bill and Rates Bills: Committee reports
29 Nov 2023	Rates Bill, Taxation Laws Amendment Bill, Tax Administration Laws Amendment Bill: public hearings
21 Nov 2023	Rates Bill, Taxation Laws Amendment Bill, Tax Administration Laws Amendment Bill, Rates Bill and Revenue Laws Amendment Bill: National Treasury briefing
14 Nov 2023	2023 revised fiscal framework and revenue proposals
10 Oct 2023	SASRIA 2023/24 Annual Report, Municipal Fiscal Powers and Functions Amendment Bill: Committee report
27 Sep 2023	Municipal Fiscal Powers and Functions Amendment Bill: Finalisation
26 Sep 2023	Municipal Fiscal Powers and Functions Amendment Bill: Policy issues and deliberations
19 Sep 2023	Municipal Fiscal Powers and Functions Amendment Bill: National Treasury response to public submissions
05 Sep 2023	Municipal Fiscal Powers and Functions Amendment Bill: National Treasury briefing
20 Jun 2023	GPAA 2022/23 Annual Performance Plan
14 Jun 2023	Financial Matters Amendment Bill: Committee report
13 Jun 2023	Financial Matters Amendment Bill: Deliberations and policy issues
06 Jun 2023	Financial Matters Amendment Bill: Public hearings
30 May 2023	GEPF 2021/22 Annual Report

PORTFOLIO COMMITTEES 08

SELECT COMMITTEE ON FINANCE (SECOF)	
DATE OF MEETING	**TOPIC**
16 May 2023	Briefing by CBDA on its quarterly report and issues emanating from its previous meeting with the committee
02 May 2023	Financial Matters Amendment Bill: National Treasury briefing
18 Apr 2023	Follow-up meeting with the Land and Agricultural Bank of South Africa

SELECT COMMITTEE ON APPROPRIATIONS

SELECT COMMITTEE ON APPROPRIATIONS (SECOA)	
DATE OF MEETING	**TOPIC**
27 Mar 2024	Division of Revenue Bill: SALGA and Parliamentary Budget Office input
20 Mar 2024	Division of Revenue Bill; Second Adjustments Appropriation (2023/24) Bill and Gold and Foreign Exchange Contingency Reserve Account Defrayal Amendment Bill: Engagement with Financial and Fiscal Commission
06 Mar 2024	Division of Revenue Bill; Second Adjustments Appropriation (2023/24) Bill and Gold and Foreign Exchange Contingency Reserve Account Defrayal Amendment Bill: National Treasury briefing
07 Dec 2023	Adjustments Appropriation Bill and Eskom Debt Relief Amendment Bill: Committee reports, proposed division of revenue and conditional grants allocations to provinces and local government
28 Nov 2023	Division of Revenue Amendment Bill: Final mandates
27 Nov 2023	Division of Revenue Amendment Bill: Negotiating mandates
16 Nov 2023	Division of Revenue Amendment Bill, Adjustments Appropriation Bill and Eskom Debt Relief Amendment Bill: National Treasury briefing
11 Oct 2023	Financial and Fiscal Commission 2024/24 division of revenue annual submission
27 Sep 2023	Impact of medico-legal claims on provincial health budgets and mitigation measures: AGSA and Department of Health briefing (with deputy minister)
20 Sep 2023	2021/22 consolidated municipal audit outcomes: AGSA and National Treasury input
06 Sep 2023	Departments of social development and basic education underspending between 2011/12 and 2020/21: Parliamentary Budget Office briefing
14 Jun 2023	Appropriation Bill: Committee report; underspending on health conditional grants: Parliamentary Budget Office briefing
07 Jun 2023	Eskom Debt Relief Bill: Committee report
31 May 2023	Appropriation Bill and Eskom Debt Relief Bill: National Treasury response to public submissions
24 May 2023	Appropriation Bill and Eskom Debt Relief Bill: Public hearings
17 May 2023	Appropriation Bill and Eskom Debt Relief Bill: Financial and Fiscal Commission and Parliamentary Budget Office input
09 May 2023	Appropriation Bill and Eskom Debt Relief Bill: National Treasury briefing
03 May 2023	2023 Division of Revenue Bill: Final mandates
26 Apr 2023	Division of Revenue Bill: Negotiating mandates

08 PORTFOLIO COMMITTEES

STANDING COMMITTEE ON PUBLIC ACCOUNTS

STANDING COMMITTEE ON PUBLIC ACCOUNTS	
DATE OF MEETING	**TOPIC**
27 Mar 2024	Follow-up meeting on IFMS SIU investigations and National Treasury progress (with deputy ministers)
28 Feb 2024	Consideration and adoption of unauthorised expenditure reports
14 Feb 2024	Unauthorised expenditure reports
17 Oct 2023	Unauthorised expenditure hearing: Statistics South Africa, Department of Social Development, Department of Basic Education, Independent Police Investigative Directorate (with ministers)
20 Sep 2023	Hearings on unauthorised expenditure: departments of mineral resources and energy; transport; basic education; women, youth and persons with disabilities; and correction al services
19 Sep 2023	Hearings on unauthorised expenditure: DCoG, DPSA, Department of Water and Sanitation, and Department of Communications and Digital Technologies (with ministers and deputy ministers)
13 Sep 2023	IFMS: SIU investigations and National Treasury progress (with Deputy Minister of Finance)
06 Sep 2023	National Treasury Instruction Note no. 4 of 2022/2023 regarding the exemption of SOEs from reporting irregular expenditure (with Minister of Finance)
22 June 2023	National Treasury briefing on all unauthorised expenditure of departments

PORTFOLIO COMMITTEE ON PUBLIC WORKS AND INFRASTRUCTURE

PORTFOLIO COMMITTEE ON PUBLIC WORKS AND INFRASTRUCTURE	
DATE OF MEETING	**TOPIC**
13 Sep 2023	Department of Public Works and Infrastructure support to the Property Management Trading Entity, leasing model to client departments, and funding strategy and financing model (with deputy minister)

PORTFOLIO COMMITTEE ON TOURISM

PORTFOLIO COMMITTEE ON TOURISM	
DATE OF MEETING	**TOPIC**
13 Jun 2023	Development Bank of Southern Africa on tourism infrastructure projects, South African Tourism 2022/23 Q1 and Q2 performance (with minister)

SCOPA RESOLUTIONS 09

No resolutions were adopted in 2023/24.

10 PRIOR MODIFICATIONS TO AUDIT REPORTS

During 2022/23, the department obtained a qualified audit opinion with material misstatements. To address this, an audit action was developed that will be monitored by the internal audit chief directorate through the external audit findings register. The goal is to ensure that audit findings raised by the external auditors are adequately addressed and to assess if the internal control measures, implemented to prevent these findings from recurring, are effective.

In addition, the external audit findings register will be presented to at the quarterly audit committee meeting, that will hold managers accountable to the audit findings action plan, particularly in relation to audit findings where deadliness for resolution have not yet been met. The purpose is to ensure adequate follow-through and finalisation of corrective measures within the agreed timeframes.

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
Misstatements in the annual financial statements and non-compliance with applicable legislation for supply chain management.	2019/20	Improvements achieved in the preparation of AFS and SCM governance matters were affirmed by AGSA in the 2019/20 management report. However, requests to condone irregular contracts took longer than anticipated, hence the irregular, fruitless and wasteful expenditure continues to be highlighted as matters of emphasis. The delayed condonation requests were subsequently approved in 2021/22, resulting in a reduction of the irregular expenditure balance. The review of the interim financial statement and AFS was strengthened by allocating sufficient time in the 2021/22 AFS preparation project plan to ensure that the financials are reviewed adequately by internal control and internal audit. The department achieved a significant improvement in reducing the number of findings on compliance with SCM legislation, including transversal contracts as compared to prior years in which material noncompliance findings were raised. Furthermore, condonation was granted for prior year irregular expenditure of R128 million, which resulted in a decrease in the overall cumulative irregular expenditure recognised.
	2020/21	The review of the interim financial statement and AFS through allocating sufficient time in the 2020/21 AFS preparation project plan to ensure that the financials are reviewed adequately by internal control and internal audit
Unqualified audit opinion with material misstatements	2021/22	Improvements were achieved through review of the interim and AFS by allocating sufficient time in the 2021/22 AFS preparation project plan to ensure that the financials are reviewed adequately by internal control and internal audit, and ensuring that the findings from the from the two business units are implemented before the financial statements are submitted to AGSA.
Qualified audit opinion with material misstatements	2022/23	Improvements were achieved through reviewing the interim financial statement and AFS by allocating sufficient time in the 2023/24 AFS preparation project plan to ensure that the financials are reviewed adequately by internal control and internal audit, and ensuring that the findings from the two business units are implemented before the financial statements are submitted to AGSA.

INTERNAL CONTROL UNIT 11

During the reporting period, the internal control unit continued to coordinate the control activities in the department to promote efficiency and reduce the likelihood and impact of identified risks. It produced reliable and legally compliant financial statements. The department maintains systems of internal control to mitigate identified risks to ensure the integrity of its core activities of public finance management, transfers of funds, payments of financial assets and safeguarding its assets. The department has an organisational structure and division of responsibilities, that, along with established policies and procedures, are communicated throughout the department.

Significant strides were made in ensuring compliance with laws and regulations. This was done by continuously implementing preventative, investigative and corrective internal control measures to address and report cases of noncompliance and deviations from the department's normal processes and procedures. The unit also coordinated the departmental audit process.

The unit conducted contract management reviews that assisted in identifying any possible noncompliance with SCM legislations as well as internal departmental policies. Random checks of payment batches were performed to ensure that payments were in accordance with prescripts and improved standards of financial administration. The unit will continue to improve its processes to achieve better control operations.

12 INTERNAL AUDIT AND AUDIT COMMITTEES

Internal auditing is an independent and objective assurance and consulting activity that provides a value adding support to improve the operations within the National Treasury. The internal audit chief directorate provides shared services to the National Treasury, the CBDA, GTAC, the ASB and IRBA. It assists these organisations to accomplish their objectives by bringing a systematic and disciplined approach (risk-based audit approach) 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 2023/24 as part of the three-year rolling plan, after consultation with management and approval by the National Treasury's audit committee. A total of 26 audits were approved and planned for in the revised audit plan for 2023/24, 22 of which were completed. Four ad hoc audits were executed and reported on. In total, 26 audits were completed. All audits and other work of the internal audit function was conducted in accordance with the International Standards for the Professional Practice of Internal Audit, as issued by the Institute of Internal Auditors.

The audit committee is established as a statutory committee in terms of section 38(1)(a)(ii) and section 77 of the PFMA and Treasury Regulations. 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 fulfilling 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 code of conduct. The committee also has a primary responsibility to the public to form an opinion on the effectiveness of those issues in its ambit, and communicates this in the annual report in terms of Treasury Regulations.

AUDIT COMMITTEE REPORT 13

We are pleased to present our report for the financial year ended 31 March 2024.

LEGISLATIVE REQUIREMENTS

The audit committee herewith presents its report for the financial year ended 31 March 2024, as required by Treasury Regulation 3.1.13, read with section 77 of the PFMA).

MEMBERSHIP AND ATTENDANCE

The following meetings were held for in 2023/24:

#	MEETING	MEETING DATE	NUMBER OF MEMBERS ATTENDED
1	Ordinary audit committee meeting	5 April 2023	3
2	Special audit committee meeting	30 May 2023	3
3	Ordinary audit committee meeting	14 June 2023	3
4	Special audit committee meeting	31 July 2023	3
5	Ordinary audit committee meeting	26 October 2023	3
6	Special audit committee meeting	3 December 2023	3
7	Ordinary audit committee meeting	4 December 2023	3

The members, their qualifications and record of their attendance, are as follows:

NAME OF MEMBER	QUALIFICATIONS	APPOINTMENT DATE	NUMBER OF MEETINGS ATTENDED
Ms Pumla Mzizi	BCom Honours in Transport Economics CA (SA) BCompt Honours CTA	1 October 2018	7
Mr Freddy Sinthumule	Diploma in Finance and Auditing BCom Accounting MBA with special project on PFMA	1 July 2019	7
Mr M Geswint	B. Admin (Majors: Public Admin & Economics) B. Admin (Hons) Economics	24 May 2022	7

RESPONSIBILITIES

The audit committee complied with its responsibilities in terms of section 38(1)(a)(ii) of the PFMA and Treasury Regulation 3.1. The committee also adopted appropriate formal terms of reference as its audit committee charter, regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

13 AUDIT COMMITTEE REPORT

RISK MANAGEMENT

Management is responsible for the establishment and maintenance of an effective system of governance, risk management and the prevention and detection of fraud; and the implementation of effective internal controls. Internal audit was guided by the consolidated risk profile provided by the enterprise risk management unit, key audit focus areas, and management inputs in the formulation of its three-year strategic and annual plans. The committee relied on AGSA to provide assurance on the effectiveness of the risk management system. Feedback from AGSA suggested that the department's risk management system needs improvement.

INTERNAL AUDIT

In terms of the PFMA, the accounting officer is obliged to ensure that the department has a system of internal audit under the control and direction of the audit committee. The audit committee is satisfied that the internal audit function has properly discharged its functions and responsibilities during the year under review. The audit committee is also satisfied that the internal audit function maintains an effective internal quality assurance programme that covers all aspects of internal audit activity. Along with this, the committee is satisfied, as determined during the external quality assessment review, that a general conformance rating can be applied to the internal audit work. As such, the term "conforms with the international standards for the professional practice of internal auditing" may be used by the function.
The committee approved a risk-based, three-year rolling, strategic internal audit plan and an annual audit coverage plan for the period 1 April 2023 to 31 March 2024. The table below details the key audit activities

TYPE	TOTAL PLANNED AUDITS	COMPLETED AUDITS
Regularity audit	8	8 (100%)
Performance audit	2	2 (100%)
IT audit	12	12 (100%)
Total Audits	22	22(100%)

Effectiveness of Internal Controls

In line with the PFMA, the internal audit function provides the audit committee and management with assurance that the internal controls are appropriate and effective. This is achieved by evaluating internal controls to determine their adequacy and efficiency, and by developing recommendations for enhancement or improvement. The accounting officer retains responsibility for implementing such recommendations as per Treasury Regulation 3.1.12. The reports of internal audit and AGSA indicated that the system of internal control in areas pertaining to financial reporting, performance reporting and compliance with laws and regulations were adequate and effective. .

AUDIT COMMITTEE REPORT 13

Evaluation of AFS and annual performance information

The committee evaluated the National Treasury's AFS and performance information for the year ended 31 March 2024. It duly recommended them for the accounting officer's approval before being submitted to AGSA for external audit. Subsequently, a material misstatement in the department's annual performance report was corrected. This misstatement arose from an interpretation issue and not from deficient internal controls. The audit committee has discussed the external audit outcomes to be included in the annual report with AGSA and the accounting officer

Compliance with Legal and Regulatory Provisions

The audit committee acknowledges that AGSA did not raise any material findings on legislative compliance.

External Audit

The audit committee reviewed the department's implementation plan for audit issues raised in the previous year. Based on its interaction with the department, AGSA and internal audit reports, the committee is satisfied that substantial progress has been made in addressing AGSA's findings. The audit committee concurs and accepts the conclusions of AGSA on the AFS, annual performance report and legislative compliance. It is of the opinion that the audited AFS and audited annual performance report should be accepted and read together with the report of AGSA. The audit committee commends the department on achieving an overall audit outcome of unqualified with no material findings.

General

The audit committee notes that while several vacancies in the department have been filled, it remains concerned about vacancies in critical positions, such as that of chief financial officer.

We would like to express our appreciation to the executive authority, the Director-General, Dr Duncan Pieterse, for his leadership and support; AGSA; internal audit; and management for their dedication to accurate financial and performance reporting.

Ms. Pumla Mzizi CA(SA)
Chairperson of the Audit Committee
National Treasury
Date: 08 August 2024

14 B-BBEE COMPLIANCE PERFORMANCE INFORMATION

BBBEE COMPLIANCE PERFORMANCE INFORMATION		
HAS THE SPHERE OF GOVERNMENT / PUBLIC ENTITY / ORGAN OF STATE APPLIED ANY RELEVANT CODE OF GOOD PRACTICE (B-BBEE CERTIFICATE LEVELS 1 – 8) WITH REGARDS TO THE FOLLOWING:		
CRITERIA	**RESPONSE YES/NO**	**DISCUSSION (INCLUDE A DISCUSSION ON YOUR RESPONSE AND INDICATE WHAT MEASURES HAVE BEEN TAKEN TO COMPLY)**
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law	No	N/A
Developing and implementing a preferential procurement policy	Yes	For all procurement between R30 000 to R50 million, the 80/20 preference points system was used and for all procurement above R50 million the 90/10 preference points system was used
Determining qualification criteria for the sale of state-owned enterprises	No	N/A
Developing criteria for entering into partnerships with the private sector	No	N/A
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment	No	N/A

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PART D

HUMAN RESOURCES MANAGEMENT

INTRODUCTION 01

The information contained in this section is prescribed by the Minister for Public Service and Administration for all departments in the public service.

2023/24

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PART D

HUMAN RESOURCES MANAGEMENT

OVERVIEW OF HUMAN RESOURCES

OVERVIEW OF HUMAN RESOURCES 02

2.1 STATUS OF HUMAN RESOURCES IN THE DEPARTMENT

The National Treasury's vacancy rate decreased to 16 per cent in 2023/24, from 17 per cent in 2022/23. This was because of the Cabinet-approved reprioritization of funds for service delivery needs and delays in finalising recruitment processes due to the impact of the DPSA's directive on the implementation of control measures. The directive was aimed at assisting executive authorities in managing fiscal sustainability during the process of creating and filling vacant posts in departments. The turnover rate for 2023/24 was 8.1 per cent, compared with 7.6 per cent in 2022/23.

The department's approach to employee rotation and placement in acting senior positions ensured that it has a diverse set of skills and builds a solid management pipeline. For the reporting period, 37 Interns were recruited and 21 were appointed permanently, while 32 interns were appointed on one-year contract extensions. The department is in the process of reviewing its organisational structure, given its limitations in terms of entry-level posts. In addition, the process of aligning interns' years of experience with the National Treasury's required minimum entry-level experience is being finalised. The department's retention framework was developed to support the identification and retention of critical skills over the MTEF period.

Skills development within the department continues to be a key organisational priority. The department generally attracts highly skilled employees with the required technical knowledge. As such, its skills development focus is on developing leadership and management skills, including behavioural and generic competencies over the short to medium term, and allowing for these skills to mature and address the department's needs in the medium and long terms. This has been realised through the procurement of services from Stellenbosch University to provide customised leadership and management development programmes for officials who occupy management positions from levels 9 to 16.

These customised programmes seek to enable employees' career progression and ensure that there is a structured way of building a leadership pipeline for the department. Although emphasis is placed on these skills, the HR management unit continues to support the technical and competency-related training needs of all employees. This is applied across functional areas and echelons by supporting employees with their training needs aligned with their individual development plans, and is reflected in the department's training budget.

02 OVERVIEW OF HUMAN RESOURCES

2.2 HUMAN RESOURCE PRIORITIES FOR THE YEAR UNDER REVIEW

- Talent attraction, acquisition and retention.
- Employee engagement and development.
- HR information management that ensures improved efficiency in the HR management unit's processes.
- Clear decision-making

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

The department ensures continuous engagement in various skills development initiatives. These include its bursary programme and other human capital development strategies to address ongoing skills requirements. These initiatives are also undertaken to maintain and build the National Treasury's skills pipeline. Some initiatives that are focused on retention include, among others, the recognition and rewards policy, the mentorship and coaching framework and the flexible working conditions and overtime remuneration policy.

2.4 EMPLOYEE PERFORMANCE MANAGEMENT

The department's performance management system was enhanced through the review of the performance management and probation policy and the recognition and rewards policy. These policies encourage a culture of performance and have assisted in identifying underperformance that can be addressed through development programmes. The recognition and rewards policy has introduced a five-year service recognition award as part of the retention strategy to promote service commitment. This was in consideration of the high demand for skills within core and critical skills areas of the department.

During the reporting period, 98 per cent of SMS members entered into performance agreements. Those who did were ineligible for performance-related recognition or rewards. The 2022/23 performance moderation process was concluded in October 2023, and the 2023/24 contracting process was finalised with the uploading of performance agreements on the PERSAL payroll system by 30 June 2023. Performance assessments for 2023/24 were expected to commence on 1 June 2024 and will be managed to ensure compliance with DPSA directives.

EMPLOYEE HEALTH AND WELLNESS PROGRAMME

The department's employee health and wellness programme encompasses physical, mental and emotional wellbeing with the aim of improving employees' lives. Although the department does not have on-site primary healthcare services, psychosocial services are available to employees. For primary healthcare services, the National Treasury relies on the services rendered by the GEMS.

A total of 174 employees were screened over four health screening sessions provided by the GEMS in 2023/24, compared with 186 employees in in the previous year. The National Treasury uses an on-site external service provider for psychosocial services to assist employees and their immediate family. In 2023/24, 365 employees and their families used psychosocial services, compared with the 284 in the previous year. The department conducted 23 employee wellness education campaigns. These campaigns covered various topics to improve overall wellbeing, such as financial security, men's health and hypertension. A total of 106 employees received flu vaccines in 2023/24. The department submitted compliance reports on its employee health and wellness programme, in line with DPSA directives.

2.5 ACHIEVEMENTS AND CHALLENGES FACED BY THE DEPARTMENT

ACHIEVEMENTS

During the reporting period, the department prioritised attracting scarce and critical skills, improving HR processes across the HR value chain, enhancing accountability, improving efficiencies in the HR management unit and strengthening employee engagement. This is because engaged employees feel valued and are, in turn, invested in the organisation. The department aims to build a staff complement that strives to create innovative services and processes to the benefit of the department and overall government service delivery. The skill sets required by the department in terms of technical skills that can be merged into a single position (for example, economics, health and policy analysis) continued to create opportunities to bridge the gaps with regards to unique jobs.

CHALLENGES

The general shortage of critical financial skills creates challenges for the National Treasury in terms of attracting and retaining staff. This is particularly so because the National Treasury competes with the private sector for similar skills. Initiatives that involve internal development and skills transfer are therefore necessary to ensure that capacity requirements are met. The limited flexibility of the National Treasury's existing structure remains a challenge. However, to mitigate these challenges, an organisational optimisation process is under way along with a process to develop a career path model. These should assist with minimising these challenges..

02 OVERVIEW OF HUMAN RESOURCES

2.6 FUTURE HUMAN RESOURCE PLANS/GOALS

- Ensure that the HR management unit provides strategic, value-added and timeous services to the department.
- Enhance talent acquisition and retention that is aligned with the department's strategic objectives.
- Enhance employee engagement development and wellness initiatives.
- Embed a culture of learning and high performance in the department.
- Improve compliance with the legislative framework.
- Improve efficiency in HR processes and decision-making.

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PART D

HUMAN RESOURCES MANAGEMENT

HUMAN RESOURCES OVERSIGHT STATISTICS

HUMAN RESOURCES OVERSIGHT STATISTICS 03

3.1 PERSONNEL RELATED EXPENDITURE

TABLE 3.1.1 Personnel Expenditure by programme 1 April 2023 and 31 March 2024

PROGRAMME	TOTAL EXPENDITURE (R'000)	PERSONNEL EXPENDITURE (R'000)	TRAINING EXPENDITURE (R'000)	PROFESSIONAL AND SPECIAL SERVICES (R'000)	PERSONNEL EXPENDITURE AS A % OF TOTAL EXPENDITURE	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)*
Programme 1: Administration	486 826	219 829	1 484	38 757	42.85	617
Programme 2: Economic Policy, Tax, Financial Regulation and Research	119 142	74 955	34	12 935	64.38	959
Programme 3: Public Finance and Budget Management	4 289 832	257 127	233	593 975	5.48	943
Programme 4: Asset and Liability Management	5 225 491	89 236	210	12 750	1.61	876
Programme 5: Financial Systems and Accounting	716 652	225 912	791	75 397	29.73	839
Programme 6:International Financial Relations	2 848 635	38 513	80	34	1.16	1 001
Programme 7: Civil and Military Pensions, Contributions to Funds	6 773 586	0	0	64 376	0	0
Programme 8: Revenue Administration	11 635 781	0	0	0	0	0
Programme 9: Financial Intelligence and State Security	5 395 482	0	0	0	0	0
Total	**37 491 427**	**905 571**	**2 832**	**798 224**	**2.27**	**810**

** Note: Percentage of average personnel cost per employee calculated based on the number of employees in table 3.2.1. Minister and Deputy Minister personnel expenditure included in total.*

03 HUMAN RESOURCES OVERSIGHT STATISTICS

Table 3.1.2 Personnel costs by salary band (2023/24)

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)	10 754	1.26	39	276
Highly skilled production (Levels 6-8)	113 330	13.33	262	433
Highly skilled supervision (Levels 9-12)	395 704	46.53	494	801
Senior management (Levels 13-16)	326 051	38.34	253	1 289
Total**	**845 839**	**99.46**	**1 048**	**807**

*** 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 3.1.2.*

The following tables provide a summary, per programme (table 3.1.3) and salary band (table 3.1.4), of expenditure incurred because of salaries, overtime, homeowners' 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 (2023/24)

PROGRAMME	SALARIES		OVERTIME		HOME OWNERS ALLOWANCE		MEDICAL AID	
	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	140 388	67.29	1 289	0.62	2 793	1.34	6 858	3.29
Programme 2	52 075	67.89	0	0	265	0.35	1 043	1.36
Programme 3	161 949	68.94	391	0.17	1 639	0.70	3 343	1.42
Programme 4	59 081	70.27	0	0	666	0.79	1 617	1.92
Programme 5	148 884	69.87	24	0.01	2 266	1.06	5 149	2.42
Programme 6	17 056	51.65	1	0	145	0.44	529	1.60
Programme 7	0	0	0	0	0	0	0	0
Total****	**579 433**	**68.13**	**1 705**	**0.20**	**7 774**	**0.91**	**18 539**	**2.18**

***** 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*

HUMAN RESOURCES OVERSIGHT STATISTICS 03

Table 3.1.4 Salaries, overtime, home owners' allowance and medical assistance by salary band (2023/24)

SALARY BANDS	SALARIES		OVERTIME		HOME OWNERS ALLOWANCE		MEDICAL AID	
	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)	8 428	78.37	370	3.44	472	4.39	776	7.22
Highly skilled production (Levels 6-8)	94 781	83.63	579	0.51	3 005	2.65	6 683	5.90
Highly skilled supervision (Levels 9-12)	263 426	66.57	756	0.19	3 068	0.78	8 175	2.07
Senior management (Levels 13-16)	210 028	64.42	0	0	1 228	0.38	2 905	0.89
Total *****	**576 663**	**68.18**	**1 705**	**0.20**	**7 773**	**0.92**	**18 539**	**2.19**

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

Table 3.1.5 Leave payouts (1 April 2023 – 31 March 2024)

REASON	TOTAL AMOUNT (R'000) (A)	NUMBER OF EMPLOYEES (B)	AVERAGE PAYMENT PER EMPLOYEE (R'000) (C=A/B)
Leave payout for 2023/24 due to non-utilisation of leave for the previous cycle	415	7	59
Capped leave payouts on termination of service for 2023/24	460	5	92
Current leave payout on termination of service for 2023/24	4 329	119	36
Total	**5 204**	**131**	**40**

03 HUMAN RESOURCES OVERSIGHT STATISTICS

3.2 EMPLOYMENT AND VACANCIES

Table 3.2.1 Employment and vacancies by programme as at 31 March 2024

PROGRAMME	NUMBER OF FUNDED POSTS	HEADCOUNT	VACANCY RATE %	NUMBER OF POSTS FILLED ADDITIONAL TO THE ESTABLISHMENT
Programme 1	408	346	15.2	79
Programme 2	116	77	33.62	4
Programme 3	298	264	11.41	9
Programme 4	114	102	10.53	6
Programme 5	308	256	16.88	41
Programme 6	43	37	13.95	6
Programme 7	0	0	0	0
Programme 8	0	0	0	0
Total	**1 287**	**1 082**	**15.93**	**145**

NB: Minister and Deputy Minister included in totals.

Table 3.2.2 Employment and vacancies by salary band as at 31 March 2024

SALARY BANDS	NUMBE R 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)	52	45	13.46	4
Highly skilled production (Levels 6-8)	298	260	12.75	95
Highly skilled supervision (Levels 9-12)	613	516	15.82	34
Senior management (Levels 13-16)	324	261	19.44	12
Total	**1 287**	**1 082**	**15.93**	**145**

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

Table 3.2.3 Employment and vacancies by critical occupations as at 31 March 2024

No formal critical occupations were approved for the National Treasury.

3.3 FILLING OF SMS POSTS

Table 3.3.1 SMS post information as at 31 March 2024

SMS LEVEL	TOTAL NUMBER OF FUNDED SMS POSTS	TOTAL NUMBER OF SMS POSTS FILLED	% OF SMS POSTS FILLED	TOTAL NUMBER OF SMS POSTS VACANT	% OF SMS POSTS VACANT
Director-General/ Head of Department	1	1	100	0	0
Salary Level 16	3	3	100	0	0
Salary Level 15	17	13	76.47	4	23.53
Salary Level 14	63	52	82.54	11	17.46
Salary Level 13	235	187	79.57	48	20.43
Total	**319**	**256**	**80.25**	**63**	**19.75**

Minister and Deputy Minister excluded in totals.

Table 3.3.2 SMS post information as at 30 September 2023

SMS LEVEL	TOTAL NUMBER OF FUNDED SMS POSTS	TOTAL NUMBER OF SMS POSTS FILLED	% OF SMS POSTS FILLED	TOTAL NUMBER OF SMS POSTS VACANT	% OF SMS
Director-General/ Head of Department	1	1	100	0	0
Salary Level 16	3	3	100	0	0
Salary Level 15	17	13	76.47	4	23.53
Salary Level 14	65	53	81.54	12	18.46
Salary Level 13	236	186	78.81	50	21.19
Total	**322**	**256**	**79.5**	**66**	**20.5**

Minister and Deputy Minister excluded in totals.

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2023 to 31 March 2024

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	0	0	0
Salary Level 14	5	0	0
Salary Level 13	14	1	10
Total	**19**	**1**	**10**

03 HUMAN RESOURCES OVERSIGHT STATISTICS

Table 3.3.4 Reasons for not filling funded vacant SMS posts that were advertised within 6 months and filled within 12 months after becoming vacant (1 April 2023 – 31 March 2024)

REASONS FOR VACANCIES NOT ADVERTISED WITHIN SIX MONTHS
The recruitment unit is mandated by the needs of vacancy managers/line managers at any point in time. Certain vacancy managers/line managers opt to reprioritise vacated positions and rather fill other positions. Respective vacancy managers/line managers firstly consider future needs or potential changes to business units before advertising. The department must constantly assess if the position is critical for that financial year to ensure that it is financially in line with department's compensation of employees budget. On 1 October 2023, the Minister for Public Service and Administration issued a directive on the implementation of control measures aimed at assisting executive authorities in managing fiscal sustainability during the process of creating and filling vacant posts in departments that required concurrence from the minister. Some of the positions were affected by the directive and circular 49 of 2023.

REASONS FOR VACANCIES NOT FILLED WITHIN TWELVE MONTHS
Some of the positions, especially those that were difficult to fill within the economic cluster, have been re-advertised several times. At times they lapsed into the next financial year. The main problem has been the quality of applications and the inflexible directive for SMS members in terms of years of experience. This has posed a serious challenge to the point that even headhunting has been unsuccessful. As such, to ensure feeder applicants are available to apply for SMS posts, the department must now rely on internal pipelining that might take years. These challenges have been documented and escalated to the DPSA for consideration.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months (1 April 2023 – 31 March 2024)

REASONS FOR VACANCIES NOT FILLED WITHIN SIX MONTHS
A process of escalation is in place and the HR management unit shares the recruitment dashboard with the executive committee (EXCO) to appraise HR business partners. The unit presents HR metrics, including recruitment data, during divisional meetings. These presentations highlight compliance with filling of positions in line with the 2016 Public Service Regulations, including the internal recruitment practice note.

REASONS FOR VACANCIES NOT FILLED WITHIN TWELVE MONTHS
Similarly, the internal recruitment practice note has been approved as a way of addressing challenges around noncompliance with filling vacant posts within 12 months. However, some of the reasons provided in 3.3.4 still apply, where the recruitment process is initiated but the quality of the application is unsatisfactory. National Treasury has many positions that are technical and need specific skills.

3.4 JOB EVALUATION

Table 3.4.1 Job evaluation (1 April 2023 – 31 March 2024)

SALARY BAND NUMBER OF POSTS	NUMBER	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)	52	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	298	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	613	3	0.49	2	66.67	0	0
Senior Management Service Band A	236	0	0	0	0	0	0
Senior Management Service Band B	65	0	0	0	0	0	0
Senior Management Service Band C	18	0	0	0	0	0	0
Senior Management Service Band D	5	1	20	0	0	0	0
Total	**1 287**	**4**	**0.31**	**2**	**50**	**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 2023 – 31 March 2024)

BENEFICIARIES	AFRICAN	ASIAN	COLOURED	WHITE	TOTAL
Female	0	0	0	0	0
Male	2	0	0	0	2
Employees with a disability	0	0	0	0	0
Total	**2**	**0**	**0**	**0**	**2**

Table 3.4.3 Employees whose salary level exceeded the grade determined by job evaluation in terms of Public Service Regulation 1.V.C.3 (1 April 2023 – 31 March 2024)

OCCUPATION	NUMBER OF EMPLOYEES	JOB EVALUATION LEVEL	REMUNERATION LEVEL	REASON FOR DEVIATION
None	0	0	0	0
Total number of employees whose salaries exceeded the level determined by job evaluation in 2023/24				0
Percentage of total employment (1050 as at 31 March 2023)				0

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Table 3.4.4 Profile of employees whose salary level exceeded the grade determined by job evaluation in terms of Public Service Regulation 1.V.C.3 (1 April 2023 – 31 March 2024)

GENDER	AFRICAN	ASIAN	COLOURED	WHITE	TOTAL
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**

3.5 EMPLOYMENT CHANGES

Table 3.5.1 Annual turnover rates by salary band (1 April 2023 – 31 March 2024)

SALARY BAND	NUMBER OF EMPLOYEES AS AT 31 MARCH 2023	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)	39	8	2	5.13
Highly skilled production (Levels 6-8)	262	43	26	9.92
Highly skilled supervision (Levels 9-12)	494	54	38	7.69
Senior Management Service Band A	187	9	14	7.49
Senior Management Service Band B	52	1	5	9.62
Senior Management Service Band C	13	2	0	0
Senior Management Service Band D	3	0	0	0
Total	**1 050**	**117**	**85**	**8.1**

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

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Table 3.5.2 Annual turnover rates by critical occupation (1 April 2023 – 31 March 2024)

No formal critical occupations were approved for the National Treasury.

Table 3.5.3 Reasons for staff leaving the Department

TERMINATION TYPE	NUMBER	% OF TOTAL
Contract expiry	27	31.76
Death	3	3.53
Dismissal	1	1.18
Resignation	41	48.24
Retirement	7	8.24
Transfer to other public service departments	6	7.06
Total	**85**	**100**
Total number of employees who left as a percentage of total employment (1 082 as at 31 March 2024)	**85**	**7.86**

Table 3.5.4 Promotions by critical occupation (1 April 2023 – 31 March 2024)

No formal critical occupations were approved for the National Treasury.

Table 3.5.5 Promotions by salary band for the period (1 April 2023 and 31 March 2024)

SALARY BAND	EMPLOYEES 31 MARCH 2024	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)	0	0	0
Highly skilled production (Levels 6-8)	260	3	1.15
Highly skilled supervision (Levels 9-12)	516	29	5.62
Senior management (Levels13-16)	261	15	5.75
Total	**1 082**	**47**	**4.34**

NB: Upgrades due to upgrading of post and Accelerated/Grade Progression excluded in totals

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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 2024

OCCUPATIONAL CATEGORY	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Legislators, senior officials and managers	83	7	11	19	93	4	10	25	**252**
Professionals	207	10	5	18	247	7	8	18	**520**
Technicians and associate professionals	31	2	0	1	75	7	2	16	**134**
Clerks	49	1	0	1	77	1	3	6	**138**
Service and sales workers	18	0	0	0	6	0	0	0	**24**
Plant and machine operators and assemblers	5	0	0	0	9	0	0	0	**14**
Elementary occupations	0	0	0	0	0	0	0	0	**0**
Employees with disabilities	1	1	0	5	1	0	0	1	**9**
Total	**393**	**20**	**16**	**39**	**507**	**19**	**23**	**65**	**1 082**

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 2024

OCCUPATIONAL BANDS	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Top management	7	1	3	2	8	0	0	2	**23**
Senior management	82	6	8	18	88	4	10	23	**239**
Professionally qualified and experienced specialists and mid-management	207	9	5	14	237	10	9	23	**514**
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	77	2	0	4	156	5	4	17	**265**
Semi-skilled and discretionary decision making	21	2	0	1	17	0	0	0	**41**
Unskilled and defined decision making	0	0	0	0	0	0	0	0	**0**
Total	394	20	16	39	506	19	23	65	**1 082**

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

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Table 3.6.3 Recruitment (1 April 2023 – 31 March 2024)

OCCUPATIONAL BANDS	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Top management (15-16)	1	0	0	1	0	0	0	0	**2**
Senior management (13-14)	4	0	1	0	2	0	2	1	**10**
Professionally qualified and experienced specialists and mid-management (9-12)	29	0	0	0	23	1	1	0	**54**
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (6-8)	17	1	0	0	23	1	1	0	**43**
Semi-skilled and discretionary decision making (3-5)	3	0	0	0	5	0	0	0	**8**
Unskilled and defined decision making (1-2)	0	0	0	0	0	0	0	0	**0**
Total	**54**	**1**	**1**	**1**	**53**	**2**	**4**	**1**	**117**
Employees with disabilities	1	0	0	0	0	0	0	0	**1**

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

Table 3.6.4 Promotions for the period (1 April 2023 to 31 March 2024)

OCCUPATIONAL BANDS	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Top management (15-16)	0	1	0	0	0	0	0	0	**1**
Senior management (13-14)	7	0	1	1	4	0	1	0	**14**
Professionally qualified and experienced specialists and mid- management (9-12)	14	0	0	0	13	0	0	2	**29**
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (6-8)	0	0	0	0	3	0	0	0	**3**

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OCCUPATIONAL BANDS	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
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	**21**	**1**	**1**	**1**	**20**	**0**	**1**	**2**	**47**
Employees with disabilities	0	0	0	0	0	0	0	0	**0**

Table 3.6.5 Terminations (1 April 2023 – 31 March 2024)

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)	4	1	2	0	9	1	1	1	**19**
Professionally qualified and experienced specialists and mid-management (9-12)	13	1	0	2	19	1	0	2	**38**
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (6-8)	10	0	0	0	14	0	1	1	**26**
Semi-skilled and discretionary decision making (3-5)	1	0	0	0	1	0	0	0	**2**
Unskilled and defined decision making (1-2)	0	0	0	0	0	0	0	0	**0**
Total	**28**	**2**	**2**	**2**	**43**	**2**	**2**	**4**	**85**
Employees with disabilities	0	0	0	0	0	0	0	0	**0**

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

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Table 3.6.6 Disciplinary actions (1 April 2023 – 31 March 2024)

DISCIPLINARY ACTION	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
	2	0	1	0	2	0	0	1	**6**

Table 3.6.7 Skills development (1 April 2023 – 31 March 2024)

OCCUPATIONAL CATEGORIES	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Legislators, senior officials and managers	48	2	4	6	47	4	4	15	**130**
Professionals	90	5	2	4	141	5	1	10	**258**
Technicians and associate professionals	15	1	0	0	37	3	1	7	**64**
Clerks	40	1	0	1	72	1	2	1	**116**
Service and sales workers	7	0	0	0	0	5	0	0	**12**
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**

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Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	**0**
Elementary occupations	2	0	0	0	3	0	0	0	**5**
Total	**202**	**9**	**6**	**11**	**300**	**18**	**8**	**33**	**587**
Employees with disabilities	-	-	-	-	-	-	-	-	**-**

NB: Minister and Deputy Minister not included in totals.

3.7 SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

In ensuring compliance to the department's performance management and development policy, the following table details the compliance with performance agreements by SMS members. 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 at 31 May 2023

SMS LEVEL	TOTAL NUMBER OF FUNDED SMS POSTS	TOTAL NUMBER OF SMS MEMBERS	TOTAL NUMBER OF SIGNED PERFORMANCE AGREEMENTS	SIGNED PERFORMANCE AGREEMENTS AS % OF TOTAL NUMBER OF SMS MEMBERS
Director-General/ Head of Department	1	0	0	0
Salary Level 16	0	1	0	0
Salary Level 15	17	13	13	100
Salary Level 14	64	52	52	100
Salary Level 13	237	187	184	98
Total	**319**	**253**	**249**	**98**

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 at 31 May 2023

STATUS	13	14	15	16	TOTAL	REASONS:
Performance Agreements not submitted	3	0	0	1	4	Of the 3 level-13 members, 2 are awaiting line manager approval and 1 did not submit. The level-16 member was a technical specialist and appointed as acting head of department
Grand Total	**3**	**0**	**0**	**1**	**4**	

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

Consequence management process under way for employees who did not comply with the performance management process.

3.8 PERFORMANCE REWARDS

Table 3.8.1 Performance rewards by race, gender and disability (1 April 2023 – 31 March 2024)

In line with the DPSA directive, no performance rewards were awarded.

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Table 3.8.2 Performance rewards by salary band for personnel below SMS (1 April 2023 – 31 March 2024)

In line with the DPSA directive, no performance rewards were awarded.

Table 3.8.3 Performance rewards by critical occupation (1 April 2023 – 31 March 2024)

No formal critical occupations were approved for the National Treasury.

Table 3.8.4 Performance related rewards (cash bonus) by salary band for SMS members (1 April 2023 – 31 March 2024)

In line with the DPSA directive, no performance rewards were awarded.

3.9 FOREIGN WORKERS

Table 3.9.1 Foreign workers by salary band (1 April 2023 to 31 March 2024)

SALARY BAND	MARCH 2023		MARCH 2024		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
Highly skilled production (Levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0	0	0
Senior management (Levels13-16)	8	100	7	100	-1	12.5
Total	**8**	**100**	**7**	**100**	**-1**	**12.5**

Table 3.9.2 Foreign workers by major occupation (1 April 2023 – 31 March 2024)

SALARY BAND	MARCH 2023		MARCH 2024		CHANGE	
	NUMBER	% OF TOTAL	NUMBER	% OF TOTAL	NUMBER	% CHANGE
Senior management	8	100	7	100	-1	12.5
Professional qualified	0	0	0	0	0	0
Skilled technical	0		0	0	0	0
Semi-skilled	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0
Total	**8**	**100**	**7**	**100**	**-1**	**12.5**

3.10 LEAVE UTILISATION

Table 3.10.1 Sick leave (1 January 2023 – 31 December 2023)

SALARY BAND	TOTAL DAYS	% DAYS WITH MEDICAL CERTIFICATION	NUMBER OF EMPLOYEES USING SICK LEAVE	% OF TOTAL EMPLOYEES USING SICK LEAVE	AVERAGE DAYS PER EMPLOYEE	ESTIMATED COST (R'000)
Lower skilled (Levels 1-2)	0	0%	0	0%	0	0
Skilled (Levels 3-5)	140	71.4	24	3.9	6	R158 000
Highly skilled production (Levels 6-8)	1 100	82.7	169	27.2	7	R1.9m
Highly skilled supervision (Levels 9-12)	1836	81.5	303	48.7	6	R6.1m
Senior management (Levels 13-16)	654	81,2%	126	20,3%	5	R3.2m
Total	**3 730**	**81.4**	**622**	**100**	**6**	**R11.5m**

Table 3.10.2 Disability leave temporary and permanent (1 January 2023 – 31 December 2023)

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)	60	100	3	75	20	R131 000
Highly skilled supervision (Levels 9-12)	31	100	1	25	31	R96 000
Senior management (Levels 13-16)	0	0	0	0	0	0
Total	**91**	**100**	**4**	**100**	**23**	**R228 000**

Table 3.10.3 Annual leave (1 January 2023 – 31 December 2023)

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)	746	41	18
Highly skilled production (Levels 6-8)	5 733.44	276	21
Highly skilled supervision (Levels 9-12)	11 285.92	540	21
Senior management (Levels 13-16)	6 242.27	273	23
Total	**24 007.63**	**1 130**	**21**

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Table 3.10.4 Capped leave (1 January 2023 – 31 December 2023)

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 DECEMBER 2023
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	0	0	0	22
Highly skilled production (Levels 6-8)	0	0	0	20
Highly skilled supervision (Levels 9-12)	0	0	0	26
Senior management (Levels 13-16)	0	0	0	20
Total	**0**	**0**	**0**	**23**

The following table summarises payments made to employees due to leave not taken.

Table 3.10.5 Leave payouts (1 April 2023 – 31 March 2024)

REASON	TOTAL AMOUNT (R'000) (A)	NUMBER OF EMPLOYEES (B)	AVERAGE PAYMENT PER EMPLOYEE (R'000) (C=A/B)
Leave payout for 2022/23 due to non-utilisation of leave for the previous cycle	415	7	59
Capped leave payouts on termination of service for 2022/23	460	5	92
Current leave payout on termination of service for 2022/23	4 329	119	36
Total	**5 204**	**131**	**40**

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 used GEMS for disease management in 2023/24. The scheme conducted quarterly screening for blood pressure, glucose, cholesterol and body mass index (BMI) for staff members. A total of 53 employees participated in HIV and AIDS counselling and testing, while 163 employees participated in health screening for blood pressure, glucose, cholesterol and BMI. Categories of employees identified to be high risk are as follows: • Abnormal BMI/Obese: 60 • High glucose: 3 • High cholesterol: 7 • Elevated blood pressure: 17 A total of 80 male condoms were distributed in the men's restrooms and 300 female condoms were distributed in the women's restrooms.	The department conducted awareness on healthy lifestyles, including obesity awareness, for all employees. The department encouraged continual health screening by GEMS for all employees, and encouraged staff members to participate in the Big Walk physical wellness day to promote physical activity. Female and male condoms were distributed in the restrooms.

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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 chapter 4, part 3, regulation 55 of the 2016 Public Service Regulations? If so, provide her/his name and position.	Yes		Director: Organisation Development Lufuno Monyau
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and wellbeing of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		The department has a dedicated unit and one staff member to promote the health and wellbeing of employees – Ms Rebotile Letsoalo, Deputy Director: Employee Wellness and Transformation, who reports to the Director: Organisational Development.
3. Has the department introduced an employee assistance or health-promotion programme for employees? If so, indicate the key elements/services of this programme.	Yes		The department has introduced an employee assistance or health-promotion programme for employees. The key elements are: • Confidential counselling: Providing access to professional counsellors for employees facing personal or work-related issues. • Mental health support: Offering resources and support for cases of mental health issues such as stress, anxiety, depression and substance abuse. This might include counselling sessions, support groups or referrals to specialised services. • Work-life balance assistance. • Financial counselling: Offering guidance and support for employees facing financial difficulties, including debt management, budgeting and financial planning. • Legal assistance: Providing access to legal advice and resources for employees dealing with legal issues such as family law matters, landlord-tenant disputes or consumer rights. • Health and wellness programmes: Promoting overall employee health and wellness through initiatives such as fitness programmes, nutrition counselling, smoking cessation support and health screenings.
4. Has the department established (a) committee(s) as contemplated in chapter 4, part 3, regulation 55 of the 2016 Public Service Regulations? If so, please provide the names of the members of the committee and the stakeholder(s) they represent.	Yes		The department is in the process of re-establishing the transformation, wellness and gender committee. The previous committee's term of office lapsed and a new committee will be identified comprising members of the SMS, MMS, lower-level employees, people with disabilities and organised labour.
5. Has the department reviewed its employment policies and practices to ensure that they do not unfairly discriminate against employees based on their HIV status? If so, list the employment policies/practices so reviewed.	Yes		The department has reviewed employee health and wellness policies, including HIV and AIDS and TB management in the workplace in 2018. However, the department is in the process of reviewing these policies to align them with the DPSA's reviewed strategic framework on employee health and wellness.

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QUESTION	YES	NO	DETAILS, IF YES
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		The department uses the following measures to protect HIV-positive employees: • The implementation of the non-discriminatory HIV and AIDS and TB management policy, which is due for review. • Encouragement for employees to use the confidential employee health and wellness programme.
7. Does the department encourage its employees to undergo voluntary counselling and testing? If so, list the results you have you achieved.	Yes		The department encourages its employees to undergo voluntary counselling and testing. Prior to GEMS rendering these services to the department, they were promoted and marketed to encourage employees to participate in screening and use these services.
8. Has the department developed measures or indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures or indicators.	Yes		The department has developed measures and indicators through the employee health and wellness programme operational plan. These included hosting a total of 21 employee health and wellness events, such as: • a men's health event during men's health month • the electronic distribution of information monthly • a savings webinar during savings month • mental health awareness • breast cancer awareness during breast cancer awareness month • a Women's Day event during women's month • a 16 days of activism for no violence against women and children event • a Wills Week webinar.

3.12 LABOUR RELATIONS

Table 3.12.1 Collective agreements (1 April 2023 – 31 March 2024)

SUBJECT MATTER	DATE
N/A	N/A

Table 3.12.2 Misconduct and disciplinary hearings finalised (1 April 2023 – 31 March 2024)

OUTCOMES OF DISCIPLINARY HEARINGS	NUMBER	% OF TOTAL
Written Warning	5	83.3
Final Written Warning	0	0
Dismissal	1	16.7
Total	**6**	**100**

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Table 3.12.3 Type of misconduct addressed at disciplinary hearings (1 April 2023 – 31 March 2024)

TYPE OF MISCONDUCT	NUMBER	% OF TOTAL
Sexual Harassment	0	0
Irregular Expenditure	0	0
Poor work performance	0	0
Insubordination, dereliction of duties, non-compliance with leave policy	5	83.3
Dishonesty	1	16.7
Total	**6**	**100.00**

Table 3.12.4 Grievances lodged (1 April 2023 – 31 March 2024)

GRIEVANCES	NUMBER	% OF TOTAL
Number of grievances resolved	15	44.1
Number of grievances not resolved	19	59.9
Total number of grievances lodged	**34**	**100**

Table 3.12.5 Disputes lodged with councils (1 April 2023 to 31 March 2024)

DISPUTES	NUMBER	% OF TOTAL
Number of disputes dismissed	10	37
Number of disputes pending	16	59.3
Number settled	1	3.7
Number of new disputes lodged	0	0
Total number of disputes	**27**	**100**

Table 3.12.6 Strike action (1 April 2023 – 31 March 2024)

TOTAL NUMBER OF PERSON WORKING DAYS LOST	% OF TOTAL
Total cost (R'000) of working days lost	**0**
Total cost of working days lost	**0**
Amount (R'000) recovered because of no work, no pay	**0**

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Table 3.12.7 Precautionary suspensions (1 April 2023 – 31 March 2024)

PRECAUTIONARY SUSPENSIONS	TOTAL
Number of people suspended	**0**
Number of people whose suspension exceeded 30 days	**0**
Average number of days suspended	**0**
Cost of suspensions	**0**

3.13 SKILLS DEVELOPMENT

Table 3.13.1 Training needs identified as at 31 March 2024

OCCUPATIONAL CATEGORIES	GENDER	NUMBER OF EMPLOYEES AS AT 31 MARCH 2023	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	60	0	**60**
	Male	118	0	30	0	**30**
Professionals	Female	279	0	75	0	**75**
	Male	240	0	60	0	**60**
Technicians and associated professionals	Female	100	0	15	0	**15**
	Male	34	0	6	0	**6**
Clerks	Female	85	0	25	0	**25**
	Male	50	0	20	0	**20**
Service and sales workers	Female	6	0	0	0	**0**
	Male	1	0	0	0	**0**
Skilled agriculture and fishery workers	Female	0	0	0	0	**0**
	Male	0	0	0	0	**0**
Craft and related trades workers	Female	0	0	0	0	**0**
	Male	0	0	0	0	**0**
Plant and machine operators and assemblers	Female	0	0	0	0	**0**
	Male	0	0	0	0	**0**
Elementary occupations	Female	9	0	0	0	**0**
	Male	6	0	0	0	**0**
Subtotal	**Female**	**612**	**0**	**175**	**0**	**175**
	Male	**449**	**0**	**116**	**0**	**116**
Total		**1 061**	**0**	**291**	**0**	**291**

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

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Table 3.13.2 Training provided (1 April 2023 – 31 March 2024)

OCCUPATIONAL CATEGORIES	GENDER	NUMBER OF EMPLOYEES AS AT 31 MARCH 2024	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	107	0	**107**
	Male	118	0	74	0	**74**
Professionals	Female	279	14	122	0	**136**
	Male	240	18	106	0	**124**
Technicians and associated professionals	Female	100	0	42	0	**42**
	Male	34	0	9	0	**9**
Clerks	Female	87	0	76	0	**76**
	Male	52	0	42	0	**42**
Service and sales workers	Female	6	0	7	0	**7**
	Male	18	0	7	0	**7**
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 & assemblers	Female	0	0	0	0	**0**
	Male	0	0	0	0	**0**
Elementary occupations	Female	9	0	0	0	**0**
	Male	6	0	1	0	**1**
Subtotal	**Female**	**614**	**0**	**0**	**0**	**0**
	Male	**468**	**0**	**0**	**0**	**0**
Total		**1 082**	**32**	**593**	**0**	**625**

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

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3.14 INJURY ON DUTY

Table 3.14.1 Injuries on duty (1 April 2023 – 31 March 2024)

NATURE OF INJURY ON DUTY	NUMBER	% OF TOTAL
Required basic medical attention only	0	0
Temporary total disablement	0	0
Permanent disablement	0	0
Fatal	0	0
Total	**0**	**0**

3.15 UTILISATION OF CONSULTANTS

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

- the rendering of expert advice
- the drafting of proposals for the execution of specific tasks
- the execution of a specific task that is of a technical or intellectual nature but excludes an employee of a department.

Table 3.15.1 Report on consultant appointments using appropriated funds (1 April 2023 – 31 March 2024)

PROJECT TITLE	SERVICE PROVIDER	DURATION (WORKDAYS)	CONTRACT VALUE IN RAND
Request to obtain approval for variation of the Transversal financial management systems contracts for a period of 5 years	Accenture	60 months	361,833,616.00
Request to obtain approval for the variation of transversal financial management systems contracts for a period of five years		12 months	459 858 000.00
Request to obtain approval for variation of the Transversal financial management systems contracts for a period of 5 years	Accenture	60 months	459,858,000.00
NT004-2-2022: Appointment of service provider(s) to render professional services for infrastructure related to National Treasury Information and Communication Technology for a period of three (3) years	Afrocentric Intellectual Property Pty (Ltd)	36 months	29,000,000.00
Review and amendment of various FRP Municipalities	Akhile Management and Consulting (Pty) Ltd	3 months	1,650,000.00

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PROJECT TITLE	SERVICE PROVIDER	DURATION (WORKDAYS)	CONTRACT VALUE IN RAND
RFQ923-2023: Request for approval to appoint a service provider to review and amend the financial recovery plan for the Emfuleni Local Municipality	Akhile Management and Consulting (Pty) Ltd - Emfuleni	5 months	2,720,000.00
RFQ312-2022: Appointment of a service provider to prepare the Financial Recovery Plans for Enoch Mgijima, Tokologo, Walter Sisulu and Mafube Local Municipalities, the OR Tambo District Municipality, and the Mangaung Metropolitan Municipality	Akhile Management and Consulting (Pty) Ltd	3 months	1,236,026.00
RFQ299-2022: The appointment of service provider to prepare the financial recovery plan for Madibeng, Naledi, Ramotshere, Moiloa, Ditsobotla, Tswaing, Kgetlengrivier local Municipalities and the Dr Ruth Segomotsi Mompati district Municipality in the North-West	Mntambo Financial Consulting CC	3 months	1,000,000.00
Request to deviate from the normal SCM processes and appoint the current service providers and sign a new Service Level Agreement to complete the outstanding work on the preparation of Financial Recovery Plans	Akhile Management and Consulting (Pty) Ltd	1 month	786,300.00
Request to deviate from the normal SCM processes and appoint the current service providers and sign a new Service Level Agreement to complete the outstanding work on the preparation of Financial Recovery Plans	Akhile Management and Consulting (Pty) Ltd	1 month	844,686.00
RFQ367-2022: The appointment of service provider for the actuarial valuation of post-retirement medical liabilities in the Public Service	Alexander Forbes	3 months	920,000.00
Deviation from SCM process and appoint a single source provider to assist with responding to deficiencies identified in the 2021 FATF Mutual Evaluation Report	Anthony Paul Altbeker	6 months	720,000.00
Deviation from SCM process and appointing a single source provider to assist with outstanding deficiencies in the country's AML/CFT System.	Anthony Paul Altbeker	12 months	1,440,000.00
RFQ136-2023: Appointment of a service provider to provide accounting and management services	Arms-Audit and Risk Management Solutions (Pty) Ltd	12 months	230,400.00
RFQ139-2023: Appointment of service provider to prepare the 2022/23 Cooperative Banking Development Agency Annual Financial Statements	Arms-Audit and Risk Management Solutions (Pty) Ltd	2 months	168,480.00
Appointment of service provider(s) to render project management and business/systems analysis professional services for Software Development related projects to NT ICT for a period of no more than 6 months	BOA Technologies	6 months	1,000,000.00
Request to obtain approval for variation of the Transversal financial management systems contracts for a period of 5 years	Accenture	60 months	487,590,948.00
Request to obtain approval for variation of the Transversal financial management systems contracts for a period of 5 years	Accenture	60 months	136,010,000.00

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PROJECT TITLE	SERVICE PROVIDER	DURATION (WORKDAYS)	CONTRACT VALUE INRAND
NT014-2023: Appointment of a service provider from SITA RFB 2003 to supply, install and configure servers and storage in National Treasury and enter into a five (5) year maintenance and support contract	Business Connexion (Pty) Ltd	60 months	132,578,782.86
NT011-2021: Appointment of a service provider for the assessment, simulations, ethics workshops, reviewer and mentor training for the Chartered Accountants Academy (CAA) for a period of three years	CA Succeed Training (Pty) Ltd	36 months	1,787,700.00
RFQ703-2023: The appointment of a service provider to provide coaching services for a senior manager for a period of 12 months	Change Partners Coaching (Pty) Ltd	12 months	75,325.00
Request for approval for the procurement of a service provider to develop the programme design, workplan and budget for the women empowerment and leadership programme for Public Finance Management	Citofield	6 months	640,000.00
RFQ129-2022: Appointment of a service provider for the provision of comprehensive editorial services for 2022/23 budget documentation - Medium Term Budget Policy Statement and Budget Review	Clarity Global Strategic Communications	1 month	1,763,813.00
RFQ664-2023: Appointment of service provider from the panel of editors for the provisioning of comprehensive editorial services for the 2023/24 budget documentation- 2023 Medium Term Budget Policy Statement and 2024 Budget Review for National Treasury	Clarity Global Strategic Communications	4 months	1,862,597.50
RFQ462-2023: Appointment of a service provider for Model Building Development of a Debt and Debt Servicing Cost Forecasting Model for the Assets and Liability Management Division of the National Treasury for the period of 12 months	Codera Analytics	12 months	2,866,375.00
RFQ487-2023: Appointment of a service provider to assist with Modernisation of a Back-Office Support System payments messaging system for twelve-month period	Columbus – Rixwelle JV	12 months	3,198,400.00
Request to appoint service for an IT Business Analyst/Project Manager (Richard Chenge) for a 4-month period	Columbus Consulting (Pty) Ltd	4 months	4,261,607.81
RFQ061-2021: Request for approval to appoint a service provider to coach 12 Chief Directors for a period of 12 months	Crucial Communications CC	12 months	803,160.00
RFQ306-2023: The appointment of a service provider to provide individual coaching session for a period of 12 months	Crucial Communications CC	12 months	207,000.00
Request for extension of a coaching agreement between National Treasury and Crucial Communications CC	Crucial Communications CC	12 months	142,554.00
RFQ263-2023: Request for approval to appoint a service provider to render a group coaching sessions for a period of twelve (12) months	Crucial Communications CC	12 months	74,520.00
RFQ013-2023: Appointment of a service provider to coach an executive manager for a period of 12 months	Crucial Communications CC	12 months	202,860.00
City Capacity Building Programme	CSIR	12 months	3,117,000.00

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PROJECT TITLE	SERVICE PROVIDER	DURATION (WORKDAYS)	CONTRACT VALUE IN RAND
Amendments to Project Specific Agreements between National Treasury: IGR and the CSIR – for the Cities Support Programme's climate resilience component	CSIR	12 months	977,511.00
NT009-2018: Appointment of a service provider(s) for establishment of a programme management unit (PMU) for implementation of the cities support programme phase II for the period of 3 years	Doors Opened Hr Solutions	36 months	14,656,050.05
NT010-2022: Appointment of a service provider to develop and implement a Supply Chain Management (SCM) compliance risk assessment and compliance monitoring plan in all spheres of government for a period of two (2) years	Enterprise University of Pretoria (Pty) Ltd	24 months	3,957,150.00
RFQ289-2023: Appointment of a service provider to provide Group Coaching Sessions for a period of six (6) months	Experiential Technologies (Pty) Ltd trading as Experttech	6 months	67,850.00
RFQ512-2023: The appointment of a service provider to conduct onsite CBI Treasury Management Training for Board of Directors, Sub-Committees, and Management of Co-operative Banking Institutions (CBI)	Favest Advisory (Pty) Ltd	6 months	612,053.00
Request for approval for National Treasury to co- fund the Finscope SA Survey	Finmark Trust	36 months	1,200,000.00
NT012-1-2018: Appointment of a service provider for the enhancement, maintenance, and support of the Central Supplier Database for the Office of the Chief Procurement Officer for a period of 3 years	Gijima Holdings	36 months	42,460,392.00
Deviation: Request for approval for the National Treasury (Intergovernmental Division and Economic Policy)	HSRC	36 months	1,515,593.00
RFQ257-2022: Request for approval to appoint a service provider for Group Coaching Sessions for a period of six (6) months	Human Mirror	6 months	211,600.00
Request for appointment of a coaching agreement between NT and Human Mirror Coaching and Consultancy CC for a period of three months	Human Mirror	3 months	86,250.00
RFQ085-2023: Request the appointment of a service provider to provide for individual coaching for a period of twelve (12) months and approval of less than minimum required quotations received	Human Mirror	12 months	191,475.00
RFQ492-2023: The appointment of service provider to support on institutionalising of the long-term financial strategy reform for municipalities for 12 months period	Ignatius Jacob Mulder	12 months	495,000.00
NT023-2017: Appointment of a service provider to provide and implement annual financial statement consolidation software solution for the National and Provincial Departments and Public Entities for a period of three (3) years	Infinitus Reporting Solutions (Pty) Ltd	36 months	4,653,517.18
Appointment of a service provider for the support, maintenance and further development of the Local Government, Database and Reporting System for a period of 3 years	Infobuild (Pty) Ltd	36 months	4,969,952.64

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PROJECT TITLE	SERVICE PROVIDER	DURATION (WORKDAYS)	CONTRACT VALUE IN RAND
To request the Director General to grant approval for the procurement of support services for the Local Government Database and Reporting System (LGDRS) through single source deviation	Infobuild (Pty) Ltd	36 months	7,312,134.65
RFQ256-2022: The appointment of service provider for the provision of a Mentorship Programme for NT employees for a six-month period	Inkwazi Learning Network (Pty) Ltd	6 months	337,165.37
RFQ671-2023: Appointment of a service provider for Tax Legislative Drafter Specialist Services in the field of Legal Tax Design for a period of ten (10) months	Jeanne Abbie Viljoen	10 months	950,000.00
RFQ312-2022: Appointment of a service provider to prepare the Financial Recovery Plans for Enoch Mgijima, Tokologo, Walter Sisulu and Mafube Local Municipalities, the OR Tambo District Municipality, and the Mangaung Metropolitan Municipality	Luta Management Services (Pty) Ltd	3 months	1,150,000.00
RFQ299-2022: The appointment of service provider to prepare the Financial Recovery Plan for Madibeng, Naledi, Ramotshere, Moiloa, Ditsobotla, Tswaing, Kgetlengrivier local Municipalities and the Dr Ruth Segomotsi Mompati district Municipality in the North-West	Mntambo Financial Consulting CC	3 months	1,000,000.00
Request to deviate from the normal SCM processes and appoint the current service providers and sign new Service Level Agreements to complete the outstanding work on preparation of Financial Recovery Plans	Luta Management Services (Pty) Ltd	1 month	628,143.00
RFQ572-2023: Appointment of a service provider to review, update, customise and pilot deliver the Municipal Supply Chain Management Executive	M J Mafunisa Consulting (Pty) Ltd	12 months	799,250.00
RFQ130-2022: Appointment of a service provider for the provision of comprehensive editorial services 2022/23 budget documentation - Adjusted Estimates National Expenditure and Estimates National Expenditure publications	Media Meme (Pty) Ltd	1 month	1,244,213.75
RFQ120-2022: Appointment of service provider to perform editing and layout design of CBDA annual reports 2021/22 and 2022/23 for Co-operative Banks Development Agency for a period of two (2) years	Media Meme (Pty) Ltd	24 months	480,240.00
RFQ747-2023: Appointment of service provider from the panel of editors for the provisioning of comprehensive editorial services for the 2023/24 budget documentation - 2023 Adjusted estimates of National Expenditure and 2024 estimates of National Expenditure	Media Meme (Pty) Ltd	4 months	1,307,923.75
Appointment of an Editor for NT's 2022/23 annual report	Media Meme (Pty) Ltd	3 months	97,520.00
RFQ513-2023: The appointment of an external editor to assist with the editing and formatting of the 2022/2023 National Treasury Annual Report	Media Meme (Pty) Ltd	1 month	109,288.33

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PROJECT TITLE	SERVICE PROVIDER	DURATION (WORKDAYS)	CONTRACT VALUE IN RAND
RFQ010-1-2020: Appointment of an audit expert (Finance Manager) for general budget support modality assistance for a period of 2 years	MGT Accounting and Consulting	24 months	1,430,000.00
RFQ299-2022: The appointment of service provider to prepare the financial recovery plan for Madibeng, Naledi, Ramotshere, Moiloa, Ditsobotla, Tswaing, Kgetlengrivier local Municipalities and the Dr Ruth Segomotsi Mompati district municipality in the North-West	Open Water Advanced Risk Solutions (Pty) Ltd	3 months	1,000,000.00
Request to deviate from the normal SCM processes and appoint the current service providers and sign a new Service Level Agreement to complete the outstanding work on the preparation of Financial Recovery Plans	Mntambo Financial Consulting CC	1 month	478,127.00
Review and amendment of various FRP Municipalities (Thaba Chweu)	Mntambo Financial Consulting CC	6 months	1,510,007.07
Review and amendment of various FRP Municipalities (Thabazimbi)	Mntambo Financial Consulting CC	6 months	1,510,007.07
NT009-2018: Appointment of a service provider (s) for establishment of a programme management unit (PMU) for implementation of the cities support programme phase II for the period of 3 years	Mzuzu Group (Pty) Ltd	36 months	10,612,080.00
Request for appointment of service provider for the provision of Comprehensive Editorial Services to draft Macroeconomic review and the final Microeconomic review for a period of nine months	Ngomso Research, Writing and Editing Services CC	9 months	94,000.00
RFQ003-2-2022: Provision of services as National Cabinet Representative and technical support team at the Mangaung Metropolitan Municipality in Free State Province	Ntiyiso Consulting	12 months	14,208,480.00
Request for a deviation from procurement and SCM processes to recruit Ntiyiso Consulting as a preferred service provider to provide services as a National Cabinet representative	Ntiyiso Consulting	2 months	2,100,000.00
NT010-2023: Appointment of a service provider from SITA RFB 1183 to render Support, Maintenance and Enhancement of the National Treasury Backoffice System for the Asset and liability Management (ALM) Division for a period of five (5) years	OBT Advisory (Pty) Ltd	60 months	161,988,208.80
RFQ299-2022: The appointment of service provider to prepare the Financial Recovery Plan for Madibeng, Naledi, Ramotshere, Moiloa, Ditsobotla, Tswaing, Kgetlengrivier local Municipalities and the Dr Ruth Segomotsi Mompati District Municipality in the North-West	Luta Management Services (Pty) Ltd	3 months	1,000,000.00
RFQ312-2022: Appointment of a service provider to prepare the Financial Recovery Plans for Enoch Mgijima, Tokologo, Walter Sisulu and Mafube Local Municipalities, the OR Tambo District Municipality, and the Mangaung Metropolitan Municipality	Open Water Advanced Risk Solutions (Pty) Ltd	3 months	1,050,000.00

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PROJECT TITLE	SERVICE PROVIDER	DURATION (WORKDAYS)	CONTRACT VALUE IN RAND
RFQ464-2023: Appointment of a service provider to conduct onsite product development training for the boards of directors, sub-committees and management of cooperative banking institutions		12 months	717 600.00
NT014-2021: Appointment of service provider(s) to transform executive leadership and management through coaching for a period of 6 months	PricewaterhouseCoopers Incorporated	6 months	4,161,091.80
NT016-2022: Appointment of a service provider to perform, implement Business Impact Analysis (BIA) and provide recommendations for a period of eight (8) months	PricewaterhouseCoopers Incorporated	8 months	855,570.00
RFQ464-2023: Appointment of a service provider to conduct onsite product development training for Board of Directors, sub-committees and management of Co-Operative Banking Institutions	Princetop Corporate Training (Pty)Ltd	6 months	717,600.00
RFQ312-2022: Appointment of service provider to prepare the financial recovery plans for Enoch Mgijima, Tokologo, Walter Sisulu and Mafube Local Municipalities, the OR Tambo District Municipality and the Mangaung Metropolitan Municipality	Propellius (Pty) Ltd	3 months	1,150,000.00
RFQ299-2022: The appointment of service provider to prepare the Financial Recovery Plan for Madibeng, Naledi, Ramotshere, Moiloa, Ditsobotla, Tswaing, Kgetlengrivier local Municipalities and the Dr Ruth Segomotsi Mompati district municipality in the North-West	Mntambo Financial Consulting CC	3 months	1,000,000.00
Review and amendment of various FRP Municipalities (Modimolle)	Propellius (Pty) Ltd	6 months	1,750,000.00
Review and amendment of various FRP Municipalities (Musina)	Propellius (Pty) Ltd	6 months	1,750,000.00
Appointment of service provider(s) to render developers and architects' professional services for Software Development related projects to NT ICT for a period of no more than 6 months	BOA Technologies	6 months	1,000,000.00
Appointment of service provider(s) to render developers and architects' professional services for Software Development related projects to NT ICT for a period of no more than 6 months	BOA Technologies	6 months	1,000,000.00
Appointment of an Editor for NT's 2020/21 Annual Report	Quo Vadis Communications	1 month	67,033.50
RFQ211-2022: Appointment of service provider for the provision of content development editing and proof-reading services for a period of 10 months	Quo Vadis Communications	10 months	190,037.50
NT018-2022: Appointment of an international service provider for debt structuring and capital markets advisory services for the proposed Eskom debt relief for a period of 3 months	Rothschild and Co South Africa	3 months	2,500,000.00
RFQ299-2022: The appointment of service provider to prepare the financial recovery plan for Madibeng, Naledi, Ramotshere, Moiloa, Ditsobotla, Tswaing, Kgetlengrivier local Municipalities and the Dr Ruth Segomotsi Mompati district municipality in the North-West	S and G Business Consulting (Pty) Ltd	2 months	953,370.00

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PROJECT TITLE	SERVICE PROVIDER	DURATION (WORKDAYS)	CONTRACT VALUE IN RAND
RFQ220-2023: Appointment of a service provider to prepare the Financial Recovery Plan for Merafong Municipality	S and G Business Consulting (Pty) Ltd	4 months	1,128,000.00
NT009-2018: Appointment of a service provider (s) for establishment of a programme management unit (PMU) for implementation of the cities support programme phase II for the period of 3 years	S Pretorius	36 months	10,425,328.51
RFQ299-2022: The appointment of service provider to prepare the financial recovery plan for Madibeng, Naledi, Ramotshere, Moiloa, Ditsobotla, Tswaing, Kgetlengrivier local Municipalities and the Dr Ruth Segomotsi Mompati district Municipality in the North-West	Stangra Investments (Pty) Ltd	3 months	878,789.52
RFQ312-2022: Appointment of a service provider to prepare the Financial Recovery Plans for Enoch Mgijima, Tokologo, Walter Sisulu and Mafube Local Municipalities, the OR Tambo District Municipality, and the Mangaung Metropolitan Municipality	Luta Management Services (Pty) Ltd	3 months	1,150,000.00
Request to deviate from the normal SCM processes and appoint the current service providers and sign a new Service Level Agreement to complete the outstanding work on the preparation of Financial Recovery Plans	Stangra Investments (Pty) Ltd	1 month	1,046,000.00
Renewal of Financial Times Online subscription	The Financial Times Ltd	36 months	2,446,494.00
RFQ752-2023: Appointment of service provider from a panel of consultants to conduct board evaluations: SASRIA Soc Limited (SASRIA)	The Institute of Board of Directors in SA (IODSA)	4 months	276,000.00
RFQ306-2023: the appointment of a service provider to provide individual coaching session for a period of 12 months	The Mufasa Mentoring and Business Coaching Practice	12 months	257,577.00
RFQ619-2023: the appointment of a service provider to provide individual coaching session for a period of 12 months	The Mufasa Mentoring and Business Coaching Practice	12 months	89,074.40
NT017-2022 Appointment of service provider for the enhancement, maintenance of the Central Supplier Database for Office of the Chief Procurement Officer for a period of five (5) years	Tipp Focus Holding (Pty) Ltd	60 months	96,301,920.00
Appointment of an international service provider for an independent assessment of Eskom's operational situation for a period of three months		4 months	41 006 493.00
NT003-2021: Appointment of a service provider for the provision of contract centre services for the office of the chief procurement officer for a period of (3) years	Tirisan Tech Solutions (Pty) Ltd	36 months	45,509,587.20
Provision of services as National Cabinet representative and technical support team at the Enoch Mgijima local Municipality in Eastern Cape Province	Triple Helix (Pty) Ltd	12 months	12,956,178.00
NT004-2023: Appointment of a service provider to assist National Treasury to improve compliance with the implementation of the Municipal Regulations on a Standard Chart of Accounts (MSCOA) (notice no.37577 on 22 April 2014) for a period of two (2) years and three (3) months	triVector and IFMS Consortium	36 months	11,990,130.00

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PROJECT TITLE	SERVICE PROVIDER	DURATION (WORKDAYS)	CONTRACT VALUE IN RAND
Request for deviation from normal process and continue with the services of Tsheto Leadership and Coaching Academy (Pty) Ltd to render leadership coaching services for the Chief Director: Multilateral Develop Bank and Concession, Ms Nolundi Dikweni	Tsheto Leadership and Coaching Academy	14 months	81,610.00
Request for approval to continue with the services of UU Technologies to support SafetyWeb with a three month notice period from 1 July 2021 until 30 June 2023, or until IFMS takes over the existing functionalities of SafetyWeb, whichever comes first	UU Technologies (Pty) Ltd	24 months	15,743,406.18
NT016-2021: Appointment of service provider to migrate Provincial Budget Analysis reporting tool (Excel Based Models) to an integrated web-based application for a period of (twelve) 12 months	Verge Management Services	12 months	5,519,425.00
Appointment of an International Service Provider for an Independent Assessment of Eskom's operational situation for a period of three (3) months	VGBE Energy Services	3 months	41,006,493.00
NT010-3-2017: Appointment of a service provider to assist the Office of the Chief Procurement Officer within the National Treasury, South Africa with the development of a procurement codification standard for a period of 3 years	We Think Software Solutions (Pty) Ltd	36 months	13,759,200.00
Appointment of a legal firm to support National Treasury with the domestic Sukuk Issuance	White & Case SA	24 months	750,000.00
NT008-2022: Appointment of a professional service provider for reviewing, enhancing and updating of the strategic procurement framework and good practice guides for a period of not more than 12 months	Y-Africa Technology Solution (Pty) Ltd	12 months	1,572,012.00
RFQ-017-2021: Appointment of a service provider for minutes taking services for CBDA and committees meeting for a period of 3 years	Zanati Search Group	36 months	410,375.00
NT007-2022: Appointment of a service provider for the development of maintenance frameworks, contracting documents, maintenance contracts and service legal agreements for the hospital medical equipment categories for a period of twelve (12) months	Zinebiz CC T/A Med-Techengineers	12 months	1,500,000.00
TOTAL			**2,210,933,636.44**

Table 3.15.2 Report on consultant appointments using donor funds (1 April 2023 – 31 March 2024)

PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON PROJECT	DURATION (WORK DAYS)	DONOR AND CONTRACT VALUE IN RAND
Request the Director-General to approve the extension of the service level agreement between National Treasury and the Development Bank of Southern Africa (CD: PLGI-IDMS)	The Development Bank of Southern Africa	36 months	110,644,920.00

Table 3.15.3 Analysis of consultant appointments using donor funds, in terms of historically disadvantaged individuals (1 April 2023 – 31 March 2024

PROJECT TITLE	PERCENTAGE OWNERSHIP BY HDI GROUPS	PERCENTAGE MANAGEMENT BY HDI GROUPS	NUMBER OF CONSULTANTS FROM HDI GROUPS THAT WORK ON THE PROJECT
Appointment of a service provider to review, update, customise, pilot and deliver the municipal supply chain management executive development programme to councillors in selected municipalities for a period of 12 months	100%	100%	1
Appointment of a service provider to deliver an accredited short learning programme on demand planning, incorporating strategic sourcing principles and targeting SCM officials in national and provincial government departments	100%	100%	4
Appointment of a service provider to conduct onsite product development training for the boards of directors, sub-committees and management of cooperative banking institutions	100%	100%	2

3.16 SEVERANCE PACKAGES

Table 3.16.1 Granting of employee-initiated severance packages (1 April 2023 – 31 March 2024)

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**

2023/24

NATIONAL TREASURY

ANNUAL REPORT

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PART E

PFMA COMPLIANCE REPORT

IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHO RISED EXPENDITURE AND MATERIAL LOSSES

01

IRREGULAR EXPENDITURE

RECONCILIATION OF IRREGULAR EXPENDITURE

DESCRIPTION	2023/2024	2022/2023
	R'000	R'000
Opening balance	279 634	269 329
Prior Period Errors	-	(1 823)
As Restated	-	-
Add: Irregular Expenditure confirmed	10 757	12 128
Less: Irregular Expenditure condoned	-	-
Less: Irregular Expenditure not condoned and removed	-	-
Less: Irregular Expenditure recoverable	-	-
Less: Irregular Expenditure not recovered and written off	62	-
Closing balance	**290 329**	**279 634**

The amounts disclosed for irregular expenditure confirmed in prior financial years relate mainly to irregular expenditure incurred on multiyear contracts.

Pharmacy Direct was removed from the irregular expenditure register following a review conducted by internal audit during 2023/24, which concluded that the expenditure was incorrectly recognised as irregular. A period error was raised to correct the 2022/23 balance. Furthermore, a prior period error of R106 is recognised to correct the overstatement of the 2022/23 opening balance.

Losses to the amount of R61 870 in relation to irregular expenditure incurred on Emthunzini Aircon & Refrigeration was approved for write-off during 2023/24.

RECONCILING NOTES TO THE ANNUAL FINANCIAL STATEMENT DISCLOSURE

DESCRIPTION	2023/2024	2022/2023
	R'000	R'000
Irregular Expenditure that was under assessment in 2021/22	-	-
Irregular Expenditure that relates to 2021/22 and identified in 2022/23	-	-
Irregular Expenditure for the current year	10 757	12 128
Total	**10 757**	**12 128**

01 IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHO RISED EXPENDITURE AND MATERIAL LOSSES

DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE (UNDER ASSESSMENT, DETERMINATION, AND INVESTIGATION)

DESCRIPTION[1]	2023/24	2022/23
	R'000	R'000
Irregular Expenditure under assessment	1 491	-
Irregular Expenditure under determination	-	-
Irregular Expenditure under investigation	-	-
Total [2]	**1 491**	**-**

Accommodation costs incurred by the department in relation to World Economic Forum on Africa in 2019 are under assessment following a forensic investigation conducted during 2023/24. An assessment of the expenditure will be concluded in 2024/25 and reported accordingly.

DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE CONDONED

DESCRIPTION	2023/24	2022/23
	R'000	R'000
Irregular Expenditure condoned	-	-
Total	**-**	**-**

No irregular expenditure was condoned in the current financial year.

DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE REMOVED - (NOT CONDONED)

DESCRIPTION	2023/24	2022/23
	R'000	R'000
Irregular Expenditure NOT condoned and removed	-	1 717
Total	**-**	**1 717**

Pharmacy Direct was removed from the irregular expenditure register following a review conducted by internal audit during 2023/24, which concluded that the expenditure was incorrectly recognised as irregular. A period error was raised to correct the 2022/23 balance.

1 Group similar items
2 Total unconfirmed Irregular Expenditure (assessment), losses (determination), and criminal conduct (investigation)

IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHO RISED EXPENDITURE AND MATERIAL LOSSES

01

DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE RECOVERED

DESCRIPTION	2023/24	2022/23
	R'000	R'000
Irregular Expenditure recovered	-	-
Total	**-**	**-**

No irregular expenditure was recovered in the current financial year.

DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE WRITTEN OFF (IRRECOVERABLE)

DESCRIPTION	2023/24	2022/23
	R'000	R'000
Irregular Expenditure written off	62	-
Total	**62**	**-**

Losses to the amount of R61 870 in relation to irregular expenditure incurred on Emthunzini Aircon & Refrigeration were approved for write-off during 2023/24.

DETAILS OF NON-COMPLIANCE CASES WHERE AN INSTITUTION IS INVOLVED IN AN INTER-INSTITUTIONAL ARRANGEMENT (WHERE SUCH INSTITUTION IS NOT RESPONSIBLE FOR THE NON-COMPLIANCE)

Not Applicable

DETAILS OF NON-COMPLIANCE CASES WHERE AN INSTITUTION IS INVOLVED IN AN INTER-INSTITUTIONAL ARRANGEMENT (WHERE SUCH INSTITUTION IS RESPONSIBLE FOR THE NON-COMPLIANCE)

Not Applicable

01 IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHO RISED EXPENDITURE AND MATERIAL LOSSES

DETAILS OF CURRENT AND PREVIOUS YEAR DISCIPLINARY OR CRIMINAL STEPS TAKEN AS A RESULT OF IRREGULAR EXPENDITURE

DISCIPLINARY STEPS TAKEN	
ICT Works	Consequence management processes were concluded with the accountable officials in 2022/23.
Bontle Ke Botho	Consequence management processes were concluded with the accountable official in 2022/23.
Trustlink Swift Bureau Services	Consequence management processes were concluded with the accountable officials in 2023/24.
Emthunzini Aircon & Refrigeration	Consequence management processes were concluded with the accountable officials in 2022/23.
KPMG, Apex, Abacus	Consequence management processes were concluded with the accountable officials in 2022/23.
UU Technologies	Consequence management processes were concluded with the accountable official in 2022/23.
Municipal finance improvement programme	GTAC to initiate consequence management and condonation.
Ditshegofatso	Consequence management processes were concluded with the accountable officials in 2023/24.
Deloitte	Consequence management in progress.

FRUITLESS AND WASTEFUL EXPENDITURE

Reconciliation of fruitless and wasteful expenditure

DESCRIPTION	2023/24	2022/23
	R'000	R'000
Opening balance	-	-
Add: Fruitless and wasteful expenditure confirmed	-	-
Less: Fruitless and wasteful expenditure written off	-	-
Less: Fruitless and wasteful expenditure recoverable	-	-
Closing balance	**-**	**-**

No fruitless and wasteful expenditure was incurred in the current financial year.

RECONCILING NOTES TO THE ANNUAL FINANCIAL STATEMENT DISCLOSURE

DESCRIPTION	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2021/22	-	-
Fruitless and wasteful expenditure that relates to 2021/22 and identified in 2022/23	-	-
Fruitless and wasteful expenditure for the current year	-	-
Total	**-**	**-**

IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHO RISED EXPENDITURE AND MATERIAL LOSSES

01

DETAILS OF CURRENT AND PREVIOUS YEAR FRUITLESS AND WASTEFUL EXPENDITURE (UNDER ASSESSMENT, DETERMINATION, AND INVESTIGATION)

DESCRIPTION[3]	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	-
Total[4]	**-**	**-**

DETAILS OF CURRENT AND PREVIOUS YEAR FRUITLESS AND WASTEFUL EXPENDITURE RECOVERED

DESCRIPTION	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure recovered	-	-
Total	**-**	**-**

DETAILS OF CURRENT AND PREVIOUS YEAR FRUITLESS AND WASTEFUL EXPENDITURE NOT RECOVERED AND WRITTEN OFF

DESCRIPTION	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure written off	-	-
Total	**-**	**-**

DETAILS OF CURRENT AND PREVIOUS YEAR DISCIPLINARY OR CRIMINAL STEPS TAKEN AS A RESULT OF FRUITLESS AND WASTEFUL EXPENDITURE

Not Applicable

3 Group similar items
4 Total unconfirmed fruitless and wasteful expenditure (assessment), losses (determination), and criminal conduct (investigation)

02 INFORMATION ON LATE AND/OR NON-PAYMENT OF SUPPLIERS

Information on the late and or non-payment of suppliers are listed below.

DESCRIPTION	NUMBER OF INVOICES	CONSOLIDATED VALUE R'000
Valid invoices received	2 994	639 248
Invoices paid within 30 days or agreed period	2 948	619 777
Invoices paid after 30 days or agreed period	46	19 471
Invoices older than 30 days or agreed period (unpaid and without dispute)	0	0
Invoices older than 30 days or agreed period (unpaid and in dispute)	0	0

The National Treasury did not have any non-payment of suppliers for the period under review. As per the table above, 1.54 per cent of suppliers were paid after 30 days or agreed period. This is attributed to the following reasons:

- Invoice delayed due to the migration to the new LOGIS system and LOGIS system-related challenges.
- Invoice processed late as the appointment of the acting budget manager was delayed.
- Requisition form and invoice were not approved by the budget manager as per delegation and had to be returned to obtain relevant signature.
- Incorrect CSD supplier selected when capturing LOGIS order and distribution error received.

INFORMATION ON SUPPLY CHAIN MANAGEMENT 03

PROCUREMENT BY OTHER MEANS

PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	CONTRACT NUMBER	VALUE OF CONTRACT R'000
RFQ897-2023 Request to procure the Institute of Risk Management South Africa as a sole provider for the governance, risk and compliance training scheduled to take place on 17 November 2023	Institute of Risk Management South Africa	Sole supplier	N/A	4
Renewal of Information Systems Audit and Control Association professional body memberships	Information Systems Audit and Control Association	Sole supplier	N/A	20
Requesting approval for the continued electronic membership from the International Bureau of Fiscal Documentation	Bureau of Fiscal Documentation	Sole supplier	N/A	223
Subscription to Municipal IQ	Municipal IQ	Sole supplier	N/A	281
Request to deviate from a normal procurement process and appoint the University of South Africa to deliver online structured vocational training for National Treasury employee Ms Phiwengesihle Mashabane within the Office of the Chief Procurement Officer	University of South Africa	Sole supplier	N/A	19
Renewal of Financial Times subscription	Financial Times	Deviation	INT0041	3 248
Renewal of the annual subscription for the Parliamentary Monitoring Group	Parliamentary Monitoring Group	Deviation	N/A	13
Request for approval to renew fee agreements with credit ratings agencies	Fitch Ratings	Deviation	INT-0042	13
Request for approval to renew fee agreements with credit ratings agencies	Moody's Investor's Service	Deviation	INT-0044	40
Request for approval to renew fee agreements with credit ratings agencies	S and P Global Ratings	Deviation	INT-0043	22
Request for approval to renew the Sharegate licence for one user for three years with the sole licence provider SoftwareONE South Africa	SoftwareONE	Sole supplier	N/A	279
Request for approval to renew the parking lease agreement between the National Treasury and Moongate 123 Pty (Ltd) on a month-to-month basis for a period of one year	Moongate 123 Pty (Ltd)	Deviation	OPT-049	16
Request the Director-General to grant approval for the procurement of support services for the local government database and reporting system through single source deviation	Infobuild (Pty) Ltd	Sole supplier	SLA-0226	70
Upgrading of annual licences for WebFocus software for the local government database and reporting system	Infobuild (Pty) Ltd	Sole supplier	SLA-0219	11

03 INFORMATION ON SUPPLY CHAIN MANAGEMENT

PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	CONTRACT NUMBER	VALUE OF CONTRACT R'000
Request to procure training for Ms Kusel to attend various e-learning courses from the Institute of Risk Management South Africa	Institute of Risk Management South Africa	Sole supplier	N/A	3
Request for deviation from normal SCM processes to appoint the Government Communication and Information System (GCIS) to launch a 2024 Budget outreach campaign	GCIS	Deviation	N/A	174
Request to procure training for Ms Van Wyk to attend the Risk Management for Risk Champions offered by the Institute of Risk Management South Africa	Institute of Risk Management South Africa	Sole supplier	N/A	6
Request to renew ICTP-approved Regate software licences for 2023/24	Blue Turtle Technologies	Sole supplier	N/A	528
Request to deviate from cost-containment measures for 2023/24 (ca-tering, 19-20 March 2024)	Tebatso Catering and Events	Cost- containment	N/A	26
RFQ1113-2023: Request to procure Robert Edwin Conferences as a sole provider for the Talent Management and Succession Planning Leadership Summit on 19-20 March 2024	Roberts Edwin Conferences	Cost-containment	N/A	48
Request for approval for a deviation from procurement process to utilise Statistics South Africa Servest catering provider for the catering on 15 March 2024 during a Nobel Symposia policy roundtable event and from the National Treasury cost-containment circular	Statistics South Africa	Sole supplier	N/A	4
Request for the approval of procurement for catering services for the South Africa-Germany Bilateral Dialogue on Development Corporation on 18-20 March 2024	Matena Trading and Projects 42 CC	Cost- containment	N/A	20
Request for approval for the Information Systems Audit and Control Association professional membership for 2023/24	Information Systems Audit and Control Association	Cost-containment	N/A	19
Total				**5 328**

CONTRACT VARIATIONS AND EXPANSIONS

PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFICATION TYPE (EXPANSION OR VARIATION)	CONTRACT NUMBER	ORIGINAL CONTRACT VALUE	VALUE OF PREVIOUS CONTRACT EXPANSION/S OR VARIATION/S (IF APPLICABLE)	VALUE OF CURRENT CONTRACT EXPANSION OR VARIATION
				R'000	R'000	R'000
Request for the approval of a deviation to appoint Structure Works Complete Security Services to provide maintenance on the Honeywell ProWatch integrated electronic security system at the National Treasury buildings for a period of six months	Structure Works Complete Security Services	Variation	SLA-0124	81	N/A	100
Request to continue utilising the South African Qualification Authority's services for the verification of qualifications for the 2023/24 financial year end	South African Qualification Authority	Variation	SLA-0163	N/A	N/A	N/A
Request to extend the services of international service providers for debt structuring and capital markets advisory services for a period of six months	Rothschild and Co South Africa	Variation	N/A	N/A	N/A	N/A
Request for the payment of the variation amount on the invoice for the hired printer at Minister's Cape Town residence	Rentware Computers Rentals	Variation	N/A	N/A	N/A	3
Request for the approval of an extension of service and service-level agreement between the National Treasury and Hasler Busi-ness Systems (Pty) Ltd	Hasler Business Systems (Pty) Ltd	Variation	OPT-035	100	N/A	86
Request for the extension of a coaching agreement between the National Treasury and Human Mirror Coaching and Consulting CC by a further three months	Human Mirror Coaching and Consulting	Variation	SLA-0187	199	N/A	199
Request for approval to vary the amount of purchase order AL-954832	Ubuntu	Variation	N/A	N/A	N/A	79
Request the Acting Director-General's approval for IGR to extend the current contract with Verge Management Services Pty (Ltd) for the migration of provincial budget analysis reporting systems (models) to a webbased application	Verge Management Services	Variation	N/A	N/A	N/A	0

03 INFORMATION ON SUPPLY CHAIN MANAGEMENT

PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFICATION TYPE (EXPANSION OR VARIATION)	CONTRACT NUMBER	ORIGINAL CONTRACT VALUE	VALUE OF PREVIOUS CONTRACT EXPANSION/S OR VARIATION/S (IF APPLICABLE)	VALUE OF CURRENT CONTRACT EXPANSION OR VARIATION
				R'000	R'000	R'000
Request for the extension of the mentoring training between the National Treasury and Inkwazi Learning Network by a further four months	Inkwazi Learning Network	Variation	N/A	N/A	N/A	0
Approval to increase the second-year licence maintenance fee of the BMC control M Job scheduling tool	Blue Turtle	Variation	SLA-0118	842	189	114
Continuation of the support and maintenance services on the ALM backoffice system	Barone Budge & Dominick	Variation	SLA-0201	463	N/A	5
Request for extending the contract of MGT Accounting for the IDC Chief Directorate	MGT Accounting and Consulting	Variation	SLA-0041	430	N/A	626
Request for the Acting Director-General's approval to extend with no cost to the current amended agreement with National School of Government for a period of six months until 31 March 2024 to support the strengthening of IGR capability and oversight respon-sibility towards subnational government in a changing public finance management landscape	National School of Government	Variation	N/A	N/A	N/A	0
Correction of the contract amount for the renewal of Bloomberg terminal services for another three years (1 January 2023 to 31 December 2025)	Bloomberg	Variation	INT-0037	399	N/A	2
Request to approve the 6% annual price escalation for Managed Integrity Evaluation (Pty) Ltd, registration No 2003/016541/07	Managed Integrity Evaluation (Pty) Ltd	Variation	N/A	N/A	N/A	Not specified
Request for the extension of a coaching agreement between the National Treasury and Experiential Technologies (Pty) Ltd by a further three months	Experiential Technologies (Pty) Ltd	Variation	SLA-0196	68	N/A	68
Request for approval to do an addendum for annexure V -Hosting of cabinets at DR site in Pietermaritzburg to the State Information Technology Agency service-level agreement	State Information Technology Agency (Pty) Ltd	Variation	SLA-0105	54	4	660

INFORMATION ON SUPPLY CHAIN MANAGEMENT 03

PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFICATION TYPE (EXPANSION OR VARIATION)	CONTRACT NUMBER	ORIGINAL CONTRACT VALUE	VALUE OF PREVIOUS CONTRACT EXPANSION/S OR VARIATION/S (IF APPLICABLE)	VALUE OF CURRENT CONTRACT EXPANSION OR VARIATION
				R'000	R'000	R'000
NT009-2023: Cancellation and re-advertisement for the appointment of a service provider to render a 24-hour security guarding service and close protection services for the National Treasury buildings for a period of 36 months and the extension of the current contract for a period not exceeding six months	XTLG Consulting and Projects CC	Variation	4070037515	33	23	3
Request to amend NT001-2022: Appointment of a service provider(s) for the provision of travel management to the National Treasury for a period of three years	Tourvest Travel Services (Pty) Ltd	Variation	N/A	N/A	N/A	N/A
NT015-2021: Appointment of a service provider to render comprehensive hygiene and cleaning services for the National Treasury buildings 240 Madiba Street, Tender Information Centre, 40 Church Square in Preto-ria CBD, and third floor Parliament offices at 120 Plein Street in Cape Town for a period of three years	MJNR and Olwethu Consulting and services	Variation	SLA-0071	20	1	608
2024 Budget lock-ups catering	Epirus Holdings	Variation	N/A	N/A	N/A	4
2024 Budget lock-ups catering	Parliament Caterers	Variation	N/A	N/A	N/A	9
NT001-2020: Appointment of a service provider to render security guarding services for the National Treasury buildings, 240 Madiba Street, 40 Church Square, Tender Information Centre	XTLG Consulting & Projects CC	Variation	4070037515	33	22 887	5
NT001-2020: Appointment of a service provider to render security guarding services for the National Treasury buildings, 240 Madiba Street Building, 40 Church Square, Tender Information Centre	XTLG Consulting & Projects CC	Variation	4070037515	33	22 887	719
Total						**3 190**

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PART F

ANNUAL FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2024

ANNUAL FINANCIAL STATEMENTS

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NATIONAL TREASURY

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PART F

ANNUAL FINANCIAL STATEMENTS

REPORT OF THE AUDITOR-GENERAL

01 REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE 8 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 318 to 400, which comprise the appropriation statement, statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Treasury as at 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) as prescribed by the National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 5 of 2023 (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 responsibilities of the auditorgeneral for the audit of the financial statements section of my report.
4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

EMPHASIS OF MATTERS

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

IRREGULAR EXPENDITURE

7. As disclosed in note 26 to the financial statements, the department incurred irregular expenditure of R10,7 million as it did not follow proper supply chain management prescripts in its tender processes in prior years, as a result, the department incurred the irregular expenditure on multiyear contracts.

OTHER MATTER

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

01 REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE 8 NATIONAL TREASURY

Unaudited supplementary schedules

9. The supplementary information set out on pages 402 to 453 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on it.

RESPONSIBILITIES OF THE ACCOUNTING OFFICER FOR THE FINANCIAL STATEMENTS

10. 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.
11. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations or has no realistic alternative but to do so.

RESPONSIBILITIES OF THE AUDITOR-GENERAL FOR THE AUDIT OF THE FINANCIAL STATEMENTS

12. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
13. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

14. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report..
15. I selected the following programmes presented in the annual performance report for the year ended 31 March 2024 for auditing. I selected programmes that measures the department's performance on its primary mandated functions and that are of significant national, community or public interest.

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE 8 NATIONAL TREASURY

01

PROGRAMMES	PAGE NUMBERS	PURPOSE
Economic Policy, Tax, Financial Regulation and Research	135	Provide specialist policy research, analysis and advisory services in the areas of macroeconomics, microeconomics, the financial sector, taxation and regulatory reform.
Financial Accounting and Supply Chain Management Systems	184-189	Facilitating 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.

16. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the department's planning and delivery on its mandate and objectives.
17. I performed procedures to test whether:
    - the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives
    - all the indicators relevant for measuring the department's performance against its primary mandated and prioritised functions and planned objectives are included
    - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
    - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
    - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
    - the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable
    - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
18. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
19. I did not identify any material findings on the reported performance information for the selected programmes.

01 REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE 8 NATIONAL TREASURY

OTHER MATTERS

20. I draw attention to the matters below.

ACHIEVEMENT OF PLANNED TARGETS

21. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or underachievement's.
22. The table that follows provides information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 189.

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS

TARGETS ACHIEVED: 54% BUDGET SPENT: 92%		
PROGRAMMES	**PLANNED TARGET**	**REPORTED ACHIEVEMENT**
5.1 .5. Number of statutory reports produced	20	18
5.1.6. Implementation of the IFMS 11 plan	Roll-out of e-Recruitment module at 4 selected departments	Roll-out of e-Recruitment module at 4 selected departments not achieved
	IFMS system developed	IFMS system not developed
5.1.9. Number of progress reports on SCM institutional support programme conducted	4	3
5.1.11. Percentage implementation of the strategic sourcing opportunities plan	100%	82%
5.1.12. Procurement legislation developed	Draft Public Procurement Regulations produced	Draft Public Procurement Regulations not produced

MATERIAL MISSTATEMENT

23. I identified a material misstatement in the annual performance report submitted for auditing. This material misstatement was in the reported performance information for Financial Accounting and Supply Chain Management Systems. Management subsequently corrected the misstatement, and I did not include any material findings in this report.

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE 8 NATIONAL TREASURY

01

REPORT ON COMPLIANCE WITH LEGISLATION

24. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the department's compliance with legislation.
25. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
26. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the department, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
27. I did not identify any material non-compliance with the selected legislative requirements.

OTHER INFORMATION IN THE ANNUAL REPORT

28. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
29. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
30. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
31. I have concluded that the particulars of the fruitless and wasteful expenditure balances in the annual report is materially inconsistent with my prior knowledge of the audit. This is due to the department not disclosing the cumulative balance of fruitless and wasteful expenditure relating to prior year payments for the technical support and maintenance on licences for the Integrated Financial Management System (IFMS) for which no value was derived. This misstatement remains unresolved due to a dispute and consequently, the fruitless and wasteful expenditure is understated by R400 million in the annual report

INTERNAL CONTROL DEFICIENCIES

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

01 REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE 8 NATIONAL TREASURY

MATERIAL IRREGULARITIES

34. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities as previously reported in the auditor's report.

STATUS OF PREVIOUSLY REPORTED MATERIAL IRREGULARITIES

Payment for the technical support and maintenance on the IFMS programme not in use by the department

35. Contraventions of section 38(1)(b), 38(1)(c)(ii) and 45(b) of the PFMA were reported in relation to fruitless and wasteful expenditure since the 2016-17 financial year for the following reasons:
    - National Treasury (NT) has incurred expenditure for payment of technical support and maintenance for software licenses that are not in use.
    - Based on the 2015 approved plan, the IFMS project was expected to follow a phased in approach and was expected to be fully implemented by March 2021.
    - The IFMS is still not implemented.
36. As of 31 March 2024, a material financial loss of R400 million has been determined. The expenditure was incurred from the 2016-17 to the 2021-22 financial years. No expenditure was incurred in the 2022-23 and 2023-24 financial periods on this system.
37. The accounting officer was notified of the material irregularity on 13 May 2021 and the accounting officer's response was received on 9 July 2021. The accounting officer disagreed that there was fruitless and wasteful expenditure and stated that no long-term financial loss has been suffered by the government. We referred the material irregularity to the Special Investigating Unit (SIU) on 12 January 2022 for investigation, as provided for in section 5(1A) of the PAA. At the time of the referral, the SIU already had a proclamation to investigate the matter.
38. This matter was investigated under the scope of Proclamation R.4 of 2020, amended by Proclamation R.40 of 2020. The investigation is complete, and the final report has been submitted to the President as confirmed by the SIU during May 2024. NT confirmed that they have taken steps to take the final report under legal review

Auditor- General

Pretoria
30 August 2024

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE 8 NATIONAL TREASURY

01

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

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

AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

Professional judgement and professional scepticism

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

FINANCIAL STATEMENTS

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

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

01 REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE 8 NATIONAL TREASURY

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

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

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

COMPLIANCE WITH LEGISLATION – SELECTED LEGISLATIVE REQUIREMENTS

The selected legislative requirements are as follows:

LEGISLATION	SECTIONS OR REGULATIONS
Public Finance Management Act No.1 of 1999 (PFMA)	Section 1; 38(1)(b); 38(1)(c)(i); 38(1)(c)(ii); 38(1)(d) Section 38(1)(h)(iii); 38(1)U); 39(1)(a); 39(2)(a) Section 40(1)(a); 40(1)(b); 40(1)(c)(i); 43(1); 43(4) Section 44(1); 44(2); 45(b)
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)	Regulation 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a) Regulation 5.2.3(d); 5.3.1; 6.3.1 (a); 6.3.1 (b) Regulation 6.3.1(c); 6.3.1(d); 6.4.1(b); 7.2.1) Regulation 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1; 9.1.1 Regulation 9.1.4; 10.1.1(a); 10.1.2; 11.4.1; 11.4.2 Regulation 11.5.1; 12.5.1; 15.10.1.2(c); 16A3.2 Regulation 16A3.2(a); 16A6.1; 16A6.2(a) Regulation 16A6.2(b); 16A6.3(a); 16A6.3(b) Regulation 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5 Regulation 16A6.6; 16A7.1; 16A7.3; 16A7.6 Regulation 16A7.7; 16A8.3; 16A8.4; 16A9.1(b)(ii) Regulation 16A9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2 Regulation 16A9.2(a)(ii); 16A9.2(a)(iii); 17.1.1; 18.2 Regulation 19.8.4
Division of Revenue Act No. 5 of 2022	Section 16(1)

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE 8 NATIONAL TREASURY

01

LEGISLATION	SECTIONS OR REGULATIONS
Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)	Section 34(1)
Construction Industry Development Board Act No.38 of 2000 (CIDB)	Section 18(1)
Construction Industry Development Board Regulations	Regulation 17; 25(7 A)
Preferential Procurement Policy Framework Act No. 5 of 2000 (PPPFA)	Section 1(i); 2.1(a); 2.1(b); 2.1(f)
Preferential Procurement Regulations, 2017 (PPR 2017)	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5. 7; 6.1; 6.2; 6.3 Regulation 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Regulation 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2;
Preferential Procurement Regulations, 2022 (PPR 2022)	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
The State Information Technology Agency Act No. 88 of 1998 {SITA	Section 7(3)
National Treasury Instruction No.1 of 2015/16	Paragraph 4.1
National Treasury SCM Instruction No. 2 of 2021 /22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
NT SCM Instruction Note 03 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4; 4.4(a); 4.17; 7.2 Paragraph 7 .6
NT SCM Instruction 4A of 2016/17	Paragraph 6
NT SCM Instruction Note 03 2019/20	Paragraphs 5.5.1(vi); 5.5.1(x)
NT SCM Instruction Note 11 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
NT SCM Instruction note 2 of 2021/22	Paragraphs 3.2.1; 3.2.2; 3.2.4(a) and (b); 3.3.1; 3.2.2 Paragraph 4.1
Second amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury instruction No 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
NT instruction note 4 of 2015/16	Paragraph 3.4
Practice Note 5 of 2009/10	Paragraph 3.3
Practice Note 7 of 2009/10	Paragraph 4.1.2
National Treasury Instruction No 7 of 2017/18	Paragraph 4.3
Practice note 11 of 2008/9	Paragraph 2.1; 3.1 (b)
NT instruction note 1 of 2021/22	Paragraph 4.1
National Treasury SCM Instruction No. 2 of 2021/22	Section 30 (1)

2023/24

NATIONAL TREASURY

ANNUAL REPORT

VOTE 8

PART F

FINANCIAL INFORMATION

For the period ended 31 March 2024

APPROPRIATION STATEMENT

ANNUAL FINANCIAL STATEMENTS

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APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

APPROPRIATION PER PROGRAMME

VOTED FUNDS AND DIRECT CHARGES		2023/24							2022/23	
		ADJUSTED BUDGET	SHIFTING OF FUNDS	VIREMENT	FINAL BUDGET	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL BUDGET	FINAL BUDGET	ACTUAL EXPENDITURE
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
PROGRAMME										
1	ADMINISTRATION	645,384	-	(35,500)	609,884	486,176	123,708	79.7%	541,619	486,826
2	ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH	150,370	-	(12,000)	138,370	127,462	10,908	92.1%	158,212	119,142
3	PUBLIC FINANCE AND BUDGET MANAGEMENT	4,011,467	-	(7,700)	4,003,767	3,977,671	26,096	99.3%	4,374,731	4,289,832
4	ASSET AND LIABILITY MANAGEMENT	658,653	-	(1,000)	657,653	656,361	1,292	99.8%	6,024,410	5,225,491
5	FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS	920,280	-	(98,700)	821,580	754,884	66,696	91.9%	946,132	716,652
6	INTERNATIONAL FINANCIAL RELATIONS	2,749,112	-	5,000	2,754,112	2,707,658	46,454	98.3%	2,857,266	2,848,635
7	CIVIL AND MILITARY PENSIONS, CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS	6,632,938	-	26,800	6,659,738	6,659,665	73	100.0%	6,904,051	6,773,586
8	REVENUE ADMINISTRATION	13,157,596	-	123,100	13,280,696	13,280,696	-	100,0%	11,635,781	11,635,781
9	FINANCIAL INTELLIGENCE AND STATE SECURITY	5,424,478	-	-	5,424,478	5,424,478	-	100,0%	5,395,482	5,395,482

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

APPROPRIATION PER PROGRAMME

VOTED FUNDS AND DIRECT CHARGES		2023/24							2022/23	
		ADJUSTED BUDGET	SHIFTING OF FUNDS	VIREMENT	FINAL BUDGET	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL BUDGET	FINAL BUDGET	ACTUAL EXPENDITURE
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
PROGRAMME										
	Programme sub total	**34,350,278**	**-**	**-**	**34,350,278**	**34,075,051**	**275,227**	**99.2%**	**38,837,684**	**37,491,427**
	Statutory Appropriation	**677,144,469**	**-**	**-**	**677,144,469**	**601,142,332**	**76,002,137**	**88.8%**	**586,377,168**	**587,240,741**
	LAND BANK	502,000	-	-	502,000	499,863	2,137	99.6%	101,557	889,130
	PROVINCIAL EQUITABLE SHARE	585,085,919	-	-	585,085,919	585,085,919	-	100,0%	570,868,206	570,868,206
	GENERAL FUEL LEVY SHARING WITH METROPOLITAN MUNICIPALITIES	15,433,498	-	-	15,433,498	15,433,498	-	100,0%	15,334,823	15,334,823
	NATIONAL REVENUE FUND PAYMENTS	-	-	-	-	-	-	0.0%	-	-
	AUDITOR-GENERAL OF SOUTH AFRICA	123,052			123,052	123,052	(0)	100,0%	72,582	148,582
	DEBT-SERVICE COSTS	-	-	-	-	-	-	0.0%	-	-
	ESKOM	76,000,000			76,000,000		76,000,000	0.0%	-	-
	TOTAL	**711,494,747**	**-**	**-**	**711,494,747**	**635,217,383**	**76,277,365**	**89.3%**	**625,214,852**	**624,732,168**

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

APPROPRIATION PER PROGRAMME

VOTED FUNDS AND DIRECT CHARGES		2023/24							2022/23	
		ADJUSTED BUDGET	SHIFTING OF FUNDS	VIREMENT	FINAL BUDGET	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL BUDGET	FINAL BUDGET	ACTUAL EXPENDITURE
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
PROGRAMME										
Reconciliation with Statement of Financial Performance										
Add:	Departmental receipts				12,686,446				8,817,935	-
	NRF Receipts				-				-	-
	Aid assistance				159,446				22,905	-
Actual amounts per Statement of Financial Performance (Total Revenue)					**724,340,659**				**634,055,692**	**-**
Add:	Aid assistance				-	141,911			-	15,927
	Prior year unauthorised expenditure approved without funding				-	-			-	-
Actual amounts per Statement of Financial Performance Expenditure					**-**	**635,359,294**			**-**	**624,748,095**

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

APPROPRIATION PER PROGRAMME

	2023/24							2022/23	
	ADJUSTED BUDGET	SHIFTING OF FUNDS	VIREMENT	FINAL BUDGET	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL BUDGET	FINAL BUDGET	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic Classification									
Current payments	**2,514,366**	**(16,872)**	**(149,900)**	**2,347,594**	**2,214,658**	**132,937**	**94.3%**	**2,629,926**	**2,202,862**
Compensation of employees	909,115	-	-	909,115	905,571	3,544	99.6%	888,381	850,434
Goods and services	1,605,251	(16,872)	(149,900)	1,438,479	1,309,087	129,392	91.0%	1,741,545	1,352,428
Transfers and subsidies	**706,908,116**	**14,008**	**149,900**	**707,072,024**	**631,033,050**	**76,038,974**	**89.2%**	**615,574,924**	**615,531,046**
Provinces and municipalities	602,904,006	-	-	602,904,006	602,904,006	-	100%	588,582,630	588,582,630
Departmental agencies and accounts	19,496,365	-	123,100	19,619,465	19,619,276	189	100%	18,012,470	18,088,428
Foreign governments and international organisations	1,744,219	-	-	1,744,219	1,707,683	36,536	97.9%	1,853,273	1,848,524
Public corporations and private enterprises	76,198,773	-	-	76,198,773	198,773	76,000,000	0.3%	289,439	288,830
Households	6,564,753	14,008	26,800	6,605,561	6,603,312	2,249	100%	6,837,112	6,722,634
Payments for capital assets	**118,018**	**391**	**-**	**118,409**	**18,110**	**100,299**	**15.3%**	**49,845**	**37,887**
Machinery and equipment	112,547	5,862	-	118,409	18,110	100,299	15.3%	45,338	37,778
Intangible assets	5,471	(5,471)	-	-	-	-	0.0%	4,507	109
Payments for financial assets	**1,954,247**	**2,473**	**-**	**1,956,720**	**1,951,565**	**5,155**	**99.7%**	**6,960,157**	**6,960,372**
Total	**711,494,747**	**-**	**-**	**711,494,747**	**635,217,383**	**76,277,365**	**89.3%**	**625,214,852**	**624,732,168**

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

APPROPRIATION PER PROGRAMME

SUB PROGRAMME		2023/24							2022/23	
		ADJUSTED BUDGET	SHIFTING OF FUNDS	VIREMENT	FINAL BUDGET	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL BUDGET	FINAL BUDGET	ACTUAL EXPENDITURE
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1	Ministry	4,561	(424)	-	4,137	4,136	1	100.0%	4 411	3,972
2	Departmental Management	67,690	12	(5,833)	61,869	63,237	(1,368)	102.2%	66,227	59,804
3	Corporate Services	274,873	(3,482)	(18,684)	252,707	134,042	118,665	53.0%	182,526	163,317
4	Enterprise-Wide Risk Management	40,700	(1,333)	(1,421)	37,946	36,352	1,594	95.8%	35,357	33,064
5	Financial Administration	60,946	1,673	(1,694)	60,925	58,768	2,157	96.5%	57,378	54,565
6	Legal Services	24,343	5,206	(200)	29,349	29,134	215	99.3%	26,285	24,812
7	Internal Audit	24,515	(3,178)	(1,679)	19,658	19,359	299	98.5%	24,015	19,658
8	Communications	8,756	4,018	(689)	12,085	11,470	615	94.9%	11,199	10,641
9	Office Accommodation	139,000	(2,492)	(5,300)	131,208	129,678	1,530	98.8%	134,221	116,993
Total		**645,384**	**-**	**(35,500)**	**609,884**	**486,176**	**123,708**	**79.7%**	**541,619**	**486,826**

APPROPRIATION PER PROGRAMME

PROGRAMME 1: ADMINISTRATION

PROGRAMME 1: ADMINISTRATION	2023/24							2022/23	
	ADJUSTED BUDGET	SHIFTING OF FUNDS	VIREMENT	FINAL BUDGET	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL BUDGET	FINAL BUDGET	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	**539,056**	**(1,058)**	**(35,500)**	**502,498**	**474,279**	**28,249**	**94.4%**	**502,952**	**451,974**
Compensation of employees	219,566	-	300	219,866	219,829	37	100.0%	216,817	208,617
Goods and services	319,490	(1,058)	(35,800)	282,632	254,450	28,182	90.0%	286,135	243,357
Transfers and subsidies	**5,621**	**1,058**	**-**	**6,679**	**5,627**	**1,052**	**84.2%**	**12,105**	**11,043**
Departmental agencies and accounts	2,535	-	-	2,535	2,346	189	92.5%	2,307	2,265
Households	3,086	1,058	-	4,144	3,281	863	79.2%	9,798	8,778
Payments for capital assets	**100,707**	**-**	**-**	**100,707**	**5,704**	**95 003**	**5.7%**	**26,562**	**23,663**
Machinery and equipment	95,236	5,471	-	100,707	5,704	95 003	5.7%	25,959	23,554
Intangible assets	5,471	(5,471)	-	-	-	-	0.0%	603	109
Payments for financial assets	**-**	**-**	**-**	**-**	**566**	**(566)**	**0.0%**	**-**	**147**
Total	**645,384**	**-**	**(35,500)**	**609,884**	**486,176**	**123,708**	**79.7%**	**541,619**	**486,826**

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

APPROPRIATION PER PROGRAMME

SUB PROGRAMME		2023/24							2022/23	
		ADJUSTED BUDGET	SHIFTING OF FUNDS	VIREMENT	FINAL BUDGET	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL BUDGET	FINAL BUDGET	ACTUAL EXPENDITURE
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1	Programme management for economic policy, tax, financial regulation and research	38,916	(4,413)	(4,825)	29,678	22,255	7,423	75.0%	46,492	20,982
2	Financial Sector Policy	33,087	794	(4,676)	29,205	28,422	783	97.3%	26,629	21,203
3	Tax policy	28,917	1,154	(1,474)	28,597	27,370	1,227	95.7%	33,320	29,360
4	Economic Policy	28,539	2,465	(1,025)	29,979	28,504	1,475	95.1%	30,940	26,767
5	Cooperative Banks Development Agency	20,911	-	-	20,911	20,911	-	100,0%	20,831	20,831
Total		**150,370**	**-**	**(12,000)**	**138,370**	**127,462**	**10,908**	**92.1%**	**158,212**	**119,142**

APPROPRIATION PER PROGRAMME

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

PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH	2023/24							2022/23	
	ADJUSTED BUDGET	SHIFTING OF FUNDS	VIREMENT	FINAL BUDGET	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL BUDGET	FINAL BUDGET	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	**120,545**	**(891)**	**(12,000)**	**107,654**	**97,617**	**10,037**	**90.7%**	**134,479**	**95,568**
Compensation of employees	86,965	-	(12,000)	74,965	74,955	10	100.0%	89,759	76,704
Goods and services	33,580	(891)	-	32,689	22,662	10,027	69.3%	44,720	18,865
Transfers and subsidies	**28,911**	**891**	**-**	**29,802**	**29,776**	**26**	**99,9%**	**21,638**	**21,617**
Departmental agencies and accounts	28,911	-	-	28,911	28,911	-	100,0%	20,831	20,831
Households	-	891	-	891	865	26	97.1%	807	786
Payments for capital assets	**914**	**-**	**-**	**914**	**47**	**867**	**5.1%**	**2,095**	**1,939**
Machinery and equipment	914	-	-	914	47	867	5.1%	2,095	1,939
Payments for financial assets	**-**	**-**	**-**	**-**	**22**	**(22)**	**0.0%**	**-**	**17**
Total	**150,370**	**-**	**(12,000)**	**138,370**	**127,462**	**10,908**	**92.1%**	**158,212**	**119,142**

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

APPROPRIATION PER PROGRAMME

SUB PROGRAMME		2023/24							2022/23	
		ADJUSTED BUDGET	SHIFTING OF FUNDS	VIREMENT	FINAL BUDGET	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL BUDGET	FINAL BUDGET	ACTUAL EXPENDITURE
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1	Programme management for public finance and budget management	34,985	(12,768)	(355)	21,862	19,881	1,981	90.9%	19,978	18,457
2	Public finance	66,594	11,138	(7)	77,725	76,098	1,627	97.9%	75,859	74,438
3	Budget office and coordination	68,332	2,669	3,246	74,247	73,260	987	98.7%	66,752	65,101
4	Intergovernmental relations	177,098	(3,038)	(10,584)	163,476	143,836	19,639	88.0%	226,905	181,227
5	Financial and fiscal commission	59,084	-	-	59,084	59,084	-	100,0%	63,839	63,839
6	Facilitation of conditional grants	2,384,589	-	-	2,384,589	2,384,589	-	100,0%	2,379,601	2,379,601
7	Catalytic infrastructure and development support programme	565,559	2,000	-	567,559	567,219	340	99.9%	752,402	741,540
8	Government technical advisory centre	655,226	-	-	655,226	653,704	1,522	99.8%	789,395	765,629
	Total	**4,011,467**	**0**	**(7,700)**	**4,003,767**	**3,977,671**	**26,096**	**98,1%**	**4,374,731**	**4,289,832**

APPROPRIATION PER PROGRAMME

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT	2023/24							2022/23	
	ADJUSTED BUDGET	SHIFTING OF FUNDS	VIREMENT	FINAL BUDGET	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL BUDGET	FINAL BUDGET	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	**775,426**	**(349)**	**(7,700)**	**767,377**	**742,486**	**24,892**	**96.8%**	**924,479**	**840,805**
Compensation of employees	248,840	0	8,300	257,140	257,127	14	100.0%	237,476	234,927
Goods and services	526,586	(349)	(16,000)	510,237	485,359	24,878	95.1%	687,003	605,878
Transfers and subsidies	**3,232,992**	**349**	**-**	**3,233,341**	**3,233,116**	**225**	**100,0%**	**3,445,653**	**3,445,018**
Provinces and municipalities	2,384,589	-	-	2,384,589	2,384,589	-	100,0%	2,379,601	2,379,601
Departmental agencies and accounts	649,310	-	-	649,310	649,310	-	100,0%	775,234	775,234
Public corporations and private enterprises	198,773	-	-	198,773	198,773	-	100,0%	289,439	288,830
Households	320	349	-	669	444	225	66.4%	1,379	1,352
Payments for capital assets	**3,049**	**-**	**-**	**3,049**	**2,009**	**1,040**	**65.9%**	**4,599**	**3,990**
Machinery and equipment	3,049	-	-	3,049	2,009	1,040	65.9%	4,599	3,990
Payments for financial assets	**-**	**-**	**-**	**-**	**60**	**(60)**	**0.0%**	**-**	**19**
Total	**4,011,467**	**0**	**(7,700)**	**4,003,767**	**3,977,671**	**26,096**	**99.3%**	**4,374,731**	**4,289,832**

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

APPROPRIATION PER PROGRAMME

SUB PROGRAMME		2023/24							2022/23	
		ADJUSTED BUDGET	SHIFTING OF FUNDS	VIREMENT	FINAL BUDGET	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL BUDGET	FINAL BUDGET	ACTUAL EXPENDITURE
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1	Programme management for asset and liability management	62,582	(9,724)	(1,000)	51,858	51,475	383	99.3%	25,987	18,729
2	State-owned entity financial management and governance	535,012	5,241	-	540,253	540,133	120	100.0%	5,936,852	5,148,837
3	Government debt management	21,341	1,602	-	22,943	23,077	(134)	100.6%	21,066	20,583
4	Financial operations	27,293	4,772	-	32,065	31,296	769	97.6%	29,711	27,879
5	Strategy and risk management	12,425	(1,891)	-	10,534	10,381	153	98.6%	10,794	9,464
	Total	**658,653**	**-**	**(1,000)**	**657,653**	**656,361**	**1,292**	**99.8%**	**6,024,410**	**5,225,491**

APPROPRIATION PER PROGRAMME

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT	2023/24							2022/23	
	ADJUSTED BUDGET	SHIFTING OF FUNDS	VIREMENT	FINAL BUDGET	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL BUDGET	FINAL BUDGET	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	**159,945**	**(2,600)**	**(1,000)**	**156,345**	**155,051**	**1,294**	**99.2%**	**123,937**	**112,804**
Compensation of employees	90,048	-	(1,000)	89,048	89,236	(188)	100.2%	86,691	84,075
Goods and services	69,897	(2,600)	-	67,297	65,815	1,482	97.8%	37,246	28,729
Transfers and subsidies	**-**	**183**	**-**	**183**	**182**	**1**	**99.5%**	**676**	**663**
Departmental agencies and accounts	-	-	-	-	-	-	0.0%	-	-
Households	-	183	-	183	182	1	99.5%	676	663
Payments for capital assets	**708**	**276**	**-**	**984**	**983**	**1**	**99.9%**	**1,354**	**1,146**
Machinery and equipment	708	276	-	984	983	1	99.9%	1,354	1,146
Payments for financial assets	**498,000**	**2,141**	**-**	**500,141**	**500,145**	**(4)**	**100.0%**	**5,898,443**	**5,110,878**
Total	**658,653**	**-**	**(1,000)**	**500,141**	**656,361**	**1,292**	**99.8%**	**6,024,410**	**5,225,491**

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

APPROPRIATION PER PROGRAMME

SUB PROGRAMME		2023/24							2022/23	
		ADJUSTED BUDGET	SHIFTING OF FUNDS	VIREMENT	FINAL BUDGET	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL BUDGET	FINAL BUDGET	ACTUAL EXPENDITURE
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1	Programme management for financial accounting and supply chain management systems	60,494	52	-	60,546	58,314	2,232	96.3%	121,193	41,773
2	Office of the chief procurement officer	75,339	7,683	-	83,022	79,229	3,793	95.4%	78,132	73,630
3	Financial systems	473,759	2,240	(98,700)	377,299	333,764	43,535	88.5%	451,145	317,572
4	Financial reporting for national accounts	114,474	778	-	115,252	114,392	860	99.3%	113,013	111,265
5	Financial management policy and compliance improvement	145,878	(10,753)	-	135,125	118,908	16,217	88.0%	132,316	122,168
6	Audit statutory bodies	50 000	-	-	50 000	50 000	-	100,0%	50 000	50 000
7	Service charges: commercial banks	336	-	-	336	277	59	82.5%	333	244
	Total	**920,280**	**-**	**(98,700)**	**821,580**	**754,884**	**66,696**	**91.9%**	**946,132**	**716,652**

APPROPRIATION PER PROGRAMME

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS	2023/24							2022/23	
	ADJUSTED BUDGET	SHIFTING OF FUNDS	VIREMENT	FINAL BUDGET	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL BUDGET	FINAL BUDGET	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	**795,877**	**(1,511)**	**(98,700)**	**695,666**	**633,207**	**62,459**	**91.0%**	**818,294**	**597,176**
Compensation of employees	232,629	-	(2,700)	229,929	225,912	4,017	98.3%	224,847	213,089
Goods and services	563,248	(1,511)	(96,000)	465,737	407,295	58,442	87.5%	593,447	384,087
Transfers and subsidies	**112,428**	**1,396**	**-**	**113,824**	**112,413**	**1,411**	**98.8%**	**113,327**	**112,522**
Departmental agencies and accounts	110,483	-	-	110,483	110,483	-	100,0%	110,253	110,253
Households	1,945	1,396	-	3,341	1,930	1,411	57.8%	3,074	2,269
Payments for capital assets	**11,975**	**115**	**-**	**12,090**	**9,203**	**2,887**	**76.1%**	**14,511**	**6,928**
Machinery and equipment	11,975	115	-	12,090	9,203	2,887	76.1%	10,607	6,928
Software and other Intangible assets	-	-	-	-	-	-	0.0%	3,904	-
Payments for financial assets	**-**	**-**	**-**	**-**	**61**	**(61)**	**0.0%**	**-**	**26**
Total	**920,280**	**-**	**(98,700)**	**821,580**	**754,884**	**66,696**	**91.9%**	**946,132**	**716,652**

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

APPROPRIATION PER PROGRAMME

SUB PROGRAMME		2023/24							2022/23	
		ADJUSTED BUDGET	SHIFTING OF FUNDS	VIREMENT	FINAL BUDGET	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL BUDGET	FINAL BUDGET	ACTUAL EXPENDITURE
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1	Programme management for international financial relations	11,011	(1,324)	6,100	15,787	14,657	1,130	92.8%	12,604	10,076
2	International economic cooperation	40,635	992	(1,100)	40,527	35,127	5,400	86.7%	34,355	30,529
3	African integration and support	1,540,516	(2,542)	-	1,537,974	1,505,453	32,521	97.9%	1,665,690	1,664,242
4	International development funding institutions	1,129,956	2,873	-	1,132,829	1,126,550	6,279	99.4%	1,119,684	1,119,326
5	International projects	26,994	1	-	26,995	25,871	1,124	95.8%	24,933	24,462
	Total	**2,749,112**	**-**	**5,000**	**2,754,112**	**2,707,658**	**46,454**	**98.3%**	**2,857,266**	**2,848,635**

APPROPRIATION PER PROGRAMME

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS	2023/24							2022/23	
	ADJUSTED BUDGET	SHIFTING OF FUNDS	VIREMENT	FINAL BUDGET	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL BUDGET	FINAL BUDGET	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	**50,980**	**(408)**	**5,000**	**55,572**	**49,537**	**6,035**	**89.1%**	**46,016**	**40,158**
Compensation of employees	31,067	-	7,100	38,167	38,513	(346)	100.9%	32,791	33,023
Goods and services	19,913	(408)	(2,100)	17,405	11,024	6,381	63.3%	13,225	7,136
Transfers and subsidies	**1,743,220**	**76**	**-**	**1,743,296**	**1,707,109**	**36,187**	**97.9%**	**1,850,369**	**1,848,099**
Departmental agencies and accounts	1,743,219	-	-	1,743,219	1,707,033	36,186	97.9%	1,850,150	1,847,889
Households	1	76	-	77	76	1	98.7%	219	211
Payments for capital assets	**665**	**-**	**-**	**665**	**164**	**501**	**24.7%**	**724**	**221**
Machinery and equipment	665	-	-	665	164	501	24.7%	724	221
Payments for financial assets	**954,247**	**332**	-	**954,579**	**950,848**	**3,731**	**99.6%**	**960,157**	**960,156**
Total	**2,749,112**	**-**	**5,000**	**2,754,112**	**2,707,658**	**46,454**	**98.3%**	**2,857,266**	**2,848,635**

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

APPROPRIATION PER PROGRAMME

SUB PROGRAMME		2023/24							2022/23	
		ADJUSTED BUDGET	SHIFTING OF FUNDS	VIREMENT	FINAL BUDGET	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL BUDGET	FINAL BUDGET	ACTUAL EXPENDITURE
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1	Government pensions administration agency	72,537	(10,055)	-	62,482	62,481	1	100.0%	79,769	64,376
2	Civil pensions and contributions to funds	6,315,474	31,162	26,800	6,373,436	6,373,367	69	100.0%	6,577,351	6,493,386
3	Military pensions and other benefits	244,927	(21,107)	-	223,820	223,817	3	100.0%	246,931	215,824
	Total	**6,632,938**	**-**	26,800	**6,659,738**	**6,659,665**	**73**	**100.0%**	**6,904,051**	**6,773,586**

APPROPRIATION PER PROGRAMME

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

PROGRAMME 7: CIVIL AND MILITARY PENSIONS, CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS	2023/24							2022/23	
	ADJUSTED BUDGET	SHIFTING OF FUNDS	VIREMENT	FINAL BUDGET	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL BUDGET	FINAL BUDGET	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	**72,537**	**(10,055)**	**-**	**62,482**	**62,481**	**1**	**100.0%**	**79,769**	**64,376**
Compensation of employees	-	-	-	-	-	-	0.0%	-	-
Goods and services	72,537	(10,055)	-	62,482	62,481	1	100.0%	79,769	64,376
Transfers and subsidies	**6,560,401**	**10,055**	**26,800**	**6,597,256**	**6,597,184**	**72**	**100.0%**	**6,824,282**	**6,709,210**
Foreign governments and international organisations	1,000	-	-	1,000	650	350	65.0%	3,123	635
Households	6,559,401	10,055	26,800	6,596,256	6,596,534	(278)	100.0%	6,821,159	6,708,575
Total	**6,632,938**	**-**	**26,800**	**6,659,738**	**6,659,665**	**73**	**100.0%**	**6,904,051**	**6,773,586**

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

APPROPRIATION PER PROGRAMME

SUB PROGRAMME		2023/24							2022/23	
		ADJUSTED BUDGET	SHIFTING OF FUNDS	VIREMENT	FINAL BUDGET	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL BUDGET	FINAL BUDGET	ACTUAL EXPENDITURE
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1	SOUTH AFRICAN REVENUE SERVICE	13,157,596	-	123,100	13,280,696	13,280,696	-	100,0%	11,635,781	11,635,781
	Total	**13,157,596**	**-**	**123,100**	**13,280,696**	**13,280,696**	**-**	**100,0%**	**11,635,781**	**11,635,781**

APPROPRIATION PER PROGRAMME

PROGRAMME 8: REVENUE ADMINISTRATION

PROGRAMME 8: REVENUE ADMINISTRATION	2023/24							2022/23	
	ADJUSTED BUDGET	SHIFTING OF FUNDS	VIREMENT	FINAL BUDGET	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL BUDGET	FINAL BUDGET	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	**13,157,596**	**-**	**123,100**	**13,280,696**	**13,280,696**	**-**	**100,0%**	**11,635,781**	**11,635,781**
Departmental agencies and accounts	**13,157,596**	**-**	**123,100**	**13,280,696**	**13,280,696**	**-**	**100,0%**	**11,635,781**	**11,635,781**
Total	**13,157,596**	**-**	**123,100**	**13,280,696**	**13,280,696**	**-**	**100,0%**	**11,635,781**	**11,635,781**

SUB PROGRAMME		2023/24							2022/23	
		ADJUSTED BUDGET	SHIFTING OF FUNDS	VIREMENT	FINAL BUDGET	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL BUDGET	FINAL BUDGET	ACTUAL EXPENDITURE
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1	Financial intelligence centre	385,730	-	-	385,730	385,730	-	100,0%	316,820	316,820
2	Secret services	5,038,748	-	-	5,038,748	5,038,748	-	100,0%	5,078,662	5,078,662
	Total	**5,424,478**	**-**	**-**	**5,424,478**	**5,424,478**	**-**	**100,0%**	**5,395,482**	**5,395,482**

APPROPRIATION PER PROGRAMME

PROGRAMME 9: : FINANCIAL INTELLIGENCE AND STATE SECURITY

PROGRAMME 9: FINANCIAL INTELLIGENCE AND STATE SECURITY	2023/24							2022/23	
	ADJUSTED BUDGET	SHIFTING OF FUNDS	VIREMENT	FINAL BUDGET	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL BUDGET	FINAL BUDGET	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	**5,424,478**	**-**	**-**	**5,424,478**	**5,424,478**	**-**	**100,0%**	**5,395,482**	**5,395,482**
Departmental agencies and accounts	**5,424,478**	**-**	**-**	**5,424,478**	**5,424,478**	**-**	**100,0%**	**5,395,482**	**5,395,482**
Total	**5,424,478**	**-**	**-**	**5,424,478**	**5,424,478**	**-**	**100,0%**	**5,395,482**	**5,395,482**

SUB PROGRAMME		2023/24							2022/23	
		ADJUSTED BUDGET	SHIFTING OF FUNDS	VIREMENT	FINAL BUDGET	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL BUDGET	FINAL BUDGET	ACTUAL EXPENDITURE
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1	LAND BANK	502,000	-	-	502,000	499,863	2,137	99.6%	101,557	889,130
2	PROVINCIAL EQUITABLE SHARE	585,085,919	-	-	585,085,919	585,085,919	-	100%	570,868,206	570,868,206
3	GENERAL FUEL LEVY SHARING WITH METROPOLITAN MUNICIPALITIES	15,433,498	-	-	15,433,498	15,433,498	-	100%	15,334,823	15,334,823
4	NATIONAL REVENUE FUND PAYMENTS	-	-	-	-	-	-	0.0%	-	-
5	AUDITOR-GENERAL OF SOUTH AFRICA	123,052	-	-	123,052	123,052	(0)	100.0%	72,582	148,582
6	DEBT-SERVICE COSTS	-	-	-	-		-	0.0%	-	-
7	ESKOM	76,000,000	-	-	76,000,000		76,000,000	0.0%	-	-
	TOTAL	**677,144,469**	**-**	**-**	**677,144,469**	**601,142,332**	**76,002,137**	**88.8%**	**559,522,239**	**587,240,741**

APPROPRIATION PER PROGRAMME

DIRECT CHARGES

DIRECT CHARGES ECONOMIC CLASSIFICATION	2023/24							2022/23	
	ADJUSTED BUDGET	SHIFTING OF FUNDS	VIREMENT	FINAL BUDGET	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL BUDGET	FINAL BUDGET	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	**-**	**-**	**-**	**-**	**-**	**-**	**0.0%**	**-**	**-**
Compensation of employees	-	-	-	-	-	-	0.0%	-	-
Goods and services	-	-	-	-	-	-	0.0%	-	-
Transfers and subsidies	**676,642,469**	**-**	**-**	**676,642,469**	**600,642,469**	**76,000,000**	**88.8%**	**586,275,611**	**586,351,611**
Provinces and municipalities	600,519,417			600,519,417	600,519,417	-	100.0%	586,203,029	586,203,029
Departmental agencies and accounts	123,052	-	-	123,052	123,052	(0)	100.0%	72,582	148,582
Public corporations and private enterprises	76,000,000	-	-	76,000,000	-	76,000,000	0.0%	-	-
Payments for financial assets	**502,000**	-	-	**502,000**	**499,863**	**2,137**	**99.6%**	**101,557**	**889,130**
Total	**677,144,469**	**-**	**-**	**677,144,469**	**601,142,332**	**76,002,137**	**88.8%**	**586,377,168**	**587,240,741**

2023/24

NATIONAL TREASURY

ANNUAL REPORT

VOTE 8

PART F

FINANCIAL INFORMATION

For the period ended 31 March 2024

NOTES TO THE APPROPRIATION STATEMENT

NOTES TO THE APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

	FINAL BUDGET	ACTUAL EXPENDITURE	VARIANCE	VARIANCE AS A % OF FINAL BUDGET
	R'000	R'000	R'000	%

1. DETAIL OF TRANSFERS AND SUBSIDIES AS PER APPROPRIATION ACT (AFTER VIREMENT):

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

2. DETAIL OF SPECIFICALLY AND EXCLUSIVELY APPROPRIATED AMOUNTS VOTED (AFTER VIREMENT):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statementss.

3. DETAIL ON PAYMENTS FOR FINANCIAL ASSETS

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

4. EXPLANATIONS OF MATERIAL VARIANCES FROM AMOUNTS VOTED (AFTER VIREMENT):

4.1 PER PROGRAMME:

PROGRAMME 1:

Administration	**609 884**	**486 176**	**123 708**	**20%**

The underspending is mainly attributed to delays on the procurement of the Network and Storage Infrastructure. Request for Bid (RFB) was concluded, Service Level Agreement (SLA) signed, and is awaiting hardware delivery from overseas. The funds were submitted as part of the rollover request as the infrastructure will be delivered in 2024/25 financial year.

PART F: Financial Information

NOTES TO THE APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

	FINAL BUDGET	ACTUAL EXPENDITURE	VARIANCE	VARIANCE AS A % OF FINAL BUDGET
	R'000	R'000	R'000	%
PROGRAMME 2:				
Economic Policy, Tax, Financial Regulation and Research	**138 370**	**127 462**	**10 908**	**8%**

The underspending is mainly attributed to Consultancy services due to delays on the procurement and appointment process of consultants for macro reviews and growth strategy workshop. In addition, some funds were retained for Emolument Attachment Orders (EAOs) but could not be processes as planned. The unspent funds will be declared back to fiscus.

PROGRAMME 3:				
Public Finance and Budget Management	**4 003 767**	**3 977 671**	**26 096**	**1%**

The underspending is mainly attributed to Consultancy services on the Municipal Finance Recovery Services (MFRS) project. The invoices are issued based on deliverables, therefore, less invoices were received for processing, hence the underspending. The unspent funds will be declared back to fiscus.

PROGRAMME 4:				
Asset and Liability Management	**657 653**	**656 361**	**1 292**	**0%**

The underspending is mainly attributed to slow spending on various goods and services items. The unspent funds will be declared back to fiscus.

PROGRAMME 5:				
Financial Accounting and Supply Chain Management Systems	**821 580**	**754 884**	**66 696**	**8%**

The underspending is mainly attributed to Consultancy services on Office of the Chief Procurement Officer (OCPO) projects which could not be finalised as planned.. The unspent funds will be declared back to fiscus.

NOTES TO THE APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

	FINAL BUDGET	ACTUAL EXPENDITURE	VARIANCE	VARIANCE AS A % OF FINAL BUDGET
	R'000	R'000	R'000	%
PROGRAMME 6:				
International Financial Relations	**2 754 112**	**2 707 658**	**46 454**	**2%**

The underspending is mainly attributed to the Common Monetary Area compensation in relation to the lower than anticipated South African Reserve Bank (SARB) estimates for the transfer payment for the compensation payments to eSwatini, Namibia, and Lesotho. The unspent funds was included as part of the rollover to the 2024/25 financial year.

PROGRAMME 7:				
Civil and Military Pensions, Contributions to Funds and Other Benefits	**6 659 738**	**6 659 665**	**73**	**0%**

The underspending is mainly attributed to lower than anticipated expenditure on household's social benefits. The unspent funds will be declared back to fiscus.

PROGRAMME 8:				
Revenue Administration	**13 280 696**	**13 280 696**	**-**	**0%**

The appropriated budget was transferred to South African Revenue Services.

PROGRAMME 9:				
Financial Intelligence and State Security	**5 424 478**	**5 424 478**	**-**	**0%**

The appropriated budget was transferred to Financial Intelligence and State Security.

NOTES TO THE APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

	FINAL BUDGET	ACTUAL EXPENDITURE	VARIANCE	VARIANCE AS A % OF FINAL BUDGET
	R'000	R'000	R'000	%

4.2 PER ECONOMIC CLASSIFICATION:

Current expenditure	**2 347 594**	**2 214 658**	**132 937**	**6%**
Compensation of employees	909 115	905 571	3 544	0%
Goods and services	1 438 479	1 309 087	129 392	9%
Interest and rent on land	-	-	-	0%
Transfers and subsidies	**707 072 024**	**631 033 050**	**76 038 974**	**11%**
Provinces and municipalities	602 904 006	602 904 006	-	0%
Departmental agencies and accounts	19 619 465	19 619 276	189)	0%
Higher education institutions	-	-	-	0%
Public corporations and private enterprises	76 198 773	198 773	76 000 000	100%
Foreign governments and international organisations	1 744 219	1 707 683	36 536	2%
Non-profit institutions	-	-	-	0%
Households	6 605 561	6 603 312	2 249	0%
Payments for capital assets	**118 409**	**18 110**	**100 299**	**85%**
Machinery and equipment	118 409	18 110	100 299	85%
Payments for financial assets	**1 956 720**	**1 951 565**	**5 155**	**0%**
TOTAL	**711 494 747**	**635 217 383**	**76 277 365**	**11%**

The variance of R76.3 billion is largely due to the R76 billion that was transferred to ESKOM for debt relief as a loan and does not constitute as an actual expenditure in the account records of NT.

4.3 PER CONDITIONAL GRANT

Infrastructure skills development grant	151 352	151 352	-	0%
Programme and project preparation support grant	318 654	318 654	-	0%
Local government financial management grant	568 571	568 571	-	0%
Neighbourhood development partnership grant	1 346 012	1 346 012	-	0%
Sub-total	**2 384 589**	**2 384 589**	**-**	**0%**
Neighbourhood Development Partnership Indirect Grant	189 333	189 178	155	0%
Total	**2 573 922**	**2 573 767**	**155**	**0%**

The variance is attributed to the Neighbourhood Development Partnership Indirect Grant due to delays in work deliverables in some of the municipalities. The funds will be declared back to the fiscus.

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2024

	NOTE	2023/24 R'000	2022/23 R'000
REVENUE			
Annual appropriation	1	34 350 278	38 837 684
Statutory Appropriation	2	677 144 469	586 377 168
Departmental revenue	3	12 686 446	8 817 935
Aid assistance	4	159 466	22 905
TOTAL REVENUE		**724 340 659**	**634 055 692**
EXPENDITURE			
Current expenditure			
Compensation of employees	5	905 571	850 434
Goods and services	6	1 309 087	1 352 429
Aid assistance	4	141 911	15 927
Total current expenditure		**2 356 569**	**2 218 790**
Transfers and subsidies			
Transfers and subsidies	8	631 033 050	615 531 046
Aid assistance	4	-	-
Total transfers and subsidies		**631 033 050**	**615 531 046**
Expenditure for capital assets			
Tangible assets	9	18 109	37 778
Intangible assets	9	-	109
Total expenditure for capital assets		**18 109**	**37 887**
Payments for financial assets	**7**	**1 951 566**	**6 960 372**
TOTAL EXPENDITURE		**635 359 294**	**624 748 095**
SURPLUS/(DEFICIT) FOR THE YEAR		**88 981 365**	**9 307 597**

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2024

	NOTE	2023/24	2022/23
		R'000	R'000
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		**76 277 364**	**482 684**
Annual appropriation		275 227	1 346 257
Statutory appropriation	2	76 002 137	-965 130
Departmental revenue and NRF Receipts	17	12 686 446	8 817 935
Aid assistance	4	17 555	6 978
SURPLUS/(DEFICIT) FOR THE YEAR		**88 981 365**	**9 307 597**

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR AS AT 31 MARCH 2024

	NOTE	2023/24 R'000	2022/23 R'000
ASSETS			
Current assets		**32 446,748**	**398,062**
Cash and cash equivalents	10	332,869	288,391
Prepayments and advances	11	103,294	99,948
Receivables	12	10,585	9,723
Loans	14	32 000 000	
Non-current assets		**36,636,311**	**35,637,286**
Investments	13	36,597,656	35,597,656
Prepayments and advances	11	18,156	17,686
Receivables	12	20,499	21,944
TOTAL ASSETS		**69,083,059**	**36,035,348**
LIABILITIES			
Current liabilities		**484,835**	**436,501**
Voted funds to be surrendered to the Revenue Fund	14	275,227	381,127
Statutory Appropriation to be surrendered to the Revenue Fund	16	2,137	
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	17	148,860	9,408
Payables	18	41,345	38,988
Aid assistance repayable	4	17,265	6,978
TOTAL LIABILITIES		**484,835**	**436,501**
NET ASSETS		**68 598 224**	**35,598,847**
Represented by:			
Capitalisation reserve		68 597 656	35,597,656
Recoverable revenue		568	1,191
TOTAL		**68 598 224**	**35,598,847**

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR AS AT 31 MARCH 2024

	NOTE	2023/24	2022/23
		R'000	R'000

The National Treasury has made payments to the total of R76 billion loan appropriated to Eskom in the 2023/24 in the Eskom Debt Relief Act as of 31 March 2024. Eskom Debt Relief Act specifies the financial assistance that will be provided to Eskom over the course of three fiscal years. R32 billion indicates the portion of the loan that has not been converted to shares transferable to DPE as of 31 March 2024.

The difference of R44 billion was converted to ordinary shares to Department of Public Enterprises (DPE). This is made up of the R16 billion that has met conditions to be converted in December 2023 and the R28 billion met the conditions to be converted in March 2024. Approval by the Minister of Finance was granted for both amounts.

The appropriated R78 billion was reduced by R2 billion, and this has been captured in the Budget Review specifically under Chapter 8 on Eskom. This was as a result of potential failure by Eskom to dispose of the Eskom Finance Company by the agreed timeframe of 31 March 2024.

Therefore, the increase in Capitalisation Reserve is as a result of the R32 billion loan to Eskom. This will clear once Minister approves that the conditions of the conversion of shares has been met and they are issued to DPE

STATEMENT OF CHANGES IN NET ASSET

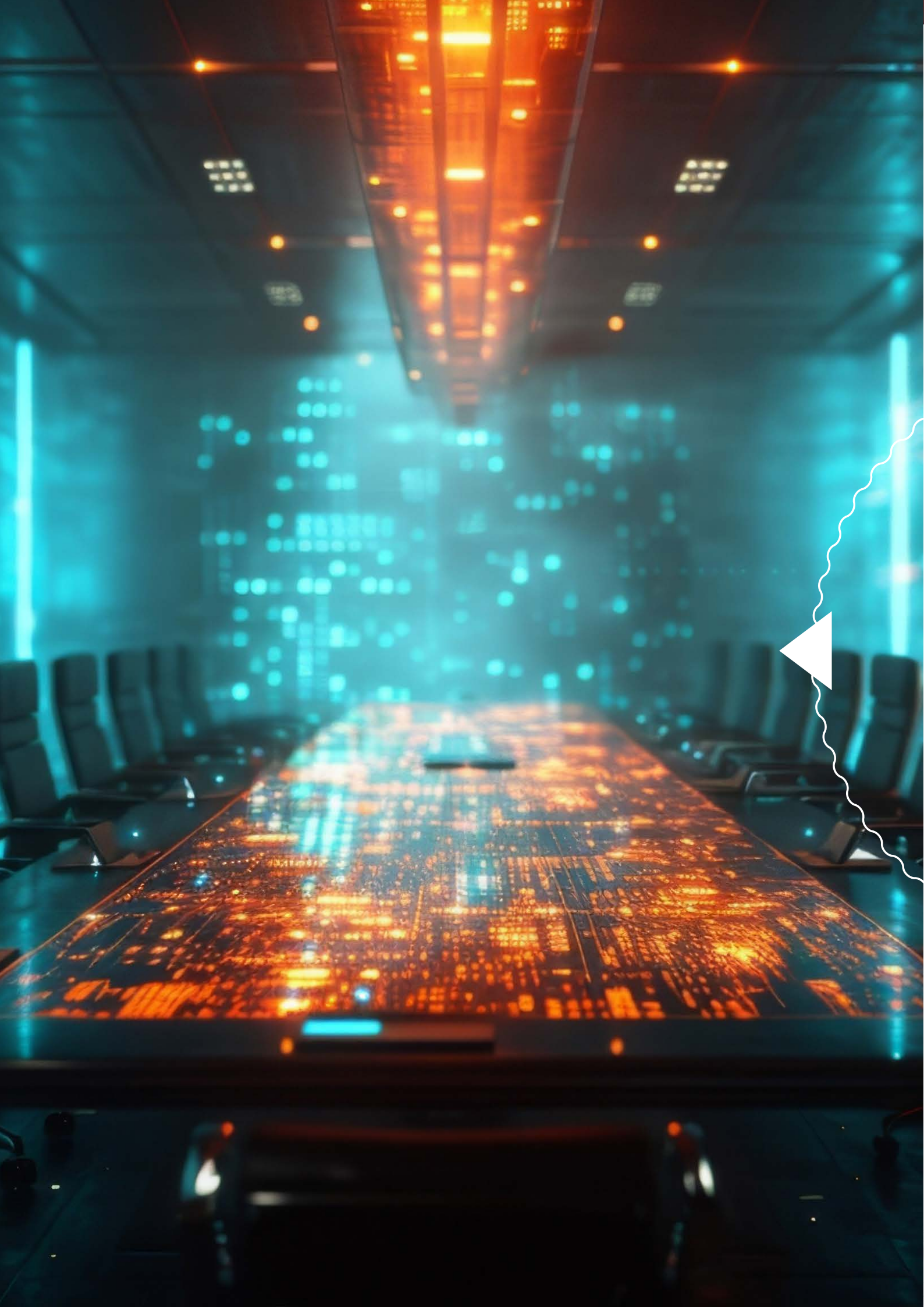
FOR THE YEAR ENDED 31 MARCH 2024

	FINAL BUDGET	ACTUAL EXPENDITURE	VARIANCE	VARIANCE AS A % OF FINAL BUDGET
	R'000	R'000	R'000	%
Capitalisation Reserves				
Opening balance			35 597 656	29 597 656
Transfers:				
Movement in Equity			1 000 000	6 000 000
Other movements (Eskom loan)			32 000 000	
Closing balance			**68 597 656**	**35 597 656**
Recoverable revenue				
Opening balance			1 191	664
Transfers:			-623	527
Debts raised			-623	527
Closing balance			**568**	**1 191**
TOTAL			**68 598 224**	**35 598 847**

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

	FINAL BUDGET	ACTUAL EXPENDITURE	VARIANCE	VARIANCE AS A % OF FINAL BUDGET
	R'000	R'000	R'000	%
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts			**724 099 978**	**633 591 350**
Annual appropriated funds received		1.1	34 350 278	38 837 684
Statutory appropriated funds received		2	677 144 469	586 275 611
Departmental revenue received		3	65 105	28 934
Interest received		3.2	12 380 660	8 426 216
Aid assistance received		4	159 466	22 905
Net (increase)/decrease in working capital			(2 321)	(68 672)
Surrendered to Revenue Fund			(12 928 120)	8 077 642
Transferred to Capitalisation reserve			(76 000 000)	
Surrendered to RDP Fund/Donor			(7 268)	(57 183)
Current payments			(2 356 569)	(2 218 790)
Payments for financial assets		7	(1 951 566)	(6 960 372)
Transfers and subsidies paid			(631 033 050)	(615 531 046)
Net cash flow available from operating activities		**19**	**(178 916)**	**16 832 929**
CASH FLOWS FROM INVESTING ACTIVITIES				
Distribution/dividend received			240 000	362 785
Payments for capital assets		9	(18 109)	(37 887)
Proceeds from sale of capital assets		3.3	681	-
(Increase)/decrease in loans			(32 000 000)	-
(Increase)/decrease in investments			(1 000 000)	(6 000 000)
(Increase)/decrease in non-current receivables		12	1 445	(462)
Net cash flows from investing activities			**(32 775 983)**	**(5 675 564)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase/(decrease) in net assets			32,999,377	6 000 527
Net cash flows from financing activities			**32,999,377**	**6 000 527**
Net increase/(decrease) in cash and cash equivalents			44,478	17 157 892
Cash and cash equivalents at beginning of period			288 391	(16 869 501)
Cash and cash equivalents at end of period		**20**	**332,869**	**288 391**



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

PART A: ACCOUNTING POLICIES

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Modified Cash Standard.

2. GOING CONCERN

The financial statements have been prepared on a going concern basis.

3. PRESENTATION CURRENCY

Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

4. ROUNDING

Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).

5. FOREIGN CURRENCY TRANSLATION

Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment/receipt.

6. COMPARATIVE INFORMATION

6.1 Prior period comparative information

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

6.2 Current year comparison with budget

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

7. REVENUE

7.1 Appropriated funds

Appropriated funds comprise of departmental allocations and direct charges against the revenue fund (i.e. statutory appropriation). 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. Appropriated funds are measured at the amount's receivable.

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

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.

Departmental revenue is measured at the cash amount received.

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

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 willflow 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.

8. EXPENDITURE

8.1 Compensation of employees

8.1.1 Salaries and wages

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

8.1.2 Social contributions

Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.

8.2 Other expenditure

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

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

8.3 Accruals and payables not recognised

Accruals and payables not recognised are recorded in the notes to the financial statements 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 or fair value at the reporting date.

8.4 Leases

8.4.1 Operating leases

Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. The operating lease commitments are recorded in the notes to the financial statements. Lease commitments are based on a twelve-month projection 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 where there is on-going negotiation.

8.4.2 Finance leases

Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. Finance lease payments received are recognised as departmental revenue.

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

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

- the fair value of the leased asset; or if lower; and
- the present value of the minimum lease payments.

The discount rate to be used in calculating the present value of the minimum lease payments is the prime lending rate at inception of the lease.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

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 only when the department becomes party to the provisions of the arrangement and receives or disburses the cash. Alternatively, the department may recognise prepayments and advances in the statement of financial performance in accordance with MCS on Expenditure if the prepayment was budgeted for as an expense in the year in which the actual prepayment was made. The department discloses in its notes for prepayments and advances a reconciliation of the opening balance and the closing balance at the end of the reporting period where goods and services were partially received or prior to the recipient earning the cash in the case of transfer and subsidies.

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.

13. INVESTMENTS

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

14. FINANCIAL ASSETS

14.1 Financial assets (not covered elsewhere)

A financial asset is recognised initially at its cost-plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. At the reporting date a department shall measure its financial assets at cost less amounts already settled or written off except for recognised loans and receivables which are measured at cost plus accrued interest where interest is charged less amounts already settled or written-off.

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.

The department has adopted a policy to assess impairment on investments end of each financial year

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 cost / 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

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.

16.3 Intangible assets

Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a no 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..

16.4 Capital Work-in-Progress

Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid. Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register. Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.

17. PROVISIONS 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 where 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.

The department discloses claims that affect National Treasury's vote number 8 as mandated by parliament. Claims against other government departments or public entities are excluded.

17.3 Contingent assets

Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events and where existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.

17.4 Capital commitments

Capital commitments (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 capital expenditure that will result in the outflow of cash.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

18. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is measured at the amount of the confirmed 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 recorded in the notes to the financial statements comprises of:

- unauthorised expenditure relating to previous financial year and identified in the current year;
- unauthorised incurred in the current year;
- unauthorised expenditure incurred and confirmed in the previous financial year;
- unauthorised expenditure that was under assessment in the previous financial year and confirmed in the current financial year; and
- unauthorised expenditure that was not discovered in the previous financial year and identified and confirmed in the current financial year.

19. FRUITLESS AND WASTEFUL EXPENDITURE

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

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

- fruitless and wasteful expenditure relating to previous financial year and identified in the current year;
- ruitless and wasteful expenditure incurred in the current year;
- fruitless and wasteful expenditure incurred and confirmed in the previous financial year;
- fruitless and wasteful expenditure that was under assessment in the previous financial year and confirmed in the current financial year; and
- fruitless and wasteful expenditure that was not discovered in the previous financial year and identified and confirmed in the current financial year.

20. IRREGULAR EXPENDITURE

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

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

- irregular expenditure incurred and confirmed in the previous financial year;
- irregular expenditure that was under assessment in the previous financial year;
- irregular expenditure relating to previous financial year and identified in the current year;
- irregular expenditure incurred in the current year;
- irregular expenditure that was not discovered in the previous financial year; identified and confirmed in the current financial year; and
- irregular expenditure payments relating to multi-year contracts that was not condoned or removed.

21. CHANGES IN ACCOUNTING POLICIES ACCOUNTING ESTIMATES AND ERRORS

Changes in accounting policies that are affected 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.

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

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 (GPAA mainly), technical assistance services through Government Technical Advisory Centre with respect to Jobs Fund and NDP program, Development Bank of Southern Africa with respect to Cities support programme The department is the Principal and provides funding and other benefits to the entities for services rendered on its behalf. .. In terms of these arrangements the department is the Principal and is responsible for providing funding for the 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

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.

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

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

PART B: EXPLANATORY NOTES

1. ANNUAL APPROPRIATION

					2023/24	2022/23
	FINAL BUDGET	ACTUAL FUNDS RECEIVED	FUNDS NOT REQUESTED/NOT RECEIVED	FINAL BUDGET	APPROPRIATION RECEIVED	FUNDS NOT REQUESTED/NOT RECEIVED
	R'000	R'000	R'000	R'000	R'000	R'000
Programmes						
Administration	609 884	609 884	-	541 619	541 619	-
Economic policy, tax, financial regulation, and research	138 370	138 370	-	158 212	158 212	-
Public finance and budget management	4 003 767	4 003 767	-	4 374 731	4 374 731	-
Asset and liability management	657 653	657 653	-	6 024 410	6 024 410	18 100 000
Financial accounting and supply chain management systems	821 580	821 580	-	946 132	946 132	-
International financial relations	2 754 112	2 754 112	-	2 857 266	2 857 266	-
Civil and military pensions, contributions to funds and other benefits	6 659 738	6 659 738	-	6 904 051	6 904 051	-
Revenue administration	13 280 696	13 280 696	-	11 635 781	11 635 781	-
Financial intelligence and state security	5 424 478	5 424 478	-	5 395 482	5 395 482	-
Total	**34 350 278**	**34 350 278**	**-**	**38 837 684**	**38 837 684**	**-**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	NOTE	2023/24	2022/23
		R'000	R'000

2. STATUTORY APPROPRIATION

Land Bank	502 000	101 557
Provincial equitable share	585 085 919	570 868 206
General fuel levy sharing with metropolitan municipalities	15 433 498	15 334 823
Auditor General of South Africa	123 052	72 582
Eskom	76 000 000	-
Total	**677 144 469**	**586 377 168**
Actual Statutory Appropriation received	**677 144 469**	**586 275 611**
Statutory Appropriation not requested / not received	-	**101 557**

National Treasury decided to reduce the allocations of R78 billion in 2023/24 and R66 billion in 2024/25 by R2 billion in each year, and this has been captured in the Budget Review specifically under Chapter 8 on Eskom. This was as a result of potential failure by Eskom to dispose of the Eskom Finance Company by the agreed timeframe of 31 March 2024. This will be implemented formally once the Eskom Debt Relief Amendment Bill , which was passed by parliament, is promulgated.

During the 2022/23 financial year, the Actual Statutory Appropriation received amounted to R586 275 611 billion which was less by R101 557 million as compared to the annual statutory appropriation of R586 377 168 billion. The difference of R101 557 million is the Statutory Appropriation not requested from the NRF. As a result, this figure will not be calculated as part of the surplus for the year on the Statement of Financial Performance as it was not requested from the NRF and therefore not form part of the revenue received. This will then result in a reconciliation of the net surplus/(Deficit) for the year to be less by the same amount when the recalculation is performed.

3. DEPARTMENTAL REVENUE

Sales of goods and services other than capital assets	3.1	4 107	8 452
Interest, dividends and rent on land	3.2	12 620 660	8 789 001
Sales of capital assets	3.3	681	
Transactions in financial assets and liabilities	3.4	60 998	20 482
Total revenue collected		**12 686 446**	**8 817 935**
Departmental revenue collected		**12 686 446**	**8 817 935**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	NOTE	2023/24	2022/23
		R'000	R'000

3.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the department	3	4 097	8 452
Sales by market establishment		72	73
Administrative fees		1	1
Other sales		4 024	8 378
Sales of scrap, waste and other used current goods		10	-
Total		**4 107**	**8 452**

The decrease in Sales of goods and services other than capital assets - Other sales relates to services rendered for director fees, fees for guarantees insurance, sales of assets less than R5 000 and replacement of lost office property.

3.2 Interest, dividends and rent on land

	3		
Interest		12 380 660	8 426 216
Dividends		240 000	362 785
Total		**12 620 660**	**8 789 001**

Interest: TThe interest received relates mainly to interest on the Tax and Loan Accounts (TLA), IGCC Account and Foreign Currency Deposits Account. The revenue collected by the South African Revenue Services (SARS) and proceeds from domestic debt issues are deposited into the Tax and Loan Accounts. Revenue collected was higher than the previous year resulting in higher TLA balances and as a result higher interest received. In addition, the increase in interest for foreign currency deposits is mainly due to the Rand depreciating against the major currencies resulting in higher interest income in Rand terms.

IGCC Account: National Treasury made an investment in the Inter-Governmental Cash Coordination (IGCC) at SARB for 10 days. As a result of the shorter investment duration, National Treasury earned less interest on the IGCC account.

Foreign Currency Deposits: The increase in interest for foreign currency deposits is due to the US Dollar (USD) depreciating against the major currencies. Subsequently, the actively managed portfolios of the SARB have generated positive absolute returns (in reporting currency) for the period under review.

Dividend: The decrease is largely attributed to dividend received from Public Investment Corporation (PIC) which is R240 million as compared to the R362.8 million that was received from SARB in 2022/23 financial year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	NOTE	2023/24	2022/23
		R'000	R'000

3.3 Sales of capital assets

	3		
Tangible capital assets		681	-
Machinery and equipment		681	-
Total		**681**	**-**

3.4 Transactions in financial assets and liabilities

	3		
Receivables		8 604	10 488
Other Receipts including Recoverable Revenue		52 394	9 994
Revenue			
Total		**60 998**	**20 482**

Receivables: The decrease is largely attributed to the departmental debt recoverable from employees, such as bursaries, telephone bills etc.

Other Receipts including Recoverable Revenue: The increase is largely attributed to the funds recovered from FFC, FIC and FAIS Ombud at the end of their respective financial years.

3.5 Gifts, donations and sponsorships received in-kind (not included in the main note or sub note)

(Treasury Regulation 21.2.4) Gifts	162	28
Sponsorships	48	-
Total	**210**	**28**

3.6 Cash received not recognised (not included in the main note) - 2023/24

			2023/24
NAME OF ENTITY	**AMOUNT RECEIVED**	**AMOUNT PAID TO THE REVENUE FUND**	**BALANCE**
	R'000	**R'000**	**R'000**
Funds surrendered by Municipalities	293 119	293 119	-
Total	**293 119**	**293 119**	**-**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	NOTE	2023/24	2022/23
		R'000	R'000

4. AID ASSISTANCE

Opening Balance	6 978	57 183
As restated	6 978	57 183
Transferred from statement of financial performance	17 255	6 978
Paid during the year	(7 268)	(57 183)
Closing Balance	**17 265**	**6 978**

Aid assistance relates to funds received from various donors (refer to annexure 1I). The closing balance of R17.265 million is payable to the reconstruction and development programme fund (RDP fund) and subsequently form part of the opening balances in the 2024/25 financial year. The R17.265 million is largely from unspent funds on General Budget Support – IDMS and FMISD

4.1 Analysis of balance by source

	4		
Aid assistance from RDP		17 265	6 978
Closing balance		**17 265**	**6 978**

4.2 Analysis of balance

Aid assistance repayable	4	17 265	6 978
Closing balance		**17 265**	**6 978**

4.2.1 Aid assistance prepayments (expensed)

	NOTE	AMOUNT AS AT 1 APRIL 2023	LESS: RECEIVED IN THE CURRENT YEAR	ADD OR LESS: OTHER	ADD: CURRENT YEAR PREPAYMENTS	AMOUNT AS AT 31 MARCH 2024
		R'000	R'000	R'000	R'000	R'000
Goods and services		6 978	159 466	(149 179)	-	17 265
Total		**6 978**	**159 466**	**(149 179)**	**-**	**17 265**

	NOTE	AMOUNT AS AT 1 APRIL 2022	LESS: RECEIVED IN THE CURRENT YEAR	ADD OR LESS: OTHER	ADD: CURRENT YEAR PREPAYMENTS	AMOUNT AS AT 31 MARCH 2023
		R'000	R'000	R'000	R'000	R'000
Goods and services		57 183	22 905	(73 110)	-	6 978
Total		**57 183**	22 905	**(73 110)**	**-**	**6 978**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	NOTE	2023/24 R'000	2022/23 R'000

4.3 Aid assistance expenditure per economic classification

Current	141 911	15 927
Total aid assistance expenditure	**141 911**	**15 927**

The aid assistance expenditure increased from R15.9 million in 2022/23 financial year to R141.9 million in 2023/24 Financial year. The increase of R126 million relates to the Municipal project and General budget support: IDMS GA which were not received in the 2022/23 financial year.

5. COMPENSATION OF EMPLOYEES

5.1 Salaries and Wages

Basic salary	631 146	579 434
Performance award	276	253
Service Based	880	2 535
Compensative/circumstantial	5 369	3 924
Other non-pensionable allowances	169 447	174 855
Total	**807 118**	**761 001**

The increase in Basic salary due to the salary increase of 3.3% implemented by the Department of Public Service and Administration in respect of the public service wage agreement.

5.2 Social contributions

Employer contributions		
Pension	78 192	70 775
Medical	20 136	18 539
Bargaining council	125	119
Total	**98 453**	**89 433**
Total compensation of employees	**905 571**	**850 434**
Average number of employees	**1 055**	**1 045**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	NOTE	2023/24	2022/23
		R'000	R'000

6. GOODS AND SERVICES

Administrative fees		1 799	1 664
Advertising		211	199
Minor assets	6.1	54	228
Bursaries (employees)		4 979	4 833
Catering		671	611
Communication		10 352	11 433
Computer services	6.2	362 673	363 907
Consultants: Business and advisory services		681 391	762 196
Legal services		21 121	13 548
Contractors		17 183	15 603
Agency and support / outsourced services		7 516	6 875
Entertainment		42	57
Audit cost – external	6.3	20 554	16 545
Fleet services		4 362	4 584
Consumables	6.4	8 197	6 810
Operating leases		85 677	74 354
Property payments	6.5	24 129	23 061
Travel and subsistence	6.6	43 493	35 392
Venues and facilities		1 804	1 381
Training and development		4 724	2 831
Other operating expenditure	6.7	8 155	6 317
Total		**1 309 087**	**1 352 429**

Consultants: Business and advisory Services: The decrease is largely attributed to the Municipal Revenue Management Improvement Programme as no expenditure was incurred.

Travel and Subsistence: The increase is largely attributable within Ministerial Office Support relates to international business travel such as the RMB Investor and Launch held at New York, JSE SA Tomorrow conference held at Hong Kong, G20 Paris Forum, IMF Spring meeting and World Economic Forum's annual meeting in Davos, Switzerland, and the Annual Budget Speech 2024 trip to Cape Town which were attended by the Minister and Deputy Minister.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	NOTE	2023/24 R'000	2022/23 R'000

6.1 Minor assets

	6		
Tangible assets		54	228
Machinery and equipment		54	228
Total		**54**	**228**

6.2 Computer services

	6		
SITA computer services		39 785	39 131
External computer service providers		322 888	324 776
Total		**362 673**	**363 907**

6.3 Audit cost – External

	6		
Regularity audits		20 554	16 545
Total		**20 554**	**16 545**

The increase is mainly attributed to more hours worked on the regularity audit in the 2022/23 financial year.

6.4 Consumables

	6		
Consumable supplies		2 013	2 356
Uniform and clothing		46	81
Household supplies		1 224	1 430
Building material and supplies		32	21
Communication accessories		5	14
IT consumables		589	672
Other consumables		117	138
Stationery, printing and office supplies		6 184	4 454
Total		**8 197**	**6 810**

The increase on Consumables is due to significant expenditure on Stationery, printing and office supplies as a result of more employees returning to the office post COVID-19 pandemic.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	NOTE	2023/24 R'000	2022/23 R'000

6.5 Property payments

	6		
Municipal services		20 962	22 918
Other		3 167	143
Total		**24 129**	**23 061**

6.6 Travel and subsistence

	6		
Local		16 627	15 873
Foreign		26 866	19 519
Total		**43 493**	**35 392**

The increase is largely attributable to international business travel such as roadshows for foreign investors, annual meetings with the World Bank, IMF, World Economic Forum and local business travel for the MTBPS and the Budget Speech.

6.7 Other operating expenditure

	6		
Professional bodies, membership, and subscription fees		4 278	3 680
Resettlement costs		1 773	590
Other		2 104	2 047
Total		**8 155**	**6 317**

7. PAYMENTS FOR FINANCIAL ASSETS

Purchase of Equity		1 000 000	6 000 000
Extension of loans for policy purposes		950 841	960 141
Debts written off	7.1	725	231
Total		**1 951 566**	**6 960 372**

The decrease is mainly attributed to the Land Bank appropriated amount of R1 billion which is made up of R500 million paid under Statutory appropriation for calls on guarantees and the R500 million paid from Voted funds under the ALM programme for blended finance. While compared to the 2022/23 financial year, the allocation for land bank was R6 billion utilised for their blended finance programme and liability solution.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	NOTE	2023/24 R'000	2022/23 R'000

7.1 Debts written off - Nature of debts written off

Damages and losses		725	231
Total		**725**	**231**
Total debt written off		**725**	**231**

8. TRANSFERS AND SUBSIDIES

Provinces and municipalities		602 904 007	588 582 630
Departmental agencies and accounts	Annexure 1B	19 619 276	18 088 428
Foreign governments and international organisations	Annexure 1E	1 707 683	1 848 524
Public corporations and private enterprises	Annexure 1D	198 773	288 830
Households	Annexure 1G	6 603 311	6 722 634
Total		**631 033 050**	**615 531 046**

9. EXPENDITURE FOR CAPITAL ASSETS

Tangible assets	**18 109**	**37 778**
Machinery and equipment	18 109	37 778
Intangible assets	-	**109**
Software	-	109
Total	**18 109**	**37 887**

The decrease is mainly attributed to the cost containment measures of the acquiring capital assets.

9.1 Analysis of funds utilised to acquire capital assets – 2022/23

	VOTED FUNDS R'000	AID ASSISTANCE R'000	TOTAL R'000
Tangible assets	**18 109**	-	**18 109**
Machinery and equipment	18 109	-	18 109
Total	**18 109**	**-**	**18 109**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	NOTE	2023/24	2022/23
		R'000	R'000

9.2 Analysis of funds utilised to acquire capital assets – 2021/22

	VOTED FUNDS	AID ASSISTANCE	TOTAL
	R'000	R'000	R'000
Tangible assets	**37 778**	**-**	**37 778**
Machinery and equipment	37 778	-	37 778
Intangible assets	**109**	**-**	**109**
Software	109	-	109
Total	**37 887**	**-**	**37 887**

9.3 Finance lease expenditure included in Expenditure for capital assets

Tangible assets		
Machinery and equipment	689	235
Total	**689**	**235**

An increase in finance lease expenditure is due to high volumes processed for upgrading expired contracts including applications for new lines. In the current financial year (2023/24) the department had 431 cell phones that were within the contract period compared to 187 in 2022/23.

10. CASH AND CASH EQUIVALENTS

Consolidated Paymaster General Account	190 256	270 758
Cash on hand	23	23
Investments (Domestic)	142 590	17 610
Total	**332 869**	**288 391**

The increase is mainly attributed to the PIC dividend which was received on the 31 March 2024 and could not be paid over to the National Revenue Fund.

	NOTE	2023/24	2022/23
		R'000	R'000

11. PREPAYMENTS AND ADVANCES

Travel and subsistence		217	26
Prepayments (Not expensed)	11.2	18 635	18 156
Advances paid (Not expensed)	11.1	102 598	99 452
Total		**121 450**	**117 634**

Analysis of Total Prepayments and advances		
Current Prepayments and advances	103 294	99 948
Non-current Prepayments and advances	18 156	17 686
Total	**121 450**	**117 634**

Prepayment (not expensed): The amount mainly relates to the balance in ICT Works prepayments as at end of 2023/24 financial year. No amount was expensed from this prepayment in 2023/24.

Advances paid (not expensed): Relate to transfers payment made to GPAA in March 2024 due to the rise in expenditure resulting from the awards for Injury on Duty payments in terms of the Compensation for Occupational Injuries and Diseases Act (COID Act) and this increase in expenditure also emanates from the on-going engagements with departments to deal with backlogs. In addition, the annual increase of 3.24% for pensioners receiving the Special, Military, and non-GEPF Civil Pensions was paid in 2023/24 FY.

11.1 Advances paid (Not expensed)

	Note	BALANCE AS AT 1 APRIL 2023	LESS: AMOUNT EXPENSED IN CURRENT YEAR	ADD OR LESS: OTHER	ADD: CURRENT YEAR ADVANCES	BALANCE AS AT 31 MARCH 2024
	11	R'000	R'000	R'000	R'000	R'000
National departments		334	(334)	-	-	-
Public entities		99 118	(99 118)	-	102 598	102 598
Total		**99 452**	**(99 452)**	**-**	**102 598**	**102 598**

	Note	BALANCE AS AT 1 APRIL 2022	LESS: AMOUNT EXPENSED IN CURRENT YEAR	ADD OR LESS: OTHER	ADD: CURRENT YEAR ADVANCES	BALANCE AS AT 31 MARCH 2023
	11	R'000	R'000	R'000	R'000	R'000
National departments		334	(334)	-	334	334
Public entities		25 317	(25 317)	-	99 118	99 118
Total		**25 651**	**(25 651)**	**-**	**99 452**	**99 452**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	NOTE	2023/24	2022/23
		R'000	R'000

11.2 Prepayments (Not expensed)

	Note	BALANCE AS AT 1 APRIL 2023	LESS: AMOUNT EXPENSED IN CURRENT YEAR	ADD OR LESS: OTHER	ADD: CURRENT YEAR PREPAYMENTS	BALANCE AS AT 31 MARCH 2024
	11	R'000	R'000	R'000	R'000	R'000
Listed by economic classification						
Goods and services		15 526	-	-	-	15 526
Other		2 630	-	-	479	3 109
Total		**18 156**	**-**	**-**	**479**	**18 635**

	Note	BALANCE AS AT 1 APRIL 2022	LESS: AMOUNT EXPENSED IN CURRENT YEAR	ADD OR LESS: OTHER	ADD: CURRENT YEAR PREPAYMENTS	BALANCE AS AT 31 MARCH 2023
	11	R'000	R'000	R'000	R'000	R'000
Listed by economic classification						
Goods and services		15 526	-	-	-	15 526
Other		2 160	-	-	470	2 630
Total		**17 686**	**-**	**-**	**470**	**18 156**

11.3 Advances paid (Expensed)-("advances expensed" not permitted from 1 April 2024)

	Note	BALANCE AS AT 1 APRIL 2023	LESS: AMOUNT EXPENSED IN CURRENT YEAR	ADD OR LESS: OTHER	ADD: CURRENT YEAR PREPAYMENTS	AMOUNT AS AT 31 MARCH 2024
		R'000	R'000	R'000	R'000	R'000
National departments		768,987	44,017	(1,037,294)	784,774	560,484
Provincial departments		14,010	2,766	(115,261)	108,731	10,246
Public entities		10,167	-	(1,348)	-	8,819
Other institutions		556,144	57,509	(72,705)	198,773	739,721
Total		**1,349,308**	**104,292**	**(1,226,608)**	**1,092,278**	**1,319,270**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	NOTE	2023/24	2022/23
		R'000	R'000

	Note	BALANCE AS AT 1 APRIL 2023	LESS: AMOUNT EXPENSED IN CURRENT YEAR	ADD OR LESS: OTHER	ADD: CURRENT YEAR PREPAYMENTS	AMOUNT AS AT 31 MARCH 2024
		R'000	R'000	R'000	R'000	R'000
National departments		466,979	20,647	(705,911)	987,272	768,987
Provincial departments		15,880	457	(87,795)	85,468	14,010
Public entities		10,705	-	(538)	-	10,167
Other institutions		333,959	24,197	(90,843)	288,830	556,144
Total		**827,523**	**45,302**	**(885,087)**	**1,361,570**	**1,349,308**

The change in opening balances for advances paid relates to movement of figures that were adjusted to include the DBSA IDMS BOK as this was omitted in 2022/23 financial year. The correction was done retrospectively and disclosed accordingly and the prior period error has been raised on note 36.

12. RECEIVABLES

				2023/24			2022/23
		CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
	NOTE	R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	12.1	5 332	2 168	7 500	5 748	3 658	9 406
Recoverable expenditure	12.2	2 373	17 218	19 591	2 123	16 600	18 723
Staff debt	12.3	90	770	860	148	1 344	1 492
Other receivables	12.4	2 790	343	3 133	1 704	342	2 046
Total		**10 585**	**20 499**	**31 084**	**9 723**	**21 944**	**31 667**

12.1 Claims recoverable

	12		
National departments		6 144	7 950
Provincial departments		21	127
Foreign governments		1 335	1 329
Total		**7 500**	**9 406**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	NOTE	2023/24	2022/23
		R'000	R'000

The change in opening balances for Receivables is due to the total amount of Claim Receivables and Recoverable Expenditure from GPAA being incorrectly allocated and added to Other Receivables in the 2022/23 financial year. The correction was done retrospectively in the 2022/23 trial balance and disclosed accordingly, the decrease in Other Receivables opening balance results in the increasing of opening balances for Claims Recoverable and Recoverable Expenditure of GPAA disclosed amounts. The prior period error has been raised on note 36.

12.2 Recoverable expenditure (disallowance accounts)

	12		
(Group major categories, but list material items)			
Damages and Losses		1 891	583
Disallowance Miscellaneous		319	17
Outstanding debts - Civil and military pensions		32	27
Disallowance - Civil and military pensions		5 612	5 225
Disallowance - Special pensions		11 737	12 871
Total		**19 591**	**18 723**

12.3 Staff debt

	12		
(Group major categories, but list material items)			
Departmental debts		860	1 492
Total		**860**	**1 492**

12.4 Other receivables

	12		
Value Added Tax (SARS)		839	317
Other Debtors		2 294	1 729
Total		**3 133**	**2 046**

	NOTE	2023/24	2022/23
		R'000	R'000

12.5 Impairment of receivables

Estimate of impairment of receivables	10 947	9 581
Total	**10 947**	**9 581**

The impairment of receivables refers to the estimates or amounts by which the receivables have impaired.

All debts are individually reviewed for the possibility of impairment. The impairment includes debtors that were handed over to the State Attorney (Legal) for recovery. These are debts raised as a result of overpayments due to, for example, recalculation of benefits and non or late notification of death of the pensioners.

These are debts not likely to be recovered and are therefore recommended for write off based on a determined criteria and are subject to further assessments and approvals before the final write-off:

The following criteria was used for the impairment test of receivables:

The following criteria was used for the impairment test of receivables:

- Debts identified for write off; plus
- No movement for more than 2 years (Non-payment by debtors); and
- Debtors 70 years and older.

13. INVESTMENTS

Non-Current		
Shares and other equity		
Development Bank of Southern Africa	200 000	200 000
Public Investment Corporation Limited	1	1
SASRIA	22 000 000	22 000 000
Land Bank	14 397 655	13 397 655
Total	**36 597 656**	**35 597 656**

Analysis of non-current investments		
Opening balance	35 597 656	29 597 656
Additions in cash	1 000 000	6 000 000
Closing balance	**36 597 656**	**35 597 656**

The investment value was increased by R1 billion during the 2023/24 financial year due to a capital injection made to the Land Bank.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	NOTE	2023/24	2022/23
		R'000	R'000

13.1 Impairment of investments

Estimate of impairment of investments	14 397 656	13 397 655
Total	**14 397 656**	**13 397 655**

The NT holds controlling interest in DBSA, Land Bank, PIC and SASRIA, SOE listed in schedule 2 of the PFMA. The impairments are estimates based on projected cash flows obtained in the SOE's corporate plan. No extensive adjustment to the projected cash flows is passed due to limitations in the information provided in compiling such projections. The Free Cash flow to equity (FCFE) is utilised to estimate the fair value of the interest held in the SOEs,

subject to limitation and practical expedient, the principles and significant assumptions applied in the model include:

Discount rate

To discount the cash, flow the yield of the government 10-year bond is utilised as it is the assumed risk-free rate over the medium term and would approximate the weighted average cost to the holder of capital (government).

Growth rate

The average forecasted nominal GDP growth rate as forecasted in the budget, is utilised to discount terminal value as this indicates how the economy is expected to perform and so are the SOEs.

Other

Other significant assumptions are made for each individual entity based on its operations of the individual entities. Interpretation.

Where the calculated NPV is negative, the conclusion is that the SOC holds zero value, considering the assumptions input to the model.

The current year NPV is compared with prior year NPV to measure the quantum of the impairment, if any. This is done by taking the current year NPV and deducting Prior year NPV. A negative value then represents an impairment, and a positive value represents a reversal/partial reversal in impairment.

The total cost of investment in Land Bank have been impaired wholly, as the future economic benefit of these investment is reflected at negative asset value. The total impairment for the current financial year amounts to R14.397 billion which is in respect of Land Bank. Assessment for impairment in SASRIA presented a positive value which means the investment is not impaired in the current financial year.

The impairment for PIC amounts to R10.330 billion, the investment is currently recognised at a cost of R1 thousand and is therefore impaired to R1 thousand. The impairment is limited to the cost of investment.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	NOTE	2023/24	2022/23
		R'000	R'000

14. LOANS

Public corporations	32 000 000	-
Total	**32 000 000**	**-**
Analysis of Balance		
Opening balance	-	-
New Issues	32 000 000	-
Closing balance	**32 000 000**	**-**

The National Treasury has made payments to the total of R76 billion loan appropriated to Eskom in the 2023/24 in the Eskom Debt Relief Act as of 31 March 2024. Eskom Debt Relief Act specifies the financial assistance that will be provided to Eskom over the course of three fiscal years. R32 billion indicates the portion of the loan that has not been converted to shares transferable to DPE as of 31 March 2024.

The difference of R44 billion was converted to ordinary shares to Department of Public Enterprises (DPE). This is made up of the R16 billion that has met conditions to be converted in December 2023 and the R28 billion met the conditions to be converted in March 2024. Approval by the Minister of Finance was granted for both amounts.

The appropriated R78 billion was reduced by R2 billion, and this has been captured in the Budget Review specifically under Chapter 8 on Eskom. This was as a result of potential failure by Eskom to dispose of the Eskom Finance Company by the agreed timeframe of 31 March 2024. This will be implemented formally once the Eskom Debt Relief Amendment Bill , which was passed by parliament, is promulgated.

The remaining R32 billion loan will clear once Minister approves that the conditions of the conversion of shares has been met and they are issued to DPE. This is anticipated to be done in 2024/25 financial year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	NOTE	2023/24	2022/23
		R'000	R'000

15. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND

Opening balance	1 346 257	(16 893 196)
As restated	1 346 257	(16 893 196)
Transfer from statement of financial performance (as restated)	275 227	1 346 257
Paid during the year	(1 346 257)	16 893 196
Closing balance	**275 227**	**1 346 257**

The closing balance of R275.227 million relates to the unspent funds as of 31 March 2024. The funds will be declared back to fiscus.

16. STATUTORY APPROPRIATION TO BE SURRENDERED TO THE REVENUE FUND

Opening balance	(965 130)	-
As restated	(965 130)	-
Transfer from Statement of Financial Performance (as restated)	76 002 137	(863 573)
Statutory Appropriation not requested / not received	-	(101 557)
Paid during the year	965 130	-
Transferred to capitalisation reserve	(76 000 000)	-
Closing balance	**2 137**	**(965 130)**

The closing balance of R2.137 million relates to the unspent funds as of 31 March 2024. The funds will be declared back to fiscus

An amount of R76 billion classified as "Transferred to capitalisation reserve represent the ESKOM loan. This balance is reflected separate on the word version to demonstrate that it cannot be transferred to the NRF but will be used to transfer the shares (investment Eskom) to DPE – this journal entry is passed accordingly on the BAS system.

17. DEPARTMENTAL REVENUE AND NRF RECEIPTS TO BE SURRENDERED TO THE REVENUE FUND

Opening balance	9 408	7 027
As restated	9 408	7 027
Transfer from Statement of Financial Performance (as restated)	12 686 446	8 817 935
Paid during the year	(12 546 994)	(8 815 554)
Total	**148 860**	**9 408**

	NOTE	2023/24	2022/23
		R'000	R'000

The increase relates to the Public Investment Corporation (PIC) dividends which were received on the last day of the 2023/24 financial year, PIC disbursed 141 million, and couldn't be transferred to National Revenue Fund (NRF), because the next business day was on the new financial year as transactions are processed solely on business days.

18. PAYABLES - CURRENT

Advances received	18.1	11 123	6 096
Clearing accounts	18.2	404	1 605
Other payables	18.3	29 818	31 287
Total		**41 345**	**38 988**

18.1 Advances received

	18		
National departments	Annex 8B	-	165
Public entities (FASSET,TETA, PSETA)	Annex 8B	11 123	5 931
Other institutions	Annex 8B	-	-
Total		**11 123**	**6 096**

18.2 Clearing accounts

	18		
(Identify major categories, but list material amounts)			
Bargaining Council		230	1 319
VAT Input		-	73
Reversal Account		174	4
Pension Fund		-	209
Total		**404**	**1 605**

18.3 Other payables

(Identify major categories, but list material amounts)		
Civil and Military Pensions Special Pensions	18 237	18 050
Special pensions	11 581	13 237
Total	**29 818**	**31 287**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	NOTE	2023/24	2022/23
		R'000	R'000

19. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES

Net surplus/(deficit) as per Statement of Financial Performance	88 981 365	9 307 597
Add back non-cash/cash movements not deemed operating activities	(89 160 281)	7 525 332
(Increase)/decrease in receivables	(862)	(77)
(Increase)/decrease in prepayments and advances	(3 816)	(74 116)
Increase/(decrease) in payables – current	2 357	5 522
Proceeds from sale of capital assets	(681)	-
Proceeds from sale of investments	(240 000)	(362 786)
Expenditure on capital assets	18 109	37 887
Surrenders to Revenue Fund	(12 928 120)	8 077 642
Transferred to Capitalisation reserve	(76 000 000)	-
Surrenders to RDP Fund/Donor	(7 268)	(57 183)
Statutory funds not requested/not received	-	(101 557)
Net cash flow generated by operating activities	**(178 916)**	**16 832 929**

The decrease in the net cashflow from operating activities resulting in a negative cash flow balance in 2023/24 in relation to positive balance in 2022/23 can be mainly attributed to the R88 billion to be surrendered to the revenue fund, this amount includes the R76 billion that cannot be transferred to the NRF but will be used to transfer the shares (investment Eskom) to Department of Public Enterprise (DPE). In addition, the R12 billion mainly relates to the departmental revenue surrendered to the NRF due to the increase in interest and dividends received.

20. RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES

Consolidated Paymaster General account	190 256	270 758
Cash on hand	23	23
Cash with commercial banks (Local)	142 590	17 610
Total	**332 869**	**288 391**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	NOTE	2023/24	2022/23
		R'000	R'000

21.CONTINGENT LIABILITIES AND CONTINGENT ASSETS

21.1 Contingent liabilities

Liable to Nature			
Other guarantees	Annex 3A	13 217 759	15 357 948
Claims against the department	Annex 3B	145 273	143 842
Other	Annex 3B	488 722	478 007
Total		**13 851 754**	**15 979 796**

Other guarantees relate to guarantees issued to Public Entities that report to the Minister of Finance such as Development Bank of Southern Africa (DBSA), and Land and Agricultural Development Bank of South Africa and the South African Reserve Bank (SARB) Any payment under a guarantee will be a direct charge against the National Revenue fund via the Department. The decrease on other guarantees is due to more calls on guarantees.

Claims against the Department amounting to R145.273 million represent the amounts of litigation against the Department and claims for expenditure that was not substantiated. The amount and timing of any outflow is uncertain and will depend whether legal action against the Department succeeds or whether amounts claimed can be substantiated.

Other claims from GPAA relate to Military Pension, Injury on duty and Special Pension (Annexure 3B).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	NOTE	2023/24	2022/23
		R'000	R'000

22. ACCRUALS AND PAYABLES NOT RECOGNISED

22.1 Accruals

Listed by economic classification

	30 DAYS	30+ DAYS	TOTAL	TOTAL
Goods and services	83,489	6,048	89,537	114 440
Transfers and subsidies	237	52	289	411
Capital Assets	-	-	-	211
Other	8 537	28	8 565	8 504
Total	**92 263**	**6 128**	**98 391**	**123 566**

Listed by programme level

Administration	15,211	11 487
Economic Policy Tax Financial regulation and Research	324	1 354
Public Finance and Budget Management	3,492	7 249
Asset and Liability Management	798	8 933
Financial Systems and Accounting	33,877	37 403
International Financial Relations	847	1 342
Civil and Military Pensions Contributions to Funds and Other Benefits	35 277	47 294
Government Technical Advisory Centre – MFIP	8 565	8 504
Total	**98 391**	**123 566**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	NOTE	2023/24	2022/23
		R'000	R'000

23. EMPLOYEE BENEFITS

Leave entitlement	49 441	50 422
Service bonus	18 194	16 617
Capped leave	5 608	5 743
Total	**73 243**	**72 783**

24. LEASE COMMITMENTS

24.1 Operating leases

2023/24	SPECIALISED MILITARY EQUIPMENT	LAND	BUILDINGS AND OTHER FIXED STRUCTURES	MACHINERY AND EQUIPMENT	TOTAL
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	90 579	1 863	92 442
Later than 1 year and not later than 5 years	-	-	258 954	2 007	260 961
Later than five years	-	-	-	-	-
Total lease commitments	**-**	**-**	**349 533**	**3 870**	**353 403**

2022/23	SPECIALISED MILITARY EQUIPMENT	LAND	BUILDINGS AND OTHER FIXED STRUCTURES	MACHINERY AND EQUIPMENT	TOTAL
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	92 800	2 171	94 971
Later than 1 year and not later than 5 years	-	-	250 532	854	251 386
Later than five years	-	-	66 582	-	66 582
Total lease commitments	**-**	**-**	**409 914**	**3 025**	**412 939**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	NOTE	2023/24	2022/23
		R'000	R'000

24.2 Finance leases

2023/24	SPECIALISED MILITARY EQUIPMENT	LAND	BUILDINGS AND OTHER FIXED STRUCTURES	MACHINERY AND EQUIPMENT	TOTAL
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	1 217	1 217
Later than 1 year and not later than 5 years	-	-	-	323	323
Total lease commitments	**-**	**-**	**-**	**1 540**	**1 540**

2022/23	SPECIALISED MILITARY EQUIPMENT	LAND	BUILDINGS AND OTHER FIXED STRUCTURES	MACHINERY AND EQUIPMENT	TOTAL
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	3 028	3 028
Later than 1 year and not later than 5 years	-	-	-	756	756
Total lease commitments	**-**	**-**	**-**	**3 784**	**3 784**

25. ACCRUED DEPARTMENTAL REVENUE

Sales of goods and services other than capital assets	-	1
Interest, dividends and rent on land	351 378	1 702 316
Sales of capital assets	-	92
Transactions in financial assets and liabilities	70	526
Total	**351 448**	**1 702 935**

The decrease in accrued departmental revenue relates to the Interest on Foreign Currency Deposits that was received in the 2023/24 financial year which related to the 2022/23 financial year. In the current financial year Foreign Currency Deposits were received timeously hence the increase in departmental revenue.

25.1 Analysis of accrued departmental revenue

Opening balance	1 702 935	379 925
Less: amounts received	1 702 935	379 925
Add: amounts recorded	351 448	1 702 935
Closing balance	**351 448**	**1 702 935**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	NOTE	2023/24	2022/23
		R'000	R'000

26. UNAUTHORISED, IRREGULAR, AND FRUITLESS AND WASTEFUL EXPENDITURE

Unauthorised expenditure	-	-
Irregular expenditure	10 757	12 128
Total	**10 757**	**12 128**

27. RELATED PARTY TRANSACTIONS

Related party falling under the minister of finance

The Financial and Fiscal Commission (FFC)
Financial Intelligence Centre (FIC)
Development Bank of Southern Africa Limited (DBSA)
Accounting Standards Board (ASB)
Public Investment Corporation (PIC)
South African Revenue Service (SARS)
SASRIA Limited (SASRIA)
The Land and Agricultural Development Bank of South Africa (Land Bank)
Independent Regulatory Board for Auditors (IRBA)
Financial Advisory Intermediary Services (FAIS) Ombudsman
Office of the Pension Fund Adjudicator (OPFA)
The Co-Operative Banks Development Agency (CBDA)
Government Pensions Administration Agency (GPAA)
Government Technical Advisory Centre (GTAC)
Office of the Tax Ombud (OTO)
Financial Sector Conduct Authority (FSCA) Ombud Council (OC)

In kind goods and services provided/received

CBDA - Office space and professional services (provided)	3 319	3 464
GTAC - Office space and professional services (provided)	30 043	14 138
Total	**33 362**	**17 602**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	NOTE	2023/24	2022/23
		R'000	R'000

28. KEY MANAGEMENT PERSONNEL

Political office bearers (provide detail below)		
Officials:	4 781	4 595
Level 15 to 16	30 681	24 875
Level 14 (incl CFO if at a lower level)	90 732	85 971
Total	**126 194**	**115 441**

29. IMPAIRMENT (OTHER THAN RECEIVABLES, ACCRUED DEPARTMENTAL REVENUE, LOANS AND INVESTMENTS)

Debtors	160	416
Write-offs		
Other material losses	42 812	41 493
Losses - GPAA		
Total	**42 972**	**41 909**

30. PROVISIONS

SA Smith - claim	14	14
Injury on Duty	231 195	210 285
Military Pension	8 374	7 628
Military Medical	2 147	2 751
Special Pension	42 062	39 964
Medical Benefits	13 131	7 436
Total	**296 923**	**268 078**

Military Medical-Outstanding Medical Claims for pensioners eligible in terms of the Military Pensions requirements.

Injury on Duty-Outstanding awards issued by the Compensation Fund in terms of Compensation for Occupational Injuries and Diseases Act (COIDA) awaiting claim submissions by the employers.

Military Pensions-Provision raised in terms of Military Pensions requirements for all approved cases while awaiting outstanding documents from the member/beneficiaries. Medical Benefits-Outstanding documents on post-retirement medical benefits not yet processed.

Special Pensions-Outstanding applications for pensioners and dependants in terms of the Special Pensions requirements i.e. Life certificates, secondary benefits, death benefits.

Uncertainties dependent on the submission of certain documentation by the applicants.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	NOTE	2023/24	2022/23
		R'000	R'000

30.1 Reconciliation of movement in provisions – 2023/24

	MILITARY MEDICAL &SPECIAL PENSIONS	INJURY ON DUTY	MILITARY PENSION	POST-RETIREMENT MEDICAL BENEFITS & CLAIM	TOTAL PROVISIONS
	R'000	R'000	R'000	R'000	R'000
Opening balance	42 715	210 285	7 628	7 449	268 077
Increase in provision	48 260	149 514	1 503	92 760	292 037
Settlement of provision	(23 698)	(107 289)	(249)	(87 064)	(218 300)
Unused amount reversed	(23 068)	(21 315)	(508)	-	(44 891)
Closing balance	**44 209**	**210 285**	**8 374**	**13 145**	**296 923**

30.2 Reconciliation of movement in provisions – 2021/22

	MILITARY MEDICAL &SPECIAL PENSIONS	INJURY ON DUTY	MILITARY PENSION	POST-RETIREMENT MEDICAL BENEFITS & CLAIM	TOTAL PROVISIONS
	R'000	R'000	R'000	R'000	R'000
Opening balance	56 401	238 456	8 542	6 047	309 447
Increase in provision	42 735	161 861	3 138	60 435	268 169
Settlement of provision	(24 754)	(155 018)	(3 445)	(59 033)	(242 250)
Unused amount reversed	(31 667)	(35 014)	(607)	-	(67 288)
Closing balance	**42 715**	**210 285**	**7 628**	**7 450**	**268 078**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	NOTE	2023/24	2022/23
		R'000	R'000

31. NON-ADJUSTING EVENTS AFTER REPORTING DATE

Nature of the event

Eskom Debt Relief Amendment Act	-	-
Total	**-**	**-**

On 08 April 2024, the Eskom Debt Relief Amendment Act was gazetted to amend section 2 of the Eskom Debt Relief Act, to provide for the payment of interest by Eskom on amounts advanced as a loan, furthermore empowering the Minister of Finance to reduce the amounts for the requirements of Eskom as highlighted in subsection 1 of the Eskom Debt Relief Act in the event of non-compliance with conditions.

This amended will not have any impact on the amounts disclosed in the Annual Financial Statements for 2023/24 and the estimate for the financial effects of interest chargeable to Eskom cannot be estimated yet as the process will only become effective after the Minister of finance has signed an Implementation agreement with Eskom. Interest will apply prospective to disbursements made to Eskom after the implementation agreement is signed.

32. MOVABLE TANGIBLE CAPITAL ASSETS

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

	OPENING BALANCE	VALUE ADJUSTMENTS	ADDITIONS	DISPOSALS	CLOSING BALANCE
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**322 425**		**18 046**	**3 212**	**337 259**
Transport assets	6 597		1 582	2 079	6 100
Computer equipment	207 757		14 036	844	220 949
Furniture and office equipment	17 930		239	23	18 146
Other machinery and equipment	90 141		2 189	266	92 064
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**322 425**	**-**	**18 046**	**3 212**	**337 259**

	NOTE	2023/24	2022/23
		R'000	R'000

Movable Tangible Capital Assets Under Investigation	NUMBER	VALUE
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		**R'000**
	-	-
Heritage assets	-	-
Machinery and equipment	80	2 030
Specialised military assets	-	-
Biological assets	-	-

32.1 Movement for 2022/23

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

	OPENING BALANCE	PRIOR PERIOD ERROR	ADDITIONS	DISPOSALS	CLOSING BALANCE
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**286 929**	**(379)**	**37 778**	**1 903**	**322 425**
Transport assets	7 828	-	-	1 231	6 597
Computer equipment	188 825	-	19 566	634	207 757
Furniture and office equipment	17 681	23	226	-	17 930
Other machinery and equipment	72 595	(402)	17 986	38	90 141
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**286 929**	**(379)**	**37 778**	**1 903**	**322 425**

32.1.1 Prior period error

Relating to 2022/23	(379)
Desks & Office Chairs	38
Furniture and Office equipment	(15)
Other machinery and equipment	(402)
Total	**(379)**

The R38 thousand is the reclassification of Office Furniture from immovable tangible capital assets for office desks and chairs. The R15 thousand is the reclassification of security equipment from Furniture and Office Equipment to Other machinery and equipment. In relation to the R417 thousands, the finance lease expenditure of R86 thousand was double recorded in error in the 2022/23 comparative note, while the R235 thousand is the finance lease expenditure relating to 2022/23 FY and the remaining R96 thousand is the difference between the present value method and the fair value.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	NOTE	2023/24	2022/23
		R'000	R'000

33. MINOR ASSETS

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

	MACHINERY AND EQUIPMENT	BIOLOGICAL ASSETS	TOTAL
	R'000	R'000	R'000
Opening balance	33 323	-	33 323
Additions	54	-	54
Disposals	1 038	-	1 030
TOTAL MINOR CAPITAL ASSETS	**32 339**	**-**	**32 339**

	MACHINERY AND EQUIPMENT	BIOLOGICAL ASSETS	TOTAL
Number of R1 minor assets	34	-	34
Number of minor assets at cost	20 456	-	20 456
TOTAL NUMBER OF MINOR ASSETS	**20 490**	**-**	**20 490**

33.1 Minor Assets

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

	MACHINERY AND EQUIPMENT	BIOLOGICAL ASSETS	TOTAL
	R'000	R'000	R'000
Opening balance	33 095	-	33 095
Prior period error			
Additions	234	-	234
Disposals	6	-	6
TOTAL MINOR ASSETS	**33 323**	**-**	**33 323**

	MACHINERY AND EQUIPMENT	BIOLOGICAL ASSETS	TOTAL
Number of R1 minor assets	34	-	34
Number of minor assets at cost	20 443	-	20 443
TOTAL NUMBER OF MINOR ASSETS	**20 477**	**-**	**20 477**

	NOTE	2023/24	2022/23
		R'000	R'000

33.2 Minor assets

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

2023/24	SPECIALISED MILITARY ASSETS	INTANGIBLE ASSETS	HERITAGE ASSETS	MACHINERY AND EQUIPMENT	BIOLOGICAL ASSETS	TOTAL
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	973	-	973
TOTAL MOVABLE ASSETS WRITTEN OFF	**-**	**-**	**-**	**973**	**-**	**973**

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

2022/24	SPECIALISED MILITARY ASSETS	INTANGIBLE ASSETS	HERITAGE ASSETS	MACHINERY AND EQUIPMENT	BIOLOGICAL ASSETS	TOTAL
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	478	-	478
TOTAL MOVABLE ASSETS WRITTEN OFF	**-**	**-**	**-**	**478**	**-**	**478**

34. INTANGIBLE CAPITAL ASSETS

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

	OPENING BALANCE	ADDITIONS	DISPOSALS	CLOSING BALANCE
	R'000	R'000	R'000	R'000
SOFTWARE	138 197	-	134	138 063
TOTAL INTANGIBLE CAPITAL ASSETS	**138 197**	**-**	**134**	**138 063**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	NOTE	2023/24	2022/23
		R'000	R'000

34.1 Intangible Capital Assets:

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

	OPENING BALANCE	PRIOR PERIOD ERROR	ADDITIONS	DISPOSALS	CLOSING BALANCE
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	150 114	-	109	12 026	138 197
TOTAL INTANGIBLE CAPITAL ASSETS	**150 114**	**-**	**109**	**12 026**	**138 197**

34.2 Intangible Capital Assets Capital Work-In-Progress

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2024

	Note	OPENING BALANCE 1 APRIL 2022	CURRENT YEAR WIP	READY FOR USE (ASSETS TO THE AR) / CONTRACTS TERMINATED	CLOSING BALANCE 31 MARCH 2023
	Annexure 7	R'000	R'000	R'000	R'000
Intangible assets		394 241	-	-	394 241
TOTAL		**394 241**	**-**	**-**	**394 241**

35. IMMOVABLE TANGIBLE CAPITAL ASSETS

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

	OPENING BALANCE	ADDITIONS	DISPOSALS	CLOSING BALANCE
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	**1 024**	**-**	**-**	**1 024**
Other fixed structures	1 024	-	-	1 024
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	**1 024**	**-**	**-**	**1 024**

	NOTE	2023/24	2022/23
		R'000	R'000

35.1 Immovable Tangible Capital Assets - Movement for 2022/23

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

	OPENING BALANCE	PRIOR PERIOD ERROR	ADDITIONS	DISPOSALS	CLOSING BALANCE
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	**1 062**	**(38)**	**-**	**-**	**1 024**
Other fixed structures	1 062	(38)	-	-	1 024
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	**1 062**	**(38)**	**-**	**-**	**1 024**

35.1.1 Prior period error

Nature of prior period error	-
Relating to 2022/23	(38)
(affecting the opening balance)	(38)
Total	**(38)**

36. PRINCIPAL-AGENT ARRANGEMENTS

36.1 Department acting as the principal

GPAA	61 628	63 064
GTAC- NDP	417	397
DBSA- CSP	3 698	2 793
GTAC- Jobs Fund	1 817	1 636
DBSA-IDMS	6 470	-
Total	**74 030**	**67 890**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	NOTE	2023/24	2022/23
		R'000	R'000

Government Pension Administration Agency (GPAA)

GPAA renders administrative services on behalf of the department with respect to Post-Retirement Medical Subsidies Military Pensions, Injury on Duty, Special Pensions and other pensions specified in the Administration Agreement. The department pays funds to GPAA for the administration services as a claim, which is reported in the principal agent note.

The department made a transfer payment of R6.6 billion to GPAA in 2023/24 which was appropriated under programme 7 and these funds are reported on the statement of financial performance under Transfer and Subsidies. Furthermore, a breakdown of the household transfer is disclosed separately under Annexure 1G.

The resources that are under the custodian of GPAA is the payments made to the entity as a transfer to enable it to administer the Government Employee Pension Fund (GEPF) on behalf of the department.

If the principal-agent relationship is terminated, the department will be responsible for a liability of R29.818 million which relates to pensions that still needs to be paid (R24.990 million) and Voted Funds that is to be surrendered to the NRF at year end.

GTAC manages the administration of technical assistance on behalf of the department relating to Neighbourhood Development Programme (NDP), Municipal Finance Improvement Programme (MFIP), Employment Creation Facilitation Fund sub-programme (ECFF) as well as Jobs Fund.

The department pays fees to GTAC for the administration services on NDP and Jobs Fund.

The department made an advance payment of R270.739 million to GTAC in 2023/24, made up of R189.178 million (NDP) and R81.561 million (MFIP). Additionally, a transfer payment of R514 035 million was made to GTAC for the Jobs fund (Grant) and there were no advances paid for ECFF. A reconciliation of this amount is disclosed separately in the advances note (Note 11.3). GTAC discloses the remaining balances at year end as liabilities in its books.

If the principal-agent relationship is terminated, GTAC will pay back all the unspent funds to the department.

The resources that are under the custodian of GTAC is the payments made to the entity as advances and grants to enable it to administer the programs on behalf of the department.

	NOTE	2023/24	2022/23
		R'000	R'000

Development Bank of Southern Africa (DBSA)

The department entered into a Memorandum of Understanding (MoU) with DBSA which will support NT with the Cities Support Program (CSP), Project Preparation Fund (PPF), Infrastructure Fund (IF), and the NT Social Housing Project.

The department pays fees to DBSA for the administration services, which have been disclosed in the principal agent note. Fees were incurred only on the CSP for 2022/23.

The department made an advance payment of R245.622 million to DBSA in 2023/24, made up of R46.273 million (IF), R46.849 million (CSP),R152.500 million DBSA - NT Social Housing Projects and R61.882 million (IDMS MBOK). A reconciliation of this amount is disclosed separately in the Advances note (Note 11.3). DBSA discloses the remaining balances at year end as liabilities in the separate financial statements of the funds.

If the principal-agent relationship is terminated, DBSA will pay back all the unspent funds to the department.

The resources that are under the custodian of DBSA is the payments made to the entity as advances to enable it to administer the funds on behalf of the department.

37.PRIOR PERIOD ERRORS

37.1 Correction of prior period errors Assets: (e.g. Receivables, Investments, Accrued departmental revenue, Movable tangible capital assets, etc.)

		2022/23		
	NOTE	AMOUNT BEF ERROR CORRECTION	PRIOR PERIOD ERROR	RESTATED AMOUNT
		R'000	R'000	R'000
Other Receivables	Note 12	25 423	(23 377)	2 046
Claims Receivable- GPAA	Note 12	494	5 254	5 748
Recoverable Expenditure- GPAA	Note 12	600	18 123	18 723

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

		NOTE	2023/24	2022/23
			R'000	R'000
Other machinery and equipment-opening balance	Note 32	72 595	15	72 610
Furniture and Office Equipment - Opening Balance	Note 32	17 681	23	17 704
Advances paid (Expensed) - Provincial Departments Opening balance	Note 11	7 229	8 651	15 880
Advances paid (Expensed) - Provincial Departments Received in current year	Note 11	394	63	457
Advances paid (Expensed) - Provincial Departments	Note 11	(-46 715)	(-41 080)	(-87 795)
Other Advances paid (Expensed) - Provincial Departments Current year advances	Note 11	53 000	32 468	85 468
Advances paid (Expensed) - Provincial Departments Closing balance	Note 11	13 908	102	14 010
Net effect		**144 609**	**242**	**144 851**

Note 12 Receivables was amended to account for the total amount of Claim Receivables and Recoverable Expenditure from GPAA that was incorrectly allocated and added to Other Receivables. The prior balances were adjusted and the correction was done retrospectively in the 2022/23 trial balance and disclosed accordingly on Note 12.

The R23 thousand which is a net of R38 thousand and R15 thousand is reclassification of Office Furniture from immovable tangible capital assets in relation to desks and chairs that were erroneously classified as office accommodation and affected the 2023/24 opening balance.

The correction of the 2022/23 figures for provincial departments amounts did not include the figures for DBSA IDMS and these were added to the advances paid (expensed) balances as they were omitted last year and affect the 2023/24 opening balance for the provincial departments. The 2023/24 amounts for provincial departments includes the IDMS figures.

PART F

FINANCIAL INFORMATION

For the period ended 31 March 2024

2023/24

NATIONAL TREASURY

ANNUAL REPORT

VOTE 8

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2022/23	
	DORA AND OTHER TRANSFERS	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD	RE-ALLOCATIONS BY NATIONAL TREASURY OR NATIONAL DEPARTMENT	AMOUNT RECEIVED BY MUNICIPALITY	AMOUNT SPENT BY MUNICIPALITY	UNSPENT FUNDS	% OF AVAILABLE FUNDS SPENT BY MUNICIPALITY	DORA AND OTHER TRANFERS	ACTUAL TRANSFER
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT													
Alfred Duma	1,000	-	(1,000)	-	-	-	-	-	-	-		-	-
Buffalo City	40,581	-	(10,000)	30,581	30,581	-	-	30,581	30,581	-	100%	35,581	35,581
Bushbuckridge	10,000	-	(5,000)	5,000	5,000	-	-	5,000	5,000	-	100%	5,000	5,000
City of Cape Town	250,890	-	(15,000)	235,890	235,890	-	-	235,890	235,890	-	100%	257,372	257,372
City of Johannesburg	134,799	-	(37,700)	97,099	97,099	-	-	97,099	97,099	-	100%	137,420	137,420
City of Matlosana	31,162	-	(10,000)	21,162	21,162	-	-	21,162	21,162	-	100%	21,000	21,000
City of Mbombela	15,000	-	(10,000)	5,000	5,000	-	-	5,000	5,000	-	100%	1,000	1,000
City of Tshwane	155,465	-	(15,000)	140,465	140,465	-	-	140,465	140,465	-	100%	150,215	150,215
Dawid Kruiper	15,000	-	(8,421)	6,579	6,579	-	-	6,579	6,579	-	100%	26,864	26,864
Drakenstein	10,000	-	-	10,000	10,000	-	-	10,000	10,000	-	100%	-	-
Ekurhuleni	216,940	-	(20,370)	196,570	196,570	-	-	196,570	196,570	-	100%	168,176	168,176
Emfuleni	15,000	-	(15,000)	-	-	-	-	-	-	-		-	-
Ethekwini	200,003	-	25,520	225,523	225,523	-	-	225,523	225,523	-	100%	192,924	192,924
Fetakgomo	-	-	20,503	20,503	20,503	-	-	20,503	20,503	-	100%	-	-
Ga-Segonyana	20,000	-	(10,000)	10,000	10,000	-	-	10,000	10,000	-	100%	13,485	13,485
George	5,000	-	-	5,000	5,000	-	-	5,000	5,000	-	100%	-	-

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2022/23	
	DORA AND OTHER TRANSFERS	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD	RE-ALLOCATIONS BY NATIONAL TREASURY OR NATIONAL DEPARTMENT	AMOUNT RECEIVED BY MUNICIPALITY	AMOUNT SPENT BY MUNICIPALITY	UNSPENT FUNDS	% OF AVAILABLE FUNDS SPENT BY MUNICIPALITY	DORA AND OTHER TRANFERS	ACTUAL TRANSFER
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT													
JB Marks	5,000	-	(5,000)	-	-	-	-	-	-	-		-	-
Knysna	15,000	-	(6,603)	8,397	8,397	-	-	8,397	8,397	-	100%	5,000	5,000
Kwadukuza	13,267	-	(13,267)	-	-	-	-	-	-	-		-	-
Langeberg	9,272	-	-	9,272	9,272	-	-	9,272	9,272	-	100%	5,000	5,000
Mangaung	21,739	-	(4,831)	16,908	16,908	-	-	16,908	16,908	-	100%	19,738	19,738
Midvaal	10,000	-	(1,180)	8,820	8,820	-	-	8,820	8,820	-	100%	10,000	10,000
Mogale City	30,000	-	45,357	75,357	75,357	-	-	75,357	75,357	-	100%	28,711	28,711
Msunduzi	33,606	-	(20,506)	13,100	13,100	-	-	13,100	13,100	-	100%	34,500	34,500
Nelson Mandela Bay	29,700	-	(689)	29,011	29,011	-	-	29,011	29,011	-	100%	20,000	20,000
Newcastle	24,514	-	(3,514)	21,000	21,000	-	-	21,000	21,000	-	100%	30,000	30,000
Nyandeni	2,000	-	(2,000)	-	-	-	-	-	-	-		-	-
Rand West	-	-	5,000	5,000	5,000	-	-	5,000	5,000	-	100%	-	-
Polokwane	32,168	-	(10,000)	22,168	22,168	-	-	22,168	22,168	-	100%	25,088	25,088
Ray Nkonyeni	19,000	-	5,178	24,178	24,178	-	-	24,178	24,178	-	100%	46,000	46,000
Rustenburg	11,707	-	(6,707)	5,000	5,000	-	-	5,000	5,000	-	100%	1,000	1,000
Sol Plaatjie	2,000	-	(2,000)	-	-	-	-	-	-	-		-	-
Thulamela	25,000	-	-	25,000	25,000	-	-	25,000	25,000	-	100%	15,000	15,000
West Rand	70,000		3,429	73,429	73,429			73,429	73,429		100%	44,000	44,000
Total - NDPG	**1,474,813**	**-**	**(128,801)**	**1,346,012**	**1,346,012**	**-**	**-**	**1,346,012**	**1,346,012**	**-**	**0%**	**1,293,074**	**1,293,074**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2022/23	
	DORA AND OTHER TRANSFERS	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD	RE-ALLOCATIONS BY NATIONAL TREASURY OR NATIONAL DEPARTMENT	AMOUNT RECEIVED BY MUNICIPALITY	AMOUNT SPENT BY MUNICIPALITY	UNSPENT FUNDS	% OF AVAILABLE FUNDS SPENT BY MUNICIPALITY	DORA AND OTHER TRANFERS	ACTUAL TRANSFER
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Schedule 6B - Indirect	100,902	-	88,431	-	189,333	-	-	189,178	189,178	155	100%	200,526	190,273

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2022/23	
	DORA AND OTHER TRANSFERS	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD	RE-ALLOCATIONS BY NATIONAL TREASURY OR NATIONAL DEPARTMENT	AMOUNT RECEIVED BY MUNICIPALITY	AMOUNT SPENT BY MUNICIPALITY	UNSPENT FUNDS	% OF AVAILABLE FUNDS SPENT BY MUNICIPALITY	DORA AND OTHER TRANFERS	ACTUAL TRANSFER
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
INFRASTRUCTURE SKILLS DEVELOPMENT GRANT													
Buffalo City	11,000	-	(230)	10,770	10,770	-	-	10,770	10,529	241	98%	11,750	11,750
Nelson Mandela Bay	13,750	-	(780)	12,970	12,970	-	1,000	13,970	8,348	5,622	60%	12,750	12,750
King Sabata Dalindyebo	5,500	-	(80)	5,420	5,420	-	-	5,420	4,117	1,303	76%	5,500	5,500
Alfred Nzo	6,000	-	(330)	5,670	5,670	-	-	5,670	2,651	3,019	47%	5,500	5,500
City of Johannesburg	6,000	-	(431)	5,569	5,569	-	-	5,569	3,862	1,707	69%	6,000	6,000
eThekwini	32,000	-	(2,530)	29,470	29,470	-	-	29,470	26,307	3,163	89%	35,500	35,500
Alfred Duma	4,500	-	(50)	4,450	4,450	-	-	4,450	2,860	1,590	64%	4,500	4,500
Thulamela	5,000	-	(80)	4,920	4,920	-	-	4,920	3,554	1,366	72%	5,250	5,250
Polokwane	5,500	-	(50)	5,450	5,450	-	419	5,869	4,001	1,868	68%	6,000	6,000
Govan Mbeki	24,000	-	(1,000)	23,000	23,000	-	-	23,000	17,257	5,743	75%	24,500	24,500
Gert Sibande	13,107	-	(1,500)	11,607	11,607	-	1,000	12,607	9,372	3,235	74%	13,550	13,550
John Taolo Gaetsewe	5,500	-	(500)	5,000	5,000	-	-	5,000	4,527	473	91%	5,500	5,500
Sol Plaatje	5,500	-	(500)	5,000	5,000	-	-	5,000	3,897	1,103	78%	5,500	5,500
City of Cape Town	9,000	-	(80)	8,920	8,920	-	1,000	9,920	8,782	1,138	89%	11,446	11,446

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2022/23	
	DORA AND OTHER TRANSFERS	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD	RE-ALLOCATIONS BY NATIONAL TREASURY OR NATIONAL DEPARTMENT	AMOUNT RECEIVED BY MUNICIPALITY	AMOUNT SPENT BY MUNICIPALITY	UNSPENT FUNDS	% OF AVAILABLE FUNDS SPENT BY MUNICIPALITY	DORA AND OTHER TRANFERS	ACTUAL TRANSFER
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
INFRASTRUCTURE SKILLS DEVELOPMENT GRANT													
George	6,500	-	(283)	6,217	6,217	-	-	6,217	3,769	2,448	61%	6,000	6,000
Vhembe	3,500	-	-	3,500	3,500	-	-	3,500	2,110	1,390	60%	-	-
Mangaung	3,500	-	(81)	3,419	-	3,419	-	-	-	-	0%	-	-
Total - ISDG	**159,857**		**(8,505)**	**151,352**	**147,933**	**3,419**	**3,419**	**151,352**	**115,943**	**35,409**	**77%**	**159,246**	**159,246**

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2022/23	
	DORA AND OTHER TRANSFERS	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD	RE-ALLOCATIONS BY NATIONAL TREASURY OR NATIONAL DEPARTMENT	AMOUNT RECEIVED BY MUNICIPALITY	AMOUNT SPENT BY MUNICIPALITY	UNSPENT FUNDS	% OF AVAILABLE FUNDS SPENT BY MUNICIPALITY	DORA AND OTHER TRANFERS	ACTUAL TRANSFER
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
PROGRAMME AND PROJECT PREPARATION SUPPORT GRANT													
Buffalo City	18,908	-	(6,000)	12,908	12,908	-	-	12,908	12,908	-	100%	13,776	13,776
City of Cape Town	68,877	-	-	68,877	68,877	-	-	68,877	68,877	-	100%	65,970	65,970
City of Johannesburg	55,000	-	(20,000)	35,000	35,000	-	-	35,000	35,000	-	100%	78,225	78,225
City of Tshwane	62,000	-	(15,000)	47,000	47,000	-	-	47,000	47,000	-	100%	51,532	51,532
Ekurhuleni	87,782	-	-	87,782	87,782	-	-	107,731	107,731	-	100%	56,064	56,064
Ethekwini	49,949	-	-	49,949	49,949	-	-	30,000	30,000	-	100%	61,324	61,324
Mangaung	14,276	-	(7,138)	7,138	7,138	-	-	7,138	7,138	-	100%	13,673	13,673
Nelson Mandela Bay	20,000	-	(10,000)	10,000	10,000	-	-	10,000	10,000	-	100%	20,322	20,322
Total - PPPSG	**376,792**	**-**	**(58,138)**	**318,654**	**318,654**	**-**	**-**	**318,654**	**318,654**	**-**	**100%**	**360,886**	**360,886**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2022/23	
	DORA AND OTHER TRANSFERS	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD	RE-ALLOCATIONS BY NATIONAL TREASURY OR NATIONAL DEPARTMENT	AMOUNT RECEIVED BY MUNICIPALITY	AMOUNT SPENT BY MUNICIPALITY	UNSPENT FUNDS	% OF AVAILABLE FUNDS SPENT BY MUNICIPALITY	DIVISION OF REVENUE ACT	ACTUAL TRANSFER
	R'000	R'000	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													
!Kai !Garib	3,100	-	-	3,100	3,100	-	-	3,100	3100	-	100%	3,000	3,000
!Kheis	3,100	-	-	3,100	3,100	-	-	3,100	921	2,179	30%	3,000	3,000
AbaQulusi	3,000	-	-	3,000	3,000	-	-	3,000	2,746	254	92%	3,000	3,000
Alfred Duma	2,100	-	-	2,100	2,100	-	-	2,100	1271	829	61%	2,100	2,100
Alfred Nzo District Municipality	1,950	-	-	1,950	1,950	-	-	1,950	1,755	195	90%	1,950	1,950
Amahlathi	2,200	-	-	2,200	2,200	-	-	2,200	1,682	518	76%	2,200	2,200
Amajuba District Municipality	2,750	-	-	2,750	2,750	-	-	2,750	1390	1,360	51%	2,750	2,750
Amathole District Municipality	1,250	-	-	1,250	1,250	-	-	1,250	895	355	72%	1,200	1,200
Ba-Phalaborwa	3,100	-	-	3,100	3,100	-	-	3,100	1,543	1,557	50%	3,100	3,100
Beaufort West	2,185	-	-	2,185	2,185	-	-	2,185	2,162	23	99%	2,085	2,085
Bela-Bela	1,700	-	-	1,700	1,700	-	-	1,700	640	1,060	38%	1,650	1,650
Bergrivier	1,550	-	-	1,550	1,550	-	-	1,550	657	893	42%	1,550	1,550
Big Five Hlabisa	2,750	-	-	2,750	2,750	-	-	2,750	1563	1,187	57%	2,750	2,750

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2022/23	
	DORA AND OTHER TRANSFERS	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD	RE-ALLOCATIONS BY NATIONAL TREASURY OR NATIONAL DEPARTMENT	AMOUNT RECEIVED BY MUNICIPALITY	AMOUNT SPENT BY MUNICIPALITY	UNSPENT FUNDS	% OF AVAILABLE FUNDS SPENT BY MUNICIPALITY	DIVISION OF REVENUE ACT	ACTUAL TRANSFER
	R'000	R'000	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													
Bitou	1,771	-	-	1,771	1,771	-	-	1,771	975	796	55%	1,721	1,721
Blouberg	2,400	-	-	2,400	2,400	-	-	2,400	1181	1,219	49%	2,400	2,400
Blue Crane Route	2,450	-	-	2,450	2,450	-	-	2,450	1263	1,187	52%	2,450	2,450
Bojanala Platinum	1,850	-	-	1,850	1,850	-	-	1,850	1,727	123	93%	1,850	1,850
Breede Valley	1,550	-	-	1,550	1,550	-	-	1,550	369	1,181	24%	1,550	1,550
Buffalo City	1,000	-	-	1,000	1,000	-	-	1,000	857	143	86%	1,000	1,000
Bushbuckridge	2,650	-	-	2,650	2,650	-	-	2,650	1,610	1,040	61%	2,650	2,650
Cape Agulhas	1,550	-	-	1,550	1,550	-	-	1,550	1129	421	73%	1,550	1,550
Cape Winelands	1,000	-	-	1,000	1,000	-	-	1,000	696	304	70%	1,000	1,000
Capricorn District Municipality	1,000	-	-	1,000	1,000	-	-	1,000	1000	-	100%	1,000	1,000
Cederberg	2,132	-	-	2,132	2,132	-	-	2,132	711	1,421	33%	2,132	2,132
Central Karoo District Municipality	1,000	-	-	1,000	1,000	-	-	1,000	483	517	48%	1,000	1,000
Chief Albert Luthuli	2,000	-	-	2,000	2,000	-	-	2,000	1024	976	51%	2,000	2,000
Chris Hani District Municipality	1,000	-	-	1,000	1,000	-	-	1,000	464	536	46%	1,000	1,000

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2022/23	
	DORA AND OTHER TRANSFERS	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD	RE-ALLOCATIONS BY NATIONAL TREASURY OR NATIONAL DEPARTMENT	AMOUNT RECEIVED BY MUNICIPALITY	AMOUNT SPENT BY MUNICIPALITY	UNSPENT FUNDS	% OF AVAILABLE FUNDS SPENT BY MUNICIPALITY	DIVISION OF REVENUE ACT	ACTUAL TRANSFER
	R'000	R'000	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													
City of Cape Town	1,000	-	-	1,000	1,000	-	-	1,000	930	70	93%	1,000	1,000
City of Johannesburg	1,000	-	-	1,000	1,000	-	-	1,000	747	253	75%	1,000	1,000
City of Matlosana	3,100	-	-	3,100	3,100	-	-	3,100	524	2,576	17%	3,100	3,100
City of Mbombela	2,650	-	-	2,650	2,650	-	-	2,650	575	2,075	22%	2,650	2,650
City of Tshwane	2,200	-	-	2,200	2,200	-	-	2,200	306	1,894	14%	2,200	2,200
Collins Chabane	2,550	-	-	2,550	2,550	-	-	2,550	239	2,311	9%	2,550	2,550
Dannhauser	1,950	-	-	1,950	1,950	-	-	1,950	1448	502	74%	1,950	1,950
Dawid Kruiper	3,000	-	-	3,000	3,000	-	-	3,000	1312	1,688	44%	3,000	3,000
Dihlabeng	2,750	-	-	2,750	2,750	-	-	2,750	1,948	802	71%	2,750	2,750
Dikgatlong	3,100	-	-	3,100	3,100	-	-	3,100	908	2,192	29%	3,100	3,100
Dipaleseng	2,850	-	-	2,850	2,850	-	-	2,850	2,209	641	78%	2,800	2,800
Ditsobotla	3,100	-	-	3,100	3,100	-	-	3,100	0	3,100	0%	3,100	3,100
Dr Beyers Naude	3,100	-	-	3,100	3,100	-	-	3,100	2,175	925	70%	3,100	3,100
Dr JS Moroka	2,450	-	-	2,450	2,450	-	-	2,450	1,249	1,201	51%	2,450	2,450
Dr Kenneth Kaunda	1,000	-	-	1,000	1,000	-	-	1,000	673	327	67%	1,000	1,000

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2022/23	
	DORA AND OTHER TRANSFERS	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD	RE-ALLOCATIONS BY NATIONAL TREASURY OR NATIONAL DEPARTMENT	AMOUNT RECEIVED BY MUNICIPALITY	AMOUNT SPENT BY MUNICIPALITY	UNSPENT FUNDS	% OF AVAILABLE FUNDS SPENT BY MUNICIPALITY	DIVISION OF REVENUE ACT	ACTUAL TRANSFER
	R'000	R'000	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													
Dr Nkosazana Dlamini Zuma	1,950	-	-	1,950	1,950	-	-	1,950	1,480	470	76%	1,950	1,950
Dr Pixley ka Isaka Seme	2,450	-	-	2,450	2,450	-	-	2,450	1,228	1,222	50%	2,450	2,450
Dr Ruth Segomotsi Mompati	2,300	-	-	2,300	2,300	-	-	2,300	0	2,300	0%	2,200	2,200
Dr. A.B. Xuma	1,700	-	-	1,700	1,700	-	-	1,700	1,538	162	90%	1,700	1,700
Drakenstein	1,550	-	-	1,550	1,550	-	-	1,550	849	701	55%	1,550	1,550
eDumbe	3,000	-	-	3,000	3,000	-	-	3,000	787	2,213	26%	3,000	3,000
Ehlanzeni District Municipality	1,000	-	-	1,000	1,000	-	-	1,000	628	372	63%	1,000	1,000
Ekurhuleni	1,000	-	-	1,000	1,000	-	-	1,000	470	530	47%	1,000	1,000
Elias Motsoaledi	2,850	-	-	2,850	2,850	-	-	2,850	1699	1,151	60%	2,850	2,850
Elundini	1,700	-	-	1,700	1,700	-	-	1,700	1280	420	75%	1,650	1,650
eMadlangeni	3,000	-	-	3,000	3,000	-	-	3,000	1263	1,737	42%	3,000	3,000
Emakhazeni	2,900	-	-	2,900	2,900	-	-	2,900	1,901	999	66%	2,900	2,900
Emalahleni	3,100	-	-	3,100	3,100	-	-	3,100	2,392	708	77%	3,100	3,100

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FOR THE YEAR ENDED 31 MARCH 2024

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2022/23	
	DORA AND OTHER TRANSFERS	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD	RE-ALLOCATIONS BY NATIONAL TREASURY OR NATIONAL DEPARTMENT	AMOUNT RECEIVED BY MUNICIPALITY	AMOUNT SPENT BY MUNICIPALITY	UNSPENT FUNDS	% OF AVAILABLE FUNDS SPENT BY MUNICIPALITY	DIVISION OF REVENUE ACT	ACTUAL TRANSFER
	R'000	R'000	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													
Emalahleni	3,000	-	-	3,000	3,000	-	-	3,000	1,460	1,540	49%	3,000	3,000
Emfuleni	2,200	-	-	2,200	2,200	-	-	2,200	971	1,229	44%	2,200	2,200
Emthanjeni	1,850	-	-	1,850	1,850	-	-	1,850	1799	51	97%	1,850	1,850
eNdumeni	2,100	-	-	2,100	2,100	-	-	2,100	1,756	344	84%	2,100	2,100
Enoch Mgijima	3,100	-	-	3,100	3,100	-	-	3,100	1,489	1,611	48%	3,100	3,100
Ephraim Mogale	3,100	-	-	3,100	3,100	-	-	3,100	2,181	919	70%	3,100	3,100
eThekwini	1,000	-	-	1,000	1,000	-	-	1,000	490	510	49%	1,000	1,000
Fetakgomo Tubatse	2,550	-	-	2,550	2,550	-	-	2,550	2023	527	79%	2,550	2,550
Fezile Dabi District Municipality	1,300	-	-	1,300	1,300	-	-	1,300	870	430	67%	1,300	1,300
Frances Baard District Municipality	1,000	-	-	1,000	1,000	-	-	1,000	358	642	36%	1,000	1,000
Gamagara	2,100	-	-	2,100	2,100	-	-	2,100	323	1,777	15%	2,100	2,100
Garden Route District Municipality	1,000	-	-	1,000	1,000	-	-	1,000	410	590	41%	1,000	1,000
Ga-Segonyana	3,100	-	-	3,100	3,100	-	-	3,100	2401	699	77%	3,100	3,100
George	1,771	-	-	1,771	1,771	-	-	1,771	1,093	678	62%	1,721	1,721

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2022/23	
	DORA AND OTHER TRANSFERS	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD	RE-ALLOCATIONS BY NATIONAL TREASURY OR NATIONAL DEPARTMENT	AMOUNT RECEIVED BY MUNICIPALITY	AMOUNT SPENT BY MUNICIPALITY	UNSPENT FUNDS	% OF AVAILABLE FUNDS SPENT BY MUNICIPALITY	DIVISION OF REVENUE ACT	ACTUAL TRANSFER
	R'000	R'000	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													
Gert Sibande District Municipality	1,000	-	-	1,000	1,000	-	-	1,000	661	339	66%	1,000	1,000
Govan Mbeki	2,100	-	-	2,100	2,100	-	-	2,100	925	1,175	44%	2,100	2,100
Great Kei	2,450	-	-	2,450	2,450	-	-	2,450	2449	1	100%	2,450	2,450
Greater Giyani	2,400	-	-	2,400	2,400	-	-	2,400	1,038	1,362	43%	2,400	2,400
Greater Kokstad	1,750	-	-	1,750	1,750	-	-	1,750	671	1,079	38%	1,750	1,750
Greater Letaba	2,000	-	-	2,000	2,000	-	-	2,000	879	1,121	44%	2,000	2,000
Greater Taung	3,100	-	-	3,100	3,100	-	-	3,100	1781	1,319	57%	3,100	3,100
Greater Tzaneen	2,000	-	-	2,000	2,000	-	-	2,000	494	1,506	25%	2,000	2,000
Hantam	1,920	-	-	1,920	1,920	-	-	1,920	1196	724	62%	1,920	1,920
Harry Gwala District Municipality	1,200	-	-	1,200	1,200	-	-	1,200	534	666	45%	1,200	1,200
Hessequa	1,550	-	-	1,550	1,550	-	-	1,550	763	787	49%	1,550	1,550
iLembe District Municipality	1,000	-	-	1,000	1,000	-	-	1,000	217	783	22%	1,000	1,000
iMpendle	2,400	-	-	2,400	2,400	-	-	2,400	2358	42	98%	2,400	2,400

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FOR THE YEAR ENDED 31 MARCH 2024

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2022/23	
	DORA AND OTHER TRANSFERS	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD	RE-ALLOCATIONS BY NATIONAL TREASURY OR NATIONAL DEPARTMENT	AMOUNT RECEIVED BY MUNICIPALITY	AMOUNT SPENT BY MUNICIPALITY	UNSPENT FUNDS	% OF AVAILABLE FUNDS SPENT BY MUNICIPALITY	DIVISION OF REVENUE ACT	ACTUAL TRANSFER
	R'000	R'000	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													
iNkosi Langalibalele	2,300	-	-	2,300	2,300	-	-	2,300	1,394	906	61%	2,300	2,300
Intsika Yethu	2,100	-	-	2,100	2,100	-	-	2,100	1,851	249	88%	2,100	2,100
Inxuba Yethemba	3,100	-	-	3,100	3,100	-	-	3,100	2,928	172	94%	3,100	3,100
Joe Gqabi District Municipality	1,500	-	-	1,500	1,500	-	-	1,500	1,044	456	70%	1,500	1,500
Joe Morolong	3,100	-	-	3,100	3,100	-	-	3,100	2319	781	75%	3,100	3,100
John Taolo Gaetsewe District Municipality	1,000	-	-	1,000	1,000	-	-	1,000	832	168	83%	1,000	1,000
Jozini	3,000	-	-	3,000	3,000	-	-	3,000	977	2,023	33%	3,000	3,000
Kagisano-Molopo	3,000	-	-	3,000	3,000	-	-	3,000	1728	1,272	58%	3,000	3,000
Kamiesberg	3,100	-	-	3,100	3,100	-	-	3,100	1,601	1,499	52%	3,100	3,100
Kannaland	2,932	-	-	2,932	2,932	-	-	2,932	1,134	1,798	39%	2,932	2,932
Kareeberg	2,850	-	-	2,850	2,850	-	-	2,850	0	2,850	0%	2,850	2,850
Karoo Hoogland	2,650	-	-	2,650	2,650	-	-	2,650	1608	1,042	61%	2,650	2,650
Kgatelopele	3,100	-	-	3,100	3,100	-	-	3,100	2,434	666	79%	3,000	3,000
Kgetlengrivier	3,100	-	-	3,100	3,100	-	-	3,100	990	2,110	32%	3,100	3,100

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2022/23	
	DORA AND OTHER TRANSFERS	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD	RE-ALLOCATIONS BY NATIONAL TREASURY OR NATIONAL DEPARTMENT	AMOUNT RECEIVED BY MUNICIPALITY	AMOUNT SPENT BY MUNICIPALITY	UNSPENT FUNDS	% OF AVAILABLE FUNDS SPENT BY MUNICIPALITY	DIVISION OF REVENUE ACT	ACTUAL TRANSFER
	R'000	R'000	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													
Khâi-Ma	2,900	-	-	2,900	2,900	-	-	2,900	1022	1,878	35%	2,900	2,900
King Cetshwayo District Municipality	1,200	-	-	1,200	1,200	-	-	1,200	608	592	51%	1,200	1,200
King Sabata Dalindyebo	2,850	-	-	2,850	2,850	-	-	2,850	1252	1,598	44%	2,850	2,850
Knysna	1,771	-	-	1,771	1,771	-	-	1,771	595	1,176	34%	1,721	1,721
Kopanong	2,300	-	-	2,300	2,300	-	-	2,300	1869	431	81%	2,300	2,300
Kouga	1,720	-	-	1,720	1,720	-	-	1,720	310	1,410	18%	1,720	1,720
Kou-Kamma	2,650	-	-	2,650	2,650	-	-	2,650	1816	834	69%	2,650	2,650
KwaDukuza	1,750	-	-	1,750	1,750	-	-	1,750	618	1,132	35%	1,750	1,750
Laingsburg	1,800	-	-	1,800	1,800	-	-	1,800	1242	558	69%	1,750	1,750
Langeberg	1,550	-	-	1,550	1,550	-	-	1,550	701	849	45%	1,550	1,550

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FOR THE YEAR ENDED 31 MARCH 2024

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2022/23	
	DORA AND OTHER TRANSFERS	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD	RE-ALLOCATIONS BY NATIONAL TREASURY OR NATIONAL DEPARTMENT	AMOUNT RECEIVED BY MUNICIPALITY	AMOUNT SPENT BY MUNICIPALITY	UNSPENT FUNDS	% OF AVAILABLE FUNDS SPENT BY MUNICIPALITY	DIVISION OF REVENUE ACT	ACTUAL TRANSFER
	R'000	R'000	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													
Lejweleputswa District Municipality	1,000	-	-	1,000	1,000	-	-	1,000	140	860	14%	1,000	1,000
Lekwa	2,850	-	-	2,850	2,850	-	-	2,850	2812	38	99%	2,850	2,850
Lekwa-Teemane	3,100	-	-	3,100	3,100	-	-	3,100	2,724	376	88%	3,100	3,100
Lepele-Nkumpi	2,000	-	-	2,000	2,000	-	-	2,000	734	1,266	37%	2,000	2,000
Lephalale	1,700	-	-	1,700	1,700	-	-	1,700	750	950	44%	1,650	1,650
Lesedi	1,950	-	-	1,950	1,950	-	-	1,950	483	1,467	25%	1,950	1,950
Letsemeng	3,000	-	-	3,000	3,000	-	-	3,000	2017	983	67%	3,000	3,000
Madibeng	2,900	-	-	2,900	2,900	-	-	2,900	1,073	1,827	37%	2,900	2,900
Mafikeng	3,100	-	-	3,100	3,100	-	-	3,100	760	2,340	25%	3,100	3,100
Mafube	3,100	-	-	3,100	3,100	-	-	3,100	2450	650	79%	3,100	3,100
Magareng	3,000	-	-	3,000	3,000	-	-	3,000	1,470	1,530	49%	3,000	3,000
Makana	3,100	-	-	3,100	3,100	-	-	3,100	2,331	769	75%	3,000	3,000
Makhado	1,950	-	-	1,950	1,950	-	-	1,950	1,419	531	73%	1,950	1,950
Makhuduthamaga	1,720	-	-	1,720	1,720	-	-	1,720	1,294	426	75%	1,720	1,720
Maluti-a-Phofung	3,100	-	-	3,100	3,100	-	-	3,100	2430	670	78%	3,100	3,100

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2022/23	
	DORA AND OTHER TRANSFERS	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD	RE-ALLOCATIONS BY NATIONAL TREASURY OR NATIONAL DEPARTMENT	AMOUNT RECEIVED BY MUNICIPALITY	AMOUNT SPENT BY MUNICIPALITY	UNSPENT FUNDS	% OF AVAILABLE FUNDS SPENT BY MUNICIPALITY	DIVISION OF REVENUE ACT	ACTUAL TRANSFER
	R'000	R'000	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													
Mamusa	3,100	-	-	3,100	3,100	-	-	3,100	1307	1,793	42%	3,100	3,100
Mandeni	1,850	-	-	1,850	1,850	-	-	1,850	1414	436	76%	1,850	1,850
Mangaung	2,200	-	-	2,200	2,200	-	-	2,200	2,180	20	99%	2,100	2,100
Mantsopa	3,100	-	-	3,100	3,100	-	-	3,100	2,681	419	86%	3,100	3,100
Maphumulo	1,850	-	-	1,850	1,850	-	-	1,850	1307	543	71%	1,850	1,850
Maquassi Hills	3,100	-	-	3,100	3,100	-	-	3,100	142	2,958	5%	3,100	3,100
Maruleng	1,850	-	-	1,850	1,850	-	-	1,850	1627	223	88%	1,850	1,850
Masilonyana	2,650	-	-	2,650	2,650	-	-	2,650	288	2,362	11%	2,650	2,650
Matatiele	1,700	-	-	1,700	1,700	-	-	1,700	1308	392	77%	1,650	1,650
Matjhabeng	3,100	-	-	3,100	3,100	-	-	3,100	3057	43	99%	3,100	3,100
Matzikama	1,771	-	-	1,771	1,771	-	-	1,771	1492	279	84%	1,771	1,771
Mbhashe	1,770	-	-	1,770	1,770	-	-	1,770	917	853	52%	1,720	1,720
Merafong City	2,850	-	-	2,850	2,850	-	-	2,850	2391	459	84%	2,850	2,850
Metsimaholo	2,750	-	-	2,750	2,750	-	-	2,750	698	2,052	25%	2,750	2,750
Mhlontlo	2,300	-	-	2,300	2,300	-	-	2,300	1,074	1,226	47%	2,300	2,300
Midvaal	1,550	-	-	1,550	1,550	-	-	1,550	1263	287	81%	1,550	1,550
Mkhambathini	3,000	-	-	3,000	3,000	-	-	3,000	2999	1	100%	3,000	3,000

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2022/23	
	DORA AND OTHER TRANSFERS	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD	RE-ALLOCATIONS BY NATIONAL TREASURY OR NATIONAL DEPARTMENT	AMOUNT RECEIVED BY MUNICIPALITY	AMOUNT SPENT BY MUNICIPALITY	UNSPENT FUNDS	% OF AVAILABLE FUNDS SPENT BY MUNICIPALITY	DIVISION OF REVENUE ACT	ACTUAL TRANSFER
	R'000	R'000	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													
Mkhondo	3,100	-	-	3,100	3,100	-	-	3,100	1116	1,984	36%	3,100	3,100
Mnquma	1,900	-	-	1,900	1,900	-	-	1,900	421	1,479	22%	1,850	1,850
Modimolle-Mookgophong	2,650	-	-	2,650	2,650	-	-	2,650	1,626	1,024	61%	2,650	2,650
Mogalakwena	2,100	-	-	2,100	2,100	-	-	2,100	750	1,350	36%	2,100	2,100
Mogale City	1,700	-	-	1,700	1,700	-	-	1,700	1013	687	60%	1,650	1,650
Mohokare	3,000	-	-	3,000	3,000	-	-	3,000	1270	1,730	42%	3,000	3,000
Molemole	2,300	-	-	2,300	2,300	-	-	2,300	1353	947	59%	2,300	2,300
Mopani District Municipality	3,000	-	-	3,000	3,000	-	-	3,000	372	2,628	12%	3,000	3,000
Moqhaka	2,300	-	-	2,300	2,300	-	-	2,300	702	1,598	31%	2,300	2,300
Moretele	2,900	-	-	2,900	2,900	-	-	2,900	2564	336	88%	2,900	2,900
Moses Kotane	1,950	-	-	1,950	1,950	-	-	1,950	394	1,556	20%	1,950	1,950
Mossel Bay	1,566	-	-	1,566	1,566	-	-	1,566	625	941	40%	1,550	1,550
Mpofana	3,000	-	-	3,000	3,000	-	-	3,000	2311	689	77%	3,000	3,000
Msukaligwa	3,000	-	-	3,000	3,000	-	-	3,000	199	2,801	7%	3,000	3,000

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2022/23	
	DORA AND OTHER TRANSFERS	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD	RE-ALLOCATIONS BY NATIONAL TREASURY OR NATIONAL DEPARTMENT	AMOUNT RECEIVED BY MUNICIPALITY	AMOUNT SPENT BY MUNICIPALITY	UNSPENT FUNDS	% OF AVAILABLE FUNDS SPENT BY MUNICIPALITY	DIVISION OF REVENUE ACT	ACTUAL TRANSFER
	R'000	R'000	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													
Msunduzi	1,950	-	-	1,950	1,950	-	-	1,950	945	1,005	48%	1,950	1,950
Mthonjaneni	2,850	-	-	2,850	2,850	-	-	2,850	2755	95	97%	2,850	2,850
Mtubatuba	1,920	-	-	1,920	1,920	-	-	1,920	1798	122	94%	1,920	1,920
Musina	3,000	-	-	3,000	3,000	-	-	3,000	2,914	86	97%	3,000	3,000
Nala	3,100	-	-	3,100	3,100	-	-	3,100	2232	868	72%	3,100	3,100
Naledi	2,850	-	-	2,850	2,850	-	-	2,850	764	2,086	27%	2,850	2,850
Nama Khoi	3,100	-	-	3,100	3,100	-	-	3,100	1,948	1,152	63%	3,100	3,100
Namakwa District Municipality	2,100	-	-	2,100	2,100	-	-	2,100	1131	969	54%	2,100	2,100
Ndlambe	2,650	-	-	2,650	2,650	-	-	2,650	678	1,972	26%	2,650	2,650
Ndwedwe	3,100	-	-	3,100	3,100	-	-	3,100	2,271	829	73%	3,100	3,100
Nelson Mandela Bay	1,000	-	-	1,000	1,000	-	-	1,000	408	592	41%	1,000	1,000
Newcastle	1,850	-	-	1,850	1,850	-	-	1,850	765	1,085	41%	1,850	1,850
Ngaka Modiri Molema	3,000	-	-	3,000	3,000	-	-	3,000	872	2,128	29%	3,000	3,000
Ngqushwa	3,100	-	-	3,100	3,100	-	-	3,100	1572	1,528	51%	3,100	3,100

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2022/23	
	DORA AND OTHER TRANSFERS	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD	RE-ALLOCATIONS BY NATIONAL TREASURY OR NATIONAL DEPARTMENT	AMOUNT RECEIVED BY MUNICIPALITY	AMOUNT SPENT BY MUNICIPALITY	UNSPENT FUNDS	% OF AVAILABLE FUNDS SPENT BY MUNICIPALITY	DIVISION OF REVENUE ACT	ACTUAL TRANSFER
	R'000	R'000	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													
Ngquza Hill	1,700	-	-	1,700	1,700	-	-	1,700	580	1,120	34%	1,650	1,650
Ngwathe	3,100	-	-	3,100	3,100	-	-	3,100	548	2,552	18%	3,100	3,100
Nkandla	2,650	-	-	2,650	2,650	-	-	2,650	1495	1,155	56%	2,650	2,650
Nkangala District Municipality	1,000	-	-	1,000	1,000	-	-	1,000	799	201	80%	1,000	1,000
Nketoana	2,850	-	-	2,850	2,850	-	-	2,850	1702	1,148	60%	2,850	2,850
Nkomazi	1,770	-	-	1,770	1,770	-	-	1,770	1018	752	58%	1,770	1,770
Nongoma	2,000	-	-	2,000	2,000	-	-	2,000	1,461	539	73%	2,000	2,000
Nquthu	1,850	-	-	1,850	1,850	-	-	1,850	852	998	46%	1,850	1,850
Ntabankulu	2,650	-	-	2,650	2,650	-	-	2,650	1,573	1,077	59%	2,650	2,650
Nyandeni	1,650	-	-	1,650	1,650	-	-	1,650	1338	312	81%	1,650	1,650
O.R. Tambo District Municipality	2,000	-	-	2,000	2,000	-	-	2,000	210	1,790	11%	2,000	2,000
Okhahlamba	1,850	-	-	1,850	1,850	-	-	1,850	1,519	331	82%	1,850	1,850
Oudtshoorn	2,802	-	-	2,802	2,802	-	-	2,802	1430	1,372	51%	2,800	2,800
Overberg District Municipality	1,000	-	-	1,000	1,000	-	-	1,000	561	439	56%	1,000	1,000

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2022/23	
	DORA AND OTHER TRANSFERS	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD	RE-ALLOCATIONS BY NATIONAL TREASURY OR NATIONAL DEPARTMENT	AMOUNT RECEIVED BY MUNICIPALITY	AMOUNT SPENT BY MUNICIPALITY	UNSPENT FUNDS	% OF AVAILABLE FUNDS SPENT BY MUNICIPALITY	DIVISION OF REVENUE ACT	ACTUAL TRANSFER
	R'000	R'000	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													
Overstrand	1,550	-	-	1,550	1,550	-	-	1,550	307	1,243	20%	1,550	1,550
Phokwane	3,100	-	-	3,100	3,100	-	-	3,100	688	2,412	22%	3,100	3,100
Phumelela	3,100	-	-	3,100	3,100	-	-	3,100	839	2,261	27%	3,100	3,100
Pixley Ka Seme District Municipality	1,700	-	-	1,700	1,700	-	-	1,700	1417	283	83%	1,650	1,650
Polokwane	2,400	-	-	2,400	2,400	-	-	2,400	1660	740	69%	2,400	2,400
Port St Johns	2,650	-	-	2,650	2,650	-	-	2,650	2,557	93	96%	2,650	2,650
Prince Albert	1,700	-	-	1,700	1,700	-	-	1,700	1414	286	83%	1,650	1,650
Ramotshere Moiloa	2,300	-	-	2,300	2,300	-	-	2,300	400	1,900	17%	2,300	2,300
Rand West City	2,300	-	-	2,300	2,300	-	-	2,300	2,300	-	100%	2,300	2,300
Ratlou	1,890	-	-	1,890	1,890	-	-	1,890	1467	423	78%	1,890	1,890
Ray Nkonyeni	1,950	-	-	1,950	1,950	-	-	1,950	308	1,642	16%	1,950	1,950
Raymond Mhlaba	2,850	-	-	2,850	2,850	-	-	2,850	1,816	1,034	64%	2,850	2,850
Renosterberg	3,100	-	-	3,100	3,100	-	-	3,100	1796	1,304	58%	3,100	3,100
Richmond	1,950	-	-	1,950	1,950	-	-	1,950	1,574	376	81%	1,950	1,950
Richtersveld	2,650	-	-	2,650	2,650	-	-	2,650	1,348	1,302	51%	2,650	2,650

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2022/23	
	DORA AND OTHER TRANSFERS	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD	RE-ALLOCATIONS BY NATIONAL TREASURY OR NATIONAL DEPARTMENT	AMOUNT RECEIVED BY MUNICIPALITY	AMOUNT SPENT BY MUNICIPALITY	UNSPENT FUNDS	% OF AVAILABLE FUNDS SPENT BY MUNICIPALITY	DIVISION OF REVENUE ACT	ACTUAL TRANSFER
	R'000	R'000	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													
Rustenburg	1,700	-	-	1,700	1,700	-	-	1,700	844	856	50%	1,700	1,700
Sakhisizwe	1,700	-	-	1,700	1,700	-	-	1,700	1262	438	74%	1,700	1,700
Saldanha Bay	1,550	-	-	1,550	1,550	-	-	1,550	475	1,075	31%	1,550	1,550
Sarah Baartman District	1,000	-	-	1,000	1,000	-	-	1,000	1,000	-	100%	1,000	1,000
Sedibeng District Municipality	1,400	-	-	1,400	1,400	-	-	1,400	580	820	41%	1,400	1,400
Sekhukhune District Municipality	2,400	-	-	2,400	2,400	-	-	2,400	1,944	456	81%	2,400	2,400
Senqu	1,700	-	-	1,700	1,700	-	-	1,700	1379	321	81%	1,650	1,650
Setsoto	2,200	-	-	2,200	2,200	-	-	2,200	1,906	294	87%	2,200	2,200
Siyancuma	3,100	-	-	3,100	3,100	-	-	3,100	1827	1,273	59%	3,100	3,100
Siyathemba	3,100	-	-	3,100	3,100	-	-	3,100	1,227	1,873	40%	3,100	3,100
Sol Plaatjie	1,700	-	-	1,700	1,700	-	-	1,700	533	1,167	31%	1,700	1,700
Stellenbosch	1,550	-	-	1,550	1,550	-	-	1,550	312	1,238	20%	1,550	1,550
Steve Tshwete	1,700	-	-	1,700	1,700	-	-	1,700	593	1,107	35%	1,650	1,650
Sundays River Valley	3,100	-	-	3,100	3,100	-	-	3,100	2438	662	79%	3,000	3,000

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2022/23	
	DORA AND OTHER TRANSFERS	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD	RE-ALLOCATIONS BY NATIONAL TREASURY OR NATIONAL DEPARTMENT	AMOUNT RECEIVED BY MUNICIPALITY	AMOUNT SPENT BY MUNICIPALITY	UNSPENT FUNDS	% OF AVAILABLE FUNDS SPENT BY MUNICIPALITY	DIVISION OF REVENUE ACT	ACTUAL TRANSFER
	R'000	R'000	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													
Swartland	1,550	-	-	1,550	1,550	-	-	1,550	765	785	49%	1,550	1,550
Swellendam	1,770	-	-	1,770	1,770	-	-	1,770	581	1,189	33%	1,720	1,720
Thaba Chweu	3,000	-	-	3,000	3,000	-	-	3,000	370	2,630	12%	3,000	3,000
Thabazimbi	3,100	-	-	3,100	3,100	-	-	3,100	2528	572	82%	3,100	3,100
Thabo Mofutsanyana District	2,300	-	-	2,300	2,300	-	-	2,300	1941	359	84%	2,300	2,300
Theewaterskloof	1,700	-	-	1,700	1,700	-	-	1,700	1,258	442	74%	1,650	1,650
Thembelihle	3,100	-	-	3,100	3,100	-	-	3,100	2,193	907	71%	3,100	3,100
Thembisile Hani	1,770	-	-	1,770	1,770	-	-	1,770	1,499	271	85%	1,720	1,720
Thulamela	1,700	-	-	1,700	1,700	-	-	1,700	1,468	232	86%	1,650	1,650
Tokologo	3,000	-	-	3,000	3,000	-	-	3,000	1,840	1,160	61%	3,000	3,000
Tsantsabane	3,100	-	-	3,100	3,100	-	-	3,100	1,774	1,326	57%	3,000	3,000
Tswaing	3,100	-	-	3,100	3,100	-	-	3,100	374	2,726	12%	3,100	3,100
Tswelopele	2,100	-	-	2,100	2,100	-	-	2,100	1961	139	93%	2,100	2,100
uBuhlebezwe	1,950	-	-	1,950	1,950	-	-	1,950	1280	670	66%	1,950	1,950
Ubuntu	2,900	-	-	2,900	2,900	-	-	2,900	2,385	515	82%	2,900	2,900

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2022/23	
	DORA AND OTHER TRANSFERS	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD	RE-ALLOCATIONS BY NATIONAL TREASURY OR NATIONAL DEPARTMENT	AMOUNT RECEIVED BY MUNICIPALITY	AMOUNT SPENT BY MUNICIPALITY	UNSPENT FUNDS	% OF AVAILABLE FUNDS SPENT BY MUNICIPALITY	DIVISION OF REVENUE ACT	ACTUAL TRANSFER
	R'000	R'000	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													
Ugu District Municipality	1,950	-	-	1,950	1,950	-	-	1,950	1581	369	81%	1,950	1,950
Ulundi	2,100	-	-	2,100	2,100	-	-	2,100	1,889	211	90%	2,100	2,100
uMdoni	1,950	-	-	1,950	1,950	-	-	1,950	1088	862	56%	1,950	1,950
uMfolozi	1,850	-	-	1,850	1,850	-	-	1,850	1,634	216	88%	1,850	1,850
uMgungundlovu	1,200	-	-	1,200	1,200	-	-	1,200	615	585	51%	1,200	1,200
uMhlabuyalingana	1,850	-	-	1,850	1,850	-	-	1,850	570	1,280	31%	1,850	1,850
uMhlathuze	2,500	-	-	2,500	2,500	-	-	2,500	885	1,615	35%	2,500	2,500
uMkhanyakude District Municipality	2,200	-	-	2,200	2,200	-	-	2,200	1696	504	77%	2,192	2,192
uMlalazi	1,720	-	-	1,720	1,720	-	-	1,720	1463	257	85%	1,720	1,720
uMngeni	1,720	-	-	1,720	1,720	-	-	1,720	776	944	45%	1,720	1,720
uMshwathi	1,920	-	-	1,920	1,920	-	-	1,920	799	1,121	42%	1,920	1,920
uMsinga	1,850	-	-	1,850	1,850	-	-	1,850	781	1,069	42%	1,850	1,850
Umsobomvu	1,920	-	-	1,920	1,920	-	-	1,920	1182	738	62%	1,920	1,920
uMuziwabantu	1,850	-	-	1,850	1,850	-	-	1,850	914	936	49%	1,850	1,850

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2022/23	
	DORA AND OTHER TRANSFERS	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD	RE-ALLOCATIONS BY NATIONAL TREASURY OR NATIONAL DEPARTMENT	AMOUNT RECEIVED BY MUNICIPALITY	AMOUNT SPENT BY MUNICIPALITY	UNSPENT FUNDS	% OF AVAILABLE FUNDS SPENT BY MUNICIPALITY	DIVISION OF REVENUE ACT	ACTUAL TRANSFER
	R'000	R'000	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													
uMvoti	2,550	-	-	2,550	2,550	-	-	2,550	1990	560	78%	2,550	2,550
uMzimkhulu	1,850	-	-	1,850	1,850	-	-	1,850	1,186	664	64%	1,850	1,850
Umzimvubu	1,720	-	-	1,720	1,720	-	-	1,720	1,136	584	66%	1,720	1,720
uMzinyathi District Municipality	1,850	-	-	1,850	1,850	-	-	1,850	487	1,363	26%	1,800	1,800
uMzumbe	1,850	-	-	1,850	1,850	-	-	1,850	1,456	394	79%	1,850	1,850
uPhongolo	3,000	-	-	3,000	3,000	-	-	3,000	2906	94	97%	3,000	3,000
uThukela District Municipality	2,100	-	-	2,100	2,100	-	-	2,100	744	1,356	35%	2,100	2,100
Ventersdorp/Tlokwe	3,100	-	-	3,100	3,100	-	-	3,100	836	2,264	27%	3,000	3,000
Vhembe District Municipality	3,000	-	-	3,000	3,000	-	-	3,000	1985	1,015	66%	3,000	3,000
Victor Khanye	1,850	-	-	1,850	1,850	-	-	1,850	1259	591	68%	1,850	1,850
Walter Sisulu	2,200	-	-	2,200	2,200	-	-	2,200	1,854	346	84%	2,200	2,200
Waterberg District Municipality	1,000	-	-	1,000	1,000	-	-	1,000	488	512	49%	1,000	1,000

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2022/23	
	DORA AND OTHER TRANSFERS	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD	RE-ALLOCATIONS BY NATIONAL TREASURY OR NATIONAL DEPARTMENT	AMOUNT RECEIVED BY MUNICIPALITY	AMOUNT SPENT BY MUNICIPALITY	UNSPENT FUNDS	% OF AVAILABLE FUNDS SPENT BY MUNICIPALITY	DIVISION OF REVENUE ACT	ACTUAL TRANSFER
	R'000	R'000	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													
West Coast District Municipality	1,000	-	-	1,000	1,000	-	-	1,000	569	431	57%	1,000	1,000
West Rand District Municipality	1,200	-	-	1,200	1,200	-	-	1,200	625	575	52%	1,200	1,200
Winnie Madikizela-Mandela	2,100	-	-	2,100	2,100	-	-	2,100	1329	771	63%	2,100	2,100
Witzenberg	1,550	-	-	1,550	1,550	-	-	1,550	994	556	64%	1,550	1,550
Xhariep District Municipality	1,720	-	-	1,720	1,720	-	-	1,720	1,353	367	79%	1,720	1,720
Z.F. Mgcawu District Municipality	1,200	-	-	1,200	1,200	-	-	1,200	206	994	17%	1,200	1,200
Zululand District Municipality	1,200	-	-	1,200	1,200	-	-	1,200	631	569	53%	1,200	1,200
Total	**568,571**	**-**	**-**	**568,571**	**568,571**	**-**	**-**	**568,571**	**323,257**	**245,314**	**57%**	**566,395**	**566,395**

ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/AGENCY/ACCOUNT	TRANSFER ALLOCATION					TRANSFER		2021/22
	ADJUSTED APPROPRIATION	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	% OF AVAILABLE FUNDS TRANSFERRED	FINAL BUDGET	ACTUAL TRANSFER
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Accounting Standards Board	14 626	-	-	14 626	14 626	100%	14 569	14 569
Audit Statutory Bodies	50 000	-	-	50 000	50 000	100%	50 000	50 000
Financial Intelligence Centre	385 730	-	-	385 730	385 730	100%	316 820	316 820
Government Technical Advisory Centre	590 226	-	-	590 226	590 226	100%	711 395	711 395
Independent Regulatory Board for Auditors	45 857	-	-	45 857	45 857	100%	45 684	45 684
South African Revenue Service	13 157 596	-	123 100	13 280 696	13 280 696	100%	11 635 781	11 635 781
Secret Services	5 038 748	-	-	5 038 748	5 038 748	100%	5 078 662	5 078 662
Skills Development Levy	2 535	-	-	2 535	2 346	93%	2 307	2 265
Cooperative Banking Development Agency	20 911	-	-	20 911	20 911	100%	20 831	20 831
Financial and Fiscal Commission	59 084	-	-	59 084	59 084	100%	63 839	63 839
1% Audit fees (AGSA)-Direct Charge	123 052	-	-	123 052	123 052	100%	72 582	148 582
Financial Sector Conduct Authority	8 000	-	-	8 000	8 000	100%	-	-
Total	**19 496 365**	**-**	**123 100**	**19 619 465**	**19 619 276**	**100%**	**18 012 470**	**18 088 428**

ANNEXURE 1D

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE			2022/23		
	ADJUSTED BUDGET	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	% OF AVAILABLE FUNDS TRANSFERRED	CAPITAL	CURRENT	FINAL BUDGET	ACTUAL TRANSFER
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		R'000
PUBLIC CORPORATIONS										
Public corporations										
Transfers	**76 198 773**	**-**	**-**	**76 198 773**	**198 773**	**0.3%**	**-**	**-**	**289 439**	**288 830**
DEVELOPMENT BANK OF SA	152 500	-	-	152 500	152 500	100%	-	-	152 000	152 000
DEVELOPMENT BANK OF SA	46 273	-	-	46 273	46 273	100%	-	-	137 439	136 830
ESKOM	76 000 000	-	-	76 000 000	-	-				
Subtotal: Public corporations	**76 198 773**	**-**	**-**	**76 198 773**	**198 773**	**0.3%**	**-**	**-**	**289 439**	**288 830**
TOTAL	**76 198 773**	**-**	**-**	**76 198 773**	**198 773**	**0.3%**	**-**	**-**	**289 439**	**288 830**

ANNEXURE 1E

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENT / INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2022/23	
	ADJUSTED BUDGET	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	% OF AVAILABLE FUNDS TRANSFERRED	FINAL BUDGET	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
TRANSFERS								
African Regional Tech Assist Centre for Southern Africa	1 337	-	-	1 337	955	71%	-	-
Common Monetary Area Compensation	1 529 006	-	(54 641)	1 474 365	1 445 554	98%	1 622 932	1 622 143
International Funding Facility for Immunisation	20 000	-	-	20 000	18 877	94%	18 500	18 030
Institute for Development Economic Planning (IDEP)	1 475	-	-	1 475	1 475	100%	1 280	1 262
African Development Bank & African Development Fund	109 369	-	2 541	111 910	109 369	98%	77 700	77 667
Collaborative African Budget Reform Initiative	3 000	-	-	3 000	2 805	94%	2 628	2 553
Commonwealth Fund for Technical Cooperation	6 995	-	-	6 995	6 994	100%	6 433	6 432
United Kingdom Tax	1 000	-	-	1 000	650	65%	3 123	635
World Bank (FIGO)	66 340	-	-	66 340	66 340	100%	63 327	63 289
New Development Bank Project Preparation Fund	-	-	-	-	-	-	18 500	18 228
Financial Intermediary Fund	5 697	-	52 100	57 797	54 665	95%	38 850	38 285
Total	**1 744 219**	**-**	**-**	**1 744 219**	**1 707 683**	**98%**	**1 853 273**	**1 848 524**

ANNEXURE 1G

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2022/23	
	ADJUSTED BUDGET	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	% OF AVAILABLE FUNDS TRANSFERRED	FINAL BUDGET	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
TRANSFERS								
Other benefits	115 785	-	12 941	128 726	128 725	100%	119 342	113 761
Other benefits Ex-Service Men	14 158	-	(3 285)	10 873	10 871	100%	17 411	11 803
Injury on duty	788 205	-	36 773	824 978	824 977	100%	831 251	831 250
Military pensions ex-servicemen	1 821	-	(1 506)	315	314	100%	1 448	526
SA citizen force	228 927	-	(16 295)	212 632	212 631	100%	228 051	203 495
Special pensions	495 000	-	(17 667)	477 333	477 333	100%	476 160	466 891
Post retirement medical schemes contribution	4 896 820	-	33 385	4 930 205	4 930 938	100%	5 119 121	5 070 128
Social assistance (bursaries)	2 303	-	1 059	3 362	1 145	34%	3 503	2 174
Service benefits leave gratuity	3 039	-	2 894	5 933	5 603	94%	12 194	11 630
Claims against state	10	-	37	47	31	66%	256	255
Pension Benefit RSA President	15 052	-	(4 599)	10 453	10 453	100%	10 800	10 446
Political office Bearers	3 312	-	(3 312)	-	-		17 267	-
PFMI	300	-	(9)	291	290	100%	287	275
Civil Protection	21	-	(21)	-	-		21	-
Total	**6 564 753**	**-**	**40 395**	**6 605 148**	**6 603 311**	**0%**	**6 837 112**	**6 722 634**

ANNEXURE 1H

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2023/24 R'000	2022/23 R'000
Received in Kind			
Gifts			
OCPO	Christmas Gift	-	1
Economic Policy	Presentation Gift	-	8
Economic Policy	Presentation Gift	-	8
Economic Policy	Accommodation ,Flight ,Airport Shuttle &Speakers Gift	-	11
IREP DDG	G20 Attendance Gift	3	-
OAG	PFM Conference	6	-
FMCD	PFM Conference	2	-
IGR	PFM Conference	9	-
OCPO	Old Mutual Golf Event	1	-
OAG	Old Mutual Golf Event	7	-
ODG	IMF Gift	2	-
OAG	AAAG Conference	2	-
OAG	SAICA Public Sector Summit	1	-
IGR	NT Golf Event	3	-
EP	IMF Course	126	-
Total gifts		**162**	**28**
Sponsorships			
IREP DDG	Flight tickets, accommodation, shuttle in Addis Ababa, and daily living allowance	**48**	**-**
Total sponsorships		**48**	**-**
Subtotal - received in kind		**210**	**28**
TOTAL GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED		**210**	**28**

ANNEXURE 1I

STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDI-TURE	PAID BACK ON/BY 30 MAR	CLOSING BALANCE
		R'000	R'000	R'000	R'000	R'000
AID ASSISTANCE RECEIVED IN CASH						
CITIES SUP PRG:WATER RESILNC(GA)	To finance sectoral or institutional studies or expertise relating to project identification and feasibility, with the objective of preparing AFD loan financing in South Africa. The Climate Resilience and Sustainability Component of the Cities Support Programme (CSP) in the IGR division aims to support national, provincial and city stakeholders to scale up, align and integrate adaptation and mitigation strategies with city plans and investments in infrastructure and service delivery to strengthen city productivity, inclusivity and sustainability.	-	2 308	2 308	-	-
THE BELG TECHNICAL COOP (BTC)	Belgian contribution towards the research in development finance.	(290)	682	360	-	32
MIGRATION PBARS (MODEL)- WB APP	TThe objective of this project is to build the capacity of the state by improving the efficiency and quality of reporting on the preparation, monitoring and reporting processes of provincial budgets. The implementation of this project will reduce the administrative burden currently placed on provincial departments in completing their reporting requirements as outlined in the PFMA. Furthermore, this project will improve performance and productivity for all relevant provincial officials to ensure credible and transparent provincial budget preparation, implementation, and monitoring. Other benefits of migrating the existing tools to the web-based platform include: Improving compliance by	-	2 447	2 447	-	-

ANNEXURE 1I

STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDI-TURE	PAID BACK ON/BY 30 MAR	CLOSING BALANCE
		R'000	R'000	R'000	R'000	R'000
	provincial departments with sector-agreed uniform budget programme structures which will be linked to the database with codification; Instilling the culture of assessing and analysing the personnel-related expenses with minimal effort.Currently, budgeting and monitoring of personnel-related expenses is a tedious exercise due to the volume of data involved; and Automating and integrating the own revenue tool with all relevant database reporting on the provincial own revenue to reduce not only the workload but to decrease the occurrence of human error during the manual capturing process. This will increase the accuracy and reliability of the provincial own revenue.					
MUNICIPAL PROJECTS	The objective of this project is to build the capacity of the state by improving the efficiency and quality of reporting on the preparation, monitoring and reporting processes of provincial budgets. The implementation of this project will reduce the administrative burden currently placed on provincial departments in completing their reporting requirements as outlined in the PFMA.	-	103 907	103 907	-	-
TECH SUP TRNSF C&L MNG CCHNG(GA)	The purpose is to improve and strengthen Public Finance Management (PFM) within the context of building the capacity within provincial government. The project aims to improve the performance and productivity of all nine Provincial Treasuries senior managers' through coaching.	-	1 173	1 104	-	69
GENERAL BUDGET SUPPORT:IDMS(GA)	To increase access to socio-economic rights and services for all" in line with the Constitution, National Development Plan, Medium Term Strategic Framework and all relevant PFM legislation and policy	-	30 912	21 346	-	9 566

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

ANNEXURE 1I

STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDI-TURE	PAID BACK ON/BY 30 MAR	CLOSING BALANCE
		R'000	R'000	R'000	R'000	R'000
FMISD	to increase access to socio-economic rights and services for all" in line with the Constitution, National Development Plan, Medium Term Strategic Framework and all relevant PFM legislation and policy	6 258	12 984	6 698	6 258	6 286
PFM PROG EXEC LEADERSHIP	The purpose of PFM Executive Leadership Program is founded in 3 critical components as a NT's contribution to agenda of building the capacity of the state. First it covers PFM leadership induction workshops for MECs and HODs in all provinces. Secondly, it seeks to forge academic partnership through NSG for the delivery of PFM leadership INNOVATION for provincial executives within the context of inclusive economic growth. Thirdly, through NSG partnership and or academia , develop a pool of public servants(practitioners) as a new cohorts of PFM leadership innovators	85	-	-	85	-
TECHNICAL ASSIST FACILITY(GA)	TAF is a ' facility focused on providing technical assistance to support GoSA in addressing critical policy and operational blockages in service delivery across national, provincial and local government levels, their entities	925	5 053	3 741	925	1 312
Subtotal		**6 978**	**159 466**	**141 911**	**7 268**	**17 265**
		-	-	-	-	-
Aid assistance received in kind		-	-	-	-	-
Subtotal		-	-	-	-	-
		-	-	-	-	-
TOTAL AID ASSISTANCE RECEIVED		**6 978**	**159 466**	**141 911**	**7 268**	**17 265**

ANNEXURE 2A

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL/PROVINCIAL PUBLIC ENTITIES

NAME OF PUBLIC ENTITY	STATE ENTITY'S PFMA SCHEDULE TYPE (STATE YEAR-END IF NOT 31 MARCH)	% OF SHARES HELD		COST OF INVESTMENT R'000		NET ASSET VALUE OF INVESTMENT R'000		PROFIT/(LOSS) FOR THE YEAR R'000		LOSSES GUARANTEED
		2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	YES/NO
National/ Provincial Public Entity										
Accounting Standards Board	Schedule 3A	-	-	-	-	1 662	1 167	496	1 132	No
Co-operative Banks Development Agency	Schedule 3A	-	-	-	-	13 701	11 043	3 580	6 117	No
Development Bank of Southern Africa	Schedule 2	-	-	200 000	200 000	51 944 516	47 632 044	4 552 668	5 362 640	No
FAIS Ombudsman	Schedule 3A	-	-	-	-	81 897	61 549	20 348	2 819	No
Financial and Fiscal Commission	Schedule 1	-	-	-	-	871	14,855	65	10,829	No
Financial Intelligence Centre	Schedule 3A	-	-	-	-	147 715	97 164	64 826	32 423	No
Financial Sector Conduct Authority	Schedule 3A	-	-	-	-	679 076	482 868	196 209	38 741	No
Government Technical Advisory Centre	Schedule 3A	-	-	-	-	263 794	247 355	17 021	15 077	No

ANNEXURE 2A

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL/PROVINCIAL PUBLIC ENTITIES

NAME OF PUBLIC ENTITY	STATE ENTITY'S PFMA SCHEDULE TYPE (STATE YEAR-END IF NOT 31 MARCH)	% OF SHARES HELD		COST OF INVESTMENT R'000		NET ASSET VALUE OF INVESTMENT R'000		PROFIT/(LOSS) FOR THE YEAR R'000		LOSSES GUARANTEED
		2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	YES/NO
Independent Regulatory Board for Auditors	Schedule 3A	-	-	-	-	138 290	117 557	20 733	21 364	No
Land Bank	Schedule 2	-	-	14 387 655	13 387 655	4 291 555	4 990 628	(114 077)	477 189	No
Office of the Pensions Funds Adjudicator	Schedule 3A	-	-	-	-	46 243	44 740	1 503	4 952	No
Ombud Council	Schedule 3A	-	-	-	-	23 917	-	24 206	-	No
Public Investments Corporations Ltd.	Schedule 3B	1	1	1	1	4 024 326	3 895 688	43 853	271 190	No
Sasria SOC Ltd.	Schedule 3B	-	-	22 000 000	22 000 000	14 044 911	10 481 257	3 561 047	3 510 699	No
South African Revenue Service	Schedule 3A	-	-	-	-	5 583 671	4 351 347	1 232 326	29 120	No
Subtotal		**1**	**1**	**36,597,656**	**35,597,656**	**81,555,496**	**72,685,090**	**9,624,804**	**9,800,621**	
TOTAL		**1**	**1**	**36,597,656**	**35,597,656**	**81,555,496**	**72,685,090**	**9,624,804**	**9,800,621**	

ANNEXURE 2B

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES

NAME OF PUBLIC ENTITY	NATURE OF BUSINESS	COST OF INVESTMENT R'000		NET ASSET VALUE OF INVESTMENT R'000		AMOUNTS OWING TO ENTITIES R'000		AMOUNTS OWING BY ENTITIES R'000	
		2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
CONTROLLED ENTITIES									
Accounting Standards Board	Determine Standards of Generally Recognised Accounting Practice	-	-	1 663	1 167	769	71	273	229
Co-operative Banks Development Agency	Establish a Regulatory framework for co-operative banks	-	-	13 701	11 043	10	-	1 113	1 531
Development Bank of Southern Africa	Promote and facilitate funding to mobilise socio- economic development in Southern Africa while promoting efficiency, fairness, transparency and responsibility	200 000	200 000	51 944 516	47 632 044	238 722	402 070	1 104 337	1 104 337
FAIS Ombudsman	Handling complaints I terms of the Financial Advisory and Intermediary Services Act (2002)	-	-	81 897	61 549	7 185	8 519	2 101	979
Financial and Fiscal Commission	Assist and maintain the fiscal balance between fiscal decentralisation and the unitary state	-	-	871	14,855	-	2,842	893	1,332

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

ANNEXURE 2B

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES

NAME OF PUBLIC ENTITY	NATURE OF BUSINESS	COST OF INVESTMENT R'000		NET ASSET VALUE OF INVESTMENT R'000		AMOUNTS OWING TO ENTITIES R'000		AMOUNTS OWING BY ENTITIES R'000	
		2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
Financial Intelligence Centre	Assist in the identification of unlawful, activities and combating of money laundering activities, funding of terrorism, and related activities.	-	-	147 715	97 164	444	378	16 567	12 245
Financial Intelligence Centre	Assist in the identification of unlawful, activities and combating of money laundering activities, funding of terrorism, and related activities.	-	-	147 715	97 164	444	378	16 567	12 245
Financial Sector Conduct Authority	To oversee the South African non-banking financial services industry in the public interest	-	-	679 076	482 868	1 078 539	164 865	1 045 010	163 206
Government Pensions Administration Agency	Government Employees pension fund in terms of the Government Employees Pension (GEP) Act (1996)	-	-	269 351	255 828	23 586	4 145	30 032	63 322
Government Technical Advisory Centre	Assist organs of state in their capacity for efficient, effective and transparent financial management	-	-	263 794	247 355	61 356	40 285	2 793 674	2 158 143
Independent Regulatory Board for Auditors	Registration of public accountants and auditors and for the regulation of the training of public accountants and auditors	-	-	138 290	117 557	18 900	16 206	13 211	11 113

ANNEXURE 2B

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES

NAME OF PUBLIC ENTITY	NATURE OF BUSINESS	COST OF INVESTMENT R'000		NET ASSET VALUE OF INVESTMENT R'000		AMOUNTS OWING TO ENTITIES R'000		AMOUNTS OWING BY ENTITIES R'000	
		2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
Land Bank	Facilitate access to ownership of land for the development of farming enterprises and agricultural processes for the historically disadvantaged people	14 387 655	13 387 655	4 291 555	4 990 628	188 098	1 585 656	-	6 066 862
Office of the Pension Funds Adjudicator	The Adjudicator's office investigates and determines complaints of abuse of power, maladministration, disputes of facts or law and employer dereliction of duty in respect of retirement pension funds	-	-	46 243	44 740	5 019	7 207	6 518	4 987
Ombud Council	Ensuring that financial customers have access to, and are able to use affordable, effective, independent and fair alternative dispute resolution processes for complaints about financial institutions in relation to financial products and services.	-	-	23 917	-	4 001	-	313	-
Public Investment Corporations Ltd	Invests funds on behalf of the South African public sector	1	1	4 024 326	3 895 688	350 157	391 290	114 535	17 638
Sasria SOC Ltd	Special Risk Insurance	22 000 000	22 000 000	14 044 911	10 481 257	3 392 245	2 401 655	388 289	556 850
South African Revenue Service	Efficient and Effective collection of revenue	-	-	5 583 671	4 351 347	260	158	282 783	180 004
Subtotal		**36 597 656**	**35 597 656**	**81 555 497**	**72 685 090**	**5 369 291**	**5 025 347**	**6 005 909**	**10 342 778**
TOTAL		**36 597 656**	**35 597 656**	**81 555 497**	**72 685 090**	**5 369 291**	**5 025 347**	**6 005 909**	**10 342 778**

ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2023 – LOCAL

GUARANTOR INSTITUTION	GUARANTEE IN RESPECT OF	ORIGINAL GUARANTEED CAPITAL AMOUNT	OPENING BALANCE 1 APRIL 2023	GUARANTEES DRAWDOWNS DURING THE YEAR	GUARANTEED REPAYMENTS/ CANCELLED/ REDUCED DURING THE YEAR	REVALUATION DUE TO FOREIGN CURRENCY MOVEMENTS	CLOSING BALANCE 31 MARCH 2024	REVALUATIONS DUE TO INFLATION RATE MOVEMENTS	ACCRUED GUARANTEED INTEREST FOR YEAR ENDED 31 MARCH 2024
		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	55 263	-	-	-	55 263	-	18 918
Land and Agricultural Development Bank of South Africa	Financial sustainability	2 700 000	14 044	-	14 044	-	-	-	-
Land and Agricultural Development Bank of South Africa	Refinancing Risk	3 000 000	-	-	-	-	-	-	-
South African Reserve Bank	Covid-19 loan guarantee scheme	12 000 000	9 123 466	-	2 933 990	-	6 189 476	-	628 227
South African Reserve Bank	Bounce Back Scheme	960 000	-	959 792	148 031	-	811 761	-	72 306
South African Reserve Bank	Bounce Back Energy Scheme	8 000 000	-	-	-		-		-
South African Reserve Bank	Depositors of Habib Overseas Bank	100 000	-	100 000	55 764		-		3 695
Subtotal		**26 886 060**	**9 192 772**	**1 059 792**	**3 151 829**	**-**	**7 100 736**	**-**	**723 146**

ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2024 – FOREIGN

GUARANTOR INSTITUTION	GUARANTEE IN RESPECT OF	ORIGINAL GUARANTEED CAPITAL AMOUNT	OPENING BALANCE 1 APRIL 2023	GUARANTEES DRAWDOWNS DURING THE YEAR	GUARANTEED REPAYMENTS/ CANCELLED/ REDUCED DURING THE YEAR	REVALUATION DUE TO FOREIGN CURRENCY MOVEMENTS	CLOSING BALANCE 31 MARCH 2023	REVALUATIONS DUE TO INFLATION RATE MOVEMENTS	ACCRUED GUARANTEED INTEREST FOR YEAR ENDED 31 MARCH 2024
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Development Bank of Southern Africa	Eurobonds	8,470,000	5,068,585	529,979	-	-	5,598,564	-	10,875
Development Bank of Southern Africa	Kreditanstalt fur Wiederaufbau	600 400	141 294	-	30 009	8 795	120 080	-	607
Development Bank of Southern Africa	Kreditanstalt fur Wiederaufbau	299 246	119 718	-	14 957	7 456	112 217	-	567
Development Bank of Southern Africa	Kreditanstalt fur Wiederaufbau	257 428	141 977	-	12 563	8 844	138 258	-	699
Development Bank of Southern Africa	Kreditanstalt fur Wiederaufbau	262 497	84 709	-	12 851	5 275	77 133	-	390
Development Bank of Southern Africa	Kreditanstalt fur Wiederaufbau	283 080	79 942	-	14 149	4 977	70 770	-	358
Land and Agricultural Development Bank of South Africa	African Development Bank	1 000 000	409 091	-	409 091	-	-	-	-
Land and Agricultural Development Bank of South Africa	World Bank	1 300 000	119 860	-	119 860	-	-	-	-
Subtotal		**12,472,651**	**6,165,176**	**529,979**	**613,480**	**35,348**	**6,117,023**	**-**	**13,496**
Total		**39,358,711**	**15,357,948**	**1,589,771**	**3,765,308**	**35,348**	**13,217,759**	**-**	**736 642**

ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2023

NATURE OF LIABILITY	OPENING BALANCE 1 APRIL 2023	LIABILITIES INCURRED DURING THE YEAR	LIABILITIES PAID/ CANCELLED/ REDUCED DURING THE YEAR	LIABILITIES RECOVERABLE (PROVIDE DETAILS HEREUNDER)	CLOSING BALANCE 31 MARCH 2024
	R'000	R'000	R'000	R'000	R'000
CLAIMS AGAINST THE DEPARTMENT					
An action by Medihelp against the Minister of Finance for payment of the amount of R9,997,256.75 arising out of unlawful deductions made in breach of the agreement with Medihelp and the resolution of the bargaining council.	9 997	-	-	-	9 997
SA Red Cross has instituted action proceedings against the Minister of Finance. It is a damages claim emanating from cancellation of a transversal contract with Red Cross. Latter alleges that the cancellation was unlawful and that it resulted in them suffering damages which the Minister and the relevant provincial.	54 006	-	-	-	54 006
The Plaintiff claims a total amount of R79,792,350.00 which claim is made up as follows; 1) A claim for payment of the sum of R63,367,750.00 in respect of software licenses and maintenance services allegedly received from the plaintiff; 2) Damages in the sum of R16,424,600.00 suffered as a result of the Defendants repudiation of the various agreements.	79 792	-	-	-	79 792
The plaintiff alleges that he submitted his income tax schedules to Treasury for the years 2006 until 2017 and was assessed at R68,809.25 for that period, and that from March 2010 until December 2013 he made payments in the amount of R99,597.95. His tax assessments for the years 2006, 2007 and 2008 were reduced and he was alerted of the changes in September 2017. He also alleges that Treasury is also liable to pay an amount of R16,214.93, that being as a result of the VAT assessments, and that in light of the above, Treasury is liable to pay to him an amount of R47,103.63 plus interest. The claim was withdrawn hence the cancellation.	47	-	(47)	-	-
Application for the joinder of National Treasury in the action proceedings in which an order is sought against the defendants for payment of an amount of R400,000.00 plus interest.	400	-	-	-	400
A claim by the executor of a deceased estate for payment of an amount of R1,078,145.16 in respect to an investment in Retail Bonds.	1,078	-	-	-	1,078

ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2023

NATURE OF LIABILITY	OPENING BALANCE 1 APRIL 2023	LIABILITIES INCURRED DURING THE YEAR	LIABILITIES PAID/ CANCELLED/ REDUCED DURING THE YEAR	LIABILITIES RECOVERABLE (PROVIDE DETAILS HEREUNDER)	CLOSING BALANCE 31 MARCH 2024
	R'000	R'000	R'000	R'000	R'000
Subtotal	**145,320**	**-**	**47**	**-**	**145,273**
Other	-	-	-	-	-
Military Pension	338 213	22 959	8 312	-	352 860
Injury on duty	40 847	3 872	5 348	-	39 371
Special Pension	98,947	34,614	37,070	-	96,491
Subtotal	**478,007**	**61,446**	**50,731**	**-**	**488,722**
TOTAL	**623,327**	**61,446**	**50,778**	**-**	**633,995**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

ANNEXURE 4

CLAIMS RECOVERABLE

GOVERNMENT ENTITY	CONFIRMED BALANCE OUTSTANDING		UNCONFIRMED BALANCE OUTSTANDING		TOTAL	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
National Departments	12	388	817	2 308	829	2 696
Foreign government	-	-	1 335	1 329	1 335	1 329
Eastern Cape	-	50	-	-	-	50
Gauteng	-	56	-	-	-	56
Western Cape	-	-	21	21	21	21
OTHER GOVERNMENT ENTITIES						
Total	**12**	**494**	**2 173**	**3 658**	**2 185**	**4 152**

ANNEXURE 7

MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2024

MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2024

NATURE OF LIABILITY	OPENING BALANCE	CURRENT YEAR CAPITAL WIP	READY FOR USE (ASSET REGISTER) /CONTRACT TERMINATED	CLOSING BALANCE
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	**394 241**	-	-	**394 241**
Computer Software	394 241	-	-	394 241
		-	-	
TOTAL	**394 241**	-	-	**394 241**

Software licences for the Integrated Financial Management System will be ready for use after the configuration and testing phases are completed

MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2023

NATURE OF LIABILITY	OPENING BALANCE	CURRENT YEAR CAPITAL WIP	READY FOR USE (ASSET REGISTER) /CONTRACT TERMINATED	CLOSING BALANCE
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	**394 241**	-	-	**394 241**
Computer Software	394 241	-	-	394 241
		-	-	
TOTAL	**394 241**	-	-	**394 241**

ANNEXURE 8A

INTER-ENTITY ADVANCES PAID (NOTE 13)

ENTITY	CONFIRMED BALANCE OUTSTANDING		UNCONFIRMED BALANCE OUTSTANDING		TOTAL	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Department of International Relations and Cooperation (DIRCO)	-	334	-	-	-	334
Subtotal	**-**	**334**	**-**	**-**	**-**	**334**
PUBLIC ENTITIES						
Pension Administration	102 59	99 118	-	-	102 598	99 118
Subtotal	**102 59**	99 118	**-**	**-**	**102 598**	**99 118**
TOTAL	**102 598**	**99 452**	**-**	**-**	**102 598**	**99 452**

ANNEXURE 8B

INTER-ENTITY ADVANCES RECEIVED (NOTE 21 AND NOTE 22)

ENTITY	CONFIRMED BALANCE OUTSTANDING		UNCONFIRMED BALANCE OUTSTANDING		TOTAL	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023
	R'000	R'000	R'000	R'000	R'000	R'000
PUBLIC ENTITIES						
Current						
State Debt Account (cost of raising)	-	109	-	-	-	109
ME-RAPP	-	56	-	-	-	56
Subtotal	-	**165**	-	-	-	**165**
PUBLIC ENTITIES						
Current						
FASSET	7 670	2 734	-	-	7 670	2 734
PSETA	199	1	-	-	199	1
TETA	2 848	2 971	-	-	2 848	2 971
SSA REVENUE	406	-	-	-	406	-
TTS and MoF	-	225	-	-	-	225
Subtotal	**11 123**	**5 931**	**-**	**-**	**11 123**	**5 931**
TOTAL - CURRENT	**11 123**	**6 096**	**-**	**-**	**11 123**	**6 096**

ANNEXURE 12

ANALYSIS OF PREPAYMENTS AND ADVANCES (NOTES 4.2.1 AND 11)

NAME OF ENTITY	SECTOR OF THE ENTITY	DESCRIP-TION OF GOODS, SERVICES, AND/OR CAPITAL ASSETS PAID FOR	CLASSIFICATION CATE-GORIES	CONTRACT REFERENCE NUMBER	TOTAL CONTRACT VALUE	CONTRACT COMMENCE-MENT DATE	CONTRACT END DATE	FREQUENCY OF THE CONTRACT	BALANCE OUTSTAN-DING AS AT 31 MARCH 2023	TOTAL AMOUNT PREPAID / ADVANCED IN THE CURRENT YEAR	LESS: GOODS, SERVICES OR CAPITAL ASSETS RECEIVED IN THE CURRENT YEAR	ADD / (LESS): OTHER	BALANCE OUT-STAN-DING AS AT 31 MARCH 2024	REASON FOR PREPAYMENT OR ADVANCE AND FOR IT REMAINING OUTSTANDING AT YEAR END (MORE DETAILS CAN BE PROVIDED IN THE NARRATIVE BLOCKS WHERE NECESSARY)
					R'000				R'000	R'000	R'000	R'000	R'000	
PREPAYMENTS														
CITIES SUP PRG:WATER RESILNC(GA)	Aid Assistance	Consultants business and advisory: research and advisory services	Goods and services	CZA113501V	2 900	2018/09/24	2024/12/31	Annually	-	2 308	(2 308)	-	-	-
THE BELG TECHNICAL COOP (BTC)	Aid Assistance	Consultants business and advisory: research and advisory services	Goods and services	SAF061	2 487 484	2018/09/24	2019/02/28	Annually	(290)	682	(360)	-	32	Funds to be surrendered to the RDP
MIGRATION PBARS (MODEL) - WB APP	Aid Assistance	Consultants business and advisory: research and advisory services	Goods and services	NT016-2021	4 800	2022/08/24	2024/03/23	Annually	-	2 447	(2 447)	-	-	Funds to be surrendered to the RDP
MUNICIPAL PROJECTS	Aid Assistance	Consultants business and advisory: research and advisory services	Goods and services	GBS5/19/05	322 030	2021/01/22	2027/01/21	Annually	-	103 907	(103 907)	-	-	Funds to be surrendered to the RDP

ANNEXURE 12

ANALYSIS OF PREPAYMENTS AND ADVANCES (NOTES 4.2.1 AND 11)

NAME OF ENTITY	SECTOR OF THE ENTITY	DESCRIP-TION OF GOODS, SERVICES, AND/OR CAPITAL ASSETS PAID FOR	CLASSIFICATION CATE-GORIES	CONTRACT REFERENCE NUMBER	TOTAL CONTRACT VALUE	CONTRACT COMMENCE-MENT DATE	CONTRACT END DATE	FREQUENCY OF THE CONTRACT	BALANCE OUTSTAN-DING AS AT 31 MARCH 2023	TOTAL AMOUNT PREPAID / ADVANCED IN THE CURRENT YEAR	LESS: GOODS, SERVICES OR CAPITAL ASSETS RECEIVED IN THE CURRENT YEAR	ADD / (LESS): OTHER	BALANCE OUT-STAN-DING AS AT 31 MARCH 2024	REASON FOR PREPAYMENT OR ADVANCE AND FOR IT REMAINING OUTSTANDING AT YEAR END (MORE DETAILS CAN BE PROVIDED IN THE NARRATIVE BLOCKS WHERE NECESSARY)
					R'000				R'000	R'000	R'000	R'000	R'000	
TECH SUP TRNSF C&L MNG CCHNG(GA)	Aid Assistance	Consultants business and advisory: research and advisory services	Goods and services	ZA/DCI/22802	2 640 000	2012/05/24	2017/05/23	Annually	-	1 173	(1 104)	-	69	Funds to be surrendered to the RDP
GENERAL BUDGET SUPPORT: IDMS(GA)	Aid Assistance	Consultants business and advisory: research and advisory services	Goods and services	ZA/DCI/22802	2 640 000	2012/05/24	2017/05/23	Annually	-	30 912	(21 346)		9 566	Funds to be surrendered to the RDP
FMISD	Aid Assistance	Consultants business and advisory: research and advisory services	Goods and services	ZA/DCI-AFS/040/048	239 424	2018/07/19	2024/07/18	Annually	6 258	12 984	(6 698)	(6 258)	6 286	Funds to be surrendered to the RDP
PFM PROG EXEC LEADERSHIP	Aid Assistance	Training and development	Goods and services	SAF061	2 487 484	2018/09/24	2019/02/28	Annually	85	-	-	(85)	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

ANNEXURE 12

ANALYSIS OF PREPAYMENTS AND ADVANCES (NOTES 4.2.1 AND 11)

NAME OF ENTITY	SECTOR OF THE ENTITY	DESCRIP-TION OF GOODS, SERVICES, AND/OR CAPITAL ASSETS PAID FOR	CLASSIFICATION CATE-GORIES	CONTRACT REFERENCE NUMBER	TOTAL CONTRACT VALUE	CONTRACT COMMENCE-MENT DATE	CONTRACT END DATE	FREQUENCY OF THE CONTRACT	BALANCE OUTSTAN-DING AS AT 31 MARCH 2023	TOTAL AMOUNT PREPAID / ADVANCED IN THE CURRENT YEAR	LESS: GOODS, SERVICES OR CAPITAL ASSETS RECEIVED IN THE CURRENT YEAR	ADD / (LESS): OTHER	BALANCE OUT-STAN-DING AS AT 31 MARCH 2024	REASON FOR PREPAYMENT OR ADVANCE AND FOR IT REMAINING OUTSTANDING AT YEAR END (MORE DETAILS CAN BE PROVIDED IN THE NARRATIVE BLOCKS WHERE NECESSARY)
					R'000				R'000	R'000	R'000	R'000	R'000	
TECHNICAL ASSIST FACILITY(GA)	Aid Assistance	Consultant s- business and advisory: research and advisory services and Training and development	Goods and services	N/A	N/A	N/A	N/A	Annually	925	5 053	(3 741)	(925)	1 312	Funds to be surrendered to the RDP
ICT works	ICT		Goods and services	N/A	N/A	2016/12/20	N/A	Once off	15 526	-	-	-	15 526	The case has been handed over to legal
GPAA	Pension Administration	Pension Administration	Other	N/A	N/A	N/A	N/A	Annually	2 630	479	-	-	3 109	
TOTAL PREPAYMENTS									**25 134**	**159 945**	**(141 911)**	**(7 268)**	**35 899**	

ANNEXURE 12

ANALYSIS OF PREPAYMENTS AND ADVANCES (NOTES 4.2.1 AND 11)

NAME OF ENTITY	SECTOR OF THE ENTITY	DESCRIP-TION OF GOODS, SERVICES, AND/OR CAPITAL ASSETS PAID FOR	CLASSIFICATION CATE-GORIES	CONTRACT REFERENCE NUMBER	TOTAL CONTRACT VALUE	CONTRACT COMMENCE-MENT DATE	CONTRACT END DATE	FREQUENCY OF THE CONTRACT	BALANCE OUTSTAN-DING AS AT 31 MARCH 2023	TOTAL AMOUNT PREPAID / ADVANCED IN THE CURRENT YEAR	LESS: GOODS, SERVICES OR CAPITAL ASSETS RECEIVED IN THE CURRENT YEAR	ADD / (LESS): OTHER	BALANCE OUT-STAN-DING AS AT 31 MARCH 2024	REASON FOR PREPAYMENT OR ADVANCE AND FOR IT REMAINING OUTSTANDING AT YEAR END (MORE DETAILS CAN BE PROVIDED IN THE NARRATIVE BLOCKS WHERE NECESSARY)
					R'000				R'000	R'000	R'000	R'000	R'000	
ADVANCES														
GPAA	Pension Administration	Pension Administration	Public entities	N/A	N/A	N/A	N/A	Annually	99 118	102 598	(99 118)	-	102 598	
Dirco	International Relations	Travel	National departments	N/A	N/A	N/A	N/A	Annually	334	-	(334)	-	-	
Travel and Subsistence-National Treasury	National Treasury	Travel	National depart-ments	N/A	N/A	N/A	N/A	Annually	26	217	(26)	-	217	
GTAC - Job Funds	Job Creation	Department al Agencies & Accounts	National depart-ments	N/A	9 000 000	2020/04/01	N/A	Annually	539 841	514 035	41 423	(718 655)	376 644	
GTAC - NDP	Neighbourhood Development Programme	Consultant s- business and advisory: research and advisory services	National departments	N/A	N/A	2020/04/01	N/A	Annually	15 973	189 178	2 594	(189 178)	18 567	
GTAC - MFIP	Local Government Finance Management	Consultant s- business and advisory: research and advisory services	National departments	N/A	N/A	N/A	N/A	Annually	213 172	81 561	-	(133 7)	160 975	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

ANNEXURE 12

ANALYSIS OF PREPAYMENTS AND ADVANCES (NOTES 4.2.1 AND 11)

NAME OF ENTITY	SECTOR OF THE ENTITY	DESCRIP-TION OF GOODS, SERVICES, AND/OR CAPITAL ASSETS PAID FOR	CLASSIFICATION CATE-GORIES	CONTRACT REFERENCE NUMBER	TOTAL CONTRACT VALUE	CONTRACT COMMENCE-MENT DATE	CONTRACT END DATE	FREQUENCY OF THE CONTRACT	BALANCE OUTSTAN-DING AS AT 31 MARCH 2023	TOTAL AMOUNT PREPAID/ ADVANCED IN THE CURRENT YEAR	LESS: GOODS, SERVICES OR CAPITAL ASSETS RECEIVED IN THE CURRENT YEAR	ADD / (LESS): OTHER	BALANCE OUT-STAN-DING AS AT 31 MARCH 2024	REASON FOR PREPAYMENT OR ADVANCE AND FOR IT REMAINING OUTSTANDING AT YEAR END (MORE DETAILS CAN BE PROVIDED IN THE NARRATIVE BLOCKS WHERE NECESSARY)
					R'000				R'000	R'000	R'000	R'000	R'000	
GTAC - ECFF	Employment Creation Facility	Consultant s- business and advisory: research and advisory services	Public entities	N/A	9 000 000	2020/04/01	N/A	Annually	10 167	-	-	(1 348)	8 819	
GTAC - IDIP	Infrastructure Delivery Improvement	Consultant s- business and advisory: research and advisory services	Other institutions	PN 447	315 000	2010/02/01	2013/03/31	Annually	5 350	-	-	(670)	4 680	
DBSA - NT Project prep fund	Financial I nstitution	Consultant s- business and advisory: research and advisory services	Other institutions	N/A	400 000	2020/02/25	N/A	Annually	311 734	-	26 269	(42 006)	295 997	
DBSA - Infrastructure Fund	Financial Institution	Public Corporation s and Priv Ent	Other institutions	N/A	N/A	2020/08/17	2030/08/16	Annually	79 688	46 273	8 449	(30 029)	104 381	
DBSA - NT Social Housing Projects	Financial Institution	Consultant s- business and advisory: research and advisory services	Other institutions	N/A	N/A	N/A	N/A	Annually	159 371	152 500	22 792	-	334 663	

ANNEXURE 12

ANALYSIS OF PREPAYMENTS AND ADVANCES (NOTES 4.2.1 AND 11)

NAME OF ENTITY	SECTOR OF THE ENTITY	DESCRIP-TION OF GOODS, SERVICES, AND/OR CAPITAL ASSETS PAID FOR	CLASSIFICATION CATE-GORIES	CONTRACT REFERENCE NUMBER	TOTAL CONTRACT VALUE	CONTRACT COMMENCE-MENT DATE	CONTRACT END DATE	FREQUENCY OF THE CONTRACT	BALANCE OUTSTAN-DING AS AT 31 MARCH 2023	TOTAL AMOUNT PREPAID / ADVANCED IN THE CURRENT YEAR	LESS: GOODS, SERVICES OR CAPITAL ASSETS RECEIVED IN THE CURRENT YEAR	ADD / (LESS): OTHER	BALANCE OUT-STAN-DING AS AT 31 MARCH 2024	REASON FOR PREPAYMENT OR ADVANCE AND FOR IT REMAINING OUTSTANDING AT YEAR END (MORE DETAILS CAN BE PROVIDED IN THE NARRATIVE BLOCKS WHERE NECESSARY)
					R'000				R'000	R'000	R'000	R'000	R'000	
DBSA - CSP	Financial Institution	Consultant s- business and advisory: research and advisory services	Provincial departments	N/A	40 000	2014/04/01	2024/03/31	Annually	13,908	46,849	2,642	(56,147)	7,252	
DBSA-IDMS	Financial Institution	Consultant s- business and advisory: research and advisory services	Provincial departments	N/A	132 855	2021/12/14	2024/12/13	Annually	102	61 882	124	(59 114)	2 994	
TOTAL ADVANCES								**1 448 785**	**1 195 094**	**4 815**	**(1 226 609)**	**1 422 085**		
TOTAL PREPAYMENTS AND ADVANCES								**1 473 919**	**1 355 039**	**(137 096)**	**(1 233 877)**	**1 457 984**		

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2023/24

NATIONAL TREASURY ANNUAL REPORT

VOTE 8

Private Bag X115, Pretoria, 0001 | 40 Church Square, Pretoria, 0002 | Tel: +27 12 315 5944 | Fax: +27 12 406 9055 | **www.treasury.gov.za**

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA