



# 2020/21

NATIONAL TREASURY

# ANNUAL REPORT

VOTE 8



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA







# 2020/21

NATIONAL TREASURY

# ANNUAL REPORT

## VOTE 8

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A hand holding a glowing lightbulb over stacks of coins on a desk. The background is a blurred office setting with a computer monitor. The text is white and bold, set against a dark blue background.

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# **PART A** GENERAL INFORMATION

## **1 DEPARTMENT INFORMATION**

<b>DEPARTMENT</b>	National Treasury
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# 2 LIST OF ABBREVIATIONS/ ACRONYMS

ABBREVIATION	DESCRIPTION
AC	Audit Committee
ACSA	Airports Company of South Africa
ADF	African Development Fund
AEMFC	African Exploration Mining and Finance Corporation
AENE	Adjusted Estimates of National Expenditure
AfDB	African Development Bank
AFS	Annual Financial Statements
AGSA	Auditor-General South Africa
AIF	Africa Investment Forum
ALM	Asset and Liability Management
AM	Asset Management
AO	Accounting Officer
APP	Annual Performance Plan
APR	Annual Performance Report
ASB	Accounting Standards Board
ASISA	Association for Savings and Investment South Africa
AU	African Union
B&FM	Budget and Financial Management
B&RM	Budget and Revenue Management
BAC	Bids Adjudication Committee
BANKSETA	Banking Sector Education and Training Authority
BAS	Basic Accounting System
BASA	Banking Association South Africa
BBBEE	Broad Based Black Economic Empowerment
BCM	Business Continuity Management
BEE	Black Economic Empowerment
BFI	Budget Facility for Infrastructure
BMA	Border Management Agency
BO	Budget Office
BRICS	Brazil, Russia, India, China and South Africa
BTO	Budget and Treasury Office
C19	COVID-19
CA	Chartered Accountants
CAA	Chartered Accountants Academy
CABRI	Collaborative Africa Budget Reform Initiative

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

ABBREVIATION	DESCRIPTION
CBA	Cooperative Banks Act
CBDA	Cooperative Banks Development Agency
CD	Chief Directorate
CEF	Central Energy Fund
CFI	Cooperative Financial Institution
CFO	Chief Financial Officer
CFS	Consolidated Financial Statements
CG	Capital Grant
CIPPPF	Cities Investment Programme and Project Preparation Facility
CoE	Cost of Employment
CoGTA	Cooperative Governance and Traditional Affairs
COLA	Cost of Living Adjustment
CPF	Country Partnership Framework
CPO	Chief Procurement Office
CPS	Cash Paymaster Services
CS	Corporate Services
CSD	Central Supplier Database
CSP	Cities Support Programme
CSPs	Country Strategy Papers
CSPS	Civilian Secretariat for the Police Service
CwA	Compact with Africa
DAG	Development Action Group
DBE	Department of Basic Education
DBSA	Development Bank of Southern Africa
DC	Development Cooperation
DCoG	Department of Cooperative Governance
DED	Department of Economic Development
DFI	Development Finance Institution
DFIs	Development Finance Institutions
DG	Director-General
DHET	Department of Higher Education and Training
DHSW&S	Department of Human Settlements, Water and Sanitation
DIRCO	Department of International Relations and Cooperation
DMRE	Department of Mineral Resources and Energy
DoH	Department of Health
DoJCD	Department of Justice and Constitutional Development
DoRA	Division of Revenue Act
DORB	Division of Revenue Bill
DPCI	Directorate for Priority Crime Investigation
DPE	Department of Public Enterprises
DPME	Department of Planning, Monitoring and Evaluation

## 2. LIST OF ABBREVIATIONS/ACRONYMS - Cont

ABBREVIATION	DESCRIPTION
DPSA	Department of Public Service and Administration
DPWI	Department of Public Works
DSBD	Department of Small Business Development
DSD	Department of Social Development
DSSI	Debt Service Suspension Initiative
DTA	Direct Technical Assistance
DTI	Department of Trade and Industry
DTIC	Department of Trade, Industry and Competition
DTPS	Department of Telecommunications and Postal Services
DTT	Digital Terrestrial Television
DWS	Department of Water and Sanitation
EC	Eastern Cape
ECD	Early Childhood Development
ECFF	Employment Creation Facilitation Fund
EHW	Employee Health and Wellness
ENE	Estimates of National Expenditure
EPWP	Expanded Public Works Programme
ERAP	Emergency Response Action Plan
ERM	Enterprise Risk Management
ERRP	Economic Reconstruction and Recovery Plan
ESAAG	East and Southern African Association of Accountants-General
EU	European Union
EWRM	Enterprise Wide Risk Management
EXCO	Executive Committee
F15	Committee of Fifteen Finance Ministers
FAIS	Financial Advisory and Intermediary Services
FASSET	Finance and Accounting Services Sector and Education Sector Education and Training
FFC	Financial and Fiscal Commission
FIC	Financial Intelligence Centre
FICA	Financial Intelligence Centre Act
FIDPM	Framework for Infrastructure Delivery and Procurement Management
Fitch	Fitch Ratings Agency
FLC	Fiscal Liability Committee
FMCMM	Financial Management Capability Maturity Model
FMG	Financial Management Grant
FMISD	Financial Management Capacity Development Programme for Improved Service Delivery
FOSAD	Forum of South African Directors-Generals
FSB	Financial Services Board
FSCA	Financial Sector Conduct Authority
FSR	Financial Sector Regulation

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

ABBREVIATION	DESCRIPTION
FSRA	Financial Sector Regulation Act
FST	Financial Sector Tribunal
G20	Group of Twenty
GBS	General Budget Support
GBVF	Gender Based Violence and Femicide
GDP	Gross Domestic Product
GDP	Graduate Development Programme
GEPF	Government Employees Pension Fund
GHG	National Greenhouse Gas
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GMC	Governance, Monitoring and Compliance
GPAA	Government Pensions Administration Agency
GPEFA	Government Employees Pension Fund Act
GPW	Government Printing Works
GRAP	Standards of Generally Recognised Accounting Practice
GRC	Governance Review Committee
GTAC	Government Technical Advisory Centre
GTB	Government Tender Bulletins
HIV	Human Immunodeficiency Virus
HRM	Human Resource Management
HSRC	Human Sciences Research Council
IA	Internal Audit
IAU	Internal Control Unit
ICASA	Independent Communications Authority of South Africa
ICDG	Integrated Cities Development Grant
ICT	Information and Communication Technology
ICU	Internal Control Unit
IDA	International Development Association
IDC	Industrial Development Corporation
IDC	International Development Cooperation
IDEP	Institute for Development Economic Planning
IDIP	Infrastructure Delivery Improvement Programme
IDMS	Infrastructure Delivery Management System
IFIAR	International Forum of Independent Audit Regulators
IFMS	Integrated Financial Management System
IFWG	Intergovernmental Fintech Working Group
IGR	Inter-Governmental Relations
IIA	Institute of Internal Auditors
IIASA	Institute of Internal Auditors South Africa
IIH	Internal Innovation Hub
IMF	International Monetary Fund
INSETA	Insurance Sector Education and Training Authority

## 2. LIST OF ABBREVIATIONS/ACRONYMS - Cont

ABBREVIATION	DESCRIPTION
IPID	Independent Police Investigative Directorate
IPPs	Independent Power Producers
IRBA	Independent Regulatory Board for Auditors
ISA	Infrastructure South Africa
ISCMC	Interim Supply Chain Management Council
ISDG	Infrastructure Skills Development Grant
IT	Information Technology
ITAC	International Trade Administration Commission
ITGC	Audit Information Technology General Controls
IYM	In-Year Monitoring
JICS	Judicial Inspectorate for Correctional Services
JSE	Johannesburg Stock Exchange
KM	Knowledge Management
KRA	Key Result Area
KZN	KwaZulu Natal
LAC	Labour Appeal Court
LADBA	Land and Agricultural Development Bank Act
Land Bank	Land and Agricultural Development Bank of South Africa
LGBA	Local Government Budget Analysis
LGFM	Local Government Financial Management
LG-IDMS	Local Government Infrastructure Delivery Management System
LGS	Loan Guarantee Scheme
LGSETA	Local Government Sector Education and Training Agency
LICs	Low Income Countries
LOGIS	Logistical Information System
LTE	Long-Term Expert
LVC	Land Value Capture
M&E	Monitoring and Evaluation
MAFR	Mandatory Audit Firm Rotation
MCS	Modified Cash Standards
MEC	Member of Executive Council
MFIP	Municipal Finance Improvement Programme
MFMA	Municipal Finance Management Act
MFMP	Municipal Finance Management Programme
MFRS	Municipal Finance Recovery Service
MIG	Municipal Infrastructure Grant
MINCOMBUD	Ministers' Committee on the Budget
MISA	Municipal Infrastructure Support Agent
MOU	Memorandum of Understanding
MPAT	Management Performance Assessment Tool
MPSA	Minister of Public Service and Administration

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

ABBREVIATION	DESCRIPTION
mSCOA	Municipal Standard Chart of Accounts
MTBPS	Medium Term Budget Policy Statement
MTEC	Medium Term Expenditure Committee
MTEF	Medium Term Expenditure Framework
MTREF	Medium Term Revenue and Expenditure Framework
MTSF	Medium Term Strategic Framework
NC	Northern Cape
NCB	National Cooperative Banking
NCOP	National Council of Provinces
NCR	National Credit Regulator
NDB	New Development Bank
NDOH	National Department of Health
NDP	National Development Plan
NDPG	Neighbourhood Development Partnership Grant
NDPP	Neighbourhood Development Partnership Programme
NECSA	Nuclear Energy Corporation of South Africa
NEDLAC	National Economic Development and Labour Council
NERSA	National Energy Regulator of South Africa
NHI	National Health Insurance
NPA	National Prosecuting Authority
NRF	National Research Foundation
NRF	National Research Facility
NRF	National Revenue Fund
NSFAS	National Student Financial Aid Scheme
NSG	National School of Government
NT	National Treasury
NTPF	National Travel Policy Framework
OAG	Office of the Accountant-General
OCPO	Office of the Chief Procurement Officer
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
OEM	Original Equipment Manufacturer
OHS	Occupational Health and Safety
OPFA	Office of the Pension Fund Adjudicator
OPSC	Office of the Public Service Commission
OSBP	One Stop Border Post
OTO	Office of the Tax Ombud
PAIA	Promotion of Access to Information Act
PAMA	Public Administration Management Act
PAYE	Pay-As-You-Earn
PBTH	Power By The Hour



## 2. LIST OF ABBREVIATIONS/ACRONYMS - Cont

ABBREVIATION	DESCRIPTION
PCDATRAA	Protection of Constitutional Democracy Against Terrorist and Related Activities Act
PEOU	Public Entities Oversight Unit
PER	Performance Expenditure Reviews
PERSAL	Personnel and Salary Administration System
PF	Public Finance
PFA	Pension Funds Act
PFM	Public Finance Management
PFMA	Public Finance Management Act
PFMCDS	Public Financial Management Capacity Development Strategy
PFS	Public Finance Statistics
PFSA	Peace Fund Scale of Assessments
PIC	Public Investment Corporation
PICA	Public Investment Corporation Act
PINK	Procurement, Infrastructure Management and Knowledge Management Capacity Building Programme
PIT	Personal Income Tax
POCA	Prevention of Organised Crime Act
PPP	Public Private Partnership
PPPFA	Preferential Procurement Policy Framework Act
PRASA	Passenger Rail Agency of South Africa
PRMB	Post-Retirement Medical Benefits
PSA	Public Service Act
PSC	Public Service Commission
PSCBC	Public Service Co-ordinating Bargaining Council
PSIRA	Private Security Industry Regulatory Authority
PSO	Parliamentary Service Office
PSO	Project Support Office
PSRAF	Public Sector Remuneration Analysis and Forecasting
PT	Provincial Treasury
R&I	Ratings and Investment Information
R&MA&ARLB	Rates and Monetary Amounts and Amendment of Revenue Laws Bill
RDP	Reconstruction and Development Programme
RFI	Rapid Financing Instrument
RGU	Regulatory Guidance Unit
RISDP	Regional Indicative Strategic Development Plan
RM	Records Management
RMC	Risk Management Committee
RS	Regulatory Sandbox
S&P	Standard and Poor Global Ratings Agency
SA	South Africa

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

ABBREVIATION	DESCRIPTION
SAA	South African Airways
SAAT	South Africa Airways Technical
SABC	South African Broadcasting Corporation
SABS	South African Bureau of Standards
SACU	Southern African Customs Union
SADC	Southern African Development Community
SAHPRA	South African Health Products Regulatory Authority
SAIH	South African Innovation Hub
SAIPA	South African Institute of Professional Accountants
SALGA	South African Local Government Association
SANRAL	South African National Roads Agency
SAPO	South African Post Office
SAPS	South African Police Service
SAPSA	South African Police Service Act
SARS	South African Revenue Service
SAS	Specialised Audit Services
SASRIA	South African Special Risks Insurance Association
SASSA	South African Social Security Agency
SA-TIED	Southern Africa - Towards Inclusive Economic Development
SAX	South African Express
SCCU	Serious Commercial Crimes Unit
SCM	Supply Chain Management
SCOA	Standard Chart of Accounts
SCoA	Standing Committee on Appropriations
SCoF	Standing Committee on Finance
SCOPA	Standing Committee on Public Accounts
SDG	Sustainable Development Goals
SDRs	Special Drawing Rights
SECO	Swiss State Secretariat for Economic Development
SEDA	Small Enterprise Development Agency
SFF	Strategic Fuel Fund
SITA	State Information Technology Agency
SLA	Service Level Agreement
SMME	Small, Medium and Micro Enterprises
SMS	Senior Management Service
SNDB	Sub-National Doing Business
SOC	State-Owned Company
SOE	State Owned Entity
SOP	Standard Operating Procedures
SPF	Strategic Procurement Framework
SQL	Structured Query Language
SRD	Social Relief of Distress

## 2. LIST OF ABBREVIATIONS/ACRONYMS - Cont

ABBREVIATION	DESCRIPTION
SSA	State Security Agency
TA	Technical Advisors
TAA	Tax Administration Act
TALAB	Tax Administration Laws Amendment Bill
TCTA	Trans-Caledon Tunnel Authority
TED	Township Economic Development
TERS	Temporary Employee Relief Scheme
TETA	Transport Education and Training Authority
TLAB	Taxation Laws Amendment Bill
TR	Treasury Regulations
TSS	Technical Support Services unit
UIF	Unemployment Insurance Fund
UIFW	Unauthorised, Irregular, Fruitless and Wasteful Expenditure
UN	United Nations
UNS	Urban Network Strategy
USAID	United States Agency for International Development
VAT	Value Added Tax
VPN	Virtual Private Network
WB	World Bank
WB	Water Board
WEF	World Economic Forum
WEFA	World Economic Forum Africa
YES	Youth Employment Service

# 3 FOREWORD BY THE MINISTER



**ENOCH GODONGWANA**  
Minister of Finance

The 2020/21 financial year was one of the most difficult of the democratic era and certainly a major blow to the domestic and global economy. The emergence of the COVID-19 pandemic resulted in one of the worst economic recessions in a century, with the global economy contracting by 3.3 per cent in the 2020 calendar year. During the same period, South Africa's real GDP contracted by 6.4 per cent, after recent GDP rebasing is considered. Millions of people have lost their jobs, many businesses have closed and others are struggling. Most importantly we experienced the painful loss of friends, family members, and many other fellow South Africans.

Much of the loss in economic activity was on the supply side, as governments around the world restricted travel, gatherings and various commercial activities to limit the spread of the COVID-19 virus and reduce the pressure on health care facilities. The gradual removal of these lockdowns has released strong base effects for economic growth. The National Treasury has projected that the economy will recover by a real growth rate of 3.3 per cent in 2021, according to the 2021 Budget Review. Nevertheless, this growth is expected to moderate to 2.2 per cent in the outer years of the MTEF, partly due to the fact that the supply restrictions on the economy have strongly bled into the demand-side. The unemployment rate increased to an all-time high of 32.6 per cent in 2021 Quarter 1 as COVID-19 and lockdown regulations continued to suppress economic activity and the labour market. These scarring effects from the 2020 recession, which saw the loss of millions of jobs, are thus denting the recovery of consumer demand and the medium-term prospects of the economy.

**3. FOREWORD BY THE MINISTER - Cont**

To compound our challenges, the recent unrest in July 2021 and the third wave of the COVID-19 pandemic, driven by the delta variant, will act as an additional brake on the economic activity. Therefore, at current trends, the South African economy will only return to pre-COVID-19 levels by the end of 2022, reflecting the significant and negative impacts of the pandemic and associated lockdowns on the economy.

Therefore, we need a stronger focus on economic growth in South Africa, driven by credible and sustainable reforms. In this regard, faster implementation of the structural reforms we have already announced is critical. This places an obligation on government, the private sector and other stakeholders in our country to work together to restore and improve our economic performance. We need to focus on economic growth and employment creation above all.

The Economic Reconstruction and Recovery Plan (ERRP) is our framework for achieving sustainable and inclusive growth.

Achieving inclusive growth and restoring fiscal strength remain the guiding principles of fiscal policy. The National Treasury has responded to this mandate through two key interventions that need to be maintained going forward. The first is the fiscal strategy outlined in the 2021/22 Budget.

Our fiscal strategy aims to do three things:

- Narrow the deficit and stabilise the debt-to-GDP ratio, primarily by controlling non-interest expenditure growth.
- Provide continued support to the economy and public health services in the short term, without adding to long-term spending pressures.
- Improve the composition of spending, by reducing growth in compensation while protecting capital investment.

The budget funded a massive and free COVID-19 vaccination campaign. It added R11 billion to the spending framework in 2021/22 for the Presidential public employment initiative. It exercises continued restraint in spending growth while ensuring that nearly R3 trillion or 56.5 per cent of public money is allocated to learning, health and social development. It improved the composition of spending by shifting expenditure growth to investment rather than consumption. It withdrew R40 billion in previously announced tax increases, reduced corporate income tax and provided tax relief to South Africans. It put South Africa on course to achieve a primary balance and debt stabilisation by 2025/26. Over time, debt stabilisation will reduce borrowing costs and the cost of capital, attracting investment that can support the economy. Our chosen fiscal path is not easy, but it will, in the medium to long-term, support higher levels of economic growth, and enable the country to avoid a debilitating debt spiral.

Over the years, the National Treasury's prudent debt management strategy has enabled government to meet its borrowing requirements in a responsible, cost-efficient manner. Active debt management measures will continue to mitigate sovereign risks.

The second intervention is ensuring good progress in the implementation of structural reforms. The economic reforms we are implementing will remove barriers to growth, lower the cost of doing business, and bolster confidence and investment. A key reform is to restructure the electricity sector and ensure sufficient power supply.

The National Treasury and the Presidency, through Operation Vulindlela, are working to ensure the rapid rollout of these reforms, including speeding up the release of digital spectrum, expanding the electronic visa system and waivers to support tourism, improving the efficiency and competitiveness of South Africa's ports, and strengthening the monitoring of water quality. Some progress on structural reforms that will enable higher growth levels is already becoming evident. In particular, the increase in the licensing threshold for embedded generation is attracting increased investment in electricity generation.



## **PART A: GENERAL INFORMATION**

### **3. FOREWORD BY THE MINISTER - Cont**

Managing public finances is not easy. We are proceeding with key reforms, albeit at a slower pace than preferred in the context of the government system, in which extensive consultations are necessary. We continue to strengthen the transparency of procurement systems in the public sector and are implementing measures to improve state procurement through the Public Procurement Bill. Measures to implement reforms to the framework for Public-Private Partnerships (PPPs) are proceeding, with a specific focus on simplifying the infrastructure delivery value chain.

Finally, the National Treasury manages South Africa's international economic and financial relations. Through our multilateral and bilateral co-operation, we have been able to mobilise unprecedented amounts of resources for government's spending programme, in particular the fiscal response to the COVID-19 pandemic in 2020/21. At the same time, we have also mobilised capacity building and technical assistance through our partners. We will thus continue to maintain our focus on our international commitments.

I wish to extend heartfelt thanks to the Deputy Minister of Finance and to the Director-General and staff of the National Treasury, who continue to work tirelessly for the good of all South Africans.

**Enoch Godongwana**

Minister of Finance

**Date:** 29 September 2021

# 4 REPORT OF THE DEPUTY MINISTER



**DAVID MASONDO**  
Deputy Minister of Finance

The National Treasury is committed to economic recovery through short-term support to the economy, including by fully funding a vaccine rollout and extending support to vulnerable households and public employment initiative. Over the long-term structural reforms are required. The 2020/21 financial year saw a significant breakthrough in the institutional arrangements for structural reforms, with the National Treasury and President's office tasked with coordinating and managing the key intervention of Operation Vulindlela.

Operation Vulindlela is the 'delivery unit' to accelerate the implementation of priority structural reforms. It is also an approach that is designed to support Cabinet and the President to push through necessary reforms. It aims to address key structural constraints to growth, such as shortages of electricity, spectrum, and skills, and bottlenecks and delays in the ports. It is not another new plan, but rather is all about effective implementation of reforms approved by Cabinet, including some of the reforms in the Economic Reconstruction and Recovery Plan.

It is also different to previous initiatives because it is deliberately not comprehensive, and instead focuses on a limited number of high-impact reforms to revive economic growth in the short and medium term. Operation Vulindlela also does not change responsibility and accountability arrangements. Reforms are still implemented by line function Ministries and departments, who remain both responsible and accountable for their implementation. The Operation Vulindlela unit monitors progress, provides support and escalates challenges as and when required.



**PART A: GENERAL INFORMATION**

## 4. REPORT OF THE DEPUTY MINISTER - Cont

Many reforms are complex and technically challenging. They require specialist expertise and support to be implemented effectively. Where limited capacity presents an obstacle to implementation, additional capacity is always mobilised. Moreover, in some cases, policy disagreements regarding the detail of implementation of reforms is resolved at Cabinet level to provide certainty and unlock progress. Where multiple departments and agencies are involved in the implementation of a reform, strong coordination is done.

Operation Vulindlela provides the President and Cabinet with a critical assessment of implementation progress which is independent of the reform implementers, drawing on progress information from various sources including reform implementers, industry stakeholders, and sector experts. The design of Operation Vulindlela avoids unnecessary and top-heavy supervision and monitoring of departments and imposition of onerous reporting requirements. Rather its aim is to offer support, provide coordination where necessary, or resolve policy disagreements and escalate issues where required.

I wish to thank the Minister for his leadership and the Director-General of the National Treasury and his team for their fortitude and hard work during these challenging times.

**David Masondo**  
Deputy Minister of Finance  
**Date:** 29 September 2021



# 5 REPORT OF THE ACCOUNTING OFFICER



**DONDO MOGAJANE**  
Accounting Officer

## 5.1 OVERVIEW OF THE OPERATIONS OF THE DEPARTMENT

This was no ordinary year in what has been an extended period of the unusual. 2020/21 will be remembered as the year in which the COVID-19 pandemic ravaged the globe. For South Africa, the persistent economic challenges were further exacerbated by the containment measures put in place to tackle the health emergency. It will also be remembered as a year of great courage and conviction as South Africans endured the social and economic devastation wrought by the pandemic. Government and social partners alike remained convinced throughout that the well-being of all citizens must be the priority. Social partners came together in joining government to address the urgent needs of those impacted by providing a package of support measures.

For the National Treasury, this has been a year of tireless efforts with an unprecedented increase in the budget process and securing the COVID-19 support measures, whilst continuing in our endeavours to be responsive to a growing economy, safeguarding the fiscal framework, tackling structural constraints, applying measures to restore investor confidence and public trust, reducing policy uncertainty and lower the cost of doing business.



## **PART A: GENERAL INFORMATION**

### **5. REPORT OF THE ACCOUNTING OFFICER - Cont**

Globally, output contracted by 3 per cent in 2020 and although global recovery surprised on the upside from the third quarter of 2020, second and third waves of the virus in early 2021 led to new lockdown measures, hampering the recovery. There is hope that significant progress in access of vaccines will allow for both economic and social “normalisation” in the second half of 2021. The International Monetary Fund (IMF) expects global growth to rise by 6 per cent in 2021, stabilising to around 4.9 per cent in 2022 and South Africa to grow by around 4 per cent and 2.2 per cent in the same periods respectively. This however, will depend on the risks to growth which are on the downside due to global factors such as access to vaccines, inflation, fiscal and monetary support and general uncertainty in financial conditions.

Domestically, over the last decade, the South African economy has grown at a rate stubbornly below what is required to meaningfully address the persistent and debilitating challenges of large-scale poverty, inequality and unemployment. Despite the existing vulnerable social, economic and fiscal state, significant efforts were made to provide support into the economy. A strong and rapid COVID-19 fiscal package was provided with up to R500 billion in economic relief, including R190 billion in main budget spending to bolster the public health sector, protect lives and support livelihoods; R70 billion in tax policy measures; and a R200 billion loan guarantee scheme to support short term economic activity. In addition, the South African Reserve Bank (SARB) reduced interest rates to an historic low of 3.5 per cent and provided additional support to the bond market. Financial sector regulations were eased to support the flow of credit to households and businesses, and commercial banks introduced temporary payment holidays. Despite these efforts, the South African economy declined by 7.8 per cent in 2020/21. The largest contributors to the economic decline were the finance, manufacturing and trade sectors on the production side, while household final consumption and gross fixed capital formation led the decline on the expenditure side. As a result, business confidence continued to decline, reaching a historic low of 5 per cent by February 2021. Despite this, the decline in economic growth was smaller than anticipated as a result of better than expected performance in the third quarter of 2020, due to a rebound in mining, finance and manufacturing, lower inventory drawdowns, and higher global demand and better prices for exports.

The preliminary main budget deficit came in at 11 per cent of GDP in 2020/21, compared to 6.7 per cent in 2019/20, while gross government debt reached 79.1 per cent of GDP (63.3 per cent in 2019/20). South Africa’s risk premium averaged 4.8 percentage points in 2020/21 (compared to 3.4 percentage points in 2019/20), while the rand continued to depreciate, with the average real exchange rate being 8.4 per cent lower than the 2019/20 average. Despite this, Budget 2021 has set out a target to stabilise gross government debt at 88.9 per cent and reach a primary balance by 2025. Lower import prices (predominantly oil) and volumes

## 5. REPORT OF THE ACCOUNTING OFFICER - Cont

and increasing export prices (commodities, particularly gold) led to more favourable terms of trade, a positive trade surplus and a resultant current account surplus of 3.1 per cent of GDP. This was the first current account surplus since around 2003.

Despite these significant challenges, a strong impetus on driving economic growth remained. In 2020/21, the Presidential economic recovery plan was adopted to advance holistic and broad economic reforms. In addition, Operation Vulindlela, a collaboration between the National Treasury and the Presidency, made some progress in addressing many of the structural impediments. The establishment of Infrastructure South Africa (ISA) and the Infrastructure Fund have become instruments for enhancing collaboration and attracting private sector investment.

For the National Treasury, we have resolutely continued to deliver on our primary responsibility of ensuring fiscal sustainability. Efficient and effective use of scarce public resources by spending agencies has been supported through stringent monitoring. Fiscal relations between the national, provincial and local spheres of government were coordinated, encouraging sound budgetary planning at the provincial and local spheres of government, and capacity was built, enabling good public finance management practices. Efforts continued to stabilise state-owned companies (SOCs), exercising exacting oversight to better enable these institutions to contribute to government's developmental objectives in a financially and fiscally sustainable manner. Public debt and funding of government's borrowing requirements as well as its cash resources were optimally managed. Relevant economic research and analysis that informed economic policy and frameworks was conducted and quarterly economic and revenue forecasts were produced. The National Treasury strengthened its commitment to advancing ethical behaviour and good governance in public finance management through various monitoring mechanisms, investigative processes and capacity building initiatives across all spheres and entities in government, giving effect to the Public Finance Management Act (PFMA) and the Municipal Finance Management Act (MFMA). Strategic procurement was further developed and progress made on the draft Public Procurement Bill. Stakeholder relations and communication were extended and expanded, thus strengthening existing partnerships and forging new relations. Change agent programmes such as the Jobs Fund (employment creation facilitation programme), the Municipal Finance Improvement Programme (MFIP) and the Cities Support Programme (CSP) continue to deliver on national imperatives and departmental priorities.

Analysis of monetary and exchange rate policy in light of global and financial market events was conducted as well as research on growth policy, and work commenced on the macroeconomic review. Research was published on the regulation of the fuel price as well as the management, coordination and modelling of the Economic Recovery and Reconstruction Plan (ERRP). Inputs were made into key policy processes including electricity sector reform, economic regulation of rail, the credit guarantee scheme and contributions were made to Operation Vulindlela. In collaboration with the Department of Mineral Resources and Energy (DMRE), Department of Public Enterprises (DPE) and the Presidency, the National Treasury facilitated the commissioning of work to examine the transition of the electricity sector. Quarterly economic and revenue forecasts, accompanied by scenarios highlighting the main risks to the baseline macroeconomic forecast were produced as well as an initial assessment of the impact of the COVID-19 pandemic on the economy.

Tax proposals from the 2020 Budget were drafted, tabled and legislated. Two large base broadening initiatives announced in the 2020 Budget were put on hold in light of the economic climate following the COVID-19 pandemic lockdowns. Revenue collection for 2020/21 surpassed the final estimate in Budget 2021 by R38 billion. Support was provided to the process to implement the recommendations made by the 2018 Commission of Inquiry into Tax Administration and Governance by SARS chaired by Judge Nugent, focusing on the improvement and strengthening of governance arrangements at the South African Revenue Service (SARS).



## **PART A: GENERAL INFORMATION**

### **5. REPORT OF THE ACCOUNTING OFFICER - Cont**

The National Treasury, working with the SARB and the Banking Association South Africa (BASA), also launched a loan guarantee scheme (LGS) to assist small businesses that were negatively affected by the COVID-19 related lockdown. As at 27 March 2021, banks had approved 14 827 in loans to the value of R18.16 billion.

Tax and Financial Sector Policy continued with implementation of the Financial Sector Regulation (FSR) Act, and resumed with process for the appointment of the Commissioner and Deputy Commissioners of the Financial Sector Conduct Authority (FSCA). The board of the Ombud Council was also appointed during the year. The second draft of the Conduct of Financial Institutions Bill was published. Following extensive consultations at the National Economic Development and Labour Council (Nedlac), government welcomed the decision and support by Nedlac social partners to proceed with the harmonisation of retirement benefits emanating from provident funds. Following Cabinet approval, the Financial Sector Laws Amendment Bill (FSLAB) was introduced in Parliament. A draft technical paper entitled "Financing a Sustainable Economy" was published introducing a voluntary framework for financing and disclosures in a manner that responds to the risks posed by climate change. Together with the Intergovernmental Fintech Working Group (IFWG), a revised position paper on crypto assets was published.

Work was done with the Financial Surveillance Department of the SARB to put in place a new capital flow management system that will simplify cross-border trade and financial flows, whilst tightening the system to combat sophisticated financial crimes and detect unexplained wealth and suspicious financial flows.

The challenges of this reporting period were acutely present during the Budget process, with the Budget Office effectively leading three budget processes during a time of particular fiscal constraint in a stressed economy, while having to secure funding for the much needed government response to the COVID-19 pandemic support package. Significantly, the National Treasury led the development of an Infrastructure Fund, including the governance frameworks, and integrated this into the budget process. As part of attracting increased private sector investment and building a pipeline of blended finance projects, the PPP Framework review was initiated to streamline regulatory processes. South Africa continued to be recognised globally for the transparency of its budget process as well as the budget outreach activities conducted with a wide cross-section of South African society, thereby enabling a better understanding of the budget. The in-year monitoring (IYM) reporting of national departments and quarterly reporting systems of public entities were further improved. The global financial crisis has continued to have a deep and profound impact on the current flow of Defined Contribution (DC) funds to the country. As a result, a number of development partners have either withdrawn grant support or have actively been redirecting their focus to new potential economic prospects on the continent. This has led to a reduction of

## 5. REPORT OF THE ACCOUNTING OFFICER - Cont

almost 80 per cent in grant allocations in some cases, with support totalling about R1.458 billion in the 2020/21 financial year. The National Treasury appreciates the continued support, albeit at a lesser scale from the European Union (EU), Germany, United States Agency for International Development (USAID) and Canada. The National Treasury has specifically targeted these scarce resources towards key development priorities focusing mainly on innovation, piloting, and the development of best practices.

During the reporting period, the Labour Court decision has ruled in favour of government's position to not implement the last leg of the 2018 wage agreement. Given the broader economic situation, it would not have been just and equitable for government to expend significant and scarce financial resources on employees whose jobs and salaries are already secured. As a result, government was able to save about R37 billion in the 2020/21 financial year. Moreover, the Labour Court accepted the argument that the original agreement was invalid and unlawful, and also affirmed the National Treasury's constitutional role in safeguarding public finances. Preparations for the new round of wage negotiations have taken place with careful consideration for the broader economic outlook.

Public Finance oversees budgetary planning and execution in national departments, provides advice and analysis on sectoral policies and programmes, monitors public expenditure, and advises on financial and budgetary aspects of public policy and spending proposals. A number of spending reviews were completed as precursors to the introduction of zero-based budgeting. Work was done in conjunction with the Presidency to establish the Presidential youth employment initiative. As part of the One-Stop Border Post (OSBP) implementation steering committee, further work was done on the development of the OSBP policy and the re-development of the six ports of entry. Advice and support were provided to the Department of Public Works and Infrastructure (DPWI) on its provision of quarantine facilities during the COVID-19 pandemic. Together with the Intergovernmental Relations Division, advice and support were given to the Department of Health (DOH) and the DPWI on the provision of quarantine sites nationwide.

Policy support and advice were provided for the budget of the Zondo Commission of Inquiry into State Capture, the allocation of in-year additional funding to law enforcement agencies and courts involved in the fight against corruption. Similarly, support and advice was given in respect of the potential allocation of funding from the Criminal Asset Recovery Account to fund departmental interventions aimed at eradicating incidences of gender-based violence and femicide (GBVF), and additional funding to the Information Regulator, entrusted with monitoring and enforcement of compliance by public and private bodies for the provisions of the Protection of Personal Information Act (2013) and Promotion of Access to Information Act (2000). Support was provided to the Deputy President's intervention to deal with service delivery challenges in the Department of Military Veterans.

Advice and support were provided to the Department of Basic Education (DBE) on reviewing conditional grant frameworks to address new needs of the sector brought on by the COVID-19 pandemic, including extending the scope of the National School Nutrition Programme. Assistance and advice on the design of the basic education employment initiative were given, and the National Treasury served on the project steering committee and assisted and advised the sector on the planned shift of the early childhood development function from social development to basic education. Input and advice to resolve the funding shortfall of the National Student Financial Aid Scheme (NSFAS) in 2021 was provided, as well as on the process of moving agricultural colleges from provincial to a national competence. The National Treasury and Unemployment Insurance Fund (UIF) deliberated on the funding, calculation of benefits, IT systems and communications of the COVID-19 Temporary Employee Relief Scheme (TERS) benefit as well as partnered on the steering committee on the Review of the Unemployment Insurance Contributions Act and on the adjudication committee for Public Employment Services Subsidy Schemes for People with Disabilities.



## **PART A: GENERAL INFORMATION**

### **5. REPORT OF THE ACCOUNTING OFFICER - Cont**

The National Treasury provided extensive support for the health response to the COVID-19 pandemic, including facilitating the budget allocations to the sector in the 2020 special adjustments budget, creating a new conditional grant component for COVID-19, participating in epidemiological and cost modelling processes and discussions, facilitating the budget allocations for the COVID-19 vaccine rollout, and supporting the establishment of the COVID-19 no-fault compensation fund. In supporting the Department of Social Development, the National Treasury analysed, costed and tracked spending on COVID-19 emergency top-up grants and the introduction of the special COVID-19 Social Relief of Distress Grant, all aimed at supporting individuals and households during hard lockdown. Support and advice for the activities of the GBVF inter-ministerial committee task team was provided, consultations facilitated, and virements to support the operationalisation of the planned GBVF council given.

Support was provided to the Department of Small Business Development (DSBD) in establishing the various funding streams and mechanisms to support small businesses affected by COVID-19. This took the form of creating a new transfer payment to Small Enterprise Finance Agency, called COVID-19: Emergency Fund. The National Treasury chaired the steering committee on the European Union funded programme for employment promotion through small, micro and medium enterprise support. The National Treasury participated in the evaluation of applications for the Agro-Processing Support Scheme and the Aquaculture Development and Enhancement Programme as well as the Downstream Steel Industry Competitiveness Fund. As a member of the reference group on financing methodologies for biodiversity, the unit participated in the development of financing solutions for biodiversity. The National Treasury continued to convene the quarterly National Treasury working group on climate change, was a representative on the national adaptation funds advisory body, and the strategic advisory group on natural capital accounting, and acted as the primary focal point for the World Bank national determined contribution support facility. The Department of Tourism was assisted in the establishment of the short term tourism relief funds and shifting of funds to South African Tourism, including the establishment of the tourism equity fund over the medium term. National Treasury provided support in establishing a COVID-19 response fund to support subsistence and small holder farmers as well as through the Presidential employment stimulus, with funding support for small holder and subsistence farmers affected by the COVID-19 pandemic to ensure national food security.

The National Treasury continued to sit on the disaster management task team. Work on the funding reforms for upgrading informal settlements was finalised and two new conditional grants were included in the 2021 Division of Revenue Bill. The National Treasury participated in consultations on various legislative reforms undertaken relating to the implementation of the Information and Communication Technology Policy White Paper, and continued to provide support

## 5. REPORT OF THE ACCOUNTING OFFICER - Cont

to the broadcasting digital migration programme and the capacitation of the Independent Communications Authority of South Africa (ICASA) to undertake the spectrum auction. Further work was done to strengthen financial management systems in the Department of Water and Sanitation and coordination of intergovernmental efforts to deal with pollution in the Vaal River system. The National Treasury sat on various task teams related to transport policy reform, including roads, rail, maritime, civil aviation and public transport. The Department of Transport was supported on financial modelling and funding options for the Gauteng freeway improvement project as well as participating in the intergovernmental steering committee for the rolling stock fleet renewal programme.

Intergovernmental Relations (IGR) coordinates fiscal and financial relations between the national, provincial and local spheres of government as well as making inputs to the Division of Revenue, the annual Division of Revenue Bill and Division of Revenue Amendment Bill and the development of the framework for managing conditional grants. The 2020 Division of Revenue Bill included an additional R10.4 billion for provinces over the medium term to respond to subsequent waves of the COVID-19 pandemic and for administering the COVID-19 vaccination. A number of new grants were introduced, including a standalone Informal Settlement Upgrading Grant and the Programme and Project Preparation Support Grant for metros to assist with development of investment-ready capital programmes and projects. The Municipal Fiscal Powers and Functions Act is being amended to regulate the levying of the development charges, with the aim of establishing an unambiguous, fair and consistent basis for municipalities to recover development charges for all land development projects that require statutory approvals through the municipal land use planning system.

The Cities Support Programme continued supporting metropolitan municipalities to take the lead in the development of more inclusive, productive and sustainable cities. During the reporting period, the built environment plans of all metros were subjected to an external independent assessment, with the results shared with the respective metros. An addendum to Circular 88 that included further refinements of a standard set of sector indicators was published. Leadership support continued with the hosting of two seminars on leadership challenges in the COVID-19 environment. Eight draft metro spatialised economic data reports and five economic development situational reports were completed for five townships in the metro. A resilient capital investment planning workshop for metros was held and metros presented eight investment pitches to development financial institutions (DFIs) for potential support. Work was done to enable the competitive procurement of new clean/renewable generation capacity by municipalities as well as a review with four metros of their water service business models. A three-year programme on land value capture (LVC) has commenced with the Development Action Group (DAG) and the Lincoln Institute of Land Policy. Support continued to implement the Infrastructure Delivery Management System (IDMS) to improve infrastructure delivery performance across the provinces and in local government. Thirty five provincial infrastructure plans were assessed in collaboration with the relevant Departments of Basic Education and Health.

Assessments were conducted on whether the 2020/21 tabled budgets were funded, with the finding that all tabled budgets of all metropolitan municipalities were funded. Work continues with municipalities having implemented the Municipal Standard Chart of Accounts (mSCOA) to various levels. Continuous improvement has been made to the conditional grant monitoring framework for local government. In the 2020/21 municipal financial year, municipalities were allocated R85.7 billion in the form of the equitable share. This includes R11 billion allocated for COVID-19 relief and a total amount of R29 billion was transferred to municipalities by 31 March 2021 for direct conditional grants. R2.6 billion was not transferred to municipalities as a result of offsetting 2019/20 unspent conditional grants. The National Treasury continued to assist under-performing municipalities to improve spending and manage their conditional grants. A total number of 176 municipalities requested rollovers for the 2019/20 unspent conditional grants. A total rollover value of R4.2 billion of the R6.5 billion requested was approved. During the 2020/21 financial year, up to the third quarter of the municipal annual reporting period, the Department of Cooperative Governance and Traditional Affairs (CoGTA), which administers the Municipal Infrastructure Grant (MIG), reflected expenditure of 62.5 per cent of the grant as at 31 March 2021. This is considerably higher than previous reporting periods.



## **PART A: GENERAL INFORMATION**

### **5. REPORT OF THE ACCOUNTING OFFICER - Cont**

Section 19 of the 2020 DoRA stipulates that the National Treasury may, in its discretion or at the request of a transferring national officer or receiving officer, stop the transfer for schedule 4 and 5 allocations pertaining to anticipated underspending on programmes or allocations by the municipalities. Such action was taken against 106 municipalities with the unspent funds being reallocated to municipalities that have fast-tracked implementation of projects and have the capacity to spend in full by 30 June 2021. The stopping and reallocation of funds was implemented for the Human Settlements Development Grant. There was also a conversion of the School Infrastructure Backlog Grant to the Education Infrastructure Grant, and from the Provincial Emergency Housing Grant to the Municipal Emergency Housing Grant. The provincial budget benchmark meetings were successfully held virtually in spite of the difficult budget process in the period under review.

With regard to intervention in the North West province, presentations have been made to the ad hoc committee on the state of its finances. One of the priorities of the intervention was to improve the quality of health services for the citizens of North West and the budget of the Department of Health was accordingly increased.

To date the Jobs Fund has issued eight calls for proposals with R9 billion in grant funding allocated to a portfolio of 146 job creation projects and has thus far crowded in an additional R11 billion from project partners. The Fund has facilitated the creation of 177 213 permanent jobs, exceeding the target of 150 000, with project partners having created an additional 15 486 seasonal jobs, 63 531 short term jobs, 22 780 internships and trained 266 358 people. The Jobs Fund's overall grant cost per job created for government is competitive at R20 013. The Jobs Fund provided additional support to mitigate the potential impact of COVID-19 and resultant lockdown. As at 31 March 2021, R217 million in COVID-19 support grants were disbursed supporting 642 034 beneficiaries; this included small, medium and micro enterprises, smallholder farmers, work seekers, and community members. In addition, 9 524 jobs were retained. The Harambee Youth Employment Accelerator has supported more than 600 000 of these beneficiaries through its online support platforms. Young work seekers were able to access COVID-19 support services and other job-related information digitally.

Assets and Liabilities exercised oversight over SOCs to ensure their alignment with government priorities, financial sustainability and soundness of governance as well as identifying emerging risks so that appropriate proactive actions could be taken. To this end, the Minister approved the minimum criteria that must be met by state-owned entities (SOEs) and government departments when submitting requests for government guarantees. When fully implemented, these will ensure that guarantees are issued only to SOEs that can clearly demonstrate their ability to service the debt acquired on the back of government guarantees. Notwithstanding that a number of SOEs revised and resubmitted their corporate plans to reflect amendments necessitated by the consequences of the COVID-19 pandemic, all were reviewed. Equally, annual reports submissions were reviewed noting that several were submitted beyond the stipulated deadline. These will be reviewed in



## 5. REPORT OF THE ACCOUNTING OFFICER - Cont

the next reporting period. The Land Bank, after approval by the Minister and due to current challenges, has submitted neither a corporate nor an annual plan. The process of stabilising the financial position of the Land Bank is continuing with ongoing negotiations with its lenders to address its default status.

The financial performance of SOEs continues to deteriorate, compounded by the emergence of the COVID-19 pandemic and its implications on business, leaving them unable to effectively deliver on their mandates without significant government backing. A process has been underway to appoint new boards for the Public Investment Corporation (PIC) and Land Bank. Key activities undertaken during this reporting period included Denel SOC Ltd being issued with an additional government guarantee of R2.5 billion. Government guarantee requests for the South African National Roads Agency SOC Ltd (SANRAL) and the Sedibeng Water Board was not concurred with. In terms of section 70 of the PFMA, government settled guaranteed obligations which were in default of R267 million and R137 million for South African Airways (SAA) and South African Express (SAX) respectively. Various Section 54 PFMA applications were finalised for the Airports Company of South Africa (ACSA), SAX, the Industrial Development Corporation (IDC), SAA, Mango Airlines, Eskom, Central Energy Fund (CEF), and the South African Bureau of Standards (SABS). Tariff submissions from all nine water boards were reviewed and responded to. Recapitalisation of R23 billion was provided to Eskom for 2019/20 and 2020/21 as allocated in the 2019 budget and the 2019 Special Appropriation Act provided Eskom with an additional R26 billion in 2019/20 and R33 billion in 2020/21 to assist the entity to settle debt and interest payments. Recapitalisation requests for ACSA, Denel, Land Bank, South African Post Office (SAPO), South African Broadcasting Corporation (SABC), SAA and SAX were reviewed and analysed and inputs provided. The Land Bank repaid debt of R2.7 billion thereby reducing government guarantee exposure. Shareholder compacts with PIC, South African Special Risk Insurance Association (SASRIA), SAA, Land Bank and DBSA were concluded. Implementation of SOC reforms through inclusion of key reform initiatives as conditionalities to recapitalisations and guarantees provided by government was pursued. Denel and SABC consequently made provisions for the disposal of non-core assets, strategic equity partnerships and the costing of developmental mandates.

By the end of the financial year and after a number of downgrades, Moody's and Fitch had downgraded the sovereign's credit ratings to 'Ba2' and 'BB-' respectively. Both agencies maintained a negative outlook. S&P affirmed the country's foreign and local currency ratings at 'BB-' and 'BB' respectively, and maintained a stable outlook. According to the agencies, lack and/or slow pace of structural reform implementation aimed at reviving economic growth and lack of a clear path towards government's debt stabilisation remain the main credit constraints. Further, the impact of the COVID-19 pandemic shocked the already deteriorating public finances and exacerbated pressure on the country's ratings. Although the debt portfolio has grown from a gross loan debt of R2.0 trillion in March 2016 to an estimated gross loan debt of R3.9 trillion in March 2021, none of the strategic risk benchmark indicators were breached. The government successfully financed the gross borrowing requirement of R619.5 billion. This was financed through net issuance of domestic short-term loans (R95.3 billion), domestic long-term loans (R523.4 billion) and foreign loans of R91.9 billion (US\$5.6 billion). In addition, cash and other balances increased by R91.2 billion mainly on the back of improved revenue collections. During the reporting period, R6.8 billion of short-dated bonds were exchanged for long-dated bonds.

The Office of the Accountant-General (OAG) continued to facilitate accountability and transparency in the management of the country's financial resources. A memorandum of understanding (MoU) with CoGTA was signed, which, once finalised, will support the streamlining and consolidation of operations. The financial grant was transferred to all municipalities. An annual MFMA compliance report was issued highlighting progress made and emphasising areas where remedial action is required to address challenges. The municipal helpdesk facility and MFMA circulars continue to be effective tools for providing guidance and assistance to local government. Further proactive support was provided and preventative strategies engaged through sessions of the Chief Financial Officer forum. A draft Unauthorised Irregular, Fruitless and Wasteful Expenditure (UIFW) reduction strategy for municipal spheres was developed and is being consulted. An automated, electronic and web-enabled audit action plan has been developed and will be piloted in 2021. It is envisaged that once fully deployed, this will set the standard and uniform measure for all municipalities as well as facilitating effective in-year monitoring and oversight by provincial treasuries and the



## **PART A: GENERAL INFORMATION**

### **5. REPORT OF THE ACCOUNTING OFFICER - Cont**

National Treasury. Two MFMA extension notices were provided to assist in dealing with processes affected by COVID-19 measures.

Reporting deadlines of both financial statements and annual reports as stipulated in the PFMA were adjusted with a two month extension. This consequently impacted on the preparation and tabling of the 2019/20 consolidated financial statements, the National Revenue Fund and the Reconstruction and Development Programme Fund. Nevertheless, all were tabled by the extended deadline. Support was provided to national departments, provincial treasuries, entities and municipalities on accounting and reporting queries, improvement of audit outcomes, annual financial statements (AFS) preparation plans and audit action plans. Further support was provided during stakeholder engagements such as mid-term budget visits, MFMA joint meetings and the Public Sector Accounting Forum. Challenges posed by the national lockdown were effectively mitigated through virtual engagements and electronic submissions.

Continued support was provided to internal audit and risk management in the PFMA and MFMA spending agencies. Virtual information sharing platforms and forums with chief audit executives were convened to provide information, give guidance and facilitate engagement. Audit committees were supported, state of readiness assessments were conducted and audit committee surveys administered. The standing MoU between the National Treasury and the Institute of Internal Auditors was revised, the National Treasury secured a seat on the IASA public sector committee, and relations were further strengthened with the public sector audit committee including the review of founding terms of reference and the issuing of two guidance papers.

Further support measures were implemented in response to the consequences of the COVID-19 pandemic, including issuing a guide for departments on Financial Reporting Implications COVID-19, a generic SOP for the receipt of in-kind donations, retaining the 2019/20 Modified Cash Standard for application by departments in the 2020/21 financial year but issued updates to the MSC for application from 1 April 2021 and updated eight of the MCS supporting accounting manuals. To provide further support to institutions applying GRAP, three implementation guides were updated, a quick reference summary of each Standard published, and a comprehensive GRAP accounting and disclosure checklist.

The implementation of the Integrated Financial Management Systems (IFMS) has been accelerated with all assignments leading up to the Common Design having been completed including change readiness assessment, pre-common design training and the conceptual model for the IFMS Centre of Excellence. Efforts have been made to mitigate delays experienced in the procurement process and a new panel of systems implementers will be established to support the national roll out

## 5. REPORT OF THE ACCOUNTING OFFICER - Cont

of IFMS. The frequent sitting of the IFMS governance structures has ensured timeous decision making resulting in accelerated implementation in various areas of the programme.

Critically to the whole of government, a stable platform for the systems operations of government was provided. Investigative capacity was provided to the state, with 21 forensic investigations and two specialised performance audit reports conducted. Advisory services were provided to law enforcement agencies and anti-corruption task teams, capacity building was provided to law enforcement institutions and collaboration continued with the NPA's Asset Forfeiture Unit.

Due to the impact of the COVID-19 lockdown and restrictions, a number of extensions were granted to PFMA institutions, providing additional time to comply with reporting requirements. A National Treasury Instruction No. 7 of 2020/21 was issued by the OAG to address the control environment during the national state of disaster. Concerningly, the AG's general report on audit outcomes for the 2019/20 financial year showed an increase in irregular expenditure and fruitless and wasteful expenditure but a decrease in unauthorised expenditure disclosed in annual financial statements of PFMA institutions. The National Treasury continues to provide support to PFMA institutions to implement the Irregular and Fruitless and Wasteful Expenditure Frameworks. Institutions were assisted to resolve disputes that may have arisen with the AG during the 2020/21 audits. Information sessions were hosted and assistance provided to address old balances of irregular expenditure. Monitoring of and reporting on compliance with the requirement to pay suppliers within 30 days from receipt of an invoice by national and provincial departments continued.

Capacity building continued to make a significant impact with the enabling support of donors, including considerable progress made on the Financial Management Capacity Building for Improved Service Delivery (FMISD) programme with the support of European Union funding. Two experts were placed in the Eastern Cape and Northern Cape Treasuries respectively. The recruitment process is underway to place a municipal finance advisor in each of the selected eight municipalities in the two provinces. Notable progress continued to be made in the Procurement, Infrastructure and Knowledge Management (PINK) programme, funded by Swiss State Secretariat for Economic Affairs (SECO). Technical advisors were assigned to all eight PINK pilot municipalities. In addition, supply chain management (SCM) value chain capacity assessments were completed as well as the development of a range of SCM toolkits and the LG-IDMS toolkit. The Local Government IDMS module 1 was developed and the project to assess knowledge management practices in the National Treasury and the eight municipalities was launched. The bi-annual Donor Coordination Forum was conducted as well as a number of MFMA capacity building measures initiated and institutionalised across all 257 municipalities. A significant impact continued to be made in providing training opportunities for 1 200 interns in the financial year. In addition, 9 500 municipal officials accessed training, 8 000 registered for the e-learning MFMA induction programme and 19 trainee accountants were recruited into the Chartered Accountants Academy. Four candidates qualified as chartered accountants in this reporting period with 72 successfully registered as Chartered Accountants since the inception of the Academy. Two workplace practice-based internal audit short-learning programmes were delivered with 218 delegates trained. R4.8 million was received from the Finance and Accounting Services Sector Education and Training Authority (FASSET) to rollout a Public Sector Accounting Technician Learnership Certificate in line with National Qualifications Framework (NQF) Level 3 in four provinces and targeting 65 unemployed youth. In July 2018, with R6 million in funding from FASSET, the National Treasury launched a Public Financial Management Internship Programme for 20 unemployed Bachelor of Commerce graduates in Mpumalanga and Northern Cape. The programme is in its second year and the learners are progressing well, in line with workplace rotations and competencies. Pilot delivery of the Supply Chain Management (SCM) Learnership Programme (National Certificate: Supply Chain Management) to 100 employed learners in Gauteng and Mpumalanga was concluded. Another pilot delivery of the SCM Learnership Programme (National Certificate: Supply Chain Management) to 30 unemployed learners in Limpopo and 59 in the Northern Cape was also concluded.



## **PART A: GENERAL INFORMATION**

### **5. REPORT OF THE ACCOUNTING OFFICER - Cont**

During this reporting period, the MFMA helpdesk continued to provide support and assistance to municipalities and municipal entities with 89% of all requests responded to within 30 days of receipt. To address UIFW expenditure, work has been done with DPME and CoGTA to include financial indicators and reporting on progress on MTSF (2014-2019) Outcome 9. The MoU between the National Treasury and CoGTA continues to be refined and once completed will inform amendments to the MFMA and the Municipal Systems Act as appropriate. As part of the transitional process the National Treasury and provincial treasuries commenced planning and piloting support to prioritised municipalities that received adverse and disclaimer audit opinions. This support was provided to 15 municipalities with a positive impact in improved audit outcomes as a result. The support covers a wide range of initiatives, interventions and capacity building measures. Engagements were held with senior municipal management of the top ten contributors to UIFW expenditure. Root causes were identified and steps are being taken by the municipalities in processing expenditure to put controls in place to minimise the risk of recurrence. MFMA coordinators meetings were held, the Financial Management Grant was transferred to all 257 municipalities and support plans submitted by municipalities were reviewed.

The Office of the Chief Procurement Officer continued to exercise oversight over compliance with SCM policies, procedures, norms and standards. The draft Public Procurement Bill was published for public comment in February 2020 with nearly 4 600 comments received by the closing date of 30 June 2020. It is anticipated that the bill will be tabled for consideration in Parliament by December 2021. The bill envisages the creation of a single regulatory framework that will apply to all spheres of government and a single regulatory oversight body that will support the establishment of a procurement system that will provide for different types of procurement, eliminate the abuse of the SCM system and improve good governance and efficiencies while simplifying processes and maximising value for public money. Various instructions were issued during the reporting period in line with policy interventions and proposed designation of products for enhancing SCM policies. SCM directives were issued including those relating to emergency procurement. Progress was made on the establishment of an interim SCM council which will spearhead the professionalisation of the SCM discipline in the public and private sectors.

Forty one transversal contracts were renewed in categories such as transport, medical services, educational services, voice and telecommunication, and clothing and textiles. Transversal contracts support achieving economics of scale through bulk purchasing, thus realising savings in public procurement.

The Central Supplier Database (CSD) continues to simplify and strengthen accessibility of doing business with the state with 886 782 registered suppliers in

## 5. REPORT OF THE ACCOUNTING OFFICER - Cont

this reporting period, of which 271 742 were women, 259 658 youth and 6 474 persons with disabilities. Transparency of public procurement information was strengthened with the introduction of the dashboard on COVID-19 procurement available on the National Treasury website. This information tool will be expanded in the future to include all public procurement.

Government procurement continued to be monitored with malpractices identified and procurement irregularities acted on to ensure compliance. Oversight of compliance with all SCM policies, norms and standards continued and procurement plans, deviations, and contract expansions were published to ensure transparency in public procurement. An initiative to strengthen the SCM of identified institutions was launched, with Transnet, NPA, SANRAL and Eskom being the first beneficiaries.

Through strategic procurement initiatives, sourcing strategies were developed for a government online travel booking tool. Further progress was made on the implementation of the Strategic Procurement Framework as well as sourcing projects on bulk fuel and health technology. Training sessions were conducted on the National Travel Policy Framework as well as the rollout of a training programme nationally in partnership with the Presidency to capacitate and educate women in business. Further stakeholder engagement and communication campaigns included education for suppliers conducted in four provinces through the medium of radio.

International Financial Relations successfully supported South Africa's effective engagement in the approval of the International Development Associations' response to the impact of the COVID-19 pandemic including bringing forward the IDA-20 replenishments negotiations by a year to ensure that low income countries (LICs) have access to financial resources in 2022. Coordinated by the National Treasury, engagements were held between the World Bank and various departments to conclude the new Country Partnership Framework (CPF). The African Development Bank (AfDB) provided support to South Africa's response to the COVID-19 pandemic with a loan of R5 billion geared towards enhancing social protection income and food security provision. In addition, the Minister of Finance participated in a five member country ad hoc panel on the review of governance instruments of the AfDB.

Continued support was provided to the Minister of Finance on the budget oversight role at the African Union (AU) through the Committee of Fifteen Finance Ministers (F15). The National Treasury participated in the AU Scale of Assessment negotiations for the Peace Fund to develop the Southern Africa position. The proposed scale by the National Treasury was endorsed and formally submitted by the southern region for adoption by the assembly in February 2021. South Africa's term in the F15 came to an end in February 2021; the Permanent Mission to the African Union Commission was informed of its wish to continue to serve for another term until 2023.

Oversight was exercised over the effective governance of the Southern African Customs Union (SACU) Secretariat by participating in the quarterly finance and audit committee (FAC) meetings, overseeing the implementation of the 2020/21 budget and business plan and the approval of the internal audit plan. Governance was further strengthened with the approval of the revisions of the Social Media Policy, Fraud Prevention Strategy and the Whistle-blower Policy as well as the review of the conditions of service for the Secretariat and guidelines for the appointment of the SACU Secretariat Executive Secretary and Deputy Secretary. Under the chairpersonship of the previous Minister of Finance, Minister TT Mboweni, the 4th SACU Ministerial Retreat developed a new vision and work programme for. As part of implementing the 2002 SACU agreement, the National Treasury continued to manage the Common Revenue Pool. As part of the 2020 trade data reconciliation task team meetings, the National Treasury successfully championed calls to review the compensation structure of the SACU Secretariat.



## **PART A: GENERAL INFORMATION**

### **5. REPORT OF THE ACCOUNTING OFFICER - Cont**

The National Treasury continues to effectively represent South Africa in the finance track of the Brazil, Russia, India, China, South Africa (BRICS) formation as well as in the BRICS public private partnership and infrastructure task force which is aimed at advancing collaboration on infrastructure investment and exchanging best practices. The focus in this reporting period was on digital platforms and the use of digital technologies. Since signing the articles of agreement and becoming a member of the New Development Bank (NDB) in 2014, South Africa has secured funding to the value of US\$5.343 billion, including two COVID-19 emergency loans.

The National Treasury led South Africa's effective engagement and coordination with the finance track of the Group of Twenty (G20) where it advocated for the country's economic and financial interests. Critical to this was drafting South Africa's 2020 finance strategy for engagement with the G20 which was endorsed by Cabinet. Key amongst these is the G20 Compact with Africa (CwA) initiative, co-chaired by South Africa and Germany's finance ministers, which aims to stimulate economic activity in African economies and has enrolled 12 African countries since its launch in 2017.

The National Treasury secured US\$4.3 billion in emergency support from the International Monetary Fund (IMF) to address the COVID-19 pandemic. This assistance was secured through the rapid financing instrument (RFI) which does not require IMF policy conditionalities. South Africa also successfully advocated for a general allocation of the IMF's special drawing rights (SDRs) to provide additional liquidity to the global economic system by supplementing the reserve assets of the IMF's member countries. The IMF Managing Director will make a formal proposal for a general SDR allocation at the board and thereafter South Africa and all other IMF members will receive SDRs in accordance with their quota shares.

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, as well as providing similar benefits to retired members of the military. The programme achieved 100 per cent resolution of the integrity of data against a target of 90 per cent, 100 per cent reduction of fraudulent claims and 100 per cent of benefits were paid within 45 days. The programme paid out pensions and benefits of R5.1 billion with the overall number of pensioners and beneficiaries increasing by 5 per cent from 147 332 in 2019/20 to 155 156 in this reporting period.

## 5. REPORT OF THE ACCOUNTING OFFICER - Cont

## 5.2 OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT

### 5.2.1 DEPARTMENTAL RECEIPTS

The table below provides a breakdown of the sources of revenue and performance for the 2020/21 financial year.

**Table 1: Source of Revenue**

DEPARTMENTAL RECEIPTS	2019/20			2020/21		
	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	14 401	75 445	-61 044	14 328	9 901	4 427
Interest, dividends and rent on land	3 971 305	8 303 466	-4 332 161	4 937 901	6 838 487	-1 900 586
Sale of capital assets	-	35	-35	-	-	-
Financial transactions in assets and liabilities	275 060	260 141	14 919	275 788	76 386	199 402
<b>Total</b>	<b>4 260 766</b>	<b>8 639 087</b>	<b>-4 378 321</b>	<b>5 228 017</b>	<b>6 924 774</b>	<b>1 696 757</b>

The revenue received on the interest and dividends item relates to 98.75 per cent of the department's total revenue. The department under collected by R1.696 billion mainly due to lower interest income received from investments in the tax and loan accounts for the period.

### Sale of Goods and Services

The lower amount of R4.427 million is mainly due to a decrease in guarantee fees collected and there were no guarantee fees collected from South African Airways (SAA), South African National Roads Agency Limited (SANRAL).

### Interest


The under collection of R1.900 billion is mainly due to lower interest income received from investments in the tax and loan accounts.

### Financial Transactions

The deficit of R199.402 is due to lesser than anticipated surplus funds received from entities.

### 5.2.2 PROGRAMME EXPENDITURE

The table below provides a high-level comparison of 2019/20 versus 2020/21 of the expenditure incurred by the Department against appropriated funds.

A hand holding a glowing lightbulb over stacks of coins on a desk. The background is a blurred office setting with a computer monitor and papers. The lightbulb is illuminated, casting a warm glow. The coins are stacked on a wooden surface. The overall scene suggests financial growth and innovation.

**2020/21**  
NATIONAL TREASURY  
**ANNUAL  
REPORT**  
VOTE 8



## 5. REPORT OF THE ACCOUNTING OFFICER - Cont

Table 2: Payment expenditure made by programmes for the period 1 April 2020 to 31 March 2021

PROGRAMME	2019/2020			2020/21		
	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	511 370	453 634	57 736	529 287	496 345	32 942
Economic Policy, Tax, Financial Regulation and Research	138 125	124 881	13 244	141 919	124 731	17 188
Public Finance and Budget Management	2 982 390	2 936 118	46 272	2 802 782	2 697 171	105 611
Asset and Liability Management	102 929	96 718	6 211	3 035 331	3 022 592	12 739
Financial Accounting and Supply Chain Management Systems	1 004 188	796 790	207 398	833 973	696 625	137 348
International Financial Relations	5 948 131	5 458 763	489 368	6 650 492	6 640 501	9 991
Civil And Military Pension Funds and Other Benefits	5 524 503	5 487 100	37 403	5 317 128	5 188 781	128 347
Revenue Administration	9 529 031	9 529 031	-	10 271 873	10 271 873	-
Financial Intelligence and State Security	4 951 053	4 951 053	-	4 942 888	4 942 888	-
<b>Total</b>	<b>30 691 720</b>	<b>29 834 088</b>	<b>857 632</b>	<b>34 525 673</b>	<b>34 081 507</b>	<b>444 166</b>

The department's budget allocation for the 2020/21 financial year activities was R34.526 billion. Actual expenditure as at 31 March 2021 amounted to R34.082 billion, representing 98.72 per cent of the total allocated budget. The main contributors to the underspending are made up:

- **Compensation of Employees:** The under-spending of R81.7 million was due to vacant positions, freezing of non-critical posts, the suspension on the implementation of the Cost of Living Adjustment (COLA).
- **Goods and Services:** The R175.6 million under-spending was due to:
  - Integrated Financial Management System (IFMS) Project.
  - Specialised Audit services.
  - Employment Creation Facilitation Fund (ECFF).
  - Government Pensions Administration Agency (GPAA) admin claims.
- **Transfers and Subsidies:** The main components of the R165.4 million under-spending relates to:
  - Post-retirement medical benefits.
  - Jobs Fund grant.
  - Government Technical Advisory Centre (GTAC).
- **Payment of Capital Assets:** The underspending of R23 million is mainly within CD: SCM ICT relating to the replacement of the Back-Up Solution hardware and laptops which could not be delivered due to unanticipated worldwide delays from the Original Equipment Manufacturers (OEMs).



**PART A: GENERAL INFORMATION**

**5. REPORT OF THE ACCOUNTING OFFICER - Cont**

**PROGRAMME 1**

Administration spent R496.345 million, which represents 93.78 per cent of the allocated budget.

**PROGRAMME 2**

Economic Policy, Tax, Financial Regulation and Research spent R124.731 million, which represents 87.89 per cent of the allocated budget.

**PROGRAMME 3**

Public Finance and Budget spent R2.697 billion, which represents 97 per cent of the allocated budget.

**PROGRAMME 4**

Asset and Liability spent R3.023 billion, which represents 99.58 per cent of the allocated budget.

**PROGRAMME 5**

Financial Accounting and Supply Chain Management System spent R696.625 million, which represents 83.53 per cent of the allocated budget.

**PROGRAMME 6**

International Financial Relations spent R6.641 billion, which represents 99.85 per cent of the allocated budget.

**PROGRAMME 7**

Civil and Military Pension Funds and Other Benefits spent R5.189 billion, which represents 97.59 per cent of the allocated budget.

**PROGRAMME 8**

Revenue Administration transferred R10.272 billion, which represents 100 per cent of the budget allocated.

**PROGRAMME 9**

Financial Intelligence and State Security transferred R4.943 billion, which represents 100 per cent of the budget allocated.

## 5. REPORT OF THE ACCOUNTING OFFICER - Cont

### 5.2.3 VIREMENTS/ROLLOVERS

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

- Programme 6 received an additional R120 million to cover the shortfall on the transfer payment for the Common Monetary Area compensation (CMA) for the rand circulation in Lesotho, Namibia and eSwatini.
- Programme 4 received an additional R1.5 million to cover the payment for the leave gratuities for resigned/retired employees within the Asset and Liability Management division.

No rollovers were requested by the Department.

### 5.2.4 UNAUTHORISED EXPENDITURE

No unauthorised expenditure has been 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 R388.233 million. Fifteen cases of an amount of R66.175 million were reported in 2020/21. During the reporting period, an amount of R154.161 million of irregular expenditure was condoned. The department has a closing balance of R300.247 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

No fruitless and wasteful expenditure was incurred during the reporting period. The Department made a payment of R67 million for technical support and maintenance of software licenses for the Integrated Financial Management System (IFMS). The issue of fruitless and wasteful expenditure for the IFMS annual software license support is under dispute. The disclosure of the fruitless and wasteful expenditure in the previous and current financial year(s) did not necessarily mean that the NT Management agreed and accepted that such payments are fruitless and wasteful expenditure.

### 5.2.7 SUPPLY CHAIN MANAGEMENT

The National Treasury does not use the unsolicited bid process.

The National Treasury Supply Chain Management (SCM) unit has done great progress in the enhancement of contract management processes. The SCM control environment has been strengthened in terms of non-compliance due to frameworks, standard operating procedures and the improved performance risk management case by case mechanism implemented. The unit also experienced challenges in the area of procurement of goods and services due to the COVID-19 global pandemic restrictions/lockdown.

Based on the outcome of the gap analysis identified, the following improvement activities are underway:

- Enhancement of the bidding processes turnaround times.
- Develop mechanisms to improve monitoring tools related to supplier performance and NT-user compliance.



## **PART A: GENERAL INFORMATION**

### **5. REPORT OF THE ACCOUNTING OFFICER - Cont**

- Analyse and develop mechanisms to improve performance management information related to NT SCM as a whole.
- Develop mechanisms to improve communication and relations between SCM and its clients.

#### **5.2.8 NON-ADJUSTING EVENTS AFTER THE REPORTING DATE**

In July 2021, there was civil unrest in the KwaZulu-Natal and Gauteng provinces. The department has assessed the impact and made provision of R33.850 billion to cover the following critical activities:

- R26.7 billion for Social Relief of Distress;
- R3.9 billion to SASRIA to cater for claims from businesses who were affected,
- R2.3 billion for DT7 & Department of Small Business Development; and
- Additional budget allocation of R950 million for SANDF and SAPS

#### **5.2.9 OTHER MATTERS**

There were no other material facts or circumstances to be reported.

### **APPRECIATION AND CONCLUSION**

I wish to thank the establishment of Infrastructure South Africa (ISA) and the Infrastructure Fund which have become instruments for enhancing collaboration and attracting private-sector investment. Special thanks also to the National Treasury team, of whom we continue to ask much under demanding circumstances. They serve the National Treasury and the South African public with tenacious dedication, integrity and professionalism.

I extend my gratitude to Minister Tito Mboweni and Deputy Minister David Masondo for their guidance during challenging times, and extend a warm welcome to our new Executive Authority, Minister Enoch Godongwana.

The National Treasury is constantly learning, innovating and evolving, and is committed to continual delivery.

**Dondo Mogajane**

Accounting Officer

**Date:** 28 September 2021

# 6 STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

All information and amounts disclosed throughout the annual report are consistent. The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by the National Treasury. The annual financial statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

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

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

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

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2021.

Yours faithfully



**Dondo Mogajane**

Accounting Officer

**Date:** 28 September 2021

# 7 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.

# 8 LEGISLATIVE AND OTHER MANDATES

The legislative mandate of National Treasury' 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 mainly in the Public Finance Management Act, 1999 and the Municipal Finance Management Act, 2003.

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 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, the Select Committee on Finance, the Standing Committee on Public Accounts and the Standing Committee on Appropriations.

# 9 ORGANISATIONAL STRUCTURE



**ENOCH GODONGWANA**  
Minister of Finance



**DAVID MASONDO**  
Deputy Minister of Finance

**1. DONDO MOGAJANE**  
Director-General

- Media Liaison & Communications • Legal Services • Legislation • Internal Audit Function
- Strategic Planning, Monitoring and Evaluation

**2. STADI MNGOMEZULU**  
Head: *Corporate Services*

- Strategic Projects & Support • Human Resources Management • Chief Financial Officer • Chief Risk Officer
- Information & Communications Technology

**3. KAREN MAREE**  
Acting Head: *Office Of The Accountant-General*

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

**4. DUNCAN PIETERSE**  
Head: *Economic Policy*

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

**5. VUYELWA VUMENDLINI**  
Head: *International & Regional Economic Policy*

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



## 9. ORGANISATIONAL STRUCTURE - Cont



**6. EDGAR SISHI**

*Acting Head: Budget Office*

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

**7. MAMPHO MODISE**

*Head: Public Finance*

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

**8. ISMAIL MOMONIAT**

*Head: Tax & Financial Sector Policy*

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

**9. TSHEPISO MOAHLOLI**

*Head: Asset & Liability Management*

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

**10. MOLEFE FANI**

*Acting Head: Chief Procurement Office*

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

**11. MALIJENG NGQALENI**

*Head: Intergovernmental Relations*

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

# 10 PUBLIC ENTITIES REPORTING TO THE MINISTER



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

The remaining nine entities are self-funded, generating their own revenue. They are the Financial Sector Conduct Authority (FSCA), the Office of the Ombud for Financial Services Providers (FAIS Ombud), the Office of the Pension Funds Adjudicator (OPFA), the Government Pensions Administration Agency (GPA), the

## 10. PUBLIC ENTITIES REPORTING TO THE MINISTER - Cont

Financial Sector Tribunal (FST), the Development Bank of Southern Africa (DBSA), the Public Investment Corporation (PIC), the Land and Agricultural Development Bank of South Africa (Land Bank) and the South African Special Risks Insurance Association (SASRIA).

Each entity develops and reports on its own strategic and corporate plan. The report on the performance of the 17 entities describes each entity's approach and how its work relates to the National Treasury's strategic objectives which are in turn aimed at achieving the goals of the National Development Plan (NDP).

### **ACCOUNTING STANDARDS BOARD (ASB)** **(SCHEDULE 3A: NATIONAL PUBLIC ENTITY)**

The ASB's legislative mandate is to develop uniform standards of Generally Recognised Accounting Practice (GRAP) for all spheres of government in terms of Section 216(1)(a) of the Constitution and the PFMA, as amended. The ASB promotes accountability, transparency and effective management of revenue, expenditure, assets and liabilities of the entities to which the standards of GRAP apply.

Key achievements during the reporting period included:

- Published an Exposure Draft of the Standard of GRAP on Employee Benefits.
- Published a Revised Standard of GRAP on Employee Benefits.
- Published an Exposure Draft of the Interpretation of the Standards of GRAP, The Effect of Past Decisions on Materiality.
- Published the Annexure outlining the GRAP Reporting Framework for 2021/22.
- Completed the post-implementation reviews of the Standard of GRAP on Heritage Assets and Cash Flow Statements.
- Issued a research paper on the Application of Standards of GRAP by Small Entities.

### **CO-OPERATIVE BANKS DEVELOPMENT AGENCY (CBDA)** **(SCHEDULE 3A: NATIONAL PUBLIC ENTITY)**

The CBDA was established in terms of the Co-operative Banks Act, 2007 (Act No. 40 of 2007). Its mandate is to create a strong and vibrant co-operative banking sector. Its vision is to facilitate financial inclusion, economic transformation, and sector competitiveness to grow the co-operative banking sector.

Key achievements during the reporting period included:

- Recorded growth in deposits by the co-operative banking sector from R349 million to R419 million in this financial year.
- Upgraded a Co-operative Financial Institution (CFI) and registered it as a Co-operative Bank.
- Presented a national co-operative banking strategy and survey results at a virtual indaba held in March 2021.
- The Capacity Building Unit held five virtual training programs, 65 direct technical assistance interventions and supported 24 monitoring visits to CFIs.
- Held pre-indaba training workshops with the assistance of Banking Sector Education and Training Authority (BANKSETA) on members' surveys and product development, market conduct standards and principles, National Credit Regulator licensing and financial modeling, product development of savings and loan products and asset liability management and break-even pricing.
- Signed 8 agreements during the year in realising the objective of leveraging products and services offered by partners and stakeholders through collaboration and agreements including with the Association for Savings and Investment South Africa (ASISA) and BANKSETA.



## **PART A: GENERAL INFORMATION**

# **10. PUBLIC ENTITIES REPORTING TO THE MINISTER - Cont**

## **DEVELOPMENT BANK OF SOUTHERN AFRICA (DBSA)**

### **(SCHEDULE 2: MAJOR PUBLIC ENTITY)**

The DBSA was established by the Development Bank of Southern Africa Act, 1997 (Act No. 13 of 1997). As one of Africa's leading Development Finance Institutions (DFIs), the DBSA aims to accelerate inclusive development on the African continent by expanding access to development finance for effectively implementing integrated and sustainable infrastructure developments. Infrastructure-led economic growth, which responds to the socio-economic needs of our people as well as addressing the threat of climate change, is vital to improving the lives of the growing African population. The DBSA's performance has been fairly robust amid the challenges posed by the COVID-19 pandemic and affirms institutional resilience.

Key achievements during the reporting period included:

- Recorded net profit of R1.4 billion and achieved return on equity on sustainable earnings of 6 per cent.
- Achieved disbursements of R13.5 billion and unlocked the value of infrastructure for under-resourced municipalities of R1.4 billion.
- Approved projects for black-owned entities for project preparation funding of R2.1 billion and R302 million funding from DBSA's climate and environmental funds.

## **FINANCIAL AND FISCAL COMMISSION (FFC)**

### **(SCHEDULE 1: CONSTITUTIONAL INSTITUTION)**

The Financial and Fiscal Commission is a constitutional institution established under Chapter 13: Finance, Sections 220-222 of the Constitution, which makes recommendations envisaged in the following sections of the Constitution to Parliament, provincial legislatures and any other authorities determined by national legislation: Section 214(2) Equitable shares and allocations of revenue; Section 218(2) Government guarantees; Section 228(2)(b) Provincial taxes; Section 229(5) Municipal fiscal powers and functions; Section 230(2) Provincial loans; and Section 230A(2) Municipal loans.

Key achievements during the reporting period included:

- Delivered all constitutional and legislative submissions, including the FFC's submission on the Division of Revenue 2021/22, in time.
- Responded to the National Budget, which includes the Division of Revenue Bill and the Appropriation Bill as tabled by the Minister of Finance.
- Responded to 2020 Special Adjustments Budget - Economic and Financial

## **10. PUBLIC ENTITIES REPORTING TO THE MINISTER - Cont**

impact of COVID-19, 2020 Medium Term Budget Policy Statement, 2020 Second Division of Revenue Amendment Bill and the 2020 Second Adjustments Appropriation Bill.

- Conducted briefings for the Portfolio Committees on Basic Education and Social Development.
- Conducted review sessions on the Women's Charter.

### **FINANCIAL INTELLIGENCE CENTRE (FIC) (SCHEDULE 3A: NATIONAL PUBLIC ENTITY)**

The FIC was established by the Financial Intelligence Centre Act, 2001 (Act No. 38 of 2001) (FICA) to combat money laundering activities 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 with the Act 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, FICA works in conjunction with other legislation including the Prevention of Organised Crime Act, 1998 (Act No. 121 of 1998) (POCA), the Protection of Constitutional Democracy Against Terrorist and Related Activities Act, 2004 (Act No. 33 of 2004) and the South African Police Service Act, 1995 (Act No. 68 of 1995).

Key achievements during the reporting period included:

- Conducted 21 FICA compliance awareness initiatives, 381 inspections on accountable and reporting institutions and 24 Notices of Sanctions issued to enhance compliance with FICA.
- Maintain a register of accountable and reporting institutions and confirmed 44 499 institutions within the ambit of the FICA as active.
- Referred 1 127 matters for further investigation and responded to 2 080 requests for financial intelligence.
- Blocked R613.2 million as suspected proceeds of crime and contributed to 34 judicial actions and the recovery of R3.3 billion in criminal proceeds.

### **FINANCIAL SECTOR CONDUCT AUTHORITY (FSCA) (SCHEDULE 3A: NATIONAL PUBLIC ENTITY)**

The FSCA is a market conduct regulator that began operations on 1 April 2018 in terms of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017) (FSRA). The FSCA focuses exclusively on regulating and supervising the conduct of entities that provide financial products and services as set out in the FSRA. These include the non-banking financial services industry (retirement funds, short- and long-term insurance companies, collective investment schemes, investment institutions and financial advisors and brokers) and banking and services related to credit and the buying and selling of foreign exchange. Crucially, the FSCA's objectives include financial inclusion and transformation of the financial sector.

Key achievements during the reporting period included:

- Published the financial inclusion strategy whose aim is to improve key dimensions of financial inclusion such as access to financial products and services; the usage of products and services; and the quality of products and services.
- Continued to support small businesses in the sector through the work of the Inclusive Business Models Support Unit. The unit provided support by conducting capacity-building workshops to small businesses in the funeral insurance space, to support their sustainability and compliance with applicable legislation. Similar workshops were conducted in collaboration with the Insurance Sector Education and Training Authority (INSETA) and Small Enterprise Development



## **PART A: GENERAL INFORMATION**

# **10. PUBLIC ENTITIES REPORTING TO THE MINISTER - Cont**

Agency (SEDA), which assists small businesses with business management skills and broader consumer protection.

- Conducted 90 online and media activities reaching 1 303 consumers through webinars, and reached approximately 8 258 000 listeners via radio interviews. The website, [www.fscamymoney.co.za](http://www.fscamymoney.co.za), was visited by 16 006 consumers, while 1 792 857 consumers engaged with social media posts across all platforms.
- Along with all other regulators participating in the Intergovernmental Fintech Working Group (IFWG), entered into memorandums of understanding (MoUs) for the South African Innovation Hub, launched to the public in March 2020. Three key components underly the Innovation Hub – a Regulatory Guidance Unit, a Regulatory Sandbox, and an Internal Innovation Hub.
- The Innovation Hub engaged over 50 fintech firms and received a total of 52 applications to participate in the Regulatory Sandbox, showing signs of healthy demand from the marketplace.
- In April 2020, the Fintech department, together with the IFWG, published the Crypto Assets Working Paper for public comment. This document outlines the approach to regulating crypto assets in South Africa
- Undertook policy research on digital platforms and non-traditional data and engaged with IFWG regulators on proposals for regulating these areas of innovation.
- Published a report on open finance for public comment and will continue to engage with the industry on this topic.

## **FINANCIAL SECTOR TRIBUNAL (FST)**

The FST was established in terms of section 219 of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017) (FSRA) to reconsider decisions as defined in section 218 of the FSRA and to perform the other functions conferred on it by this Act and specific financial sector laws. The Tribunal is independent, impartial and exercises its powers without fear, favour or prejudice.

Key achievements during the reporting period included:

- Received 430 applications for reconsideration and applications for leave to appeal to reconsider during the year under review.
- Published 175 decisions and 31 consent orders in relation to applications for reconsideration on the FSCA website.
- Six decisions of the Tribunal were taken on review to the high court and rulings for leave to reconsider summary dismissal decisions by the Financial Advisory and Intermediary Services (FAIS) Ombud were handed down.

## **10. PUBLIC ENTITIES REPORTING TO THE MINISTER - Cont**

### **GOVERNMENT PENSIONS ADMINISTRATION AGENCY (GPAA) (GOVERNMENT COMPONENT)**

The GPAA provides pension administration services to the Government Employees Pension Fund (GEPF) in terms of the Government Employees Pension Fund Act, 1979 (Act No. 29 of 1979) and the Associated Institutions Pension Fund Act, 1963 (Act No. 41 of 1963). Post-retirement medical subsidies are administered as provided for and regulated by Public Services Bargaining Council resolutions, military pensions are administered in terms of the Military Pensions Act, 1976 (Act No 84 of 1976), injury-on-duty payments are administered in terms of the Compensation for Occupational Injuries and Diseases Act, 1993 (Act No. 130 of 1993), and special pensions are administered in terms of the Special Pensions Act, 1996 (Act No. 69 of 1996).

Key achievements during the reporting period included:

- Paid an average of 81 per cent (GEPF: 61 per cent and National Treasury: 99.9 per cent) of benefits on time on receipt of duly completed documentation.
- Admitted an average of 99.5 per cent of new members on time despite the challenges arising from the COVID-19 pandemic restrictions.
- Serviced 99.9 per cent of total clients who visited the GPAA offices across the country.
- Serviced 381 803 walk-in clients (members, pensioners and beneficiaries) in 16 regional offices nationwide.
- Conducted 158 employer on-site Retirement Member Campaign (RMC) group sessions and 2 277 one-on-one client RMC interviews to educate members on their readiness for retirement.
- At employer worksites, conducted 417 member awareness sessions to educate active members on GPAA's benefit products, processes and procedures.
- Deployed the new self-service smartphone application and the self-service website.

### **GOVERNMENT TECHNICAL ADVISORY CENTRE (GTAC) (GOVERNMENT COMPONENT)**

The GTAC was established in terms of the Public Service Act, 1994 (Act No. 103 of 1994) (PSA) as a government component. Its mandate is to assist organs of state build their capacity for efficient, effective and transparent financial management. GTAC's objectives are to render consulting services to government departments and other organs of state, provide specialised procurement support for high-impact government initiatives, render advice on the feasibility of infrastructure projects, provide knowledge management for projects undertaken, and any ancillary support.

Key achievements during the reporting period include the following:

- Facilitated the webinar sharing of knowledge and insights on how the global trends in the adoption of electronic vehicles may impact the local automotive industry, as well as the transport and energy infrastructure systems going forward.
- In collaboration with the National School of Government (NSG) and Department of Planning, Monitoring and Evaluation (DPME), delivered the evidence-based policy making course targeted at public sector officials.



## **PART A: GENERAL INFORMATION**

# **10. PUBLIC ENTITIES REPORTING TO THE MINISTER - Cont**

- Supported 24 institutional development projects, ranging from business case development, diagnostics and reviews, feasibility studies, function shift, organisational reviews and development, inter-governmental infrastructure delivery support, and programme and project management support.
- Hosted a cost modelling masterclass for budget analysts to promote the uptake of costing models. The master class aimed to train and coach participants on how to prepare to build a costing model, understand the costing formula, become familiar with the principles of costing; and know the required steps in building a costing model.
- Conducted analysis of compensation of employees for the whole of government. This was published in the 2020 MTBPS.
- Conducted an analysis on Defence compensation of employees expenditure, focusing on trends in the size of the establishment, as well as drivers of salary growth from 2010 to 2019.
- Reviewed and analysed compensation of employees for the Western Cape provincial government departments, including proposals on cost containment measures.
- Finalised e-learning course on performance expenditure reviews (PER) with a specific knowledge repository for the training methodology and materials established. The course will be rolled out in the new financial year.

## **INDEPENDENT REGULATORY BOARD FOR AUDITORS (IRBA)**

### **(SCHEDULE 3A: NATIONAL PUBLIC ENTITY)**

The IRBA was established under the Auditing Profession Act, 2005 (Act No. 26 of 2005), as amended, and commenced operations in April 2006. The Board is mandated to protect the public by setting competency requirements for auditors, issuing standards and a code of ethics, and monitoring compliance and disciplining auditors, when necessary. The execution of the IRBA's mandate ensures that the financial interests of investors are protected and that high-quality audits are delivered, which in turn provides confidence in and reliance on financial statements and consequential investment. Ultimately, investment stimulates the financial markets and creates employment, which is a national imperative for the country. Therefore, while the IRBA's mandate is limited to protecting the investing public, an outcome of the successful execution of this mandate will ultimately benefit the wider public.

Key achievements during the reporting period included:

- Re-elected to serve for another four-year term on the Board of International Forum of Independent Audit Regulators (IFIAR), made up of audit regulators from 54 countries.



## **10. PUBLIC ENTITIES REPORTING TO THE MINISTER - Cont**

- 43 per cent of the Johannesburg Stock Exchange (JSE) Ltd main board listed companies have implemented Mandatory Audit Firm Rotation (MAFR) and 40% have cited MAFR as the reason for appointing new auditors.
- Published a suite of new Quality Management Standards for firms and audits, namely, the International Standards of Quality Management 1 and 2 [International Standard on Quality Management (ISQM) 1 and ISQM 2], and the Standard on Quality Management for an Audit of Financial Statements [ISA 220 (Revised)].
- Launched the second feedback report on Audit Quality Indicators (AQIs), putting critical actionable information in the hands of those charged with governance, firms, the regulator and other stakeholders.
- Concluded its seventh inspections three-year cycle, which has had recurring deficiency themes being reported to a majority of firms and individual engagement partners inspected, despite following a formal remedial action process with them.
- Introduced further enhancements for its new eighth inspections cycle. The focus will remain on audit firm leadership and their responsibility towards audit quality, including closely monitoring firms' remedial action plans.

### **THE LAND AND AGRICULTURAL DEVELOPMENT BANK OF SOUTH AFRICA (LAND BANK) (SCHEDULE 2: MAJOR PUBLIC ENTITY)**

The mandate of the Land Bank, as a development finance institution, is 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 (Act No. 15 of 2002) and the PFMA. Its mandate, as expressed in the Act, is to promote equitable ownership of agricultural land, particularly by historically disadvantaged people; agrarian reform, land redistribution or development programmes for historically disadvantaged people; land access for agricultural purposes; productivity, profitability, investment and innovation in agriculture; the growth of the agricultural sectors and better use of land; rural development and job creation; commercial agriculture and food security.

Key achievements during the reporting period include the following:

- Disbursed R5 billion during the reporting period.
- Achieved gross interest income of R3.3 billion and net interest income of R291 million.

### **OFFICE OF THE OMBUD FOR FINANCIAL SERVICES PROVIDERS (FAIS OMBUD) (SCHEDULE 3A: NATIONAL PUBLIC ENTITY)**

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

Key achievements during the reporting period included:

- Received 10 552 complaints, which is a year-on-year increase of 19%.
- Of the 10 552 complaints received, 6 975 (66 per cent) of these were within the scope of mandate and 8 511 (81 per cent) were resolved within the financial year.
- Increased the number of new complaints settled by 7.7 per cent from 1 290 in the previous financial year to 1 389 in this reporting period.



## **PART A: GENERAL INFORMATION**

# **10. PUBLIC ENTITIES REPORTING TO THE MINISTER - Cont**

- Referred 2 877 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 (OPFA)**

### **(SCHEDULE 3A: NATIONAL PUBLIC ENTITY)**

The mandate of the OPFA, effective since January 1998, is to investigate and determine complaints lodged in terms of the Pension Funds Act, 1956 (Act No. 24 of 1956). To achieve its mandate, the OPFA is required to ensure a procedurally fair, economical and expeditious resolution of complaints in terms of the Act by ensuring that its services are accessible to all, investigating complaints in a procedurally fair manner, reaching just and expeditious resolutions of complaints in accordance with the law while incorporating innovation and proactive thought and action in its activities, and providing opportunities for individual growth to its staff. The OPFA's jurisdiction is only applicable to funds registered under the Pension Funds Act.

Key achievements during the reporting period included:

- Received 7 014 complaints from across all provinces through various mediums.
- Finalised 10 940 complaints (including those carried forward from 2019/20), settled 2 807, formally determined 5 245, deemed 2 273 out of jurisdiction for various reasons, and closed 615 for other reasons.

## **OFFICE OF THE TAX OMBUD (OTO)**

### **(SCHEDULE 3A: NATIONAL PUBLIC ENTITY)**

The OTO was established in October 2013 in terms of the Tax Administration Act, 2011 (Act No. 28 of 2011) (TAA). Its purpose is to review and address any complaint by a taxpayer regarding a service or procedural or administrative matter arising from the application of the provision of a tax act by the SARS. The main aim is to enhance confidence in the country's tax administration.

Key achievements during the reporting period include the following:

- Of 2 967 complaints received, finalised 1 340, representing a 33 per cent decrease compared with the previous reporting year.
- Implemented 98 per cent of the recommendations of finalised complaints from the OTO.

## 10. PUBLIC ENTITIES REPORTING TO THE MINISTER - Cont

- Conducted 161 outreach activities that included virtual presentations, advertising, public relations and media engagements coverage and interviews. Through engagement on nine radio talk shows and promotional radio adverts, reached 6 808 500 listeners.
- Reduced the list of identified systemic issues from ten to eight.
- Concluded the following systemic investigations: fluidity of the Pay As You Earn (PAYE) statement of Account, and complaints that SARS fails to adhere to the dispute resolution timeframes prescribed by the TAA and the Dispute Resolutions Rules promulgated under the Act.

### **PUBLIC INVESTMENT CORPORATION LIMITED (PIC) (SCHEDULE 3B: NATIONAL GOVERNMENT BUSINESS ENTERPRISE)**

The PIC was established by the Public Investment Corporation Act, 2004 (Act No. 23 of 2004). The corporation is a registered financial services provider, wholly owned by the 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, most of which are pension, provident, social security, development and guardian funds.

Key achievements during the reporting period include the following:

- Achieved a value of R79.6 billion as at 31 March 2021 for the Isibaya portfolio, inclusive of return on asset of unlisted investments.
- Approved funding of R7.8 billion for projects in diversified business services, food and agriculture platform, and a 4.6-megawatt biogas plant.
- Approved transactions (Isibaya portfolio) to the value of R853 million (cumulatively) as at 31 March 2021.
- Achieved a value of R50.2 billion as at 31 March 2021 for the unlisted properties portfolio, and approved transactions to the value of R3.8 billion (cumulatively) during the year.

### **SOUTH AFRICAN REVENUE SERVICE (SARS) (SCHEDULE 3A: NATIONAL PUBLIC ENTITY)**

In terms of the South African Revenue Service Act, 1997 (Act No. 34 of 1997), the SARS is mandated to collect all revenues due to the state and administer trade to support the government in meeting its key growth developmental objectives. This involves facilitating legitimate trade, protecting South African ports of entry and eliminating illegal trade and tax evasion. The organisation's purpose is to contribute to the economic and social development of the country by collecting the resources needed by the government to meet its policy and delivery priorities.

Key achievements during the reporting period include the following:

- Collected net revenue of R1 249.9 billion, representing a positive variance of R37.69 billion against the revised estimate.
- Through SARS' direct compliance activities, tracked and collected R171.97 billion, against a target of R93.7 billion.
- Achieved a score of 74.5 per cent against a target of 70 per cent in an independent survey of trust and confidence in SARS.
- Achieved a seamless auto-assessment filing of 83 per cent of personal income tax returns of 2.8 million taxpayers.
- Completed a tax gap study that will inform the focus areas for future compliance activity.



**PART A: GENERAL INFORMATION**

## **10. PUBLIC ENTITIES REPORTING TO THE MINISTER - Cont**

### **SOUTH AFRICAN SPECIAL RISKS INSURANCE ASSOCIATION (SASRIA) (SCHEDULE 3B: NATIONAL GOVERNMENT BUSINESS ENTERPRISE)**


The SASRIA was established in 1979 in terms of Section 21 of the Companies Act, 1973 (Act No. 61 of 1973). In line with the amendments of the Conversion of the South African Special Risks Insurance Association Act, 1998 (Act No. 134 of 1998) and the Companies Act, 2008 (Act No. 71 of 2008), the government became the company's sole shareholder. The association is mandated to support the insurance industry by providing cover for special risks such as riots, strikes, political unrest, terrorist attacks, civil commotion, public disorder and labour disturbances.

Key achievements during the reporting period include the following:

- Achieved sustained growth: Received gross written premium income growth of 33.3 per cent amounting to R2.8 billion.
- Achieved a loss ratio of 36.4 per cent which is below the target of between 50 per cent and 60 per cent.
- Achieved an unqualified audit opinion for the financial year ending March 2020, without matter of emphasis.
- Delivered value-add to the customer – settled 90 per cent of claims within 25 days.
- Delivered value-add to the customer – settled 83 per cent of large loss claims within 50 days.
- Delivered value-add to the customer – 0.3 per cent (10 out of 2 956) of total claims were received from the short-term insurance Ombudsman and one complaint was overturned.
- Achieved a distribution capability of 56 per cent related to the current website and social media footprint.

## 10. PUBLIC ENTITIES REPORTING TO THE MINISTER - Cont

NAME OF ENTITY	LEGISLATIVE MANDATE	FINANCIAL RELATIONSHIP	NATURE OF OPERATION
Accounting Standards Board (ASB)	Public Finance Management Act, 1997 (Act No. 1 of 1999) PFMA	Transfer payments	The Board serves the public interest by setting Standards of GRAP and providing guidance for financial and other performance information reported by the public sector.
Co-operative Banks Development Agency (CBDA)	Co-operative Banks Act, 2007 (Act No. 40 of 2007)	Transfer payments	To support, promote and develop co-operative banking and to register, supervise and regulate deposit-taking financial services co-operatives, savings and credit co-operatives, community banks and village banks as co-operative banks.
Development Bank of Southern Africa (DBSA)	Development Bank of Southern Africa Act, 1997 (Act No. 13 of 1997)	No transfer from the National Treasury	To advance the development impact in the region by expanding access to development finance and effectively integrating and implementing sustainable development solutions.
Financial and Fiscal Commission (FFC)	The Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), Chapter 13, Section 220	Transfer payments	The Commission makes recommendations to organs of state on financial and fiscal matters in accordance with Section 220 of the Constitution.
Financial Intelligence Centre (FIC)	Financial Intelligence Centre Act, 2001 (Act No. 38 of 2001) (FICA)	Transfer payments	To identify the proceeds of crime, combat money laundering and terror financing, exchange information with law enforcement and other local and international agencies, supervise and enforce compliance with the Act and facilitate effective supervision and enforcement with supervisory bodies.
Financial Sector Conduct Authority (FSCA)	Financial Sector Regulation Act, 2017 (Act No. 9 of 2017) (FSRA)	No transfer from the National Treasury	To 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.
Financial Sector Tribunal (FST)	Financial Sector Regulation Act, 2017 (Act No. 9 of 2017) (FSRA)	No transfer from the National Treasury	To reconsider decisions as defined in section 218 of the FSRA and to perform the other functions conferred on it by this Act and specific financial sector laws.
Government Pensions Administration Agency (GPAA)	Public Service Act of 1994 (Proclamation No. 103 of 1994)	No transfer from the National Treasury	To administer pension benefits, funeral benefits, post-retirement medical subsidies, military pensions, injury on duty payments, and special pensions on behalf of the GEPP and the National Treasury.



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## 10. PUBLIC ENTITIES REPORTING TO THE MINISTER - Cont

NAME OF ENTITY	LEGISLATIVE MANDATE	FINANCIAL RELATIONSHIP	NATURE OF OPERATION
Government Technical Advisory Centre (GTAC)	Section 7A (4) of the Public Service Act, 1994 (Act No. 47 of 1994) through Government Notice 261, Gazette 35194 of 30 March 2012	Transfer payments	To 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 (IRBA)	Auditing Profession Act, 2005 (Act No. 26 of 2005)	Transfer payments	To 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 Bank)	Land and Agricultural Development Bank Act, 2002 (Act No. 15 of 2002)	No transfer from the National Treasury	To 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 (FAIS Ombud)	Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002) (FAIS Act); Financial Services Ombud Schemes Act, 2004 (Act No. 37 of 2004)	No transfer from the National Treasury	To 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 (OPFA)	Pension Funds Act, 1956 (Act No. 24 of 1956)	No transfer from the National Treasury	To investigate and determine complaints lodged in terms of the Pension Funds Act, 1956 (Act No. 24 of 1956).
Office of the Tax Ombud (OTO)	Tax Administration Act, 2011 (Act No. 28 of 2011), Section 16(1)	Transfer payments	To 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 the SARS.
Public Investment Corporation (PIC)	Public Investment Corporation Act, 2004 (Act No. 23 of 2004).	No transfer from the National Treasury	Manages assets for clients, all of which are public sector entities. The PIC operates principally in South Africa while also investing offshore and in the rest of the African continent.
South African Revenue Service (SARS)	South African Revenue Service Act, 1997 (Act No. 34 of 1997)	Transfer payments	To collect all revenue due to the state and to support the 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 (SASRIA)	Reinsurance of Damages and Losses Act, 1990 (Act No. 65 of 1990); Conversion of the South African Special Risks Insurance Association Act, 1998 (Act No. 134 of 1998)	No transfer from the National Treasury	To offer insurance to all individuals and businesses that own assets in South Africa as well as to government entities.



## **PART B** PERFORMANCE INFORMATION

# **1** **AUDITOR- GENERAL'S REPORT: PREDETERMINED OBJECTIVES**

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 230 for the Report of the Auditor-General, published as Part E: Financial Information.



# 2 OVERVIEW OF DEPARTMENTAL PERFORMANCE

## 2.1 SERVICE DELIVERY ENVIRONMENT

In 2020, global output contracted by 3 per cent as most economies were ravaged by the COVID-19 pandemic which forced almost all nations into lockdown and significantly disrupted economic and social activities<sup>1</sup>.

Although global recovery surprised on the upside from the third quarter of 2020, second and third waves of the virus in early 2021 led to new lockdown measures, hampering the recovery. However, significant progress in vaccine access has provided some hope for economic and social “normalisation” in the second half of 2021. As a result, the International Monetary Fund (IMF) projects<sup>2</sup> that global growth is expected to rise by 6 per cent in 2021, stabilising to around 4.9 per cent in 2022. The IMF expects South Africa to grow by around 4 per cent in 2021, and 2.2 per cent in 2022. Risks to growth are to the downside as the direction of global factors such as vaccine rollout and efficacy, supply-chain bottlenecks, inflation, fiscal and monetary support, and general financial conditions are uncertain.

Over the past 10 years, the South African economy has grown at a rate below what is required to meaningfully address large-scale poverty, inequality and unemployment. This meant that the South African economy entered into the COVID-19 pandemic in a vulnerable social, economic and fiscal state. Despite this, significant effort was made to provide support for the economy. The COVID-19 fiscal package<sup>3</sup> provided up to R500 billion in economic relief, including R190 billion in main budget spending to bolster the public health sector, protect lives and support livelihoods, R70 billion in tax policy measures, and a R200 billion loan guarantee scheme to support short-term economic activity. In addition, the Reserve Bank reduced interest rates to an historic low of 3.5 per cent and provided additional support to the bond market. Financial sector regulations were eased to support the flow of credit to households and businesses, and commercial banks introduced temporary payment holidays.

Despite the strong and rapid support provided, the South African economy declined by 7.8 per cent in 2020/21. The largest contributors to the economic decline were the finance, manufacturing and trade sectors on the production side, while household final consumption and gross fixed capital formation led the decline on the expenditure side. These sectors were heavily impacted by the lockdown measures and regulations in early and mid-2020. As a result, business confidence continued to decline, reaching an historic low of 5 by February 2021. Despite these major setbacks, the decline in economic growth was, however, smaller than anticipated as a result of better-than-expected performance in the third quarter of 2020, driven by a rebound in mining, finance and manufacturing, lower inventory drawdowns, and higher global demand and better prices for exports.

<sup>1</sup> This was compared to 2.8 per cent and 3.5 per cent growth in 2018 and 2019, respectively.

<sup>2</sup> IMF World Economic Outlook, July 2021.

<sup>3</sup> Provided in the Supplementary Budget of July 2020.

## 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE - Cont

In addition, the fiscal support provided in the supplementary budget of July 2020, combined with a contraction in tax revenue and economic growth, led to worsening fiscal metrics. As a result, the preliminary main budget deficit came in at 11 per cent of GDP in 2020/21, compared to 6.7 per cent in 2019/20, while gross government debt reached 79.1 per cent of GDP (63.3 per cent in 2019/20). In addition to COVID-19, challenges related to delayed economic reforms, and risks from key SOCs persisted, adding pressure to the country's already precarious fiscal position. South Africa's risk premium averaged 4.8 percentage points in 2020/21 (compared to 3.4 percentage points in 2019/20), while the rand continued to depreciate, with the average real exchange rate being 8.4 per cent lower than the 2019/20 average. Despite this, Budget 2021 has set a target to stabilise gross government debt at 88.9 per cent and reach a primary balance by 2025.

The current account of the balance of payments experienced a positive shock during the pandemic. Lower imports prices (predominantly oil) and volumes and increasing export prices (commodities, particularly gold) led to a favourable terms of trade, a positive trade surplus and a resultant current account surplus of 3.1 per cent of GDP. This was compared to a 2 per cent current account deficit in 2019/20. This was the first current account surplus since around 2003. The financial account shifted into a deficit, led by net portfolio outflows on the back of high global and domestic uncertainty, while foreign direct investment experienced positive net inflows as foreign parent companies supported COVID-hit domestic subsidiaries with debt and equity injections.

Despite the significant challenges that South Africa faced as a result of the pandemic, the long-standing issues of economic growth were not ignored. In 2020/21, the presidential economic recovery plan was adopted to advance holistic, broad economic reforms. In addition, Operation Vulindlela, a collaboration between the National Treasury and the Presidency, made some progress in addressing many of the structural impediments, such as the high cost of doing business in South Africa, low levels of competitiveness and a weak public sector balance sheet. Furthermore, the establishment of Infrastructure South Africa (ISA) and the Infrastructure Fund have become instruments for enhancing collaboration and attracting private sector investment. This is done through partnering with the private sector, multilateral development banks and development finance institutions in order to bolster investment capacity, expertise, and financing and funding.

**Table 1: Economic indicators**

INDICATORS	2017/18	2018/19	2019/20	2020/21
GDP growth (y/y)	1.3%	0.6%	0.2%	-7.8%
Household consumption growth (y/y)	2.7%	1.2%	1.1%	-5.9%
Gross fixed investment growth (y/y)	1.2%	-2.1%	-1.6%	-19.4%
RMB/BER Business Confidence Index (average)	34.0	33.3	23.3	28.0
RMB/BER Consumer Confidence Index (average)	0.0	9.5	-4.5	-19.25
Unemployment rate	27.2%	27.4%	29.3%	32.6%
Consumer inflation (y/y)	4.7%	4.6%	4.2%	3.2%

## 2.2 SERVICE DELIVERY IMPROVEMENT PLAN

The National Treasury Service Delivery Improvement Plan is pending alignment to the outcome of the organisational review process which has progressed during this year, in despite of the challenges of working remotely.

## 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE - Cont

### 2.3 ORGANISATIONAL ENVIRONMENT

#### Operating Environment

The National Treasury has shown great responsibility, tenacity, resilience and commitment in strengthening the organisation's complex of service delivery by further progressing the implementation of key organisational development initiatives, adding new projects as part of the its Strategy for 2020-2025, while still providing uninterrupted services during the arduous working conditions that arose as a consequence of the COVID-19 pandemic and national lockdown.

Notwithstanding the challenging work environment, delivery on the four pillars of the Optimising the Organisation Plan continued. This included measures in:

- Pillar One to strengthen governance, planning, people and financial management services
- Pillar Two to build and reinforce organisational leadership and strengthen internal collaboration protocols between divisions
- Pillar 3 to develop and strengthen organisational structures, including building and reinforcing trust and enhancing communication and
- Pillar 4 to establish and further promote partnerships.

The first year of the sixth administration has seen the implementation of the department's strategic plan 2020-2025. The department undertook an extensive review and developed the strategy internally in consultation with all employees. Members of staff of the National Treasury were engaged in the revision of the department's mission, vision and values as well as outcomes and service delivery priorities for the next five years. This has also been the first year of the fully operationalised planning ecosystem that facilitates planning and monitoring from a Chief Directorate operational level up to the National Treasury's strategic outcomes into the MTSF. This integrated planning and monitoring network enables informed analysis and evidenced based decision making.

The modernisation and automation of the department's planning, monitoring and reporting ecosystem is underway with the design of a bespoke Organisational Performance Monitoring Management System (OPMMS). The system integrates risk, organisational performance planning, monitoring and reporting, demand planning, budgeting, and IT planning on a single IT platform, and links to the audit findings register and the human resources Performance Management and Development System (PMDS). It is envisaged that the system will be fully operational in the next reporting period, enabling combined analysis and joint evidenced based reporting.

Risk in the National Treasury was significantly strengthened with the adoption of the revised Risk Management Governance structure. The establishment of the Risk Management Committee with all concomitant governance documents approved has bolstered this critical function.

In response to the significant challenges faced during this reporting period, the National Treasury embraced and implemented practical and agile approaches in the human resources and employee relations areas. Though recruitment processes were affected, the department introduced innovation through automation to ensure that the department addressed vacancies to secure business continuity and service delivery excellence. The National Treasury maintained the representation of women at SMS level, and improved on representation of persons with disabilities. The Graduate Development Programme continues to provide for pipeline management and enables the National Treasury to upskill and promote its own employees. This is supported by rotational and secondments opportunities for employees. The DG's Special Purpose Committee continued to serve as a focal point on gender mainstreaming, as well as enabling the DG to engage employees on topical issues and organisational priorities.

## **2. OVERVIEW OF DEPARTMENTAL PERFORMANCE - Cont**

ICT services are critical to the work of the National Treasury, and even more so during this reporting period to enable employees to work off site. IT services also underpinned the significantly increased National Treasury workload that flowed from its critical support of government's response to the pandemic as well as providing support packages to those affected. In this regard, the National Treasury staff approved over 250 000 documents electronically and held over 92 000 online meetings during the year.

ICT continued its work of strengthening IT governance in the organisation, upgrading IT back office capacity while further improving service delivery through innovative automation such as the eRecruitment system which assisted Human Resources process tens of thousands of applications, and the Protest Demands Memorandum Management System which ensures that the National Treasury registers, considers and responds timeously to all demand memoranda that are delivered to it by communities and civil society.

The National Treasury remains committed to achieving its mandate according to the Public Finance Management Act, 1999 (Act No. 1 of 1999), which is to:

- Promote government's fiscal policy framework
- Coordinate macroeconomic policy and intergovernmental financial relations
- Manage the budget preparation process
- Facilitate the 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.

During the reporting year, the department worked to ensure an enabling organisational environment to deliver on the key focus areas in the 2020/21 annual performance plan. This involved:

- Coordination of the national budgeting process
- Monitoring and analysing public expenditure as well as managing future spending growth and fiscal risk
- Coordination of fiscal relations between the three spheres of government with emphasis on ensuring sound budgetary planning at 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 state-owned companies to enable their achievement of government's policy objectives in a manner that is financially and fiscally sustainable.
- Strengthening public sector financial management as well as improving financial management governance and compliance across all spheres of government and in government entities
- Managing government's financial systems
- Overseeing and improving government's supply chain 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.

### **2.4 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES**

No new key policy developments or legislative changes were made during this reporting period.

# 3 INSTITUTIONAL IMPACTS AND OUTCOMES

OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE 5-YEAR TARGETS
<p><b>Programme 1: Administration</b></p> <p>The programme ensures effective leadership, strategic management and administrative support to National Treasury through continuous refinement of organisational strategy and structure in line with appropriate legislation and best practice.</p>	<p><b>Corporate Services Division</b></p> <p>Corporate Services (CS) continued to provide integrated business solutions in the areas of strategic planning, human resource management, risk and business continuity management, and information and communication technology (ICT).</p> <p>Financial Management continued to exercise governance in curbing deviations and incidents of non-compliance. The unit reviewed the supply chain management policies and implemented new standard operating procedures. The initiative to shift from the use of computer desktop to laptops was executed in collaboration with the ICT Chief Directorate. The unit provided financial resources support to internal and external stakeholders with transparent and credible budgeting processes entailing the Medium Term Expenditure Framework (MTEF), the Estimates of National Expenditure (ENE), the Adjusted Estimates of National Expenditure (AENE) and the roll-overs in line with the Public Financial Management Act, 1999 (Act No. 1 of 1999) (PFMA) Treasury Regulations and public finance guidelines.</p> <p>Semi-annual and annual tax reconciliations were compiled accurately and submitted to the South African Revenue Service six weeks before the closing date. The unit improved its control measures with regards to processing supplier payments, achieving 99 per cent of payments in an average of 11 days from receipt of invoice. Preparation and fair presentation of audited financial statements remains a core function, including the coordination of internal and external audit processes on behalf of the department. In support of capacity building, the unit continues to provide skills development employing five Chartered Accountant trainees supported in this first reporting period. Financial Management continues to provide administrative support to other business units through effective and efficient internal control, personnel remuneration, supply chain, asset, revenue and expenditure management.</p> <p>The Chief Risk Office continued to enhance the practice and application of risk management principles by aligning with Strategic Planning, Monitoring and Evaluation to develop operational plans for all divisions and Chief Directorates and integrate risk management into project planning. Improved alignment between the strategic objectives and operational plans of divisions has been achieved, with appropriate risks identified. This has strengthened the Risk Management unit's ability to monitor the implementation of risk mitigation strategies.</p>

### 3. INSTITUTIONAL IMPACTS AND OUTCOMES - Cont

OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE 5-YEAR TARGETS
	<p>Business Continuity improved its maturity levels by conducting a business impact analysis for the department to enable continuity of operations during business disruption. Business continuity solution measures were enhanced to enable employees to work off site. An online platform was created to enhance business continuity resilience, allowing remote working accessibility of all critical systems. A disaster recovery site is available and operational in Pietermaritzburg.</p> <p>Human Resources Management practices demonstrated agility in order to respond to the challenges of working remotely as well as the system of rotational schedules. Recruitment processes were affected, though these were recrafted to use available technology. These included the launch of eRecruitment and gaining expertise in conducting interviews online. The high percentage of representation of women at SMS level was maintained and an improvement in the disability targets achieved. The Graduate Development Programme is the structured approach to pipeline management and continued to enable the National Treasury to upskill and promote its own employees. This is supported by rotational and secondment opportunities for employees.</p> <p>The increasing pressures on the fiscus and the adjustments in the budget for compensation of employees are challenging and the practice of retaining staff through providing higher remuneration is not sustainable. Future retention efforts will need to focus on increasing the exposure opportunities for employees, improving the working environment and alternative non-financial methods of recognition.</p> <p>Strategic Planning Monitoring and Evaluation was further advanced with the introduction of modernisation and automation into the ecosystem. The Organisational Performance Planning and Reporting Management System (OPPMMS) is a bespoke system designed by the National Treasury to increase productivity, enhance efficiency, enable integration, increase performance and reduce efforts and costs. The system includes modules for organisational planning and monitoring, project management, risk, demand planning and budgeting, combined reporting and is linked to the PMDS system and audit findings register. The system, currently in testing phase, will further improve the alignment of planning, monitoring and reporting practices, thereby enabling intelligent reporting and informing evidence-based decision making. The full roll out of standardised operational planning for all the National Treasury Chief Directorates has now been matched by the implementation of monitoring and reporting at all levels. The final level of monitoring in the ecosystem - that of the planning and monitoring of large projects - has now been added. All envisioned planning and monitoring performance instruments across the department is now complete. Advocacy and information sharing initiatives were introduced at divisional level to encourage the utilisation of performance monitoring reports as management tools and sources of decision making. To further instil predictability into the process and encourage compliance, an annual schedule planner of all submissions required from divisions was developed. This assisted divisions to better plan their own activities and resulted in increased quality submissions made timeously.</p>

### 3. INSTITUTIONAL IMPACTS AND OUTCOMES - Cont

OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE 5-YEAR TARGETS
	<p>ICT services were relied on to enable National Treasury employees to work off site during the lockdown. This included the capability to approve and digitally sign memos on various devices. In that regard, during the financial year, the National Treasury staff:</p> <ul style="list-style-type: none"> <li>• Approved over 250 000 documents digitally.</li> <li>• Held over 92 000 online meetings which were either one on one or conference based, and audio or video based.</li> </ul> <p>ICT continued its work of strengthening ICT governance, upgrading ICT back office capacity while improving service delivery through automation including the eRecruitment system which assisted Human Resources to process tens of thousands of applications received for the intern programme intake.</p> <p>Legislation continued to develop and process annual budget legislation and other draft legislation and to scrutinise subordinate legislation according to needs identified by the National Treasury and more broadly by government. It provided input on draft legislation developed by other departments, impacting the National Treasury's mandate, and in particular on the fiscus. It also provided legal advice on wide-ranging matters to assist the National Treasury with implementing its mandate and to ensure that internal operations are legally sound.</p> <p>In the period under review, the Communications unit successfully managed media and external communications by ensuring that the National Treasury had a presence in the national discourse on public finances and their management. This was done by strategically and proactively creating a range of media and public speaking platforms for the National Treasury. The unit managed media relations through hosting frequent media interviews, publishing media statements on the National Treasury website communicating key policy issues to the public and conducting media workshops on topical issues. The unit used content from the National Treasury's divisions to create social media banners to keep the public updated and informed about policy developments in the department. Continuous media content development, monitoring and analysis ensured effective and efficient media and communication management on all platforms. The unit also disseminated communication messages internally that reinforced a positive departmental image, and supported the business outcomes that contributed to the department's value for its stakeholders.</p> <p>Legal Services is responsible for providing a comprehensive legal advisory service to the National Treasury to assist it in executing its mandate effectively within the rule of law. During the course of the year under review, Legal Services provided civil litigation services in respect of approximately 154 cases involving a complex mix of law and policy in respect of the following major areas: constitutional attacks to legislation, procurement, special pensions, labour and general litigation. Legal Services assisted other organs of state such as the Hawks and the Public Protector as well as submissions to the Commission of Inquiry into allegations of state capture, corruption and fraud in the public sector including organs of state.</p>

### 3. INSTITUTIONAL IMPACTS AND OUTCOMES - Cont

OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE 5-YEAR TARGETS
<p><b>Programme 2: Economic Policy, Tax, Financial Regulation and Research</b></p> <p>This programme aims to 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:</p> <ul style="list-style-type: none"> <li>• Developing tax policy proposals and supporting tax legislation for the annual budget.</li> <li>• Monitoring the collection of revenue through ongoing consultation with relevant stakeholders, and analysing the factors determining tax collection.</li> <li>• Providing macroeconomic forecasts and scenario modelling.</li> <li>• Providing economic policy analysis, research, assessment and advice on macro and microeconomics, including government policy proposals.</li> </ul>	<p><b>Economic Policy Division</b></p> <p>The Economic Policy division conducts policy-relevant economic research and manages the Southern Africa - Towards Inclusive Economic Development (SA-TIED) research programme. SA-TIED is a collaboration between various government departments and international agencies to produce high-quality, evidence-based policy research and build the economic policy capacity of the state.</p> <p>The division also:</p> <ul style="list-style-type: none"> <li>• Analysed monetary and exchange rate policy</li> <li>• Worked on the employment tax incentive evaluation and extension</li> <li>• Began work on the macroeconomic review and investigated feasible labour market reforms to boost employment,</li> <li>• Published “Economic transformation, inclusive growth: Towards an economic strategy for South Africa”</li> <li>• Carried out research on competition and jobs, competitiveness of small businesses, exchange rate, export performance, worker mobility and productivity spill-overs</li> <li>• Appraised suggested product designations and International Trade Administration Commission (ITAC) submissions</li> <li>• Provided inputs into key policy processes including electricity sector reform, economic regulation of rail and small business development</li> <li>• Provided technical support to Operation Vulindlela to accelerate the implementation of structural reforms.</li> </ul> <p>Strategic priorities supported by the division included production of quarterly macroeconomic and revenue forecasts that underpin the fiscal framework, and formulation and assessment of growth policy, including structural reform priorities.</p> <p><b>Tax and Financial Sector Policy Division</b></p> <p>The Tax and Financial Sector Policy division published tax proposals in the annual Budget Review, followed by preparing and publishing the necessary tax legislation to give effect to the tax proposals. The tax bills for the 2020 Budget were tabled and adopted by Parliament and enacted into law. In addition to the normal bills, two draft bills to accommodate tax provisions to assist with the COVID-19 disaster management relief were tabled. The division monitored the revenue collected by SARS, analysing the reasons for the shortfall – including providing input to the Supplementary Adjustment Budget in June 2020 in addition to the 2020 MTBPS and the 2021 Budget.</p>



### 3. INSTITUTIONAL IMPACTS AND OUTCOMES - Cont

OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE 5-YEAR TARGETS
	<p>The division published the second draft of the Conduct of Financial Institutions Bill for a second round of public comments. In addition, the draft financial inclusion policy titled "An inclusive financial sector for all", as well as draft amendments to Regulation 28 of the Pension Funds Act, 1956 (Act No. 24 of 1956) were published for public comment. The first board of the Ombud Council was appointed by the Minister, giving effect to the new financial Ombud system in terms of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017) (FSR).</p> <p>The division facilitated publication of the draft conduct standard setting out requirements for the conduct of banks. Work with the Financial Intelligence Centre to implement the Financial Intelligence Centre Amendment Act No 1 of 2017 continued, including setting up key consultative mechanisms with government and the banking sector. The loan guarantee scheme (LGS) was launched by the National Treasury, the South African Reserve Bank (SARB) and the Banking Association South Africa (BASA) on 12 May 2020. As at 27 March 2021, banks had approved 14 827 in loans to the value of R18.16 billion. The total number of loan applications received since the beginning of 2021 to 27 March 2021 is 1 787. Of these, banks approved 511 applications, of which only 97 were taken up by clients.</p>
<p><b>Programme 3: Public Finance and Budget Management</b></p> <p>This programme aims to 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:</p> <ul style="list-style-type: none"> <li>• Providing analysis and advice on fiscal policy and public finances, intergovernmental financial relations and expenditure planning and priorities.</li> <li>• Managing the annual budget process and providing public finance management support.</li> </ul>	<p><b>Budget Office Division</b></p> <p>The Budget Facility for Infrastructure (BFI), established to support the execution of national priority projects, has completed its review of 227 large infrastructure proposals over four bid windows (63 in the first window, 64 in the second window, 42 in the third window and 58 in the fourth window). Of these, 28 projects worth R128 billion have been allocated R19.8 billion through the BFI. Blended finance projects that have come through the BFI will be funded through the Infrastructure Fund. Options to engage development finance institutions and the private sector through the fund are being explored.</p> <p>The Budget Office supported government efforts to pursue a balanced and prudent fiscal strategy in order to stabilise public finances. The Minister of Finance has reiterated that the 2021 fiscal framework is sacrosanct, and reiterated that the spending ceiling remains a key fiscal anchor and will not be adjusted upwards. The work of the division continues to be guided by these objectives.</p> <p>A less severe revenue shortfall enables government to continue to support the economy and the health sector, while narrowing the deficit more rapidly than projected in the 2020 MTBPS.</p> <p>However, South Africa has a long and difficult road ahead. By targeting a primary surplus in 2024/25 and stabilising debt in 2025/26, the division made important strides in support of government's efforts to avoid a debt spiral. The tax revenue shortfall for 2020/21 was a record R175.5 billion. Meanwhile, debt service costs will increase to R269.7 billion in the current financial year, eclipsing total spending on health-care, and consuming R1 out of every R5 raised in taxes.</p>

### 3. INSTITUTIONAL IMPACTS AND OUTCOMES - Cont

OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE 5-YEAR TARGETS
	<p>Over the medium term, continued expenditure restraint will underpin fiscal sustainability. Efforts to narrow the budget deficit and improve the composition of spending – primarily through restraining wage bill growth – remain on course.</p> <p>Capital spending is the fastest-growing component of non-interest spending.</p> <p>The main budget primary deficit narrows from 7.5 per cent of Gross Domestic Product (GDP) in 2020/21 to 0.8 per cent of GDP in 2023/24, and gross government debt stabilises at 88.9 per cent of GDP in 2025/26.</p> <p><b>Public Finance Division</b></p> <p>The Public Finance division continued to work with national government departments and their entities to make recommendations on budgets, monitor budget execution, assist on key policy issues related to government spending and assist departments and their entities on financial management issues.</p> <p><b>Intergovernmental Relations Division</b></p> <p>The division provided support to provinces to build capacity in infrastructure departments (education and health). Structured training on the Infrastructure Delivery Management System (IDMS), which contributes to improving the administration of public finances, planning alignment and budgeting, was provided to government officials.</p> <p>The division assessed provincial infrastructure plans of the National Departments of Health and Education, thus contributing to better-integrated planning and budgeting.</p> <p>The Cities Support Programme (CSP) continued to support metros to strengthen their built environment planning and outcome-based reporting. The support for metros to develop and implement reform action plans for the three sub-national doing business (SNDB) indicators (getting electricity, registering property and construction permitting) continued and noteworthy progress has been made with all metros reporting on their action plans. The support for township economic development in five metros completed its first year with detailed situational analyses reports now in place for five townships.</p> <p>The Neighbourhood Development Partnership Programme (NDPP) provides support to municipalities in planning and delivering catalytic projects in spatially targeted areas. The NDPP's support has attracted over R36.5 million in third-party investment in these areas, contributing to economic growth and job creation. In collaboration with the CSP and Government Technical Advisory Centre (GTAC), initial cities assessment to institutionalise Cities Investment Programme and Project Preparation Facility (CIPPPF) were conducted with further work ongoing.</p>

### 3. INSTITUTIONAL IMPACTS AND OUTCOMES - Cont

OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE 5-YEAR TARGETS
	<p>Cities have submitted their work plans outlining their intention to implement the project preparation programmes. Programmes and projects that also require preparation have been submitted to Infrastructure South Africa (ISA). The NDPP is setting up a panel of service providers through GTAC to support cities with programme and project preparation.</p> <p>The NDPP collaborated with the Department of Small Business Development, the Department of Trade, Industry and Competition, the Department of Economic Development and the Department of Public Works and Infrastructure on how to support the development of spatially targeted areas.</p> <p>In collaboration with the Department of Rural Development and Land Reform, the South African Local Government Association (SALGA) and the Department of Cooperative Governance and Traditional Affairs (CoGTA), the NDPP identified 27 rural service centres to be supported with planning and implementing infrastructure programmes. The NDPP collaborated with the Investment and Infrastructure Office in reviewing and submitting cities' projects to the country's project pipeline, and forged a partnership with General Budget Support (GBS) to deliver economic development projects in selected municipalities.</p> <p>As part of measures to address the challenges associated with unfunded budgets, work on revenue management had to be better coordinated and collaboration improved to prevent misalignment and duplication. A revenue steering committee was therefore established to guide intended revenue initiatives to align with a single integrated revenue management framework. Through its Municipal Finance Improvement Programme (MFIP III), the National Treasury has placed technical advisors in seven provinces to strengthen the capacity of their treasuries and to address revenue challenges in selected municipalities. In addition, one senior advisor was placed at the National Treasury.</p> <p>Further extensive support was provided to provincial treasuries and municipalities on implementing and institutionalising the Municipal Standard Chart of Accounts (mSCOA). Regular stakeholder engagements and capacity building initiatives were held with provincial treasuries, system vendors, municipalities and those with a role in local government to ensure its successful implementation. Provincial treasuries were also provided with technical advisors through the MFIP to assist them with implementing mSCOA.</p> <p>The division continued to coordinate the provincial budget preparation process and the monitoring of the implementation of provincial budget in the year under review. Provinces were also supported through the Division of Revenue Act (DoRA) workshop for the education sector.</p> <p>The division continued to collaborate with provincial treasuries on own revenue, assisting with methods of improving collection of revenue.</p>

### 3. INSTITUTIONAL IMPACTS AND OUTCOMES - Cont

OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE 5-YEAR TARGETS
	<p>Reforms have been made to the provincial and local government fiscal frameworks by introducing a number of new grants, including standalone informal settlement upgrading grants for provinces and the metros and a programme and project preparation support grant for metros. Further reforms include better management of the administration of immediate disaster grants and provisions for asset management planning in the Municipal Infrastructure Grant (MIG). Processing the inputs on the draft Municipal Fiscal Powers and Functions Amendment Bill, which was published for public comment in January 2020, is nearing completion.</p>
<p><b>Programme 4: Asset and Liability Management</b></p> <p>The programme manages government’s annual funding programme in a manner that ensures prudent cash management and an optimal portfolio of debt and other fiscal obligations. It also seeks to promote and enforce prudent financial management of state-owned entities (SOEs) through financial analysis and oversight.</p>	<p><b>Asset and Liability Management Division</b></p> <p>During the year, the Minister approved the minimum criteria that must be met by state-owned entities (SOEs) and government departments when submitting requests for government guarantees. The minimum criteria seek to reduce the volume of guarantees issued and improve the quality of the contingent liability exposure from guarantees issued to SOEs. These minimum criteria were published through a practice note in December 2020. When fully implemented, it will ensure that guarantees are issued only to SOEs that can clearly demonstrate their ability to service the debt that would be acquired on the back of government guarantees. As a result, there has been a significant decline in the number of requests for guarantees that are of poor quality and has improved government’s contingent liability exposure from guarantees issued to SOEs.</p> <p>The division continued to review all corporate plans and annual reports received timeously from SOEs, development finance institutions (DFIs) and water boards. Due to the COVID-19 pandemic, some SOEs revised and resubmitted their corporate plans, which were also reviewed. The analysis formed the basis for reporting in the annual Budget Review, Supplementary Budget and Mid Term Budget to communicate fiscal risks and inform stakeholders of SOEs’ performance over the years. However, the Land Bank, after approval by the Minister, had not submitted its corporate plan and annual report in accordance with legislative timelines, due to its current financial challenges. The process of stabilising the financial position of the Land Bank is continuing. The bank is currently, and has since April 2020, been in negotiation with its lenders to cure its default status. The audit report by the Auditor-General of South Africa (AGSA) showed significant deficiencies in internal controls and governance processes within the bank.</p> <p>The Development Bank of Southern Africa (DBSA) applied for a foreign currency borrowing limit, which was a revision of the previous approval, during the year. The request was approved as follows: R32.68 billion for 2020/21 and R32.52 billion for 2021/22. Eskom, through the Minister of Public Enterprises, requested a foreign currency borrowing limit which was approved as follows: R310 billion for 2020/21. Towards the end of 2020/21, Eskom applied for an extension of the foreign currency borrowing limit.</p>

### 3. INSTITUTIONAL IMPACTS AND OUTCOMES - Cont

OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE 5-YEAR TARGETS
	<p>During the year, the Industrial Development Corporation (IDC), through the Minister of Trade, Industry and Competition, applied for a foreign currency borrowing limit, which was approved as follows: R14.1 billion for 2020/21 and R14.2 billion for 2021/22. Transnet, through the Minister of Public Enterprises, applied for a foreign currency borrowing limit during the year which was approved as follows: R46.17 billion for 2020/21 and R54.41 billion for 2021/22.</p> <p>The division continuously monitored the guarantees to Eskom, Denel, Trans-Caledon Tunnel Authority (TCTA), South African Airways (SAA), South African Express (SAX), and the Land Bank and provided quarterly reports on compliance with guarantee conditions to the Fiscal Liability Committee (FLC).</p> <p>During the reporting period, the Minister of Human Settlements, Water and Sanitation applied for borrowing authorisations and related limits for the following entities: Mhlathuze Water, Sedibeng Water, Lepelle Water and Magalies Water. The Minister of Finance approved Mhlathuze Water’s request as follows: R184 million for 2020/21 and R223 million for 2021/22; this approval was gazetted. The requests for Sedibeng Water, Lepelle Water and Magalies Water were rejected on the basis that the entities needed to undertake more work to ensure that the projects to be funded are sustainable. The Minister of Human Settlements, Water and Sanitation also requested the Minister of Finance to authorise Rand Water to issue bank guarantees for the benefit of Eskom related to the electricity supply agreement between the two entities. The request for authorisation to issue bank guarantees to the value of R15 million was approved and gazetted.</p> <p>Government’s debt portfolio has grown from a gross loan debt of R2.0 trillion in March 2016 to an estimated gross loan debt of R3.9 trillion in March 2021. Besides this increase none of the strategic risk benchmark indicators were breached. To reduce the cost of funding new debt, the government issued 71 per cent of the overall funding in the 7-15 year maturity areas, while closely monitoring refinancing risk. Due to issuing in the mid part of the curve, the weighted average term to maturity of the government debt portfolio decreased to 12 years as at 31 March 2021.</p> <p>The government successfully financed the gross borrowing requirement of R619.5 billion. This was financed through net issuance of domestic short-term loans of R95.3 billion, domestic long-term loans of R523.4 billion and foreign loans of R91.9 billion (US\$5.6 billion). In addition, cash and other balances increased by R91.2 billion mainly on the back of improved revenue collections. During 2020/21, R6.8 billion of short-dated bonds were exchanged for long-dated bonds.</p> <p>The cost of servicing government debt amounted to R232.6 billion compared to the original budget of R229.3 billion. During the reporting period, domestic and foreign loans of R66.3 billion were repaid. The division met all government’s rand and foreign currency commitments on a daily basis and surplus cash was optimally invested.</p>

### 3. INSTITUTIONAL IMPACTS AND OUTCOMES - Cont

OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE 5-YEAR TARGETS
<p><b>Programme 5: Financial Accounting and Supply Chain Management Systems</b></p> <p>This programme comprises of two divisions: The Office of the Accountant-General (OAG) and the Office of the Chief Procurement Officer (OCPO).</p> <p>This programme 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.</p> <p>The Office of the Accountant-General (OAG) provides financial support through the Financial Management Grant (FMG) and technical assistance in the form of specialist advisor placements to municipalities. This augments municipal own resources to implement the reforms legislated in the Municipal Finance Management Act, (MFMA). The grant further assists municipalities in building institutional and technical skills in all aspects of financial management including:</p> <ul style="list-style-type: none"> <li>• The appointment of suitably qualified financial officials;</li> <li>• Growing the internship programme for graduates to be absorbed in municipalities;</li> <li>• Implementing budget reforms;</li> <li>• Improving supply chain management;</li> <li>• Addressing shortcomings in revenue management;</li> <li>• Strictly implementing controls in expenditure management;</li> <li>• Developing asset management plans that also address their repair and maintenance of assets;</li> <li>• Producing accurate accounting records;</li> </ul>	<p><b>Office of the Accountant General Division</b></p> <p>The OAG is the custodian of the PFMA and the MFMA in the National Treasury. The OAG is tasked with facilitating accountability and transparency in the management of the country's financial resources.</p> <p>The National Treasury Instruction No. 07 of 2020/21 was issued by the OAG to address the control environment during the national state of disaster. The instruction encompassed expenditure control, institutional oversight, information and communication and reporting requirements.</p> <p>The National Treasury has processed and signed a Memorandum of Understanding (MoU) with the Department of Cooperative Governance and Traditional Affairs (CoGTA) for finalisation. Once concluded it will support the strategic alignment announced in the MTSF as well as streamlining and consolidating operations.</p> <p>A draft Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIFW) reduction strategy for the municipal sphere has been developed and is in the process of consultation with provinces and municipalities. The focus of engagements on UIFW reduction was on municipalities with the top ten incidents of UIFW.</p> <p>In response to unfavourable audit outcomes increasing unwanted expenditure in PFMA institutions, the National Treasury continued to support PFMA institutions with implementation of the Irregular and Fruitless and Wasteful Expenditure Frameworks. The office assisted institutions to address unwanted old balances of irregular expenditure. The OAG continued to build its effort to assist departments, public entities and provincial treasuries to resolve disputes that arise from disagreement with management of these institutions and the Auditor-General of South Africa (AGSA). Numerous technical meetings were held with the AGSA in respect of 2020/21 audits with the aim of resolving disputes that mostly emanated from irregular expenditure in respect of inter-institutional arrangements.</p> <p>An automated, electronic and web-enabled audit action plan has been developed and will be piloted in 2021. It is planned for release soon after pilots have been concluded. It will be used as a standard and uniform measure by all municipalities. It will also facilitate effective in-year monitoring and oversight by provincial treasuries and the National Treasury.</p> <p>The annual MFMA compliance reports, compiled from quarterly compliance reports, highlights progress made and areas where remedial actions are required to correct weaknesses.</p> <p>The FMG was transferred to all municipalities. Support plans were developed to address gaps in implementing financial management. Furthermore, proactive and preventive strategies were employed during the Chief Financial Officer (CFO) forum sessions with municipalities.</p>

### 3. INSTITUTIONAL IMPACTS AND OUTCOMES - Cont

OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE 5-YEAR TARGETS
<ul style="list-style-type: none"> <li>• Assisting in achieving auditing compliance and in producing reports that are reliable and of a quality; and</li> <li>• Supporting the training of officials to meet the minimum competencies.</li> </ul> <p>The Office of the Chief Procurement Officer aims to:</p> <ul style="list-style-type: none"> <li>• Modernise the state procurement system to be fair, equitable transparent, competitive and cost effective;</li> <li>• Enable the efficient, economic effective and transparent utilisation of financial and other resources, including state assets, for improved service delivery; and</li> <li>• Promote, support and enforce the transparent and effective management of state procurement and the sound stewardship of government assets and resources.</li> </ul>	<p>The OAG continued to monitor compliance with the requirement to pay suppliers within 30 days from receipt of an invoice by national and provincial departments. Quarterly reports were sent to relevant stakeholders including the Department of Planning, Monitoring and Evaluation (DPME), the Office of the Public Service Commission (OPSC) and the Department of Small Business Development (DSBD). The status of compliance with this requirement is reported annually to the Standing Committee on Public Accounts (SCOPA) and to the Standing Committee on Finance (SCOF). To help ensure timeous supplier payments, the Chief Directorate together with MFMA Implementation unit continued to provide interventions and support to non-payment of invoices queries by government institutions as reported through the supplier's hotline at the National Treasury.</p> <p>The division provided support to national, provincial and local level spending agencies in accounting, risk management and internal audit. Information-sharing platforms were convened to disseminate information on new initiatives, to create opportunities for interaction with peers and to provide guidance where necessary. State of readiness assessments in internal audits were conducted for institutions due for external quality assurance review, and a programme to mentor officials and prepare their organisations for the external review has also been introduced. The survey on status of internal audit functions and audit committees was conducted and relationships between the Institute of Internal Auditors South Africa (IASA) and the Public Sector Audit Committee Forum were strengthened.</p> <p>The consolidated annual financial statements for national government and entities were tabled in Parliament by the extended deadlines. This is as a PFMA requirement and to provide oversight structures and users with a consolidated position of the national government. The unit provided support on accounting and reporting issues to national PFMA compliant institutions including provincial treasuries, as well as to MFMA compliant institutions or local government.</p> <p>To ameliorate the skills deficit, capacity building in public financial management is critical. To this end, the OAG has put in place a number of capacitation interventions. These include the Chartered Accountants Academy (CAA), which provides an avenue for prospective Chartered Accountants (CAs) to receive training. In addition, the African Development Bank (AfDB)-funded Municipal Financial Management Technical Assistance Project has been implemented to strengthen municipal public finance management capacity and improve service delivery performance. The Swiss funded Procurement Infrastructure and Knowledge Management (PINK) and the European Union (EU) Financial Management for Improved Service Delivery (FMISD) programmes have been launched to strengthen the implementation of MFMA and PFMA reforms across beneficiary municipalities and other clients.</p>

### 3. INSTITUTIONAL IMPACTS AND OUTCOMES - Cont

OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE 5-YEAR TARGETS
	<p>The Municipal Finance Improvement Programme (MFIP), a strategically driven programme of technical support is aligned with the six local government financial management “game changers” and is designed to build the institutional and technical financial management capacity of the National Treasury, provincial treasuries and municipalities. This is mainly achieved through the placement of technical advisors (TAs) in the MFMA support units of the National Treasury, provincial treasuries, and the Budget and Treasury Office (BTO) of municipalities. The programme procured and deployed 73 TAs of which 22 were deployed to support 43 municipalities, 31 were placed at provincial treasuries and 20 were placed at the National Treasury. The MFIP capacity building and skills transfer initiatives support various institutional and technical areas in financial management in terms of the MFMA and the local government reform agenda of the National Treasury. While these interventions are mostly informal and non-accredited, they assist in enhancing the practical, on-the-job skills of officials involved in municipal financial management. During the year, 1 112 capacity building sessions were held, involving 3 954 officials. The municipal advisors conducted 469 capacity building sessions, reaching 1 017 officials across 43 municipalities. The MFIP specialists conducted 643 capacity building sessions with 2 937 officials on topics such as accounting and audit (A&amp;A), supply chain management (SCM), budget and revenue management (B&amp;RM), budget and financial management (B&amp;FM), asset management (AM), Municipal Standard Chart of Accounts (mSCOA) and the Municipal Financial Recovery Service (MFRS).</p> <p>The programme also supported the procurement and coordination of ad hoc projects which include the compilation of the 2019 local government budget and expenditure review, the 12-month Municipal Financial Management Programme (NQF 6) which registered 115 nominated officials from the National Treasury and provincial treasuries with the Local Government Sector Education and Training Authority (LGSETA), and the development of municipal socio-economic profiles for eight provinces, excluding Western Cape Province.</p> <p>The work of law enforcement authorities has been supported through investigations and the production of germane reports.</p> <p>The OAG division continued to meaningfully participate in and contribute to the Governance and Administration cluster of government. The OAG reported to Standing Committee on Public Accounts (SCOPA) and the Standing Committee on Finance (SCOF) on the progress report related to improvement of financial management in PFMA institutions. The reports also provide information on strategic initiatives taken by the OAG in addressing transversal matters and those that pose challenges during audits of PFMA institutions. A memo on audit outcomes of PFMA institutions was also tabled at Cabinet for audits related to 2019/20.</p>



### 3. INSTITUTIONAL IMPACTS AND OUTCOMES - Cont

OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE 5-YEAR TARGETS
	<p><b>Office of the Chief Procurement Officer Division</b></p> <p>Publication of the Public Procurement Bill for comment provided the public with the opportunity to shape future public sector procurement. Once implemented, the legislation will introduce a number of reforms into the public procurement process and improve access to procurement opportunities. About 4 600 comments were received all of which have been collated and considered. It is anticipated that the Bill will be tabled in Parliament by December 2021 for consideration.</p> <p>The OCPO successfully issued directives on emergency procurement and the designation of line hardware. Furthermore, MFMA revision of procurement thresholds were advertised and comments received, collated and considered. Forty-one transversal contracts were renewed in 2020/21.</p> <p>The National Treasury, through strategic procurement initiatives, has developed sourcing strategies for a government online travel booking tool. Progress has been made on the implementation of a Strategic Procurement Framework (SPF) as well as sourcing projects on bulk fuel and health technology. Training and awareness sessions for the National Travel Policy Framework (NTPF) with all national departments, provincial departments, provincial treasuries and public entities have been concluded.</p> <p>During the reporting period, the Central Supplier Database (CSD) continued to provide suppliers with access to all public tender opportunities and the e-Tender portal provided notifications of these opportunities. As at 31 March 2021, the CSD had 886 782 registered suppliers, of whom 271 742 are owned by women, 259 658 by youth and 6 474 by people with disabilities. Through the OCPO, the National Treasury has published public sector procurement information planned for the coming 12 months, including the dashboard on COVID-19 procurement that is currently on the National Treasury’s website. It is planned that this will be expanded to include all procurement.</p> <p>During the reporting period, institutions were identified for assistance to strengthen their supply chain management (SCM) functions, including Transnet, National Prosecution Authority (NPA), South African National Roads Agency Limited (SANRAL) and Eskom.</p> <p>The provincial SCM forum was adopted as a sub-committee of the Technical Committee on Finance with heads of provincial treasuries as permanent members with a focus on the following towards improving SCM performance agreed to:</p> <ul style="list-style-type: none"> <li>• The legislative framework</li> <li>• Audit outcomes</li> <li>• Skills and professionalisation of the SCM discipline</li> <li>• The use of technology in SCM</li> <li>• Strategic procurement/transversal contracts.</li> </ul> <p>The engagements on these areas have been extended to the SCM Forum for State Owned Entities as well.</p>

### 3. INSTITUTIONAL IMPACTS AND OUTCOMES - Cont

OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE 5-YEAR TARGETS
<p><b>Programme 6: International Financial Relations</b></p> <p>This programme manages 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.</p>	<p><b>International and Regional Economic Policy Division</b></p> <p>In 2020, the African Development Bank approved a R5 billion loan to support South Africa's COVID-19 response programme.</p> <p>The National Treasury represented South Africa in the meetings of the African Development Fund (ADF) and the International Development Association (IDA). Continued participation has enabled South Africa to maintain its voice in these concessional funds and, as one of the only African donors, to influence the funds' strategic focus to ensure that they are geared towards meeting the needs of low-income African countries.</p> <p>The Committee of Fifteen Ministers of Finance (F15), of which South Africa is a member, continued to oversee the formulation of the African Union (AU) budget jointly with the ministers of foreign affairs. South Africa's continued participation, through the National Treasury, has led to a process of regulating the budget oversight role of the ministers of finance through the statutes of the AU. The National Treasury provided technical guidance on the scale that Southern Africa submitted as being its preferred position on the Peace Fund Scale of Assessments (PFSA).</p> <p>As part of South Africa's engagement in the Southern African Customs Union (SACU) and informed by the strategic objective to promote integration and strengthen governance in the Secretariat, the National Treasury continued to engage on all finance track related matters. Completion of the review of the conditions of service and guidelines for the appointment of senior executives, including the Executive Secretary, will strengthen financial governance of the Secretariat. Additionally, the revised SACU vision and work programme unlocks negotiations on key areas identified to support regional integration through industrialisation and development of regional value chains as well as infrastructure development.</p> <p>The Southern African Development Community (SADC) Macroeconomic Convergence Programme continued to be a key feature of the integration agenda. South Africa prioritised engagement and achievement of the set targets and experience sharing among member states towards strengthened financial and economic integration.</p> <p>The World Economic Forum (WEF) provides South Africa an opportunity to position the country as an attractive investment destination for international investors. The National Treasury supported the Minister of Finance's participation in the WEF Global Action Group which identified and developed a set of seven "Shared principles for global cooperation", which were launched as WEF's work programme during the Davos Special Summit held in January 2021. The programme also supported the participation of the President and the Minister of Finance in this summit.</p>

### 3. INSTITUTIONAL IMPACTS AND OUTCOMES - Cont

OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE 5-YEAR TARGETS
	<p>On behalf of the South African government, the National Treasury successfully concluded the International Monetary Fund (IMF) staff visit from 15-25 January 2021. Additionally, in July 2020 the National Treasury secured US\$4.3 billion in emergency support from the IMF to address the COVID-19 pandemic. The emergency financial assistance secured was through the Rapid Financing Instrument (RFI) which does not require IMF policy conditionalities.</p> <p>In the Group of Twenty (G20), the National Treasury supported the President in his engagement at the virtual Riyadh (G20) Summit in November 2020, where the President was a lead speaker in the session “Building an inclusive, sustainable and resilient future” which focused on issues of employment, women’s empowerment, the Sustainable Development Goals (SDGs), the partnership with Africa, quality infrastructure development, global health and development cooperation.</p> <p>The National Treasury represented South Africa in advocating for a global and consensus-based solution on the challenges arising from the digitalisation of the economy by addressing the blueprints for Pillars 1 and 2 by mid-2021.</p> <p>The National Treasury continued to represent South Africa in the Brazil, Russia, India, China and South Africa (BRICS) formation to advance collaboration on the BRICS Public Private Partnership and Infrastructure Task Force focusing on social infrastructure investment and the use of digital technologies.</p> <p>Since becoming a member of the New Development Bank (NDB), South Africa has secured funding to the value of US\$5,3 billion for various sectors. This includes US\$2 billion financing from the NDB fast-track COVID-19 assistance facility which supports NDB member countries in two phases: Phase I focuses on the most urgent needs of NDB’s member country governments, mostly for health and social safety nets, while Phase II supports economic stimulus and recovery.</p>
<p><b>Programme 7: Civil and Military Pensions, Contributions to Funds and Other Benefits</b></p> <p>This programme provides for the processing and payment of pensions to members and their dependents in terms of various statutes, collective bargaining agreements and other commitments.</p>	<p><b>Civil and Military Pensions, Contributions to Funds and Other Benefits</b></p> <p>The programme has continued to achieve its annual targets. During the reporting period, all indicators were achieved and of the three, two were exceeded. This is attributed to continuous monitoring of production statistics and effective administration of the programme fund benefits.</p>

# 4 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 sub-programme supports the Minister and Deputy Minister by providing executive and administrative services. The sub-programme is responsible for the development of systems and mechanisms that deal with parliamentary questions and replies, Cabinet matters, correspondence, submissions and memoranda.

### ***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.

## **4. PERFORMANCE INFORMATION BY PROGRAMME - Cont**

### ***Management***

This sub-programme 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 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* improves organisational risk communication and knowledge sharing, developing a common risk language that ensures that a risk management culture is embedded in 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 National Treasury has a strategic risk profile register that enables coordination and alignment of strategic initiatives across the department.

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

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

*Legislation Services* 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***

The Corporate Services division delivers and oversees shared services in alignment with 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 human resources support so that National Treasury can attract, develop and retain the skills needed to deliver on the department's mandate and objectives.



## **PART B: PERFORMANCE INFORMATION**

### **4. PERFORMANCE INFORMATION BY PROGRAMME - Cont**

*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 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 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 be in compliance with the National Archives Act, 2003 (Act No. 629 of 2003).

The *Public Entities Oversight* unit 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 of Finance.

*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**

The **Risk Management** unit continued to review its structure and reconfigure its processes in order to improve and further entrench the culture of risk management in the organisation. During the reporting period, the National Treasury further enhanced its practice and application of risk management principles by working in partnership with Strategic Planning, Monitoring and Evaluation to draft divisional and chief directorate operational plans and integrate risk management in both performance planning and planning projects. The Risk Management unit subsequently embarked on a process of reviewing and determining risk appetite statements and tolerance thresholds for the National Treasury. As a result, alignment of divisions' strategic objectives and operational plans with risks identified has improved. This has allowed the unit to strengthen monitoring of implementation of risks mitigation strategies. Four quarterly monitoring reports were produced.

## 4. PERFORMANCE INFORMATION BY PROGRAMME - Cont

Business Continuity improved organisational maturity by conducting business impact analyses to enable continuity of operations during normal business disruption. Business continuity solutions have been enhanced to facilitate flexible working conditions. To enhance business continuity resilience, an online platform has been created that allows remote working accessibility of all critical systems. A disaster recovery site is available and operational in Pietermaritzburg.

The **Internal Audit (IA)** unit implemented its revised annual risk-based audit plan for 2020/21 as part of the three-year rolling plan, after consultation with management and approval by the National Treasury's audit committee. Twenty-one audits were approved and planned for in the revised audit plan for 2020/21. Eighteen audits were completed although not all approved by end of the reporting period; two audits were deferred while one audit was still in progress. All changes to planned audits were approved by the audit committee. All audits and other internal audit functions were conducted in accordance with the International Standards for the Professional Practice of Internal Audit as issued by the Institute of Internal Auditors.

The **Strategic Planning, Monitoring and Evaluation** unit has completed the implementation of all envisioned instruments in the organisational planning, monitoring and reporting ecosystem. With the introduction of monitoring and reporting at a Chief Directorate level and the monitoring and reporting of the planning compliance and implementation of big projects, the department is able to plan and monitor horizontally and vertically across all levels of the organisation as well as report specifically and in combination across all measurements monitored. This expansive and inclusive coverage of the organisation contributes significantly to the reporting being effectively used in the organisation as a management tool and informing evidence based decision making. To further advance the organisations capabilities and strengthen the alignment between planning practices of risk analysis, performance planning, budgeting, human resources performance management, responding to internal audit findings and integrated intelligent reporting, a modernisation and automation programme has been initiated. The keystone of this programme is the design by National Treasury of a bespoke integrated Organisational Performance Planning and Reporting Management System (OPPMMS). This system will increase productivity, enhance efficiency, enable integration, increase performance and reduce efforts and costs across the functions and service delivery of the system partners. Advocacy and information sharing initiatives, as well as an annual submissions schedule planner, were introduced at divisional level. These initiatives encourage ownership of the process across the organisation, instil predictability into the process and inculcate trust resulting in an increased compliance rate and improved quality of submissions received.

Staff turnover for 2020/21 in the **Human Resource Management** unit was 8.5 per cent. While this is a decrease from 10.4 per cent in the previous financial year, it is still considered high. Exits remain mostly as a result of resignations which were at 41 per cent compared to 42 per cent in the previous financial year. The vacancy rate for the period under review was 14 per cent compared with 11 per cent in the previous financial year. The increasing pressures on the fiscus and the continuous reduction in budget for compensation of employees are challenging and the opportunity to retain staff through offering higher remuneration is not sustainable. Future retention efforts will need to focus on instruments such as increasing exposure of employees, improving the working environment and alternative methods of recognition.

The National Treasury continued to encourage employees to consider rotation as part of ensuring sustainable employee engagement. Rotation and acting in higher positions for exposure purposes ensures that the department can call on a diverse set of skills and is able to recruit internally should opportunities become available. During the reporting period, three interns were appointed to permanent positions. 54.47 per cent of employees in National Treasury are female. The gender equity target for Senior Management Service members has been exceeded, with 54 per cent female representation against the 50 per cent target. At the end of the financial year, the employment equity statistics indicated 0.88 per cent of employees declaring



## **PART B: PERFORMANCE INFORMATION**

### **4. PERFORMANCE INFORMATION BY PROGRAMME - Cont**

disabilities. Efforts towards the national priority of youth employment continued with the National Treasury staff complement comprising 31.65 per cent youth. There was an increase in awareness and utilisation of the department's employee health and wellness programme to 17 per cent in 2020/21, up from 10 per cent in the previous financial year. This was mainly due to the COVID-19 pandemic when an increase in psychosocial services was recorded.

The **Knowledge Management (KM)** unit facilitated the institutionalisation of the Ndzhaka ("inheritance") project in the National Treasury and secured a partnership with the Government Technical Advisory Centre (GTAC). This innovative knowledge harvesting initiative aims to capture and preserve the institutional memory of the organisation's cornerstone institutional reforms. These will be recorded as academic papers as well as first hand oracle recordings. KM also facilitated the development of a Knowledge Management Framework and implementation plan for the Procurement Infrastructure and Knowledge Management Capacity Development Programme (PINK) project. The directorate also hosted workshops to define the scope of the National Treasury's integrated knowledge and information management system funded by Swiss State Secretariat for Economic Affairs (SECO) including a peer learning webinar that explored communities of practice as an alternative mechanism for capacity building. The directorate continued to document the National Treasury's core business processes as part of the organisational review project and to provide business analysis support to its divisions.

The **Records Management (RM)** unit continued to ensure compliance with the National Archives Act through the provision of records management services to the National Treasury and GTAC. This included assisting business units through the retrieval of files for audit and reference purposes, the archiving of inactive files and the scanning of files and uploading them to SharePoint to enable quick and easy access to records outside the National Treasury's premises. The unit also worked with KM in ensuring compliance with the Promotion of Access to Information Act, 2000 (Act No. 2 of 2000) (POPI) through facilitating 24 requests for information from members of the public and private bodies and submitting the Section 32 report to the South African Human Rights Commission (SAHRC). The unit also hosted a Wits University's Doctor of Philosophy (PhD) student while he was conducting research on the National Treasury's fiscal policy matters and provided relevant information.

The **Information and Communication Technology (ICT)** governance unit further strengthened the governance of ICT and achieved better collaboration and greater economies of scale as more ICT resources were shared. The terms of reference of ICT governance structures continues to be updated, work has commenced to refresh the ICT strategy and associated plans and maintained a Management Performance Assessment Tool (MPAT) rating of 4.



## 4. PERFORMANCE INFORMATION BY PROGRAMME - Cont

Critically at this time, ICT Front Office released a new tool to enable working from home. This includes advanced digital signatures, automated memos and better electronic content management systems. More departmental processes were improved and automated including the launching of eRecruitment, Protest Memoranda Response and Tracking Solution, Upgrading of Service Desks for Transversals, ALM Retail Bonds, OCPO CSD and National Treasury Corporate Services.

ICT Back Office increased its computing capacity fourfold and initiated an upgrade of its wide area network links. Steps were taken to further increase the maturity of the department's business continuity capability and disaster recovery. ICT commenced utilisation of a number of the cloud services available to improve its infrastructure capacity. Furthermore, ICT support maintained service levels while supporting employees who were working both on and off site.

The **Public Entities Oversight (PEOU)** unit ensured that all public entities reporting to the Minister of Finance complied with relevant legislative requirements. In addition, all public entities' strategic plans and annual performance plans were reviewed for ministerial approval and timeously tabled in Parliament. PEOU has facilitated the board appointments process by ensuring that competent persons are appointed to serve on the board of public entities. To promote effective, economical and efficient budgeting, the PEOU reviewed the Medium Term Expenditure Framework (MTEF), the Estimates of National Expenditure (ENE) and the Adjusted Estimates of National Expenditure (AENE) submissions from 16 public entities and made appropriate funding recommendations. In exercising oversight of public entities, the PEOU continued to provide the Minister of Finance with sound risk-based technical advice supporting public entities to deliver on their respective mandates. PEOU will continue to work efficiently and in partnership with all stakeholders in improving accountability in the use of public resources.

The **Financial Management** unit continued to exercise governance in curbing deviations and incidents of non-compliance. The unit reviewed supply chain management policies and implemented new standard operating procedures. The shift from computer desktop to laptops was executed in collaboration with the ICT chief directorate. The unit also provides financial resources support to internal and external stakeholders on an annual basis, with transparent and credible budgeting process entailing the Medium Term Expenditure Framework (MTEF), the Estimates of National Expenditure (ENE), the Adjusted Estimates of National Expenditure (AENE) and the rollovers in line with the PFMA, Treasury Regulations and Public Finance guidelines.

Semi-annual and annual tax reconciliations were compiled accurately and submitted to the South African Revenue Service six weeks before the closing date. The National Treasury closed its financial records on 12 April 2021. The unit increased its control measures with regards to processing supplier payments, with 99 per cent of payments processed at an average of 11 days from receipt of an invoice. Preparation and fair presentation of audited financial statements remains a core function for the unit, including the coordination of internal and external audit processes on behalf of the department. In support of capacity building, the unit continues to provide skills development by employing chartered accountant trainees on a rotational basis at various functions. Five trainees assisted and were given exposure to preparation and review of annual financial statements. Financial Management continues to provide administrative support to other business units through effective and efficient internal control, personnel remuneration, supply chain, asset, revenue and expenditure management.

The **Communications** unit successfully managed media and external communications to ensure that the National Treasury had a presence in the national discourse around public finances and their management. This was done strategically and proactively by creating media and public speaking platforms for National Treasury executives and senior officials, with the department's principals (the Minister, the Deputy Minister and the Director-General) and members of EXCO taking part in a number of radio, television, newspaper and online interviews.



## **PART B: PERFORMANCE INFORMATION**

### **4. PERFORMANCE INFORMATION BY PROGRAMME - Cont**

Drawing on content from the National Treasury's divisions, the unit published a range of media statements on the department's website informing the public about key policy related issues such as the budget and procurement. Concise social media banners were used to provide speedy updates on policy developments and, through content development, monitoring and analysis, the executive was assured of effective and efficient media and communication management on all platforms.

The unit protected and enhanced the department's public reputation by moulding its identity and positive image through the dissemination of functional, thoughtful, consistent and well-articulated internal communication messages through Corporate Communications. It provided assistance to departmental divisions and units to communicate the purpose and value of their work to stakeholders. It also successfully managed internal campaigns, such as commemorations, wellness programmes, and profiling of divisions and individuals in support of the business outcomes that contributed to the department's service delivery performance. The unit successfully contributed to external campaigns and outreach projects on projects including the budget, budget vote, and the MTBPS. Continuous planning was provided on corporate social responsibility projects, and creative and production services (visuals, design, layout, and brand activation) were completed in-house for a range of production projects.

The **Legal Services** unit is responsible for providing a comprehensive legal advisory service to the National Treasury to assist it in executing its mandate effectively within the rule of law. During the reporting period, Legal Services provided civil litigation services in respect of approximately 154 cases involving a complex mix of law and policy in respect of the following major areas: constitutional attacks to legislation, procurement, special pensions, labour and general litigation. Legal Services successfully litigated on the following matters:

- A challenge to the interview process for the appointment of commissioner and deputy commissioner of the FSCA;
- A challenge to the government's conduct in procuring and obtaining the COVID-19 vaccines and the roll out thereof;
- A challenge to compel government to continue paying the COVID-19 social relief of distress grant for caregivers;
- A challenge to compel the National Treasury to make additional funds available for the presidential employment stimulus programme;
- A challenge to ring-fence funds for the erection of the sewerage treatment facility from the Madibeng Municipality's allocated funds or equitable share funds in terms of the DoRA; and
- A challenge to the constitutionality of the VAT Act to the extent that it fails to provide for the remittal of interest on late VAT payments where the failure to make the payment within the prescribed period did not result in a loss to the fiscus.

## **4. PERFORMANCE INFORMATION BY PROGRAMME - Cont**

The unit provided commercial legal advice in respect of the two loans from the New Development Bank in support of the economic recovery from COVID-19 and budget support as well as various contractual arrangements between the National Treasury and its service providers. It also assisted in negotiating the Covax facility and guarantee indemnity agreement for the acquisition of COVID-19 vaccines as well as the guarantee loan scheme.

Legal Services also assisted other organs of state such as the Hawks and the Public Protector by assisting officials from the National Treasury to draft statements as requested. We have also assisted with preparation of a statement to the commission of inquiry into allegations of state capture, corruption and fraud in the public sector including organs of state.

During the reporting period, the **Legislation** unit prepared and enacted into law the annual budget legislation, as well as a supplementary Division of Revenue Amendment Act and Adjustments Appropriation Act to deal with the impact of the COVID-19 pandemic. The Auditing Profession Amendment Act, 2021 (Act No. 5 of 2021), whose aim is to strengthen the regulator's powers to deal more effectively with improper conduct by auditors, was promoted through Parliament and passed in March 2021. The Financial Sector Laws Amendment Bill was tabled in Parliament. This Bill provides for a framework for the resolution of systemically important financial institutions to ensure that the impact or potential impact of a failure of any of these institutions on financial stability is managed appropriately. A Special Appropriation Bill to provide for funding authorised under section 16 of the PFMA for COVID-19 vaccines and extension of special social grant relief, and shifting funding from South African Airways to some of its subsidiaries were prepared and tabled in Parliament. Work on the draft of the Conduct of Financial Institutions Bill continued. The unit also provided valuable input on draft legislation developed by other departments. The unit furnished input for the regulations for the COVID-19 pandemic under the Disaster Management Act, 2002 (Act No. 57 of 2002). As a result of the COVID-19 pandemic, the unit prepared or scrutinised notices for exemptions to deal with delays in meeting deadlines under the PFMA and MFMA and scrutinised instructions on special procurement arrangements.

A number of regulations, instructions and other legal instruments were scrutinised during the period. The unit provided legal advice 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.

**PART B: PERFORMANCE INFORMATION**

**4. PERFORMANCE INFORMATION  
BY PROGRAMME - Cont**

**PERFORMANCE INDICATORS**

**ORIGINALLY TABLED ANNUAL PERFORMANCE PLAN 2020/21 (MARCH 2020)**

PROGRAMME 1: ADMINISTRATION										
APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	ACTUAL 2018/19	ACTUAL 2019/20	TARGET 2020/21	ACTUAL 2020/21	DEVIATION FROM PLANNED TARGET	REASON FOR DEVIATION	REASONS FOR REVISIONS TO THE OUTPUTS / OUTPUT INDICATORS / ANNUAL TARGETS
1.1.4	Sound financial controls and management of public finances	Annual Training report	Percentage spend of training and development budget	#	#	70%	3.1%	66.9%	Under-performance is attributed to fewer training requests received and less employees attending training due to impact of the COVID-19 pandemic.	The annual target was revised due to the impact of the COVID-19 national state of disaster and the nation-wide lockdown. Employees were unable to attend training courses during this period as service providers were still transitioning to virtual training platforms.



## 4. PERFORMANCE INFORMATION BY PROGRAMME - Cont

### RE-TABLED ANNUAL PERFORMANCE PLAN 2020/21 (JULY 2020)

PROGRAMME 1: ADMINISTRATION									
APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	ACTUAL 2018/19	ACTUAL 2019/20	TARGET 2020/21	ACTUAL 2020/21	DEVIATION FROM PLANNED TARGET	REASON FOR DEVIATION
1.1.1	Sound financial controls and management of public finances	ICT service delivery reports	Percentage of ICT service delivery standards met	#	#	90%	90%	N/A	N/A
1.1.2		Audit Outcome	Audit Opinion obtained	#	#	Unqualified audit opinion with 25% fewer findings than 2019/20 on financial performance information	Unqualified audit opinion with 37.7% fewer findings than 2019/20 on financial performance information	12.7% additional reduction of audit findings on financial performance information	Over-performance is attributed to improved internal controls and review measures implemented.  Audit Findings Steering Committee was established to monitor the implementation of action plans.
1.1.3		Risk Management Maturity report	Risk Management Maturity Assessment level achieved	#	#	3	3.9	0.9	Over-performance is attributed to the maturity level being increased by the resumption of the Risk Management Committee, review and approval of governance documents including a 5-year Enterprise Risk Management Strategy.

**PART B: PERFORMANCE INFORMATION**

**4. PERFORMANCE INFORMATION BY PROGRAMME - Cont**

**PERFORMANCE INDICATORS - cont.**

RE-TABLED ANNUAL PERFORMANCE PLAN 2020/21 (JULY 2020)

PROGRAMME 1: ADMINISTRATION									
APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	ACTUAL 2018/19	ACTUAL 2019/20	TARGET 2020/21	ACTUAL 2020/21	DEVIATION FROM PLANNED TARGET	REASON FOR DEVIATION
1.1.4		Annual Training report	Percentage spend of training and development budget	#	#	25%	50.6%	25.6%	Over-performance is attributed to a positive uptake of virtual training and development initiatives towards the latter part of the financial year.

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

No underperformance

**CHANGES TO PLANNED TARGETS**

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



## 4. PERFORMANCE INFORMATION BY PROGRAMME - Cont

### LINKING PERFORMANCE WITH BUDGETS

PROGRAMME 1: ADMINISTRATION	2020/21			2019/20		
	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	4 283	3 678	605	4 434	3 687	747
Departmental Management	31 786	24 716	7 070	48 062	30 890	17 172
Corporate Services	183 909	171 905	12 004	156 200	133 094	23 106
Enterprise-Wide Risk Management	33 906	29 531	4 375	35 248	31 604	3 644
Financial Administration	49 424	46 935	2 489	50 360	47 286	3 074
Legal Services	25 698	25 138	560	22 680	22 171	509
Internal Audit	21 611	19 572	2 039	37 923	34 235	3 688
Communications	11 472	9 488	1 984	12 753	10 926	1 827
Office Accommodation	167 198	165 382	1 816	143 710	139 741	3 969
<b>Total</b>	<b>529 287</b>	<b>496 345</b>	<b>32 942</b>	<b>511 370</b>	<b>453 634</b>	<b>57 736</b>



## **PART B: PERFORMANCE INFORMATION**

# **4. PERFORMANCE INFORMATION BY PROGRAMME - Cont**

## **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 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 sub-programme 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 sub-programme 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



## 4. PERFORMANCE INFORMATION BY PROGRAMME - Cont

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 of revenue.

### ***Economic Policy***

This sub-programme provides macroeconomic and microeconomic policy analysis, economic forecasts that inform the budget and Medium-Term Budget Policy Statement (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, and 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 Tax and Financial Sector Policy (TFSP) followed up implementing the 2020 Budget tax proposals through consultations, research and drafting of legislation, taking public comments, tabling and facilitating their enactment. In addition, two large initiatives to broaden the base announced in the 2020 Budget were put on hold in light of the economic climate during and following the COVID-19 pandemic lockdowns. The division also conducted research and provided advice to the Minister on options for tax policy proposals for the 2021/22 Budget, which set out a path for a more efficient tax system with a broader tax base with fewer incentives and lower overall tax rates.

The division coordinated and chaired the revenue analysis working committee which provided revised tax revenue forecasts for the 2020 Medium Term Budget Policy Statement (MTBPS) and 2021 Budget. For the 2021 Budget, it also updated the estimates for tax expenditures and proposed numerous technical tax amendments to be legislated in 2021. At the time of the MTBPS, revenue was expected to fall short by R312.8 billion relative to the estimate at the time of the 2020 Budget. However, revenue collection recovered substantially in the last quarter of 2020, resulting in a smaller projected shortfall of R213.2 billion by the time of the 2021 Budget. The final estimate revenue collected for 2020/21 fiscal year was better than expected in the 2021 Budget, surpassing it by R38 billion.

As the COVID-19 emergency was not anticipated in the 2020 Budget, further tax relief measures were introduced by the Minister of Finance in a special adjustment budget on 24 June 2020 – the division prepared and drafted two further COVID tax bills which were enacted in late 2020. The National Treasury, working with the South African Reserve Bank (SARB) and the Banking Association South Africa (BASA), also launched a loan guarantee scheme (LGS) on 12 May 2020, to assist small businesses that were negatively affected by the COVID-19 lockdown. As at 27 March 2021, banks had approved 14 827 in loans to the value of R18.16 billion. The total number of loan applications received since the beginning of 2021 to 27 March 2021 is 1 787. Of these, banks approved 511 applications, of which only 97 were taken up by clients. The end of the availability period (the period for draw down of loans) was 11 July 2021 for most participating banks under the guarantee scheme. Banks also provided significantly more support from their own balance sheets to their business customers since the COVID-19 lockdowns.



## **PART B: PERFORMANCE INFORMATION**

### **4. PERFORMANCE INFORMATION BY PROGRAMME - Cont**

The TFSP division also provided support to the process of implementing the recommendations made by the 2018 Commission of Inquiry into Tax Administration and Governance by SARS, chaired by Judge Nugent, focusing on the improvement and strengthening of governance arrangements at the South African Revenue Service (SARS).

The division continued with implementation of the Financial Sector Regulation Act, No 9 of 2017 (FSR Act) and resumed the process for the appointment of the Commissioner and Deputy Commissioners of the Financial Sector Conduct Authority (FSCA). The board of the Ombud Council was also appointed during the financial year.

As a follow-up to the World Bank diagnostic report on retail banking published in 2018, the division worked closely with the FSCA to implement a number of the recommendations in the report. The division also continued work on incorporating comments received after the publication of the draft Conduct of Financial Institutions Bill. The second draft of the Bill was published in September 2020.

Retirement reforms have been an ongoing process meant to address problems related to poor retirement outcomes for members. Following many years of consultations at the National Economic Development and Labour Council (Nedlac), government welcomed the decision and support by Nedlac's social partners to proceed with the harmonisation of retirement benefits emanating from provident funds.

The division published the draft financial inclusion policy "An inclusive financial sector for all" for public comment. The draft policy seeks to establish a policy framework for financial inclusion in South Africa.

Following Cabinet approval, the division introduced the Financial Sector Laws Amendment Bill (FSLAB) in Parliament. The FSLAB will provide tools for regulatory authorities to facilitate the resolution of systemic financial institutions. The FSLAB also proposes the introduction of a deposit insurance scheme funded by industry.

During the financial year, the division published a draft technical paper entitled "Financing a sustainable economy". The technical paper seeks to introduce a voluntary framework for financing and disclosures in a manner that responds to the risks posed by climate change.

## 4. PERFORMANCE INFORMATION BY PROGRAMME - Cont

Together with the Intergovernmental Fintech Working Group, the division published a revised position paper on crypto assets. This followed the publication for public comment of the initial consultation paper in 2019. The revised paper provides recommendations for the development of a regulatory framework for crypto assets.

The division continued working with other government departments and agencies on the mutual evaluation and peer review, of the country's Anti-Money Laundering and Combating of the Financing of Terrorism system being conducted by the Financial Action Task Force.

The division has also been working with the Financial Surveillance Department of the South African Reserve Bank in putting in place a new capital flow management system that will simplify cross-border trade and financial flows, while tightening the system for combatting sophisticated financial crimes, unexplained wealth and suspicious financial flows.

### ***Economic Policy***

The Macroeconomic Policy unit provided analysis of monetary and exchange rate policy in light of global and financial market events. Analysis and research on growth policy was undertaken, including the commencement of work on the macroeconomic review. The unit also investigated feasible labour market reforms to boost employment. Research and analysis support were provided for policies to address inequality and to ensure gender-based budgeting as well as labour market policy support in the form of work on the employment tax incentive evaluation and ultimate extension.

The Microeconomic Policy unit published research on the regulation of the fuel price, and managed and coordinated the modelling of the Economic Recovery and Reconstruction Plan (ERRP). The unit also generated appraisals of suggested product designations and International Trade Administration Commission submissions, and made inputs into key policy processes including electricity sector reform, economic regulation of rail and the credit guarantee scheme. In addition, the unit provided technical support to Operation Vulindlela in the implementation of structural reforms related to the electricity sector, telecommunications, freight and port performance and the skilled immigration regime. The unit also facilitated the commissioning of work to examine the transitioning of the electricity sector in collaboration with the Department of Mineral Resources and Energy (DMRE), Department of Public Enterprises (DPE) and the Presidency.

The Modelling and Forecasting unit continued to produce quarterly economic and revenue forecasts accompanied by scenarios highlighting the main risks to the baseline macroeconomic forecast. Initial assessments of the impact of the COVID-19 pandemic on the economy were also produced. In addition to providing information about the macroeconomic outlook, significant capacity building was conducted over the year to ensure continuity and to mitigate institutional risks; this included extensive training in forecasting and economic policy impact analysis. The unit continued to assist with the evaluation of tax and expenditure proposals on a macro level.

**PART B: PERFORMANCE INFORMATION**

**4. PERFORMANCE INFORMATION  
BY PROGRAMME - Cont**

**PERFORMANCE INDICATORS**

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

APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	ACTUAL 2018/19	ACTUAL 2019/20	TARGET 2020/21	ACTUAL 2020/21	DEVIATION FROM PLANNED TARGET	REASON FOR DEVIATION
2.1.1	Coherent economic policy advocated	Published papers	Number of papers published through the SA-TIED programme	50	50	50	64	14	Over-performance is attributed to additional research papers produced from programme savings.
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	N/A	N/A
2.1.3		Tax legislation	Legislation to give effect to tax proposals from the Budget drafted	Tax legislation in Parliament prepared, published, and tabled	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

## 4. PERFORMANCE INFORMATION BY PROGRAMME - Cont

PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH										
APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	ACTUAL 2018/19	ACTUAL 2019/20	TARGET 2020/21	ACTUAL 2020/21	DEVIATION FROM PLANNED TARGET	REASON FOR DEVIATION	
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	Reviewed macroeconomic policy framework to support growth	Percentage completion of macroeconomic framework review according to approved project plan	#	#	100%	100%	N/A	N/A	

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

No under-performance

### CHANGES TO PLANNED TARGETS

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

**PART B: PERFORMANCE INFORMATION**

**4. PERFORMANCE INFORMATION  
BY PROGRAMME - Cont**

**PERFORMANCE INDICATORS - cont.**

**LINKING PERFORMANCE WITH BUDGETS**

PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH	2020/21				2019/20				
	FINAL APPROPRIATION	ACTUAL EXPENDITURE	OVER/UNDER EXPENDITURE	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	R'000	R'000	R'000
Programme Management for Economic Policy, Tax, Financial Regulation and Research	40 780	37 096	3 684	40 493	33 449	7 044			
Financial Sector Policy	24 443	18 018	6 425	21 176	19 537	1 639			
Tax Policy	29 901	27 393	2 508	32 432	30 037	2 395			
Economic Policy	26 322	21 751	4 571	23 265	21 099	2 166			
Cooperative Banks Development Agency	20 473	20 473	-	20 759	20 759	-			
<b>Total</b>	<b>141 919</b>	<b>124 731</b>	<b>17 188</b>	<b>138 125</b>	<b>124 881</b>	<b>13 244</b>			

## 4. PERFORMANCE INFORMATION BY PROGRAMME - Cont

### 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 high-impact government initiatives, employment creation and strengthen infrastructure planning and delivery.

#### Institutional Outcomes

- Coherent economic policy advocated
- Sustainable public finances

### SUB-PROGRAMMES

#### *Budget Office*

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

#### *Public Finance*

Public Finance provides financial and budgetary analysis, advises on policy and service delivery trends, and manages National Treasury's relations with other national departments as well as its own analytical work. The division monitors the use of scarce public resources by national spending agencies, engaging where necessary with accounting officers and other officials to promote efficient and effective use of these resources. Based on engagements with departments, the Public Finance team provides recommendations annually to the Medium-Term Expenditure Committee (MTEC).

#### *Intergovernmental Relations*

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



## **PART B:** PERFORMANCE INFORMATION

# 4. PERFORMANCE INFORMATION BY PROGRAMME - Cont

## SERVICE DELIVERY OBJECTIVES AND INDICATORS

### Recent outputs

#### *Budget Office*

The Budget Office division is responsible for the national budget process, including publication of the Budget Review, the Medium Term Budget Policy Statement (MTBPS), the Estimates of National Expenditure (ENE) and Adjusted Estimates of National Expenditure (AENE). During the reporting period, the division oversaw expenditure planning, provided fiscal advice, led the budget reform programme, managed official development assistance and compiled public finance statistics.

During the reporting period, the unit published three fiscal frameworks for the 2020 Special Adjustments Budget, the 2020 MTBPS and the 2021 Budget. The unit played a leading role in securing finance for government's response to the COVID-19 pandemic. The unit worked with all the relevant stakeholders including the Ministers' Committee on the Budget (MINCOMBUD), Cabinet and Parliament to ensure that all relevant processes were completed on time to roll out the response package.

In addition to Fiscal Policy's regular work of regulating, analysis and reporting on public sector infrastructure spending; coordinated production of the Budget Review and the MTBPS, the unit led the development of an Infrastructure Fund including the governance frameworks and integration into the budget process. The year 2021/22 will be the first of operation for the Infrastructure Fund. The unit also initiated the Public Private Partnership (PPP) Framework Review, aimed at streamlining the regulatory processes, attracting increased private sector investment, and building a pipeline of blended finance projects.

The Expenditure Planning unit designs the annual national government Medium Term Expenditure Framework (MTEF) as well as the in-year budget process. The annual processes for budget allocation decision-making are carried out in consultation with the Minister of Finance and the MINCOMBUD. The unit issues various guidelines to government institutions on the input requirements for the budget process, and administers the process of budget consultations culminating in Cabinet approval of the budget allocations tabled in the budget and the adjustments budget. The unit also coordinates the production of all budget legislation and schedules for the annual and adjustments budgets. The unit carries out budget outreach activities to enable discussion of the budget with a wider cross-section of South African society.



## 4. PERFORMANCE INFORMATION BY PROGRAMME - Cont

The unit also provides leadership for budget reforms. Interactions with the Collaborative Africa Budget Reform Initiative, the Global Initiative on Fiscal Transparency and Civil Society and other institutions continued to increase transparency, public participation and understanding of budgeting processes and information. The unit continues to develop and maintain the Vulekamali data portal.

Public Finance Statistics (PFS) provides summaries of public sector finance statistics for the budget publications and detailed information to various internal and external stakeholders after the budget process. The statistics are classified according to international and national standards and stored in a secure Structured Query Language (SQL) server database.

During the reporting period, PFS consolidated government accounts, including the operating account, the capital account and consolidated financing position, classified by economic and functional classification, for the 2020 MTBPS and the 2021 Budget Review and also prepared tables for the 2021 ENE. PFS continued with the development of a data warehouse which will enhance accessibility of data, particularly for users with entry-level IT skills.

National Departments' in-year monitoring (IYM) reporting and public entities' quarterly reporting systems were also improved and a dashboard of the highlights of the information was developed. PFS continued to partner with the Technical Support Services unit in the Office of the Accountant-General (OAG) to manage the Standard Chart of Accounts (SCOA) and the SCOA committee. The committee published a number of classification circulars and participated in Basic Accounting System (BAS) user forums.

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

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

Development Cooperation (DC) support to South Africa from international partners in the form of grants, Official Development Assistance (ODA) loans and technical assistance is coordinated and managed by the Chief Directorate: International Development Cooperation (IDC). The focus of the support has changed over time from interventions directed at policy and strategy improvements to strengthening government service delivery and reducing poverty. ODA coordinators have continued to work with national and provincial spheres of government to strengthen government coordination at departmental level. A number of development partner consultations were organised during 2020/21 to improve coordination and management of programmes.

The global financial crisis continues to have a deep and profound impact on the current flow of DC funds to the country. As a result, a number of development partners have either withdrawn grant support or have actively been redirecting their focus to new potential economic prospects on the continent. This has led to reduction of almost 80 per cent in grant allocations in some cases, with support totalling about R1.458 billion in 2020/21.



## **PART B: PERFORMANCE INFORMATION**

### **4. PERFORMANCE INFORMATION BY PROGRAMME - Cont**

Notwithstanding this, a number of development partners continue to support South Africa, and are currently in the process of negotiating new envelopes of funding for South Africa albeit on a lesser scale than in previous years. They include the European Union (EU), Germany, United States Agency for International Development (USAID) and Canada. With limited grant funding available, the shift in support has moved towards ODA loan financing and technical assistance. As a result of the shift, the National Treasury's international Development Cooperation (NT IDC) has directed scarce resources to key development priorities focusing mainly on innovation, piloting, and the development of best practices.

IDC also embarked on a review of all EU funded General Budget Support projects that have been implemented between 2011 and 2019. These projects received funding of R2 767 958 239 through the normal budget process. The review will consider the value-add and success of this modality and identify the way forward should this form of development assistance be continued.

The Public Sector Remuneration Analysis and Forecasting (PSRAF) unit provides timely analysis and policy advice on the fiscal impact of government's remuneration policies, including reviews of the existing cost of living adjustment (COLA) model. The sustainability of the public finances depends largely on government's ability to slow growth in the public service wage bill. Given the economic circumstances, largely as a result of the COVID-19 pandemic, the unit in partnership with the department of Public Service and Administration (DPSA) provided compelling reasons for the non-implementation of the last leg of the 2018 wage agreement. During the reporting period, the Labour Court decision found in favour of government's position in this respect. Given the broader economic situation, it would not have been just and equitable for government to expend significant and scarce financial resources on employees whose jobs and salaries are secure. As a result, government was able to save about R37 billion in 2020/21. Moreover, the Labour Court accepted the argument that the original agreement was invalid and unlawful, and also affirmed the National Treasury's constitutional role in safeguarding public finances.

Preparations for the new round of wage negotiations have taken place with careful consideration for the broader economic outlook. The National Treasury, represented by the PSRAF unit, the DPSA as well as the relevant labour unions have agreed to convene in the Public Sector Coordinating Bargaining Chamber to commence the next process of negotiations. Although the resource envelope is extremely limited under the current economic circumstances, government intends to reach an agreement that balances fairness, equity and affordability relative to the broader economic growth of the country.

## 4. PERFORMANCE INFORMATION BY PROGRAMME - Cont

The PSRAF unit continues to provide technical and institutional support to various stakeholders in relation to the public service wage bill. These include comparative analysis between public and private sectors, national and provincial spheres as well as international benchmarking in the public sector.

In response to a request from Minister of Finance, a technical mission from the Fiscal Affairs Department held virtual meetings with the PSRAF unit during the period November and December 2020 to assist with efforts to contain the government wage bill. The mission reviewed recent trends, policies, and management of government compensation and employment and provided options to ensure the sustainability of wage spending. A document in this regard was published by the International Monetary Fund.

Implementation of scaled-up early retirement without penalisation of pension benefits in terms of Section 16(6) of the Public Service Act (1994) has been completed. Exits relating to early retirement at the national sphere of government were processed during 2020/21.

Despite issuing the final report on remedial action contained in the Public Protector's Report No. 18 of 2011/12 on alleged maladministration during privatisation of the Venda Pension Fund, the National Treasury has responded to requests for engagement from a number of community groups. It has been made clear that these engagements are distinct from the ongoing legal process currently underway.

### **Public Finance**

The Public Finance division oversees budgetary planning and execution in national departments, 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. The division provides advice to the Director-General, the Minister and the Deputy Minister on Cabinet memoranda and public finance issues that require ministerial concurrence or approval by the National Treasury. It continues to be the primary link between the National Treasury and other national departments and government agencies.

The Administrative Services unit oversees the finances and budgets of a number of central government departments and entities. Departments and other key structures with which the unit worked in 2020/21 included:

- **The Presidency:** provided guidance and support to the Presidency regarding the establishment of the Presidential Youth Employment Initiative.
- **Department of Home Affairs:** As part of the Border Management Authority (BMA) steering committee provided support and technical guidance on the establishment of the BMA. The unit is part of the one-stop border post (OSBP) implementation steering committee for the development of the OSBP policy and for the redevelopment of the six ports of entry. It also provided support and funding to the Department of Home Affairs (DHA) through a self-financing mechanism during the adjustment budgeting process, and aided the revision of the DHA client tariffs.
- **Statistics South Africa:** In order to assist and support the department with its compensation of employee budget shortfalls, the unit worked closely with the GTAC to review spending on provincial and district offices. The report's findings are still under consideration.
- **Department of Planning, Monitoring and Evaluation:** The unit worked closely with the GTAC to conduct a spending



**PART B: PERFORMANCE INFORMATION**

## 4. PERFORMANCE INFORMATION BY PROGRAMME - Cont

review focusing on possible duplication of planning, monitoring and evaluation functions within government. The report's findings are still under consideration.

- **National School of Government (NSG):** The unit provided comment on the proposal to amend the Public Administration Management Act, 2014 (Act No. 11 of 2014) (PAMA) to no longer provide for the establishment of the National School of Government as a university, but as a department. This will not only potentially save the state from the high costs of establishing an institution of higher learning, but also help to stabilise the strategic direction and organisational form of the school. It was advised that a thorough investigation and consultation process with the National Treasury and other stakeholders should be followed before amendments are made to the PAMA.
- **Department of Public Works and Infrastructure:** Together with the Intergovernmental Relations Division, the unit provided advice and support to the National Department of Health and National Department of Public Works and Infrastructure on the provision of quarantine sites nationwide.
- **Department of International Relations and Cooperation:** The unit provided guidance and advice to the department on the appointment of an envoy from South Africa for the Pan African Women Organisation. Together with the Chief Directorate: Supply Chain Management Governance Monitoring and Compliance, the unit provided advice to the department on the way forward regarding its request to sub lease a part of its New York building. Part of the advice was to ensure that the department complied with the stipulated regulations.

The Justice and Protection Services unit oversees planning, expenditure and service delivery by departments in this sector. During the reporting year, the key achievements by each directorate were:

- **Justice and Secret Services Directorate:** The directorate provided policy support and advice on client department requests for:
  - Provision of budget for the work of the Zondo Commission of Inquiry into State Capture.
  - Allocation of in-year additional funding to law enforcement agencies and courts involved in the fight against corruption.
  - Reprioritisation of 2020/21 funding within the baseline of the Department of Justice and Constitutional Development (DoJCD) to finance measures put in place to prevent the spread of COVID-19 including procurement of PPE and temperature scanners, decontaminating of buildings, upgrades to ensure functioning ventilation and air-condition systems.
  - Potential allocation of funding from the Criminal Asset Recovery

## **4. PERFORMANCE INFORMATION BY PROGRAMME - Cont**

Account to fund departmental interventions aimed at eradicating incidences of gender-based violence and femicide.

- Acceptance of donations received by the National Prosecuting Authority for the Mahikeng Thuthuzela Care Centre and the establishment of an internal ethics and public complaints structure.
- Acquisition of a new building by Legal Aid South Africa within the requirements of section 54 of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA). Additionally, in response to the urgent need to protect personal information, the directorate facilitated the allocation of additional funding to the Information Regulator, entrusted with the monitoring and enforcement of compliance by public and private bodies to the provisions of the Protection of Personal Information Act, 2013 (Act No. 4 of 2013) (POPI) and Promotion of Access to Information Act, 2000 (Act No. 2 of 2000).
- Critical review of administration spending in the DoJCD with the aim of identifying efficiencies and savings.
- **Police and the Independent Police Investigative Directorate:** Together with the GTAC, the directorate conducted spending review projects covering information and communications technology (ICT), accommodation portfolio, and fleet services in the South African Police Service (SAPS). The directorate provided comments to the SAPS, the Independent Police Investigative Directorate (IPID), the Civilian Secretariat for the Police Service (CSPS) and Private Security Industry Regulatory Authority (PSIRA) on their 2021/22 annual performance plans. The directorate provided inputs to the SAPS Amendment of Regulations issued in terms of the Firearms Control Act, 2000 (Act No. 60 of 2000). This framework relates to the increase in fees payable in respect of the issuing of competency certificates, licenses, permits and authorisations. Inputs were also provided to the various amendment bills compiled by the CSPS such as the Protection of Constitutional Democracy against Terrorist and Related Activities Amendment Bill (2020) and the South African Police Service Amendment Bill (2020). Finally, the directorate provided inputs on the draft Private Security Industry Levy Contribution Bill as well as the draft Private Security Industry Levies Amendment Bill.
- **Judicial Administration and Correctional Services Directorate:** The directorate continued to provide support and advice on the financial implications of the government component model proposed by the Judicial Inspectorate for Correctional Services (JICS) to strengthen its independence. The directorate is also participating in the interdepartmental task team assessing the feasibility study of the JICS. Together with the GTAC the directorate has conducted three spending reviews for the Department of Correctional Services.
- **Defence and Military Veterans Directorate:** With support from the GTAC, the directorate has completed three spending reviews on the Department of Defence as part of government wide effort to realise savings from efficiency improvements. The directorate has continued to support the Deputy President's intervention to deal with service delivery challenges in the Department of Military Veterans. The directorate has provided support to the Department of Defence regarding the funding for the deployment of the South African National Defence Force to enforce the lockdown regulations to minimise the spread of the COVID-19 pandemic.

Education and related departments: The unit monitors and advises on a number of functions implemented largely by provinces and public entities. During the reporting period, the unit assisted with improved monitoring of expenditure and service delivery and with reviews of current departmental policy and implementation approaches. The following departments were assisted:

- **Department of Basic Education:** The unit assisted and advised basic education on reviewing conditional grant frameworks to be able to address new needs of the sector brought on by the COVID-19 pandemic, including extending the scope of the National School Nutrition Programme to be able to provide meals to learners during lockdown and rotational school days. It also served on the steering committee for the development and implementation of the early



## **PART B: PERFORMANCE INFORMATION**

### **4. PERFORMANCE INFORMATION BY PROGRAMME - Cont**

grade reading strategy, including advising on the design of a funding model. Assistance and advice on the design of the basic education employment initiative was provided, and the unit served on the project steering committee overseeing implementation of this initiative. It also assisted and advised the sector on the planned shifting of the early childhood development function from social development to basic education.

- **Department of Higher Education and Training:** The unit provided input and advice to resolve the funding shortfall of the National Student Financial Aid Scheme (NSFAS) in 2021, as well as assistance to address the funding challenges at the Council on Higher Education brought on by its expanded mandate. The unit serves on the project steering committee for the skills development dialogue series as part of the capacity building programme for employment promotion initiative, and provided advice and support to the department on the process of shifting agricultural colleges from provincial to national competence. The unit provided advice, support and comments to the department in finalising the national norms and standards for funding community education and training colleges and technical and vocational education and training colleges, and advised the department and the NSFAS on the planned procurement of laptops for students necessitated by COVID-19 preventative measures.
- **Department of Employment and Labour:** The unit participated in the National Treasury/Unemployment Insurance Fund (UIF) deliberations on the funding, calculation of benefits, IT systems and communications of the COVID-19 Temporary Employee Relief Scheme (TERS) benefit, and served on the National Treasury/ UIF steering committee on the review of the Unemployment Insurance Contributions Act, 2002 (Act No. 4 of 2002) and on the adjudication committee for public employment services subsidy schemes for people with disabilities. The unit was part of the working group on starting a business to improve South Africa's ranking in the World Bank's Doing Business Index.
- **Department of Sports, Arts and Culture:** the unit provided advice and support on COVID-19 relief as well as the presidential employment stimulus funding to the sport and arts sectors and provided advice on the Solomon K Mahlangu precinct project. The unit also provided advice and support related to the personnel employed through the Community Library Services conditional grant as well as assisted the City Support Programme in the National Treasury on the role of metropolitan municipalities in the provision of the community library function.

Health and Social Development: The unit oversees the budgets, expenditure and service delivery of the Departments of Health, Social Development and Women,

## 4. PERFORMANCE INFORMATION BY PROGRAMME - Cont

Youth and Persons with Disabilities and provides support and advice in a number of policy areas for these sectors. Key work carried out with the departments in 2020/21 was:

- **Department of Health:** The unit provided extensive support to the health response to the COVID-19 pandemic, including facilitating the budget allocations to the sector in the 2020 special adjustments budget, creating a new conditional grant component for COVID-19, participating in epidemiological and cost modelling processes and discussions, facilitating the budget allocations for the COVID-19 vaccine rollout, and supporting the establishment of the COVID-19 no-fault compensation fund. The unit conducted several spending reviews, focusing on health sector overtime payments, the Human Immunodeficiency Virus (HIV)/ Acquired Immunodeficiency Syndrome (AIDS) conditional grant, health support services including security, food, and laundry, medical supplies, child vaccines and district health expenditure. Other key activities and focus areas were the presidential employment initiative, the development of a district health allocation formula, supporting the revisions to the health component of the provincial equitable share formula and authoring several articles and chapters of various health publications.
- **Department of Social Development:** The unit analysed, costed and tracked spending on COVID-19 emergency top-up grants and the introduction of the special COVID-19 social relief of distress grant, all aimed at supporting individuals and household during hard lockdown. Support was also provided to the South African Social Security Agency (SASSA) in addressing bottlenecks relating to cooperation with the financial sector to enable assessment and payment of beneficiaries, the National Treasury's Legal Services unit to address litigations on grant related matters, and with the National Treasury's Legislation Services unit to facilitate late allocations for the second extension of the special COVID-19 Social Relief of Distress (SRD) Grant, and with the Assets and Liability (ALM) in articulating the resourcing gap for the programme. Furthermore, in partnership with IGR, the unit worked on mechanisms to enable use of Early Childhood Development (ECD) conditional grant allocations to support the department and ECD sector's readiness to open post lockdown. The unit reviewed a number of policies proposed by Department of Social Development (DSD) and continued to work with the department in analysing funding mechanisms and strategies for the non-profit sector, including modalities for service provision. In support of the Department of Planning, Monitoring and Evaluation (DPME), the unit participated in various performance discussion on sectoral outcomes.
- **Department of Women, Youth and Persons with Disabilities:** The unit assisted the department in complying with its financial reporting, and reviewed and provided feedback to the department on proposed amendment of policies, acts and budget programme structure. It also compiled the gender based violence and femicide (GBVF) emergency response action plan (ERAP) spending report in support of the presidential initiative to determine allocations and spending towards GBVF related activities. The unit supported activities of the GBVF inter-ministerial committee task team and provided advice, facilitated consultations, and virements to support the planned operationalisation of the GBVF council.

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

During the reporting period, the following departments were supported:

- **Department of Public Enterprises:** In collaboration with the Asset and Liability Management division, the unit engaged the department on funding requirements for repayment of guaranteed debt and interest and other policy matters involving state-owned companies (SOCs) which include South African Airways SOC Limited, Eskom Holdings



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## 4. PERFORMANCE INFORMATION BY PROGRAMME - Cont

SOC Limited, South African Express Airways SOC Limited, Transnet SOC Limited, Denel SOC Limited and Alexkor SOC Limited. The unit also provided comments on the department's 2021/22 annual performance plan to ensure alignment to the budget.

- **Department of Small Business Development:** The unit provided support to the Department of Small Business Development (DSBD) in establishing the various funding streams and mechanisms to support small businesses affected by COVID-19, by creating a new transfer payment line item to the Small Enterprise Finance Agency, called COVID-19: Emergency Fund. The unit chaired the steering committee on the European Union funded programme for employment promotion through small, micro and medium enterprise support.
- **Department of Trade, Industry and Competition:** In collaboration with other divisions in the National Treasury including Economic Policy and Tax and Financial Sector Policy, the unit engaged the Department of Trade, Industry and Competition (DTIC) on the special economic zones programme. The unit continued to engage the department to ensure that funds were shifted towards funding of companies in distress due to the COVID-19 pandemic containment measures taken. In addition, the unit participated in the evaluation of applications for the Agro-Processing Support Scheme and the Aquaculture Development and Enhancement Programme as well as the Downstream Steel Industry Competitiveness Fund. During the 2021 budget process, the unit conducted spending reviews on the special economic zones and the clothing and textile competitiveness programmes, the outcomes of which were shared with the department.
- **Department of Science and Innovation:** The unit provided comments to the Minister of Finance on the request by the Minister of Higher Education, Science and Innovation for approval to dispose of the Human Sciences Research Council headquarters in terms of section 54(2)(d) of the PFMA as well as the guarantee application by the National Research Foundation. The unit also provided comments to the Minister of Finance on the draft 2021-2023 Science and Innovation Decadal Implementation Plan.
- **Department of Forestry, Fisheries and the Environment:** As a member of the reference group on financing methodologies for biodiversity, the unit participated in the development of financing solutions for biodiversity. The unit is also the convener of the quarterly National Treasury working group on climate change and represents the National Treasury on the National Adaptation Funds Advisory Body, and the Strategic Advisory Group on Natural Capital Accounting; and acts as the primary focal point for the World Bank National Determined Contribution Support Facility. The unit also provided inputs to various cabinet memoranda including comprehensive comments to the Minister of Finance on the low emission development



## 4. PERFORMANCE INFORMATION BY PROGRAMME - Cont

strategy, national climate change adaptation strategy, national waste management strategy, and the updated nationally determined contribution towards the global response to climate change as required by the Paris Agreement. The unit provided written inputs on the draft regulations on the extended producer responsibility issued in terms of section 69(1)(dd), read with sections 72 and 73 of the National Environmental Management: Waste Act, 2008 (Act No. 59 of 2008) and as circulated by the Department of Forestry, Fisheries and the Environment, and the draft National Greenhouse Gas (GHG) Inventory Report (2000 – 2017). The unit participated in the World Bank Group Systemic Climate Action for Sustainable and Inclusive Growth London Climate Action Week held in November 2020.

- **Department of Tourism:** The unit facilitated the establishment of the short-term tourism relief funds and shifting of funds to South African Tourism, including the establishment of the tourism equity fund over the medium term.
- **Department of Agriculture, Land Reform and Rural Development:** The unit assisted the department to establish a COVID-19 response fund to support subsistence and small holder farmers affected by the COVID-19 pandemic as part of the containment measures. In addition, the unit assisted the department, through the presidential employment stimulus, with funding support towards small holder and subsistence farmers affected by the COVID-19 pandemic in order to ensure national food security. The unit is a key member of the inter-ministerial committee on land reform, whose aim is to accelerate the land reform process to find sustainable land reform solutions. Further support included assistance to the department to reprioritise funds for collaboration with the Industrial Development Corporation for an agriculture development blended fund meant to fast track support to emerging farmers.

The unit also coordinated the finalisation of the National Treasury Instruction 12 of 2020/21 on the retention of surplus by constitutional institutions and public entities listed in schedules 3A and 3C to the PFMA. The unit further provided comments on the department's 2021/22 annual performance plan to ensure that there was alignment to the budget.

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 including transport, mineral resources and energy, water and sanitation, human settlements, communications and digital technologies, cooperative governance and traditional affairs. Work carried out by the unit in 2020/21 included:

- **Department of Co-operative Governance:** The unit represented the National Treasury on the disaster management task team and continues to provide support to improve the management and outcomes of the community work programme.
- **Department of Mineral Resources and Energy:** The unit 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. The unit participated in consultations on various regulatory and legislative reforms undertaken by the department and participated in the integrated national electrification programme steering committee. In consultation with the Tax Policy unit, the unit commented on the Upstream Petroleum Resources Development Bill and provided support to capacitate the renewable energy independent power producer procurement programme office to undertake plans for the new bid window.
- **Department of Human Settlements:** The unit provided comments on the proposed Human Settlements Development Bank and the rental housing debt relief programme, as part of the sector COVID-19 interventions. Work on the funding reforms for upgrading informal settlements was finalised and two new conditional grants were included in the 2021 Division of Revenue Bill.
- **Department of Communications and Digital Technologies:** The unit continues to participate in consultations on various legislative reforms undertaken by the department related to the implementation of the Information



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### **4. PERFORMANCE INFORMATION BY PROGRAMME - Cont**

and Communication Technology Policy White Paper and continues to provide support to the broadcasting digital migration programme and the capacitation of the Independent Communications Authority of South Africa to undertake the spectrum auction.

- **Department of Water and Sanitation:** The unit focused on strengthening financial management systems in the department, coordinated intergovernmental efforts to deal with pollution in the Vaal River system, and provided comments on various policy and institutional reforms that are taking place, including the establishment of catchment management agencies, the National Water Infrastructure Agency and work on the National Raw Water Pricing Strategy.
- **Department of Transport:** The unit represents the National Treasury on various task teams related to policy reform, including roads, rail, maritime, civil aviation and public transport. The unit supported the department on financial modelling and funding options for the Gauteng Freeway Improvement Project, and provided comments on the Economic Regulation of Transport Bill and the Maritime Development Fund Bill. It also represents the National Treasury on the intergovernmental steering committee for the rolling stock fleet renewal programme.

#### ***Intergovernmental Relations***

The Intergovernmental Relations (IGR) division coordinates fiscal and financial relations between the national, provincial and local spheres of government. This function has significant impact given that R777.6 billion or 50.1 per cent of non-interest expenditure for 2021/22 is allocated to provinces and municipalities. The majority of this planned expenditure is for priority programmes such as education, health care and the provision of free basic services.

IGR coordinates inputs for the division 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 2021 Division of Revenue Bill was tabled in February 2021 and included an additional R10.4 billion for provinces over the medium term to respond to subsequent waves of COVID-19 pandemic and for administering the COVID-19 vaccination. The bill introduces a number of new grants, including standalone informal settlement upgrading grants for provinces and the metros - these were previously components of housing grants - and the programme and project preparation support grant for metros to assist with development of investment-ready capital programmes and projects, which is the outcome of a repurposing the Integrated City Development Grant. The 2021 Division of Revenue Bill includes a change to better manage the administration of immediate disaster

## 4. PERFORMANCE INFORMATION BY PROGRAMME - Cont

grants by moving away from disaster declaration to disaster classification for initial response to disasters and provisions for asset management planning in the municipal infrastructure grant.

The division continued to update policies to enhance the role of the private sector in financing municipal infrastructure. The Municipal Fiscal Powers and Functions Act, 2007 (Act No. 12 of 2007) is being amended to regulate the levying of the development charges, in order to establish an unambiguous, fair and consistent basis on which municipalities can recover development charges for all land development projects that require statutory approvals through the municipal land use planning system. Development charges are one of the key financing instruments for the provision of strategic infrastructure that will accelerate economic growth. The Amendment Bill was published for comment in January 2020. Public comments were considered and the refinements to the Amendment Bill are nearing completion. The revised Amendment Bill will be resubmitted to Cabinet for approval to table in Parliament during the course of 2021/22. Engagements continue between government and the private sector to strengthen and align strategies to promote investment in strategic infrastructure to drive urban transformation. The division published a quarterly municipal borrowing bulletin that provides information on municipal borrowing trends and activities.

The Cities Support Programme (CSP) supports metropolitan municipalities to lead the development of more inclusive, productive and sustainable cities. During the reporting period, the built environment plans of all metros were subjected to an external independent assessment, the findings of which were shared with the metros. Given that the built environment plans of metros have reached an acceptable level of maturity, the assessment of plans going forward will focus on existing long-term planning instruments of the metros. The reporting reforms initiative, jointly managed by the National Treasury, Department of Planning, Monitoring and Evaluation (DPME) and the Department of Cooperative Governance and Traditional Affairs (CoGTA), ended the reporting period with the publication of an addendum to Circular 88 that included further refinements of a standard set of sector indicators. Regarding leadership support work, two seminars for metro leaders and broader stakeholders were held to reflect on leadership challenges in the COVID-19 environment.

An Economic Development Managers Forum was established during the COVID-19 pandemic and is now functioning as a valuable intergovernmental platform to support metros and departments in planning for and implementing economy recovery. The CSP has supported the mining of anonymised tax data in the National Treasury's secure data centre to provide cities with new information about jobs, sectors and firms. Eight draft metro spatialised economic data reports were completed, and stakeholders are being engaged to finalise these reports. Five economic development situational reports were completed for the industrial parks' revitalisation support project in five townships in the metros, and four business retention and expansion survey reports were completed for the four industrial park revitalisation sites.

The CSP hosted a workshop for metros on how to design and package capital projects for investment that will strengthen the resilience of these metros to climate and disaster risks. The metros presented eight investment pitches to development financial institutions (DFIs) for potential support.

The CSP commenced a gap analysis and mapping out of the applicable legal and regulatory framework and processes required to enable the competitive procurement of new clean/renewable generation capacity by municipalities including directly from independent power producers (IPPs). The CSP is overseeing a project to address key areas relating to electricity distribution pricing policy development and implementation such as cost of supply studies. This is partly supported by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).



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### **4. PERFORMANCE INFORMATION BY PROGRAMME - Cont**

Work commenced with four metros to review their water service business model that will result in water business turnaround plans for these metros. In partnership with South African Local Government Association (SALGA), the CSP was given the mandate by the metros to reconvene the City Water Managers' Forum as a platform for learning, building leadership and advocacy to harness the collective voice of water managers in the policy space.

The CSP, through the Government Technical Advisory Centre (GTAC) has partnered with the Development Action Group (DAG) and the Lincoln Institute of Land Policy to implement a three-year programme on land value capture (LVC), which aims to strengthen the capability of metropolitan governments to efficiently and effectively implement innovative LVC tools and strategies which will expand access to financing for catalytic infrastructure investment. In addition, a number of LVC learning events were convened during this year.

The Neighbourhood Development Partnership Programme (NDPP) was established in 2006 in response to the socio-economic redevelopment challenges facing South Africa's townships. The Neighbourhood Development Partnership Grant (NDPG) consists of two components: Technical Assistance (TA) Grant for municipal planning of hubs and a Capital Grant (CG) for funding selected catalytic projects in hubs.

The purpose of the grant is to support municipal planning including to catalyse and invest in targeted hubs in order to attract and sustain third party capital investments aimed at spatial and economic transformation that will improve the quality of life and access to opportunities for residents in South Africa's under-served neighbourhoods in targeted townships or settlements.

The NDPP unit implements its mandate through the Urban Network Strategy (UNS) which targets urban hub precincts with secondary linkages to under-served residential areas and built environment upgrade projects in urban or rural townships. The UNS consists of a set of sequential activities that optimise a package of public infrastructure investment, fiscal and regulatory measures, and coordinated urban management in targeted transit-orientated locations. The UNS is aligned to the spatial targeting and investment principles of the National Development Plan (NDP). The NDPP projects in rural municipalities are supported in collaboration with the Department of Rural Development and Land Reform. The NDPP programme aims to contribute to the broader goal of creating liveable, sustainable, resilient, efficient and integrated towns and cities.

In the reporting period, the NDPP has approved three Investment plans and 61 catalytic projects. In addition, the NDPP provided support to 28 Municipalities in total - 8 Metros, 11 Intermediate Cities and 9 Rural Municipalities.

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The unit continues to support implementation of the Infrastructure Delivery Management System (IDMS) to improve infrastructure delivery performance across the provinces and in local government. Implementation is supported by two major initiatives: The Infrastructure Delivery Management toolkit which guides implementation of the IDMS; and the Framework for Infrastructure Delivery and Procurement Management which is the legislated arm of the IDMS. The performance-based system was introduced for provincial departments of education and health to institutionalise IDMS principles relating to planning and delivery in provinces. Thirty-five provincial infrastructure plans were assessed in collaboration with the relevant national sector departments of basic education and health. The division facilitated a best practice workshop to enable cross-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 requiring improvement. These interventions are expected to yield positive results during the next assessment period.

For 12 consecutive years, the Local Government Budget Analyses (LGBA) unit 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. The generic framework for assessment and analysis of municipal budgets, in line with the Municipal Budget and Reporting Regulation, was updated. The unit provided guidance to municipalities on preparing their 2021/22 MTREF budgets through the Municipal Finance Management Act (MFMA) Circulars No. 107 (4 December 2020) and 108 (8 March 2021).

Virtual budget benchmark meetings were held between 4 May 2020 and 26 June 2020 with all 17 non-delegated municipalities to assess the tabling of the 2020/21 budgets. The result was that the tabled budgets of all metropolitan municipalities were funded. Subsequently, the division also assessed whether the adopted budgets for 2020/21 were funded or not. The results show that 13 of the 17 non-delegated municipalities were funded for 2020/21.

A number of routine publications were issued during this reporting period including the State of Local Government Finances and Financial Management Report (10 October 2020). Routine publication of budget and in-year financial performance information for local government enables better oversight over budgets and in-year financial performance and serves as an early warning mechanism for the need to improve municipal performance.

Regarding the implementation of the reform of the municipal Standard Chart of Accounts (mSCOA), various degrees of implementation by municipalities have been achieved. Ninety five per cent of the budget and section 71 data strings were submitted, but the credibility of the data strings needs further attention. The National Treasury and provincial treasuries have had quarterly meetings for the past three years with all key municipal financial system providers during which these system providers demonstrated the functionality available in the systems. In addition, the treasuries conducted a module use verification to assess if municipalities are using the financial statement and reporting modules available in their core financial systems. Guidance on the recording of COVID-19 expenditure and the population of the cash flow was also provided through mSCOA and MFMA circulars.

IGR continued to improve the conditional grant monitoring framework for local government. In the 2020/21 municipal financial year, municipalities were allocated R85.7 billion in the form of the equitable share, inclusive of R11 billion allocated for COVID-19 relief and a total of R29 billion was transferred to municipalities by 31 March 2021 for direct conditional grants. R2.6 billion was not transferred to municipalities as a result of offsetting of 2019/20 unspent conditional grants in terms of section 22(4) (a) of the 2019 Division of Revenue Act (DoRA). Offsetting the entire amount from the equitable share in a single tranche could risk crippling municipal finances; the DoRA therefore allows municipalities to repay unspent funds in instalments.



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### **4. PERFORMANCE INFORMATION BY PROGRAMME - Cont**

The National Treasury continues to assist under-performing municipalities to improve spending and manage their conditional grants. The principle is that if conditional grants are unspent at the end of the financial year, municipalities must request permission to roll them over. Failure to secure approval from the National Treasury, which oversees the process, results in these unspent funds having to be paid into the National Revenue Fund.

A total of 176 municipalities have requested rollovers for the 2019/20 unspent conditional grants. The total conditional grant rollover amount requested by municipalities was R6.5 billion. However, the National Treasury approved a rollover amount of only R4.2 billion for implementation in 2020/21.

For many years, the Municipal Infrastructure Grant (MIG) has consistently been the best performing conditional grant in the local government sphere in comparison to other capital infrastructure grants. During 2020/21, CoGTA, which administers the MIG, reflected expenditure of 62.5 per cent on the grant as at 31 March 2021. This performance is considerably higher than previous years when MIG was performing at an average of 53 per cent; this was due to COVID-19 restrictions. With the easing of lockdown restrictions, there has been a significant improvement in the overall infrastructure grants; 57 per cent was reported by National Departments administering conditional grants by the end of March 2021, while only 46.3 per cent was reported as at 31 March 2020. This performance by municipalities is as at the third quarter as the municipal financial year ends on 30 June 2021.

Section 19 of the 2020 DoRA stipulates that National Treasury may in its discretion or at the request of a transferring national officer or receiving officer stop the transfer for schedule 4 and 5 allocations pertaining to anticipated underspending on programmes or allocations by the municipalities. Further, section 20 of the DoRA stipulates that when a Schedule 4 or 5 allocation or a portion thereof is stopped in terms of section 19(1)(a) or (b), the National Treasury may, after consultation with the transferring officer and the relevant provincial treasury, determine the portion of the allocation to be reallocated, as the same type of allocation as it was allocated originally, to one or more provinces or municipalities, on condition that the allocation must be spent by the end of 2020/21.

This action has affected 106 municipalities across all provinces, while 152 municipalities reflected underspending as at the end of the second quarter of 2020/21. The reasons include the non-appointment or late appointment of service providers, delays in housing projects that resulted in houses not being available for electrification, technical capacity to implement the projects and

## 4. PERFORMANCE INFORMATION BY PROGRAMME - Cont

legal objections against appointed contractors. The stopped funds were re-allocated to municipalities that have fast-tracked the implementation of their projects, have accelerated expenditure against their original allocations and had the capacity to fully spend their funds by 30 June 2021.

The division held successful virtual provincial visits meetings with provincial departments, in which a number of officials from IGR, other divisions of the National Treasury and national departments attended. The virtual platform allowed for more engagements with provinces in the period under review. Several of these were on reprioritisation towards COVID-19 interventions and discussion about reduction of budget for compensation of employees. The division ensured that all provincial financial information was published quarterly and brought the process forward to ensure that savings are realised in the gazetting process. The gazette included infrastructure spending. IGR also provided comprehensive parliamentary briefings on provincial conditional grants spending for 2020/21, and parliamentary queries on provincial budgets were responded to. Stopping and reallocation of funds for the Human Settlements Development Grant was implemented, and the School Infrastructure Backlog Grant was converted to the Education Infrastructure Grant, and from the conversion of Provincial Emergency Housing Grant to the Municipal Emergency Housing Grant.

The provincial budget benchmark meetings were held virtually in December 2020 despite the difficult budget process in the period under review. The main objectives of the budget benchmark exercise were to:

- Assess provincial 2021 draft budgets, review how budgets have been prioritised, highlight possible risks in the budgets and propose measures to manage these risks.
- Assess the impact of the budget reductions to service delivery and policy priorities.
- Analyse COVID-19 funding over the medium term given that the purchase of vaccines was not yet finalised, and identify lessons learnt and efficiencies discovered during the COVID-19 pandemic.
- Manage personnel considering the budget reductions.
- Review sector specific budgets and performance issues.
- Highlight key issues and challenges from the National Treasury's perspective and make recommendations based on these.

With regard to the intervention in the North West province, presentations have been made to the ad hoc committee on the state of finances. The National Treasury had to ensure that proper budget processes are followed and implemented by the provincial treasury, including endorsing the 2021 MTEF prior to its tabling in the legislature by the Member of the Executive Council (MEC) for Finance. One of the priorities of the intervention was to improve the quality of health services offered to the citizens of North West and the budget of the Department of Health was accordingly increased. The National Treasury has also worked closely with the provincial treasury on the implementation of the 2020/21 budget including endorsing the approach adopted on the reprioritisation towards COVID-19 interventions.

### ***Jobs Fund Project Management***

To date, eight calls for proposals have been issued for funding by the Jobs Fund of initiatives that innovatively catalyse new employment creation models that can be replicated and scaled. The Fund offers once-off grants in enterprise development, infrastructure, support for work seekers and institutional capacity building.



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### **4. PERFORMANCE INFORMATION BY PROGRAMME - Cont**

The Fund has allocated R9 billion in grant funding to a portfolio of projects and has thus far raised an additional R11 billion from project partners. The Jobs Fund has a portfolio of 146 job creation projects and has exceeded its permanent job creation target of 150 000. As at 31 March 2021 the Fund had facilitated the creation of 177 213 permanent jobs. In addition, the Fund's project partners had created 15 486 seasonal jobs that will endure well beyond the implementation period for these projects, 63 531 short term jobs, 22 780 internships and trained 266 358 people. The Jobs Fund's overall grant cost per job created for government is competitive at R20 013.

During the reporting period, the Jobs Fund recognised the potential impact of COVID-19 on its portfolio of implementing projects and responded with additional support. This resulted in jobs being saved and young people being supported to navigate the challenges presented by the lockdown. In addition, small and micro businesses were supported resulting in them being able to better absorb the economic shock of the COVID-19 pandemic.

As at 31 March 2021, R217 million in COVID-19 support grants were disbursed, supporting 642 034 beneficiaries including small, medium and micro enterprises (SMMEs), smallholder farmers, work seekers, and community members. In addition, 9 524 jobs were retained. The Harambee Youth Employment Accelerator has supported more than 600 000 of these beneficiaries through its online support platforms. Young work seekers were able to access COVID-19 support services and other job-related information digitally, and this has proven to be a successful and far-reaching initiative that will become a key foundation block for the Presidential Youth Employment Intervention.

During the reporting period, four Jobs Fund supported projects came to completion. Among these was the Unjani Clinic Project. The model operates on franchising principles and organises primary healthcare clinics into a network under the Unjani brand. The central premise behind social franchising is that the franchisor and franchisees work to create sustainable businesses that deliver both financial and social returns. In the case of Unjani clinics, the social and economic return is the delivery of healthcare services in underserved communities, the empowerment of black entrepreneurial professional nurses, and the up-cycling of shipping containers, which are converted into fully functional clinics.

The model enables nurses to combine their medical experience with their entrepreneurial aspirations to start and run sustainable enterprises. Selected nurses are assisted in finding suitable sites for their clinics, provided with the clinic infrastructure (the container and equipment) and trained in clinic management. The training curriculum covers finance and administration, standard operating



## **4. PERFORMANCE INFORMATION BY PROGRAMME - Cont**

procedures, human resources management and business systems. On-site mentoring ensures the effective running of the clinic and the continued delivery of quality services to the community.

Despite professional nurses' experience in managing local clinics at public healthcare centres, funding to set up their practices is largely unavailable or inaccessible due to the collateral required by traditional financiers. The Unjani model recognises the potential of these nurses to transition into a professional-entrepreneurial role and run their own clinics to better serve the communities in which they operate. The Unjani business model and physical clinic container design allow these healthcare facilities to be rolled out rapidly and placed in high traffic areas or locations such as very remote areas where traditional construction would not be possible. Swift roll-out ensures rapid response to community needs. The established clinics have proven invaluable in assisting communities' healthcare needs during the COVID-19 pandemic.

The Jobs Funds impact is made visible through projects such as the Unjani Clinic programme that has been life-changing for many of the participant nurses. They have become social entrepreneurs who are invested in the well-being and development of their local communities. It is beyond just a clinic for them – it's a place where people can access critical health information for themselves and their families.

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**PERFORMANCE INDICATORS**

**PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT**

APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	ACTUAL 2018/19	ACTUAL 2019/20	TARGET 2020/21	ACTUAL 2020/21	DEVIATION FROM PLANNED TARGET	REASON FOR DEVIATION
3.1.1	Sustainable public finance	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	N/A	N/A
3.1.2		DoR Bill DoR Amendment Bill	Number of Division of Revenue and Amendment Bills published annually	2	2	Adjustments Appropriation Bill, AENE and MTBPS published in October	Adjustments Appropriation Bill, AENE and MTBPS published in October	1	Over-performance is attributed to the need to respond to COVID-19 pandemic through a special appropriations budget in July 2020.

## 4. PERFORMANCE INFORMATION BY PROGRAMME - Cont

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT									
APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	ACTUAL 2018/19	ACTUAL 2019/20	TARGET 2020/21	ACTUAL 2020/21	DEVIATION FROM PLANNED TARGET	REASON FOR DEVIATION
3.1.3		Provincial and local government fiscal policy reforms	Number of reforms Introduced to enhance provincial and local government fiscal frameworks	2	2	3	3	N/A	N/A
3.1.4		Capital investment framework (BEPP) assessment reports	Number of capital investment framework (BEPP) assessment reports produced	8	8	6	6	N/A	N/A
3.1.5		Infrastructure plans assessment reports	Number of Infrastructure plans assessment reports produced	36	35	36	35	-1	Under-performance is attributed to Northern Cape (NC) Department of Health not submitting the User Asset Management Plan for assessment.
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	#	#	20	61	41	Over-performance is attributed to the multi-year project pipeline being approved to ensure project continuity and alignment with multi-year planned project cash flows reflected in MTEF Budgets.
3.1.7	Sustainable public finance	Quarterly financial status reports	Number of quarterly financial reports published	8	8	8	8	N/A	N/A

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**4. PERFORMANCE INFORMATION  
BY PROGRAMME - Cont**

**PERFORMANCE INDICATORS - cont.**

<b>PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT</b>									
<b>APP #</b>	<b>OUTCOME</b>	<b>OUTPUT</b>	<b>OUTPUT INDICATOR</b>	<b>ACTUAL 2018/19</b>	<b>ACTUAL 2019/20</b>	<b>TARGET 2020/21</b>	<b>ACTUAL 2020/21</b>	<b>DEVIATION FROM PLANNED TARGET</b>	<b>REASON FOR DEVIATION</b>
3.1.8		Financial recovery plans	Percentage of requests to draft financial recovery plans responded to within 90 days of receipt	#	#	100%	100%	N/A	N/A
3.1.9		Cabinet memos comments	Percentage of Cabinet memos received commented on	100%	100%	100%	100%	N/A	N/A
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

## 4. PERFORMANCE INFORMATION BY PROGRAMME - Cont

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT									
APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	ACTUAL 2018/19	ACTUAL 2019/20	TARGET 2020/21	ACTUAL 2020/21	DEVIATION FROM PLANNED TARGET	REASON FOR DEVIATION
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)	69	80	70	73	3	Over-performance is attributed to the Integrated Resourcing Framework for MFIP III being approved endorsing the procurement of additional technical advisors.
3.1.12		Approved projects	Number of Jobs Fund projects approved (cumulative across the term of the project)	127	153	150	151	1	Over-performance is attributed to greater number of projects having met the Jobs Fund's competitive requirements in the 8th Funding Round.
3.1.13		Approved Grant funding	Grant funding approved (cumulative across the term of the project)	R6 684m	R8 927m	R7 880m	R8 664m	R784m	Over-performance is attributed to a higher level of competitive applications received and consequent higher grant allocation in the 8th Funding Round.
3.1.14		Matched funding committed	Matched funding committed (cumulative across the term of project)	R9 473m	R14 118m	R7 880m	R13 600m	R5 720m	Over-performance is attributed to the matched funding ratio being greater than the required 1:1 ratio with projects committing more own funding.

**PART B: PERFORMANCE INFORMATION**

**4. PERFORMANCE INFORMATION  
BY PROGRAMME - Cont**

**PERFORMANCE INDICATORS - cont.**

<b>PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT</b>									
<b>APP #</b>	<b>OUTCOME</b>	<b>OUTPUT</b>	<b>OUTPUT INDICATOR</b>	<b>ACTUAL 2018/19</b>	<b>ACTUAL 2019/20</b>	<b>TARGET 2020/21</b>	<b>ACTUAL 2020/21</b>	<b>DEVIATION FROM PLANNED TARGET</b>	<b>REASON FOR DEVIATION</b>
3.1.15		New jobs contracted	New jobs contracted (cumulative across the term of project)	150 627	177 532	150 000	177 213	27 213	Over-performance is attributed to projects contracting greater than expected number of new jobs. The target of 150 000 is the Jobs Fund's overall target of jobs to be contracted over the life of the programme.
3.1.16		Placements contracted	Number of placements contracted (cumulative across the term of project)	75 718	81 987	80 000	82 037	2 037	Over-performance is attributed to projects contracting greater than expected number of placements.

## 4. PERFORMANCE INFORMATION BY PROGRAMME - Cont

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT									
APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	ACTUAL 2018/19	ACTUAL 2019/20	TARGET 2020/21	ACTUAL 2020/21	DEVIATION FROM PLANNED TARGET	REASON FOR DEVIATION
3.1.17		Training opportunities contracted	Number of training opportunities contracted (cumulative across the term of project)	249 615	306 991	250 000	306 747	56 747	Over-performance is attributed to projects contracting greater than expected number of training opportunities across the Jobs Fund's portfolio of projects.
3.1.18		Grant funding disbursed	Value of grant funding disbursed (cumulative across the term of project)	R4 624m	R5 037m	R5 778m	R5 687m	-R91m	Under-performance is attributed to a number of factors that include the impact of lower than expected economic growth exacerbated by the COVID-19 pandemic on project performance. These factors impacted the ability of projects to operate effectively and achieve projected targets. Grant funding is disbursed only upon the achievement of targets.

**PART B: PERFORMANCE INFORMATION**

**4. PERFORMANCE INFORMATION BY PROGRAMME - Cont**

**PERFORMANCE INDICATORS - cont.**

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

<b>PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT</b>					
<b>UNDER-PERFORMING INDICATORS AND ACTION PLANS</b>					
<b>APP#</b>	<b>OUTCOME</b>	<b>OUTPUT</b>	<b>OUTPUT INDICATOR</b>	<b>REASON FOR DEVIATION</b>	<b>ACTION PLAN</b>
3.1.5	Sustainable public finance	Infrastructure plans Assessment reports	Number of Infrastructure plans	Under-performance is attributed to Northern Cape (NC) Department of Health not submitting the User Asset Management Plan for assessment.	The National Department of Health will engage with the Provincial Department of Health to address institutional issues that led to non-compliance. The provincial treasury will solicit a suitable date for this engagement and NT will also be invited.
		Grant funding disbursed	Value of grant funding disbursed (cumulative across the term of project)	Under-performance is attributed to a number of factors that include the impact of lower than expected economic growth exacerbated by the COVID-19 pandemic on project performance. These factors impacted the ability of projects to operate effectively and achieve projected targets. Grant funding is disbursed only upon the achievement of targets.	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 strictly managed and funds are only released when performance targets and project conditions are met. It is to be noted that sometimes disbursement is delayed because a project experiences challenges with meeting their match funding obligations. Furthermore, it is noted that under-disbursement is often a factor of improved cash management and not poor performance on the part of the project.
3.1.18					



## 4. PERFORMANCE INFORMATION BY PROGRAMME - Cont

### CHANGES TO PLANNED TARGETS

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

### LINKING PERFORMANCE WITH BUDGETS

	2020/21			2019/20		
	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
<b>PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT</b>						
Programme Management for Public Finance and Budget Management	14 135	14 105	30	26 757	23 338	3 419
Public Finance	71 789	68 632	3 157	70 214	68 497	1 717
Budget Office and Coordination	66 084	55 518	10 566	62 976	59 945	3 031
Intergovernmental Relations	107 850	92 470	15 380	104 292	100 784	3 508
Financial and Fiscal Commission	63 821	63 821	-	54 319	54 319	-
Facilitation of Conditional Grants	1 481 861	1 481 861	-	1 643 619	1 629 191	14 428
Catalytic Infrastructure and Development Support Programme	312 227	311 011	1 216	330 631	325 177	5 454
Government Technical Advisory Centre	685 015	609 753	75 262	689 582	674 867	14 715
<b>Total</b>	<b>2 802 782</b>	<b>2 697 171</b>	<b>105 611</b>	<b>2 982 390</b>	<b>2 936 118</b>	<b>46 272</b>



**PART B: PERFORMANCE INFORMATION**

## **4. PERFORMANCE INFORMATION BY PROGRAMME - Cont**

### **4.4 PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT**

**Purpose:** To 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 sub-programme provides the overall management and regulatory support related to this 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 Financial Management and Governance***

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

#### ***Financial Operations***

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

## **4. PERFORMANCE INFORMATION BY PROGRAMME - Cont**

### ***Strategy and Risk Management***

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

## **SERVICE DELIVERY OBJECTIVES AND INDICATORS**

### **Recent outputs**

During the reporting period, the Minister approved the minimum criteria that must be met by state-owned entities (SOEs) and government departments when submitting requests for government guarantees. The minimum criteria seeks to reduce the volume of guarantees issued and improve the quality of the contingent liability exposure from guarantees issued to SOEs. These minimum criteria were published through a practice note in December 2020 and have been discussed with relevant departments so that they can ultimately be presented to Cabinet. When fully implemented, they will ensure that guarantees are issued only to SOEs that can clearly demonstrate their ability to service the debt of the guarantees.

Annual reviews of the corporate plans of all public entities listed in Schedule 2 and 3B of the PFMA were conducted during the reporting period. In addition to assessing their alignment with government's priorities, financial sustainability and soundness of governance, the reviews aim to proactively identify possible risks so that appropriate mitigating actions can be taken. Similarly, public entities' performances were evaluated through a review of their annual reports. Due to the COVID-19 pandemic, some SOEs revised and resubmitted their corporate plans to reflect the anticipated impact on their business plans, while annual report submissions were delayed beyond the PFMA stipulated deadline for submission. During the reporting period, 100 per cent of submissions due were completed, while some annual reports that were submitted late can only be finalised in the coming financial year. The Land Bank, after approval by the Minister, had not submitted its corporate plan and annual report in accordance with legislative timelines, due to its current financial challenges. The process of stabilising the financial position of the Land Bank is continuing. Since April 2020, the bank has been negotiating with its lenders to cure its default status. The audit report by the AGSA showed significant deficiencies in internal controls and governance processes in the bank.

The financial performance of SOEs continues to deteriorate. This is compounded by the COVID-19 pandemic and its implications on business, leaving them unable to deliver effectively on their mandates without significant government backing. The process of appointing the Public Investment Corporation (PIC) board is still under way in order to align the board with the Public Investment Corporation Act, 2004 (Act No. 23 of 2004). In addition, the appointment of the Land Bank board is also underway, to ensure that its composition is in line with the skill gaps identified by the Institute of Directors during the last board evaluation.

Denel SOC Ltd was issued with an additional government guarantee of R2.5 billion. Government guarantee requests for the South African National Roads Agency SOC Ltd (SANRAL) and the Sedibeng Water Board were reviewed but were not approved. The failure by South African Express Airways (SAX) SOC Ltd to settle government guaranteed obligations as they became due for payment gave rise to demands from creditors. During the reporting period, government received demands for the settlement of government guaranteed obligations which were in default of R267 million and R137 million for South African Airways (SAA) and SAX respectively. Government settled these obligations in terms of section 70 of the PFMA.



## **PART B: PERFORMANCE INFORMATION**

### **4. PERFORMANCE INFORMATION BY PROGRAMME - Cont**

Various Section 54 PFMA applications were finalised for the Airports Company of South Africa (ACSA), SAX, the Industrial Development Corporation (IDC), SAA, Mango Airlines, Eskom, the Central Energy Fund (CEF), and the South African Bureau of Standards (SABS). Tariff submissions from all nine Water Boards were reviewed and analysed in terms of the MFMA and response letters were provided.

Recapitalisation of R23 billion was provided to Eskom for 2019/20 and 2020/21 as allocated in the 2019 budget and the Special Appropriation Act (2019) provided Eskom with an additional R26 billion in 2019/20 and R33 billion in 2020/21 to assist the entity to settle debt and interest payments. As at 31 March 2021, the approved R56 billion equity allocation for 2020/21 had been disbursed to Eskom as the entity had met most of the conditions imposed by the Minister of Finance.

Recapitalisation requests for ACSA, Denel, Land Bank, the South African Post Office (SAPO), the South African Broadcasting Corporation (SABC), SAA and SAX were reviewed and analysed and inputs provided. Inputs were provided on policy, legislation and strategies relating to Eskom, SAA, SAPO, the SABC, Sentech, Broadband Infracore and a draft of the Raw Water Pricing Strategy. The Land Bank repaid debt of R2.7 billion, thereby reducing government guarantee exposure. The guarantees to Eskom, Denel, Trans-Caledon Tunnel Authority (TCTA), SAA, SAX and the Land Bank were regularly monitored and quarterly reports on compliance with guarantee conditions were provided to the Fiscal Liability Committee.

An announcement was made in the February 2020 budget of R16.4 billion over the 2020 Medium Term Expenditure Framework (MTEF) for the settlement of SAA's government guaranteed legacy debt, of which R10.3 billion was settled in 2020/21. Of the remaining R6.1 billion, R4.3 billion will be provided in 2021/22 and R1.8 billion in 2022/23. SAA was placed under business rescue in December 2019. In addition, R10.5 billion (R7.8 billion for SAA and R2.7 billion for SAA's subsidiaries) was provided for the implementation of the business rescue plan. The remainder of the funding required for the implementation of the plan is expected to be obtained from a strategic equity partner that will be acquiring a significant shareholding in SAA from government. Denel was also provided with a R576 million recapitalisation during the 2020 MTEF process.

During the reporting period, foreign currency borrowing limit applications from the following public entities were considered: Eskom, Transnet, Development Bank of Southern Africa (DBSA) and IDC.

On 3 April 2020, Fitch Ratings (Fitch) downgraded the country's long term foreign and local currency debt ratings to 'BB' from 'BB+' and maintained a negative outlook. On 21 April 2020, President Ramaphosa announced a R500 billion COVID-19 stimulus package for South Africa. This allocation added more pressure on the already weak government balance sheet. On 29 April 2020, Standard and Poor

## 4. PERFORMANCE INFORMATION BY PROGRAMME - Cont

(S&P) also downgraded the country's long-term foreign and local currency debt ratings to 'BB-' and 'BB' respectively, while it revised the outlook to stable from negative. The agency then affirmed the country's long-term foreign and local currency debt ratings at 'BB-' and 'BB' on 22 May 2020. On 5 June 2020, Rating and Investment Information (R&I) lowered the country's long-term foreign and local currency debt ratings to 'BBB-' and 'BBB' respectively, and maintained the negative outlook.

Subsequent to the tabling of the 2020 MTBPS, Moody's and Fitch, further downgraded the sovereign's credit ratings on 20 November 2020 to 'Ba2' and 'BB-' respectively. Both agencies maintained a negative outlook. On the same day, S&P, contrary to Moody's and Fitch, affirmed the country's foreign and local currency ratings at 'BB-' and 'BB' respectively, and maintained a stable outlook. According to the agencies, lack and/or slow pace of structural reform implementation aimed at reviving economic growth and lack of a clear path towards government's debt stabilisation remain the main credit constraints. Further, the impact of the COVID-19 pandemic shocked the already deteriorating public finances and exacerbated pressures on the country's ratings.

Although the debt portfolio has grown from a gross loan debt of R2.0 trillion in March 2016 to an estimated gross loan debt of R3.9 trillion in March 2021, none of the strategic risk benchmark indicators were breached. To reduce the cost of new debt, government issued 71 per cent of the funding in the 7-15 year maturity area. Due to issuing in the mid part of the curve, the weighted average term to maturity of the government debt portfolio decreased to 12 years as at 31 March 2021.

South Africa's debt structure and length of maturity are regularly highly commended by ratings agencies as credit strengths since they act as a buffer against exchange rate volatility and interest rate shocks due to the relatively low share of foreign currency debt of around ten per cent compared to similarly rated peers. While 90 per cent of the total debt is in local currency, mainly fixed rate and of long maturity, it does not require frequent refinancing.

The government successfully financed the gross borrowing requirement of R619.5 billion. This was financed through net issuance of domestic short-term loans (R95.3 billion), domestic long-term loans (R523.4 billion) and foreign loans of R91.9 billion (US\$5.6 billion). In addition, cash and other balances increased by R91.2 billion mainly on the back of improved revenue collections. During the reporting period, R6.8 billion of short-dated bonds were exchanged for long-dated bonds.

The cost of servicing government debt amounted to R232.6 billion compared to the original budget of R229.3 billion. During the reporting period, domestic and foreign loans of R66.3 billion were repaid. The division met all government's rand and foreign currency commitments on a daily basis and surplus cash was optimally invested.

**PART B: PERFORMANCE INFORMATION**

**4. PERFORMANCE INFORMATION  
BY PROGRAMME - Cont**

**PERFORMANCE INDICATORS**

**PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT**

APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	ACTUAL 2018/19	ACTUAL 2019/20	TARGET 2020/21	ACTUAL 2020/21	DEVIATION FROM PLANNED TARGET	REASON FOR DEVIATION
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	100%	86%	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
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. PERFORMANCE INFORMATION BY PROGRAMME - Cont

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT									
APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	ACTUAL 2018/19	ACTUAL 2019/20	TARGET 2020/21	ACTUAL 2020/21	DEVIATION FROM PLANNED TARGET	REASON FOR DEVIATION
4.1.6			Percentage of complete remuneration review requests of executive and non-executive directors received from Schedule 2 and 3B public entities reporting to the Minister of Finance reviewed	100%	60%	100%	100%	N/A	N/A
4.1.7		Complete applications reviewed	Percentage of complete board appointments recommendations received from Schedule 2 and 3B public entities reporting to the Minister of Finance reviewed	100%	100%	100%	100%	N/A	N/A
4.1.8		Reviewed MFMA submissions	Percentage of received MFMA submissions relating to tariff adjustments received from Schedule 2 and 3B public entities reviewed	100%	22%	100%	100%	N/A	N/A
4.1.9	Sustainable public finances	Annual gross borrowing requirement met reports	Percentage of government's annual gross borrowing requirement met	100%	100%	100%	100%	N/A	N/A
4.1.10		Interest and redemptions met reports	Percentage of interest and redemptions met	100%	100%	100%	100%	N/A	N/A
4.1.11		Liquidity requirements met reports	Percentage of government's liquidity requirements met	100%	100%	100%	100%	N/A	N/A
4.1.12		Compliance with market and refinancing risks benchmarks reports	Percentage compliance with market and refinancing risks benchmarks	100%	100%	100%	100%	N/A	N/A
4.1.13		Government's contingent liabilities reports	Number of reports on the management of government's contingent liabilities	6	6	4	4	N/A	N/A

## PART B: PERFORMANCE INFORMATION

### 4. PERFORMANCE INFORMATION BY PROGRAMME - Cont

#### PERFORMANCE INDICATORS - cont.

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

No under-performance.

#### CHANGES TO PLANNED TARGETS

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

#### LINKING PERFORMANCE WITH BUDGETS

	2020/21			2019/20		
	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
<b>PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT</b>						
Programme Management for Asset and Liability Management	9 525	6 325	3 200	8 825	7 999	826
State Owned Entity Financial Management and Governance	2 963 251	2 962 147	1 104	36 643	33 856	2 787
Government Debt Management	20 795	19 931	864	22 631	22 512	119
Financial Operations	28 993	24 985	4 008	24 144	23 496	648
Strategy and Risk Management	12 767	9 204	3 563	10 686	8 855	1 831
<b>Total</b>	<b>3 035 331</b>	<b>3 022 592</b>	<b>12 739</b>	<b>102 929</b>	<b>96 718</b>	<b>6 211</b>



## 4. PERFORMANCE INFORMATION BY PROGRAMME - Cont

### 4.5 PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS

**Purpose:** To 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

- Sound financial controls and management of 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:** Maintains and improves existing financial management systems and develops and implements IFMS. This will replace ageing and fragmented financial, supply chain and HR management systems within national and provincial departments.
- **Financial Reporting for National Accounts:** 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:** Promotes financial management compliance with the PFMA and MFMA through the development of supporting guides and frameworks, instructions and regulations, and provides implementation support in the three spheres of government. It regulates financial management and accounting policies and sets the risk and IA frameworks in the three spheres of government. It also provides technical and other support for institutional capacity building relating to financial management and provides assistance with specialised performance audits and investigations of malpractice across all spheres of government.

#### *Office of the Chief Procurement Officer*

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



**PART B: PERFORMANCE INFORMATION**

## **4. PERFORMANCE INFORMATION BY PROGRAMME - Cont**

### **SERVICE DELIVERY OBJECTIVES AND INDICATORS**

#### **Recent outputs**

##### ***Office of the Accountant-General***

###### ***Governance Monitoring and Compliance***

Due to the lockdown and restrictions announced by the President on 23 March 2020, certain extensions were granted to PFMA institutions to provide more time with regards to reporting requirements such as:

- In-Year Monitoring reports by provincial departments and quarterly reports by public entities.
- Revised the month-end closure dates for 2019/20.
- Submission of 30 days' reports.
- Amended financial year end procedures, closure and submission dates of annual financial statements (AFS) and annual reports for all PFMA compliant institutions.

National Treasury Instruction No. 07 of 2020/21 was issued by the OAG to address control environments during the national state of disaster. This covered expenditure control, institutional oversight, information and communication and reporting requirements.

In its General Report on Audit Outcomes for 2019/20, the AG showed an increase in irregular and fruitless and wasteful expenditure, and a decrease in unauthorised expenditure, as disclosed in the AFSs of PFMA institutions. In response, the National Treasury continued to support PFMA institutions with implementation of the Irregular and Fruitless and Wasteful Expenditure Frameworks. In addressing old balances of irregular expenditure, the office assisted institutions through numerous information sessions. In respect of the 2020/21 audits, the OAG continued to build on its efforts to assist departments, public entities and provincial treasuries to resolve disputes arising from disagreements between management of these institutions. Numerous technical meetings were held with the AG to resolve disputes that primarily emanated from irregular expenditure in respect of inter-institutional arrangements.

Information sessions were conducted with PFMA institutions. These sessions involved, among others, members of boards, executive management, finance practitioners and non-financial practitioners and dealt with the new frameworks and other topics related to the PFMA as requested by the various institutions.

## 4. PERFORMANCE INFORMATION BY PROGRAMME - Cont

Monitoring of compliance with the requirement to pay suppliers within 30 days from receipt of an invoice by national and provincial departments continued. Quarterly reports were sent to relevant stakeholders including the Department of Planning, Monitoring and Evaluation (DPME), the Office of the Public Service Commission (OPSC) and the Department of Small Business Development (DSBD). The status of compliance with this requirement is reported annually to SCOPA and to SCoF and it was also considered prudent to report on the status of compliance related to 30 days to Cabinet. To help ensure timeous supplier payments, interventions and support continues to be provided for queries relating to the non-payment of invoices by government institutions as reported to the supplier's hotline at the National Treasury.

The progress report relating to improvement of financial management in PFMA institutions was presented to both SCOPA and SCoF. The reports also provide information on strategic initiatives taken by the OAG in addressing transversal matters and those that pose challenges during audits of PFMA institutions. A memo on audit outcomes of PFMA institutions for 2019/20 was also tabled at Cabinet.

### *MFMA Implementation*

An MFMA Legislation, Regulatory Oversight and Helpdesk was established in 2004 after the MFMA became effective on 1 July of that year. Its purpose is to provide responses to requests from municipalities and municipal entities including providing clarity on implementation of the MFMA and its regulations and on MFMA circulars. The MFMA mailbox provides a central point through which requests are processed to relevant departments, provincial treasuries, municipalities and municipal entities for responses, including assistance with implementing the MFMA.

Through the responses provided via the MFMA helpdesk, municipalities and municipal entities gain a better understanding of the MFMA disciplines such as budgets, investments, supply chain, borrowing, minimum competencies, measures to process and manage unauthorised, irregular, fruitless and wasteful (UIFW) expenditure, and the application of consequence management procedures. The impact of the responses is evident in better understanding by municipal officials of their roles and responsibilities, and councillors of the oversight activities, including how the specific provisions of the law must be interpreted and implemented.

Between 1 April 2019 and 31 March 2020, 451 requests were received via the helpdesk, and 401 as at 31 March 2021; 89 per cent were responded to within 30 days of receipt.

To address UIFW expenditure, work has been done with the DPME and CoGTA to include financial indicators and reporting on progress on MTSF (2014-2019) Outcome 9. This period partially reflects the transitional arrangements to give effect to the MoU between CoGTA and the National Treasury signed in April 2018 and relating to audit outcomes. The MoU is being refined to capture details of the responsibilities and will be used to amend the MFMA and the Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA) as appropriate. The indicators on improvements in audit outcomes, financial management capability maturity assessments and reduction in incidents of unauthorised and UIFW expenditure forms part of the expanded responsibilities of the OAG, going beyond coordination to implementation support, monitoring and reporting in the MTEF.

As part of this transitional process, the National Treasury and provincial treasuries started planning and piloting support to assist all prioritised municipalities that received adverse and disclaimer audit opinions during 2019/20. However, it could only support 15 municipalities which had responded positively with improved audit outcomes. The support included engagements



## **PART B: PERFORMANCE INFORMATION**

### **4. PERFORMANCE INFORMATION BY PROGRAMME - Cont**

at CFO forums, specific agenda items during visits, reviews of audit action plans, monitoring progress on an ongoing basis, periodic visits to assist in resolving audit findings, reviewing annual financial statements and audit files, attending audit steering committee meetings, and assisting with responding to contentious audit findings. The process also included capacity building and skills transfer to municipal officials. It must be noted that provincial treasuries are still in the process of gearing up support mechanisms and structures as part of this transition process.

Engagements were conducted with senior municipal management at individual municipalities, focusing on the top ten contributors to UIFW expenditure. The purpose was to better understand the root causes that contribute to UIFW expenditure and to find solutions for implementation. As a result, steps are being taken by senior management in processing expenditure and controls put in place to minimise the risk of recurrence. Besides the helpdesk, circulars were prepared to assist implementation of the reforms.

MFMA coordinators' meetings with officials of provincial treasuries, national and provincial departments of cooperative governance, the AG and the South African Local Government Association (SALGA) were hosted in October 2019 and virtual meetings in March 2020. The purpose was to improve coordination of financial management reforms in municipalities, to identify gaps and areas of need, and to further define strategies that will improve municipal performance and entrench MFMA reforms. Further development of the Financial Management Capability Maturity reassessments was undertaken in 2019 and preparations commenced for a web-enabled system that municipalities can access directly.

The Financial Management Grant was transferred to all 257 municipalities to assist with improving financial management and implementing the MFMA. A review of the support plans submitted by municipalities indicated that funds were allocated to the appointment of financial management interns, improving financial management systems, compilation of AFSs, training officials to meet minimum competency levels, addressing audit findings, addressing shortcomings in Financial Management Capability Maturity Model (FMCMM) assessments, and strengthening the capacity of the Budget and Treasury Office (BTO).

#### ***Accounting Support and Reporting***

Due to the COVID-19 pandemic and lockdown, the unit, together with the Technical Support Services Unit (TSS), drafted and issued a government notice through the Government Gazette, for the Minister of Finance to exempt the affected institutions from the provisions of PFMA relating to the reporting deadlines of financial statements and annual reports. The deadlines effectively extended the applicable provisions of the PFMA by two months. The submission dates of public institutions with year-ends of 31 March, and those with a year-end of 30 June, were

## 4. PERFORMANCE INFORMATION BY PROGRAMME - Cont

adjusted accordingly. The amended deadlines had a delaying impact on the deadlines for the preparation and tabling of the 2019/20 consolidated financial statements (CFS), the National Revenue Fund (NRF) and the Reconstruction and Development Programme Fund (RDP).

During the reporting period, the unit prepared and tabled the 2019/20 consolidated financial statements (CFS) for national departments and public entities, the NRF, the RDP, national departments and public entities by the revised deadlines. The unit monitored and reported on information on national revenue and expenditure through reports published monthly in terms of Section 32 of the PFMA. The unit continued its initiatives to support national departments, entities, municipalities and provincial treasuries with accounting and reporting queries, assisted with improving audit outcomes, assisted with the review, feedback and monitoring of AFS preparation plans as well as AFS and audit action plans, conducted a review of and provided feedback on the interim financial statements, and was involved in internal stakeholder engagements such as mid-term budget visits, MFMA joint meetings and external stakeholder engagements such as the Public Sector Accounting Forum, thereby influencing technical accounting developments. Three CFO forums were hosted by the unit in the national and local government spheres, facilitating peer learning and sharing of experiences by financial practitioners about the operational impacts relating to coordination, communication and implementation of financial management and governance reforms. A challenge was experienced in that the CFO forums for national departments and local government non-delegated municipalities and for PFMA institutions for the second quarter had to be rescheduled to the fourth quarter of the financial year and were conducted virtually.

The advent of the pandemic and lockdown introduced a new way of operating in which most activities were done online and only electronic submissions allowed.

### *Technical Support Services*

In response to the COVID-19 pandemic, the Technical Support Services (TSS) Unit issued a guide for departments on Financial Reporting Implications COVID-19 for consideration in preparing their 2019/20 and 2020/21 financial statements. Additional disclosures were included in the notes to the financial statements on COVID-19 spending enabled by amendments to the Standard Chart of Accounts (SCOA) to collate such information. Further to this the unit developed and issued a generic Standard Operating Procedure (SOP) for the receipt of in-kind donations, in response to donations made by the private sector for items such as personal protective gear, among others.

Given the reporting and auditing pressures, the unit retained the 2019/20 Modified Cash Standard (MCS) for application by departments in 2020/21 but issued updates to the MCS for application from 1 April 2021. In anticipation of averting any legal challenges on the status of the MCS and the conflict with section 40(1)(b) of the PFMA, the unit requested the Minister of Finance to exempt departments from the application of the Standards of GRAP and to allow departments to apply the MCS for a period of five years. The MCS was re-issued as a National Treasury norm and standard by way of a National Treasury instruction as set out in section 79 of the PFMA. Future amendments will likewise be re-issued as National Treasury norms and standards.

While the MCS for 2020/21 remained the same, the unit updated eight of the supporting accounting manuals to provide additional guidance to departments in the preparation of their 2020/21 financial statements.

In support of institutions applying the standards of GRAP, the unit updated three of the GRAP implementation guides and published a one-page summary on each of the Standards. These summaries focus on the key recognition and measurement



## **PART B: PERFORMANCE INFORMATION**

# **4. PERFORMANCE INFORMATION BY PROGRAMME - Cont**

principles embedded in the Standards and serve as a quick reference for accounting officers/authorities. Further to this, the unit updated and published a comprehensive GRAP accounting and disclosure checklist. This tool assists preparers and auditors in identifying material accounting and disclosure requirements for inclusion in the financial statements.

### *Internal Audit and Risk Management Support*

The Internal Audit Support and Risk Management Chief Directorates continued to support the work of internal audit and risk management in the PFMA and MFMA spending agencies. Virtual information-sharing platforms and forums with chief audit executives and chief risk officers were convened to disseminate information on new initiatives as well as to create opportunities for interaction with various stakeholders and to provide guidance where necessary. Audit committees were offered support through guidance on various platforms such as responding to queries on application of legislative prescripts, including induction of new audit committees, attendance at audit committee meetings and continued interaction with chief audit executives. In those PFMA and MFMA spending agencies that were ready for such, state of readiness assessments were conducted to determine the effectiveness of the internal audit function. Reports generated from these reviews were used to provide additional support. Surveys on status of internal audit and audit committees were conducted, focusing on areas such as institutional arrangements, quality control, resourcing and standing of both internal audit and audit committees in PFMA and MFMA spending agencies. The unit engaged with the Institute of Internal Auditors (IIASA) to revise the standing MoU between the National Treasury and IIASA to refocus on support to be provided to internal auditors in the public sector. The National Treasury also secured a seat on the IIASA's public sector committee. We further strengthened relations with Public Sector Audit Committee Forum where the founding terms of reference were reviewed, and two guidance papers were issued. The local government risk management framework was published, which places a focus on the unique challenges of managing risk in this sphere of government.

### *Capacity Building*

National Treasury Capacity Building is informed by the Public Financial Management Capacity Development Strategy (PFM CDS) which acts as the blueprint for providing support within the reform agenda and thus for delivering on the mandate derived from the Constitution, the MFMA and the PFMA. Generous support from the international development community continues to enable the advancement of the PFM capacity development mandate.

Considerable progress was made across all three results areas of the European

## 4. PERFORMANCE INFORMATION BY PROGRAMME - Cont

Union (EU)-funded Public Financial Management Capacity Development Programme for Improved Service Delivery (FMISD), valued at €15 million from 2018 to 2023.

Several capacity development activities were launched despite the procurement processes having been delayed. A request was submitted to the EU to extend the financing agreement by 12 months in order to conclude the procurement and contracting process for all projects under the FMISD. Phase I of the provincial and municipal technical support has commenced and two experts have been placed at the Eastern Cape and Northern Cape Provincial Treasuries (PTs). The appointment of the PT advisors is to enhance public finance management practice in the selected provinces and will run for 30 months. A recruitment process was initiated to place a Municipal Finance Advisor in each of eight selected municipalities, viz, Blue Crane Route Local Municipality, Kouga Local Municipality, Ndlambe Local Municipality, Sundays River Valley Local Municipality in the Eastern Cape, and Dawid Kruiper Local Municipality (ZF Mgcawu District), Ga-Segonyana Local Municipality (Joe Taolo Gaetsewe District), Kareeberg Local Municipality (Pixley Ka Seme District), Umsobomvu Local Municipality (Pixley Ka Seme District) in the Northern Cape.

Implementation of the Procurement, Infrastructure and Knowledge Management (PINK) Programme, funded by the Swiss Economic Council (SECO) from 2018 to 2022 (R96 million), continued at a steady pace. Municipal technical advisors were assigned to each of the following PINK pilot municipalities: Chief Albert Luthuli, Dipaleseng, Dr Pixley Ka Isaka Seme, Nkomazi and Gert Sibande Municipalities in Mpumalanga; and Metsimaholo, Tswelopele, Moqhaka, Setsoto and Nala Municipalities in the Free State.

Under KRA 1, Supply Chain Management (SCM) Value Chain capacity assessments in the eight pilot municipalities were finalised. A range of SCM toolkits including standard operating procedures, checklists and reporting templates were developed in collaboration with the Mpumalanga and Free State Provincial Treasuries, as well as the eight pilot municipalities. A blended training approach (online and face-to-face) was developed to provide training on introduction to SCM, bid committees, and demand and contract management. SCM webinars were also introduced to address emergency procurement challenges relating to COVID-19.

Under KRA 2, the implementation and roll-out strategy for the Local Government Infrastructure Delivery Management System (LG-IDMS toolkit) was completed. During the reporting period, the Local Government IDMS module 1 was developed and drafting of the LG-IDMS module 2 commenced. Two short-term service providers were appointed to support the development of the IDMS including mapping of the infrastructure management processes at the eight pilot municipalities as well as the development of infrastructure management competencies. Using i-develop, these competency statements will assess skills proficiency levels as well as identify education, training and/or development needs of infrastructure management staff at the pilot municipalities.

Under KRA 3, a project was launched to assess knowledge management practices in the National Treasury and the pilot municipalities. A baseline study report was completed, and terms of reference for communities of practice established, as well as the technical specifications for the Integrated Knowledge Management System that will be developed for the National Treasury through the PINK programme.

The bi-annual Donor Coordination Forum was coordinated with the participation of key international development partners with an interest in good governance and public finance management. The purpose of the forum is to enhance, coordinate and harmonise collaboration between the National Treasury and the various international donor institutions in South Africa, particularly in relation to public finance management capacity building.



## **PART B: PERFORMANCE INFORMATION**

### **4. PERFORMANCE INFORMATION BY PROGRAMME - Cont**

A number of MFMA capacity building measures have now been initiated and institutionalised across all 257 municipalities of South Africa. Those include the Municipal Regulations on Minimum Competency Levels, Gazette 29967 of June 2007 as amended through Gazette 41996 of October 2018 and the Municipal Financial Management Internship programme. Both programmes are funded through the Schedule 5 Financial Management Grant allocations disbursed annually to municipalities. The training material sets developed for the purposes of the uniform training across all the municipalities are being reviewed and updated to ensure that the programme is in line with the developments under the issued MFMA reforms such as guidelines, regulations and MFMA circulars, among others.

As at March 2021 there were just over 1 200 interns across municipalities with a retention rate of over 60 per cent or over 2 800 since the programme's inception in 2005. The verification processes on the implementation of this programme are now managed through an e-interface with the support of the relevant provincial treasuries, albeit slowly. Just over 9 500 municipal officials have accessed the training in line with the issued minimum competency levels. During the reporting period, there were just over 350 enrolments and continuations in the programme across municipalities. The compliance level is now at 68 per cent for all the affected positions covering municipal managers, CFOs and CEOs of municipal entities, heads of SCM, senior managers, managers and middle managers.

The MFMA induction programme is being rolled out in the form of the interactive DVD e-learning and the face-to-face induction developed for this purpose. There are just over 8 000 registrations in the e-learning programme with a completion rate for all the six modules of over 30 per cent or 2 500 officials, including financial officials, interns and councillors. The face-to-face induction has been delivered through the e-interface of Microsoft Teams and Zoom to provinces and municipalities.

Support in developing a pool of accounting professionals continued through the Chartered Accountants Academy (CAA). Nine trainee accountants were recruited in February 2021, and 19 candidates registered to attend the study support programme. Two groups of nine first-year candidates and ten second-year candidates were preparing to write the first and second board examinations respectively. During the reporting period, four candidates qualified as chartered accountants through the academy which has developed 72 chartered accountants since its establishment in 2008. It currently has 32 trainee accountants.

Two workplace practice-based internal audit short-learning programmes were delivered. How to Develop Audit Plans aims to enable internal auditors to



## 4. PERFORMANCE INFORMATION BY PROGRAMME - Cont

develop risk-based audit plans that are aligned to the organisation's strategic objectives, goals and relevant standards and prescripts, and engage in the review of interim and annual financial statements using the Modified Cash Basis of Accounting Framework. How to Audit Information Technology General Controls (ITGC) for Non-Information Technology (IT) Auditors aims to capacitate non-IT auditors to conduct end-to-end audits of information technology general controls for any type of system driven process, as well as enable internal auditors to understand the ITGC environment effectively and apply it to any system-driven audit using the standards issued by the Institute of Internal Auditors and the National Treasury prescripts, frameworks and guidelines.

The two short learning programmes were an important step in a phased approach to providing internal auditors at all levels with a comprehensive compendium of education, training and development solutions that will significantly improve their ability to apply and implement internal audit strategies and prescripts. During the reporting period, 218 delegates were trained in these solutions. Feedback indicated that it was one of the most practice-oriented solutions yet developed by the National Treasury for the internal audit discipline. Due to the solutions being geared towards a face-to-face delivery model, extensive delays, caused by the COVID-19 imposed restrictions, were experienced in the finalisation of the implementation. A process is underway to develop an online training solution which is anticipated will reduce dependence on face-to-face training for all practical based training programmes offered.

R4.8 million was received from the Finance and Accounting Services Sector Education and Training Authority (FASSET) to rollout a Public Sector Accounting Technician Learnership Certificate in line with National Qualifications Framework (NQF) Level 3, in four provinces and targeting 65 unemployed youth (37 in Eastern Cape and 28 in Limpopo). The aim of this certificate programme is to empower unemployed learners with public sector-specific competencies in line with the National Treasury's Competency Framework for Financial Management, and to provide skills development and employment opportunities for the employed officials. The Department of Higher Education (DHET) has called on all public sector institutions to use the sector to provide unemployed youth with the opportunity to learn about public financial management as a means to alleviate the social ills caused by unemployment. The nationwide lockdown and restrictions in workplace numbers delayed the implementation of the programme to the next financial year.

In July 2018, with R6 million in funding from the FASSET, the National Treasury launched a Public Financial Management Internship Programme for 20 unemployed Bachelor of Commerce graduates in Mpumalanga and Northern Cape. The objective of the programme was to pilot a new public sector partnership through which learners will be placed in provincial departments over three years and undergo a structured learning programme in line with the competencies of the South African Institute of Professional Accountants (SAIPA). The rationale for the partnership is to give graduates a professional designation that will recognise them as professional accountants in the public sector. The programme will also assist the sector to achieve its twin goals of employing competent and qualified professionals and providing unemployed learners with access to one of the country's key scarce skills. The programme is in its second year and the learners are progressing well, in line with workplace rotations and competencies. It is envisaged that they will be able to complete the programme at the end of July 2021 when they will be eligible to sit for the qualifying examinations as professional accountants.

Pilot delivery of the Supply Chain Management (SCM) Learnership Programme (National Certificate: Supply Chain Management) in municipalities to 100 employed learners of Gauteng and Mpumalanga was concluded. Another pilot delivery of this programme to 30 unemployed learners in municipalities in Limpopo and 59 in the Northern Cape was also concluded.



## **PART B: PERFORMANCE INFORMATION**

# **4. PERFORMANCE INFORMATION BY PROGRAMME - Cont**

### *Financial Systems*

The Financial Systems Unit continues to operate at optimum level, providing a stable platform for the systems operations of government. This includes ongoing maintenance and adaption of the Personnel and Salary Administration System (PERSAL), the Logistical Information System (LOGIS), the Basic Accounting System (BAS) and the Vulindlela Management Information System to comply with policy and user requirements.

### *Integrated Financial Management System*

All assignments leading up to the Common Design project have been completed including change readiness assessment, pre-common design training and the conceptual model for the Integrated Financial Management System (IFMS) Centre of Excellence. The Common Design project has been delayed by project reviews and procurement processes. This has resulted in delays to the implementation of the IFMS. In an effort to mitigate these delays, the IFMS programme adopted alternative approaches for the procurement of a service provider for Common Design and the implementation of the IFMS system. The establishment of a panel of system implementers was cancelled as the National Treasury's Bids Adjudication Committee (BAC) did not recommend the panel to the Accounting Officer for approval. A new panel will be established to support the national roll-out of the IFMS. Actions to mitigate the impact of the delays have been factored into a revised project implementation plan. Frequent sitting of the key governance structures such as the Programme Committee and Steering Committee has resulted in key project decisions being implemented timeously, resulting in accelerated progress in various areas of the programme.

### *Specialised Audit Services*

The SAS was provided with investigation capacity on critical and complex forensic investigations relating to public procurement through 21 forensic investigations and two specialised performance audit reports.

- Specialised Audit Services (SAS) provided advisory services to law enforcement agencies, the National Prosecuting Authority (NPA) and South African Police Service (SAPS) in the criminal investigation of complex commercial crime cases including Social Housing Regulatory Authority and North West Section 100 intervention cases. Cases were referred for criminal investigation, with advisory services being provided to law enforcement agencies or anti-corruption task teams.
- To assist with building the capacity of law enforcement institutions, SAS conducted national training sessions on PFMA and MFMA case law for

## 4. PERFORMANCE INFORMATION BY PROGRAMME - Cont

criminal convictions with members of the Directorate for Priority Crime Investigation (DPCI) and prosecutors from the Serious Commercial Crimes Unit (SCCU).

- SAS continues to collaborate with the NPA's Asset Forfeiture Unit in the recovery of state funds to the NRF, and other assets lost through crime.

### **Office of the Chief Procurement Officer**

#### *SCM Policy, Norms and Standards*

Through the Office of the Chief Procurement Officer (OCPO), the National Treasury (NT) published the draft Public Procurement Bill for public comment in February 2020. This draft legislation is in pursuit of regulating public procurement, to prescribe a framework for procurement policy envisaged in section 217(3) of the Constitution, and to provide for matters connected therewith. The objective of the Bill is to:

- Unify the laws dealing with public sector procurement by creating a singular regulatory framework that applies to all spheres of government and state-owned entities.
- Elevate public procurement to a strategic level with a distinct custodianship through a single regulatory oversight body to regulate public procurement and set uniform norms and standards for all levels and spheres of government.
- Establish a procurement system that provides for different types of procurement and related sourcing strategies.
- Regulate the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) (PPPFA) to ensure that it is aligned to the Constitution.
- Eliminate abuse of the supply chain management (SCM) system, improve good governance of state resources, improve efficiencies, and simplify tendering processes by unlocking bottlenecks and red tape.
- Simplify processes and maximise value for money with public funds.
- Modernise public procurement.

The closing date for public comments on the Draft Public Procurement Bill was 30 June 2020 and the OCPO received nearly 4 600 comments which were considered for inclusion in the Bill. It is anticipated that the Bill will be tabled in Parliament by December 2021.

Modernisation of SCM policies and procedures is imperative to support the advancement of government's socio-economic priorities. During the reporting period, various instructions were issued in line with policy interventions and circulars for products that are designated for local production were proposed. The OCPO issued SCM directives for implementation, which related to emergency procurement by government institutions to which the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) apply. A designated sector circular for line hardware was revised and issued.

The OCPO is spearheading the establishment of an Interim SCM Council whose main aim will be the professionalisation of SCM for the public and private sectors. To date, an international and local benchmarking study was conducted to determine a suitable legal, institutional, organisational design, and business management framework for the permanent SCM Council. A business plan and sustainable business model were developed to enable the Council to fulfil its mandate and be transparent in respect of its funding and financial needs. The business plan was completed and endorsed by the Interim Supply Chain Management Council (ISCMC) EXCO in November 2020.



## **PART B: PERFORMANCE INFORMATION**

# **4. PERFORMANCE INFORMATION BY PROGRAMME - Cont**

### *Transversal Contracting*

During the reporting period, 41 transversal contracts were renewed. Some additional commodities were concluded as supplementary contracts, and this led to a higher number of transversal contracts being concluded than was targeted. The principal aim for renewing the transversal contracts was to ensure that sourcing of goods and services brings about savings and achieves economies of scale through bulk purchasing. The contracts are arranged in categories such as transport, medical services, educational services, voice and telecommunication and clothing and textiles.

### *SCM Information and Communication Technology*

The Central Supplier Database (CSD) continues to simplify and strengthen accessibility of doing business with the state. As at 31 March 2021, the system had 886 782 registered suppliers, with 271 742 women, 259 658 youth and 6 474 people with disabilities. Through the OCPO, the National Treasury has published public sector procurement information planned for the next 12 months, including the dashboard on COVID-19 procurement.

### *SCM Governance, Monitoring and Compliance (GMC)*

Government procurement continued to be monitored, with malpractices that result in procurement irregularities being identified and acted on to ensure compliance. In the reporting period, oversight of compliance with SCM policies, procedures, norms and standards continued, and procurement plans, deviations and contract expansions for departments and public entities published to improve transparency. Various organs of state regularly request the OCPO GMC to review their tender processes. This may include the review of bid specifications, the evaluation processes and adjudication processes to ensure compliance with policy, norms and standards.

During the reporting period, institutions that required assistance in strengthening their SCM functions were identified. Institutions such as Transnet, National Prosecuting Authority (NPA), South African National Roads Agency (SANRAL) and Eskom were extended an invitation for discussions on areas of collaboration where the OCPO could support the institution in strengthening its current SCM functions. The issues addressed included the application status of their deviations, condonations, expansions, cancellations, advices/complaints, exemptions and other applications submitted to the National Treasury.

## 4. PERFORMANCE INFORMATION BY PROGRAMME - Cont

### *Strategic Procurement*

Through strategic procurement initiatives, sourcing strategies for the health technology second phase radiological equipment categories were developed. The SCM process for procuring the travel Online Booking Tool was initiated and will be finalised in the 2021/22 financial year. The revision of the National Travel Policy Framework (NTPF) and cost containments was finalised and workshopped to all the national departments, provincial departments, provincial treasuries, and public entities. The process of reviewing and updating the Strategic Procurement Framework is with the internal supply chain management processes as well as that of the development of a sourcing strategy for the Bulk Fuel commodity.

### *Stakeholder and Client Management*

The OCPO collaborated with the Presidency to capacitate and educate women in business across the nine provinces to enable them to compete successfully in public procurement and provide goods and services to institutions of government. The division continued to support empowerment objectives through public procurement strategies targeted at vulnerable women facing economic challenges, with Limpopo used as a pilot-phase to educate women on public procurement opportunities in government. These included other services offered to support emerging businesses in developing business plans and sourcing funding to build sustainable businesses.

A major project was the educational radio campaign aimed at suppliers across four provinces: Gauteng, North West, KwaZulu Natal (KZN) and Limpopo. The campaign was conducted on Capricorn FM for Limpopo, Gagasi FM for KZN, You FM for North West and Kaya FM for Gauteng. The objective of this 4-week campaign was to simplify the process of transacting with government through public procurement. Discussions and questions that emerged from the radio interviews were translated into newspaper inserts for suppliers to access for later reference.

The OCPO has provided ongoing engagement with internal stakeholders. During the reporting period, the provincial SCM Forum was adopted as a sub-committee of the Technical Committee on Finance with heads of provincial treasuries as permanent members. The forum decided to focus on the following themes towards improving SCM performance:

- The Public Procurement Bill (legislative focus).
- Audit outcomes (SCM issues) (major themes for national, provincial and local spheres).
- Skills and professionalisation of the SCM discipline.
- The use of technology in SCM.
- Strategic procurement/transversal contracts.

From the identified themes, three areas were extensively debated and a draft instruction note to clarify the application parameters to Treasury Regulation 16A6.6 was concluded and submitted for consideration to the policy unit in the OCPO. The office continues to provide support to the localisation objective intended for internal SCM practitioners and implemented through Proudly South African.

**PART B: PERFORMANCE INFORMATION**

**4. PERFORMANCE INFORMATION  
BY PROGRAMME - Cont**

**PERFORMANCE INDICATORS**

**PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS**

APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	ACTUAL 2018/19	ACTUAL 2019/20	TARGET 2020/21	ACTUAL 2020/21	DEVIATION FROM PLANNED TARGET	REASON FOR DEVIATION
5.1.1	Sound financial controls and management of public finances	Public Finance Norms and Standards	Number of norms and standards developed	#	#	9	19	10	Over-performance is attributed to the impact of the COVID-19 national state of disaster and the nation-wide lockdown requiring revision of legislated dates in order to ensure that institutions comply with reporting requirements as prescribed in legislative frameworks.
5.1.2		Public Finance Governance Reports	Number of governance reports produced	#	#	95	48	-47	Under-performance is attributed to the delay in the procurement process in the appointment of the new panel of service providers due to the previous three-year panel expiring.

## 4. PERFORMANCE INFORMATION BY PROGRAMME - Cont

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS									
APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	ACTUAL 2018/19	ACTUAL 2019/20	TARGET 2020/21	ACTUAL 2020/21	DEVIATION FROM PLANNED TARGET	REASON FOR DEVIATION
5.1.3	Public Finance Management Capacity Development Programmes reports	Number of public finance management capacity development programmes progress reports produced	#	#	28	18	-10	Under-performance is attributed to capacity development programmes being delayed due to the facilitators being occupied by the finalisation of the consolidated financial statements that took longer than anticipated.	
5.1.4	Transversal systems available	Percentage availability of transversal systems	#	#	98%	99.9%	1.9%	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	#	#	18	20	2	Over-performance is attributed to additional requests received from public institutions.	
5.1.6	IFMS II plan implementation reports	Implementation of the IFMS II plan	Planning and design completed Pilot site for National Treasury and DPSA prepared	Functional and technical specifications of IFMS system not developed.	Execution of Common Design and Procurement supporting services	Execution of Common Design and Procurement supporting services not achieved.	Execution of Common Design and Procurement supporting services	Under-performance is attributed to a decision that was taken in December 2020 to explore alternative approaches in the procurement of a service provider for Common Design project inception and execution. This was done in order to mitigate the risks and delays with procurement.	

**PART B: PERFORMANCE INFORMATION**

**4. PERFORMANCE INFORMATION  
BY PROGRAMME - Cont**

**PERFORMANCE INDICATORS - cont.**

<b>PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS</b>									
<b>APP #</b>	<b>OUTCOME</b>	<b>OUTPUT</b>	<b>OUTPUT INDICATOR</b>	<b>ACTUAL 2018/19</b>	<b>ACTUAL 2019/20</b>	<b>TARGET 2020/21</b>	<b>ACTUAL 2020/21</b>	<b>DEVIATION FROM PLANNED TARGET</b>	<b>REASON FOR DEVIATION</b>
5.1.7	Sound financial controls and management of public finances	SCM compliance report	Number of quarterly compliance reports produced	#	#	4	1	-3	Under-performance is attributed to the reports being finalised outside the stipulated timeframes due to an increase in the number of requests for deviations, condonations, extensions and variations which were resulting from the inability of government institutions to tender during the national lockdown period. This was further exacerbated by capacity constraints within the chief directorate which is being addressed through current recruitment.



**1. PERFORMANCE INFORMATION - Cont**

<b>PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS</b>									
<b>APP #</b>	<b>OUTCOME</b>	<b>OUTPUT</b>	<b>OUTPUT INDICATOR</b>	<b>ACTUAL 2018/19</b>	<b>ACTUAL 2019/20</b>	<b>TARGET 2020/21</b>	<b>ACTUAL 2020/21</b>	<b>DEVIATION FROM PLANNED TARGET</b>	<b>REASON FOR DEVIATION</b>
5.1.8	Approved SCM directives	Percentage of approved SCM directives	#	#	100%	100%	N/A	N/A	
5.1.9	Development of the support implementation plan reports	Percentage of support implementation plan on identified or prioritised institutions in order to improve SCM performance	#	#	100%	100%	N/A	N/A	
5.1.10	Transversal term contracts	Number of transversal term contracts implemented	#	#	28	41	13	Over-performance is attributed to additional transversal contracts concluded on a number of commodities as supplementary contracts, in order to aid the organs of state to procure without having to overwhelm the market with requests for quotations, as was the practice for those commodities. The COVID-19 pandemic has made it impossible for suppliers to provide samples for all the time a commodity is required, thus making the process for quotations limiting for most of the suppliers.	

**PART B: PERFORMANCE INFORMATION**

**4. PERFORMANCE INFORMATION  
BY PROGRAMME - Cont**

**PERFORMANCE INDICATORS - cont.**



**PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS**

APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	ACTUAL 2018/19	ACTUAL 2019/20	TARGET 2020/21	ACTUAL 2020/21	DEVIATION FROM PLANNED TARGET	REASON FOR DEVIATION
5.1.11		Strategic sourcing Opportunities plan reports	Percentage implementation of the strategic sourcing opportunities plan	#	#	100%	59%	-41%	Under-performance is attributed to the Bid Specification Committee meetings not being convened due to unavailability of members resulting in bids not being approved.

# 1. PERFORMANCE INFORMATION - Cont

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

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS					
UNDER-PERFORMING INDICATORS AND ACTION PLANS					
APP#	OUTCOME	OUTPUT	OUTPUT INDICATOR	REASON FOR DEVIATION	ACTION PLAN
5.1.2	Sound financial controls and management of public finances	Public Finance Governance Reports	Number of governance reports produced	Under-performance is attributed to the delay in the procurement process in the appointment of the new panel of service providers due to the previous three-year panel expiring.	The panel of service providers has been appointed and governance reports not produced will be finalised in the 2021/22 financial year.
5.1.3		Public Finance Management Capacity Development Programmes reports	Number of public finance management capacity development programmes progress reports produced	Under-performance is attributed to capacity development programmes being delayed due to the facilitators being occupied by the finalisation of the consolidated financial statements that took longer than anticipated.	The capacity development programmes that were not delivered will be finalised in the 2021/22 financial year.
5.1.6		IFMS II plan Implementation reports	Implementation of the IFMS II plan	Under-performance is attributed to a decision that was taken in December 2020 to explore alternative approaches in the procurement of a service provider for Common Design project inception and execution. This was done in order to mitigate the risks and delays with procurement.	A change in implementation approach was approved by Steerco in February 2021 and the procurement vehicle was approved in March 2021. The procurement of services is currently in the approval process.

**PART B: PERFORMANCE INFORMATION**

**4. PERFORMANCE INFORMATION BY PROGRAMME - Cont**

**PERFORMANCE INDICATORS - cont.**

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

**PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS**

**UNDER-PERFORMING INDICATORS AND ACTION PLANS**

APP#	OUTCOME	OUTPUT	OUTPUT INDICATOR	REASON FOR DEVIATION	ACTION PLAN
5.1.7	Sound financial controls and management of public finances	SCM compliance report	Number of quarterly compliance reports produced	Under-performance is attributed to the reports being finalised outside the stipulated timeframes due to an increase in the number of requests for deviations, condonations, extensions and variations which were resulting from the inability of government institutions to tender during the national lockdown period. This was further exacerbated by capacity constraints within the chief directorate which is being addressed through current recruitment.	The process to fill the vacant positions in the Chief Directorate has commenced.
5.1.11	Strategic sourcing opportunities plan reports	Strategic sourcing opportunities plan reports	Percentage implementation of the strategic sourcing opportunities plan	Under-performance is attributed to the Bid Specification Committee meetings not being convened due to unavailability of members resulting in bids not being approved.	Discussions are currently being held with Supply Chain Management in order to resolve challenges experienced with the Bid Specification Committee. The project tasking letter for one project has since been signed and issued to the stakeholders to commence with the project.

## 1. PERFORMANCE INFORMATION - Cont

## CHANGES TO PLANNED TARGETS

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

## LINKING PERFORMANCE WITH BUDGETS

	2020/21			2019/20		
	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
<b>PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS</b>						
Programme Management for Financial Accounting and Supply Chain Management Systems	39 790	32 141	7 649	60 466	38 843	21 623
Office of the Chief Procurement Officer	69 917	64 630	5 287	74 382	68 772	5 610
Financial Systems	428 502	355 061	73 441	543 040	399 043	143 997
Financial Reporting for National Accounts	110 785	105 113	5 672	107 790	104 454	3 336
Financial Management Policy and Compliance Improvement	134 659	89 472	45 187	155 365	122 594	32 771
Service Charges: Commercial Banks	320	208	112	303	242	61
Audit Statutory Bodies	50 000	50 000	-	62 842	62 842	-
<b>Total</b>	<b>833 973</b>	<b>696 625</b>	<b>137 348</b>	<b>1 004 188</b>	<b>796 790</b>	<b>207 398</b>



## **PART B:** PERFORMANCE INFORMATION

# 4. PERFORMANCE INFORMATION BY PROGRAMME - Cont

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

### ***International Economic Cooperation***

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

### ***African Integration and Support***

This sub-programme provides for subscriptions and contributions to international development institutions and multilateral banks. It transfers funds to the African Development Bank and African Development Fund for buying shares and subscriptions, and for accelerated encashment schedules to support African development; and to the World Bank Group (WBG) group for providing concessional

## 4. PERFORMANCE INFORMATION BY PROGRAMME - Cont

loans and grants to low income countries and for contributing to general and selective increases in the authorised capital of the WBG.

### ***International Development Funding Institutions***

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

### ***International Projects***

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

## **SERVICE DELIVERY OBJECTIVES AND INDICATORS**

### **Recent outputs**

During the reporting period, the programme continues 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.

### ***Concessional Finance***

The programme supported South Africa's effective engagement in the approval of the International Development Associations (IDA), the concessional fund of the World Bank Group, and the response to the impact of COVID-19 pandemic. This included the approval to make US\$ 70 billion of concessional finance available to Low Income Countries (LICs), of which 37 are in Africa, to support their COVID-19 recovery efforts. This also comprised the approval of bringing forward the IDA-20 replenishment negotiations by one year, to ensure that LICs have access to financial resources in 2022.

The programme supported South Africa's effective engagement in the working group of the 16th replenishment of the African Development Fund (ADF-16), the concessional fund of the African Development Bank. The working group focused on developing options for the review of the institutional governance of the ADF as well as to how the allocation of ADF resources can be targeted towards fragile countries.



## **PART B: PERFORMANCE INFORMATION**

# **4. PERFORMANCE INFORMATION BY PROGRAMME - Cont**

## **Multilateral Development Banks**

### ***World Bank***

Throughout 2020, the National Treasury coordinated engagements between the World Bank and various government departments in respect of the new Country Partnership Framework (CPF) between South Africa and the World Bank. The CPF is a non-binding bilateral cooperation programme that outlines the bank's areas of focus in its member countries over a five-year period. Its purpose is to provide the overarching strategy for bank's engagement with South Africa in support of the country's development agenda.

Three key priority areas identified for the CPF are:

- promoting increased competition and improved business environment for sustainable growth.
- strengthening medium and small enterprise performance and skills development to support job creation.
- improving infrastructure investment framework and selected infrastructure services.

### ***African Development Bank***

In September 2020, the African Development Bank (AfDB) approved a loan of just below R5 billion for South Africa's COVID-19 response. Its intention is to support a range of measures to enhance social protection and income and food security. The Minister of Finance participated as part of a five-member country ad hoc panel on the review of governance instruments of the AfDB.

### ***Africa Continental***

The programme supported the work of the Minister of Finance on the budget oversight role at the African Union (AU) through the Committee of Fifteen Finance Ministers (F15). A key outcome was the AU Executive Council mandating that the F15 and its experts be given autonomous recognition in their budget oversight role; this led to the establishment of the first draft rules of procedures for the AU Ministers of Finance and their experts. The National Treasury was part of the drafting process.

The participation of the F15 experts during the budget formulation led to the introduction of an effective budget planning and management system. This was supported by the Minister of International Relations and Cooperation who successfully advanced South Africa's position in ensuring that ministers of finance receive the necessary recognition of their budget oversight role by regulating



## **4. PERFORMANCE INFORMATION BY PROGRAMME - Cont**

their role, which should be aligned with the AU Financial Rules and Regulations. The National Treasury participated in the AU Scale of Assessment negotiations for the Peace Fund to develop the Southern Africa position. The key outcome was that the National Treasury officials (on behalf of South Africa's AU Ambassador) were invited to lead in the Southern African Ambassadors' forum to provide technical guidance on the most suitable scale for the region. This resulted in endorsement of the proposed scale by the National Treasury which has been formally submitted by the southern region for adoption by the assembly in February 2021.

South Africa's term of office in the F15 came to an end in February 2021. The Embassy of the Republic of South Africa has informed the Permanent Mission to the African Union Commission of its desire to continue to serve on the F15 for a further term (2021-2023).

### ***Southern African Customs Union (SACU)***

In collaboration with the Department of Trade, Industry and Competition (DTIC) and South African Revenue Service (SARS), the programme managed South Africa's membership of the Southern African Customs Union (SACU) and led on the finance track.

The programme exercised oversight over the effective governance of the SACU Secretariat by participating in the quarterly finance and audit committee (FAC) meetings. This programme oversaw implementation of the 2020/21 budget and business plan and approval of the internal audit plan for 2020/21. The work further included overseeing the discussion, review and approval of the revisions of the Social Media Policy and Guidelines; Fraud Prevention Strategy; and Whistle-blower Policy. More importantly, the programme oversaw the completion of the long-standing work to review the conditions of service for the Secretariat and the development of guidelines for the appointment of the SACU Secretariat Executive Secretary and Deputy Secretary.

The programme also engaged on finance track issues through participation in the quarterly meetings of the SACU Commission and the SACU Council of Ministers. In this regard, the programme participated in the 4th SACU Ministerial Retreat chaired by Minister TT Mboweni. This retreat developed a new vision and work programme for SACU focusing on industrialisation, trade facilitation, trade negotiations at the Africa Continental Free Trade Area, and the regional financing mechanism for infrastructure and industrial development.

As part of implementing the 2002 SACU Agreement, the National Treasury continues to manage the Common Revenue Pool. Related to this work, the programme participated in the 2020 trade data reconciliation task team meetings responsible for determining SACU revenue shares for member states as well as the budget for the SACU Secretariat. In this regard, the programme successfully championed calls to review the compensation structure of the SACU Secretariat.

### ***Southern African Development Community (SADC)***

The programme managed South Africa's engagement with the macroeconomic convergence programme and all finance track work, informed by the SADC Finance and Investment Protocol. This included engaging in the meetings of the ministers of finance and investment and the peer review panel of the macroeconomic convergence programme of July 2020. This engagement was supported by participation at the technical level.

The programme supported the Department of International Relations and Cooperation (DIRCO) as lead department during the Council of Ministers and the Heads of State and Government Summit in August 2020. This included providing



## **PART B: PERFORMANCE INFORMATION**

### **4. PERFORMANCE INFORMATION BY PROGRAMME - Cont**

the support on the report on the status of the implementation of the macroeconomic convergence programme, as well as the impact of COVID-19 pandemic on SADC economies.

The programme also engaged in the negotiations and finalisation of the 2050 Vision and the 2020-2030 Regional Indicative Strategic Development Plan (RISDP) which will respectively serve as SADC's framework, long-term and implementation plan for this decade. Both documents were approved by the summit of August 2020.

The programme also engaged in the ongoing work to strengthen good financial management in the SADC Secretariat, through participation in the finance committee and subcommittee meetings. The reports of the finance committee were approved by the council meetings of August 2020 and March 2021.

#### ***Brazil, Russia, India, China, South Africa (BRICS)***

The National Treasury continues to effectively represent South Africa in the finance track of BRICS as well as in the BRICS public private partnership and infrastructure task force which is aimed at advancing collaboration on infrastructure investment and exchange best practices. The focus during the reporting period was on digital platforms and the use of digital technologies. Considering the importance of infrastructure investment and in light of the COVID-19 pandemic, BRICS member countries are expected to collaborate on innovative financing models for social infrastructure and the use of digital technologies in enhancing the quality of social infrastructure services.

Since signing the Articles of Agreement of the New Development Bank (NDB) in 2014 and becoming a member of the NDB, South Africa has secured funding to the value of US\$ 5.343 billion which includes two COVID-19 emergency loans. The first COVID-19 emergency loan was aimed at providing health and social safety nets while the second emergency loan will assist the South African government in its efforts to contain the economic fallout of the pandemic and start economic recovery. The loan will finance creation of employment opportunities in South Africa.

#### ***Group of Twenty (G20)***

During the reporting period, the National Treasury led South Africa's effective engagement and coordination with the finance track of the Group of Twenty (G20) where it advocated for the country's economic and financial interests. Critical to this was drafting South Africa's 2020 finance strategy for engagement with the G20 which was endorsed by Cabinet.

## 4. PERFORMANCE INFORMATION BY PROGRAMME - Cont

The programme supported the successful engagement by the President and Ministers at the Riyadh G20 Summit in November 2020, which took place virtually due to the COVID-19 pandemic, at which the President was a lead speaker in the session “Building an Inclusive, Sustainable and Resilient Future”. The session focused on employment and women’s empowerment, the sustainable development goals, quality infrastructure development, global health, and development cooperation.

The programme also supported the G20 Compact with Africa (CwA) initiative which aims to stimulate economic activity in African economies and has enrolled 12 African countries since its launch in 2017. The South African and German finance ministries co-chair this initiative. However, due to the strict lockdowns that were implemented globally, the annual G20 Investment Summit in Berlin was suspended.

South Africa successfully advocated for an extension of the Debt Service Suspension Initiative (DSSI) for another six months until the end of 2021 and for the abolishment of the International Monetary Fund’s (IMF) upper credit tranche programme (an IMF programme with conditionalities) as a precondition to DSSI eligible countries receiving debt suspension. South Africa’s development finance institutions have also been providing debt suspension to DSSI eligible countries. South Africa also endorsed the common framework for debt treatments beyond the DSSI which brings together both Paris club and non-Paris club creditors.

South Africa also continued to participate in the Paris club meetings as an ad hoc member where it provides a sub-Saharan African perspective on global and regional developments in debt sustainability.

### ***International Monetary Fund (IMF)***

During the reporting period, the National Treasury successfully sustained the dialogue between South Africa and the IMF, including coordinating the IMF’s staff visit from 15-25 January 2021. Additionally, in July 2020 the National Treasury secured US\$4.3 billion in emergency support from the IMF to address the COVID-19 pandemic. The emergency financial assistance secured was through the rapid financing instrument (RFI) which does not require IMF policy conditionalities.

South Africa has successfully advocated for a general allocation of the IMF’s special drawing rights (SDRs) to provide additional liquidity to the global economic system by supplementing the reserve assets of the IMF’s member countries. The IMF Managing Director will make a formal proposal for a general SDR allocation at the board and thereafter South Africa and all other IMF members will receive SDRs in accordance to their quota shares.

**PART B: PERFORMANCE INFORMATION**

**4. PERFORMANCE INFORMATION  
BY PROGRAMME - Cont**

**PERFORMANCE INDICATORS**

**PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS**

APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	ACTUAL 2018/19	ACTUAL 2019/20	TARGET 2020/21	ACTUAL 2020/21	DEVIATION FROM PLANNED TARGET	REASON FOR DEVIATION
6.1.1	Coherent economic policy advocated	Economic surveillance response-reports	Percentage of economic surveillance reports responded to.	#	#	100%	100%	N/A	N/A
6.1.2		Advocacy forums	Number of advocacy forums hosted for uptake of development finance.	#	#	1	1	N/A	N/A
6.1.3		Country partnership framework progress reports	Number of country partnership framework progress reports produced.	#	#	3	3	N/A	N/A
6.1.4		Engagement strategies and priorities	Number of engagement strategies and priorities developed.	#	#	2	2	N/A	N/A
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	N/A	N/A
6.1.6		Policy positions	Percentage of policy positions developed.	#	#	100%	100%	N/A	N/A

## 4. PERFORMANCE INFORMATION BY PROGRAMME - Cont

### CHANGES TO PLANNED TARGETS

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

### LINKING PERFORMANCE WITH BUDGETS

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS	2020/21			2019/20		
	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 Financial Relations	6 848	5 353	1 495	10 473	6 660	3 813
International Economic Cooperation	32 014	25 768	6 246	55 711	44 407	11 304
African Integration and Support	768 188	766 586	1 602	981 896	981 508	388
International Development Funding Institutions	5 822 430	5 822 301	129	4 879 235	4 405 819	473 416
International Projects	21 012	20 493	519	20 816	20 369	447
<b>Total</b>	<b>6 650 492</b>	<b>6 640 501</b>	<b>9 991</b>	<b>5 948 131</b>	<b>5 458 763</b>	<b>489 368</b>



**PART B:** PERFORMANCE INFORMATION

## 4. PERFORMANCE INFORMATION BY PROGRAMME - Cont

### 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

### SUB-PROGRAMMES

#### *Civil Pensions and Contributions to Funds*

This sub-programme, consisting of post-retirement medical benefits, injury on duty and special pensions, provides for medical subsidies to retired civil servants and pension payments to injured 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 (Act No. 88 of 1989); and former state presidents.

## **4. PERFORMANCE INFORMATION BY PROGRAMME - Cont**

### **SERVICE DELIVERY OBJECTIVES AND INDICATORS**

#### **Recent outputs**

By maintaining continual monitoring and data cleansing, the programme achieved 100 per cent resolution of the integrity of data against a target of 90 per cent. The programme achieved its target of 100 per cent reduction of fraudulent claims compared to 90 per cent during 2019/20. This is attributed to effective and adequate internal controls and mitigating risks within the value chain.

The programme achieved the target of paying 100 per cent of benefits within 45 days. The programme paid out pensions and benefits of R5.1 billion in 2020/21 compared to R5.5 billion in 2019/20, a decrease of 5 per cent. This is attributed to the reduction in the non-statutory forces payment during the reporting period. The number of pensioners and beneficiaries increased by 5 per cent, from 147 332 in 2019/20 to 155 156 during the reporting period. The increase in applications received is attributed to post-retirement medical subsidy.

#### **Stakeholder Relations**

The programme places a premium on building and maintaining stakeholder relations. However, due to the impact of the COVID-19 lockdown, no public road shows and members' education took place.

#### **Focus areas arising from 2020/21**

Given the strategic importance of keeping members informed of products and services, alternative communication channels will be explored while COVID-19 restrictions remain in place.

**PART B: PERFORMANCE INFORMATION**

**4. PERFORMANCE INFORMATION  
BY PROGRAMME - Cont**

**PERFORMANCE INDICATORS**

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

APP #	OUTCOME	OUTPUT	OUTPUT INDICATOR	ACTUAL 2018/19	ACTUAL 2019/20	TARGET 2020/21	ACTUAL 2020/21	DEVIATION FROM PLANNED TARGET	REASON FOR DEVIATION
7.1.1	Sound financial control and management of public finances	Validated benefits payment reports	Percentage of benefits validated paid within liable dates	99%	98.9%	100%	100%	N/A	N/A
7.1.2		Fraudulent claims reports	Percentage reduction of fraudulent claims	#	#	90% fewer fraudulent claims than 2019/20	100% fewer fraudulent claims than 2019/20	10% additional fewer fraudulent claims than 2019/20	Over-performance is attributed to effective and adequate internal controls and mitigated risks within the value chain.
7.1.3		Exceptions report	Percentage integrity of client data	100%	99.9%	90%	100%	10%	Over-performance is attributed to continuous monitoring and sound management of programme membership data.



## 4. PERFORMANCE INFORMATION BY PROGRAMME - Cont

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

No under-performance.

### CHANGES TO PLANNED TARGETS

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

### LINKING PERFORMANCE WITH BUDGETS

PROGRAMME 7: CIVIL AND MILITARY PENSIONS, CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS	2020/21			2019/20		
	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	76 711	60 026	16 685	72 712	66 871	5 841
Civil and Pensions Funds	4 128 971	4 027 389	101 582	4 461 438	4 437 947	23 491
Military Pensions and Other Benefits	1 111 446	1 101 366	10 080	990 353	982 282	8 071
<b>Total</b>	<b>5 317 128</b>	<b>5 188 781</b>	<b>128 347</b>	<b>5 524 503</b>	<b>5 487 100</b>	<b>37 403</b>



**PART B: PERFORMANCE INFORMATION**

**4. PERFORMANCE INFORMATION BY PROGRAMME - Cont**

**REPORTING ON THE INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC**

BUDGET PROGRAMME	INTERVENTION	GEOGRAPHIC LOCATION (PROVINCE/DISTRICT/LOCAL MUNICIPALITY)	NO. OF BENEFICIARIES	DISAGGREGATION OF BENEFICIARIES	TOTAL BUDGET ALLOCATION PER INTERVENTION	BUDGET SPENT PER INTERVENTION	CONTRIBUTION TO THE OUTPUTS IN THE APP (WHERE APPLICABLE)	IMMEDIATE OUTCOMES
<b>Programme 1: Administration.</b>	<ul style="list-style-type: none"> <li>• Wall mounted sanitizers.</li> <li>• Foot operated hand sanitizer.</li> <li>• Reusable face masks.</li> <li>• Thermometers.</li> <li>• Building decontamination.</li> <li>• Face shields.</li> <li>• Hand sanitizers.</li> <li>• Stickers, bio waste</li> <li>• Wall mounted bins and hand sanitizer</li> <li>• Sterile examination surgical gloves</li> <li>• Building decontamination</li> </ul>	Gauteng, national office Cape Town.	1 200	All employees.	R2 168 315	<ul style="list-style-type: none"> <li>• Wall mounted sanitizers <b>R36 415</b></li> <li>• Foot operated hand sanitizer <b>R368 485</b></li> <li>• Reusable face masks <b>R 135 125</b></li> <li>• Thermometers <b>R 16 509</b></li> <li>• Building decontamination <b>R420 712</b></li> <li>• Face shields <b>R5 901</b></li> <li>• Hand sanitizers <b>R227 014</b></li> </ul>	Not applicable.	Safe and secure environment.

## 4. PERFORMANCE INFORMATION BY PROGRAMME - Cont

BUDGET PROGRAMME	INTERVENTION	GEOGRAPHIC LOCATION (PROVINCE/DISTRICT/LOCAL MUNICIPALITY)	NO. OF BENEFICIARIES	DISAGGREGATION OF BENEFICIARIES	TOTAL BUDGET ALLOCATION PER INTERVENTION	BUDGET SPENT PER INTERVENTION	CONTRIBUTION TO THE OUTPUTS IN THE APP (WHERE APPLICABLE)	IMMEDIATE OUTCOMES
	<ul style="list-style-type: none"> <li>Foot operated hand sanitizer.</li> <li>Manual sanitizer dispensers</li> <li>Hand soap</li> <li>Perspex screens</li> </ul>					<ul style="list-style-type: none"> <li>Stickers, bio waste bins and hand sanitizer <b>R7 640</b></li> <li>Surgical face masks <b>R48 875</b></li> <li>Sterile examination surgical gloves <b>R370 761</b></li> <li>Surface sanitizers and disinfectants <b>R495 337</b></li> <li>Sanitizing spray bottles <b>R10 152</b></li> <li>Manual sanitizer dispensers <b>R3 540</b></li> <li>Hand soap <b>R2 180</b></li> <li>Perspex screens <b>R19 671</b></li> </ul>		

## 4. PERFORMANCE INFORMATION BY PROGRAMME - Cont

### REPORTING ON THE INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

BUDGET PROGRAMME	INTERVENTION	GEOGRAPHIC LOCATION (PROVINCE/DISTRICT/LOCAL MUNICIPALITY)	NO. OF BENEFICIARIES	DISAGGREGATION OF BENEFICIARIES	TOTAL BUDGET ALLOCATION PER INTERVENTION	BUDGET SPENT PER INTERVENTION	CONTRIBUTION TO THE OUTPUTS IN THE APP (WHERE APPLICABLE)	IMMEDIATE OUTCOMES
<b>Programme 3: Public Finance and Budget Management.</b>	Amendments to the provincial fiscal framework that are responsive towards COVID-19 pandemic.	Not applicable.	To be determined by individual provinces.	To be determined by individual provinces.	R36 597 621	To be determined by individual provinces.	An additional Diversion of Revenue Amendment Bill added for 2020/21 to respond to COVID-19 pandemic.	Resource allocation/repurposing of conditional grants and addition of Provincial Equitable Share to provinces to enable provincial specific spending on COVID-19 related expenditure.
	Amendments to the local government fiscal framework that are responsive towards COVID-19 pandemic.	Not applicable.	To be determined by individual municipalities.	To be determined by individual municipalities.	R20 000 000	To be determined by individual municipalities.	An additional Diversion of Revenue Amendment Bill added for 2020/21 to respond to COVID-19 pandemic.	Resource allocation/repurposing of conditional grants to local government amounting to R9 billion and addition of R11 billion to Local Government Equitable Share (LGES) to enable municipal specific spending on COVID-19 related expenditure.

## 4. PERFORMANCE INFORMATION BY PROGRAMME - Cont

BUDGET PROGRAMME	INTERVENTION	GEOGRAPHIC LOCATION (PROVINCE/DISTRICT/LOCAL MUNICIPALITY)	NO. OF BENEFICIARIES	DISAGGREGATION OF BENEFICIARIES	TOTAL BUDGET ALLOCATION PER INTERVENTION	BUDGET SPENT PER INTERVENTION	CONTRIBUTION TO THE OUTPUTS IN THE APP (WHERE APPLICABLE)	IMMEDIATE OUTCOMES
	Circular on treatment of COVID-19 donor funding received by provinces.	Province.	Nine provinces.	All provincial departments.	Not applicable.	Not applicable.	Not applicable.	Assisted with the identification of COVID-19 related expenditure. Contributed to the aggregation of spending on COVID-19 related items.
	Weekly reports on mainly Health and Social Development with regards to COVID-19 spending.	Provincial Health reported aggregate expenditure, but Social Development reported per district on homeless and food parcels.	Nine provincial Health Departments. Nine provincial Department of Social Development.	National Treasury budget team (Budget Office, Public Finance, and Intergovernmental Relations).	Not applicable.	Not applicable.	Not applicable.	Provides extent of budgets spent on COVID-19 related items Provide insight into the cost benefit scenario for COVID-19 spending and the cost effectiveness with which items were procured.
	Guideline on adjustments budgets for provinces with workbooks.	Province.	Nine provinces.	All provincial departments.	Not applicable.	Not applicable.	Not applicable.	Provided guidance to provinces regarding preparation of special adjustments budgets. These budgets highlighted levels of reprioritisation and adjustments in provincial specific budgets.
	Instruction note for In-Year Monitoring (IYM) reporting.	Province.	Nine provinces and public entities.	All provincial departments.	Not applicable.	Not applicable.	Not applicable.	Provided guidance to provinces on the adjusted submission dates for IYMs.
	Transfer to Solidarity Fund for COVID-19 redress.	Not applicable.	Not applicable.	Not applicable.	R100 000 000	Not applicable.	Not applicable.	Not applicable.

**PART B: PERFORMANCE INFORMATION**

**4. PERFORMANCE INFORMATION BY PROGRAMME - Cont**

**REPORTING ON THE INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC**

BUDGET PROGRAMME	INTERVENTION	GEOGRAPHIC LOCATION (PROVINCE/DISTRICT/LOCAL MUNICIPALITY)	NO. OF BENEFICIARIES	DISAGGREGATION OF BENEFICIARIES	TOTAL BUDGET ALLOCATION PER INTERVENTION	BUDGET SPENT PER INTERVENTION	CONTRIBUTION TO THE OUTPUTS IN THE APP (WHERE APPLICABLE)	IMMEDIATE OUTCOMES
<b>Programme 5: Financial Accounting and Supply Chain Management Systems</b>	Treasury Instruction No. 7 of 2020/21 on preventative measures in response to COVID-19 pandemic.	National and provincial.	National departments, constitutional institutions, trading entities, national public entities and provincial department and entities.	National departments, constitutional institutions, trading entities, national public entities and provincial department and entities.	Not applicable.	Not applicable	Not applicable	Provided oversight guidelines to accounting officers and accounting authorities on financial management measures to put in place during the pandemic.
	Treasury Instruction No. 14 of 2020/21 on utilisation of funds withdrawn from the National Revenue Fund, section 29 of the PFMA.	National departments.	National departments.	National departments.	Not applicable.	Not applicable	Not applicable	To regulate utilisation of funds from the National Revenue Fund

## 4. PERFORMANCE INFORMATION BY PROGRAMME - Cont

BUDGET PROGRAMME	INTERVENTION	GEOGRAPHIC LOCATION (PROVINCE/DISTRICT/LOCAL MUNICIPALITY)	NO. OF BENEFICIARIES	DISAGGREGATION OF BENEFICIARIES	TOTAL BUDGET ALLOCATION PER INTERVENTION	BUDGET SPENT PER INTERVENTION	CONTRIBUTION TO THE OUTPUTS IN THE APP (WHERE APPLICABLE)	IMMEDIATE OUTCOMES
	Amendments to Treasury Instruction No. 3 of 2017/18 dealing with expenses related to use of telephones, cellphones and data facilities.	National and provincial.	National departments, constitutional institutions, trading entities, national public entities and provincial department and entities.	National departments, constitutional institutions, trading entities, national public entities and provincial department and entities.	Not applicable.	Not applicable	Not applicable	To withdraw the provisions related to expenses on use of cellphones, telephones and data facilities to allow for connectivity support to qualifying officials of departments, constitutional institutions and public entities working outside offices during the pandemic
	Treasury Instruction No. 05 of 2020/21 - Emergency procurement in response to National State of Disaster	All organs of state	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Prescribed the emergency procurement procedures to deal with COVID-19 pandemic and avoiding of abuse of supply chain management system
	Treasury Instruction No. 03 of 2020/21 - COVID-19 Disaster Management Central Emergency Procurement Strategy	All organs of state	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Provided a disaster management central emergency procurement process for PPE that may be implemented by public entities listed in schedules 2 and 3 to the PFMA

**PART B: PERFORMANCE INFORMATION**

**4. PERFORMANCE INFORMATION BY PROGRAMME - Cont**

**REPORTING ON THE INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC**

BUDGET PROGRAMME	INTERVENTION	GEOGRAPHIC LOCATION (PROVINCE/DISTRICT/LOCAL MUNICIPALITY)	NO. OF BENEFICIARIES	DISAGGREGATION OF BENEFICIARIES	TOTAL BUDGET ALLOCATION PER INTERVENTION	BUDGET SPENT PER INTERVENTION	CONTRIBUTION TO THE OUTPUTS IN THE APP (WHERE APPLICABLE)	IMMEDIATE OUTCOMES
	Treasury Instruction No. 11 of 2020/21 - Procurement in response to COVID-19 and repeal of Instruction No. 5	All organs of state	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Prescribed the maximum prices for the identified PPE items, including fabrics masks, to reflect realistic current market prices.
	Treasury Instruction No. 12 of 2020/21 - Departure from advertising bids and awards on Government Tender Bulletins (GTB)	All organs of state	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Provided directive in respect of Government Printing Works' (GPW) inability to publish bids and bid awards in GTB and the interim measures to be followed until such time that the GPW is able to publish tender bulletins.



## 4. PERFORMANCE INFORMATION BY PROGRAMME - Cont

### PROGRESS ON INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

The department continued to comply with the Occupational Health and Safety Act, 1993 including associated Regulations and Guidelines towards the management of COVID-19 in the workplace. The Accounting Officer as well as the COVID-19 designated Compliance Officer have consistently informed employees on measures and protocols to be observed in the workplace. The Occupational Health and Safety Committee (OHSC) has met regularly to review the risks, based on the most current trend analyses available and also ensures that Internal Practice Note on dealing with COVID-19 is updated and communicated to all employees.

The OHSC has conducted a hazard identification and risk assessment to prevent, mitigate, prepare, respond and recover from different types of hazards. Workplace controls such as safe work practices are in place, including provision of Personal Protective Equipment (PPE) as well as supply of hand sanitizers and disinfectants amongst others. The COVID-19 case management process is in place and this is tracked and reported on, on a weekly basis. The offices are regularly cleaned and as required, deep cleaning has been done in specified areas.

Section 217(1) of the constitution requires organs of state to contract for goods and services in a manner that is fair, equitable, transparent, competitive and cost-effective. This is further echoed in the PFMA and MFMA. Furthermore, Section 216 of the Constitution provides for National Treasury to prescribe measures to ensure both transparent and expenditure control in each sphere of government by introducing uniform treasury norms and standards. Therefore, as a measure of ensuring uniformity in expenditure of PPE through procurement it imperative that OCPO issues the above prescripts.

# 5 TRANSFER PAYMENTS

## 5.1. TRANSFER PAYMENTS TO PUBLIC ENTITIES

The table below reflects the transfer payments made for the period 1 April 2020 to 31 March 2021

NAME OF PUBLIC ENTITY	SERVICES RENDERED BY THE PUBLIC ENTITY	AMOUNT TRANSFERRED TO THE PUBLIC ENTITY (R'000)	AMOUNT SPENT BY THE PUBLIC ENTITY (R'000)	ACHIEVEMENTS OF THE PUBLIC ENTITY
1. Accounting Standards Board	Determine Standards of Generally Recognised Accounting Practice	14 407	14 407	Refer to General Information Public Entities reporting to Minister
2. Co-operative Banks Development Agency	Regulate, promote and develop co-operative banking, including deposit-taking and lending co-operatives	20 473	20 473	Refer to General Information Public Entities reporting to Minister
3. Financial and Fiscal Commission	Assist and maintain the balance between fiscal decentralisation and the unitary state	63 821	63 821	Refer to General Information Public Entities reporting to Minister
4. Financial Intelligence Centre	Assist in the identification of unlawful activities, and combating of money laundering activities, financing of terrorism and related activities	291 425	291 425	Refer to General Information Public Entities reporting to Minister
5. Government Technical Advisory Centre	Support public finance management through professional advisory services, programme and project management and transaction support	38 269	38 269	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	44 187	44 187	Refer to General Information Public Entities reporting to Minister
7. South African Revenue Service*	Efficient and effective collection of revenue	10 271 873	10 271 873	Refer to General Information Public Entities reporting to Minister

\*Office of the Tax Ombud (OTO) receives transfers through SARS

## 5. TRANSFER PAYMENTS - Cont

## 5.2 TRANSFER PAYMENTS TO ALL ORGANISATIONS OTHER THAN PUBLIC ENTITIES

NAME OF TRANSFEREE	TYPE OF ORGANISATION	PURPOSE FOR WHICH THE FUNDS WERE USED	DID THE DEPT. COMPLY WITH S38 (1) (J) OF THE PFMA	AMOUNT TRANSFERRED (R'000)	AMOUNT SPENT BY THE TRANSFEREE (R'000)	REASONS FOR THE FUNDS UNSPENT BY THE TRANSFEREE
8. African Regional Technical Assistance Centre	Foreign and International organization	Providing technical assistance and cooperation in core macroeconomic and financial management.	Yes	75	75	Not applicable
9. Common Monetary Area Compensation (CMA)	Foreign and International organization	To compensate the contracting parties of the Multilateral Monetary Agreement (MMA) for the amount of rand currency in circulation.	Yes	762 987	762 982	Not applicable
10. International Finance Facility for Immunization (IFFI)-Donations and Gifts	Foreign and International organization	To support health care, particularly the provision of vaccines to reduce the number of vaccine preventable deaths among children in low income countries.	Yes	15 196	14 831	Not applicable
11. Institute for Development and Economic Planning (IDEP)	Foreign and International organization	For improving public sector management and development planning in support of member States' structural transformation.	Yes	1 351	1 316	Not applicable
12. African Development Bank & Fund (AfDB)	Foreign and International organization	To provide financial and capacity building support to low income countries that are members of the AfDB and the World Bank, respectively.	Yes	78 699	78 571	Not applicable

**PART B: PERFORMANCE INFORMATION****5. TRANSFER PAYMENTS - Cont**

NAME OF TRANSFEREE	TYPE OF ORGANISATION	PURPOSE FOR WHICH THE FUNDS WERE USED	DID THE DEPT. COMPLY WITH S 38 (1) (J) OF THE PFMA	AMOUNT TRANSFERRED (R'000)	AMOUNT SPENT BY THE TRANSFEREE (R'000)	REASONS FOR THE FUNDS UNSPENT BY THE TRANSFEREE
13. Collaborative African Budget Reform Initiative	Foreign and International organization	To provide capacity building in Africa's financial sector management, budget reform and governance through SA's contribution.	Yes	2 650	2 213	Not applicable
14. Commonwealth Fund for Technical Cooperation	Foreign and International organization	To provide support for common secretarial goals and programmes on annual basis.	Yes	5 816	5 662	Not applicable
15. United Kingdom Tax	Foreign and International organization	These are members locally recruited and appointed or deemed to have been appointed under section 1 of the Diplomatic Mission in United Kingdom Service Act 1961.	Yes	-	-	Not applicable
16. World Bank	Foreign and International organization	To provide concessional loans and grants to low-income countries.	Yes	56 328	56 327	Not applicable

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

# 6 CONDITIONAL GRANTS

## 6.1 CONDITIONAL GRANTS AND EARMARKED FUNDS PAID

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

### CONDITIONAL GRANT 1: INTEGRATED CITY DEVELOPMENT GRANT

DEPARTMENT WHO TRANSFERRED THE GRANT: NATIONAL TREASURY	
<b>Purpose of the grant</b>	To provide a financial incentive for metropolitan municipalities to achieve a more compact, liveable, inclusive, productive, and sustainable urban spatial form. The grant also supports metropolitan municipalities to develop effective and efficient systems of programme and project preparation.
<b>Expected outputs of the grant</b>	Metropolitan municipalities are authorised to use this grant to: <ul style="list-style-type: none"> <li>• Conduct authorised studies/strategies.</li> <li>• Acquire land within identified integration zones.</li> <li>• Plan and implement catalytic/strategic projects within identified integration zones.</li> <li>• Implement infrastructure projects including public transport, roads, water, energy, housing and development within identified integration zones.</li> </ul>
<b>Actual outputs achieved</b>	The grant allocation supported metropolitan municipalities towards integrated planning, spatial targeting, programme and project pipelining and supplemented the implementation of capital projects funded by various infrastructure grants within the identified integration zones. Overall, the grant supported realisation of the following national priority: Priority 5: Spatial Integration, Human Settlements and Local Government.
<b>Amount per amended DoRA</b>	R313.722 million
<b>Amount received</b>	R313.722 million
<b>Reasons if amount as per DoRA not received</b>	Not applicable
<b>Amount spent by the department/ municipality</b>	R313.722 million was transferred to eight metropolitan municipalities.
<b>Reasons for the funds unspent by the entity</b>	Not applicable. The Integrated City Development Grant is a supplementary grant for various municipal infrastructure grants.
<b>Reasons for deviations on performance</b>	Not applicable
<b>Measures taken to improve performance</b>	Not applicable
<b>Monitoring mechanism by the receiving department</b>	Municipalities report on the grant expenditure through Section 71 of Municipal Finance Management Act (MFMA). They also report on their financial and non-financial performance by submitting annual evaluations.

## 6. CONDITIONAL GRANTS - Cont

### CONDITIONAL GRANT 2: INFRASTRUCTURE SKILLS DEVELOPMENT GRANT

DEPARTMENT WHO TRANSFERRED THE GRANT: NATIONAL TREASURY	
<b>Purpose of the grant</b>	To recruit unemployed graduates into municipalities to be trained and professionally registered with the relevant statutory councils within the built environment.
<b>Expected outputs of the grant</b>	<ul style="list-style-type: none"> <li>• Number of built environment graduates in training and registered as candidates for professional registration, with the relevant statutory councils.</li> <li>• Number of graduates registered as professionals by the relevant statutory councils.</li> <li>• Number of graduates employed as registered professionals within the built environment in local government.</li> </ul>
<b>Actual outputs achieved</b>	<ul style="list-style-type: none"> <li>• During the reporting period, 367 graduates were still receiving training.</li> <li>• From 2012/13 to 2020/21, a cumulative number of 310 graduates have successfully completed training and are registered as professionals. This is because 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.</li> <li>• From 2012/13 to 2020/21, 263 graduates have been permanently employed within municipalities and across other sectors.</li> </ul>
<b>Amount per amended DoRA</b>	R153.192 million, reduced to R143.860 million
<b>Amount received</b>	R143.860 million
<b>Reasons if amount as per DoRA not received</b>	Not applicable
<b>Amount spent by the department/ municipality</b>	<ul style="list-style-type: none"> <li>• R143.860 million was transferred to Infrastructure Skills Development Grant (ISDG) participating municipalities.</li> <li>• Municipalities spent R84.150 million out of R143.860 million.</li> </ul>
<b>Reasons for the funds unspent by the entity</b>	Spending was affected by slow recruitment of graduates by municipalities and limited training due to the COVID-19 pandemic restrictions.
<b>Reasons for deviations on performance</b>	Not applicable
<b>Measures taken to improve performance</b>	Not applicable
<b>Monitoring mechanism by the receiving department</b>	<ul style="list-style-type: none"> <li>• Municipalities submit monthly, quarterly and annual reports reflecting their financial and non-financial performance.</li> <li>• The National Treasury conducts site visits to verify training and graduates recruited and hosts workshops with municipalities.</li> </ul>

## 6. CONDITIONAL GRANTS - Cont

## CONDITIONAL GRANT 3: NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT

DEPARTMENT WHO TRANSFERRED THE GRANT: NATIONAL TREASURY	
<b>Purpose of the grant</b>	To plan, catalyse, and invest in targeted locations to attract and sustain third party capital investments aimed at spatial transformation, that will improve the quality of life and access to opportunities for residents in South Africa's targeted locations, under-served neighbourhoods (generally townships and rural towns).
<b>Expected outputs of the grant</b>	<ul style="list-style-type: none"> <li>• Twenty catalytic projects.</li> <li>• Three investment plans.</li> </ul>
<b>Actual outputs achieved</b>	<ul style="list-style-type: none"> <li>• Sixty-one catalytic projects approved at municipal year-end.</li> <li>• Three investment plans approved at year-end.</li> </ul>
<b>Amount per amended DORA</b>	Schedule 5B: R479.417 million, Schedule 6B: R62.702 million.
<b>Amount received (R'000)</b>	Schedule 5B: R479.417 million; Schedule 6B R62.702 million.
<b>Reasons if amount as per DoRA not received</b>	Not applicable.
<b>Amount spent by the department/ municipality</b>	<ul style="list-style-type: none"> <li>• For Schedule 5B, R479.417 million was transferred to municipalities.</li> <li>• For Schedule 6B, R60.626 million was paid to service providers appointed by the municipalities.</li> </ul>
<b>Reasons for the funds unspent by the entity</b>	For Schedule 6B, R2.076 million was unspent because of delays in work deliverables in some of the participating municipalities. The COVID-19 pandemic national lockdown restrictions contributed to delays in project implementation and delivery. These unspent funds were paid back to National Treasury (Revenue Fund).
<b>Reasons for deviations on performance</b>	Over-performance is attributed to the multi-year project pipeline being approved to ensure project continuity and alignment with multi-year planned project cash flows reflected in MTEF budgets.
<b>Measures taken to improve performance</b>	Application of the baseline management process based on cash flows and work plans and associated timelines, including support for alignment.
<b>Monitoring mechanism by the receiving department</b>	Actual spend measured against baseline management cash flows, investment planning review sessions and work plans.

## 6. CONDITIONAL GRANTS - Cont

### CONDITIONAL GRANT 4: LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT

DEPARTMENT WHO TRANSFERRED THE GRANT: NATIONAL TREASURY	
<b>Purpose of the grant</b>	To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA).
<b>Expected outputs of the grant</b>	Implementation of the graduate internship programme, upgrading reporting systems, implementing supply chain reforms, accounting standards, preparation of financial statements, developing recovery plans, developing audit action plans to improve outcomes and implementation of financial misconduct regulations.
<b>Actual outputs achieved</b>	Funds were transferred to 257 municipalities.
<b>Amount per amended DoRA</b>	R544.862 million
<b>Amount received</b>	R544.862 million
<b>Reasons if amount as per DoRA not received</b>	Not applicable
<b>Amount spent by the department/ municipality</b>	<ul style="list-style-type: none"> <li>• R544.862 million was transferred to municipalities.</li> <li>• Municipalities spent R328.854 million.</li> </ul>
<b>Reasons for the funds unspent by the entity</b>	<p>The municipal financial year is not aligned with the national financial year; it begins in July and ends in June. Therefore, for the 2020/21 financial year, municipalities have three additional months (April, May and June) to spend the grant funds.</p> <p>The COVID-19 regulations and lockdown impacted on spending as some municipalities could not complete reporting for March 2021. The cash flow projections of municipalities indicate that the bulk of the funds will be spent between April and June.</p>
<b>Reasons for deviations on performance</b>	Not applicable
<b>Measures taken to improve performance</b>	Not applicable
<b>Monitoring mechanism by the receiving department</b>	Municipalities are required to submit a support plan prior to the commencement of the new financial year, detailing priority areas for utilisation of the grant. Municipalities are required to submit monthly, quarterly, and annual reports as per the Division of Revenue Act (DoRA).

## 6.2. CONDITIONAL GRANTS AND EARMARKED FUNDS RECEIVED

No conditional grants and earmarked funds were received.



# 7 DONOR FUNDS

## 7.1. DONOR FUNDS RECEIVED

### DONOR FUND: European Union (EU)

<b>Name of donor</b>	European Union (EU): Public Financial Management Capacity Development Programme for Improved Service Delivery in South Africa, also referred to as Financial Management Capacity Development Programme for Improved Service Delivery (FMISD).
<b>Full amount of the funding</b>	€15 000 000.00
<b>Period of the commitment</b>	2018 – 2023
<b>Purpose of the funding</b>	The overall objective of this programme is to improve public finance management and participatory decision making in all three spheres of government - national, provincial and local - with a particular focus on the local government level.
<b>Expected outputs</b>	The expected results from the activities carried out over the period covered by this programme are: <ul style="list-style-type: none"> <li>• Key result area 1: Increased professionalisation of public financial management within all spheres of government (national, provincial and local).</li> <li>• Key result area 2: Enhanced capacity of provincial treasuries to perform their roles with respect to provincial departments and municipalities.</li> <li>• Key result area 3: Improved capacity of municipalities to manage public funds and deliver services.</li> </ul>
<b>Actual outputs achieved</b>	<ul style="list-style-type: none"> <li>• Northern Cape (NC) and Eastern Cape (EC) Provincial Treasuries (PT), and eight local municipalities were selected for technical assistance support.</li> <li>• Placement of two advisors in NC and EC Provincial Treasuries. A recruitment process was initiated to place municipal advisors in each of the eight selected municipalities.</li> <li>• Development and piloting of several public sector public finance management (PFM) courses.</li> </ul>
<b>Amount received in current period (R'000)</b>	R25 500 000.00
<b>Amount spent by the department (R'000)</b>	R3 852 295.07 (Programme estimate) R18 565 984.00 (Procurement of services – DT Global Technical Assistance) <b>Total expenditure R22 418 279.10</b>
<b>Reasons for the funds unspent</b>	The reasons for under expenditure are: Due to the unforeseen circumstance triggered by COVID-19 pandemic and subsequent lockdown, launching of several projects and the initiation of two contracted projects were deferred.
<b>Monitoring mechanism by the donor</b>	<ul style="list-style-type: none"> <li>• Quarterly progress reports approved by the National Treasury Capacity Building Steering Committee.</li> <li>• Yearly implementation report.</li> <li>• Annual expenditure verification.</li> </ul>

## 7. DONOR FUNDS- Cont

### DONOR FUND: USAID TECHNICAL ASSISTANCE FACILITY (TAF)

<b>Name of donor</b>	United States Agency for International Development (USAID) including counterpart funding.
<b>Full amount of the funding</b>	R31 000 000.00
<b>Period of the commitment</b>	2016 - 2022
<b>Purpose of the funding</b>	Design, implementation and ad hoc support for development cooperation projects.
<b>Expected outputs</b>	Technical assistance
<b>Actual outputs achieved</b>	Technical assistance was provided in the form of funds allocated for contract personnel in International Development Corporation (IDC)-National Treasury and the Budget Facility for Infrastructure (BFI) as approved by the Director General. Funds were also allocated for the appointment of supply chain management (SCM) and audit experts to ensure compliance with regards to SCM policies and directives including the monitoring of expenditure of all general budget support projects.
<b>Amount received in current period (R'000)</b>	R0.0
<b>Amount spent by the department (R'000)</b>	R5 800 000.00
<b>Reasons for the funds unspent</b>	Not applicable as this is a technical assistance facility. Funds are released as and when required.
<b>Monitoring mechanism by the donor</b>	Donor monitoring and reporting is not required as the funds are used according to South African systems in agreement with the donor.

# **8 CAPITAL INVESTMENT**

No capital investment was incurred during the 2020/21 financial year.



# **PART C** GOVERNANCE

## **1** INTRODUCTION

The National Treasury works continuously to strengthen its ability to honour its obligations and maintain its legal and ethical standing with all stakeholders including the wider community. The National Treasury is committed to strengthening compliance, managing risks and, through performance and conformance, to practicing good governance in the governance, risk, and control environment. Good governance is fundamental to managing public finances, ensuring that the organisation uses its resources effectively, efficiently and with optimal value for money, as well as adopting an accessible, service-centred and solutions-orientated approach to delivering on its mandate.

# 2 RISK MANAGEMENT

The Office of the Chief Risk Officer is responsible for facilitating the process of identifying, reviewing, managing and monitoring risks. This involves performing risk identification and assessment at strategic and operational levels. Through these processes, the National Treasury's top risk profile is developed, divisional and operational risk registers are compiled with mitigation strategies. These are implemented and, monitored on a quarterly basis.

In 2020/21, the National Treasury continued to improve its practice and application of Enterprise Risk Management (ERM) principles by initiating a process of developing the department risk appetite and tolerance thresholds with intent to appropriately manage and stringently monitor the National Treasury's key and top risks. Working closely with key stakeholders in the department the ERM unit has formulated the department-wide strategic and operational plans ensuring the ERM principles are embedded in all projects and processes. The unit also ensured that COVID-19 risk identification and evaluation was conducted in line with the Department of Health and Department of Public Services and Administration Regulations which assisted in effective management of processes implemented to curb the spread of the pandemic as well as ensuring non disruption of business processes during the hard lock-down.

The Business Continuity Management (BCM) programme has been designed and implemented through a Business Continuity Policy, a Business Continuity Strategy and a Business Continuity Plan aligned with the Disaster Recovery Plan. BCM maturity was strengthened through a business impact analysis to enable continuity of operations during normal business disruption; this includes enabling officials to work remotely anywhere in the world.

Business continuity sites are available on the ground floor of the 40 Church Square building, with seating for approximately 50 officials and at SITA in Centurion with seating for approximately 30 officials. A Disaster Recovery site at Pietermaritzburg is linked to the Virtual Private Network (VPN) and allows access to the National Treasury's mission critical systems. Officials not physically in the office can connect to the VPN through 3G and mobile devices.

A campaign to participate in the Global Business Continuity Awareness week was conducted with the aim of raising awareness and resilience by educating employees of the importance of implementing BCM.

A Risk Management Committee (RMC) was appointed by the Director General. The RMC is a structure responsible for adoption, implementation and oversight of Enterprise Risk Management (ERM) policies, systems and processes. During the reporting period, the National Treasury restructured the RMC to be chaired by an internal executive member from the previous committee that was chaired by external/non-executive members. The new RMC still consists of members in executive management and reports to the Audit Committee.

# 3 FRAUD AND CORRUPTION

Focusing on preventative procedures, the National Treasury adopts a zero-tolerance stance on fraud and corruption, with all officials undergoing a two-step process to ascertain their suitability for employment and to reduce the risk of fraud and corruption. All new officials undergo an initial pre-employment suitability check; this is followed by a comprehensive vetting process once the official has been appointed. This process has already yielded results in identifying and dealing with officials who could have posed a risk to the department.

The National Treasury's annual anti-corruption awareness campaign ensures that all officials in the department are aware of the internal and external impact of fraud and corruption.

# 4 MINIMISING CONFLICT OF INTEREST

The National Treasury minimises conflict of interest by raising awareness of and applying the Public Service Regulations (2016) and directives from the Department of Public Service and Administration. During the reporting period, 100 per cent of Senior Management Service (SMS) had disclosed their financial interests electronically by the required deadline. Financial disclosure is now also compulsory for members of the middle management service (levels 11 and 12) and officials in the supply chain management and finance areas. These disclosures are analysed and a report provided to the Director-General (DG). Non-compliance with the 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 prohibits officials from conducting business with organs of state. It analyses information drawn from the PERSAL and Central Supplier Database (CSD) systems. If such interests are identified, officials are engaged and where appropriate, disciplinary steps are taken in terms of the disciplinary code and procedure of the public service and Chapter 7 of the SMS Handbook.

Warning letters were issued to four employees in MMS (level 11 and level 12) category who performed remunerative work without prior approval. Warning letters were also issued to 38 employees who did not disclose all their registrable interests such as directorships, vehicles, or/and immovable assets.

# 5 CODE OF CONDUCT

The code of conduct details expectations of officials of the National Treasury in dealing with members of the public, members of legislatures, political and executive office-bearers and all other stakeholders. Its purpose is to promote a culture of ethical behaviour and to ensure public trust and confidence in the integrity and professionalism of the department's officials who are required to be ethical, impartial, honest and to act with integrity. To reinforce ethical conduct among its officials, the department provides continuous training and awareness-raising through induction and capacity building sessions. Contravening the code is an act of misconduct and disciplinary steps, in terms of the public service disciplinary code and procedures and Chapter 7 of the SMS Handbook, are taken against officials found to be in breach.



# **6 HEALTH, SAFETY AND ENVIRONMENTAL ISSUES**

The National Treasury's Health and Safety unit deals with Occupational Health and Safety (OHS) and environmental issues. The DG to whom the unit reports through the health and safety committee has appointed two Section 16.2 appointees at Deputy Director-General level, to oversee compliance with the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993) and all related regulations.

A COVID-19 task team was established to ensure that the National Treasury monitors compliance with the Disaster Management Act, 2002 (Act No. 57 of 2002) and COVID-19 related regulations. Internal COVID-19 protocols were developed and approved by the DG. A COVID-19 compliance officer was appointed to ensure the effectiveness of the established COVID-19 task team. During the reporting period, awareness sessions were conducted with specific focus on measures to minimise and curb the spread of the COVID-19 pandemic.

The National Treasury holds the necessary compliance certificates that provide reasonable assurance that officials are free from OHS hazards.

# 7 PORTFOLIO COMMITTEES

## PARLIAMENTARY COMMITTEES

STANDING COMMITTEE ON APPROPRIATIONS (SCOA)		
DATE OF MEETING	MATTERS RAISED BY PARLIAMENTARY COMMITTEE	HOW THE NATIONAL TREASURY HAS ADDRESSED THESE MATTERS
17 February 2021	Deviations and expansions for quarter 3, 2020/21 and COVID-19 expenditure data: Office of the Chief Procurement Officer briefing	Matters addressed as presented at the meeting and subsequent responses to follow-up questions.
16 February 2021	Quarter 3 expenditure patterns for 2020/21: The National Treasury briefing	
1 December 2020	2020 Second Adjustments Appropriation Bill and MTBPS: finalisation and committee reports	Records available from the committee secretariat or on request from the National Treasury.
27 November 2020	2020 MTBPS and Second Adjustments Appropriation Bill: Public hearings	
25 November 2020	Second Adjustments Appropriation Bill: South African Police Service (SAPS) R5.8 billion reduction	
24 November 2020	Second Adjustments Appropriation Bill: Minister and Department of Transport briefing	
24 November 2020	Second Adjustments Appropriation Bill: Department of Basic Education briefing with Minister	
18 November 2020	Second Adjustments Appropriation Bill: Department of Water and Sanitation briefing with Deputy Minister	
17 November 2020	Division of Revenue Second Amendment Bill: Voting and committee report	
13 November 2020	Division of Revenue Second Amendment Bill: South African Local Government Association (SALGA) input and public hearings	
12 November 2020	Division of Revenue Second Amendment Bill and Second Adjustments Appropriation Bill: The National Treasury briefing	
11 November 2020	Division of Revenue Second Amendment Bill and Second Adjustments Appropriation Bill: Financial and Fiscal Commission (FFC) and Parliamentary Budget Office (PBO) input	
2 September 2020	Eskom progress on the National Treasury conditions and committee recommendations with Deputy Minister	
1 September 2020	The National Treasury on quarter 1 spending, COVID-19 expenditure and financial position of state-owned companies	
26 August 2020	2021/22 Division of Revenue: FFC briefing	
28 July 2020	Adjustments Appropriation Bill: Finalisation and committee report	

## 7. PORTFOLIO COMMITTEES - Cont

<b>STANDING COMMITTEE ON APPROPRIATIONS (SCOA)</b>		
<b>DATE OF MEETING</b>	<b>MATTERS RAISED BY PARLIAMENTARY COMMITTEE</b>	<b>HOW THE NATIONAL TREASURY HAS ADDRESSED THESE MATTERS</b>
24 July 2020	Adjustments Appropriation Bill: Public hearings and Parliamentary Budget Office input	
23 July 2020	Adjustments Appropriation Bill: Briefing with Deputy Minister	
22 July 2020	Adjustments Appropriation Bill: Department of Basic Education (DBE) and Department of Small Business Development (DSBD) briefings with Ministers and Deputy Minister	
21 July 2020	Adjustments Appropriation Bill: Cooperative Governance and Traditional Affairs (CoGTA) briefing	
17 July 2020	Adjustments Appropriation Bill: Departments of Health and Social Development briefings with Ministers and Deputy Minister	
16 July 2020	Adjustments Appropriation Bill: Hearing with Department of Water and Sanitation	
14 July 2020	Committee report on Division of Revenue Amendment Bill; Overview of Adjustments Appropriation Bill: Committee researcher briefing	
10 July 2020	Division of Revenue Amendment Bill: Public hearing and consultation with Parliamentary Budget Office	
9 July 2020	Division of Revenue Amendment Bill and Adjustments Appropriation Bill: FFC and SALGA briefings	
8 July 2020	2020 Division of Revenue Amendment Bill: briefing	
17 June 2020	The National Treasury on quarter 4 expenditure and SOC performance	
9 June 2020	Appropriation Bill [B4-2020]: Committee report	
5 June 2020	Appropriation Bill [B4-2020]: Public hearings	
3 June 2020	Appropriation Bill [B4-2020]: The National Treasury briefing with Deputy Minister	
27 May 2020	Eskom, SAA, SA Express financial challenges; with Finance and Public Enterprises Deputy Ministers	
20 May 2020	Land Bank financial challenges with the National Treasury input	
11 May 2020	Appropriation Bill: Parliamentary Budget Office briefing	
6 May 2020	Appropriation Bill: Human Sciences Research Council briefing, COVID-19 update	
4 May 2020	Appropriation Bill: Public Service Commission briefing	
17 March 2020	Committee Report on Division of Revenue Bill [B3-2020]	
13 March 2020	Division of Revenue Bill: Public hearings	
12 March 2020	Division of Revenue Bill [B3-20]: Briefing	
11 March 2020	National Departments 2019/20 Quarter 3 expenditure performance: Committee staff analysis	
10 March 2020	National Departments Quarter 3 performance: DPME briefing	
4 March 2020	2020 Budget (Expenditure and Division of Revenue): FFC briefing	

## 7. PORTFOLIO COMMITTEES - Cont

### PARLIAMENTARY COMMITTEES

<b>STANDING COMMITTEE ON FINANCE (SCOF)</b>		
<b>DATE OF MEETING</b>	<b>MATTERS RAISED BY PARLIAMENTARY COMMITTEE</b>	<b>HOW THE NATIONAL TREASURY HAS ADDRESSED THESE MATTERS</b>
25 February 2021	2021 Budget: Treasury briefing, with Minister and Deputy Minister	Matters addressed as presented at the meeting and subsequent responses to follow-up questions. Records available from the committee secretariat or on request from the National Treasury.
16 February 2021	The National Treasury BRRR	
10 February 2021	The National Treasury Audit Outcomes and 2019/20 Annual Report, with Deputy Minister	
2 December 2020	Mpati Commission of Inquiry Report: PIC briefing, with Minister and Deputy Minister	
1 December 2020	Solidarity Fund briefing	
24 November 2020	Nugent Commission: The National Treasury and SARS briefing, with Deputy Minister	
18 November 2020	South African Reserve Bank Amendment Bill: Public hearings; Auditing Profession Amendment Bill: Adoption	
17 November 2020	Auditing Profession Amendment Bill: Committee report	
13 November 2020	Auditing Profession Amendment Bill: The National Treasury and IRBA response to public submissions	
18 November 2020	South African Reserve Bank Amendment Bill: Public hearings; Auditing Profession Amendment Bill: Adoption	
11 November 2020	TLAB, TALAB and Rates Bills: Voting and Committee Reports	
10 November 2020	2020 MTBPS: Committee Report	
6 November 2020	2020 MTBPS: The National Treasury and SARS response to public submissions	
4 November 2020	2020 MTBPS: Public hearings	
3 November 2020	2020 MTBPS: PBO and FFC input	
29 October 2020	2020 MTBPS: The National Treasury and SARS briefing, with Ministry	
14 October 2020	Auditing Profession Amendment Bill: Public hearings	
13 October 2020	Taxation Laws Amendment Bill (TLAB), Taxation Administration Amendment Bill (TALAB) and Rates Bill: The National Treasury and SARS responses to public submissions	
7 October 2020	TLAB, TALAB and Rates Bills: Public hearings	
6 October 2020	The National Treasury and SARS 2019/20 Preliminary Annual Reports; with Deputy Minister	
26 August 2020	Audit Profession Amendment Bill: The National Treasury and IRBA briefings; Status of joint meetings: Legal opinion	
25 August 2020	South African Reserve Bank Amendment Bill: EFF MP Shivambu and Parliamentary legal advisor briefing	
19 August 2020	Disaster Management Tax Bills: Finalisation; Draft Rates, Taxation Laws and Tax Administration Laws Amendment Bills: briefing	

## 7. PORTFOLIO COMMITTEES - Cont

<b>STANDING COMMITTEE ON FINANCE (SCOF)</b>		
<b>DATE OF MEETING</b>	<b>MATTERS RAISED BY PARLIAMENTARY COMMITTEE</b>	<b>HOW THE NATIONAL TREASURY HAS ADDRESSED THESE MATTERS</b>
18 August 2020	Disaster Management Tax Relief and Administration Bills: Proposed amendments	
5 August 2020	The National Treasury on procurement of PPE for COVID-19, with Ministry	
28 July 2020	Disaster Management Tax Relief and Tax Administration Bills: Response to submissions	
22 July 2020	Disaster Management Tax Relief and Administration Bills: public hearings	
14 July 2020	Disaster Management Bills: Briefing; Committee Report: Treasury Adjustments Budget	
7 July 2020	Committee Report on 2020 Revised Fiscal Framework; The National Treasury on Adjusted Budget and Revised APP, with Deputy Minister	
3 July 2020	2020 Revised Fiscal Framework: The National Treasury response to public submission	
1 July 2020	2020 Revised Fiscal Framework: Public hearings	
30 June 2020	2020 Revised Fiscal Framework: PBO and FFC inputs	
25 June 2020	2020 Supplementary Budget: Minister of Finance briefing	
09 June 2020	Digital Economy and Taxation Policy: The National Treasury, PBO and SARS input	
19 May 2020	The National Treasury and SARS Budget: Committee report	
5 May 2020	The National Treasury and SARS 2020/21 annual performance plans; with Minister and Deputy Minister	
30 April 2020	COVID-19 government intervention to stimulate economy, with Ministry	
23 April 2020	COVID-19 Disaster Tax Bills: The National Treasury and SARS briefing	
17 March 2020	Illicit financial flows: Briefing by Inter-Agency Working Group	
10 March 2020	2020 Fiscal Framework and Revenue Proposals: Committee report	
6 March 2020	2020 Fiscal Framework and Revenue Proposals: Response to public hearings	
6 March 2020	2020 Fiscal Framework and Revenue Proposals: Budget submissions: The National Treasury and SARS response	
4 March 2020	2020 Fiscal Framework and Revenue Proposals: Public hearings	
3 March 2020	2020 Budget: PBO and FFC briefings	

## 7. PORTFOLIO COMMITTEES - Cont

### PARLIAMENTARY COMMITTEES

<b>SELECT COMMITTEE ON FINANCE (SeCOF)</b>		
<b>DATE OF MEETING</b>	<b>MATTERS RAISED BY PARLIAMENTARY COMMITTEE</b>	<b>HOW THE NATIONAL TREASURY HAS ADDRESSED THESE MATTERS</b>
16 February 2021	Audit Profession Amendment Bill: Inclusion of Mandatory Audit Rotation Rule discussion	Matters addressed as presented at the meeting and subsequent responses to follow-up questions. Records available from the committee secretariat or on request from the National Treasury.
9 February 2021	Audit Profession Amendment Bill: Public hearings and the National Treasury response	
2 February 2021	Audit Profession Amendment Bill: Briefing	
2 December 2020	TLAB, TALAB and Rates Bill: Adoption	
1 December 2020	TLAB, TALAB and Rates Bill: The National Treasury response to public submissions continued	
26 November 2020	TLAB, TALAB and Rates Bill: The National Treasury response to public submissions	
24 November 2020	TLAB, TALAB and Rates Bills: Public hearings	
17 November 2020	2020 Tax Bills: Briefing on key issues and amendments by the National Treasury and SARS	
10 November 2020	2020 MTBPS: Committee report	
6 October 2020	Land Bank financial challenges	
10 September 2020	Disaster Management Tax Bills: Committee reports	
9 September 2020	Disaster Management Bills: Consideration of public submission	
1 September 2020	Disaster Management Tax Relief and Administration Bills: Briefing	
10 March 2020	Land and Agricultural Bank of South Africa 2018/19 annual report and 2019/20 corporate plan	
10 March 2020	2020 Fiscal Framework and Revenue Proposals: Committee report	

## 7. PORTFOLIO COMMITTEES - Cont

<b>SELECT COMMITTEE ON APPROPRIATIONS (SeCOA)</b>		
<b>DATE OF MEETING</b>	<b>MATTERS RAISED BY PARLIAMENTARY COMMITTEE</b>	<b>HOW THE NATIONAL TREASURY HAS ADDRESSED THESE MATTERS</b>
8 December 2020	Second Adjustments Appropriation Bill: Voting and committee report; Report on Proposed Division of Revenue and Conditional Grant allocations to provinces and local government	Matters addressed as presented at the meeting and subsequent responses to follow-up questions. Records available from the committee secretariat or on request from the National Treasury.
25 November 2020	Division of Revenue Second Amendment Bill: Final mandates and committee report	
24 November 2020	Division of Revenue Second Amendment Bill: Negotiating mandates	
7 October 2020	Provincial Conditional Grants expenditure outcomes: Hearing	
30 July 2020	Adjustments Appropriation Bill: Finalisation and committee report	
21 July 2020	Division of Revenue Amendment Bill: Final mandates	
17 July 2020	Division of Revenue Amendment Bill: Negotiating mandates	
15 June 2020	Appropriation Bill [B4-2020]: Committee Report	
10 June 2020	Appropriation Bill [B4-2020]: FFC and PBO inputs	
27 May 2020	Division of Revenue Bill [B3-2020]: Final mandates and committee report	
20 May 2020	Division of Revenue Bill: Negotiating mandates; changes to conditional grant frameworks to support COVID-19 response: The National Treasury briefing	
13 May 2020	Division of Revenue Bill: SALGA briefing and consideration of written submissions	
22 April 2020	Division of Revenue Bill: The National Treasury, FFC and PBO briefings	
11 March 2020	Strategic planning workshop: The National Treasury, FFC and SALGA	

## 7. PORTFOLIO COMMITTEES - Cont

## PARLIAMENTARY COMMITTEES

STANDING COMMITTEE ON PUBLIC ACCOUNTS (SCOPA)		
DATE OF MEETING	MATTERS RAISED BY PARLIAMENTARY COMMITTEE	HOW THE NATIONAL TREASURY HAS ADDRESSED THESE MATTERS
23 February 2021	Eskom hearing on 2019/20 deviations and expansions, with DPE Minister	Matters addressed as presented at the meeting and subsequent responses to follow-up questions.  Records available from the committee secretariat or on request from the National Treasury.
16 February 2021	The National Treasury on deviations and expansions for national departments and entities	
10 February 2021	SIU investigations into COVID-19 PPE procurement by state institutions	
3 February 2021	SOE audit outcomes 2019/20: Engagement with Auditor-General	
2 February 2021	Beitbridge border fence investigation update: Minister and DPWI briefing	
6 October 2020	Beitbridge border fence oversight visit: Public Works Minister and stakeholders	
1 September 2020	South African Broadcasting Corporation (SABC) on contract deviations and expansions: Follow-up, with Deputy Minister	
25 August 2020	Beitbridge border fence findings: with Minister, SIU, the National Treasury	
21 August 2020	COVID-19 procurement corruption: Inter-ministerial committee briefing	
19 August 2020	SIU on terms of reference for COVID-19 PPE procurement	
28 July 2020	SABC on deviations and expansions, with Deputy Minister	
17 March 2020	SAPS 2018/19 deviations, expansions, irregular, fruitless and wasteful expenditure: Hearing	

PORTFOLIO COMMITTEE ON TRADE & INDUSTRY		
DATE OF MEETING	MATTERS RAISED BY PARLIAMENTARY COMMITTEE	HOW THE NATIONAL TREASURY HAS ADDRESSED THESE MATTERS
11 March 2020	The National Treasury and DTI briefing on status of compliance and measures implemented/considered to ensure compliance with minimum local content thresholds of designated goods or services	Records available from the committee secretariat or on request from the National Treasury.



## 7. PORTFOLIO COMMITTEES - Cont

**PORTFOLIO COMMITTEE ON DEFENSE AND MILITARY VETERANS**

DATE OF MEETING	MATTERS RAISED BY PARLIAMENTARY COMMITTEE	HOW THE NATIONAL TREASURY HAS ADDRESSED THESE MATTERS
26 August 2020	Workshop with the Department of Defence (DOD) on the force structure, compensation of employees, the development of an exit mechanism and force rejuvenation	Records available from the committee secretariat or on request from the National Treasury.

**PORTFOLIO COMMITTEE ON CO-OPERATIVE GOVERNMENT AND TRADITIONAL AFFAIRS**

DATE OF MEETING	MATTERS RAISED BY PARLIAMENTARY COMMITTEE	HOW THE NATIONAL TREASURY HAS ADDRESSED THESE MATTERS
13 November 2020	Viability of amalgamated municipalities: CoGTA, SALGA, the National Treasury, Municipal Demarcation Board (MDB), South African Cities Network (SACN)	Records available from the committee secretariat or on request from the National Treasury.

**PORTFOLIO COMMITTEE ON HOME AFFAIRS**

DATE OF MEETING	MATTERS RAISED BY PARLIAMENTARY COMMITTEE	HOW THE NATIONAL TREASURY HAS ADDRESSED THESE MATTERS
3 March 2020	Briefing by the National Treasury – Budget allocation to Independent Electoral Commission (IEC), Government Printing Works (GPW) and Department of Home Affairs (DHA)	Records available from the committee secretariat or on request from the National Treasury.

**PORTFOLIO COMMITTEE ON SMALL BUSINESS AND DEVELOPMENT**

DATE OF MEETING	MATTERS RAISED BY PARLIAMENTARY COMMITTEE	HOW THE NATIONAL TREASURY HAS ADDRESSED THESE MATTERS
26 August 2020	Briefing by the Banking Association of South Africa, South African Reserve Bank and the National Treasury on the COVID-19 loan guarantee scheme	Records available from the committee secretariat or on request from the National Treasury.

**PORTFOLIO COMMITTEE ON PUBLIC WORKS AND INFRASTRUCTURE**

DATE OF MEETING	MATTERS RAISED BY PARLIAMENTARY COMMITTEE	HOW THE NATIONAL TREASURY HAS ADDRESSED THESE MATTERS
14 October 2020	Briefing by the Department of Public Works and Infrastructure (DPWI) and the National Treasury on the broader site clearance for the entire land port of entry borderline and plans to ensure that the South African borders are fit for purpose	Records available from the committee secretariat or on request from the National Treasury.

# 8 **SCOPA RESOLUTIONS**

There were no Standing Committee on Public Accounts (SCOPA) resolutions adopted in 2020/21.

# 9 PRIOR MODIFICATIONS TO AUDIT REPORTS

During 2019/20, the department obtained an unqualified audit opinion with material misstatements. To address prior-year audit findings, the Internal Audit Chief Directorate monitors progress in maintaining an audit finding 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, a dedicated committee holds managers accountable to the audit findings action plan, particularly in relation to audit findings where deadlines for resolution have not yet been met. The purpose is to ensure adequate follow-through and finalisation of corrective measures within the agreed timeframes.

The status of each audit finding in the register was presented quarterly to the Audit Committee for review. Periodically, the committee instructed Internal Audit to provide independent confirmation that findings had been resolved as indicated by management.

NATURE OF QUALIFICATION, DISCLAIMER, ADVERSE OPINION AND MATTERS OF NON-COMPLIANCE	FINANCIAL YEAR IN WHICH IT FIRST AROSE	PROGRESS MADE IN CLEARING / RESOLVING THE MATTER
Deficiencies in the design and implementation of effective internal controls for financial reporting and compliance with legislation.	2017/18	A revised process is being implemented for: <ol style="list-style-type: none"> <li>1. Quarterly preparation and review of accurate and complete financial reports that are supported by reliable information.</li> <li>2. Developing and monitoring the implementation of action plans to address internal control deficiencies.</li> <li>3. Reviewing and monitoring compliance with SCM legislation on a regular basis.</li> </ol>
Limitations placed on the scope of work to substantiate the completeness of the reported achievement of the targets.	2018/19	Effort has been placed on ensuring that appropriate, valid and effective controls are implemented to enable testing of whether all the reported achievements are the complete universe of outputs. These controls were informed by best practice research and augmented by lessons learnt from other departments, particularly policy departments, on their practice and experience. Additionally, where possible and practical, these controls have been incorporated as part of the automated planning, monitoring and reporting system.
Misstatements in the annual financial statements and non-compliance with applicable legislation for supply chain management.		A process has been implemented that includes formal reviews of financial statements performed at different management levels, including Internal Audit, before submission for approval. The department has created awareness of governance matters for improved compliance and to reduce deviations from normal SCM processes.

**PART C: GOVERNANCE**

**9. PRIOR MODIFICATIONS  
TO AUDIT REPORTS - Cont**

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 financial statement and SCM governance matters were affirmed by the A-G 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 emphasis of matters.

# 10 INTERNAL CONTROL UNIT

During the reporting period, the Internal Control unit (ICU) continued to coordinate the control activities in the department to promote efficiency and to reduce the likelihood and impact of identified risks. It produced reliable financial statements which complied with legislation.

The Governance Review Committee (GRC) was non-functional in 2019/20. However, remedial action was taken in the form of strategically relocating the GRC function from the ICU to Strategic Planning, Monitoring and Evaluation Chief Directorate effective from 2021/22.

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 non-compliance and deviations from the department's normal processes and procedures. The unit also co-ordinated the departmental audit process. By performing random checks to ensure that payments are in accordance with prescripts and improved standards of financial administration, the ICU will continue to improve its processes to achieve better control operations.

# 11 INTERNAL AUDIT AND AUDIT COMMITTEES

Internal auditing is an independent and objective assurance and consulting activity that is guided by a policy of adding value to improve the operations of the department. The Internal Audit Chief Directorate provides shared services to National Treasury, Co-operative Banks Development Agency (CBDA), Government Technical Advisory Centre (GTAC), the Accounting Standards Board (ASB), and the Independent Regulatory Board for Auditors (IRBA). It assists these organisations in accomplishing 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 (IA) implemented its revised annual risk-based audit plan for 2020/21 as part of the three-year rolling plan, after consultation with management and approval by the National Treasury's Audit Committee. Twenty-one (21) audits were approved and planned for in the revised audit plan for the 2020/21 financial year. Eighteen (18) audits were completed, two (2) audits were deferred while one (1) audit was still in progress. All changes to planned audits were approved by the Audit Committee. All audits and other work of the Internal Audit function were 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 within its ambit, and communicates this in the annual report in terms of the Treasury Regulations.

# 12 AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2021.

## LEGISLATIVE REQUIREMENTS

The Audit Committee herewith presents its report for the financial year ended 31 March 2021, as required by Treasury Regulation 3.1.13 read with section 77 of the Public Finance Management Act, 1999 (Act No. 1 of 1999, as amended by Act No. 29 of 1999).

## MEMBERSHIP AND ATTENDANCE

The following meetings were held for the 2020/21 financial year:

#	MEETING	MEETING DATE	NUMBER OF MEMBERS ATTENDED
1	Ordinary Audit Committee Meeting Quarter 3 &4	19 June 2020	4
2	Special Audit Committee Meeting	29 July 2020	4
3	Ordinary Audit Committee Meeting	25 August 2020	4
4	Special Audit Committee Meeting Quarter 1	28 September 2020	4
5	Ordinary Audit Committee Meeting Quarter 2	05 November 2020	4
6	Ordinary Audit Committee Meeting Quarter 3	22 January 2021	4

## 12. AUDIT COMMITTEE REPORT - Cont

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	6 of 6
Ms Anna Badimo	B. Sc Computer Science B. Sc Hons Computer Science Master in Business Administration (MBA) Master of Science (M. Sc) CISM (Certified Information Security Manager) Master of Science (M. Sc) CISM (Certified Information Security Manager) CGEIT (Certified in the Governance of Enterprise IT) CISA (Certified Information Systems Auditor) CRISC (Certified in Risk and Information Systems Control) Cobol Programming Diploma PMP (Project Management Professional) Cert. IT Auditing, COBIT 5, ITIL Foundation Certified ISO 22301 Lead Implementer F. Inst D (IoDSA)	1 July 2015	6 of 6
Mr Brandon Furstenburg	Master of Science (MSc) in Financial Management, Master of Commerce (MCom) in Economics BCom Hons BCom FAIS exams: RE1, RE3 & RE5.	1 June 2016	6 of 6
Mr Freddy Sinthumule	Diploma in Finance and Auditing BCom Accounting MBA with special project on PFMA	1 July 2019	6 of 6

## THE AUDIT COMMITTEE'S RESPONSIBILITIES

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1) (a) (ii) of the Public Finance Management Act, 1999 and Treasury Regulation 3.1. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.



## 12. AUDIT COMMITTEE REPORT - Cont

## RISK MANAGEMENT

Management is responsible for the establishment and maintenance of an effective system of governance, risk management, the prevention and detection of fraud and 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 Internal Audit and Auditor General South Africa (AGSA) to provide assurance on the effectiveness of the risk management system. The system of risk management needs improvement.

## INTERNAL AUDIT

The Accounting Officer is obliged, in terms of the Public Finance Management Act, 1999, to ensure that the entity 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 satisfied that the Internal Audit function maintains an effective internal quality assurance programme that covers all aspects of the Internal Audit activity and that, as determined during the external quality assessment review, a general conformance rating can be applied to the Internal Audit work and that 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 2020 to 31 March 2021, covering the following key audit activities for the 2020/21 financial year for National Treasury:

TYPE	TOTAL PLANNED AUDITS	COMPLETED AUDITS
Regularity Audit	7	5 (71%)
Performance Audit	3	3 (100%)
Information Technology Audit	11	10 (91%)
Compliance Audit	0	-
<b>Total Planned Audits</b>	<b>21</b>	<b>18(86%)</b>
Postponed Audits	0	2(10%)
Audits Not Completed	0	1(4%)
<b>Total</b>	<b>21</b>	<b>21</b>

*\*NB All the postponed audits were approved by the Audit Committee.*



## **PART C: GOVERNANCE**

# **12. AUDIT COMMITTEE REPORT - Cont**

## **Effectiveness of Internal Controls**

In line with the Public Finance Management Act, 1999, Internal Audit 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 the Auditor-General of South Africa (AGSA) indicated the need to improve the system of internal control in areas pertaining to financial reporting and compliance with laws and regulations. The Committee concludes that the system on internal control for the reporting period was not entirely adequate and effective.

## **Evaluation of Annual Financial Statements and the Annual Performance Information**

The Committee has evaluated the Annual Financial Statements (AFS) and the annual performance information for the year ended 31 March 2021 and duly recommended them for the Accounting Officer's approval prior to being submitted to the AGSA for audit. Subsequently the material misstatements corrected in the AFS were reviewed when the management report of the AGSA was discussed with the Audit Committee. The Audit Committee has discussed the external audit outcomes on the reporting on pre-determined objectives to be included in the annual report with the AGSA and the Accounting Officer.

## **Compliance with Legal and Regulatory Provisions**

The Audit Committee is concerned with the non-compliance with supply chain management laws and regulations that resulted in irregular and fruitless and wasteful expenditure.

## **12. AUDIT COMMITTEE REPORT - Cont**

### **External Audit**

We have reviewed the department's implementation plan for audit issues raised in the previous year and based on the interaction with the Department and the internal audit reports, the committee is not satisfied that all matters have been adequately addressed. The Audit Committee is aware of an unresolved issue with respect to the current audit, pertaining to the difference in opinions regarding the application of the fruitless and wasteful expenditure definition which has now resulted in a material irregularity. Except for the unresolved matter, the Audit Committee concurs and accepts the conclusions of the Auditor-General on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements should be accepted and read together with the report of the Auditor-General.

### **General**

The Audit Committee notes that while a number of vacancies have been filled, the committee remains concerned with vacancy rates in critical positions.

We would like to express our appreciation to the Executive Authority, Director-General, Mr. Dondo Mogajane, for his leadership and support, AGSA and to Internal Audit and Management for their commitment and achievement of the unqualified audit opinion.

Handwritten signature of Pumla Mzizi CA(SA) in black ink.

**Ms. Pumla Mzizi CA(SA)**

Chairperson of the Audit Committee

National Treasury

**Date:** 27 September 2021



# **PART D** HUMAN RESOURCE MANAGEMENT

## **1** INTRODUCTION

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

# 2 OVERVIEW OF HUMAN RESOURCES

## 2.1 STATUS OF HUMAN RESOURCES IN THE DEPARTMENT

The National Treasury's vacancy rate increased to 14.59 per cent in the reporting period from 11 per cent in the previous financial year. This has principally been due to the moratorium on filling positions introduced in 2016/17. One of the ways in which the department has dealt with this moratorium has been to implement a rotation policy which encourages employees to act in vacant unfunded positions without receiving acting allowances. This approach encourages and facilitates employee capacity building, development and exposure to diverse work functions.

Initially, the COVID-19 pandemic and its concomitant lockdown impacted on employee engagement resulting in a decrease in the number of structured sessions that the Accounting Officer had planned to conduct with employees. However, these initiatives were reintroduced gaining momentum after the level five lockdown, in recognition of the importance of contact while off site working arrangements have been in place. This period has also provided an opportunity to introduce and prioritise online skills development which is cost effective and more convenient for staff. Given that the National Treasury attracts highly skilled employees with the required technical knowledge, the focus continues to be on developing leadership, management and soft skills over the short term; with maturity of these skills, the department's medium- to long-term needs will be addressed. Human Resources Management (HRM) will continue to support technical training needs of all employees. Similarly, as a pipeline into the department, the National Treasury's Graduate Development Programme will continue to provide a foundation for entry level positions. The National Treasury's organisational structure is being reviewed and it is envisaged that this will assist in attracting technical entry level skills and that there will be a tailor-made career path model for these technical skills to ensure structured pipeline management, succession planning and retention.

The employee turnover rate for the reporting period was 7.18 per cent, an improvement from the previous year's 10.9 per cent. Employee rotation and acting in higher positions ensured that the department improved the diverse set of skills. During the reporting period, 22 interns were recruited and three were appointed permanently, while 21 were appointed on a one-year contract. The process of aligning the interns' years of experience with the National Treasury's required minimum entry level experience is underway. The department's retention framework has been developed to support the identification and retention of critical skills over the MTEF period.

## 2.2 HUMAN RESOURCE PRIORITIES FOR THE YEAR UNDER REVIEW

The following were priorities during the reporting period:

- Talent attraction, acquisition and retention.
- Employee engagement and development.
- Human resources information management that ensures improved efficiency in HRM processes.
- Decision-making.



## **PART D:** HUMAN RESOURCE MANAGEMENT

### **2. OVERVIEW OF HUMAN RESOURCES - Cont**

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

HRM continues to drive its core strategies to address the workforce challenges identified. Increased integration between talent acquisition, the Graduate Development Programme (GDP) and talent management has allowed the department to focus on building talent internally rather than relying on appointing external talent. This supports the retention objectives through a focus on creating internal opportunities for employees, including international secondments, rotation within the department and promotion opportunities. The GDP continues to build a strong foundation with interns in scarce and critical skills areas including economics, tax, finances, auditing and legal. Noting that the current legislation prohibits absorptions into vacant permanent positions, the department follows the recruitment process to appoint interns and Chartered Accountants Academy cadets into some positions.

#### **2.4 EMPLOYEE PERFORMANCE MANAGEMENT**

The department's performance management system has been enhanced with the review of the performance management as well as the recognition and rewards policies. This suite of policies encourages a culture of performance across the department and has assisted in identifying underperformance that can be addressed through development programmes. The National Treasury has an approved Performance Management and Development Policy for all employees. In addition, contact points between organisational performance and individual employee performance have been formed so as to enable the former to inform the latter. During the reporting period, 96.1 per cent of Senior Management Service (SMS) members entered into performance agreements and SMS members who did not sign performance agreements with their line managers were not eligible for any performance related recognition and reward. The performance evaluation process for the reporting period is currently underway and will be finalised before 31 December 2021, in line with revised Department of Public Service and Administration (DPSA) directives.

## **2. OVERVIEW OF HUMAN RESOURCES - Cont**

### **2.5 EMPLOYEE HEALTH AND WELLNESS PROGRAMME**

The Employee Health and Wellness (EHW) programme is effectively and impactfully operating in the department. However, the COVID-19 pandemic affected the utilisation of EHW services especially the on-site primary health care services. During the reporting period, 296 employees underwent health risk assessments. This is significantly lower than the previous financial year due to most employees working remotely. Ninety eight employees in the department as well as their immediate family members used the 24-hour support and counselling service, which is available telephonically or face-to-face.

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

#### **ACHIEVEMENTS**

The priorities during the reporting period were to attract scarce and critical skills, improve HR processes across the HR value chain, enhance accountability, improve efficiencies in the Human Resources Management Chief Directorate, and strengthen employee engagement. Highly engaged employees feel valued and consequently invested in the organisation. They strive to create innovative services and processes to the benefit of the department and service delivery.

#### **CHALLENGES**

The COVID-19 pandemic has affected most of the projects that were planned to be rolled out during the reporting period. However, the gradual easing of the lockdown assisted in ensuring that traction and momentum were gained on some projects. The skill sets required by the department in terms of technical skills that have been merged into a single position (for example: economics, health and policy analysis) continued to create challenges that required unique strategies. When combined with mandatory regulatory requirements which create inflexibility in the system, the challenges are exacerbated. Internal development and skills transfer therefore become key strategies for ensuring that capacity requirements are met. These strategies are further supported by the organisational optimisation process and career path model.

### **2.7 FUTURE HUMAN RESOURCE PLANS/GOALS**

- Ensure that HRM provides strategic, value add and timeous services to the department.
- Enhance talent attraction acquisition and retention that is aligned to the departmental strategic objectives.
- Enhance employee engagement and development initiatives.
- Improve compliance with the legislative framework.
- Improve efficiency in HR processes and decision-making.

# 3 HUMAN RESOURCES OVERSIGHT STATISTICS

## 3.1 PERSONNEL RELATED EXPENDITURE

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2020 and 31 March 2021

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	496 345	188 272	813	42 259	37.93	583
Programme 2 Economic Policy, Tax, Financial Regulation and Research	124 731	71 745	79	27 276	57.52	864
Programme 3 Public Finance and Budget Management	2 697 171	212 579	372	339 171	7.88	897
Programme 4 Asset and Liability Management	3 022 592	80 031	30	2 285	2.65	785
Programme 5 Financial Systems and Accounting	696 625	196 933	2 331	44 484	28.27	772
Programme 6 International Financial Relations	6 640 501	29 086	198	682	0.44	970
Programme 7 Civil and Military Pensions, Contributions to Funds and other Benefits	5 188 781	0	0	60 026	0.00	0
Programme 8 Technical and Management Support and Development Finance	0	0	0	0	0.00	0
Programme 9 Revenue Administration	10 271 873	0	0	0	0.00	0
Programme 10 Financial Intelligence and State Security	4 942 888	0	0	0	0.00	0
<b>Total</b>	<b>34 081 507</b>	<b>778 646</b>	<b>3 823</b>	<b>516 183</b>		

\* Note: Percentage of average personnel cost per employee calculated based on the number of employees in table 3.1.1. Minister and Deputy Minister personnel expenditure included in total.



### 3. HUMAN RESOURCES OVERSIGHT STATISTICS - Cont

**Table 3.1.2 Personnel costs by salary band for the period 1 April 2020 to 31 March 2021**

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	0.00	0	0
Skilled (Levels 3-5)	10 734	1.38	40	268
Highly skilled production (Levels 6-8)	102 307	13.14	264	388
Highly skilled supervision (Levels 9-12)	354 923	45.58	473	750
Senior management (Levels 13-16)	306 303	39.34	251	1220
<b>Total**</b>	<b>774 267</b>	<b>99.44</b>	<b>1 028</b>	<b>753</b>

\*\* 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 as a result 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, homeowners' allowance and medical aid by programme for the period 1 April 2020 to 31 March 2021**

PROGRAMME	SALARIES		OVERTIME		HOMEOWNERS 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	131 292	69.74	674	0.36	2 985	1.59	6 140	3.26
Programme 2	48 835	68.07	0	0.00	323	0.45	884	1.23
Programme 3	149 582	70.37	0	0.00	2 020	0.95	3 255	1.53
Programme 4	56 874	71.06	0	0.00	839	1.05	1 647	2.06
Programme 5	141 454	71.83	0	0.00	2 279	1.16	4 621	2.35
Programme 6	18 346	63.08	0	0.00	148	0.51	530	1.82
Programme 7	0	0.00	0	0.00	0	0.00	0	0.00
<b>Total****</b>	<b>546 383</b>	<b>70.17</b>	<b>674</b>	<b>0.36</b>	<b>8 594</b>	<b>1.10</b>	<b>17 077</b>	<b>2.19</b>

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

**PART D: HUMAN RESOURCE MANAGEMENT**

**3. HUMAN RESOURCES  
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**Table 3.1.4 Salaries, overtime, homeowners' allowance and medical aid by salary band for the period 1 April 2020 to 31 March 2021**

SALARY BANDS	SALARIES		OVERTIME		HOMEOWNERS 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	0.00	0	0	0	0.00
Skilled (Levels 3-5)	8 175	76.16	157	1.46	571	5.32	897	8.36
Highly skilled production (Levels 6-8)	85 102	83.18	191	0.19	2 989	2.92	5 950	5.82
Highly skilled supervision (Levels 9-12)	247 934	69.86	326	0.09	3 460	0.97	7 381	2.08
Senior management (Levels 13-16)	202 544	66.13	0	0.00	1 574	0.51	2 849	0.93
<b>Total *****</b>	<b>543 755</b>	<b>70.23</b>	<b>674</b>	<b>0.09</b>	<b>8 594</b>	<b>1.11</b>	<b>17 077</b>	<b>2.21</b>

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

## 3.2 EMPLOYMENT AND VACANCIES

**Table 3.2.1 Employment and vacancies by programme as at 31 March 2021**

PROGRAMME	NUMBER OF FUNDED POSTS	HEADCOUNT	VACANCY RATE %	NUMBER OF POSTS FILLED ADDITIONAL TO THE ESTABLISHMENT
Programme 1	379	323	14.77	71
Programme 2	108	83	23.14	5
Programme 3	278	237	14.74	7
Programme 4	115	102	11.30	9
Programme 5	292	255	12.67	35
Programme 6	34	30	11.76	1
Programme 7	0	0	0.00	0
<b>Total</b>	<b>1 206</b>	<b>1 030</b>	<b>14.59</b>	<b>128</b>

NB: Minister and Deputy Minister included in totals.

### 3. HUMAN RESOURCES OVERSIGHT STATISTICS - Cont

**Table 3.2.2 Employment and vacancies by salary band as at 31 March 2021**

SALARY BANDS	NUMBER OF POSTS	HEADCOUNT	VACANCY RATE %	NUMBER OF POSTS FILLED ADDITIONAL TO THE ESTABLISHMENT
Lower skilled (Levels 1-2)	0	0	0.00	0
Skilled (Levels 3-5)	48	40	16.66	0
Highly skilled production (Levels 6-8)	289	264	8.65	83
Highly skilled supervision (Levels 9-12)	567	473	16.57	39
Senior management (Levels 13-16)	302	253	16.22	6
<b>Total</b>	<b>1 206</b>	<b>1 030</b>	<b>14.59</b>	<b>128</b>

*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 2021**

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 2021**

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	100.00	0	0.00
Salary Level 16	0	0	0.00	0	0.00
Salary Level 15	11	8	72.73	3	27.27
Salary Level 14	63	50	79.37	13	20.63
Salary Level 13	225	192	85.33	33	14.67
<b>Total</b>	<b>300</b>	<b>251</b>	<b>83.67</b>	<b>49</b>	<b>16.33</b>

*Minister and Deputy Minister excluded in totals.*

**PART D: HUMAN RESOURCE MANAGEMENT**

**3. HUMAN RESOURCES  
OVERSIGHT STATISTICS - Cont**

**Table 3.3.2 SMS post information as at 30 September 2020**

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	100.00	0	0.00
Salary Level 16	0	0	0.00	0	0.00
Salary Level 15	11	6	54.54	5	45.45
Salary Level 14	62	49	70.03	13	20.97
Salary Level 13	229	189	82.53	40	17.47
<b>Total</b>	<b>303</b>	<b>245</b>	<b>80.85</b>	<b>58</b>	<b>19.14</b>

Minister and Deputy Minister excluded in totals.

**Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2020 to 31 March 2021**

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	1	0
Salary Level 13	15	3	0
<b>Total</b>	<b>20</b>	<b>4</b>	<b>0</b>

**Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2020 and 31 March 2021**

**REASONS FOR VACANCIES NOT ADVERTISED WITHIN SIX MONTHS**

The Department of Public Service and Administration released a statement on a new process for submitting requests to advertise, during the COVID-19 lockdown. This resulted in delayed turnaround time in advertising the vacancies. Ensuring that the departments' Cost of Employment (CoE) is aligned to the number of vacancies that needed to be filled, as most departments' budgets had to be cut to accommodate the COVID-19 budget.

**REASONS FOR VACANCIES NOT FILLED WITHIN TWELVE MONTHS**

As was the case for vacancies not advertised within six months, new measures had to be put in place to proceed with the recruitment and selection process to fill vacancies during lockdown. Implementing these measures took longer than anticipated.

### 3. HUMAN RESOURCES OVERSIGHT STATISTICS - Cont

**Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2020 to 31 March 2021**

REASONS FOR VACANCIES NOT ADVERTISED WITHIN SIX MONTHS
No disciplinary processes have been implemented, as the challenges experienced, including new lockdown measures and insufficient funds to fill the positions, were beyond the control of the department.

REASONS FOR VACANCIES NOT FILLED WITHIN TWELVE MONTHS
No disciplinary processes have been implemented, as the challenges experienced, including new lockdown measures and insufficient funds to fill the positions, were beyond the control of the department.

## 3.4 JOB EVALUATION

**Table 3.4.1 Job evaluation by salary band for the period 1 April 2020 to 31 March 2021**

SALARY BAND	NUMBER OF POSTS	NUMBER OF JOBS EVALUATED	% OF POSTS EVALUATED BY SALARY BANDS	POSTS UPGRADED		POSTS DOWNGRADED	
				NUMBER	% OF POSTS EVALUATED	NUMBER	% OF POSTS EVALUATED
Lower skilled (Levels 1-2)	0	0	0.00	0	0.00	0	0.00
Skilled (Levels 3-5)	47	0	0.00	0	0.00	0	0.00
Highly skilled production (Levels 6-8)	288	1	0.35	0	0.00	0	0.00
Highly skilled supervision (Levels 9-12)	558	22	3.94	0	0.00	0	0.00
Senior Management Service Band A	216	5	2.31	0	0.00	0	0.00
Senior Management Service Band B	59	2	3.39	0	0.00	0	0.00
Senior Management Service Band C	10	0	0.00	0	0.00	0	0.00
Senior Management Service Band D	3	0	0.00	0	0.00	0	0.00
<b>Total</b>	<b>1 181</b>	<b>30</b>	<b>2.54</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>

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 for the period 1 April 2020 to 31 March 2021**

BENEFICIARIES	AFRICAN	ASIAN	COLOURED	WHITE	TOTAL
Female	4	0	0	0	4
Male	1	1	0	1	3
Employees with a disability	0	0	0	0	0
<b>Total</b>	<b>5</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>7</b>

**PART D: HUMAN RESOURCE MANAGEMENT**

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**Table 3.4.3 Employees with salary levels higher than determined by job evaluation by occupation for the period 1 April 2020 to 31 March 2021 (in terms of PSR 1.V.C.3)**

OCCUPATION	NUMBER OF EMPLOYEES	JOB EVALUATION LEVEL	REMUNERATION LEVEL	REASON FOR DEVIATION
N/A	0	0	0	N/A
N/A	0	0	0	N/A
Total number of employees whose salaries exceeded the level determined by job evaluation in 2020/21				0
Percentage of total employment (1 030 as at 31 March 2021)				0.00%

**Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2020 to 31 March 2021 (in terms of PSR 1.V.C.3)**

GENDER	AFRICAN	ASIAN	COLOURED	WHITE	TOTAL
Female	0	0	0	0	0
Male	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 3.5 EMPLOYMENT CHANGES

**Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2020 to 31 March 2021**

SALARY BAND	NUMBER OF EMPLOYEES AS ON 31 MARCH 2020	APPOINTMENTS AND TRANSFERS INTO THE DEPARTMENT	TERMINATIONS AND TRANSFERS OUT OF THE DEPARTMENT	TURNOVER RATE %
Lower skilled (Levels 1-2)	0	0	0	0.00
Skilled (Levels 3-5)	46	2	5	10.87
Highly skilled production (Levels 6-8)	262	26	22	8.40
Highly skilled supervision (Levels 9-12)	479	24	31	6.47
Senior Management Service Band A	195	5	10	5.13
Senior Management Service Band B	54	3	7	12.96
Senior Management Service Band C	6	0	0	0.00
Senior Management Service Band D	3	0	0	0.00
<b>Total</b>	<b>1 045</b>	<b>60</b>	<b>75</b>	<b>7.18</b>

*NB: Minister and Deputy Minister included in totals (senior management service band D).*

### 3. HUMAN RESOURCES OVERSIGHT STATISTICS - Cont

**Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2020 and 31 March 2021**

No formal critical occupations were approved for the National Treasury.

**Table 3.5.3 Reasons why staff left the department for the period 1 April 2020 and 31 March 2021**

TERMINATION TYPE	NUMBER	% OF TOTAL
Death	3	4.00
Resignation	31	41.33
Expiry of contract	26	34.67
Dismissal – operational changes	0	0.00
Dismissal – misconduct	0	0.00
Dismissal – inefficiency	0	0.00
Discharged due to ill-health	0	0.00
Retirement	10	13.33
Transfer to other public service departments	5	6.67
Other	0	0.00
<b>Total</b>	<b>75</b>	<b>100.00</b>
<b>Total number of employees who left as a % of total employment (1 030 as at 31 March 2021)</b>		<b>7.28</b>

**Table 3.5.4 Promotions by critical occupation for the period 1 April 2020 and 31 March 2021**

No formal critical occupations were approved for the National Treasury.

**Table 3.5.5 Promotions by salary band for the period 1 April 2020 and 31 March 2021**

SALARY BAND	EMPLOYEES 31 MARCH 2020	PROMOTIONS TO ANOTHER SALARY LEVEL	SALARY BAND PROMOTIONS AS A % OF EMPLOYEES BY SALARY LEVEL
Lower skilled (Levels 1-2)	0	0	0.00
Skilled (Levels 3-5)	46	0	0.00
Highly skilled production (Levels 6-8)	262	4	1.53
Highly skilled supervision (Levels 9-12)	479	7	1.46
Senior management (Levels 13-16)	258	7	2.71
<b>Total</b>	<b>1 045</b>	<b>18</b>	<b>1.72</b>

### 3. HUMAN RESOURCES OVERSIGHT STATISTICS - Cont

## 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 2021**

OCCUPATIONAL CATEGORY	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL
Legislators, senior officials and managers	71	10	11	20	92	5	12	25	246
Professionals	188	12	6	22	230	6	6	20	490
Technicians and associate professionals	30	3	0	2	85	7	3	19	149
Clerks	25	0	0	0	69	0	4	9	107
Service and sales workers	16	0	0	0	10	0	0	0	26
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	7	0	0	0	5	0	0	0	12
<b>Total</b>	<b>337</b>	<b>25</b>	<b>17</b>	<b>44</b>	<b>491</b>	<b>18</b>	<b>25</b>	<b>73</b>	<b>1030</b>
Employees with disabilities	2	1	0	4	0	0	0	2	9

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 2021**

OCCUPATIONAL BANDS	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL
Top management	5	1	2	1	7	0	0	2	18
Senior management	71	10	9	21	88	5	12	23	239
Professionally qualified and experienced specialists and mid-management	138	7	6	17	151	8	7	23	357
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	105	5	0	4	230	5	6	25	380
Semi-skilled and discretionary decision making	18	2	0	1	15	0	0	0	36
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>337</b>	<b>25</b>	<b>17</b>	<b>44</b>	<b>491</b>	<b>18</b>	<b>25</b>	<b>73</b>	<b>1 030</b>

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



### 3. HUMAN RESOURCES OVERSIGHT STATISTICS - Cont

**Table 3.6.3 Recruitment for the period 1 April 2020 to 31 March 2021**

OCCUPATIONAL BANDS	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Top management (Levels 15-16)	0	0	0	0	0	0	0	0	0
Senior management (Levels 13-14)	2	0	0	1	4	1	0	0	8
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	8	2	0	0	13	0	0	1	24
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (Levels 6-8)	12	0	0	0	13	0	1	0	26
Semi-skilled and discretionary decision making (Levels 3-5)	2	0	0	0	0	0	0	0	2
Unskilled and defined decision making (Levels 1-2)	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>24</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>30</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>60</b>
Employees with disabilities	0	0	0	0	0	1	0	0	0

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

**Table 3.6.4 Promotions for the period 1 April 2020 to 31 March 2021**

OCCUPATIONAL BANDS	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Top management (Levels 15-16)	0	1	0	0	1	0	0	0	2
Senior management (Levels 13-14)	4	0	0	0	1	0	0	0	5
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	6	0	0	0	1	0	0	0	7
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (Levels 6-8)	2	0	0	0	2	0	0	0	4

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**3. HUMAN RESOURCES  
OVERSIGHT STATISTICS - Cont**

OCCUPATIONAL BANDS	MALE				FEMALE				
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL
Semi-skilled and discretionary decision making (Levels 3-5)	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making (Levels 1-2)	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>12</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0

**Table 3.6.5 Terminations for the period 1 April 2020 to 31 March 2021**

OCCUPATIONAL BANDS	MALE				FEMALE				
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL
Top management (Levels 15-16)	0	0	0	0	0	0	0	0	0
Senior management (Levels 13-14)	3	1	0	3	4	1	0	5	17
Professionally qualified and experienced specialists and mid-management (Levels 9-2)	6	0	0	1	23	0	0	1	31
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (Levels 6-8)	6	0	0	1	14	0	0	1	22
Semi-skilled and discretionary decision making (Levels 3-5)	3	0	0	0	2	0	0	0	5
Unskilled and defined decision making (Levels 1-2)	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>18</b>	<b>1</b>	<b>0</b>	<b>5</b>	<b>43</b>	<b>1</b>	<b>0</b>	<b>7</b>	<b>75</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0

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

**Table 3.6.6 Disciplinary action for the period 1 April 2020 to 31 March 2021**

DISCIPLINARY ACTION	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
	0	0	0	0	4	0	0	0	4

### 3. HUMAN RESOURCES OVERSIGHT STATISTICS - Cont

**Table 3.6.7 Skills development for the period 1 April 2020 to 31 March 2021**

OCCUPATIONAL CATEGORIES	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Legislators, senior officials and managers	12	1	2	3	26	1	2	3	50
Professionals	34	3	1	3	54	0	0	0	95
Technicians and associate professionals	5	1	0	0	13	1	1	4	25
Clerks	38	0	1	0	16	1	0	0	56
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>89</b>	<b>5</b>	<b>4</b>	<b>6</b>	<b>109</b>	<b>3</b>	<b>3</b>	<b>7</b>	<b>226</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0

NB: Minister and Deputy Minister not included in totals.

## 3.7 SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

In ensuring compliance to the Performance Management and Development Policy, the following table depicts the performance agreement compliance by members of the senior management service. 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 2020**

SMS LEVEL	TOTAL NUMBER OF FUNDED SMS POSTS	TOTAL NUMBER OF SMS MEMBERS	TOTAL NUMBER OF SIGNED PERFORMANCE AGREEMENTS	SIGNED PERFORMANCE AGREEMENTS AS % OF TOTAL NUMBER OF SMS MEMBERS
Director-General/ head of department	1	1	1	100.00
Salary level 16	0	0	0	0.00
Salary level 15	11	6	6	100.00
Salary level 14	65	54	44	81.48
Salary level 13	226	195	187	95.90
<b>Total</b>	<b>303</b>	<b>256</b>	<b>238</b>	<b>92.97</b>

NB: Minister and Deputy Minister not included in totals.

### 3. HUMAN RESOURCES OVERSIGHT STATISTICS - Cont

**Table 3.7.2 Reasons for not having concluded performance agreements for all SMS members as at 31 May 2020**

STATUS	13	14	15	16	TOTAL	REASONS:
Performance agreement not submitted	6	7	0	0	13	Non-compliance
Performance agreement not submitted	0	1	0	0	1	Long-term incapacity
<b>Total</b>	<b>6</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>14</b>	

**Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded performance agreements as on 31 May 2020**

Intention to issue a written warning was issued.

## 3.8 PERFORMANCE REWARDS

In recognition of performance, the department granted the following performance rewards during the reporting period. The information is presented in terms of race, gender, disability, salary bands and critical occupations.

**Table 3.8.1 Performance rewards by race, gender, and disability for the period 1 April 2020 to 31 March 2021**

No performance moderation conducted and rewards paid during this financial year.

**Table 3.8.2 Performance rewards by salary band for personnel below SMS for the period 1 April 2020 to 31 March 2021**

No performance moderation conducted and rewards paid during this financial year.

**Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2020 to 31 March 2021**

No formal critical occupations were approved for the National Treasury.

**Table 3.8.4 Performance related rewards (cash bonus), by salary band, for SMS for the period 1 April 2020 to 31 March 2021**

No performance moderation conducted and rewards paid during this financial year.

### 3. HUMAN RESOURCES OVERSIGHT STATISTICS - Cont

## 3.9 FOREIGN WORKERS

**Table 3.9.1 Foreign workers by salary band for the period 1 April 2020 to 31 March 2021**

SALARY BAND	MARCH 2020		MARCH 2021		CHANGE	
	NUMBER	% OF TOTAL	NUMBER	% OF TOTAL	NUMBER	% CHANGE
Lower skilled (Levels 1-2)	0	0.00	0	0.00	0	0.00
Skilled (Levels 3-5)	0	0.00	0	0.00	0	0.00
Highly skilled production (Levels 6-8)	0	0.00	0	0.00	0	0.00
Highly skilled supervision (Levels 9-12)	3	33.33	2	22.22	-1	-11.11
Senior management (Levels 13-16)	6	66.67	7	77.78	1	11.11
<b>Total</b>	<b>9</b>	<b>100.00</b>	<b>9</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>

**Table 3.9.2 Foreign workers by major occupation for the period 1 April 2020 to 31 March 2021**

SALARY BAND	MARCH 2020		MARCH 2021		CHANGE	
	NUMBER	% OF TOTAL	NUMBER	% OF TOTAL	NUMBER	% CHANGE
Senior management	6	66.67	7	77.78	1	11.11
Professional qualified	3	33.33	2	22.22	-1	-11.11
Skilled technical	0	0.00	0	0.00	0	0.00
Semi-skilled	0	0.00	0	0.00	0	0.00
Unskilled	0	0.00	0	0.00	0	0.00
<b>Total</b>	<b>9</b>	<b>100.00</b>	<b>9</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>

## 3.10 LEAVE UTILISATION

**Table 3.10.1 Sick leave for the period 1 January 2020 to 31 December 2020**

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	0.00	0	0.00	0	0
Skilled (Levels 3-5)	166	83.13	28	4.98	6	175
Highly skilled production (Levels 6-8)	573	74.00	158	28.06	4	936
Highly skilled supervision (Levels 9-12)	1 053	76.45	273	48.49	4	3 246
Senior management (Levels 13-16)	400	77.00	104	18.47	4	1 798
<b>Total</b>	<b>2 192</b>	<b>76.41</b>	<b>563</b>	<b>100.00</b>	<b>4</b>	<b>6 155</b>

### 3. HUMAN RESOURCES OVERSIGHT STATISTICS - Cont

**Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2020 to 31 December 2020**

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	100.00	0	0.00	0	0
Skilled (Levels 3-5)	93	100.00	1	12.5	93	100
Highly skilled production (Levels 6-8)	83	100.00	3	37.5	28	163
Highly skilled supervision (Levels 9-12)	70	100.00	3	37.5	23	248
Senior management (Levels 13-16)	250	100.00	1	12.5	250	1 372
<b>Total</b>	<b>496</b>	<b>100.00</b>	<b>8</b>	<b>100.00</b>	<b>62</b>	<b>1 883</b>

**Table 3.10.3 Annual Leave for the period 1 January 2020 to 31 December 2020**

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)	714	44	16
Highly skilled production (Levels 6-8)	4 157	286	15
Highly skilled supervision (Levels 9-12)	8 005.94	493	16
Senior management (Levels 13-16)	4 706.35	268	18
<b>Total</b>	<b>17 583.29</b>	<b>1 091</b>	<b>16</b>

**Table 3.10.4 Capped leave for the period 1 January 2020 to 31 December 2020**

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 2020
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	0	0	0	33
Highly skilled production (Levels 6-8)	0	0	0	19
Highly skilled supervision (Levels 9-12)	20	5	4	26
Senior management (Levels 13-16)	0	0	0	25
<b>Total</b>	<b>20</b>	<b>5</b>	<b>4</b>	<b>26</b>

### 3. HUMAN RESOURCES OVERSIGHT STATISTICS - Cont

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

**Table 3.10.5 Leave payouts for the period 1 April 2020 to 31 March 2021**

REASON	TOTAL AMOUNT (R'000) (A)	NUMBER OF EMPLOYEES (B)	AVERAGE PAYMENT PER EMPLOYEE (R'000) (C=A/B)
Leave payout for 2020/21 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2020/21	355	6	59
Current leave payout on termination of service for 2020/21	3 058	99	31
<b>Total</b>	<b>3 413</b>	<b>105</b>	<b>90</b>

## 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 & RELATED DISEASES (IF ANY)	KEY STEPS TAKEN TO REDUCE THE RISK
An on-site clinic in the National Treasury provides regular health screenings. The highest trend of health issues noted is employees with signs of obesity and pre-hypertension. Pre-hypertension is a blood pressure that is higher than normal but not high enough to be deemed high blood pressure. An increase in the need for psychosocial services was noted as compared to the previous financial year.	<p>Employees are encouraged to follow a work-life balance by following exercise programmes and a healthy diet. Nutrition week was hosted in October 2020 to educate employees about healthy eating.</p> <p>The existence of Employee Health and Wellness services was communicated to employees during the COVID-19 pandemic. Information on employee mental wellbeing and psychosocial services available was a particular focus during this time.</p>

**Table 3.11.2 Details of health promotion and HIV/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 Public Service Regulations, 2016? If so, provide her/his name and position.	Yes		<p>The department has appointed an SMS member to implement the provisions contained in Chapter 4, Part 3, Regulation 55 of the Public Service Regulations, 2016.</p> <p>The Chief Director: Human Resources Management Ms Patricia Tomotomo</p>
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		<p>The Employee Health and Wellness Unit is a sub-directorate of the Organisational Development Directorate within the Chief Directorate: Human Resources Management. The unit is run by a Wellness Specialist (Deputy Director and Administrator). The unit has a budget of R3.8 million over three years (2019 -2021).</p>

**PART D: HUMAN RESOURCE MANAGEMENT**

**3. HUMAN RESOURCES  
OVERSIGHT STATISTICS - Cont**

QUESTION	YES	NO	DETAILS, IF YES
3. Has the department introduced an Employee Assistance or Health Promotion Programme for employees? If so, indicate the key elements/services of this programme.	Yes		The National Treasury provides Employee Assistance Programmes under its programme brand of Siyaphila. Siyaphila is a confidential, free, 24-hour, 365-day, personal support line for the National Treasury employees and their immediate family members. These services include counselling, wellness management, HIV/AIDS management and productivity management. The National Treasury also provides primary health care services through an on-site clinic.
4. Has the department established (a) committee(s) as contemplated in Chapter 4, Part 3, Regulation 55 of the Public Service Regulations, 2016? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	Yes		The committee consists of employees across the department in various divisions: <ol style="list-style-type: none"> <li>1. Neethling, Francois – White Males</li> <li>2. Leeuw, Faith – Senior Management Services</li> <li>3. Tau, Alfred – Middle Management Services (Training)</li> <li>4. Nomthandazo, Shandu – Employment Equity</li> <li>6. Modibane, Caroline – Middle Management Services (Recruitment)</li> <li>7. Molefe, Lebogang – Organisational Development</li> <li>8. Malope, Betty - Occupational Health and Safety</li> <li>9. Gwangwa, Kelebogile - Organised labour</li> <li>10. Majola, Mmule – Organised Labour</li> <li>11. Dodo, Xolisa – Lower Level employees</li> <li>12. Rudolph, Judith - Coloured females</li> <li>13. Mdzikwa, Julia – Senior Management Services</li> <li>14. Magoro, Ditshego - Senior Management Services</li> <li>15. Guma, Nomvuyo - Senior Management Services</li> <li>16. Kgare, Reuben – Employees living with Disabilities</li> <li>17. Kruger, Chris – Organised Labour</li> </ol>
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	Yes		The HIV/AIDS and TB Management Policy was approved by the Director-General.
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		Confidentiality clauses have been in place and are still enforced. New infections are managed by the primary health care personnel.



### 3. HUMAN RESOURCES OVERSIGHT STATISTICS - Cont

QUESTION	YES	NO	DETAILS, IF YES
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	Yes		Nineteen employees voluntarily tested for HIV/AIDS during the financial year. The department has an on-site clinic providing primary health care services. The clinic is serviced by a nurse twice a week, for four hours each day, and a doctor one day a week. The services are free and provide employees with an opportunity to do voluntary testing. However, due to employees working remotely the number of voluntary counselling sessions conducted was reduced. The employee wellness also encouraged employees during the commemoration of World Aids Day to go for voluntary counselling and testing.
8. Has the department developed measures/ indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		<ul style="list-style-type: none"> <li>• Rate of absenteeism.</li> <li>• Number of health-related complaints.</li> <li>• Voluntary HIV/AIDS reports (that do not compromise confidentiality).</li> <li>• Wellness cards to continuously monitor and improve on health risk assessments.</li> <li>• Quarterly and annual statistics of use of services (reached one new employee, as well as details of returning users to numerous contact points).</li> </ul>

## 3.12 LABOUR RELATIONS

**Table 3.12.1 Collective agreements for the period 1 April 2020 to 31 March 2021**

SUBJECT MATTER	DATE
None	N/A

**Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2020 to 31 March 2021**

OUTCOMES OF DISCIPLINARY HEARINGS	NUMBER	% OF TOTAL
Demotion	1	25.00
Two months suspension without pay and final written warning	1	25.00
One month suspension without pay and final written warning	1	25.00
Employee resigned before the disciplinary hearing could be finalised	1	25.00
<b>Total</b>	<b>4</b>	<b>100.00</b>

**PART D: HUMAN RESOURCE MANAGEMENT****3. HUMAN RESOURCES  
OVERSIGHT STATISTICS - Cont****Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2020 to 31 March 2021**

TYPE OF MISCONDUCT	NUMBER	% OF TOTAL
Failure to disclose criminal record	1	25.00
Disruptive behaviour	1	25.00
Poor work performance	1	25.00
Theft of state property	1	25.00
<b>Total</b>	<b>4</b>	<b>100.00</b>

**Table 3.12.4 Grievances lodged for the period 1 April 2020 to 31 March 2021**

GRIEVANCES	NUMBER	% OF TOTAL
Number of grievances resolved	12	80.00
Number of grievances not resolved	3	20.00
<b>Total grievances lodged</b>	<b>15</b>	<b>100.00</b>

**Table 3.12.5 Disputes lodged with Councils for the period 1 April 2020 to 31 March 2021**

DISPUTES	NUMBER	% OF TOTAL
Number of disputes upheld	1	9.09
Number of disputes dismissed	5	45.45
Number of disputes pending	3	27.27
Number settled	1	9.09
Number of new disputes lodged	1	9.09
<b>Total disputes</b>	<b>11</b>	<b>100.00</b>

**Table 3.12.6 Strike actions for the period 1 April 2020 to 31 March 2021**

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

**Table 3.12.7 Precautionary suspensions for the period 1 April 2020 to 31 March 2021**

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 (R'000)	0

### 3. HUMAN RESOURCES OVERSIGHT STATISTICS - Cont

## 3.13 SKILLS DEVELOPMENT

**Table 3.13.1 Training needs identified as at 31 March 2020**

OCCUPATIONAL CATEGORIES	GENDER	NUMBER OF EMPLOYEES AS AT 31 MARCH 2020	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	139	0	56	0	56
	Male	113	0	46	0	46
Professionals	Female	268	6	52	0	58
	Male	228	5	40	0	45
Technicians and associated professionals	Female	117	0	40	0	40
	Male	33	0	10	0	10
Clerks	Female	81	0	24	0	24
	Male	27	0	17	0	17
Service and sales workers	Female	11	0	1	0	1
	Male	15	0	4	0	4
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	5	0	1	0	1
	Male	8	0	0	0	0
Subtotal	Female	621	0	174	0	180
	Male	424	0	117	0	122
<b>Total</b>		<b>1 045</b>	<b>11</b>	<b>291</b>	<b>0</b>	<b>302</b>

\*\* Note: Minister and Deputy Minister not included in total.

**Table 3.13.2 Training provided for the period 1 April 2020 to 31 March 2021**

OCCUPATIONAL CATEGORIES	GENDER	NUMBER OF EMPLOYEES AS AT 31 MARCH 2020	TRAINING PROVIDED WITHIN THE REPORTING PERIOD			
			LEARNERSHIPS	SKILLS PROGRAMMES AND OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL
Legislators, senior officials and managers	Female	139	0	34	0	34
	Male	113	0	20	0	20
Professionals	Female	268	6	54	0	60
	Male	228	5	41	0	46
Technicians and associated professionals	Female	117	0	19	0	19
	Male	33	0	6	0	6

**PART D: HUMAN RESOURCE MANAGEMENT**

**3. HUMAN RESOURCES  
OVERSIGHT STATISTICS - Cont**

OCCUPATIONAL CATEGORIES	GENDER	NUMBER OF EMPLOYEES AS AT 31 MARCH 2020	TRAINING PROVIDED WITHIN THE REPORTING PERIOD			
			LEARNERSHIPS	SKILLS PROGRAMMES AND OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL
Clerks	Female	81	0	39	0	39
	Male	27	0	17	0	17
Service and sales workers	Female	11	0	0	0	0
	Male	15	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 & assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	5	0	0	0	0
	Male	8	0	0	0	0
Subtotal	Female	621	6	146	0	152
	Male	424	5	84	0	89
<b>Total</b>		<b>1 045</b>	<b>11</b>	<b>230</b>	<b>0</b>	<b>241</b>

*\*\* Note: Minister and Deputy Minister not included in total.*

### 3.14 INJURY ON DUTY

**Table 3.14.1 Injuries on duty for the period 1 April 2020 to 31 March 2021**

NATURE OF INJURY ON DUTY	NUMBER	% OF TOTAL
Required basic medical attention only	3	100.00
Temporary total disablement	0	0.00
Permanent disablement	0	0.00
Fatal	0	0.00
<b>Total</b>	<b>3</b>	<b>100.00</b>

### 3.15 UTILISATION OF CONSULTANTS

The following tables relate information on the use 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 which is of a technical or intellectual nature, but excludes an employee of a department.

### 3. HUMAN RESOURCES OVERSIGHT STATISTICS - Cont

**Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2020 to 31 March 2021**

PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON PROJECT	DURATION (WORKDAYS)	CONTRACT VALUE IN RAND
Doors Opened HR Solutions	1	720 days	R 7 775 979.84
Mzuzu Group	1	720 days	R 5 630 400.00
S Pretorius	1	720 days	R 5 531 304.96
Yasmin Coovadia Development Consulting PTY LTD	1	720 days	R 6 988 320.00

**Table 3.15.2 Analysis of consultant appointments using donor funds, in terms of historically disadvantaged individuals (HDIs) for the period 1 April 2020 to 31 March 2021**

PROJECT TITLE	PERCENTAGE OWNERSHIP BY HDI GROUPS	PERCENTAGE MANAGEMENT BY HDI GROUPS	NUMBER OF CONSULTANTS FROM HDI GROUPS THAT WORKED ON THE PROJECT
N/A	0	0	0

**Table 3.15.3 Report on consultant appointments using donor funds for the period 1 April 2020 to 31 March 2021**

PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON PROJECT	DURATION (WORKDAYS)	DONOR AND CONTRACT VALUE IN RAND
Leanne Myburgh	1	111 days	R 187 000.00

## 3.16 SEVERANCE PACKAGES

**Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2020 to 31 March 2021**

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
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



# **PART E**

## FINANCIAL INFORMATION

# **1**

## **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 238 to 379, which comprise the appropriation statement, statement of financial position as at 31 March 2021, 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 2021, 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 4 of 2020 (DoRA).

## **1. REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO.7 NATIONAL TREASURY - Cont**

### **Basis for opinion**

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

### **Emphasis of matters**

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

#### ***Irregular expenditure***

7. As disclosed in note 24 to the financial statements, the department incurred irregular expenditure of R66 million, as it did not follow a proper tender process and did not properly approve expenditure.

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

8. As disclosed in note 25 to the financial statements, fruitless and wasteful expenditure of R67 million was incurred, as the department made payments for which no services were received on technical support and maintenance for the Integrated Financial Management System (IFMS).

#### ***Restatement of corresponding figures***

9. As disclosed in note 36 to the financial statements, the corresponding figures for 31 March 2020 were restated as a result of errors in the financial statements of the department at, and for the year ended, 31 March 2021.

### **Other matter**

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

#### ***Unaudited supplementary schedules***

11. The supplementary information set out on pages 380 to 412 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.



## **PART E: FINANCIAL INFORMATION**

# **1. REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO.7 NATIONAL TREASURY - Cont**

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

12. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA and 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.
13. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

## **Auditor-general's responsibilities for the audit of the financial statements**

14. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

# **REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT**

## **Introduction and scope**

16. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material



## 1. REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO.7 NATIONAL TREASURY - Cont

findings but not to gather evidence to express assurance.

17. My procedures address the usefulness and reliability of the reported performance information, which must be based on the department's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
18. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the department's annual performance report for the year ended 31 March 2021:

PROGRAMMES	PAGES IN THE ANNUAL PERFORMANCE REPORT
Programme 5 – financial accounting and supply chain management system	142 – 148

19. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
20. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:
  - Programme 5 – financial accounting and supply chain management system

### Other matters

21. I draw attention to the matters below.

### Achievement of planned targets

22. Refer to the annual performance report on pages 142 to 148 for information on the achievement of planned targets for the year and management's explanations provided for the under/over-achievement of targets.

## REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

### Introduction and scope

23. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the department's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
24. The material findings on compliance with specific matters in key legislation are as follows:



## **PART E: FINANCIAL INFORMATION**

# **1. REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO.7 NATIONAL TREASURY - Cont**

## **Annual financial statements**

25. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 40(1)(b) of the PFMA. Material misstatements of disclosure items identified by the auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified opinion.

## **Expenditure management**

26. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R66 million, as disclosed in note 24 to the financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure was caused by non-compliance with supply chain management and contract management processes.
27. Resources of the department were not utilised economically, as required by sections 38(1)(b) and 45(b) of the PFMA. The department incurred expenditure on annual technical support and maintenance of R67 million (R335 million since 2016-17) on software licences of the commercial off-the-shelf enterprise resource planning system that was purchased to implement IFMS 2 for government. The implementation of IFMS 2 has been delayed due to the deficiencies documented in paragraph 36 of this auditor's report and the department is therefore not utilising the software licences economically.
28. Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R67 million, as disclosed in note 25 to the financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The fruitless and wasteful expenditure was incurred on the IFMS 2 project.

## **OTHER INFORMATION**

29. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the report of the accounting officer and the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.

## **1. REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO.7 NATIONAL TREASURY - Cont**

30. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
31. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
32. I have nothing to report in this regard.

### **INTERNAL CONTROL DEFICIENCIES**

33. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
34. During the current year, improvements were noted that resulted in a reduction of the number of reported findings related to compliance with procurement legislation, mainly due to the action plan implemented by the department. However, the implemented controls were not adequate to prevent irregular expenditure and non-compliance, due to inadequate contract management monitoring and oversight. Similar non-compliance was reported in the prior year.
35. Management did not implement adequate review and monitoring controls to ensure that the financial statements submitted for auditing were prepared in accordance with the prescribed financial reporting framework, as required by section 40(1)(b) of the PFMA.
36. The accounting officer did not implement adequate oversight and monitoring to ensure the timeous implementation of the IFMS and to prevent the recurrence of fruitless and wasteful expenditure on the IFMS. This was mainly due to the slow implementation of action plans to address deficiencies identified in prior years in the areas of governance and project management. In the current year, management implemented some of the prior year recommendations but these did not have a sufficient impact on the overall project status as these matters should have been addressed at the project initiation stage. Some of the deficiencies relate to non-adherence to the approved project plan, non-finalisation of the memorandum of understanding for the steering committee, and delays in the appointment of a service provider and project management officers to implement the IFMS project.

### **Material irregularities**

37. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during an audit.
38. I identified material irregularities during the audit and notified the accounting officer of these, as required by material irregularity regulation 3(2). By the date of this auditor's report, I had not yet completed the process of evaluating the responses from the accounting officer. These material irregularities will be included in next year's auditor's report.



## **PART E: FINANCIAL INFORMATION**

# **1. REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO.7 NATIONAL TREASURY - Cont**

## **Other reports**

39. I draw attention to the following engagement which had, or could have, an impact on the matters reported in the department's financial statements, reported performance information, compliance with applicable legislation and other related matters. This report did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
40. In January 2020, the Special Investigating Unit (SIU) commenced with an investigation into the IFMS, based on the approved scope proclaimed by the Department of Justice. The investigation was completed, but no report has been received by the department to date. A motivation for an expansion of mandate was submitted by the SIU to the Department of Justice. The investigation was still in progress at the date of this report and is expected to be finalised by 30 November 2021.

*Auditor-General*

Pretoria  
27 September 2021



**AUDITOR-GENERAL  
SOUTH AFRICA**

*Auditing to build public confidence*

## **1. REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO.7 NATIONAL TREASURY - Cont**

### **ANNEXURE – AUDITOR-GENERAL’S RESPONSIBILITY FOR THE AUDIT**

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the department’s compliance with respect to the selected subject matters.

#### **Financial statements**

2. In addition to my responsibility for the audit of the financial statements as described in 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 by the accounting officer.
  - Conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of department to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a department to cease operating as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

#### **Communication with those charged with governance**

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

**NATIONAL TREASURY VOTE 8**  
**PART E: FINANCIAL INFORMATION**  
 FOR THE YEAR ENDED 31 MARCH 2021

**APPROPRIATION STATEMENT**

for the year ended 31 March 2021

**2. ANNUAL FINANCIAL STATEMENTS**

**APPROPRIATION PER PROGRAMME**

VOTED FUNDS AND DIRECT CHARGES		2020/21							2019/20	
		ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Programme</b>										
1	ADMINISTRATION	564 730	-	(35 443)	529 287	496 345	32 942	93,8%	511 370	453 634
2	ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH	150 307	-	(8 388)	141 919	124 731	17 188	87,9%	138 125	124 881
3	PUBLIC FINANCE AND BUDGET MANAGEMENT	2 839 800	-	(37 018)	2 802 782	2 697 171	105 611	96,2%	2 982 390	2 936 118
4	ASSET AND LIABILITY MANAGEMENT	3 035 331	-	-	3 035 331	3 022 592	12 739	99,6%	102 929	96 718
5	FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS	853 489	-	(19 516)	833 973	696 625	137 348	83,5%	1 004 188	796 790

**NATIONAL TREASURY VOTE 8**  
**PART E: FINANCIAL INFORMATION**  
 FOR THE YEAR ENDED 31 MARCH 2021

VOTED FUNDS AND DIRECT CHARGES	2020/21							2019/20		
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
6	6 397 977	-	252 515	6 650 492	6 640 501	9 991	99,8%	5 948 131	5 458 763	
7	5 469 278	-	(152 150)	5 317 128	5 188 781	128 347	97,6%	5 524 503	5 487 100	
8	10 271 873	-	-	10 271 873	10 271 873	-	100,0%	9 529 031	9 529 031	
9	4 942 888	-	-	4 942 888	4 942 888	-	100,0%	4 951 053	4 951 053	
<b>TOTAL</b>	<b>34 525 673</b>	<b>-</b>	<b>-</b>	<b>34 525 673</b>	<b>34 081 507</b>	<b>444 166</b>	<b>98,7%</b>	<b>30 691 720</b>	<b>29 834 088</b>	
Reconciliation with Statement of Financial Performance										
<b>Add:</b>	Departmental receipts									
	6 924 774									
	Aid assistance									
	274 323									
<b>Actual amounts per Statement of Financial Performance (Total Revenue)</b>	<b>41 724 770</b>									
<b>Add:</b>	Aid assistance									
	159 763									
<b>Actual amounts per Statement of Financial Performance Expenditure</b>	<b>34 241 270</b>									
	<b>29 885 178</b>									

**NATIONAL TREASURY VOTE 8**  
**PART E: FINANCIAL INFORMATION**  
 FOR THE YEAR ENDED 31 MARCH 2021

**APPROPRIATION STATEMENT - Cont**

for the year ended 31 March 2021

	<b>APPROPRIATION PER ECONOMIC CLASSIFICATION</b>									
	<b>2020/21</b>					<b>2019/20</b>				
	<b>ADJUSTED APPROPRIATION</b>	<b>SHIFTING OF FUNDS</b>	<b>VIREMENT</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	<b>VARIANCE</b>	<b>EXPENDITURE AS % OF FINAL APPROPRIATION</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	
R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
<b>Current payments</b>	2 288 169	(57 937)	(100 365)	2 129 867	1 880 793	249 074	88%	2 325 806	2 014 384	
<b>Compensation of employees</b>	860 388	1	-	860 389	778 646	81 743	90%	847 205	804 819	
Salaries and wages	777 681	(12 128)	-	765 553	694 072	71 481	91%	758 605	719 717	
Social contributions	82 707	12 129	-	94 836	84 574	10 262	89%	88 600	85 102	
<b>Goods and services</b>	1 427 781	(57 938)	(100 365)	1 269 478	1 102 147	167 331	87%	1 478 601	1 209 565	
Administrative fees	3 243	(825)	(150)	2 268	864	1 404	38%	3 831	2 606	
Advertising	1 804	150	(275)	1 679	864	815	51%	2 111	894	
Minor assets	1 776	(1 120)	(5)	651	361	290	55%	2 229	1 676	
Audit costs: External	19 627	(2 739)	(1 500)	15 388	14 913	475	97%	18 107	17 578	
Bursaries: Employees	7 899	(969)	(20)	6 910	4 889	2 021	71%	6 217	2 864	
Catering: Departmental activities	1 593	(60)	(175)	1 358	403	955	30%	2 349	1 315	



<b>APPROPRIATION PER ECONOMIC CLASSIFICATION</b>											
<b>2020/21</b>											<b>2019/20</b>
	<b>ADJUSTED APPROPRIATION</b>	<b>SHIFTING OF FUNDS</b>	<b>VIREMENT</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	<b>VARIANCE</b>	<b>EXPENDITURE AS % OF FINAL APPROPRIATION</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>		
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>		
Communication (G&S)	9 146	1 403	-	10 549	10 007	542	95%	7 718	6 950		
Computer services	497 099	(49 420)	(12 211)	435 468	383 315	52 153	88%	520 248	403 851		
Consultants: Business and advisory services	616 399	(1 852)	(54 339)	560 208	479 341	80 867	86%	658 209	554 453		
Infrastructure and planning services	-	6	-	6	6	-	100%	13	12		
Legal services	15 215	1 861	-	17 076	17 074	2	100%	15 800	12 840		
Contractors	15 067	(1 342)	-	13 725	12 756	969	93%	19 015	17 724		
Agency and support / outsourced services	7 800	(771)	-	7 029	7 012	17	100%	7 530	7 440		
Entertainment	468	(26)	(65)	377	25	352	7%	538	50		
Fleet services (including government motor transport)	3 762	(904)	-	2 858	2 574	284	90%	3 541	3 218		
Consumable supplies	3 223	1 841	(179)	4 885	4 532	353	93%	4 270	3 003		
Consumable: Stationery, printing and office supplies	8 917	1 077	(2 201)	7 793	4 220	3 573	54%	9 106	4 834		
Operating leases	133 155	1 311	(5 071)	129 395	127 894	1 501	99%	84 747	82 839		
Property payments	24 347	(1 050)	(7 000)	16 297	16 292	5	100%	24 402	24 380		
Travel and subsistence	30 965	(4 366)	(11 731)	14 868	2 704	12 164	18%	54 758	38 863		

**NATIONAL TREASURY VOTE 8**  
**PART E: FINANCIAL INFORMATION**  
 FOR THE YEAR ENDED 31 MARCH 2021

**APPROPRIATION STATEMENT - Cont**  
 for the year ended 31 March 2021

	<b>APPROPRIATION PER ECONOMIC CLASSIFICATION</b>									
	2020/21					2019/20				
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
Training and development	6 592	1 986	(1 021)	7 557	3 823	3 734	51%	6 356	2 752	
Operating payments	11 485	1 795	(4 351)	8 929	7 358	1 571	82%	8 937	7 169	
Venues and facilities	8 199	(3 924)	(71)	4 204	920	3 284	22%	18 569	12 254	
<b>Transfers and subsidies</b>	<b>24 187 924</b>	<b>(574 751)</b>	<b>100 365</b>	<b>23 713 538</b>	<b>23 541 796</b>	<b>171 742</b>	<b>99,3%</b>	<b>23 576 130</b>	<b>23 532 333</b>	
<b>Provinces and municipalities</b>	<b>1 481 861</b>	-	-	<b>1 481 861</b>	<b>1 481 861</b>	-	<b>100,0%</b>	<b>1 593 961</b>	<b>1 583 961</b>	
<b>Municipalities</b>	<b>1 481 861</b>	-	-	<b>1 481 861</b>	<b>1 481 861</b>	-	<b>100,0%</b>	<b>1 593 961</b>	<b>1 583 961</b>	
Municipal bank accounts	1 481 861	-	-	1 481 861	1 481 861	-	100,0%	1 593 961	1 583 961	
<b>Departmental agencies and accounts</b>	<b>15 964 885</b>	<b>50 000</b>	-	<b>16 014 885</b>	<b>15 959 177</b>	<b>55 708</b>	<b>99,7%</b>	<b>15 279 327</b>	<b>15 279 324</b>	
Departmental agencies	15 964 885	50 000	-	16 014 885	15 959 177	55 708	99,7%	15 279 327	15 279 324	

<b>APPROPRIATION PER ECONOMIC CLASSIFICATION</b>										
	<b>2020/21</b>						<b>2019/20</b>			
	<b>ADJUSTED APPROPRIATION</b>	<b>SHIFTING OF FUNDS</b>	<b>VIREMENT</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	<b>VARIANCE</b>	<b>EXPENDITURE AS % OF FINAL APPROPRIATION</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
<b>Foreign governments and international organisations</b>	1 306 746	(632 031)	251 486	926 201	921 977	4 224	99,5%	1 136 191	1 134 773	
<b>Public private enterprises</b>	40 000	-	-	40 000	40 000	-	100,0%	100 000	100 000	
Public corporations	40 000	-	-	40 000	40 000	-	100,0%	100 000	100 000	
Other transfers to public corporations	40 000	-	-	40 000	40 000	-	100,0%	100 000	100 000	
<b>Households</b>	<b>5 394 432</b>	<b>7 280</b>	<b>(151 121)</b>	<b>5 250 591</b>	<b>5 138 781</b>	<b>111 810</b>	<b>97,9%</b>	<b>5 466 651</b>	<b>5 434 275</b>	
Social benefits	5 392 382	7 280	(151 121)	5 248 541	5 136 767	111 774	97,9%	5 463 374	5 430 999	
transfers to households	2 050	-	-	2 050	2 014	36	98,2%	3 277	3 276	
<b>Payment for cap assets</b>	<b>68 574</b>	<b>657</b>	<b>-</b>	<b>69 231</b>	<b>45 626</b>	<b>23 605</b>	<b>65,9%</b>	<b>42 868</b>	<b>13 555</b>	
<b>Machinery &amp; equipment</b>	<b>62 515</b>	<b>(12 341)</b>	<b>-</b>	<b>50 174</b>	<b>32 628</b>	<b>17 546</b>	<b>65,0%</b>	<b>35 476</b>	<b>13 532</b>	
Transport equipment	1 108	(182)	-	926	-	926	-	1 350	654	
Other machinery and equipment	61 407	(12 159)	-	49 248	32 628	16 620	66,3%	34 126	12 878	
Software and other intangible assets	6 059	12 998	-	19 057	12 998	6 059	68,2%	7 392	23	
<b>Payment for fin assets</b>	<b>7 981 006</b>	<b>632 031</b>	<b>-</b>	<b>8 613 037</b>	<b>8 613 292</b>	<b>(255)</b>	<b>100,0%</b>	<b>4 746 916</b>	<b>4 273 816</b>	
<b>Total</b>	<b>34 525 673</b>	<b>-</b>	<b>-</b>	<b>34 525 673</b>	<b>34 081 507</b>	<b>444 166</b>	<b>98,7%</b>	<b>30 691 720</b>	<b>29 834 088</b>	

**NATIONAL TREASURY VOTE 8**  
**PART E: FINANCIAL INFORMATION**  
 FOR THE YEAR ENDED 31 MARCH 2021

**APPROPRIATION STATEMENT - Cont**

for the year ended 31 March 2021

		2020/21							2019/20			
		ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	FINAL APPROPRIATION	
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>PROGRAMME 1: ADMINISTRATION</b>												
<b>Sub programme</b>												
1	MINISTRY	4 283	-	-	4 283	3 678	605	85,9%	4 434	3 687	4 434	3 687
2	DEPARTMENTAL MANAGEMENT	42 625	(4 839)	(6 000)	31 786	24 716	7 070	77,8%	48 062	30 890	48 062	30 890
3	CORPORATE SERVICES	184 891	6 018	(7 000)	183 909	171 905	12 004	93,5%	156 200	133 094	156 200	133 094
4	ENTERPRISE WIDE RISK MANAGEMENT	34 981	(75)	(1 000)	33 906	29 531	4 375	87,1%	35 248	31 604	35 248	31 604
5	FINANCIAL ADMINISTRATION	48 395	3 529	(2 500)	49 424	46 935	2 489	95,0%	50 360	47 286	50 360	47 286
6	LEGAL SERVICES	24 123	1 575	-	25 698	25 138	560	97,8%	22 680	22 171	22 680	22 171
7	INTERNAL AUDIT	31 746	(3 192)	(6 943)	21 611	19 572	2 039	90,6%	37 923	34 235	37 923	34 235
8	COMMUNICATIONS	10 336	1 136	-	11 472	9 488	1 984	82,7%	12 753	10 926	12 753	10 926
9	OFFICE ACCOMMODATION	183 350	(4 152)	(12 000)	167 198	165 382	1 816	98,9%	143 710	139 741	143 710	139 741
	<b>Total</b>	<b>564 730</b>	<b>-</b>	<b>(35 443)</b>	<b>529 287</b>	<b>496 345</b>	<b>32 942</b>	<b>93,8%</b>	<b>511 370</b>	<b>453 634</b>	<b>511 370</b>	<b>453 634</b>

<b>APPROPRIATION PER ECONOMIC CLASSIFICATION</b>										
	<b>2020/21</b>					<b>2019/20</b>				
	<b>ADJUSTED APPROPRIATION</b>	<b>SHIFTING OF FUNDS</b>	<b>VIREMENT</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	<b>VARIANCE</b>	<b>EXPENDITURE AS % OF FINAL APPROPRIATION</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>	
<b>Current payments</b>	514 875	(1 100)	(35 443)	478 332	450 004	28 328	94,1%	480 369	438 917	
<b>Compensation of employees</b>	201 122	-	-	201 122	188 272	12 850	93,6%	211 505	192 446	
Salaries and wages	181 233	(3 921)	-	177 312	166 644	10 668	94,0%	189 183	171 118	
Social contributions	19 889	3 921	-	23 810	21 628	2 182	90,8%	22 322	21 328	
<b>Goods and services</b>	<b>313 753</b>	<b>(1 100)</b>	<b>(35 443)</b>	<b>277 210</b>	<b>261 732</b>	<b>15 478</b>	<b>94,4%</b>	<b>268 864</b>	<b>246 471</b>	
Administrative fees	1 464	(633)	-	831	158	673	19,0%	974	408	
Advertising	568	(35)	-	533	288	245	54,0%	815	439	
Minor assets	1 644	(1 312)	-	332	189	143	56,9%	1 861	1 507	
Audit costs: External	10 635	(511)	(1 500)	8 624	8 620	4	100,0%	9 691	9 691	
Bursaries: Employees	3 024	(720)	-	2 304	1 227	1 077	53,3%	2 501	1 130	
Catering: Departmental activities	617	118	-	735	299	436	40,7%	631	391	
Communication (G&S)	8 485	1 265	-	9 750	9 563	187	98,1%	7 028	6 436	
Computer services	53 732	(144)	(6 000)	47 588	45 494	2 094	95,6%	48 454	44 092	
Consultants: Business and advisory services	15 118	896	(8 943)	7 071	5 882	1 189	83,2%	21 758	19 874	
Infrastructure and planning services	-	6	-	6	6	-	100,0%	13	12	
Legal services	15 215	1 598	-	16 813	16 812	1	100,0%	13 874	12 417	
Contractors	14 814	(1 356)	-	13 458	12 553	905	93,3%	18 916	17 709	
Agency and support / outsourced services	7 800	(771)	-	7 029	7 012	17	99,8%	7 530	7 440	
Entertainment	174	-	-	174	3	171	1,7%	166	11	
Fleet services (including government motor transport)	3 735	(896)	-	2 839	2 574	265	90,7%	3 356	3 206	

**NATIONAL TREASURY VOTE 8**  
**PART E: FINANCIAL INFORMATION**  
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**APPROPRIATION  
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for the year ended 31 March 2021

	<b>APPROPRIATION PER ECONOMIC CLASSIFICATION</b>									
	2020/21					2019/20				
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
Consumable supplies	2 807	1 778	-	4 585	4 355	230	95,0%	3 680	2 663	
Consumable: Stationery, printing and office supplies	4 422	(160)	(1 000)	3 262	1 555	1 707	47,7%	3 410	2 263	
Operating leases	131 006	1 672	(5 000)	127 678	126 816	862	99,3%	82 080	81 002	
Property payments	24 347	(1 050)	(7 000)	16 297	16 292	5	100,0%	24 402	24 380	
Travel and subsistence	10 264	(443)	(6 000)	3 821	919	2 902	24,1%	14 078	9 598	
Training and development	2 549	147	-	2 696	813	1 883	30,2%	2 474	1 059	
Operating payments	963	(292)	-	671	276	395	41,1%	927	703	
Venues and facilities	370	(257)	-	113	26	87	23,0%	245	40	
<b>Transfers and subsidies</b>	<b>4 271</b>	<b>1 100</b>	-	<b>5 371</b>	<b>5 465</b>	<b>(94)</b>	<b>101,8%</b>	<b>6 720</b>	<b>6 433</b>	
<b>Departmental agencies and accounts</b>	<b>2 221</b>	-	-	<b>2 221</b>	<b>2 632</b>	<b>(411)</b>	<b>118,5%</b>	<b>2 238</b>	<b>2 235</b>	
Departmental agencies	2 221	-	-	2 221	2 632	(411)	118,5%	2 238	2 235	
<b>Households</b>	<b>2 050</b>	<b>1 100</b>	-	<b>3 150</b>	<b>2 833</b>	<b>317</b>	<b>89,9%</b>	<b>4 482</b>	<b>4 198</b>	
Social benefits	-	1 100	-	1 100	819	281	74,5%	2 352	2 068	

APPROPRIATION PER ECONOMIC CLASSIFICATION										
	2020/21					2019/20				
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Other transfers to households	2 050	-	-	2 050	2 014	36	98,2%	2 130	2 130	
<b>Payments for capital assets</b>	<b>45 584</b>	-	-	<b>45 584</b>	<b>40 843</b>	<b>4 741</b>	<b>89,6%</b>	<b>24 281</b>	<b>8 048</b>	
<b>Machinery and equipment</b>	<b>45 584</b>	<b>(12 998)</b>	-	<b>32 586</b>	<b>27 845</b>	<b>4 741</b>	<b>85,5%</b>	<b>21 681</b>	<b>8 025</b>	
Transport equipment	1 108	(182)	-	926	-	926	-	1 350	654	
Other machinery and equipment	44 476	(12 816)	-	31 660	27 845	3 815	88,0%	20 331	7 371	
Software and other intangible assets	-	12 998	-	12 998	12 998	-	100,0%	2 600	23	
<b>Payment for financial assets</b>	-	-	-	-	<b>33</b>	<b>(33)</b>	-	-	<b>236</b>	
<b>Total</b>	<b>564 730</b>	-	<b>(35 443)</b>	<b>529 287</b>	<b>496 345</b>	<b>32 942</b>	<b>93,8%</b>	<b>511 370</b>	<b>453 634</b>	

**NATIONAL TREASURY VOTE 8**  
**PART E: FINANCIAL INFORMATION**  
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**APPROPRIATION  
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for the year ended 31 March 2021

ECONOMIC CLASSIFICATION	2020/21							2019/20		
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
<b>Current payments</b>	4 283	-	-	4 283	3 678	605	85,9%	4 434	3 687	
Compensation of employees	4 283	-	-	4 283	3 678	605	85,9%	4 434	3 687	
Salaries and wages	4 283	-	-	4 283	3 678	605	85,9%	4 434	3 687	
<b>Total</b>	<b>4 283</b>	<b>-</b>	<b>-</b>	<b>4 283</b>	<b>3 678</b>	<b>605</b>	<b>85,9%</b>	<b>4 434</b>	<b>3 687</b>	

ECONOMIC CLASSIFICATION	2020/21							2019/20		
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
<b>Current payments</b>	40 892	(4 897)	(6 000)	29 995	24 333	5 662	81,1%	46 180	29 613	
Compensation of employees	27 869	(4 596)	-	23 273	20 869	2 404	89,7%	29 577	18 978	



<b>SUBPROGRAMME: 1.2: DEPARTMENTAL MANAGEMENT</b>											
<b>ECONOMIC CLASSIFICATION</b>	<b>2020/21</b>										<b>2019/20</b>
	<b>ADJUSTED APPROPRIATION</b>	<b>SHIFTING OF FUNDS</b>	<b>VIREMENT</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	<b>VARIANCE</b>	<b>EXPENDITURE AS % OF FINAL APPROPRIATION</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>		
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Salaries and wages	26 137	(5 596)	-	20 541	18 847	1 694	91,8%	27 032	27 032	16 966	
Social contributions	1 732	1 000	-	2 732	2 022	710	74,0%	2 545	2 545	2 012	
Goods and services	13 023	(301)	(6 000)	6 722	3 464	3 258	51,5%	16 603	16 603	10 635	
Administrative fees	765	(650)	-	115	34	81	29,6%	386	386	211	
Advertising	13	-	-	13	-	13	-	85	85	-	
Minor assets	20	3	-	23	2	21	8,7%	49	49	4	
Bursaries: Employees	290	162	-	452	408	44	90,3%	236	236	24	
Catering: Departmental activities	330	74	-	404	211	193	52,2%	310	310	213	
Communication (G&S)	245	10	-	255	178	77	69,8%	253	253	228	
Computer services	7	-	-	7	-	7	-	7	7	-	
Consultants: Business and advisory services	169	256	-	425	255	170	60,0%	507	507	284	
Legal services	607	37	-	644	643	1	99,8%	1 361	1 361	164	
Contractors	-	6	-	6	-	6	-	34	34	33	
Agency and support / outsourced services	18	-	-	18	-	18	-	17	17	4	
Entertainment	115	-	-	115	-	115	-	109	109	2	
Fleet services (including government motor transport)	709	-	-	709	553	156	78,0%	694	694	651	
Consumable supplies	67	3	-	70	15	55	21,4%	234	234	151	
Consumable: Stationery, printing and office supplies	769	5	-	774	193	581	24,9%	664	664	306	
Operating leases	730	-	-	730	171	559	23,4%	692	692	267	
Travel and subsistence	7 598	(38)	(6 000)	1 560	545	1 015	34,9%	10 601	10 601	8 047	

**NATIONAL TREASURY VOTE 8**  
**PART E: FINANCIAL INFORMATION**  
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**APPROPRIATION  
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**SUBPROGRAMME: 1.2: DEPARTMENTAL MANAGEMENT**

ECONOMIC CLASSIFICATION	2020/21						2019/20		
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Training and development	200	104	-	304	230	74	75,7%	130	-
Operating payments	11	-	-	11	-	11	-	19	6
Venues and facilities	360	(273)	-	87	26	61	29,9%	215	40
<b>Transfers and subsidies</b>	-	<b>58</b>	-	<b>58</b>	<b>57</b>	<b>1</b>	<b>98,3%</b>	<b>204</b>	<b>201</b>
<b>Households</b>	-	<b>58</b>	-	<b>58</b>	<b>57</b>	<b>1</b>	<b>98,3%</b>	<b>204</b>	<b>201</b>
Social benefits	-	58	-	58	57	1	98,3%	204	201
<b>Payments for capital assets</b>	<b>1 733</b>	-	-	<b>1 733</b>	<b>301</b>	<b>1 432</b>	<b>17,4%</b>	<b>1 678</b>	<b>916</b>
<b>Machinery and equipment</b>	<b>1 733</b>	-	-	<b>1 733</b>	<b>301</b>	<b>1 432</b>	<b>17,4%</b>	<b>1 678</b>	<b>916</b>
Transport equipment	1 108	(182)	-	926	-	926	-	1 350	654
Other machinery and equipment	625	182	-	807	301	506	37,3%	328	262
<b>Payment for financial assets</b>	-	-	-	-	<b>25</b>	<b>(25)</b>	-	-	-
<b>Total</b>	<b>42 625</b>	<b>(4 839)</b>	<b>(6 000)</b>	<b>31 786</b>	<b>24 716</b>	<b>7 070</b>	<b>77,8%</b>	<b>48 062</b>	<b>30 890</b>

<b>SUBPROGRAMME: 1.3: CORPORATE SERVICES</b>										
<b>ECONOMIC CLASSIFICATION</b>	<b>2020/21</b>					<b>2019/20</b>				
	<b>ADJUSTED APPROPRIATION</b>	<b>SHIFTING OF FUNDS</b>	<b>VIREMENT</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	<b>VARIANCE</b>	<b>EXPENDITURE AS % OF FINAL APPROPRIATION</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
<b>Current payments</b>	140 458	4 440	(7 000)	137 898	127 040	10 858	92,1%	136 223	127 155	
<b>Compensation of employees</b>	77 718	4 864	-	82 582	76 346	6 236	92,4%	78 971	76 703	
Salaries and wages	70 984	3 334	-	74 318	68 609	5 709	92,3%	71 533	69 301	
Social contributions	6 734	1 530	-	8 264	7 737	527	93,6%	7 438	7 402	
<b>Goods and services</b>	62 740	(424)	(7 000)	55 316	50 694	4 622	91,6%	57 252	50 452	
Administrative fees	353	29	-	382	10	372	2,6%	252	27	
Advertising	401	(44)	-	357	282	75	79,0%	440	279	
Minor assets	21	3	-	24	3	21	12,5%	38	37	
Bursaries: Employees	1 000	(308)	-	692	305	387	44,1%	509	324	
Catering: Departmental activities	121	43	-	164	45	119	27,4%	117	67	
Communication (G&S)	3 900	(1 045)	-	2 855	2 855	-	100,0%	3 007	3 007	
Computer services	50 450	369	(5 000)	45 819	44 407	1 412	96,9%	45 723	41 974	
Consultants: Business and advisory services	3 474	491	(2 000)	1 965	1 724	241	87,7%	4 107	3 170	
Contractors	105	207	-	312	207	105	66,3%	69	50	
Agency and support / outsourced services	(1)	-	-	(1)	-	(1)	-	-	-	
Entertainment	13	1	-	14	2	12	14,3%	16	2	
Fleet services (including government motor transport)	2	-	-	2	-	2	-	2	-	
Consumable supplies	288	(229)	-	59	7	52	11,9%	306	268	
Consumable: Stationery, printing and office supplies	302	(56)	-	246	84	162	34,1%	345	222	

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**APPROPRIATION**  
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**SUBPROGRAMME: 1.3: CORPORATE SERVICES**

ECONOMIC CLASSIFICATION	2020/21						2019/20		
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating leases	268	(73)	-	195	141	54	72,3%	248	134
Travel and subsistence	986	(214)	-	772	190	582	24,6%	984	512
Training and development	1 049	375	-	1 424	421	1 003	29,6%	1 049	354
Operating payments	8	11	-	19	11	8	57,9%	24	25
Venues and facilities	-	16	-	16	-	16	-	16	-
<b>Transfers and subsidies</b>	<b>4 271</b>	<b>738</b>	-	<b>5 009</b>	<b>5 104</b>	<b>(95)</b>	<b>101,9%</b>	<b>5 619</b>	<b>5 340</b>
<b>Departmental agencies and accounts</b>	<b>2 221</b>	-	-	<b>2 221</b>	<b>2 632</b>	<b>(411)</b>	<b>118,5%</b>	<b>2 217</b>	<b>2 217</b>
Departmental agencies (non-business entities)	2 221	-	-	2 221	2 632	(411)	118,5%	2 217	2 217
<b>Households</b>	<b>2 050</b>	<b>738</b>	-	<b>2 788</b>	<b>2 472</b>	<b>316</b>	<b>88,7%</b>	<b>3 402</b>	<b>3 123</b>
Social benefits	-	738	-	738	458	280	62,1%	1 272	994

<b>SUBPROGRAMME: 1.3: CORPORATE SERVICES</b>										
<b>ECONOMIC CLASSIFICATION</b>	<b>2020/21</b>						<b>2019/20</b>			
	<b>ADJUSTED APPROPRIATION</b>	<b>SHIFTING OF FUNDS</b>	<b>VIREMENT</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	<b>VARIANCE</b>	<b>EXPENDITURE AS % OF FINAL APPROPRIATION</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Other transfers to households	2 050	-	-	2 050	2 014	36	98,2%	2 130	2 129	
<b>Payments for capital assets</b>	<b>40 162</b>	<b>840</b>	-	<b>41 002</b>	<b>39 755</b>	<b>1 247</b>	<b>97,0%</b>	<b>14 358</b>	<b>599</b>	
<b>Machinery and equipment</b>	<b>40 162</b>	<b>(12 158)</b>	-	<b>28 004</b>	<b>26 757</b>	<b>1 247</b>	<b>95,5%</b>	<b>11 758</b>	<b>576</b>	
Other machinery and equipment	40 162	(12 158)	-	28 004	26 757	1 247	95,5%	11 758	576	
Software and other intangible assets	-	12 998	-	12 998	12 998	-	100,0%	2 600	23	
<b>Payment for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>(6)</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total</b>	<b>184 891</b>	<b>6 018</b>	<b>(7 000)</b>	<b>183 909</b>	<b>171 905</b>	<b>12 004</b>	<b>93,5%</b>	<b>156 200</b>	<b>133 094</b>	

<b>SUBPROGRAMME: 1.4: ENTERPRISE WIDE RISK MANAGEMENT</b>										
<b>ECONOMIC CLASSIFICATION</b>	<b>2020/21</b>						<b>2019/20</b>			
	<b>ADJUSTED APPROPRIATION</b>	<b>SHIFTING OF FUNDS</b>	<b>VIREMENT</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	<b>VARIANCE</b>	<b>EXPENDITURE AS % OF FINAL APPROPRIATION</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
<b>Current payments</b>	<b>34 639</b>	<b>(507)</b>	<b>(1 000)</b>	<b>33 132</b>	<b>29 420</b>	<b>3 712</b>	<b>88,8%</b>	<b>33 824</b>	<b>31 312</b>	
<b>Compensation of employees</b>	<b>18 309</b>	<b>822</b>	-	<b>19 131</b>	<b>18 049</b>	<b>1 082</b>	<b>94,3%</b>	<b>19 911</b>	<b>19 481</b>	
Salaries and wages	16 272	292	-	16 564	15 597	967	94,2%	17 297	16 959	
Social contributions	2 037	530	-	2 567	2 452	115	95,5%	2 614	2 522	
<b>Goods and services</b>	<b>16 330</b>	<b>(1 329)</b>	<b>(1 000)</b>	<b>14 001</b>	<b>11 371</b>	<b>2 630</b>	<b>81,2%</b>	<b>13 913</b>	<b>11 831</b>	
Administrative fees	9	-	-	9	4	5	44,4%	18	18	

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**SUBPROGRAMME: 1.4: ENTERPRISE WIDE RISK MANAGEMENT**

ECONOMIC CLASSIFICATION	2020/21						2019/20		
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Advertising	-	-	-	-	-	-	-	51	33
Minor assets	10	162	-	172	158	14	91,9%	178	5
Audit costs: External	500	(500)	-	-	-	-	-	-	-
Bursaries: Employees	248	(98)	-	150	11	139	7,3%	275	178
Catering: Departmental activities	10	-	-	10	-	10	-	10	7
Communication (G&S)	31	63	-	94	91	3	96,8%	106	96
Computer services	1 350	-	(1 000)	350	-	350	-	-	-
Consultants: Business and advisory services	482	67	-	549	124	425	22,6%	629	145
Contractors	12 155	(1 308)	-	10 847	10 075	772	92,9%	11 299	10 552
Entertainment	3	-	-	3	1	2	33,3%	1	-
Fleet services (including government motor transport)	1	-	-	1	-	1	-	-	-

<b>SUBPROGRAMME: 1.4: ENTERPRISE WIDE RISK MANAGEMENT</b>											
<b>ECONOMIC CLASSIFICATION</b>	<b>2020/21</b>						<b>2019/20</b>				
	<b>ADJUSTED APPROPRIATION</b>	<b>SHIFTING OF FUNDS</b>	<b>VIREMENT</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	<b>VARIANCE</b>	<b>EXPENDITURE AS % OF FINAL APPROPRIATION</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	<b>R'000</b>	<b>R'000</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Consumable supplies	133	501	-	634	591	43	93,2%	196	120		120
Consumable: Stationery, printing and office supplies	471	(77)	-	634	591	43	93,2%	196	120		120
Operating leases	211		-	211	162	49	67,8%	168	162		162
Travel and subsistence	367	(12)		355	73	282	20,6%	618	284		284
Training and development	343	(138)	-	205	34	171	16,6%	238	179		179
Operating payments	6	11	-	17	11	6	64,7%	12	2		2
<b>Transfers and subsidies</b>	-	<b>85</b>	-	<b>85</b>	<b>85</b>	-	<b>100,0%</b>	<b>134</b>	<b>134</b>		<b>134</b>
<b>Households</b>	-	<b>85</b>	-	<b>85</b>	<b>85</b>	-	<b>100,0%</b>	<b>134</b>	<b>134</b>		<b>134</b>
Social benefits	-	85	-	85	85	-	100,0%	134	134		134
<b>Payments for capital assets</b>	<b>342</b>	<b>347</b>	-	<b>689</b>	<b>26</b>	<b>663</b>	<b>3,8%</b>	<b>1 290</b>	<b>158</b>		<b>158</b>
<b>Machinery and equipment</b>	<b>342</b>	<b>347</b>	-	<b>689</b>	<b>26</b>	<b>663</b>	<b>3,8%</b>	<b>1 290</b>	<b>158</b>		<b>158</b>
Other machinery and equipment	342	347	-	689	26	663	3,8%	1 290	158		158
<b>Total</b>	<b>34 981</b>	<b>(75)</b>	<b>(1 000)</b>	<b>33 906</b>	<b>29 531</b>	<b>4 375</b>	<b>87,1%</b>	<b>35 248</b>	<b>31 604</b>		<b>31 604</b>

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**SUBPROGRAMME: 1.5: FINANCIAL ADMINISTRATION**

ECONOMIC CLASSIFICATION	2020/21						2019/20		
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>47 343</b>	<b>3 804</b>	<b>(2 500)</b>	<b>48 647</b>	<b>46 565</b>	<b>2 082</b>	<b>95,7%</b>	<b>49 410</b>	<b>46 650</b>
<b>Compensation of employees</b>	<b>30 081</b>	<b>1 448</b>	-	<b>31 529</b>	<b>30 660</b>	<b>869</b>	<b>97,2%</b>	<b>33 288</b>	<b>32 074</b>
Salaries and wages	26 065	839	-	26 904	26 158	746	97,2%	28 786	27 665
Social contributions	4 016	609	-	4 625	4 502	123	97,3%	4 502	4 409
<b>Goods and services</b>	<b>17 262</b>	<b>2 356</b>	<b>(2 500)</b>	<b>17 118</b>	<b>15 905</b>	<b>1 213</b>	<b>92,9%</b>	<b>16 122</b>	<b>14 576</b>
Administrative fees	281	(41)	-	240	103	137	42,9%	197	118
Advertising	87	(1)	-	86	-	86	-	42	1
Minor assets	8	-	-	8	-	8	-	8	-
Audit costs: External	10 135	(11)	(1 500)	8 624	8 620	4	100,0%	9 691	9 691
Bursaries: Employees	590	(71)	-	519	416	103	80,2%	673	418
Catering: Departmental activities	11	1	-	12	1	11	8,3%	10	1
Communication (G&S)	3 383	2 820	-	6 203	6 098	105	98,3%	2 796	2 466
Computer services	834	(338)	-	496	447	49	90,1%	742	623



<b>SUBPROGRAMME: 1.5: FINANCIAL ADMINISTRATION</b>											
<b>ECONOMIC CLASSIFICATION</b>	<b>2020/21</b>						<b>2019/20</b>				
	<b>ADJUSTED APPROPRIATION</b>	<b>SHIFTING OF FUNDS</b>	<b>VIREMENT</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	<b>VARIANCE</b>	<b>EXPENDITURE AS % OF FINAL APPROPRIATION</b>	<b>FINAL APPROPRIATION</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	
Consultants: Business and advisory services	-	-	-	-	-	-	-	60	-	-	
Contractors	10	-	-	10	-	10	-	10	-	-	
Entertainment	6	(1)	-	5	-	5	-	5	2	2	
Consumable supplies	-	15	-	15	-	15	-	27	10	10	
Consumable: Stationery, printing and office supplies	1 154	(14)	(1 000)	140	58	82	41,4%	1 065	1 021	1 021	
Operating leases	177	5	-	182	131	51	72,0%	147	123	123	
Travel and subsistence	282	-	-	282	9	273	3,2%	305	89	89	
Training and development	283	(13)	-	270	10	260	3,7%	327	8	8	
Operating payments	21	5	-	26	12	14	46,2%	17	5	5	
<b>Transfers and subsidies</b>	-	<b>72</b>	-	<b>72</b>	<b>72</b>	-	<b>100,0%</b>	<b>427</b>	<b>427</b>	<b>427</b>	
<b>Households</b>	-	<b>72</b>	-	<b>72</b>	<b>72</b>	-	<b>100,0%</b>	<b>427</b>	<b>427</b>	<b>427</b>	
Social benefits	-	72	-	72	72	-	100,0%	427	427	427	
<b>Payments for capital assets</b>	<b>1 052</b>	<b>(347)</b>	-	<b>705</b>	<b>296</b>	<b>409</b>	<b>42,0%</b>	<b>523</b>	<b>133</b>	<b>133</b>	
<b>Machinery and equipment</b>	<b>1 052</b>	<b>(347)</b>	-	<b>705</b>	<b>296</b>	<b>409</b>	<b>42,0%</b>	<b>523</b>	<b>133</b>	<b>133</b>	
Other machinery and equipment	1 052	(347)	-	705	296	409	42,0%	523	133	133	
<b>Payment for financial assets</b>	-	-	-	-	<b>2</b>	<b>(2)</b>	-	-	<b>76</b>	<b>76</b>	
<b>Total</b>	<b>48 395</b>	<b>3 529</b>	<b>(2 500)</b>	<b>49 424</b>	<b>46 935</b>	<b>2 489</b>	<b>95,0%</b>	<b>50 360</b>	<b>47 286</b>	<b>47 286</b>	

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**SUBPROGRAMME: 1.6: LEGAL SERVICES**

ECONOMIC CLASSIFICATION	2020/21						2019/20		
	ADJUSTED APPROPRIATION R'000	SHIFTING OF FUNDS R'000	VIREMENT R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	EXPENDITURE AS % OF FINAL APPROPRIATION %	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000
Current payments	24 013	1 561	-	25 574	25 124	450	98,2%	22 565	22 059
Compensation of employees	9 241	-	-	9 241	8 900	341	96,3%	9 732	9 688
Salaries and wages	8 252	1	-	8 253	7 922	331	96,0%	8 695	8 664
Social contributions	989	(1)	-	988	978	10	99,0%	1 037	1 024
<b>Goods and services</b>	<b>14 772</b>	<b>1 561</b>	<b>-</b>	<b>16 333</b>	<b>16 224</b>	<b>109</b>	<b>99,3%</b>	<b>12 833</b>	<b>12 371</b>
Administrative fees	1	-	-	1	-	1	-	2	1
Advertising	12	-	-	12	-	12	-	-	-
Minor assets	6	-	-	6	-	6	-	4	1
Bursaries: Employees	30	-	-	30	16	14	53,3%	15	-
Catering: Departmental	2	-	-	2	-	2	-	2	-
Consultants: Business and advisory services	-	-	-	-	-	-	-	9	8
Legal services	14 608	1 561	-	16 169	16 169	-	100,0%	12 513	12 253
Entertainment	14	-	-	14	-	14	-	13	-

<b>SUBPROGRAMME: 1.6: LEGAL SERVICES</b>										
<b>ECONOMIC CLASSIFICATION</b>	<b>2020/21</b>						<b>2019/20</b>			
	<b>ADJUSTED APPROPRIATION</b>	<b>SHIFTING OF FUNDS</b>	<b>VIREMENT</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	<b>VARIANCE</b>	<b>EXPENDITURE AS % OF FINAL APPROPRIATION</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>	
Consumable: Stationery, printing and office supplies	22	-	-	22	4	18	18,2%	24	18	
Operating leases	42	-	-	42	14	28	33,3%	78	43	
Travel and subsistence	31	(28)	-	3	-	3	-	88	6	
Training and development	-	11	-	11	-	11	-	81	40	
Operating payments	4	17	-	21	21	-	100,0%	4	1	
<b>Transfers and subsidies</b>	-	<b>14</b>	-	<b>14</b>	<b>14</b>	-	<b>100,0%</b>	-	-	
<b>Households</b>	-	<b>14</b>	-	<b>14</b>	<b>14</b>	-	<b>100,0%</b>	-	-	
Social benefits	-	14	-	14	14	-	100,0%	-	-	
<b>Payments for capital assets</b>	<b>110</b>	-	-	<b>110</b>	-	<b>110</b>	-	<b>115</b>	<b>112</b>	
<b>Machinery and equipment</b>	<b>110</b>	-	-	<b>110</b>	-	<b>110</b>	-	<b>115</b>	<b>112</b>	
Other machinery and equipment	110	-	-	110	-	110	-	115	112	
<b>Total</b>	<b>24 123</b>	<b>1 575</b>	-	<b>25 698</b>	<b>25 138</b>	<b>560</b>	<b>97,8%</b>	<b>22 680</b>	<b>22 171</b>	

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**SUBPROGRAMME: 1.7: INTERNAL AUDIT**

ECONOMIC CLASSIFICATION	2020/21						2019/20		
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	31 557	(3 250)	(6 943)	21 364	19 514	1 850	91,3%	37 344	33 791
<b>Compensation of employees</b>	18 491	(3 250)	-	15 241	14 899	342	97,8%	18 624	16 316
Salaries and wages	16 441	(3 251)	-	13 190	13 124	66	99,5%	16 799	14 577
Social contributions	2 050	1	-	2 051	1 775	276	86,5%	1 825	1 739
<b>Goods and services</b>	13 066	-	(6 943)	6 123	4 615	1 508	75,4%	18 720	17 475
Administrative fees	18	36	-	54	-	54	-	53	5
Advertising	52	3	-	55	-	55	-	191	125
Consultants: Business and advisory services	10 864	-	(6 943)	3 921	3 698	223	94,3%	16 375	16 197
Entertainment	16	-	-	16	-	16	-	15	3
Fleet services (including government motor transport)	4	-	-	4	-	4	-	4	-

<b>SUBPROGRAMME: 1.7: INTERNAL AUDIT</b>											
<b>ECONOMIC CLASSIFICATION</b>	<b>2020/21</b>						<b>2019/20</b>				
	<b>ADJUSTED APPROPRIATION</b>	<b>SHIFTING OF FUNDS</b>	<b>VIREMENT</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	<b>VARIANCE</b>	<b>EXPENDITURE AS % OF FINAL APPROPRIATION</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>		
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Consumable supplies	-	-	-	-	-	-	-	-	1	-	-
Consumable: Stationery, printing and office supplies	21	3	-	24	-	24	-	-	38	10	-
Operating leases	196	-	-	196	77	119	39,3%	81	81	59	-
Travel and subsistence	224	-	-	224	1	223	0,4%	304	304	107	-
Training and development	428	-	-	428	118	310	27,6%	453	453	394	-
Operating payments	97	-	-	97	88	9	90,7%	84	84	75	-
Transfers and subsidies	-	58	-	58	58	-	100,0%	263	263	262	-
<b>Households</b>	-	<b>58</b>	-	<b>58</b>	<b>58</b>	-	<b>100,0%</b>	<b>263</b>	<b>263</b>	<b>262</b>	-
Social benefits	-	58	-	58	58	-	100,0%	263	263	262	-
<b>Payments for capital assets</b>	<b>189</b>	-	-	<b>189</b>	-	<b>189</b>	-	<b>316</b>	<b>316</b>	<b>182</b>	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	-	-
<b>Machinery and equipment</b>	<b>189</b>	-	-	<b>189</b>	-	<b>189</b>	-	<b>316</b>	<b>316</b>	<b>182</b>	-
Other machinery and equipment	189	-	-	189	-	189	-	316	316	182	-
<b>Total</b>	<b>31 746</b>	<b>(3 192)</b>	<b>(6 943)</b>	<b>21 611</b>	<b>19 572</b>	<b>2 039</b>	<b>90,6%</b>	<b>37 923</b>	<b>37 923</b>	<b>34 235</b>	-

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**SUBPROGRAMME: 1.8: COMMUNICATIONS**

ECONOMIC CLASSIFICATION	2020/21						2019/20		
	ADJUSTED APPROPRIATION R'000	SHIFTING OF FUNDS R'000	VIREMENT R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	EXPENDITURE AS % OF FINAL APPROPRIATION %	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000
<b>Current payments</b>	9 954	1 136	-	11 090	9 482	1 608	85,5%	12 367	10 599
<b>Compensation of employees</b>	6 012	1 494	-	7 506	7 488	18	99,8%	7 337	7 294
Salaries and wages	5 343	1 242	-	6 585	6 568	17	99,7%	6 414	6 380
Social contributions	669	252	-	921	920	1	99,9%	923	914
<b>Goods and services</b>	3 942	(358)	-	3 584	1 994	1 590	55,6%	5 030	3 305
Administrative fees	31	(7)	-	24	7	17	29,2%	60	28
Advertising	3	7	-	10	6	4	60,0%	2	1
Minor assets	8	(5)	-	3	-	3	-	11	-
Bursaries: Employees	241	(207)	-	34	12	22	35,3%	111	17
Catering: Departmental activities	123	-	-	123	42	81	34,1%	117	68
Computer services	120	38	-	158	66	92	41,8%	1 410	1 196
Consultants: Business and advisory services	63	82	-	145	81	64	55,9%	71	70

SUBPROGRAMME: 1.8: COMMUNICATIONS										
ECONOMIC CLASSIFICATION	2020/21						2019/20			
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Contractors	14	-	-	14	3	11	21,4%	4	3	
Entertainment	5	-	-	5	-	5	-	5	2	
Consumable supplies	11	57	-	68	61	7	89,7%	20	12	
Consumable: Stationery, printing and office supplies	1 610	(21)	-	1 589	1 157	432	72,8%	1 077	612	
Operating leases	350	10	-	360	359	1	99,7%	354	353	
Travel and subsistence	707	(151)	-	556	101	455	18,2%	1 101	533	
Training and development	146	(92)	-	54	-	54	-	173	65	
Operating payments	500	(69)	-	431	99	332	23,0%	500	345	
Venues and facilities	10	-	-	10	-	10	-	14	-	
Transfers and subsidies	-	-	-	-	-	-	-	14	13	
<b>Households</b>	-	-	-	-	-	-	-	<b>14</b>	<b>13</b>	
Social benefits	-	-	-	-	-	-	-	14	13	
<b>Payments for capital assets</b>	<b>382</b>	-	-	<b>382</b>	<b>6</b>	<b>376</b>	<b>1,6%</b>	<b>372</b>	<b>314</b>	
<b>Machinery and equipment</b>	<b>382</b>	-	-	<b>382</b>	<b>6</b>	<b>376</b>	<b>1,6%</b>	<b>372</b>	<b>314</b>	
Other machinery and equipment	382	-	-	382	6	376	1,6%	372	314	
<b>Total</b>	<b>10 336</b>	<b>1 136</b>	-	<b>11 472</b>	<b>9 488</b>	<b>1 984</b>	<b>82,7%</b>	<b>12 753</b>	<b>10 926</b>	

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**SUBPROGRAMME: 1.9: OFFICE ACCOMMODATION**

ECONOMIC CLASSIFICATION	2020/21							2019/20		
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
<b>Current payments</b>	181 736	(3 387)	(12 000)	166 349	164 848	1 501	99,1%	138 022	134 051	
<b>Compensation of employees</b>	9 118	(782)	-	8 336	7 383	953	88,6%	9 631	8 225	
Salaries and wages	7 456	(782)	-	6 674	6 141	533	92,0%	8 193	6 919	
Social contributions	1 662	-	-	1 662	1 242	420	74,7%	1 438	1 306	
<b>Goods and services</b>	172 618	(2 605)	(12 000)	158 013	157 465	548	99,7%	128 391	125 826	
Administrative fees	6	-	-	6	-	6	-	6	-	
Advertising	-	-	-	-	-	-	-	4	-	
Minor assets	1 571	(1 475)	-	96	26	70	27,1%	1 573	1 460	
Bursaries: Employees	170	(69)	-	101	-	101	-	140	-	
Communication (G&S)	926	(583)	-	343	341	2	99,4%	866	639	
Computer services	300	(300)	-	-	-	-	-	58	3	
Consultants: Business and advisory services	66	-	-	66	-	66	-	-	-	
Infrastructure and planning services	-	6	-	6	6	-	100,0%	13	12	
Contractors	2 530	(261)	-	2 269	2 268	1	100,0%	7 500	7 071	



<b>SUBPROGRAMME: 1.9: OFFICE ACCOMMODATION</b>											
<b>ECONOMIC CLASSIFICATION</b>	<b>2020/21</b>						<b>2019/20</b>				
	<b>ADJUSTED APPROPRIATION</b>	<b>SHIFTING OF FUNDS</b>	<b>VIREMENT</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	<b>VARIANCE</b>	<b>EXPENDITURE AS % OF FINAL APPROPRIATION</b>	<b>FINAL APPROPRIATION</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	
Agency and support / outsourced services	7 783	(771)	-	7 012	7 012	-	100,0%	7 513	7 513	7 436	
Entertainment	2	-	-	2	-	2	-	-	2	-	
Fleet services (including government motor transport)	3 019	(896)	-	2 123	2 021	102	95,2%	2 656	2 656	2 555	
Consumable supplies	2 308	1 431	-	3 739	3 681	58	98,4%	2 896	2 896	2 102	
Consumable: Stationery, printing and office supplies	73	-	-	73	23	50	31,5%	83	83	24	
Operating leases	129 032	1 730	(5 000)	125 762	125 761	1	100,0%	80 312	80 312	79 861	
Property payments	24 347	(1 050)	(7 000)	16 297	16 292	5	100,0%	24 402	24 402	24 380	
Travel and subsistence	69	-	-	69	-	69	-	77	77	20	
Training and development	100	(100)	-	-	-	-	-	23	23	19	
Operating payments	316	(267)	-	49	34	15	69,4%	267	267	244	
<b>Transfers and subsidies</b>	-	<b>75</b>	-	<b>75</b>	<b>75</b>	-	<b>100,0%</b>	<b>59</b>	<b>59</b>	<b>56</b>	
<b>Departmental agencies and accounts</b>	-	-	-	-	-	-	-	<b>21</b>	<b>21</b>	<b>18</b>	
Departmental agencies (non-business entities)	-	-	-	-	-	-	-	21	21	18	
<b>Households</b>	-	<b>75</b>	-	<b>75</b>	<b>75</b>	-	<b>100,0%</b>	<b>38</b>	<b>38</b>	<b>38</b>	
Social benefits	-	75	-	75	75	-	100,0%	38	38	37	
<b>Payments for capital assets</b>	<b>1 614</b>	<b>(840)</b>	-	<b>774</b>	<b>459</b>	<b>315</b>	<b>59,3%</b>	<b>5 629</b>	<b>5 629</b>	<b>5 634</b>	
<b>Machinery and equipment</b>	<b>1 614</b>	<b>(840)</b>	-	<b>774</b>	<b>459</b>	<b>315</b>	<b>59,3%</b>	<b>5 629</b>	<b>5 629</b>	<b>5 634</b>	
Other machinery and equipment	1 614	(840)	-	774	459	315	59,3%	5 629	5 629	5 634	
<b>Total</b>	<b>183 350</b>	<b>(4 152)</b>	<b>(12 000)</b>	<b>167 198</b>	<b>165 382</b>	<b>1 816</b>	<b>98,9%</b>	<b>143 710</b>	<b>143 710</b>	<b>139 741</b>	

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<b>PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH</b>											
<b>SUB PROGRAMME</b>	<b>2020/21</b>						<b>2019/20</b>				
	<b>ADJUSTED APPROPRIATION</b>	<b>SHIFTING OF FUNDS</b>	<b>VIREMENT</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	<b>VARIANCE</b>	<b>EXPENDITURE AS % OF FINAL APPROPRIATION</b>	<b>FINAL APPROPRIATION</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	<b>R'000</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
PROGRAMME MANAGEMENT FOR ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH	44 334	(1 335)	(2 219)	40 780	37 096	3 684	91,0%	40 493	40 493	33 449	
2 FINANCIAL SECTOR POLICY	25 625	320	(1 502)	24 443	18 018	6 425	73,7%	21 176	21 176	19 537	
3 TAX POLICY	32 157	415	(2 671)	29 901	27 393	2 508	91,6%	32 432	32 432	30 037	
4 ECONOMIC POLICY	27 718	600	(1 996)	26 322	21 751	4 571	82,6%	23 265	23 265	21 099	
5 COOPERATIVE BANKS DEVELOPMENT AGENCY	20 473	-	-	20 473	20 473	-	100,0%	20 759	20 759	20 759	
<b>Total</b>	<b>150 307</b>	<b>-</b>	<b>(8 388)</b>	<b>141 919</b>	<b>124 731</b>	<b>17 188</b>	<b>87,9%</b>	<b>138 125</b>	<b>138 125</b>	<b>124 881</b>	

<b>APPROPRIATION PER ECONOMIC CLASSIFICATION</b>										
2020/21										2019/20
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
<b>Current payments</b>	128 584	(198)	(8 388)	119 998	103 987	16 011	86,7%	115 999	103 527	
<b>Compensation of employees</b>	85 608	-	-	85 608	71 745	13 863	83,8%	75 505	70 797	
Salaries and wages	77 795	(269)	-	77 526	64 674	12 852	83,4%	68 005	63 763	
Social contributions	7 813	269	-	8 082	7 071	1 011	87,5%	7 500	7 034	
<b>Goods and services</b>	42 976	(198)	(8 388)	34 390	32 242	2 148	93,8%	40 494	32 730	
Administrative fees	149	4	(135)	18	11	7	61,1%	193	116	
Advertising	414	183	(234)	363	345	18	95,0%	286	114	
Minor assets	5	-	(5)	-	-	-	-	5	1	
Bursaries: Employees	251	148	(5)	394	350	44	88,8%	228	154	
Catering: Departmental activities	175	-	(175)	-	-	-	-	187	87	
Communication (G&S)	-	4	-	4	4	-	100,0%	5	4	
Computer services	95	359	-	454	377	77	83,0%	53	45	
Consultants: Business and advisory services	31 661	(2 640)	(1 104)	27 917	27 276	641	97,7%	27 604	23 619	
Legal services	-	-	-	-	-	-	-	426	423	
Entertainment	67	1	(65)	3	2	1	66,7%	64	7	
Consumable supplies	141	65	(139)	67	52	15	77,6%	133	106	
Consumable: Stationery, printing and office supplies	1 690	476	(1 161)	1 005	737	268	73,3%	1 984	989	
Operating leases	264	5	(45)	224	169	55	75,4%	303	225	
Travel and subsistence	4 898	76	(3 915)	1 059	189	870	17,8%	6 228	4 677	
Training and development	1 202	38	(1 021)	219	79	140	36,1%	523	117	
Operating payments	1 893	1 083	(313)	2 663	2 651	12	99,5%	2 159	2 037	
Venues and facilities	71	-	(71)	-	-	-	-	113	9	

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	2020/21						2019/20		
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Transfers and subsidies</b>	20 572	198	-	20 770	20 666	104	99,5%	21 231	21 130
<b>Departmental agencies and accounts</b>	20 473	-	-	20 473	20 473	-	100,0%	20 759	20 759
Departmental agencies	20 473	-	-	20 473	20 473	-	100,0%	20 759	20 759
<b>Households</b>	99	198	-	297	193	104	65,0%	472	371
Social benefits	99	198	-	297	193	104	65,0%	472	371
<b>Payments for capital assets</b>	1 151	-	-	1 151	78	1 073	6,8%	895	224
<b>Machinery and equipment</b>	1 151	-	-	1 151	78	1 073	6,8%	895	224
Other machinery and equipment	1 151	-	-	1 151	78	1 073	6,8%	895	224
<b>Total</b>	<b>150 307</b>	<b>-</b>	<b>(8 388)</b>	<b>141 919</b>	<b>124 731</b>	<b>17 188</b>	<b>87,9%</b>	<b>138 125</b>	<b>124 881</b>

SUBPROGRAMME: 2.1: PROGRAMME MANAGEMENT FOR ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH										
ECONOMIC CLASSIFICATION	2020/21					2019/20				
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	FINAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current payments	43 876	(1 435)	(2 219)	40 222	36 998	3 224	92,0%	40 161	33 449	
Compensation of employees	10 020	-	-	10 020	8 413	1 607	84,0%	9 886	8 593	
Salaries and wages	8 976	(2)	-	8 974	7 475	1 499	83,3%	8 841	7 637	
Social contributions	1 044	2	-	1 046	938	108	89,7%	1 045	956	
<b>Goods and services</b>	<b>33 856</b>	<b>(1 435)</b>	<b>(2 219)</b>	<b>30 202</b>	<b>28 585</b>	<b>1 617</b>	<b>94,6%</b>	<b>30 275</b>	<b>24 856</b>	
Administrative fees	36	1	(31)	6	2	4	33,3%	28	23	
Advertising	181	41	(38)	184	182	2	98,9%	73	28	
Catering: Departmental activities	33	-	(33)	-	-	-	-	54	54	
Computer services	2	-	-	2	1	1	50,0%	2	1	
Consultants: Business and advisory services	31 190	(2 702)	(633)	27 855	27 233	622	97,8%	27 102	23 272	
Legal services	-	-	-	-	-	-	-	190	188	
Entertainment	11	1	(10)	2	1	1	50,0%	10	3	
Consumable supplies	81	58	(79)	60	48	12	80,0%	65	54	
Consumable: Stationery, printing and office supplies	638	192	(638)	192	112	80	58,3%	649	16	
Operating leases	-	5	-	5	4	1	80,0%	1	-	
Travel and subsistence	1 563	4	(677)	890	37	853	4,2%	1 962	1 203	
Training and development	108	55	(67)	96	58	38	60,4%	93	14	
Operating payments	-	910	-	910	907	3	99,7%	-	-	
Venues and facilities	13	-	(13)	-	-	-	-	46	-	
<b>Transfers and subsidies</b>	<b>99</b>	<b>100</b>	<b>-</b>	<b>199</b>	<b>98</b>	<b>101</b>	<b>49,2%</b>	<b>-</b>	<b>-</b>	
<b>Households</b>	<b>99</b>	<b>100</b>	<b>-</b>	<b>199</b>	<b>98</b>	<b>101</b>	<b>49,2%</b>	<b>-</b>	<b>-</b>	
Social benefits	99	100	-	199	98	101	49,2%	-	-	

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ECONOMIC CLASSIFICATION	2020/21						2019/20			
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	R'000
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Payments for capital assets	359	-	-	359	-	359	-	332	-	-
Machinery and equipment	359	-	-	359	-	359	-	332	-	-
Other machinery and equipment	359	-	-	359	-	359	-	332	-	-
<b>Total</b>	<b>44 334</b>	<b>(1 335)</b>	<b>(2 219)</b>	<b>40 780</b>	<b>37 096</b>	<b>3 684</b>	<b>91,0%</b>	<b>40 493</b>	<b>33 449</b>	<b>33 449</b>

<b>SUBPROGRAMME: 2.2: FINANCIAL SECTOR POLICY</b>											
<b>ECONOMIC CLASSIFICATION</b>	<b>2020/21</b>						<b>2019/20</b>				
	<b>ADJUSTED APPROPRIATION</b>	<b>SHIFTING OF FUNDS</b>	<b>VIREMENT</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	<b>VARIANCE</b>	<b>EXPENDITURE AS % OF FINAL APPROPRIATION</b>	<b>FINAL APPROPRIATION</b>	<b>FINAL EXPENDITURE</b>		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
<b>Current payments</b>	25 445	293	(1 502)	24 236	17 992	6 244	74,2%	21 024	19 415		
<b>Compensation of employees</b>	23 604	-	-	23 604	17 488	6 116	74,1%	18 743	17 407		
Salaries and wages	21 283	(61)	-	21 222	15 747	5 475	74,2%	16 824	15 715		
Social contributions	2 321	61	-	2 382	1 741	641	73,1%	1 919	1 692		
<b>Goods and services</b>	1 841	293	(1 502)	632	504	128	79,7%	2 281	2 008		
Administrative fees	29	1	(25)	5	4	1	80,0%	40	32		
Advertising	31	61	(31)	61	61	-	100,0%	70	61		
Bursaries: Employees	144	131	-	275	266	9	96,7%	123	109		
Catering: Departmental activities	26	-	(26)	-	-	-	-	23	-		
Consultants: Business and advisory services	11	42	(11)	42	24	18	57,1%	37	24		
Legal services	-	-	-	-	-	-	-	236	235		
Entertainment	22	-	(22)	-	-	-	-	21	1		
Consumable supplies	35	-	(35)	-	-	-	-	31	31		
Consumable: Stationery, printing and office supplies	297	4	(297)	4	-	4	-	22	16		
Operating leases	117	-	(39)	78	45	33	57,7%	116	83		
Travel and subsistence	943	53	(890)	106	100	6	94,3%	1 418	1 405		
Training and development	186	(4)	(126)	56	-	56	-	134	2		
Operating payments	-	5	-	5	4	1	80,0%	-	-		
Venues and facilities	-	-	-	-	-	-	-	10	9		
<b>Transfers and subsidies</b>	-	27	-	27	26	1	96,3%	109	108		
<b>Households</b>	-	27	-	27	26	1	96,3%	109	108		
Social benefits	-	27	-	27	26	1	96,3%	109	108		

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**SUBPROGRAMME: 2.2: FINANCIAL SECTOR POLICY**

ECONOMIC CLASSIFICATION	2020/21						2019/20		
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	180	-	-	180	-	180	-	43	14
Machinery and equipment	180	-	-	180	-	180	-	43	14
Other machinery and equipment	180	-	-	180	-	180	-	43	14
<b>Total</b>	<b>25 625</b>	<b>320</b>	<b>(1 502)</b>	<b>24 443</b>	<b>18 018</b>	<b>6 425</b>	<b>73,7%</b>	<b>21 176</b>	<b>19 537</b>

**SUBPROGRAMME: 2.3: TAX POLICY**

ECONOMIC CLASSIFICATION	2020/21						2019/20		
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	31 900	380	(2 671)	29 609	27 359	2 250	92,4%	31 919	29 700
Compensation of employees	27 897	-	-	27 897	25 886	2 011	92,8%	27 198	26 198
Salaries and wages	25 484	(406)	-	25 078	23 250	1 828	92,7%	24 510	23 511
Social contributions	2 413	406	-	2 819	2 636	183	93,5%	2 688	2 687



<b>SUBPROGRAMME: 2.3: TAX POLICY</b>											
<b>ECONOMIC CLASSIFICATION</b>	<b>2020/21</b>						<b>2019/20</b>				
	<b>ADJUSTED APPROPRIATION</b>	<b>SHIFTING OF FUNDS</b>	<b>VIREMENT</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	<b>VARIANCE</b>	<b>EXPENDITURE AS % OF FINAL APPROPRIATION</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	<b>R'000</b>	<b>R'000</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>Goods and services</b>	4 003	380	(2 671)	1 712	1 473	239	86,0%	4 721	3 502		
Administrative fees	49	1	(46)	4	3	1	75,0%	91	45		
Advertising	39	-	(39)	-	-	-	-	31	8		
Minor assets	-	-	-	-	-	-	-	5	1		
Bursaries: Employees	29	-	(5)	24	15	9	62,5%	30	2		
Catering: Departmental activities	88	-	(88)	-	-	-	-	83	33		
Consultants: Business and advisory services	435	20	(435)	20	19	1	95,0%	459	323		
Entertainment	16	-	(16)	-	-	-	-	15	-		
Consumable supplies	14	3	(14)	3	-	3	-	21	7		
Consumable: Stationery, printing and office supplies	728	276	(199)	805	625	180	77,6%	1 275	955		
Operating leases	71	-	-	71	57	14	80,3%	95	87		
Travel and subsistence	1 486	12	(1 465)	33	26	7	78,8%	1 761	1 390		
Training and development	172	-	(152)	20	-	20	-	51	20		
Operating payments	821	68	(157)	732	728	4	99,5%	752	631		
Venues and facilities	55	-	(55)	-	-	-	-	52	-		
<b>Transfers and subsidies</b>	-	<b>35</b>	-	<b>35</b>	<b>34</b>	<b>1</b>	<b>97,1%</b>	<b>259</b>	<b>159</b>		
<b>Households</b>	-	<b>35</b>	-	<b>35</b>	<b>34</b>	<b>1</b>	<b>97,1%</b>	<b>259</b>	<b>159</b>		
Social benefits	-	35	-	35	34	1	97,1%	259	159		
<b>Payments for capital assets</b>	<b>257</b>	-	-	<b>257</b>	-	<b>257</b>	-	<b>254</b>	<b>178</b>		
<b>Machinery and equipment</b>	<b>257</b>	-	-	<b>257</b>	-	<b>257</b>	-	<b>254</b>	<b>178</b>		
Other machinery and equipment	257	-	-	257	-	257	-	254	178		
<b>Total</b>	<b>32 157</b>	<b>415</b>	<b>(2 671)</b>	<b>29 901</b>	<b>27 393</b>	<b>2 508</b>	<b>91,6%</b>	<b>32 432</b>	<b>30 037</b>		

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**SUBPROGRAMME: 2.4: ECONOMIC POLICY**

ECONOMIC CLASSIFICATION	2020/21						2019/20		
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>27 363</b>	<b>564</b>	<b>(1 996)</b>	<b>25 931</b>	<b>21 638</b>	<b>4 293</b>	<b>83,4%</b>	<b>22 895</b>	<b>20 963</b>
<b>Compensation of employees</b>	<b>24 087</b>	-	-	<b>24 087</b>	<b>19 958</b>	<b>4 129</b>	<b>82,9%</b>	<b>19 678</b>	<b>18 599</b>
Salaries and wages	22 052	200	-	22 252	18 202	4 050	81,8%	17 830	16 900
Social contributions	2 035	(200)	-	1 835	1 756	79	95,7%	1 848	1 699
<b>Goods and services</b>	<b>3 276</b>	<b>564</b>	<b>(1 996)</b>	<b>1 844</b>	<b>1 680</b>	<b>164</b>	<b>91,1%</b>	<b>3 217</b>	<b>2 364</b>
Administrative fees	35	1	(33)	3	2	1	66,7%	34	16
Advertising	163	81	(126)	118	102	16	86,4%	112	17
Minor assets	5	-	(5)	-	-	-	-	-	-
Bursaries: Employees	78	17	-	95	69	26	72,6%	75	43
Catering: Departmental activities	28	-	(28)	-	-	-	-	27	-
Communication (G&S)	-	4	-	4	4	-	100,0%	5	4
Computer services	93	359	-	452	376	76	83,2%	51	44

SUBPROGRAMME: 2.4: ECONOMIC POLICY										
ECONOMIC CLASSIFICATION	2020/21						2019/20			
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Consultants: Business and advisory services	25	-	(25)	-	-	-	-	6	-	
Entertainment	18	-	(17)	1	1	-	100,0%	18	3	
Consumable supplies	11	4	(11)	4	4	-	100,0%	16	14	
Consumable: Stationery, printing and office supplies	27	4	(27)	4	-	4	-	38	2	
Operating leases	76	-	(6)	70	63	7	90,0%	91	55	
Travel and subsistence	906	7	(883)	30	26	4	86,7%	1 087	679	
Training and development	736	(13)	(676)	47	21	26	44,7%	245	81	
Operating payments	1 072	100	(156)	1 016	1 012	4	99,6%	1 407	1 406	
Venues and facilities	3	-	(3)	-	-	-	-	5	-	
<b>Transfers and subsidies</b>	-	36	-	36	35	1	97,2%	104	104	
<b>Households</b>	-	36	-	36	35	1	97,2%	104	104	
Social benefits	-	36	-	36	35	1	97,2%	104	104	
<b>Payments for capital assets</b>	355	-	-	355	78	277	22,0%	266	32	
<b>Machinery and equipment</b>	355	-	-	355	78	277	22,0%	266	32	
Other machinery and equipment	355	-	-	355	78	277	22,0%	266	32	
<b>Total</b>	<b>27 718</b>	<b>600</b>	<b>(1 996)</b>	<b>26 322</b>	<b>21 751</b>	<b>4 571</b>	<b>82,6%</b>	<b>23 265</b>	<b>21 099</b>	

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**SUBPROGRAMME: 2.5: COOPERATIVE BANKS DEVELOPMENT AGENCY**

ECONOMIC CLASSIFICATION	2020/21						2019/20		
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	20 473	-	-	20 473	20 473	-	100,0%	20 759	20 759
Departmental agencies and accounts	20 473	-	-	20 473	20 473	-	100,0%	20 759	20 759
Departmental agencies (non-business entities)	20 473	-	-	20 473	20 473	-	100,0%	20 759	20 759
Total	20 473	-	-	20 473	20 473	-	100,0%	20 759	20 759

<b>PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT</b>										
<b>SUB PROGRAMME</b>	<b>2020/21</b>						<b>2019/20</b>			
	<b>ADJUSTED APPROPRIATION</b>	<b>SHIFTING OF FUNDS</b>	<b>VIREMENT</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	<b>VARIANCE</b>	<b>EXPENDITURE AS % OF FINAL APPROPRIATION</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>	
1	21 702	(132)	(7 435)	14 135	14 105	30	99,8%	26 757	23 338	
2	68 959	3 148	(318)	71 789	68 632	3 157	95,6%	70 214	68 497	
	69 550	(3 466)	-	66 084	55 518	10 566	84,0%	62 976	59 945	
3	136 665	450	(29 265)	107 850	92 470	15 380	85,7%	104 292	100 784	
4	63 821	-	-	63 821	63 821	-	100,0%	54 319	54 319	
5	1 481 861	-	-	1 481 861	1 481 861	-	100,0%	1 643 619	1 629 191	
6	312 227	-	-	312 227	311 011	1 216	99,6%	330 631	325 177	
7	685 015	-	-	685 015	609 753	75 262	89,0%	689 582	674 867	
<b>Total</b>	<b>2 839 800</b>	<b>-</b>	<b>(37 018)</b>	<b>2 802 782</b>	<b>2 697 171</b>	<b>105 611</b>	<b>96,2%</b>	<b>2 982 390</b>	<b>2 936 118</b>	

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	2020/21						2019/20		
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	645 436	(1 567)	(37 018)	606 851	559 701	47 150	92,2%	627 396	593 226
<b>Compensation of employees</b>	238 539	-	-	238 539	212 579	25 960	89,1%	224 184	223 967
Salaries and wages	211 664	1 499	-	213 163	189 943	23 220	89,1%	200 958	200 802
Social contributions	26 875	(1 499)	-	25 376	22 636	2 740	89,2%	23 226	23 165
<b>Goods and services</b>	<b>406 897</b>	<b>(1 567)</b>	<b>(37 018)</b>	<b>368 312</b>	<b>347 122</b>	<b>21 190</b>	<b>94,2%</b>	<b>403 212</b>	<b>369 259</b>
Administrative fees	395	(227)	(15)	153	57	96	37,3%	540	428
Advertising	244	(61)	(41)	142	20	122	14,1%	180	96
Minor assets	11	184	-	195	171	24	87,7%	150	93
Audit costs: External	-	-	-	-	-	-	-	17	-
Bursaries: Employees	1 115	210	(15)	1 310	1 201	109	91,7%	1 224	458
Catering: Departmental activities	365	(150)	-	215	-	215	-	670	416
Communication (G&S)	14	7	-	21	20	1	95,2%	25	19
Computer services	1 762	159	(695)	1 226	1 077	149	87,8%	902	681

<b>APPROPRIATION PER ECONOMIC CLASSIFICATION</b>										
	<b>2020/21</b>					<b>2019/20</b>				
	<b>ADJUSTED APPROPRIATION</b>	<b>SHIFTING OF FUNDS</b>	<b>VIREMENT</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	<b>VARIANCE</b>	<b>EXPENDITURE AS % OF FINAL APPROPRIATION</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>	
Consultants: Business and advisory services	388 535	714	(30 292)	358 957	339 171	19 786	94,5%	381 711	354 495	
Contractors	3	-	-	3	-	3	-	14	-	
Entertainment	84	(4)	-	80	3	77	3,8%	138	14	
Fleet services (including government motor transport)	3	(2)	-	1	-	1	-	4	-	
Consumable supplies	120	(40)	(40)	40	9	31	22,5%	216	126	
Consumable: Stationery, printing and office supplies	1 231	336	(40)	1 527	1 484	43	97,2%	1 636	741	
Operating leases	776	(357)	(26)	393	316	77	80,4%	1 070	660	
Travel and subsistence	5 369	(2 679)	(1 816)	874	563	311	64,4%	9 779	7 355	
Training and development	525	(39)	-	486	372	114	76,5%	746	211	
Operating payments	6 225	472	(4 038)	2 659	2 658	1	100,0%	3 911	3 372	
Venues and facilities	120	(90)	-	30	-	30	-	279	94	
<b>Transfers and subsidies</b>	<b>2 190 768</b>	<b>1 567</b>	<b>-</b>	<b>2 192 335</b>	<b>2 136 212</b>	<b>56 123</b>	<b>97,4%</b>	<b>2 352 624</b>	<b>2 341 712</b>	
<b>Provinces and municipalities</b>	<b>1 481 861</b>	<b>-</b>	<b>-</b>	<b>1 481 861</b>	<b>1 481 861</b>	<b>-</b>	<b>100,0%</b>	<b>1 593 961</b>	<b>1 583 961</b>	
Municipalities	1 481 861	-	-	1 481 861	1 481 861	-	100,0%	1 593 961	1 583 961	
Municipal bank accounts	1 481 861	-	-	1 481 861	1 481 861	-	100,0%	1 593 961	1 583 961	
Departmental agencies and accounts	668 836	-	-	668 836	612 717	56 119	91,6%	655 901	655 901	
Departmental agencies	668 836	-	-	668 836	612 717	56 119	91,6%	655 901	655 901	
<b>Public corporations and private enterprises</b>	<b>40 000</b>	<b>-</b>	<b>-</b>	<b>40 000</b>	<b>40 000</b>	<b>-</b>	<b>100,0%</b>	<b>100 000</b>	<b>100 000</b>	

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	2020/21							2019/20		
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
<b>Public corporations</b>	40 000	-	-	40 000	40 000	-	100,0%	100 000	100 000	100 000
Other transfers to public corporations	40 000	-	-	40 000	40 000	-	100,0%	100 000	100 000	100 000
<b>Households</b>	71	1 567	-	1 638	1 634	4	99,8%	2 762	2 762	1 850
Social benefits	71	1 567	-	1 638	1 634	4	99,8%	2 762	2 762	1 850
<b>Payments for capital assets</b>	3 596	-	-	3 596	1 249	2 347	34,7%	2 370	2 370	1 159
<b>Machinery and equipment</b>	3 596	-	-	3 596	1 249	2 347	34,7%	2 370	2 370	1 159
Other machinery and equipment	3 596	-	-	3 596	1 249	2 347	34,7%	2 370	2 370	1 159
<b>Payment for financial assets</b>	-	-	-	-	9	(9)	-	-	-	21
<b>Total</b>	2 839 800	-	(37 018)	2 802 782	2 697 171	105 611	96,2%	2 982 390	2 982 390	2 936 118



SUBPROGRAMME: 3.1: PROGRAMME MANAGEMENT FOR PUBLIC FINANCE AND BUDGET MANAGEMENT										
ECONOMIC CLASSIFICATION	2020/21					2019/20				
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
<b>Current payments</b>	<b>21 394</b>	<b>(132)</b>	<b>(7 435)</b>	<b>13 827</b>	<b>14 075</b>	<b>(248)</b>	<b>101,8%</b>	<b>25 591</b>	<b>22 349</b>	
<b>Compensation of employees</b>	<b>8 120</b>	-	-	<b>8 120</b>	<b>7 555</b>	<b>565</b>	<b>93,0%</b>	<b>9 051</b>	<b>8 977</b>	
Salaries and wages	5 980	214	-	6 194	6 686	(492)	107,9%	8 059	8 001	
Social contributions	2 140	(214)	-	1 926	869	1 057	45,1%	992	976	
<b>Goods and services</b>	<b>13 274</b>	<b>(132)</b>	<b>(7 435)</b>	<b>5 707</b>	<b>6 520</b>	<b>(813)</b>	<b>114,2%</b>	<b>16 540</b>	<b>13 372</b>	
Administrative fees	37	(21)	-	16	6	10	37,5%	77	29	
Advertising	85	(60)	-	25	-	25	-	32	29	
Minor assets	-	3	-	3	2	1	66,7%	15	12	
Bursaries: Employees	60	(50)	-	10	10	-	100,0%	42	17	
Catering: Departmental activities	74	(46)	-	28	-	28	-	158	83	
Consultants: Business and advisory services	5 433	(45)	(3 300)	2 088	3 205	(1 117)	153,5%	10 795	8 959	
Entertainment	10	(4)	-	6	1	5	16,7%	15	2	
Consumable supplies	17	(4)	-	13	9	4	69,2%	47	36	
Consumable: Stationery, printing and office supplies	89	288	-	377	260	117	69,0%	221	22	
Operating leases	192	(81)	-	111	88	23	79,3%	184	147	
Travel and subsistence	643	(373)	(135)	135	102	33	75,6%	1 228	738	
Training and development	312	(3)	-	309	279	30	90,3%	140	112	
Operating payments	6 207	352	(4 000)	2 559	2 558	1	100,0%	3 380	3 093	
Venues and facilities	115	(88)	-	27	-	27	-	206	94	
<b>Transfers and subsidies</b>	<b>30</b>	-	-	<b>30</b>	<b>30</b>	-	<b>100,0%</b>	<b>950</b>	<b>950</b>	
<b>Households</b>	<b>30</b>	-	-	<b>30</b>	<b>30</b>	-	<b>100,0%</b>	<b>950</b>	<b>950</b>	
Social benefits	30	-	-	30	30	-	100,0%	950	950	
<b>Payments for capital assets</b>	<b>278</b>	-	-	<b>278</b>	-	<b>278</b>	-	<b>216</b>	<b>39</b>	
<b>Machinery and equipment</b>	<b>278</b>	-	-	<b>278</b>	-	<b>278</b>	-	<b>216</b>	<b>39</b>	

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ECONOMIC CLASSIFICATION	SUBPROGRAMME: 3.1: PROGRAMME MANAGEMENT FOR PUBLIC FINANCE AND BUDGET MANAGEMENT									
	2020/21					2019/20				
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	ACTUAL EXPENDITURE
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Other machinery and equipment	278	-	-	278	-	278	-	216	39	
<b>Total</b>	<b>21 702</b>	<b>(132)</b>	<b>(7 435)</b>	<b>14 135</b>	<b>14 105</b>	<b>30</b>	<b>99,8%</b>	<b>26 757</b>	<b>23 338</b>	

ECONOMIC CLASSIFICATION	SUBPROGRAMME: 3.2: PUBLIC FINANCE									
	2020/21					2019/20				
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	ACTUAL EXPENDITURE
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Current payments	67 777	2 474	(318)	69 933	67 714	2 219	96,8%	69 398	67 997	
Compensation of employees	65 982	3 037	-	69 019	66 933	2 086	97,0%	66 431	66 427	
Salaries and wages	58 574	3 179	-	61 753	59 851	1 902	96,9%	59 519	59 516	
Social contributions	7 408	(142)	-	7 266	7 082	184	97,5%	6 912	6 911	
<b>Goods and services</b>	<b>1 795</b>	<b>(563)</b>	<b>(318)</b>	<b>914</b>	<b>781</b>	<b>133</b>	<b>85,4%</b>	<b>2 967</b>	<b>1 570</b>	
Administrative fees	50	(10)	(15)	25	4	21	16,0%	74	45	

SUBPROGRAMME: 3.2: PUBLIC FINANCE											
ECONOMIC CLASSIFICATION	2020/21						2019/20				
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	FINAL EXPENDITURE	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Advertising	24	(4)	-	20	20	-	100,0%	21	21	-	-
Minor assets	3	-	-	3	-	3	-	6	6	-	-
Audit costs: External	-	-	-	-	-	-	-	17	17	-	-
Bursaries: Employees	480	76	(15)	541	587	(46)	108,5%	604	604	258	258
Catering: Departmental activities	36	(25)	-	11	-	11	-	96	96	42	42
Communication (G&S)	6	3	-	9	9	-	100,0%	12	12	8	8
Consultants: Business and advisory services	-	-	-	-	-	-	-	9	9	8	8
Contractors	3	-	-	3	-	3	-	3	3	-	-
Entertainment	22	-	-	22	-	22	-	27	27	4	4
Consumable supplies	8	10	-	18	-	18	-	58	58	41	41
Consumable: Stationery, printing and office supplies	40	4	-	44	-	44	-	120	120	60	60
Operating leases	194	(64)	(26)	104	75	29	72,1%	271	271	184	184
Travel and subsistence	771	(436)	(262)	73	46	27	63,0%	1 417	1 417	898	898
Training and development	156	(115)	-	41	40	1	97,6%	230	230	22	22
Operating payments	-	-	-	-	-	-	-	1	1	-	-
Venues and facilities	2	(2)	-	-	-	-	-	1	1	-	-
<b>Transfers and subsidies</b>	-	<b>674</b>	-	<b>674</b>	<b>673</b>	<b>1</b>	<b>99,9%</b>	<b>90</b>	<b>90</b>	<b>90</b>	<b>90</b>
<b>Households</b>	-	<b>674</b>	-	<b>674</b>	<b>673</b>	<b>1</b>	<b>99,9%</b>	<b>90</b>	<b>90</b>	<b>90</b>	<b>90</b>
Social benefits	-	674	-	674	673	1	99,9%	90	90	90	90
<b>Payments for capital assets</b>	<b>1 182</b>	-	-	<b>1 182</b>	<b>245</b>	<b>937</b>	<b>20,7%</b>	<b>726</b>	<b>726</b>	<b>410</b>	<b>410</b>
<b>Machinery and equipment</b>	<b>1 182</b>	-	-	<b>1 182</b>	<b>245</b>	<b>937</b>	<b>20,7%</b>	<b>726</b>	<b>726</b>	<b>410</b>	<b>410</b>
Other machinery and equipment	1 182	-	-	1 182	245	937	20,7%	726	726	410	410
<b>Total</b>	<b>68 959</b>	<b>3 148</b>	<b>(318)</b>	<b>71 789</b>	<b>68 632</b>	<b>3 157</b>	<b>95,6%</b>	<b>70 214</b>	<b>70 214</b>	<b>68 497</b>	<b>68 497</b>

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**SUBPROGRAMME: 3.3: BUDGET OFFICE AND COORDINATION**

ECONOMIC CLASSIFICATION	2020/21						2019/20		
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>68 767</b>	<b>(3 587)</b>	-	<b>65 180</b>	<b>54 862</b>	<b>10 318</b>	<b>84,2%</b>	<b>60 976</b>	<b>59 339</b>
<b>Compensation of employees</b>	<b>67 027</b>	<b>(3 037)</b>	-	<b>63 990</b>	<b>54 190</b>	<b>9 800</b>	<b>84,7%</b>	<b>58 213</b>	<b>58 186</b>
Salaries and wages	59 260	(2 134)	-	57 126	48 085	9 041	84,2%	51 959	51 952
Social contributions	7 767	(903)	-	6 864	6 105	759	88,9%	6 254	6 234
<b>Goods and services</b>	<b>1 740</b>	<b>(50)</b>	-	<b>1 190</b>	<b>672</b>	<b>518</b>	<b>56,5%</b>	<b>2 763</b>	<b>1 153</b>
Administrative fees	56	(3)	-	53	8	45	15,1%	77	42
Advertising	27	(27)	-	-	-	-	-	20	20
Minor assets	4	14	-	18	-	18	-	10	-
Bursaries: Employees	278	34	-	312	198	114	63,5%	288	33
Catering: Departmental activities	54	-	-	54	-	54	-	64	22
Communication (G&S)	5	3	-	8	7	1	87,5%	9	8
Computer services	-	-	-	-	-	-	-	1	-

<b>SUBPROGRAMME: 3.3: BUDGET OFFICE AND COORDINATION</b>												
<b>ECONOMIC CLASSIFICATION</b>	<b>2020/21</b>						<b>2019/20</b>					
	<b>ADJUSTED APPROPRIATION</b>	<b>SHIFTING OF FUNDS</b>	<b>VIREMENT</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	<b>VARIANCE</b>	<b>EXPENDITURE AS % OF FINAL APPROPRIATION</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>			
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Consultants: Business and advisory services	-	96	-	96	95	1	99,0%	62	62	16		
Contractors	-	-	-	-	-	-	-	6	6	-		
Entertainment	28	-	-	28	-	28	-	37	37	2		
Fleet services (including government motor transport)	1	-	-	1	-	1	-	1	1	-		
Consumable supplies	6	-	-	6	-	6	-	29	29	2		
Consumable: Stationery, printing and office supplies	105	94	-	199	131	68	65,8%	134	134	7		
Operating leases	216	(144)	-	72	62	10	86,1%	278	278	72		
Travel and subsistence	897	(634)	-	263	117	146	44,5%	1 517	1 517	852		
Training and development	57	(24)	-	33	10	23	30,3%	114	114	29		
Operating payments	3	41	-	44	44	-	100,0%	60	60	48		
Venues and facilities	3	-	-	3	-	3	-	56	56	-		
<b>Transfers and subsidies</b>	<b>23</b>	<b>121</b>	-	<b>144</b>	<b>142</b>	<b>2</b>	<b>98,6%</b>	<b>1 341</b>	<b>1 341</b>	<b>430</b>		
<b>Households</b>	<b>23</b>	<b>121</b>	-	<b>144</b>	<b>142</b>	<b>2</b>	<b>98,6%</b>	<b>1 341</b>	<b>1 341</b>	<b>430</b>		
Social benefits	23	121	-	144	142	2	98,6%	1 341	1 341	430		
<b>Payments for capital assets</b>	<b>760</b>	-	-	<b>760</b>	<b>514</b>	<b>246</b>	<b>67,6%</b>	<b>659</b>	<b>659</b>	<b>176</b>		
<b>Machinery and equipment</b>	<b>760</b>	-	-	<b>760</b>	<b>514</b>	<b>246</b>	<b>67,6%</b>	<b>659</b>	<b>659</b>	<b>176</b>		
Other machinery and equipment	760	-	-	760	514	246	67,6%	659	659	176		
<b>Total</b>	<b>69 550</b>	<b>(3 466)</b>	-	<b>66 084</b>	<b>55 518</b>	<b>10 566</b>	<b>84,0%</b>	<b>62 976</b>	<b>62 976</b>	<b>59 945</b>		

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**SUBPROGRAMME: 3.4: INTERGOVERNMENTAL RELATIONS**

ECONOMIC CLASSIFICATION	2020/21						2019/20		
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	135 271	(322)	(29 265)	105 684	91 182	14 502	86,3%	103 142	99 849
<b>Compensation of employees</b>	97 410	-	-	97 410	83 901	13 509	86,1%	90 489	90 377
Salaries and wages	87 850	240	-	88 090	75 321	12 769	85,5%	81 421	81 333
Social contributions	9 560	(240)	-	9 320	8 580	740	92,1%	9 068	9 044
<b>Goods and services</b>	37 861	(322)	(29 265)	8 274	7 281	993	88,0%	12 653	9 472
Administrative fees	252	(193)	-	59	39	20	66,1%	305	305
Advertising	108	30	(41)	97	-	97	-	107	47
Minor assets	4	167	-	171	169	2	98,8%	119	81
Bursaries: Employees	297	150	-	447	406	41	90,8%	290	150
Catering: Departmental activities	201	(79)	-	122	-	122	-	338	255
Communication (G&S)	3	1	-	4	4	-	100,0%	4	4
Computer services	1 762	159	(695)	1 226	1 077	149	87,8%	845	625

<b>SUBPROGRAMME: 3.4: INTERGOVERNMENTAL RELATIONS</b>										
<b>ECONOMIC CLASSIFICATION</b>	<b>2020/21</b>						<b>2019/20</b>			
	<b>ADJUSTED APPROPRIATION</b>	<b>SHIFTING OF FUNDS</b>	<b>VIREMENT</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	<b>VARIANCE</b>	<b>EXPENDITURE AS % OF FINAL APPROPRIATION</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>	
Consultants: Business and advisory services	30 875	663	(26 992)	4 546	4 003	543	88,1%	2 741	2 001	
Contractors	-	-	-	-	-	-	-	5	-	
Entertainment	24	-	-	24	2	22	8,3%	59	6	
Fleet services (including government motor transport)	2	(2)	-	-	-	-	-	3	-	
Consumable supplies	89	(46)	(40)	3	-	3	-	82	47	
Consumable: Stationery, printing and office supplies	997	(50)	(40)	907	1 093	(186)	120,5%	1 161	652	
Operating leases	174	(68)	-	106	91	15	85,8%	335	257	
Travel and subsistence	3 058	(1 236)	(1 419)	403	298	105	73,9%	5 511	4 763	
Training and development	-	103	-	103	43	60	41,7%	262	48	
Operating payments	15	79	(38)	56	56	-	100,0%	470	231	
Venues and facilities	-	-	-	-	-	-	-	16	-	
<b>Transfers and subsidies</b>	<b>18</b>	<b>772</b>	<b>-</b>	<b>790</b>	<b>789</b>	<b>1</b>	<b>99,9%</b>	<b>381</b>	<b>380</b>	
<b>Households</b>	<b>18</b>	<b>772</b>	<b>-</b>	<b>790</b>	<b>789</b>	<b>1</b>	<b>99,9%</b>	<b>381</b>	<b>380</b>	
Social benefits	18	772	-	790	789	1	99,9%	381	380	
<b>Payments for capital assets</b>	<b>1 376</b>	<b>-</b>	<b>-</b>	<b>1 376</b>	<b>490</b>	<b>886</b>	<b>35,6%</b>	<b>769</b>	<b>534</b>	
<b>Machinery and equipment</b>	<b>1 376</b>	<b>-</b>	<b>-</b>	<b>1 376</b>	<b>490</b>	<b>886</b>	<b>35,6%</b>	<b>769</b>	<b>534</b>	
Other machinery and equipment	1 376	-	-	1 376	490	886	35,6%	769	534	
Payment for financial assets	-	-	-	-	9	(9)	-	-	21	
<b>Total</b>	<b>136 665</b>	<b>450</b>	<b>(29 265)</b>	<b>107 850</b>	<b>92 470</b>	<b>15 380</b>	<b>85,7%</b>	<b>104 292</b>	<b>100 784</b>	

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**SUBPROGRAMME: 3-5: FINANCIAL AND FISCAL COMMISSION**

ECONOMIC CLASSIFICATION	2020/21						2019/20		
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	63 821	-	-	63 821	63 821	-	100,0%	54 319	54 319
Departmental agencies and accounts	63 821	-	-	63 821	63 821	-	100,0%	54 319	54 319
Departmental agencies (non-business entities)	63 821	-	-	63 821	63 821	-	100,0%	54 319	54 319
<b>Total</b>	<b>63 821</b>	<b>-</b>	<b>-</b>	<b>63 821</b>	<b>63 821</b>	<b>-</b>	<b>100,0%</b>	<b>54 319</b>	<b>54 319</b>



<b>SUBPROGRAMME: 3.6: FACILITATION OF CONDITIONAL GRANTS</b>										
<b>ECONOMIC CLASSIFICATION</b>	<b>2020/21</b>					<b>2019/20</b>				
	<b>ADJUSTED APPROPRIATION</b>	<b>SHIFTING OF FUNDS</b>	<b>VIREMENT</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	<b>VARIANCE</b>	<b>EXPENDITURE AS % OF FINAL APPROPRIATION</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
<b>Current payments</b>	-	-	-	-	-	-	-	199 074	194 646	
<b>Goods and services</b>	-	-	-	-	-	-	-	199 074	194 646	
Consultants: Business and advisory services	-	-	-	-	-	-	-	199 074	194 646	
<b>Transfers and subsidies</b>	<b>1 481 861</b>	-	-	<b>1 481 861</b>	<b>1 481 861</b>	-	<b>100,0%</b>	<b>1 444 545</b>	<b>1 434 545</b>	
<b>Provinces and municipalities</b>	<b>1 481 861</b>	-	-	<b>1 481 861</b>	<b>1 481 861</b>	-	<b>100,0%</b>	<b>1 444 545</b>	<b>1 434 545</b>	
Municipalities	1 481 861	-	-	1 481 861	1 481 861	-	100,0%	1 444 545	1 434 545	
Municipal bank accounts	1 481 861	-	-	1 481 861	1 481 861	-	100,0%	1 444 545	1 434 545	
<b>Total</b>	<b>1 481 861</b>	-	-	<b>1 481 861</b>	<b>1 481 861</b>	-	<b>100,0%</b>	<b>1 643 619</b>	<b>1 629 191</b>	

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SUBPROGRAMME: 3-7: CATALYTIC INFRASTRUCTURE AND DEVELOPMENT SUPPORT PROGRAMME	2020/21						2019/20		
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	272 227	-	-	272 227	271 011	1 216	99,6%	81 215	75 761
<b>Goods and services</b>	272 227	-	-	272 227	271 011	1 216	99,6%	81 215	75 761
Administrative fees	-	-	-	-	-	-	-	7	7
Catering: Departmental activities	-	-	-	-	-	-	-	14	14
Computer services	-	-	-	-	-	-	-	56	56
Consultants: Business and advisory services	272 227	-	-	272 227	271 011	1 216	99,6%	81 032	75 580
Travel and subsistence	-	-	-	-	-	-	-	106	104
<b>Transfers and subsidies</b>	<b>40 000</b>	-	-	<b>40 000</b>	<b>40 000</b>	-	<b>100,0%</b>	<b>249 416</b>	<b>249 416</b>
<b>Provinces and municipalities</b>	-	-	-	-	-	-	-	<b>149 416</b>	<b>149 416</b>
Municipalities	-	-	-	-	-	-	-	149 416	149 416
Municipal bank accounts	-	-	-	-	-	-	-	149 416	149 416

<b>SUBPROGRAMME: 3.7: CATALYTIC INFRASTRUCTURE AND DEVELOPMENT SUPPORT PROGRAMME</b>											
2020/21											2019/20
ECONOMIC CLASSIFICATION	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	FINAL EXPENDITURE		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Public corporations and private enterprises	40 000	-	-	40 000	40 000	-	100,0%	100 000	100 000		100 000
Public corporations	40 000	-	-	40 000	40 000	-	100,0%	100 000	100 000		100 000
Other transfers to public corporations	40 000	-	-	40 000	40 000	-	100,0%	100 000	100 000		100 000
<b>Total</b>	<b>312 227</b>	<b>-</b>	<b>-</b>	<b>312 227</b>	<b>311 011</b>	<b>1 216</b>	<b>99,6%</b>	<b>330 631</b>	<b>330 631</b>		<b>325 177</b>

<b>SUBPROGRAMME: 3.8: GOVERNMENT TECHNICAL ADVISORY CENTRE</b>											
2020/21											2019/20
ECONOMIC CLASSIFICATION	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	FINAL EXPENDITURE		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Current payments	80 000	-	-	80 000	60 857	19 143	76,1%	88 000	88 000		73 285
Goods and services	80 000	-	-	80 000	60 857	19 143	76,1%	88 000	88 000		73 285
Consultants: Business and advisory services	80 000	-	-	80 000	60 857	19 143	76,1%	87 998	87 998		73 285
Operating lease	-	-	-	-	-	-	-	-	2		-
<b>Transfers and subsidies</b>	<b>605 015</b>	<b>-</b>	<b>-</b>	<b>605 015</b>	<b>548 896</b>	<b>56 119</b>	<b>90,7%</b>	<b>601 582</b>	<b>601 582</b>		<b>601 582</b>
<b>Departmental agencies and accounts</b>	<b>605 015</b>	<b>-</b>	<b>-</b>	<b>605 015</b>	<b>548 896</b>	<b>56 119</b>	<b>90,7%</b>	<b>601 582</b>	<b>601 582</b>		<b>601 582</b>
Departmental agencies (non-business entities)	605 015	-	-	605 015	548 896	56 119	90,7%	601 582	601 582		601 582
<b>Total</b>	<b>685 015</b>	<b>-</b>	<b>-</b>	<b>685 015</b>	<b>609 753</b>	<b>75 262</b>	<b>89,0%</b>	<b>689 582</b>	<b>689 582</b>		<b>674 867</b>

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**PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT**

SUB PROGRAMME	2020/21						2019/20		
	ADJUSTED APPROPRIATION R'000	SHIFTING OF FUNDS R'000	VIREMENT R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	EXPENDITURE AS % OF FINAL APPROPRIATION %	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000
1	9 316	209	-	9 525	6 325	3 200	66,4%	8 825	7 999
2	2 963 185	66	-	2 963 251	2 962 147	1 104	100,0%	36 643	33 856
3	20 701	94	-	20 795	19 931	864	95,8%	22 631	22 512
4	29 358	(365)	-	28 993	24 985	4 008	86,2%	24 144	23 496
5	12 771	(4)	-	12 767	9 204	3 563	72,1%	10 686	8 855
<b>Total</b>	<b>3 035 331</b>	<b>-</b>	<b>-</b>	<b>3 035 331</b>	<b>3 022 592</b>	<b>12 739</b>	<b>99,6%</b>	<b>102 929</b>	<b>96 718</b>

<b>APPROPRIATION PER ECONOMIC CLASSIFICATION</b>									
<b>2020/21</b>									
	<b>ADJUSTED APPROPRIATION</b>	<b>SHIFTING OF FUNDS</b>	<b>VIREMENT</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	<b>VARIANCE</b>	<b>EXPENDITURE AS % OF FINAL APPROPRIATION</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
	<b>108 913</b>	<b>(1 684)</b>	-	<b>107 229</b>	<b>95 250</b>	<b>11 979</b>	<b>88,8%</b>	<b>98 758</b>	<b>92 987</b>
<b>Current payments</b>									
<b>Compensation of employees</b>	<b>90 642</b>	-	-	<b>90 642</b>	<b>80 031</b>	<b>10 611</b>	<b>88,3%</b>	<b>83 557</b>	<b>78 383</b>
Salaries and wages	81 239	(539)	-	80 700	71 175	9 525	88,2%	74 253	69 828
Social contributions	9 403	539	-	9 942	8 856	1 086	89,1%	9 304	8 555
<b>Goods and services</b>	<b>18 271</b>	<b>(1 684)</b>	-	<b>16 587</b>	<b>15 219</b>	<b>1 368</b>	<b>91,8%</b>	<b>15 201</b>	<b>14 604</b>
Administrative fees	16	66	-	82	5	77	6,1%	89	46
Advertising	89	12	-	101	100	1	99,0%	77	71
Minor assets	11	2	-	13	-	13	-	13	-
Audit costs: External	1 500	(60)	-	1 440	1 433	7	99,5%	1 119	1 118
Bursaries: Employees	492	(126)	-	366	319	47	87,2%	222	136
Catering: Departmental activities	73	(44)	-	29	-	29	-	85	1
Communication (G&S)	3	8	-	11	9	2	81,8%	14	14
Computer services	11 192	(340)	-	10 852	10 636	216	98,0%	8 646	8 646
Consultants: Business and advisory services	3 100	(579)	-	2 521	2 285	236	90,6%	2 487	2 485
Contractors	7	-	-	7	-	7	-	15	-
Entertainment	36	-	-	36	-	36	-	36	5
Fleet services (including government motor transport)	2	-	-	2	-	2	-	-	-
Consumable supplies	-	10	-	10	8	2	80,0%	42	41
Consumable: Stationery, printing and office supplies	126	15	-	141	91	50	64,5%	246	186
Operating leases	165	2	-	167	141	26	84,4%	230	210
Travel and subsistence	1 000	(675)	-	325	48	277	14,8%	1 476	1 319

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	2020/21							2019/20		
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	FINAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Training and development	291	46	-	337	30	307	8,9%	304	253	
Operating payments	113	(52)	-	61	54	7	88,5%	50	50	
Venues and facilities	55	31	-	86	60	26	69,8%	50	23	
<b>Transfers and subsidies</b>	-	<b>1 027</b>	-	<b>1 027</b>	<b>1 009</b>	<b>18</b>	<b>98,2%</b>	<b>3 428</b>	<b>3 422</b>	
<b>Households</b>	-	<b>1 027</b>	-	<b>1 027</b>	<b>1 009</b>	<b>18</b>	<b>98,2%</b>	<b>3 428</b>	<b>3 422</b>	
Social benefits	-	1 027	-	1 027	1 009	18	98,2%	3 428	3 422	
<b>Payments for capital assets</b>	<b>784</b>	<b>657</b>	-	<b>1 441</b>	<b>610</b>	<b>831</b>	<b>42,3%</b>	<b>743</b>	<b>309</b>	
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	
<b>Machinery and equipment</b>	<b>784</b>	<b>657</b>	-	<b>1 441</b>	<b>610</b>	<b>831</b>	<b>42,3%</b>	<b>743</b>	<b>309</b>	
Other machinery and equipment	784	657	-	1 441	610	831	42,3%	743	309	
<b>Payment for financial assets</b>	<b>2 925 634</b>	-	-	<b>2 925 634</b>	<b>2 925 723</b>	<b>(89)</b>	<b>100,0%</b>	-	-	
<b>Total</b>	<b>3 035 331</b>	-	-	<b>3 035 331</b>	<b>3 022 592</b>	<b>12 739</b>	<b>99,6%</b>	<b>102 929</b>	<b>96 718</b>	

SUBPROGRAMME: 4.1: PROGRAMME MANAGEMENT FOR ASSET AND LIABILITY MANAGEMENT										
ECONOMIC CLASSIFICATION	2020/21						2019/20			
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current payments	8 532	(1 019)	-	7 513	5 143	2 370	68,5%	6 813	6 421	
Compensation of employees	4 382	-	-	4 382	2 481	1 901	56,6%	3 308	3 105	
Salaries and wages	3 925	(134)	-	3 791	2 170	1 621	57,2%	2 893	2 706	
Social contributions	457	134	-	591	311	280	52,6%	415	399	
<b>Goods and services</b>	<b>4 150</b>	<b>(1 019)</b>	<b>-</b>	<b>3 131</b>	<b>2 662</b>	<b>469</b>	<b>85,0%</b>	<b>3 505</b>	<b>3 316</b>	
Administrative fees	2	-	-	2	1	1	50,0%	16	8	
Advertising	89	12	-	101	100	1	99,0%	77	71	
Minor assets	-	2	-	2	-	2	-	2	-	
Bursaries: Employees	20	(10)	-	10	8	2	80,0%	-	-	
Catering: Departmental activities	43	(40)	-	3	-	3	-	50	-	
Communication (G&S)	-	6	-	6	5	1	83,3%	10	10	
Computer services	4	-	-	4	-	4	-	1	1	
Consultants: Business and advisory services	3 100	(588)	-	2 512	2 277	235	90,6%	2 487	2 485	
Contractors	2	-	-	2	-	2	-	7	-	
Entertainment	7	-	-	7	-	7	-	7	2	
Fleet services (including government motor transport)	2	-	-	2	-	2	-	-	-	
Consumable supplies	-	10	-	10	8	2	80,0%	42	41	
Consumable: Stationery, printing and office supplies	123	14	-	137	88	49	64,2%	244	186	
Operating leases	65	(20)	-	45	19	26	42,2%	230	210	
Travel and subsistence	479	(384)	-	95	18	77	18,9%	232	229	
Training and development	46	-	-	46	24	22	52,2%	-	-	

**NATIONAL TREASURY VOTE 8**  
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ECONOMIC CLASSIFICATION	SUBPROGRAMME: 4.1: PROGRAMME MANAGEMENT FOR ASSET AND LIABILITY MANAGEMENT									
	2020/21					2019/20				
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	
Operating payments	113	(52)	-	61	54	7	88,5%	50	50	
Venues and facilities	55	31	-	86	60	26	69,8%	50	23	
<b>Transfers and subsidies</b>	-	<b>611</b>	-	<b>611</b>	<b>611</b>	-	<b>100,0%</b>	<b>1 269</b>	<b>1 269</b>	
<b>Households</b>	-	<b>611</b>	-	<b>611</b>	<b>611</b>	-	<b>100,0%</b>	<b>1 269</b>	<b>1 269</b>	
Social benefits	-	611	-	611	611	-	100,0%	1 269	1 269	
<b>Payments for capital assets</b>	<b>784</b>	<b>617</b>	-	<b>1 401</b>	<b>571</b>	<b>830</b>	<b>40,8%</b>	<b>743</b>	<b>309</b>	
<b>Machinery and equipment</b>	<b>784</b>	<b>617</b>	-	<b>1 401</b>	<b>571</b>	<b>830</b>	<b>40,8%</b>	<b>743</b>	<b>309</b>	
Other machinery and equipment	784	617	-	1 401	571	830	40,8%	743	309	
<b>Total</b>	<b>9 316</b>	<b>209</b>	-	<b>9 525</b>	<b>6 325</b>	<b>3 200</b>	<b>66,4%</b>	<b>8 825</b>	<b>7 999</b>	



<b>SUBPROGRAMME: 4.2: STATE OWNED ENTITY FINANCIAL MANAGEMENT AND GOVERNANCE</b>											
<b>ECONOMIC CLASSIFICATION</b>	<b>2020/21</b>						<b>2019/20</b>				
	<b>ADJUSTED APPROPRIATION</b>	<b>SHIFTING OF FUNDS</b>	<b>VIREMENT</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	<b>VARIANCE</b>	<b>EXPENDITURE AS % OF FINAL APPROPRIATION</b>	<b>FINAL APPROPRIATION</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	
<b>Current payments</b>	37 551	(4)	-	37 547	36 359	1 188	96,8%	36 591	36 591	33 806	
<b>Compensation of employees</b>	37 136	-	-	37 136	36 265	871	97,7%	36 027	36 027	33 368	
Salaries and wages	33 587	(285)	-	33 302	32 591	711	97,9%	32 520	32 520	29 923	
Social contributions	3 549	285	-	3 834	3 674	160	95,8%	3 507	3 507	3 445	
<b>Goods and services</b>	415	(4)	-	411	94	317	22,9%	564	564	438	
Administrative fees	6	70	-	76	3	73	3,9%	26	26	17	
Minor assets	4	-	-	4	-	4	-	4	4	-	
Bursaries: Employees	130	(20)	-	110	70	40	63,6%	56	56	23	
Catering: Departmental activities	11	(4)	-	7	-	7	-	14	14	-	
Entertainment	10	-	-	10	-	10	-	10	10	1	
Travel and subsistence	194	(109)	-	85	21	64	24,7%	330	330	317	
Training and development	60	59	-	119	-	119	-	124	124	80	
<b>Transfers and subsidies</b>	-	30	-	30	26	4	86,7%	52	52	50	
<b>Households</b>	-	30	-	30	26	4	86,7%	52	52	50	
Social benefits	-	30	-	30	26	4	86,7%	52	52	50	
<b>Payments for capital assets</b>	-	40	-	40	39	1	97,5%	-	-	-	
<b>Machinery and equipment</b>	-	40	-	40	39	1	97,5%	-	-	-	
Other machinery and equipment	-	40	-	40	39	1	97,5%	-	-	-	
<b>Payment for financial assets</b>	2 925 634	-	-	2 925 634	2 925 723	(89)	100,0%	-	-	-	
<b>Total</b>	2 963 185	66	-	2 963 251	2 962 147	1 104	100,0%	36 643	36 643	33 856	

**NATIONAL TREASURY VOTE 8**  
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ECONOMIC CLASSIFICATION	SUBPROGRAMME: 4.3: GOVERNMENT DEBT MANAGEMENT									
	2020/21					2019/20				
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	
Current payments	20 701	(152)	-	20 549	19 694	855	95,8%	21 873	21 755	
Compensation of employees	20 098	-	-	20 098	19 315	783	96,1%	21 020	20 959	
Salaries and wages	17 663	(101)	-	17 562	16 810	752	95,7%	18 394	18 333	
Social contributions	2 435	101	-	2 536	2 505	31	98,8%	2 626	2 626	
<b>Goods and services</b>	<b>603</b>	<b>(152)</b>	-	<b>451</b>	<b>379</b>	<b>72</b>	<b>84,0%</b>	<b>853</b>	<b>796</b>	
Administrative fees	5	(4)	-	1	1	-	100,0%	24	17	
Minor assets	2	-	-	2	-	2	-	2	-	
Bursaries: Employees	248	(15)	-	233	232	1	99,6%	114	113	
Catering: Departmental activities	7	-	-	7	-	7	-	7	1	
Communication (G&S)	3	2	-	5	4	1	80,0%	4	4	
Consultants: Business and advisory services	-	9	-	9	8	1	88,9%	-	-	
Contractors	5	-	-	5	-	5	-	8	-	

<b>SUBPROGRAMME: 4.3: GOVERNMENT DEBT MANAGEMENT</b>										
<b>ECONOMIC CLASSIFICATION</b>	<b>2020/21</b>					<b>2019/20</b>				
	<b>ADJUSTED APPROPRIATION</b>	<b>SHIFTING OF FUNDS</b>	<b>VIREMENT</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	<b>VARIANCE</b>	<b>EXPENDITURE AS % OF FINAL APPROPRIATION</b>	<b>FINAL APPROPRIATION</b>	<b>FINAL EXPENDITURE</b>	<b>ACTUAL EXPENDITURE</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Entertainment	5	-	-	5	-	5	-	-	5	-
Consumable: Stationery, printing and office supplies	3	1	-	4	3	1	75,0%	2	-	-
Operating leases	100	22	-	122	122	-	100,0%	-	-	-
Travel and subsistence	150	(97)	-	53	9	44	17,0%	602	576	576
Training and development	75	(70)	-	5	-	5	-	85	85	85
Interest and rent on land	-	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	-	<b>246</b>	-	<b>246</b>	<b>237</b>	<b>9</b>	<b>96,3%</b>	<b>758</b>	<b>757</b>	<b>757</b>
<b>Households</b>	-	<b>246</b>	-	<b>246</b>	<b>237</b>	<b>9</b>	<b>96,3%</b>	<b>758</b>	<b>757</b>	<b>757</b>
Social benefits	-	246	-	246	237	9	96,3%	758	757	757
<b>Total</b>	<b>20 701</b>	<b>94</b>	<b>-</b>	<b>20 795</b>	<b>19 931</b>	<b>864</b>	<b>95,8%</b>	<b>22 631</b>	<b>22 512</b>	<b>22 512</b>

<b>SUBPROGRAMME: 4.4: FINANCIAL OPERATIONS</b>										
<b>ECONOMIC CLASSIFICATION</b>	<b>2020/21</b>					<b>2019/20</b>				
	<b>ADJUSTED APPROPRIATION</b>	<b>SHIFTING OF FUNDS</b>	<b>VIREMENT</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	<b>VARIANCE</b>	<b>EXPENDITURE AS % OF FINAL APPROPRIATION</b>	<b>FINAL APPROPRIATION</b>	<b>FINAL EXPENDITURE</b>	<b>ACTUAL EXPENDITURE</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>29 358</b>	<b>(505)</b>	<b>-</b>	<b>28 853</b>	<b>24 850</b>	<b>4 003</b>	<b>86,1%</b>	<b>22 806</b>	<b>22 158</b>	<b>22 158</b>
<b>Compensation of employees</b>	<b>16 478</b>	<b>-</b>	<b>-</b>	<b>16 478</b>	<b>12 781</b>	<b>3 697</b>	<b>77,6%</b>	<b>12 928</b>	<b>12 339</b>	<b>12 339</b>
Salaries and wages	14 833	(19)	-	14 814	11 438	3 376	77,2%	11 397	11 161	11 161
Social contributions	1 645	19	-	1 664	1 343	321	80,7%	1 531	1 178	1 178
<b>Goods and services</b>	<b>12 880</b>	<b>(505)</b>	<b>-</b>	<b>12 375</b>	<b>12 069</b>	<b>306</b>	<b>97,5%</b>	<b>9 878</b>	<b>9 819</b>	<b>9 819</b>
Administrative fees	2	-	-	2	-	2	-	7	1	1
Minor assets	3	-	-	3	-	3	-	3	-	-

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**SUBPROGRAMME: 4.4: FINANCIAL OPERATIONS**

ECONOMIC CLASSIFICATION	2020/21						2019/20		
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Audit costs: External	1 500	(60)	-	1 440	1 433	7	99,5%	1 119	1 118
Bursaries: Employees	44	(40)	-	4	-	4	-	-	-
Catering: Departmental activities	5	-	-	5	-	5	-	7	-
Computer services	11 188	(340)	-	10 848	10 636	212	98,0%	8 645	8 645
Entertainment	7	-	-	7	-	7	-	7	1
Travel and subsistence	94	(35)	-	59	-	59	-	90	54
Training and development	37	(30)	-	7	-	7	-	-	-
<b>Transfers and subsidies</b>	-	<b>140</b>	-	<b>140</b>	<b>135</b>	<b>5</b>	<b>96,4%</b>	<b>1 338</b>	<b>1 338</b>
<b>Households</b>	-	<b>140</b>	-	<b>140</b>	<b>135</b>	<b>5</b>	<b>96,4%</b>	<b>1 338</b>	<b>1 338</b>
Social benefits	-	140	-	140	135	5	96,4%	1 338	1 338
<b>Total</b>	<b>29 358</b>	<b>(365)</b>	-	<b>28 993</b>	<b>24 985</b>	<b>4 008</b>	<b>86,2%</b>	<b>24 144</b>	<b>23 496</b>

<b>SUBPROGRAMME: 4.5: STRATEGY AND RISK MANAGEMENT</b>										
<b>ECONOMIC CLASSIFICATION</b>	<b>2020/21</b>					<b>2019/20</b>				
	<b>ADJUSTED APPROPRIATION</b>	<b>SHIFTING OF FUNDS</b>	<b>VIREMENT</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	<b>VARIANCE</b>	<b>EXPENDITURE AS % OF FINAL APPROPRIATION</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>	
<b>Current payments</b>	12 771	(4)	-	12 767	9 204	3 563	72,1%	10 675	8 847	
<b>Compensation of employees</b>	12 548	-	-	12 548	9 189	3 359	73,2%	10 274	8 612	
Salaries and wages	11 231	-	-	11 231	8 166	3 065	72,7%	9 049	7 705	
Social contributions	1 317	-	-	1 317	1 023	294	77,7%	1 225	907	
<b>Goods and services</b>	223	(4)	-	219	15	204	6,8%	401	235	
Administrative fees	1	-	-	1	-	1	-	16	3	
Minor assets	2	-	-	2	-	2	-	2	-	
Bursaries: Employees	50	(41)	-	9	9	-	100,0%	52	-	
Catering: Departmental activities	7	-	-	7	-	7	-	7	-	
Entertainment	7	-	-	7	-	7	-	7	1	
Travel and subsistence	83	(50)	-	33	-	33	-	222	143	
Training and development	73	87	-	160	6	154	3,8%	95	88	
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	11	8	
<b>Households</b>	-	-	-	-	-	-	-	11	8	
Social benefits	-	-	-	-	-	-	-	11	8	
<b>Total</b>	12 771	(4)	-	12 767	9 204	3 563	72,1%	10 686	8 855	

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<b>PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS</b>												
											2020/21	2019/20
SUB PROGRAMME	ADJUSTED	SHIFTING	VIREMENT	FINAL	ACTUAL	VARIANCE	EXPENDITURE	EXPENDITURE	FINAL	ACTUAL		
	APPROPRIATION	OF FUNDS	R'000	APPROPRIATION	EXPENDITURE	R'000	R'000	AS % OF FINAL	APPROPRIATION	EXPENDITURE	R'000	R'000
	R'000	R'000	R'000	R'000	R'000	R'000	%		R'000	R'000		R'000
1	41 165	(1 375)	-	39 790	32 141	7 649	80,8%		60 466	38 843		
2	67 801	2 116	-	69 917	64 630	5 287	92,4%		74 382	68 772		
3	487 157	(53 139)	(5 516)	428 502	355 061	73 441	82,9%		543 040	399 043		
4	108 779	2 006	-	110 785	105 113	5 672	94,9%		107 790	104 454		
5	148 267	392	(14 000)	134 659	89 472	45 187	66,4%		155 365	122 594		
6	320	-	-	320	208	112	65,0%		303	242		
7	-	50 000	-	50 000	50 000	-	100,0%		62 842	62 842		
<b>Total</b>	<b>853 489</b>	<b>-</b>	<b>(19 516)</b>	<b>833 973</b>	<b>696 625</b>	<b>137 348</b>	<b>83,5%</b>		<b>1 004 188</b>	<b>796 790</b>		

<b>APPROPRIATION PER ECONOMIC CLASSIFICATION</b>										
	<b>2020/21</b>					<b>2019/20</b>				
	<b>ADJUSTED APPROPRIATION</b>	<b>SHIFTING OF FUNDS</b>	<b>VIREMENT</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	<b>VARIANCE</b>	<b>EXPENDITURE AS % OF FINAL APPROPRIATION</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>	
<b>Current payments</b>	775 344	(53 294)	(19 516)	702 534	581 066	121 468	82,7%	865 193	667 867	
<b>Compensation of employees</b>	213 922	1	-	213 923	196 933	16 990	92,1%	216 964	207 668	
Salaries and wages	196 969	(7 784)	-	189 185	175 430	13 755	92,7%	193 971	185 676	
Social contributions	16 953	7 785	-	24 738	21 503	3 235	86,9%	22 993	21 992	
<b>Goods and services</b>	561 422	(53 295)	(19 516)	488 611	384 133	104 478	78,6%	648 229	460 199	
Administrative fees	1 149	(35)	-	1 114	625	489	56,1%	1 502	1 161	
Advertising	419	51	-	470	111	359	23,6%	686	174	
Minor assets	74	6	-	80	1	79	1,3%	190	68	
Audit costs: External	7 492	(2 168)	-	5 324	4 860	464	91,3%	7 280	6 769	
Bursaries: Employees	2 634	(377)	-	2 257	1 610	647	71,3%	1 750	879	
Catering: Departmental activities	342	16	-	358	104	254	29,1%	726	419	
Communication (G&S)	644	119	-	763	411	352	53,9%	645	477	
Computer services	430 318	(49 454)	(5 516)	375 348	325 731	49 617	86,8%	462 153	350 387	
Consultants: Business and advisory services	100 382	(243)	(14 000)	86 139	44 019	42 120	51,1%	150 397	86 449	
Legal services	-	263	-	263	262	1	99,6%	1 500	-	
Contractors	243	14	-	257	203	54	79,0%	64	15	
Entertainment	86	(23)	-	63	17	46	27,0%	114	13	
Fleet services	22	(6)	-	16	-	16	-	17	-	
Consumable supplies	118	28	-	146	106	40	72,6%	139	50	
Consumable: Stationery, printing and office supplies	1 245	410	-	1 655	331	1 324	20,0%	1 567	624	
Operating leases	804	(16)	-	788	424	364	53,8%	926	631	
Travel and subsistence	6 914	(645)	-	6 269	894	5 375	14,3%	10 906	6 855	

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	APPROPRIATION PER ECONOMIC CLASSIFICATION									
	2020/21					2019/20				
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Training and development	1 685	1 789	-	3 474	2 331	1 143	67,1%	1 944	1 104	
Operating payments	1 468	584	-	2 052	1 259	793	61,4%	1 100	641	
Venues and facilities	5 383	(3 608)	-	1 775	834	941	47,0%	4 623	3 483	
<b>Transfers and subsidies</b>	<b>61 242</b>	<b>53 294</b>	-	<b>114 536</b>	<b>112 857</b>	<b>1 679</b>	<b>98,5%</b>	<b>125 121</b>	<b>125 079</b>	
Departmental agencies and accounts	58 594	50 000	-	108 594	108 594	-	100,0%	120 345	120 345	
Departmental agencies	58 594	50 000	-	108 594	108 594	-	100,0%	120 345	120 345	
Households	2 648	3 294	-	5 942	4 263	1 679	71,7%	4 776	4 734	
Social benefits	2 648	3 294	-	5 942	4 263	1 679	71,7%	3 629	3 588	
Other transfers to households	-	-	-	-	-	-	-	1 147	1 146	
Payments for capital assets	16 903	-	-	16 903	2 578	14 325	15,3%	13 874	3 785	
Machinery and equipment	10 844	-	-	10 844	2 578	8 266	23,8%	9 082	3 785	
Other machinery and equipment	10 844	-	-	10 844	2 578	8 266	23,8%	9 082	3 785	



APPROPRIATION PER ECONOMIC CLASSIFICATION									
2020/21					2019/20				
ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
6 059	-	-	6 059	-	6 059	-	4 792	-	-
-	-	-	-	124	(124)	-	-	-	59
853 489	-	(19 516)	833 973	696 625	137 348	83,5%	1 004 188	796 790	

SUBPROGRAMME: 5.1: PROGRAMME MANAGEMENT FOR FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS									
2020/21					2019/20				
ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
41 036	(1 375)	-	39 661	32 139	7 522	81,0%	60 246	38 668	
7 366	(1 426)	-	5 940	5 506	434	92,7%	7 982	5 787	
6 688	(1 481)	-	5 207	4 778	429	91,8%	7 167	5 049	
678	55	-	733	728	5	99,3%	815	738	
33 670	51	-	33 721	26 633	7 088	79,0%	52 264	32 881	
27	-	-	27	1	26	3,7%	37	10	
75	-	-	75	13	62	17,3%	149	54	
-	-	-	-	-	-	-	6	5	
-	-	-	-	-	-	-	130	-	
39	-	-	39	2	37	5,1%	36	-	
32	13	-	45	35	10	77,8%	46	40	

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**SUBPROGRAMME: 5.1: PROGRAMME MANAGEMENT FOR FINANCIAL ACCOUNTING AND SUPPLY CHAIN**  
**MANAGEMENT SYSTEMS**

ECONOMIC CLASSIFICATION	2020/21						2019/20		
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consultants: Business and advisory services	31 822	(263)	-	31 559	26 006	5 553	82,4%	49 750	31 983
Entertainment	5	-	-	5	1	4	20,0%	10	-
Consumable supplies	-	6	-	6	4	2	66,7%	35	34
Consumable: Stationery, printing and office supplies	64	(7)	-	57	-	57	-	101	-
Operating leases	128	(23)	-	105	49	56	46,7%	151	82
Travel and subsistence	753	(31)	-	722	7	715	1,0%	978	207
Training and development	62	51	-	113	27	86	23,9%	285	114
Operating payments	577	305	-	882	488	394	55,3%	529	352
Venues and facilities	86	-	-	86	-	86	-	21	-
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	<b>94</b>	<b>93</b>
<b>Households</b>	-	-	-	-	-	-	-	<b>94</b>	<b>93</b>
Social benefits	-	-	-	-	-	-	-	94	93

SUBPROGRAMME: 5.1: PROGRAMME MANAGEMENT FOR FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS										
ECONOMIC CLASSIFICATION	2020/21					2019/20				
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Payments for capital assets	129	-	-	129	-	129	-	126	82	
Machinery and equipment	129	-	-	129	-	129	-	126	82	
Other machinery and equipment	129	-	-	129	-	129	-	126	82	
Payment for financial assets	-	-	-	-	2	(2)	-	-	-	
<b>Total</b>	<b>41 165</b>	<b>(1 375)</b>	<b>-</b>	<b>39 790</b>	<b>32 141</b>	<b>7 649</b>	<b>80,8%</b>	<b>60 466</b>	<b>38 843</b>	

SUBPROGRAMME: 5.2: OFFICE OF THE CHIEF PROCUREMENT OFFICER										
ECONOMIC CLASSIFICATION	2020/21					2019/20				
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current payments	65 904	(72)	-	65 832	61 297	4 535	93,1%	71 430	66 245	
Compensation of employees	60 976	(79)	-	60 897	58 885	2 012	96,7%	63 929	62 225	
Salaries and wages	55 712	(2 988)	-	52 724	52 194	530	99,0%	56 823	55 363	
Social contributions	5 264	2 909	-	8 173	6 691	1 482	81,9%	7 106	6 862	
<b>Goods and services</b>	<b>4 928</b>	<b>7</b>	<b>-</b>	<b>4 935</b>	<b>2 412</b>	<b>2 523</b>	<b>48,9%</b>	<b>7 501</b>	<b>4 020</b>	
Administrative fees	509	37	-	546	375	171	68,7%	580	424	
Advertising	130	(2)	-	128	46	82	35,9%	166	35	
Minor assets	9	6	-	15	1	14	6,7%	144	58	
Bursaries: Employees	1 065	(164)	-	901	684	217	75,9%	720	481	
Catering: Departmental activities	99	1	-	100	28	72	28,0%	330	223	

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**SUBPROGRAMME: 5.2: OFFICE OF THE CHIEF PROCUREMENT OFFICER**

ECONOMIC CLASSIFICATION	2020/21						2019/20			
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Communication (G&S)	272	118	-	390	382	8	97,9%	294	294	
Computer services	478	(168)	-	310	258	52	83,2%	514	162	
Consultants: Business and advisory services	42	153	-	195	34	161	17,4%	123	24	
Contractors	196	14	-	210	203	7	96,7%	20	12	
Entertainment	28	(3)	-	25	14	11	56,0%	35	6	
Consumable supplies	20	22	-	42	22	20	52,4%	52	8	
Consumable: Stationery, printing and office supplies	178	96	-	274	63	211	23,0%	484	208	
Operating leases	100	6	-	106	37	69	34,9%	161	104	
Travel and subsistence	1 523	(137)	-	1 386	263	1 123	19,0%	3 315	1 959	
Training and development	166	28	-	194	1	193	0,5%	156	22	
Operating payments	57	-	-	57	1	56	1,8%	224	-	
Venues and facilities	56	-	-	56	-	56	-	183	-	
Interest and rent on land	-	-	-	-	-	-	-	-	-	

<b>SUBPROGRAMME: 5.2: OFFICE OF THE CHIEF PROCUREMENT OFFICER</b>										
ECONOMIC CLASSIFICATION	2020/21					2019/20				
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Transfers and subsidies	655	1 212	-	1 867	1 861	6	99,7%	1 578	1 559	
Households	655	1 212	-	1 867	1 861	6	99,7%	1 578	1 559	
Social benefits	655	1 212	-	1 867	1 861	6	99,7%	1 578	1 559	
Payments for capital assets	1 242	976	-	2 218	1 364	854	61,5%	1 374	968	
Machinery and equipment	1 242	976	-	2 218	1 364	854	61,5%	1 334	968	
Other machinery and equipment	1 242	976	-	2 218	1 364	854	61,5%	1 334	968	
Software and other intangible assets	-	-	-	-	-	-	-	40	-	
Payment for financial assets	-	-	-	-	108	(108)	-	-	-	
<b>Total</b>	<b>67 801</b>	<b>2 116</b>	<b>-</b>	<b>69 917</b>	<b>64 630</b>	<b>5 287</b>	<b>92,4%</b>	<b>74 382</b>	<b>68 772</b>	

<b>SUBPROGRAMME: 5.3: FINANCIAL SYSTEMS</b>										
ECONOMIC CLASSIFICATION	2020/21					2019/20				
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current payments	473 412	(53 233)	(5 516)	414 663	353 481	61 182	85,2%	530 699	395 517	
Compensation of employees	27 613	3 242	-	30 855	28 738	2 117	93,1%	29 797	29 585	
Salaries and wages	24 943	887	-	25 830	24 928	902	96,5%	26 086	25 875	
Social contributions	2 670	2 355	-	5 025	3 810	1 215	75,8%	3 711	3 710	
Goods and services	445 799	(56 475)	(5 516)	383 808	324 743	59 065	84,6%	500 902	365 932	
Administrative fees	34	-	-	34	2	32	5,9%	29	12	
Advertising	46	-	-	46	-	46	-	138	21	

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**SUBPROGRAMME: 5.3: FINANCIAL SYSTEMS**

ECONOMIC CLASSIFICATION	2020/21						2019/20		
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Minor assets	39	-	-	39	-	39	-	26	5
Audit costs: External	2 406	(2 174)	-	232	231	1	99,6%	1 891	1 890
Bursaries: Employees	229	4	-	233	71	162	30,5%	144	51
Catering: Departmental activities	38	-	-	38	-	38	-	96	12
Communication (G&S)	371	-	-	371	28	343	7,5%	349	182
Computer services	421 051	(50 977)	(5 516)	364 558	316 513	48 045	86,8%	453 315	343 162
Consultants: Business and advisory services	15 000	9	-	15 009	6 653	8 356	44,3%	36 975	16 772
Legal services	-	263	-	263	262	1	99,6%	1 500	-
Contractors	32	-	-	32	-	32	-	29	3
Entertainment	9	-	-	9	2	7	22,2%	10	2
Fleet services (including government motor transport)	16	-	-	16	-	16	-	10	-
Consumable supplies	2	-	-	2	-	2	-	3	-

<b>SUBPROGRAMME: 5.3: FINANCIAL SYSTEMS</b>										
<b>ECONOMIC CLASSIFICATION</b>	<b>2020/21</b>						<b>2019/20</b>			
	<b>ADJUSTED APPROPRIATION</b>	<b>SHIFTING OF FUNDS</b>	<b>VIREMENT</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	<b>VARIANCE</b>	<b>EXPENDITURE AS % OF FINAL APPROPRIATION</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>	
Consumable: Stationery, printing and office supplies	291	10	-	301	17	284	5,6%	454	137	
Operating leases	214	-	-	214	118	96	55,1%	225	127	
Travel and subsistence	625	(2)	-	623	12	611	1,9%	1 254	206	
Training and development	259	-	-	259	-	259	-	305	60	
Operating payments	5	-	-	5	-	5	-	5	-	
Venues and facilities	5 132	(3 608)	-	1 524	834	690	54,7%	4 144	3 290	
<b>Transfers and subsidies</b>	-	<b>1 580</b>	-	<b>1 580</b>	<b>1 578</b>	<b>2</b>	<b>99,9%</b>	<b>1 440</b>	<b>1 438</b>	
<b>Households</b>	-	<b>1 580</b>	-	<b>1 580</b>	<b>1 578</b>	<b>2</b>	<b>99,9%</b>	<b>1 440</b>	<b>1 438</b>	
Social benefits	-	1 580	-	1 580	1 578	2	99,9%	1 440	1 438	
<b>Payments for capital assets</b>	<b>13 745</b>	<b>(1 486)</b>	-	<b>12 259</b>	-	<b>12 259</b>	-	<b>10 901</b>	<b>2 088</b>	
<b>Machinery and equipment</b>	<b>7 734</b>	<b>(1 486)</b>	-	<b>6 248</b>	-	<b>6 248</b>	-	<b>6 149</b>	<b>2 088</b>	
Other machinery and equipment	7 734	(1 486)	-	6 248	-	6 248	-	6 149	2 088	
Software and other intangible assets	6 011	-	-	6 011	-	6 011	-	4 752	-	
<b>Payment for financial assets</b>	-	-	-	-	<b>2</b>	<b>(2)</b>	-	-	-	
<b>Total</b>	<b>487 157</b>	<b>(53 139)</b>	<b>(5 516)</b>	<b>428 502</b>	<b>355 061</b>	<b>73 441</b>	<b>82,9%</b>	<b>543 040</b>	<b>399 043</b>	

**NATIONAL TREASURY VOTE 8**  
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**SUBPROGRAMME: 5.4: FINANCIAL REPORTING FOR NATIONAL ACCOUNTS**

ECONOMIC CLASSIFICATION	2020/21						2019/20			
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
<b>Current payments</b>	<b>49 791</b>	<b>1 756</b>	-	<b>51 547</b>	<b>45 978</b>	<b>5 569</b>	<b>89,2%</b>	<b>49 833</b>	<b>46 592</b>	
<b>Compensation of employees</b>	<b>34 896</b>	-	-	<b>34 896</b>	<b>32 156</b>	<b>2 740</b>	<b>92,1%</b>	<b>34 624</b>	<b>33 251</b>	
Salaries and wages	31 735	(553)	-	31 182	28 637	2 545	91,8%	30 971	29 711	
Social contributions	3 161	553	-	3 714	3 519	195	94,7%	3 653	3 540	
<b>Goods and services</b>	<b>14 895</b>	<b>1 756</b>	-	<b>16 651</b>	<b>13 822</b>	<b>2 829</b>	<b>83,0%</b>	<b>15 209</b>	<b>13 341</b>	
Administrative fees	44	-	-	44	3	41	6,8%	40	30	
Advertising	33	28	-	61	30	31	49,2%	30	-	
Minor assets	16	-	-	16	-	16	-	-	-	
Audit costs: External	5 086	6	-	5 092	4 629	463	90,9%	5 259	4 879	
Bursaries: Employees	468	(48)	-	420	397	23	94,5%	187	8	
Catering: Departmental activities	6	14	-	20	13	7	65,0%	50	17	
Communication (G&S)	1	1	-	2	1	1	50,0%	2	1	
Computer services	8 051	1 104	-	9 155	8 340	815	91,1%	7 753	6 943	



SUBPROGRAMME: 5.4: FINANCIAL REPORTING FOR NATIONAL ACCOUNTS										
ECONOMIC CLASSIFICATION	2020/21						2019/20			
	ADJUSTED APPROPRIATION R'000	SHIFTING OF FUNDS R'000	VIREMENT R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	EXPENDITURE AS % OF FINAL APPROPRIATION %	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	
Consultants: Business and advisory services	18	32	-	50	39	11	78,0%	17	16	
Entertainment	25	(12)	-	13	-	13	-	24	-	
Consumable supplies	8	1	-	9	-	9	-	27	6	
Consumable: Stationery, printing and office supplies	125	618	-	743	110	633	14,8%	256	200	
Operating leases	210	1	-	211	139	72	65,9%	231	180	
Travel and subsistence	558	(1)	-	557	46	511	8,3%	992	849	
Training and development	66	-	-	66	15	51	22,7%	91	5	
Operating payments	82	12	-	94	60	34	63,8%	93	75	
Venues and facilities	98	-	-	98	-	98	-	157	132	
Interest and rent on land	-	-	-	-	-	-	-	-	-	
Transfers and subsidies	58 594	250	-	58 844	58 843	1	100,0%	57 651	57 651	
Provinces and municipalities	-	-	-	-	-	-	-	-	-	
<b>Departmental agencies and accounts</b>	<b>58 594</b>	<b>-</b>	<b>-</b>	<b>58 594</b>	<b>58 594</b>	<b>-</b>	<b>100,0%</b>	<b>57 503</b>	<b>57 503</b>	
Departmental agencies (non-business entities)	58 594	-	-	58 594	58 594	-	100,0%	57 503	57 503	
Households	-	250	-	250	249	1	99,6%	148	148	
Social benefits	-	250	-	250	249	1	99,6%	148	148	
<b>Payments for capital assets</b>	<b>394</b>	<b>-</b>	<b>-</b>	<b>394</b>	<b>289</b>	<b>105</b>	<b>73,4%</b>	<b>306</b>	<b>211</b>	
<b>Machinery and equipment</b>	<b>394</b>	<b>-</b>	<b>-</b>	<b>394</b>	<b>289</b>	<b>105</b>	<b>73,4%</b>	<b>306</b>	<b>211</b>	
Other machinery and equipment	394	-	-	394	289	105	73,4%	306	211	
<b>Payment for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>(3)</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total</b>	<b>108 779</b>	<b>2 006</b>	<b>-</b>	<b>110 785</b>	<b>105 113</b>	<b>5 672</b>	<b>94,9%</b>	<b>107 790</b>	<b>104 454</b>	

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ECONOMIC CLASSIFICATION	SUBPROGRAMME: 5-5: FINANCIAL MANAGEMENT POLICY AND COMPLIANCE IMPROVEMENT									
	2020/21					2019/20				
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	
<b>Current payments</b>	144 881	(370)	(14 000)	130 511	87 963	42 548	67,4%	152 682	120 603	
<b>Compensation of employees</b>	83 071	(1 736)	-	81 335	71 648	9 687	88,1%	80 632	76 820	
Salaries and wages	77 891	(3 649)	-	74 242	64 893	9 349	87,4%	72 924	69 678	
Social contributions	5 180	1 913	-	7 093	6 755	338	95,2%	7 708	7 142	
<b>Goods and services</b>	61 810	1 366	(14 000)	49 176	16 315	32 861	33,2%	72 050	43 783	
Administrative fees	215	(72)	-	143	36	107	25,2%	513	443	
Advertising	135	25	-	160	22	138	13,8%	203	64	
Minor assets	10	-	-	10	-	10	-	14	-	
Bursaries: Employees	833	(169)	-	664	456	208	68,7%	663	339	
Catering: Departmental activities	167	(12)	-	155	28	127	18,1%	204	127	
Computer services	738	587	-	1 325	620	705	46,8%	571	120	
Consultants: Business and advisory services	53 500	(174)	(14 000)	39 326	11 287	28 039	28,7%	63 532	37 654	
Contractors	15	-	-	15	-	15	-	15	-	

<b>SUBPROGRAMME: 5.5: FINANCIAL MANAGEMENT POLICY AND COMPLIANCE IMPROVEMENT</b>												
<b>ECONOMIC CLASSIFICATION</b>	<b>2020/21</b>						<b>2019/20</b>					
	<b>ADJUSTED APPROPRIATION</b>	<b>SHIFTING OF FUNDS</b>	<b>VIREMENT</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	<b>VARIANCE</b>	<b>EXPENDITURE AS % OF FINAL APPROPRIATION</b>	<b>FINAL APPROPRIATION</b>	<b>FINAL EXPENDITURE</b>	<b>ACTUAL EXPENDITURE</b>	<b>R'000</b>	
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	
Entertainment	19	(8)	-	11	-	11	-	35	5			
Fleet services (including government motor transport)	6	(6)	-	-	-	-	-	7	-			
Consumable supplies	88	(1)	-	87	80	7	92,0%	22	2			
Consumable: Stationery, printing and office supplies	587	(307)	-	280	141	139	50,4%	272	79			
Operating leases	152	-	-	152	81	71	53,3%	158	138			
Travel and subsistence	3 455	(474)	-	2 981	566	2 415	19,0%	4 367	3 634			
Training and development	1 132	1 710	-	2 842	2 288	554	80,5%	1 107	903			
Operating payments	747	267	-	1 014	710	304	70,0%	249	214			
Venues and facilities	11	-	-	11	-	11	-	118	61			
<b>Transfers and subsidies</b>	<b>1 993</b>	<b>252</b>	-	<b>2 245</b>	<b>575</b>	<b>1 670</b>	<b>25,6%</b>	<b>1 516</b>	<b>1 496</b>			
<b>Households</b>	<b>1 993</b>	<b>252</b>	-	<b>2 245</b>	<b>575</b>	<b>1 670</b>	<b>25,6%</b>	<b>1 516</b>	<b>1 496</b>			
Social benefits	1 993	252	-	2 245	575	1 670	25,6%	369	350			
Payments for capital assets	1 393	510	-	1 903	925	978	48,6%	1 167	436			
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-			
<b>Machinery and equipment</b>	<b>1 345</b>	<b>510</b>	-	<b>1 855</b>	<b>925</b>	<b>930</b>	<b>49,9%</b>	<b>1 167</b>	<b>436</b>			
Other machinery and equipment	1 345	510	-	1 855	925	930	49,9%	1 167	436			
Software and other intangible assets	48	-	-	48	-	48	-	-	-			
<b>Payment for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>(9)</b>	<b>-</b>	<b>-</b>	<b>59</b>			
<b>Total</b>	<b>148 267</b>	<b>392</b>	<b>(14 000)</b>	<b>134 659</b>	<b>89 472</b>	<b>45 187</b>	<b>66,4%</b>	<b>155 365</b>	<b>122 594</b>			

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**SUBPROGRAMME: 5.6: SERVICE CHARGES: COMMERCIAL BANKS**

ECONOMIC CLASSIFICATION	2020/21							2019/20		
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Current payments	320	-	-	320	208	112	65,0%	303	242	
Goods and services	320	-	-	320	208	112	65,0%	303	242	
Administrative fees	320	-	-	320	208	112	65,0%	303	242	
<b>Total</b>	<b>320</b>	<b>-</b>	<b>-</b>	<b>320</b>	<b>208</b>	<b>112</b>	<b>65,0%</b>	<b>303</b>	<b>242</b>	

**SUBPROGRAMME: 5.7: AUDIT STATUTORY BODIES**

ECONOMIC CLASSIFICATION	2020/21							2019/20		
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Transfers and subsidiaries	-	50 000	-	50 000	50 000	-	100,0%	62 842	62 842	
Departmental agencies and accounts	-	50 000	-	50 000	50 000	-	100,0%	62 842	62 842	
Departmental agencies (non-business entities)	-	50 000	-	50 000	50 000	-	100,0%	62 842	62 842	
<b>Total</b>	<b>-</b>	<b>50 000</b>	<b>-</b>	<b>50 000</b>	<b>50 000</b>	<b>-</b>	<b>100,0%</b>	<b>62 842</b>	<b>62 842</b>	

<b>PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS</b>										
SUB PROGRAMME	2020/21						2019/20			
	ADJUSTED APPROPRIATION R'000	SHIFTING OF FUNDS R'000	VIREMENT R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	EXPENDITURE AS % OF FINAL APPROPRIATION %	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	
1	7 677	(829)	-	6 848	5 353	1 495	78,2%	10 473	6 660	
2	31 185	829	-	32 014	25 768	6 246	80,5%	55 711	44 407	
3	1 146 400	(630 727)	252 515	768 188	766 586	1 602	99,8%	981 896	981 508	
4	5 190 399	632 031	-	5 822 430	5 822 301	129	100,0%	4 879 235	4 405 819	
5	22 316	(1 304)	-	21 012	20 493	519	97,5%	20 816	20 369	
<b>Total</b>	<b>6 397 977</b>	<b>-</b>	<b>252 515</b>	<b>6 650 492</b>	<b>6 640 501</b>	<b>9 991</b>	<b>99,8%</b>	<b>5 948 131</b>	<b>5 458 763</b>	

<b>APPROPRIATION PER ECONOMIC CLASSIFICATION</b>										
	2020/21						2019/20			
	ADJUSTED APPROPRIATION R'000	SHIFTING OF FUNDS R'000	VIREMENT R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	EXPENDITURE AS % OF FINAL APPROPRIATION %	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	
<b>Current payments</b>	<b>38 306</b>	<b>(94)</b>	<b>-</b>	<b>38 212</b>	<b>30 759</b>	<b>7 453</b>	<b>80,5%</b>	<b>65 379</b>	<b>50 989</b>	
<b>Compensation of employees</b>	<b>30 555</b>	<b>-</b>	<b>-</b>	<b>30 555</b>	<b>29 086</b>	<b>1 469</b>	<b>95,2%</b>	<b>35 490</b>	<b>31 558</b>	
Salaries and wages	28 781	(1 114)	-	27 667	26 206	1 461	94,7%	32 235	28 530	
Social contributions	1 774	1 114	-	2 888	2 880	8	99,7%	3 255	3 028	
<b>Goods and services</b>	<b>7 751</b>	<b>(94)</b>	<b>-</b>	<b>7 657</b>	<b>1 673</b>	<b>5 984</b>	<b>21,8%</b>	<b>29 889</b>	<b>19 431</b>	
Administrative fees	70	-	-	70	8	62	11,4%	533	447	

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	APPROPRIATION PER ECONOMIC CLASSIFICATION										
	2020/21						2019/20				
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE		
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000			
Advertising	70	-	-	70	-	70	-	67	-		
Minor assets	31	-	-	31	-	31	-	10	7		
Bursaries: Employees	383	(104)	-	279	182	97	65,2%	292	107		
Catering: Departmental activities	21	-	-	21	-	21	-	50	1		
Communication (G&S)	-	-	-	-	-	-	-	1	-		
Computer services	-	-	-	-	-	-	-	40	-		
Consultants: Business and advisory services	892	-	-	892	682	210	76,5%	1 540	660		
Contractors	-	-	-	-	-	-	-	6	-		
Entertainment	21	-	-	21	-	21	-	20	-		
Fleet services (including government motor transport)	-	-	-	-	-	-	-	164	12		
Consumable supplies	37	-	-	37	2	35	5,4%	60	17		
Consumable: Stationery, printing and office supplies	203	-	-	203	22	181	10,8%	263	31		
Operating leases	140	5	-	145	28	117	19,3%	138	111		

APPROPRIATION PER ECONOMIC CLASSIFICATION									
2020/21									
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Travel and subsistence	2 520	-	-	2 520	91	2 429	3,6%	12 291	9 059
Training and development	340	5	-	345	198	147	57,4%	365	8
Operating payments	823	-	-	823	460	363	55,9%	790	366
Venues and facilities	2 200	-	-	2 200	-	2 200	-	13 259	8 605
<b>Transfers and subsidies</b>	<b>1 303 743</b>	<b>(631 937)</b>	<b>252 515</b>	<b>924 321</b>	<b>922 071</b>	<b>2 250</b>	<b>99,8%</b>	<b>1 135 131</b>	<b>1 134 244</b>
Foreign governments and international organisations	1 303 743	(632 031)	252 515	924 227	921 977	2 250	99,8%	1 135 031	1 134 196
<b>Households</b>	<b>-</b>	<b>94</b>	<b>-</b>	<b>94</b>	<b>94</b>	<b>-</b>	<b>100,0%</b>	<b>100</b>	<b>48</b>
Social benefits	-	94	-	94	94	-	100,0%	100	48
<b>Payments for capital assets</b>	<b>556</b>	<b>-</b>	<b>-</b>	<b>556</b>	<b>268</b>	<b>288</b>	<b>48,2%</b>	<b>705</b>	<b>30</b>
<b>Machinery and equipment</b>	<b>556</b>	<b>-</b>	<b>-</b>	<b>556</b>	<b>268</b>	<b>288</b>	<b>48,2%</b>	<b>705</b>	<b>30</b>
Other machinery and equipment	556	-	-	556	268	288	48,2%	705	30
<b>Payment for financial assets</b>	<b>5 055 372</b>	<b>632 031</b>	<b>-</b>	<b>5 687 403</b>	<b>5 687 403</b>	<b>-</b>	<b>100,0%</b>	<b>4 746 916</b>	<b>4 273 500</b>
<b>Total</b>	<b>6 397 977</b>	<b>-</b>	<b>252 515</b>	<b>6 650 492</b>	<b>6 640 501</b>	<b>9 991</b>	<b>99,8%</b>	<b>5 948 131</b>	<b>5 458 763</b>

SUBPROGRAMME: 6.1: PROGRAMME MANAGEMENT FOR INTERNATIONAL FINANCIAL RELATIONS									
2020/21									
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>7 581</b>	<b>(829)</b>	<b>-</b>	<b>6 752</b>	<b>5 346</b>	<b>1 406</b>	<b>79,2%</b>	<b>10 329</b>	<b>6 660</b>
<b>Compensation of employees</b>	<b>5 066</b>	<b>(829)</b>	<b>-</b>	<b>4 237</b>	<b>4 129</b>	<b>108</b>	<b>97,5%</b>	<b>5 532</b>	<b>4 452</b>
Salaries and wages	4 769	(888)	-	3 881	3 775	106	97,3%	5 181	4 102
Social contributions	297	59	-	356	354	2	99,4%	351	350
Goods and services	2 515	-	-	2 515	1 217	1 298	48,4%	4 797	2 208

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<b>SUBPROGRAMME: 6.1: PROGRAMME MANAGEMENT FOR INTERNATIONAL FINANCIAL RELATIONS</b>											
<b>ECONOMIC CLASSIFICATION</b>	<b>2020/21</b>						<b>2019/20</b>				
	<b>ADJUSTED</b>	<b>SHIFTING OF</b>	<b>WIRED</b>	<b>FINAL</b>	<b>ACTUAL</b>	<b>VARIANCE</b>	<b>EXPENDITURE</b>	<b>FINAL</b>	<b>FINAL</b>	<b>ACTUAL</b>	
	<b>R'000</b>	<b>FUNDS</b>	<b>R'000</b>	<b>APPROPRIATION</b>	<b>EXPENDITURE</b>	<b>R'000</b>	<b>AS % OF FINAL</b>	<b>APPROPRIATION</b>	<b>APPROPRIATION</b>	<b>EXPENDITURE</b>	
Administrative fees	27	-	-	27	-	27	-	-	85	35	
Advertising	31	-	-	31	-	31	-	-	29	-	
Bursaries: Employees	53	(5)	-	48	-	48	-	-	50	45	
Consultants: Business and advisory services	750	-	-	750	682	68	90,9%	1 200	1 200	332	
Entertainment	3	-	-	3	-	3	-	-	3	-	
Consumable supplies	13	-	-	13	2	11	15,4%	19	19	3	
Consumable: Stationery, printing and office supplies	45	-	-	45	-	45	-	-	37	4	
Operating leases	140	-	-	140	24	116	17,1%	138	138	111	
Travel and subsistence	400	-	-	400	8	392	2,0%	2 501	2 501	1 078	
Training and development	37	5	-	42	41	1	97,6%	34	34	8	
Operating payments	816	-	-	816	460	356	56,4%	366	366	366	
Venues and facilities	200	-	-	200	-	200	-	-	321	225	



<b>SUBPROGRAMME: 6.1: PROGRAMME MANAGEMENT FOR INTERNATIONAL FINANCIAL RELATIONS</b>										
<b>ECONOMIC CLASSIFICATION</b>	<b>2020/21</b>					<b>2019/20</b>				
	<b>ADJUSTED APPROPRIATION</b>	<b>SHIFTING OF FUNDS</b>	<b>VIREMENT</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	<b>VARIANCE</b>	<b>EXPENDITURE AS % OF FINAL APPROPRIATION</b>	<b>FINAL APPROPRIATION</b>	<b>FINAL EXPENDITURE</b>	<b>ACTUAL EXPENDITURE</b>
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
<b>Payments for capital assets</b>	96	-	-	96	7	89	7,3%	144	144	-
<b>Machinery and equipment</b>	96	-	-	96	7	89	7,3%	144	144	-
Other machinery and equipment	96	-	-	96	7	89	7,3%	144	144	-
<b>Total</b>	<b>7 677</b>	<b>(829)</b>	<b>-</b>	<b>6 848</b>	<b>5 353</b>	<b>1 495</b>	<b>78,2%</b>	<b>10 473</b>	<b>10 473</b>	<b>6 660</b>

<b>SUBPROGRAMME: 6.2: INTERNATIONAL ECONOMIC COOPERATION</b>										
<b>ECONOMIC CLASSIFICATION</b>	<b>2020/21</b>					<b>2019/20</b>				
	<b>ADJUSTED APPROPRIATION</b>	<b>SHIFTING OF FUNDS</b>	<b>VIREMENT</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	<b>VARIANCE</b>	<b>EXPENDITURE AS % OF FINAL APPROPRIATION</b>	<b>FINAL APPROPRIATION</b>	<b>FINAL EXPENDITURE</b>	<b>ACTUAL EXPENDITURE</b>
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
<b>Current payments</b>	<b>30 725</b>	<b>735</b>	<b>-</b>	<b>31 460</b>	<b>25 413</b>	<b>6 047</b>	<b>80,8%</b>	<b>55 050</b>	<b>55 050</b>	<b>44 329</b>
<b>Compensation of employees</b>	<b>25 489</b>	<b>829</b>	<b>-</b>	<b>26 318</b>	<b>24 957</b>	<b>1 361</b>	<b>94,8%</b>	<b>29 958</b>	<b>29 958</b>	<b>27 106</b>
Salaries and wages	24 012	(226)	-	23 786	22 431	1 355	94,3%	27 054	27 054	24 428
Social contributions	1 477	1 055	-	2 532	2 526	6	99,8%	2 904	2 904	2 678
<b>Goods and services</b>	<b>5 236</b>	<b>(94)</b>	<b>-</b>	<b>5 142</b>	<b>456</b>	<b>4 686</b>	<b>8,9%</b>	<b>25 092</b>	<b>25 092</b>	<b>17 223</b>
Administrative fees	43	-	-	43	8	35	18,6%	448	448	412
Advertising	39	-	-	39	-	39	-	38	38	-
Minor assets	31	-	-	31	-	31	-	10	10	7
Bursaries: Employees	330	(99)	-	231	182	49	78,8%	242	242	62
Catering: Departmental activities	21	-	-	21	-	21	-	36	36	-
Communication (G&S)	-	-	-	-	-	-	-	1	1	-
Computer services	-	-	-	-	-	-	-	40	40	-
Consultants: Business and advisory services	142	-	-	142	-	142	-	340	340	328

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**SUBPROGRAMME: 6.2: INTERNATIONAL ECONOMIC COOPERATION**

ECONOMIC CLASSIFICATION	2020/21							2019/20		
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Contractors	-	-	-	-	-	-	-	6	-	
Entertainment	18	-	-	18	-	18	-	17	-	
Fleet services (including government motor transport)	-	-	-	-	-	-	-	164	12	
Consumable supplies	24	-	-	24	-	24	-	41	14	
Consumable: Stationery, printing and office supplies	158	-	-	158	22	136	13,9%	226	27	
Operating leases	-	5	-	5	4	1	80,0%	-	-	
Travel and subsistence	2 120	-	-	2 120	83	2 037	3,9%	9 790	7 981	
Training and development	303	-	-	303	157	146	51,8%	331	-	
Operating payments	7	-	-	7	-	7	-	424	-	
Venues and facilities	2 000	-	-	2 000	-	2 000	-	12 938	8 380	
<b>Transfers and subsidies</b>	-	<b>94</b>	-	<b>94</b>	<b>94</b>	-	<b>100,0%</b>	<b>100</b>	<b>48</b>	
<b>Households</b>	-	<b>94</b>	-	<b>94</b>	<b>94</b>	-	<b>100,0%</b>	<b>100</b>	<b>48</b>	

<b>SUBPROGRAMME: 6.2: INTERNATIONAL ECONOMIC COOPERATION</b>										
ECONOMIC CLASSIFICATION	2020/21					2019/20				
	ADJUSTED APPROPRIATION R'000	SHIFTING OF FUNDS R'000	VIREMENT R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	EXPENDITURE AS % OF FINAL APPROPRIATION %	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	
Social benefits	-	94	-	94	94	-	100,0%	100	48	
Payments for capital assets	460	-	-	460	261	199	56,7%	561	30	
Machinery and equipment	460	-	-	460	261	199	56,7%	561	30	
Other machinery and equipment	460	-	-	460	261	199	56,7%	561	30	
<b>Total</b>	<b>31 185</b>	<b>829</b>	<b>-</b>	<b>32 014</b>	<b>25 768</b>	<b>6 246</b>	<b>80,5%</b>	<b>55 711</b>	<b>44 407</b>	

<b>SUBPROGRAMME: 6.3: AFRICAN INTEGRATION AND SUPPORT</b>										
ECONOMIC CLASSIFICATION	2020/21					2019/20				
	ADJUSTED APPROPRIATION R'000	SHIFTING OF FUNDS R'000	VIREMENT R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	EXPENDITURE AS % OF FINAL APPROPRIATION %	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	
Transfers and subsidies	1 146 400	(630 727)	252 515	768 188	766 586	1 602	99,8%	981 896	981 508	
Foreign governments and international organisations	1 146 400	(630 727)	252 515	768 188	766 586	1 602	99,8%	981 896	981 508	
<b>Total</b>	<b>1 146 400</b>	<b>(630 727)</b>	<b>252 515</b>	<b>768 188</b>	<b>766 586</b>	<b>1 602</b>	<b>99,8%</b>	<b>981 896</b>	<b>981 508</b>	

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**SUBPROGRAMME: 6.4: INTERNATIONAL DEVELOPMENT FUNDING INSTITUTIONS**

ECONOMIC CLASSIFICATION	2020/21						2019/20		
	ADJUSTED APPROPRIATION R'000	SHIFTING OF FUNDS R'000	VIREMENT R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	EXPENDITURE AS % OF FINAL APPROPRIATION %	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000
Transfers and subsidies	135 027	-	-	135 027	134 898	129	99,9%	132 319	132 319
Foreign governments and international organisations	135 027	-	-	135 027	134 898	129	99,9%	132 319	132 319
<b>Payment for financial assets</b>	<b>5 055 372</b>	<b>632 031</b>	-	<b>5 687 403</b>	<b>5 687 403</b>	-	<b>100,0%</b>	<b>4 746 916</b>	<b>4 273 500</b>
<b>Total</b>	<b>5 190 399</b>	<b>632 031</b>	-	<b>5 822 430</b>	<b>5 822 301</b>	<b>129</b>	<b>100,0%</b>	<b>4 879 235</b>	<b>4 405 819</b>

**SUBPROGRAMME: 6.5: INTERNATIONAL PROJECTS**

ECONOMIC CLASSIFICATION	2020/21						2019/20		
	ADJUSTED APPROPRIATION R'000	SHIFTING OF FUNDS R'000	VIREMENT R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	EXPENDITURE AS % OF FINAL APPROPRIATION %	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000
<b>Transfers and subsidies</b>	<b>22 316</b>	<b>(1 304)</b>	-	<b>21 012</b>	<b>20 493</b>	<b>519</b>	<b>97,5%</b>	<b>20 816</b>	<b>20 369</b>
Foreign governments and international organisations	22 316	(1 304)	-	21 012	20 493	519	97,5%	20 816	20 369
<b>Total</b>	<b>22 316</b>	<b>(1 304)</b>	-	<b>21 012</b>	<b>20 493</b>	<b>519</b>	<b>97,5%</b>	<b>20 816</b>	<b>20 369</b>

<b>PROGRAMME 7: CIVIL AND MILITARY PENSIONS, CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS</b>											
<b>2020/21</b>										<b>2019/20</b>	
<b>SUB PROGRAMME</b>	<b>ADJUSTED APPROPRIATION</b>	<b>SHIFTING OF FUNDS</b>	<b>VIREMENT</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	<b>VARIANCE</b>	<b>EXPENDITURE AS % OF FINAL APPROPRIATION</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
1	76 711	-	-	76 711	60 026	16 685	78,2%	72 712	66 871	72 712	66 871
2	5 050 496	(808 344)	(113 181)	4 128 971	4 027 389	101 582	97,5%	4 461 438	4 437 947	4 461 438	4 437 947
3	342 071	808 344	(38 969)	1 111 446	1 101 366	10 080	99,1%	990 353	982 282	990 353	982 282
<b>Total</b>	<b>5 469 278</b>	<b>-</b>	<b>(152 150)</b>	<b>5 317 128</b>	<b>5 188 781</b>	<b>128 347</b>	<b>97,6%</b>	<b>5 524 503</b>	<b>5 487 100</b>	<b>5 524 503</b>	<b>5 487 100</b>

<b>APPROPRIATION PER ECONOMIC CLASSIFICATION</b>											
<b>2020/21</b>										<b>2019/20</b>	
	<b>ADJUSTED APPROPRIATION</b>	<b>SHIFTING OF FUNDS</b>	<b>VIREMENT</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	<b>VARIANCE</b>	<b>EXPENDITURE AS % OF FINAL APPROPRIATION</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>76 711</b>	<b>-</b>	<b>-</b>	<b>76 711</b>	<b>60 026</b>	<b>16 685</b>	<b>78,2%</b>	<b>72 712</b>	<b>66 871</b>	<b>72 712</b>	<b>66 871</b>
<b>Goods and services</b>	<b>76 711</b>	<b>-</b>	<b>-</b>	<b>76 711</b>	<b>60 026</b>	<b>16 685</b>	<b>78,2%</b>	<b>72 712</b>	<b>66 871</b>	<b>72 712</b>	<b>66 871</b>
Consultants: Business and advisory services	76 711	-	-	76 711	60 026	16 685	78,2%	72 712	66 871	72 712	66 871
Interest and rent on land	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	5 392 567	-	(152 150)	5 240 417	5 128 755	111 662	97,9%	5 451 791	5 420 229	5 451 791	5 420 229
Foreign governments and international organisations	3 003	-	(1 029)	1 974	-	1 974	-	1 160	577	1 160	577
<b>Households</b>	<b>5 389 564</b>	<b>-</b>	<b>(151 121)</b>	<b>5 238 443</b>	<b>5 128 755</b>	<b>109 688</b>	<b>97,9%</b>	<b>5 450 631</b>	<b>5 419 652</b>	<b>5 450 631</b>	<b>5 419 652</b>
Social benefits	5 389 564	-	(151 121)	5 238 443	5 128 755	109 688	97,9%	5 450 631	5 419 652	5 450 631	5 419 652
<b>Total</b>	<b>5 469 278</b>	<b>-</b>	<b>(152 150)</b>	<b>5 317 128</b>	<b>5 188 781</b>	<b>128 347</b>	<b>97,6%</b>	<b>5 524 503</b>	<b>5 487 100</b>	<b>5 524 503</b>	<b>5 487 100</b>

**NATIONAL TREASURY VOTE 8**  
**PART E: FINANCIAL INFORMATION**  
 FOR THE YEAR ENDED 31 MARCH 2021

**APPROPRIATION  
 STATEMENT - Cont**

for the year ended 31 March 2021

**SUBPROGRAMME: 7.1: GOVERNMENT PENSIONS ADMINISTRATION AGENCY**

ECONOMIC CLASSIFICATION	2020/21						2019/20		
	ADJUSTED APPROPRIATION R'000	SHIFTING OF FUNDS R'000	VIREMENT R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	EXPENDITURE AS % OF FINAL APPROPRIATION %	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000
Current payments	76 711	-	-	76 711	60 026	16 685	78,2%	72 712	66 871
Goods and services	76 711	-	-	76 711	60 026	16 685	78,2%	72 712	66 871
Consultants: Business and advisory services	76 711	-	-	76 711	60 026	16 685	78,2%	72 712	66 871
<b>Total</b>	<b>76 711</b>	<b>-</b>	<b>-</b>	<b>76 711</b>	<b>60 026</b>	<b>16 685</b>	<b>78,2%</b>	<b>72 712</b>	<b>66 871</b>

**SUBPROGRAMME: 7.2: CIVIL PENSIONS AND CONTRIBUTIONS TO FUNDS**

ECONOMIC CLASSIFICATION	2020/21						2019/20		
	ADJUSTED APPROPRIATION R'000	SHIFTING OF FUNDS R'000	VIREMENT R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	EXPENDITURE AS % OF FINAL APPROPRIATION %	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000
Transfers and subsidies	5 050 496	(808 344)	(113 181)	4 128 971	4 027 389	101 582	97,5%	4 461 438	4 437 947
Foreign governments and international organisations	3 003	-	(1 029)	1 974	-	1 974	-	1 160	577
Households	5 047 493	(808 344)	(112 152)	4 126 997	4 027 389	99 608	97,6%	4 460 278	4 437 370
Social benefits	5 047 493	(808 344)	(112 152)	4 126 997	4 027 389	99 608	97,6%	4 460 278	4 437 370
<b>Total</b>	<b>5 050 496</b>	<b>(808 344)</b>	<b>(113 181)</b>	<b>4 128 971</b>	<b>4 027 389</b>	<b>101 582</b>	<b>97,5%</b>	<b>4 461 438</b>	<b>4 437 947</b>

<b>SUBPROGRAMME: 7.3: MILITARY PENSIONS AND OTHER BENEFITS</b>									
<b>ECONOMIC CLASSIFICATION</b>	<b>2020/21</b>					<b>2019/20</b>			
	<b>ADJUSTED APPROPRIATION</b>	<b>SHIFTING OF FUNDS</b>	<b>VIREMENT</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>	<b>VARIANCE</b>	<b>EXPENDITURE AS % OF FINAL APPROPRIATION</b>	<b>FINAL APPROPRIATION</b>	<b>ACTUAL EXPENDITURE</b>
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Transfers and subsidies</b>	342 071	808 344	(38 969)	1 111 446	1 101 366	10 080	99,1%	990 353	982 282
<b>Households</b>	342 071	808 344	(38 969)	1 111 446	1 101 366	10 080	99,1%	990 353	982 282
Social benefits	342 071	808 344	(38 969)	1 111 446	1 101 366	10 080	99,1%	990 353	982 282
<b>Total</b>	<b>342 071</b>	<b>808 344</b>	<b>(38 969)</b>	<b>1 111 446</b>	<b>1 101 366</b>	<b>10 080</b>	<b>99,1%</b>	<b>990 353</b>	<b>982 282</b>

# NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2021

	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	VARIANCE AS A % OF FINAL APPROP.
	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 and Annexure 1 (A; B; D; E; G; 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 Statements.

**3 DETAIL ON PAYMENTS FOR FINANCIAL ASSETS**

Detail of these transactions per programme can be viewed in note 6 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	529 287	496 345	32 942	6%
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The under-spending can mainly be attributed to:

**Compensation of Employees**

- due to vacant positions and the delayed implementation of the 2019/20 Performance Evaluation process outcomes.

**Goods and Services**

- due to operational activities which were lower than anticipated and this was highly impacted by the National lockdown subsequent to the COVID-19 pandemic.



# NOTES TO THE APPROPRIATION STATEMENT - Cont

for the year ended 31 March 2021

	FINAL APPRO- PRIATION	ACTUAL EXPENDITURE	VARIANCE	VARIANCE AS A % OF FINAL APPROP.
	R'000	R'000	R'000	%
<b>Programme 2:</b>				
ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH	141 919	124 731	17 188	12%

The under-spending can mainly be attributed to:

**Compensation of Employees**

- due to vacant positions and the delayed implementation of the 2019/20 Performance Evaluation process outcomes

**Programme 3:**

PUBLIC FINANCE AND BUDGET MANAGEMENT	2 802 782	2 697 171	105 611	4%
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The under-spending can mainly be attributed to:

**Compensation of Employees**

- due to vacant positions and the delayed implementation of the 2019/20 Performance Evaluation process outcomes.

**Goods and Services**

- Consultancy Services relating to the Employment Creation Facilitation Fund (ECFF) as a result of the freezing of the public sector wage bill, delays contracting service providers and finalising deliverables which triggers the release of payments to service providers.

**Transfers and Subsidies**

- ECFF grant due to several projects that were not able to meet the conditions for the disbursements as well as the Government Technical Advisory Centre relating to the Infrastructure Planning Project which has not commenced due to a longer than anticipated finalisation of the Memorandum of Agreement.

## NOTES TO THE APPROPRIATION STATEMENT - Cont

for the year ended 31 March 2021

	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	VARIANCE AS A % OF FINAL APPROP.
	R'000	R'000	R'000	%

**Programme 4:**

ASSET AND LIABILITY MANAGEMENT	3 035 331	3 022 592	12 739	0%
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The under-standing can mainly be attributed to:

**Compensation of Employees**

- due to vacant positions and the delayed implementation of the 2019/20 Performance Evaluation process outcomes

**Programme 5:**

Financial Accounting and Supply Chain Management Systems	833 973	696 625	137 348	16%
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The under-spending can mainly be attributed to:

**Compensation of Employees**

due to vacant positions and the delayed implementation of the 2019/20 Performance Evaluation process outcomes.

**Goods and Services**

relating to the Integrated Financial Management System (IFMS) programme due to delayed appointment of a service provider to implement the Common Design phase of the project; Consultancy Services within the Chief Directorate: Specialised Audit Services (CD: SAS) due to the delayed approval of a tender proposal for the appointment of a panel of forensic investigating firms.

**Programme 6:**

International Financial Relations	6 650 492	6 640 501	9 991	0%
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The under-spending can mainly be attributed to:

**Goods and Services**

due to operational activities that were lower than anticipated following the national lockdown and the related travel restrictions which were necessitated by the COVID-19 pandemic outbreak.

## NOTES TO THE APPROPRIATION STATEMENT - Cont

for the year ended 31 March 2021

	FINAL APPRO- PRIATION	ACTUAL EXPENDITURE	VARIANCE	VARIANCE AS A % OF FINAL APPROP.
	R'000	R'000	R'000	%
<b>Programme 7:</b>				
CIVIL AND MILITARY PENSIONS, CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS	5 317 128	5 188 781	128 347	2%

The under-spending can mainly be attributed to:

### Transfers and Subsidies

under the Post-Retirement Medical Benefits (PRMB) due to a lower than anticipated number of arrears claims on medical subsidies received as well as a high rate of mortality on principal members resulting in lower medical subsidies processed to date as well as Injury on Duty claims due to outstanding original claims which were projected to have been received from employer's departments, however, this was not forthcoming.

### Programme 8:

REVENUE ADMINISTRATION	10 271 873	10 271 873	-	0%
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The appropriated budget was transferred to South African Revenue Services.

### Programme 9:

FINANCIAL INTELLIGENCE AND STATE SECURITY	4 942 888	4 942 888	-	0%
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The appropriated budget was transferred to Financial Intelligence and State Security.

## 4.2 PER ECONOMIC CLASSIFICATION:

<b>Current expenditure</b>	<b>2 129 867</b>	<b>1 880 793</b>	<b>249 074</b>	<b>11,7%</b>
Compensation of employees	860 389	778 646	81 743	9,5%
Goods and services	1 269 478	1 102 147	167 331	13,2%
Interest and rent on land	-	-	-	0,0%

## NOTES TO THE APPROPRIATION STATEMENT - Cont

for the year ended 31 March 2021

	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	VARIANCE AS A % OF FINAL APPROP.
	R'000	R'000	R'000	%
<b>Transfers and subsidies</b>	<b>23 713 538</b>	<b>23 541 796</b>	<b>171 742</b>	<b>0,7%</b>
Provinces and municipalities	1 481 861	1 481 861	-	0,0%
Departmental agencies and accounts	16 014 885	15 959 177	55 708	0,3%
Public corporations and private enterprises	40 000	40 000	-	0,0%
Foreign governments and international organisations	926 201	921 977	4 224	0,5%
Households	5 250 591	5 138 781	111 810	2,1%
<b>Payments for capital assets</b>	<b>69 231</b>	<b>45 626</b>	<b>23 605</b>	<b>34,1%</b>
Machinery and equipment	50 174	32 628	17 546	35,0%
Software and other intangible assets	19 057	12 998	6 059	31,8%
<b>Payments for financial assets</b>	<b>8 613 037</b>	<b>8 613 292</b>	<b>(255)</b>	<b>0,0%</b>
<b>Total per eco classification</b>	<b>34 525 673</b>	<b>34 081 507</b>	<b>444 166</b>	

Reasons for under-spending on economic classifications are extensively addressed under each programme. Under-expenditure in the following economic classifications can mainly be attributed to:

### Current Payments

- *Compensation of Employees*  
 due to a longer than anticipated recruitment process to fill vacant positions which was compounded by the suspension of non-critical positions pending the finalization of the departmental organizational review.
- *Goods and Services*  
 mainly on the IFMS project and forensic investigations which were lower than anticipated.
- *Transfers and Subsidies*  
 relates to the Post-Retirement Medical Benefits (PRMB) due to a lower than anticipated number of claims in arrears on medical subsidies received as well as a high rate of mortality on principal members resulting in lower medical subsidies processed to date.
- *Payment of Capital Assets*  
 mainly relates to assets which are yet to be delivered which include 142 laptops, 3 vehicles, a storage Backup as well as the X-Ray computer hardware; the replacement of hardware and software within the Transversal Systems Unit, which was anticipated in March 2021, did not materialise as anticipated.

## NOTES TO THE APPROPRIATION STATEMENT - Cont

for the year ended 31 March 2021

	FINAL APPRO- PRIATION	ACTUAL EXPENDITURE	VARIANCE	VARIANCE AS A % OF FINAL APPROP.
	R'000	R'000	R'000	%
<b>4.3 PER CONDITIONAL GRANT</b>				
<i>Financial Management grant - municipalities</i>	544 862	544 862	-	0,0%
Infrastructure Skills Development grant - municipalities	143 860	143 860	-	0,0%
Neighbourhood Development Partnership grant	479 417	479 417	-	0,0%
Integrated Cities Development Grant	313 722	313 722	-	0,0%
<b>Sub-total</b>	<b>1 481 861</b>	<b>1 481 861</b>	<b>-</b>	<b>0.0%</b>
<i>Neighbourhood Development Partnership indirect grant</i>	62 702	60 626	2 076	3,3%
<b>Total</b>	<b>1 544 563</b>	<b>1 542 487</b>	<b>2 076</b>	

Unspent funds on the Neighbourhood Development Partnership Grant (NDPG) was due to funds that were withheld as municipalities were non-compliant with the NDP framework and the Division of Revenue Act. The funds for the Neighbourhood Development Partnership indirect grant are paid to the GTAC as and when needed according the approved payments schedule on goods and services and the variance was due to slower than anticipated execution on the grant.

# STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2021

	NOTE	2020/21 R'000	2019/20 R'000
<b>REVENUE</b>			
Annual appropriation	1	34 525 673	30 691 720
Departmental revenue	2	6 924 774	8 639 087
Aid assistance	3	274 323	105 747
<b>TOTAL REVENUE</b>		<b>41 724 770</b>	<b>39 436 554</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	4	778 644	804 818
Goods and services	5	1 102 150	1 209 566
Aid assistance	3	159 763	51 090
<b>Total current expenditure</b>		<b>2 040 557</b>	<b>2 065 474</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	7	23 541 796	23 532 333
<b>Total transfers and subsidies</b>		<b>23 541 796</b>	<b>23 532 333</b>
<b>Expenditure for capital assets</b>			
Tangible assets	8	32 627	13 531
Intangible assets	8	12 998	23
<b>Total expenditure for capital assets</b>		<b>45 625</b>	<b>13 554</b>
<b>Payments for financial assets</b>	6	8 613 292	4 273 817
<b>TOTAL EXPENDITURE</b>		<b>34 241 270</b>	<b>29 885 178</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>7 483 500</b>	<b>9 551 376</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted Funds		444 166	857 632
Annual appropriation		444 166	847 632
Conditional grants		-	10 000
Departmental revenue and NRF Receipts	14	6 924 774	8 639 087
Aid assistance	3	114 560	54 657
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>7 483 500</b>	<b>9 551 376</b>

# STATEMENT OF FINANCIAL POSITION

As at 31 March 2021

	NOTE	2020/21 R'000	2019/20 R'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	9	721 920	1 648 265
Prepayments and advances	10	32 472	23 967
Receivables	11	15 570	50 678
		<b>769 962</b>	<b>1 722 910</b>
<b>Non-Current Assets</b>			
Investments	12	7 597 656	4 597 656
Receivables	11	18 347	18 346
		<b>7 616 003</b>	<b>4 616 002</b>
<b>TOTAL ASSETS</b>		<b>8 385 965</b>	<b>6 338 912</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Voted funds to be surrendered to the Revenue Fund	13	444 165	857 631
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	14	72 551	807 925
Payables	15	156 587	20 147
Aid assistance repayable	3	114 559	54 657
		<b>787 862</b>	<b>1 740 360</b>
<b>Non-Current Liabilities</b>			
Payables	16	-	3
<b>TOTAL LIABILITIES</b>		<b>787 862</b>	<b>1 740 363</b>
<b>NET ASSETS</b>		<b>7 598 103</b>	<b>4 598 549</b>
<b>Represented by:</b>			
Capitalisation reserve		7 597 656	4 597 656
Recoverable revenue		447	893
<b>TOTAL</b>		<b>7 598 103</b>	<b>4 598 549</b>

# STATEMENT OF CHANGES IN ASSET

for the year ended 31 March 2021

	NOTE	2020/21 R'000	2019/20 R'000
<b>NET ASSETS</b>			
<b>Capitalisation Reserves</b>			
Opening balance		4 597 656	4 597 656
Transfers:			
Movement in equity		3 000 000	
Closing balance		<u>7 597 656</u>	<u>4 597 656</u>
<b>Recoverable revenue</b>			
Opening balance		893	893
Transfers		<b>(446)</b>	-
Debts raised		(446)	-
Closing balance		<b>447</b>	<b>893</b>
<b>TOTAL</b>		<b><u>7 598 103</u></b>	<b><u>4 598 549</u></b>



# CASH FLOW STATEMENT

for the year ended 31 March 2021

	NOTE	2020/21 R'000	2019/20 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		41 509 415	39 436 519
Annual appropriated funds received	1.1	34 525 673	30 691 720
Departmental revenue received	2	86 287	335 586
Interest received	2.2	6 623 132	8 303 466
Aid assistance received	3	274 323	105 747
Net (increase)/ decrease in working capital		163 043	(29 044)
Surrendered to Revenue Fund		(8 517 780)	(8 912 954)
Surrendered to RDP Fund/Donor		(54 658)	(14 305)
Current payments		(2 040 557)	(2 065 474)
Payments for financial assets		(8 613 292)	(4 273 817)
Transfers and subsidies paid		(23 541 796)	(23 532 333)
<b>Net cash flow available from operating activities</b>	<b>17</b>	<b>(1 095 625)</b>	<b>608 592</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Distribution/dividend received	2.2	215 355	-
Payments for capital assets	8	(45 625)	(13 554)
Proceeds from sale of capital assets	2.4	-	35
(Increase)/ decrease in investments		(3 000 000)	(1)
(Increase)/ decrease in other financial assets		-	-
(Increase)/decrease in non-current receivables	11	(1)	(14 546)
<b>Net cash flows from investing activities</b>		<b>(2 830 271)</b>	<b>(28 066)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/ (decrease) in net assets		2 999 554	-
Increase/ (decrease) in non-current payables		(3)	3
<b>Net cash flows from financing activities</b>		<b>2 999 551</b>	<b>3</b>
Net increase/ (decrease) in cash and cash equivalents		(926 345)	580 529
Cash and cash equivalents at beginning of period		1 648 265	1 067 642
Unrealised gains and losses within cash and cash equivalents		-	94
<b>Cash and cash equivalents at end of period</b>	<b>18</b>	<b>721 920</b>	<b>1 648 265</b>

# ACCOUNTING POLICIES

for the year ended 31 March 2021

## PART A: ACCOUNTING POLICIES

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

#### 1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Modified Cash Standard.

#### 2. GOING CONCERN

The financial statements have been prepared on a going concern basis.

#### 3. PRESENTATION CURRENCY

Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

#### 4. ROUNDING

Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).

#### 5. FOREIGN CURRENCY TRANSLATION

Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment/receipt and end of March 2020 for disclosure purposes.

## **ACCOUNTING POLICIES - Cont**

for the year ended 31 March 2021

### **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 but exclude direct charges against the revenue fund (i.e. statutory appropriation) which are reported and audited separately as part of the consolidated annual financial statements. This includes extra-ordinary receipts.

Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.

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

#### **7.2 Departmental revenue**

Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

#### **7.3 Accrued departmental revenue**

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the department; and
- The amount of revenue can be measured reliably.

## **ACCOUNTING POLICIES - Cont**

for the year ended 31 March 2021

The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the department's write-off policy.

### **8. EXPENDITURE**

#### **8.1 Compensation of employees**

##### **8.1.1 Salaries and wages**

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

##### **8.1.2 Social contributions**

Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.

#### **8.2 Other expenditure**

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

#### **8.3 Accruals and payables not recognised**

Accruals and payables not recognised are recorded in the notes to the financial statements when the goods are received or in the case of services when they are rendered to the department or in case of transfers and subsidies when they are due and payable. Accruals and payables not recognised are measured at cost.

#### **8.4 Leases**

##### **8.4.1 Operating leases**

Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. The operating lease commitments are recorded in the notes to the financial statements. 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.

## **ACCOUNTING POLICIES - Cont**

for the year ended 31 March 2021

### **8.4.2 Finance leases**

Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.

The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

- Cost being the fair value of the asset; or
- The sum of the minimum lease payments made including any payments made to acquire ownership at the end of the lease term excluding interest.

## **9. AID ASSISTANCE**

### **9.1 Aid assistance received**

Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.

Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.

### **9.2 Aid assistance paid**

Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.

## **10. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents are stated at cost in the statement of financial position.

Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. For the purposes of the cash flow statement cash and cash equivalents comprise cash on hand deposits held other short-term highly liquid investments and bank overdrafts.

## **11. PREPAYMENTS AND ADVANCES**

Prepayments and advances are recognised in the statement of financial position 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

## **ACCOUNTING POLICIES - Cont**

for the year ended 31 March 2021

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

### **13. INVESTMENTS**

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

### **14. FINANCIAL ASSETS**

#### **14.1 Financial assets (not covered elsewhere)**

A financial asset is recognised initially at its cost-plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. At the reporting date a department shall measure its financial assets at cost less amounts already settled or written off except for recognised loans and receivables which are measured at cost plus accrued interest where interest is charged less amounts already settled or written-off.

#### **14.2 Impairment of financial assets**

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

### **15. PAYABLES**

Loans and payables are recognised in the statement of financial position at cost.

### **16. CAPITAL ASSETS**

#### **16.1 Immovable capital assets**

Immovable capital assets are initially recorded in the notes to the financial statements at cost. Immovable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

## **ACCOUNTING POLICIES - Cont**

for the year ended 31 March 2021

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.

### **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.

## **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.

## **ACCOUNTING POLICIES - Cont**

for the year ended 31 March 2021

### **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 and 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.

## **18. UNAUTHORISED EXPENDITURE**

Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:

- approved by Parliament with funding and the related funds are received; or
- approved by Parliament without funding and is written off against the appropriation in the statement of financial performance; or
- transferred to receivables for recovery.

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

## **19. FRUITLESS AND WASTEFUL EXPENDITURE**

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred. Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.



## **ACCOUNTING POLICIES - Cont**

for the year ended 31 March 2021

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

### **20. IRREGULAR EXPENDITURE**

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine in which case reasons therefore are provided in the note.

Irregular expenditure is removed from the note when it is either condoned by the relevant authority transferred to receivables for recovery or not condoned and is not recoverable.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

### **21. CHANGES IN ACCOUNTING POLICIES ACCOUNTING ESTIMATES AND ERRORS**

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with Modified Cash Standard (MCS) requirements except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets liabilities and net assets for the earliest period for which retrospective restatement is practicable.

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

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

### **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.

## **ACCOUNTING POLICIES - Cont**

for the year ended 31 March 2021

### **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). The department is the Principal and provides funding and other benefits to the Government Pension Administration Agency (GPAA) as well as to the Government Technical Advisory Centre which provides technical assistance. Development Bank of Southern Africa is an agent in relation to the Cities Support Programme. In terms of these arrangements the department is the Principal and is responsible for providing funding for both programmes. All related revenues expenditures assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.

### **24. CAPITALISATION RESERVE**

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National Revenue Fund when the underlying asset is disposed and the related funds are received.

### **25. RECOVERABLE REVENUE**

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

### **26. RELATED PARTY TRANSACTIONS**

A related party transaction is a transfer of resources services or obligations between the reporting entity and a related party. Related party transactions within the Minister's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.

Key management personnel are those persons having the authority and responsibility for planning directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.

### **27. EMPLOYEE BENEFITS**

The value of each major class of employee benefit obligation (accruals payables not recognised and provisions) is disclosed in the Employee benefits note.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021

				2020/21	2019/20
FINAL APPROPRIATION	ACTUAL FUNDS RECEIVED	FUNDS NOT REQUESTED/ NOT RECEIVED	FINAL APPROPRIATION	APPROPRIATION RECEIVED	FUNDS NOT REQUESTED/ NOT RECEIVED
R'000	R'000	R'000	R'000	R'000	R'000

## PART B: EXPLANATORY NOTES

### 1. ANNUAL APPROPRIATION

#### 1.1 ANNUAL APPROPRIATION

##### Programmes

Administration	529 287	529 287	-	511 370	511 370	-
Economic policy tax financial regulation and research	141 919	141 919	-	138 125	138 125	-
Public finance and budget management	2 802 782	2 802 782	-	318 558	318 558	-
Asset and liability management	3 035 331	3 035 331	-	102 929	102 929	-
Financial accounting and supply chain management systems	833 973	833 973	-	1 004 188	1 004 188	-
International financial relations	6 650 492	6 650 492	-	5 948 131	5 948 131	-
Civil and military pensions contributions to funds and other benefits	5 317 128	5 317 128	-	5 524 503	5 524 503	-
Technical Support and Development Finance	-	-	-	2 663 832	2 663 832	-
Revenue administration	10 271 873	10 271 873	-	9 529 031	9 529 031	-
Financial intelligence and state security	4 942 888	4 942 888	-	4 951 053	4 951 053	-
<b>Total</b>	<b>34 525 673</b>	<b>34 525 673</b>	<b>-</b>	<b>30 691 720</b>	<b>30 691 720</b>	<b>-</b>

Technical Support and Development Finance was moved from Programme 8 to Programmed 3 effective 1 April 2021.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS - Cont

for the year ended 31 March 2021

	NOTE	2020/21 R'000	2019/20 R'000
<b>1.2 CONDITIONAL GRANTS**</b>			
Total grants received	35	1 544 563	1 644 418
Provincial grants included in Total Grants received		-	-

Conditional grants are included as part of the Annual Appropriation. Refer to note 35 for statement of conditional grants received.

## 2. DEPARTMENTAL REVENUE

Sales of goods and services other than capital assets	2.1	9 901	75 445
Interest dividends and rent on land	2.2	6 838 487	8 303 466
Sales of capital assets	2.3	-	35
Transactions in financial assets and liabilities	2.4	76 386	260 141
<b>Departmental revenue collected</b>		<b>6 924 774</b>	<b>8 639 087</b>

Interest received from the six (6) commercial banks declined by R1.7 billion year on year due to lower economic activity during the nationwide lockdown.

### 2.1 SALES OF GOODS AND SERVICES OTHER THAN CAPITAL ASSETS

Sales of goods and services produced by the department	9 851	75 443
Sales by market establishment	79	83
Administrative fees	1	1
Other sales	9 771	75 359
Sales of scrap waste and other used current goods	50	2
<b>Total</b>	<b>9 901</b>	<b>75 445</b>

### 2.2 INTEREST DIVIDENDS AND RENT ON LAND

Interest	6 623 132	8 303 466
Dividends	215 355	-
<b>Total</b>	<b>6 838 487</b>	<b>8 303 466</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS - Cont

for the year ended 31 March 2021

	NOTE	2020/21	2019/20
		R'000	R'000
<b>2.3 SALE OF CAPITAL ASSETS</b>			
Machinery and equipment		-	35
<b>Total</b>		-	35

## 2.4 TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES

Receivables	5 992	8 183
Other Receipts including Recoverable Revenue	70 394	251 958
<b>Total</b>	<b>76 386</b>	<b>260 141</b>

## 2.5 CASH RECEIVED NOT RECOGNISED (NOT INCLUDED IN THE MAIN NOTE) 2020/21

	AMOUNT RECEIVED	AMOUNT PAID TO REVENUE FUND	BALANCE
	R'000	R'000	R'000
Name of entity			
Funds surrendered by municipalities	(162 659)	162 659	-
<b>Total</b>	<b>(162 659)</b>	<b>162 659</b>	<b>-</b>

## Cash received not recognised (not included in the main note) 2019/20

	AMOUNT RECEIVED	AMOUNT PAID TO REVENUE FUND	BALANCE
	R'000	R'000	R'000
Name of entity			
Funds surrendered by municipalities	(318 742)	318 742	-
<b>Total</b>	<b>(318 742)</b>	<b>318 742</b>	<b>-</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS - Cont

for the year ended 31 March 2021

	NOTE	2020/21 R'000	2019/20 R'000
<b>3. AID ASSISTANCE</b>			
Opening Balance		54 657	14 305
Prior period error			
As restated		54 657	14 305
Transferred from statement of financial performance		114 560	54 657
Paid during the year		(54 658)	(14 305)
<b>Closing Balance</b>		<b>114 559</b>	<b>54 657</b>

## 3.1 ANALYSIS OF BALANCE BY SOURCE

Aid assistance from RDP	114 559	54 657
<b>Closing Balance</b>	<b>114 559</b>	<b>54 657</b>

## 3.2 ANALYSIS OF BALANCE

Aid assistance repayable	114 559	54 657
<b>Closing balance</b>	<b>114 559</b>	<b>54 657</b>

### 3.2.1 AID ASSISTANCE PREPAYMENTS (EXPENSED)

#### Aid assistance prepayments (expensed) - 2020/21

	AMOUNT AS AT 1 APRIL 2020 R'000	LESS: RECEIVED IN THE CURRENT YEAR R'000	ADD/LESS: OTHER R'000	ADD: CURRENT YEAR PREPAYMENTS R'000	AMOUNT AS AT 31 MARCH 2021 R'000
Goods and services	54 657	274 324	(54 657)	(159 763)	114 561
<b>Closing balance</b>	<b>54 657</b>	<b>274 324</b>	<b>(54 657)</b>	<b>(159 763)</b>	<b>114 561</b>

#### Aid assistance prepayments (expensed) - 2019/20

	AMOUNT AS AT 1 APRIL 2019 R'000	LESS: RECEIVED IN THE CURRENT YEAR R'000	ADD/LESS: OTHER R'000	ADD: CURRENT YEAR PREPAYMENTS R'000	AMOUNT AS AT 31 MARCH 2020 R'000
Goods and services	14 305	105 747	(14 305)	(51 090)	54 657
<b>Closing balance</b>	<b>14 305</b>	<b>105 747</b>	<b>(14 305)</b>	<b>(51 090)</b>	<b>54 657</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS - Cont

for the year ended 31 March 2021

	NOTE	2020/21 R'000	2019/20 R'000
<b>3.3 AID ASSISTANCE EXPENDITURE PER ECONOMIC CLASSIFICATION</b>			
Current		159 763	51 090
<b>Total aid assistance expenditure</b>		<b>159 763</b>	<b>51 090</b>
<b>3.4 DONATIONS RECEIVED IN KIND (NOT INCLUDED IN THE MAIN NOTE)</b>			
Budget Portal Software		816	1 965
<b>Total</b>		<b>816</b>	<b>1 965</b>
<b>4. COMPENSATION OF EMPLOYEES</b>			
<b>4.1 SALARIES AND WAGES</b>			
Basic salary		546 383	553 151
Performance award		399	13 882
Service Based		882	2 408
Compensative/circumstantial		3 261	2 926
Other non-pensionable allowances		143 145	147 349
<b>Total</b>		<b>694 070</b>	<b>719 716</b>
<b>4.2 SOCIAL CONTRIBUTIONS</b>			
<b>Employer contributions</b>			
Pension		67 391	68 997
Medical		17 076	16 009
Bargaining council		107	96
<b>Total</b>		<b>84 574</b>	<b>85 102</b>
<b>Total compensation of employees</b>		<b>778 644</b>	<b>804 818</b>
Average number of employees		1 020	1 017

A decrease was due to vacant positions, freezing of non-critical posts.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS - Cont

for the year ended 31 March 2021

	NOTE	2020/21 R'000	2019/20 R'000
<b>5. GOODS AND SERVICES</b>			
Goods and services			
Administrative fees		864	2 606
Advertising		864	894
Minor assets	5.1	362	1 678
Bursaries (employees)		4 889	2 864
Catering		403	1 315
Communication		10 007	6 949
Computer services	5.2	383 316	403 850
Consultants: Business and advisory services		479 343	554 453
Infrastructure and planning services		6	-
Laboratory services		-	12
Legal services		17 074	12 840
Contractors		12 757	17 724
Agency and support / outsourced services		7 012	7 440
Entertainment		24	50
Audit cost – external	5.3	14 914	17 579
Fleet services		2 574	3 218
Consumables	5.4	8 750	7 837
Operating leases		127 893	82 839
Property payments	5.5	16 293	24 380
Travel and subsistence	5.6	2 705	38 863
Venues and facilities		919	12 254
Training and development		3 823	2 752
Other operating expenditure	5.7	7 358	7 169
<b>Total</b>		<b>1 102 150</b>	<b>1 209 566</b>

COVID-19 pandemic contributed in the underspending and certain projects were not implemented as planned. The main contributors to the underspending was IFMS project, ECFF, GPAA and travel and subsistence.



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS - Cont

for the year ended 31 March 2021

	NOTE	2020/21 R'000	2019/20 R'000
<b>5.1 MINOR ASSETS</b>			
Machinery and equipment		362	1 678
<b>Total</b>		<b>362</b>	<b>1 678</b>
<b>5.2 COMPUTER SERVICES</b>			
SITA computer services		48 247	70 733
External computer service providers		335 069	333 117
<b>Total</b>		<b>383 316</b>	<b>403 850</b>
<b>5.3 AUDIT COST – EXTERNAL</b>			
Regularity audits		14 914	17 579
<b>Total</b>		<b>14 914</b>	<b>17 579</b>
<b>5.4 CONSUMABLES</b>			
Consumable supplies		4 532	3 003
Uniform and clothing		144	74
Household supplies		3 171	2 027
Building material and supplies		112	150
Communication accessories		1	1
IT consumables		214	595
Other consumables		890	156
Stationery printing and office supplies		4 218	4 834
<b>Total</b>		<b>8 750</b>	<b>7 837</b>
<b>5.5 PROPERTY PAYMENTS</b>			
Municipal services		13 757	23 025
Property management fees		2 106	1 151
Other (printing and publication services)		430	204
<b>Total</b>		<b>16 293</b>	<b>24 380</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS - Cont

for the year ended 31 March 2021

	NOTE	2020/21 R'000	2019/20 R'000
<b>5.6 TRAVEL AND SUBSISTENCE</b>			
Local		2 505	22 990
Foreign		200	15 873
<b>Total</b>		<b>2 705</b>	<b>38 863</b>

Decrease in travel and subsistence was due to suspension of business trips both local and international as a result of the COVID-19 pandemic.

### 5.7 OTHER OPERATING EXPENDITURE

Professional bodies membership and subscription fees		4 371	3 181
Resettlement costs		44	85
Other		2 943	3 903
<b>Total</b>		<b>7 358</b>	<b>7 169</b>

## 6. PAYMENTS FOR FINANCIAL ASSETS

Extension of loans for policy purposes		8 613 037	4 273 500
Debts written off	6.1	255	317
<b>Total</b>		<b>8 613 292</b>	<b>4 273 817</b>

During the Adjusted Estimates, Land Bank was allocated an additional R3 billion for recapitalisation of the Land Bank.

African Development Bank & Fund R519,361 million for the subscribing to the recapitalisation. This payment was not made in 2019/20 due to delays in finalising the agreement.

World Bank Group R52,651 million for subscribing to the recapitalisation. These payments were not made in 2019/20 due to delays in finalising the agreement.

### 6.1 DEBTS WRITTEN OFF

Losses and damages		255	317
<b>Total debt written off</b>		<b>255</b>	<b>317</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS - Cont

for the year ended 31 March 2021

	NOTE	2020/21 R'000	2019/20 R'000
<b>7. TRANSFER AND SUBSIDIES</b>			
Provinces and municipalities	NAS 4.3	1 481 861	1 583 961
Departmental agencies and accounts	ANNEXURE 1B	15 959 177	15 279 324
Foreign governments and international organisations	ANNEXURE 1E	921 977	1 134 773
Public corporations and private enterprises	ANNEXURE 1D	40 000	100 000
Households	ANNEXURE 1G	5 138 781	5 434 275
<b>Total</b>		<b>23 541 796</b>	<b>23 532 333</b>

## 8. EXPENDITURE FOR CAPITAL ASSETS

<b>Tangible assets</b>		<b>32 627</b>	<b>13 531</b>
Machinery and equipment	30	32 627	13 531
<b>Intangible assets</b>	32	<b>12 998</b>	<b>23</b>
Software		12 998	23
<b>Total</b>		<b>45 625</b>	<b>13 554</b>

R33 million spent on payment for tangible capital asset was due to a shift from use of computer desktop to laptops coupled with the upgrading of computer server equipment. The 13 million for Intangible assets was spent for the Dell EMC Software License Authorization Code (LAC).

### 8.1 ANALYSIS OF FUNDS UTILISED TO ACQUIRE CAPITAL ASSETS – 2020/21

	VOTED FUNDS R'000	AID ASSISTANCE R'000	TOTAL R'000
<b>Tangible assets</b>	<b>32 627</b>	-	<b>32 627</b>
Machinery and equipment	32 627	-	32 627
<b>Intangible assets</b>	<b>12 998</b>	-	<b>12 998</b>
Software	12 998	-	12 998
<b>Total</b>	<b>45 625</b>	-	<b>45 625</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS - Cont

for the year ended 31 March 2021

	NOTE	2020/21 R'000	2019/20 R'000
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### 8.2 ANALYSIS OF FUNDS UTILISED TO ACQUIRE CAPITAL ASSETS – 2020/21

	VOTED FUNDS R'000	AID ASSISTANCE R'000	TOTAL R'000
<b>Tangible assets</b>	13 531	-	13 531
Machinery and equipment	13 531	-	13 531
<b>Intangible assets</b>	23	-	23
Software	23	-	23
<b>Total</b>	<b>13 554</b>	<b>-</b>	<b>13 554</b>

### 9. CASH AND CASH EQUIVALENTS

Consolidated Paymaster General Account	557 162	1 646 723
Cash on hand	23	23
Investments (Domestic)	164 735	1 519
<b>Total</b>	<b>721 920</b>	<b>1 648 265</b>

In the previous year, the department closed their books with R1.6 billion in the bank account. This was due to unspent fund of R858 million against the budget and R807 million interest received from commercial banks which was then paid back to the National Revenue Fund (NRF) in April 2020. The Decrease in cash available at 31 March 2021 was R444 million from unspent appropriated fund, departmental revenue to be paid to NRF R67 million and Aid Assistance unspent fund R115 million to be paid back to NRF.

### 10. PREPAYMENTS AND ADVANCES

Travel and subsistence		-	7
Prepayments (Not expensed)	10.2	17 620	17 798
Advances paid (Not expensed)	10.1	14 852	6 162
<b>Total</b>		<b>32 472</b>	<b>23 967</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS - Cont

for the year ended 31 March 2021

### 10.1 ADVANCES PAID (NOT EXPENSED) – 2020/21

	BALANCE AS AT 1 APRIL 2020	LESS: AMOUNT EXPENSED IN CURRENT YEAR	ADD/LESS: OTHER	ADD: CURRENT YEAR ADVANCES	BALANCE AS AT 31 MARCH 2021
	R'000	R'000	R'000	R'000	R'000
National departments	328	-	-		328
Public entities	5 834	-	-	8 690	14 524
<b>Total</b>	<b>6 162</b>	<b>-</b>	<b>-</b>	<b>8 690</b>	<b>14 852</b>

#### Advances paid (Not expensed) – 2019/20

	BALANCE AS AT 1 APRIL 2019	LESS: AMOUNT EXPENSED IN CURRENT YEAR	ADD/LESS: OTHER	ADD: CURRENT YEAR ADVANCES	BALANCE AS AT 31 MARCH 2020
	R'000	R'000	R'000	R'000	R'000
National departments	-	-	-	328	328
Public entities	297	(297)	-	5 834	5 834
<b>Total</b>	<b>297</b>	<b>(297)</b>	<b>-</b>	<b>6 162</b>	<b>6 162</b>

### 10.2 PREPAYMENTS (NOT EXPENSED) – 2020/21

	BALANCE AS AT 1 APRIL 2020	LESS: AMOUNT EXPENSED IN CURRENT YEAR	ADD: CURRENT YEAR PREPAYMENTS	BALANCE AS AT 31 MARCH 2021
	R'000	R'000	R'000	R'000
Goods and services	16 825	(798)	-	16 027
Other	973	(973)	1 593	1 593
<b>Total</b>	<b>17 798</b>	<b>(1 771)</b>	<b>1 593</b>	<b>17 620</b>

#### Prepayments (Not expensed) – 2019/20

	BALANCE AS AT 1 APRIL 2019	LESS: RECEIVED IN THE CURRENT YEAR	ADD: CURRENT YEAR PREPAYMENTS	BALANCE AS AT 31 MARCH 2020
	R'000	R'000	R'000	R'000
Goods and services	17 630	(805)	-	16 825
Other	538	-	435	973
<b>Total</b>	<b>18 168</b>	<b>(805)</b>	<b>435</b>	<b>17 798</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS - Cont

for the year ended 31 March 2021

### 10.3 ADVANCES PAID (EXPENSED) - NOT PART OF THE MAIN NOTE

2020/21	BALANCE AS AT 1 APRIL 2020	LESS: RECEIVED IN THE CURRENT YEAR	ADD/LESS: OTHER	ADD: CURRENT YEAR ADVANCES	AMOUNT AS AT 31 MARCH 2021
	R'000	R'000	R'000	R'000	R'000
GTAC - IDIP	7 135	-	(39)	-	7 096
GTAC – Jobs Fund	148 798	3 566	(648 671)	513 037	16 730
GTAC - NDP	13 303	538	(60 986)	60 626	13 481
GTAC - MFIP	123 588	-	(102 744)	134 560	155 404
GTAC - ECFE	13 999	-	(2 061)	-	11 938
DBSA – CSP	10 376	161	(39 566)	36 500	7 471
DBSA – NT Project prep fund	100 000	1 409	(36 055)	40 000	105 354
<b>Total</b>	<b>417,199</b>	<b>5 674</b>	<b>(890 122)</b>	<b>784 723</b>	<b>317 474</b>

NT made current year advance payments of R708 million to GTAC for Municipal Financial Improvement Programme (R135 million), Neighbourhood Development Programme (R60 million), and Jobs Fund (R513 million). Development Band of Southern Africa (DBSA) received R37 million for the Cities Support Programme. R40 million for NT Project preparation fund.

### Advances paid (Expensed) – Not part of the main note

2019/20	BALANCE AS AT 1 APRIL 2019	LESS: RECEIVED IN THE CURRENT YEAR	ADD/LESS: OTHER	ADD: CURRENT YEAR ADVANCES	AMOUNT AS AT 31 MARCH 2020
	R'000	R'000	R'000	R'000	R'000
GTAC – IDP	7 831	-	(696)	-	7 135
GTAC – Jobs Funds	370	6 891	(413 311)	554 848	148 798
GTAC – NDP	12 594	(3 331)	(46 457)	50 497	13 303
GTAC – MFIP	114 579	-	(139 568)	148 577	123 588
GTAC – ECFE	20 159	-	6 160	-	13 999
DBSA – CSP	29 889	5 472	24 985	-	10 376
DBSA – NT Infrastructure	-	-	-	100 000	100 000
<b>Total</b>	<b>185 422</b>	<b>9 032</b>	<b>(631 177)</b>	<b>853 922</b>	<b>417 199</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS - Cont

for the year ended 31 March 2021

### 11. RECEIVABLES

	NOTE	2020/21			2019/20		
		CURRENT R'000	NON-CURRENT R'000	TOTAL R'000	CURRENT R'000	NON-CURRENT R'000	TOTAL R'000
Claims recoverable	11.1	3 384	2 037	5 421	42 709	1 990	44 699
Recoverable expenditure	11.2	(32)	733	701	183	82	265
Staff debt	11.3	5	816	821	364	642	1 006
Other receivables	11.4	12 213	14 761	26 974	7 422	15 632	23 054
<b>Total</b>		<b>15 570</b>	<b>18 347</b>	<b>33 917</b>	<b>50 678</b>	<b>18 346</b>	<b>69 024</b>

#### 11.1 CLAIMS RECOVERABLE

	NOTE	2020/21 R'000	2019/20 R'000
National departments		4 199	43 480
Provincial departments		21	21
Foreign governments		1 201	1 198
<b>Total</b>		<b>5 421</b>	<b>44 699</b>

The department received claims in April and May 2020 iro of 2019/20 FY from the State Attorney Debt Account (R21.7 million) Department of Justice and Constitutional Development (R2.2 million) and the South African Police Services for Africa Investment Conference (R8.6 million). These claims were paid in 2020/21 financial year.

#### 11.2 RECOVERABLE EXPENDITURE (DISALLOWANCE ACCOUNTS)

	NOTE	2020/21 R'000	2019/20 R'000
Disallowance damages and losses		620	764
Disallowance Miscellaneous		81	(499)
<b>Total</b>		<b>701</b>	<b>265</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS - Cont

for the year ended 31 March 2021

	NOTE	2020/21 R'000	2019/20 R'000
<b>11.3 STAFF DEBT</b>			
Departmental debts		821	1 006
<b>Total</b>		<b>821</b>	<b>1 006</b>
<b>11.4 OTHER RECEIVABLES</b>			
Value added tax (SARS)		637	1 632
Amounts owed by departments - Civil and military pensions		5 208	4 204
Outstanding debts - Civil and military pensions		47	39
Disallowance - Civil and military pensions		4 768	4 114
Disallowance - Special pensions		15 625	12 591
Other debt - GPAA		689	474
<b>Total</b>		<b>26 974</b>	<b>23 054</b>
<b>11.5 IMPAIRMENT OF RECEIVABLES</b>			
Estimate of impairment of receivables		8 794	8 426
<b>Total</b>		<b>8 794</b>	<b>8 426</b>
Irrecoverable debts owing to Civil Military Pension due to debtors that were discovered to have been deceased.			
<b>12. INVESTMENTS</b>			
Development Bank of Southern Africa		200 000	200 000
Public Investment Corporation Limited		1	1
Land Bank		7 397 655	4 397 655
<b>Total</b>		<b>7 597 656</b>	<b>4 597 656</b>
<b>12.1 ANALYSIS OF NON-CURRENT INVESTMENTS</b>			
Opening balance		4 397 656	4 397 656
Land bank capital injection		3 000 000	-
<b>Closing balance</b>		<b>7 397 656</b>	<b>4 397 656</b>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS - Cont

for the year ended 31 March 2021

	NOTE	2020/21 R'000	2019/20 R'000
<b>12.2. IMPAIRMENT OF INVESTMENTS</b>			
Estimate of impairment of investment		7 397 656	
<b>Closing balance</b>		<b>7 397 656</b>	
<b>13. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND</b>			
Opening balance		857 631	1 057 940
Transfer from statement of financial performance (as restated)		444 166	857 632
Paid during the year		(857 632)	(1 057 941)
<b>Closing balance</b>		<b>444 165</b>	<b>857 631</b>
<b>14. DEPARTMENTAL REVENUE AND NRF RECEIPTS TO BE SURRENDERED TO THE REVENUE FUND</b>			
Opening balance		807 925	23 851
Transfer from Statement of Financial Performance		6 924 774	8 639 087
Paid during the year		(7 660 148)	(7 855 013)
<b>Closing balance</b>		<b>72 551</b>	<b>807 925</b>
<b>15. PAYABLES – CURRENT</b>			
Advances received	15.1	79 079	-
Clearing accounts	15.2	184	208
Other payables	15.3	77 324	19 939
<b>Total</b>		<b>156 587</b>	<b>20 147</b>
<b>15.1 ADVANCES RECEIVED</b>			
Public entities	Annex 8B	79 079	-
<b>Total</b>		<b>79 079</b>	<b>-</b>

The department received inter-entity advance payments that were not finalised in the current year.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS - Cont

for the year ended 31 March 2021

	NOTE	2020/21	2019/20
		R'000	R'000
<b>15.2 CLEARING ACCOUNTS</b>			
Income Tax (PAYE)		44	103
Bargaining Council		1	1
Government Employee Housing Scheme		132	25
VAT Input		3	4
Salary suspense			75
Pension Fund		4	-
<b>Total</b>		<b>184</b>	<b>208</b>

### 15.3 OTHER PAYABLES

Civil and military pensions	18 200	18 457
Special pensions	9 124	1 482
Direct charge	50 000	-
<b>Total</b>	<b>77 324</b>	<b>19 939</b>

The R120 million was initially appropriated for PAA under Direct Charges in the current financial year. However only R70 million of the R120 million was transferred the remaining balance of R50 million is payable at financial year end.

### 16. PAYABLES – NON-CURRENT

					2020/21	2019/20
		ONE TO TWO YEARS	TWO TO THREE YEARS	MORE THAN THREE YEARS	TOTAL	TOTAL
	NOTE	R'000	R'000	R'000	R'000	R'000
Advances received		-	-	-	-	3
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS - Cont

for the year ended 31 March 2021

	NOTE	2020/21 R'000	2019/20 R'000
<b>17. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES</b>			
Net surplus/(deficit) as per Statement of Financial Performance		7 483 500	9 551 376
Add back non-cash/cash movements not deemed operating activities		(8 579 125)	(8 942 784)
(Increase)/decrease in receivables		35 108	(27 046)
(Increase)/decrease in prepayments and advances		(8 505)	(5 482)
Increase/(decrease) in payables – current		136 440	3 484
Proceeds from sale of capital assets		-	(35)
Proceeds from sale of investments		(215 355)	-
Expenditure on capital assets		45 625	13 554
Surrenders to Revenue Fund		(8 517 780)	(8 912 954)
Surrenders to RDP Fund/Donor		(54 658)	(14 305)
<b>Net cash flow generated by operating activities</b>		<b>(1 095 625)</b>	<b>608 592</b>

## 18. RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES

Consolidated Paymaster General account	557 162	1 646 723
Cash on hand	23	23
Cash with commercial banks (Local)	164 735	1 519
<b>Total</b>	<b>721 920</b>	<b>1 648 265</b>

The department closed their books with R1.6 billion in 2019/20. This was due to unspent fund of R858 million against the budget and R807 million interest received from commercial banks which was then paid back to the National Revenue Fund (NRF) in April 2020. The Decrease in cash available at 31 March 2021 was R444 million from unspent appropriated fund, departmental revenue to be paid to NRF R67 million and Aid Assistance unspent fund R115 million to be paid back to NRF.

## 19. CONTINGENT LIABILITIES

Other guarantees	Annex 3A	21 100 046	7 305 144
Claims against the department	Annex 3B	158 016	56 473
Other	Annex 3B	416 154	411 106
<b>Total</b>		<b>21 674 216</b>	<b>7 772 723</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS - Cont

for the year ended 31 March 2021

The Labour Appeal Court (LAC) declared the salary increases for the 2020/2021 financial year unlawful and invalid. The LAC ruling has been appealed and referred to the Constitutional Court. The ruling by the Constitutional Court will confirm if the department will be obligated to pay the salary increases in dispute.

### 20. ACCRUALS

			2020/21	2019/20
			R'000	R'000
Listed by economic classification	30 DAYS	30+ DAYS	TOTAL	TOTAL
Goods and services	65 286	28 689	93 975	77 943
Transfers and subsidies	519 194	10 496	529 690	698
Other	-	15 149	15 149	7 790
<b>Total</b>	<b>584 480</b>	<b>54 334</b>	<b>638 814</b>	<b>86 431</b>

Listed by programmed level	R'000	R'000
Administration	20 312	4 130
Economic Policy Tax Financial regulation and Research	304	1 497
Public Finance and Budget Management	2 364	1 222
Asset and Liability Management	6 574	1 048
Financial Systems and Accounting	28 387	32 924
International Financial Relations	520 969	282
Civil and Military Pensions Contributions to Funds and Other Benefits	44 755	37 538
Government Technical Advisory Centre - MFIP	7 788	7 790
Government Technical Advisory Centre – Good and services	7 361	-
<b>Total</b>	<b>638 814</b>	<b>86 431</b>

### 21. EMPLOYEE BENEFITS

Leave entitlement	60 793	29 287
Service bonus	16 318	16 952
Performance awards	9 161	6 520
Capped leave	7 386	8 257
<b>Total</b>	<b>93 658</b>	<b>61 016</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS - Cont

for the year ended 31 March 2021

### 22. LEASE COMMITMENTS

#### 22.1 OPERATING LEASES

##### Operating leases

2020/21

Not later than 1 year

Later than 1 year and not later than 5 years

Later than five years

**Total lease commitments**

<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>MACHINERY AND EQUIPMENT</b>	<b>TOTAL</b>
<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
72 059	2 036	74 095
221 915	1 013	222 928
204 876	-	204 876
<b>498 850</b>	<b>3 049</b>	<b>501 899</b>

2019/20

Not later than 1 year

Later than 1 year and not later than 5 years

Later than five years

**Total lease commitments**

<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>MACHINERY AND EQUIPMENT</b>	<b>TOTAL</b>
<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
74 168	2 065	76 233
266 817	267	267 084
198 511	-	198 511
<b>539 496</b>	<b>2 332</b>	<b>541 828</b>

#### 22.2 FINANCE LEASES\*\*

2020/21

Not later than 1 year

Later than 1 year and not later than 5 years

**Total lease commitments**

<b>MACHINERY AND EQUIPMENT</b>	<b>TOTAL</b>
<b>R'000</b>	<b>R'000</b>
1 519	1 519
368	368
<b>1 887</b>	<b>1 887</b>

2019/20

Not later than 1 year

Later than 1 year and not later than 5 years

**Total lease commitments**

<b>MACHINERY AND EQUIPMENT</b>	<b>TOTAL</b>
<b>R'000</b>	<b>R'000</b>
1 502	1 502
533	533
<b>2 035</b>	<b>2 035</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS - Cont

for the year ended 31 March 2021

	NOTE	2020/21 R'000	2019/20 R'000
<b>23. ACCRUED DEPARTMENTAL REVENUE</b>			
Sales of goods and services other than capital assets		57	1
Interest dividends and rent on land		629 990	699 896
Sale of capital assets		-	(220 017)
Transactions in financial assets and liabilities		-	350
Transfers received		81	(346)
Other		-	113 030
<b>Total</b>		<b>630 128</b>	<b>592 914</b>

### 23.1 ANALYSIS OF ACCRUED DEPARTMENTAL REVENUE

Opening balance		592 914	220 364
Less: Amounts received		592 914	220 364
Add: Amounts recognised		630 128	592 914
<b>Closing balance</b>		<b>630 128</b>	<b>592 914</b>

## 24. IRREGULAR EXPENDITURE

### 24.1 RECONCILIATION OF IRREGULAR EXPENDITURE

#### Irregular expenditure

#### Reconciliation of irregular expenditure

Opening balance		388 233	222 126
As restated		388 233	222 126
Add: Irregular expenditure - relating to prior year	23.2	-	220 931
Add: Irregular expenditure - relating to current year	23.2	66 175	28 225
Less: Prior year amounts condoned	23.3	(128 143)	(76 274)
Less: Current year amounts condoned	23.3	(26 018)	(6 775)
<b>Closing balance</b>		<b>300 247</b>	<b>388 233</b>

#### Analysis of closing balance

Current year		40 157	249 156
Prior years		260 090	139 077
<b>Total</b>		<b>300 247</b>	<b>388 233</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS - Cont

for the year ended 31 March 2021

### 24.2 DETAILS OF CURRENT AND PRIOR YEAR IRREGULAR EXPENDITURE – ADDED CURRENT YEAR (UNDER DETERMINATION AND INVESTIGATION)

Incident	DISCIPLINARY STEPS TAKEN/ CRIMINAL PROCEEDINGS	R'000
Procurement of services for the development and enhancement of the central supplier database (CSD) functionality that were procured in terms of the Treasury Regulation 16A6.6 through an existing SLA and not through a new tender process.	Request for condonation in process.	2 573
Goods and services procured without a contract. No competitive bidding process (IFMS Project)	Amount condoned	1 888
Goods and services procured without a contract	Request for condonation in process.	647
Payments made for services rendered under expired contract Contract amount exceeded	Amount condoned Investigations to be initiated	14 785 14
Payments made for services rendered under contract extended without OCPO approval	Request for condonation in process.	2 343
An agent of NT did not comply with SCM process for MFIP	Investigations to be initiated	3 310
Payments made for services rendered under expired contract	Investigations to be initiated	114
Payments made for services rendered under expired contract	Investigations to be initiated	95
Payments made for services rendered under expired contract Contract value exceeded without prior approval	Investigations to be initiated Investigations to be initiated	2 316 11 871
Credit ratings agencies	Amount condoned	5 106
Goods and services procured without a contract. No competitive bidding process (IFMS Project)	Request for condonation in process.	15 157
No competitive bidding process	Investigations to be initiated	1 717
Goods and services procured without a contract.	Amount condoned	4 239
<b>Total</b>		<b>66 175</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS - Cont

for the year ended 31 March 2021

### 24.3 DETAILS OF IRREGULAR EXPENDITURE CONDONED

Details of irregular expenditure condoned		2020/21
Incident	CONDONED BY (RELEVANT AUTHORITY)	R'000
Credit ratings services procured without a contract.	OCPO	41 125
Goods and services procured without a contract. No competitive bidding process	OCPO	40 847
Contract extended without prior approval by the DG and OCPO	OCPO	37 375
Bidder who failed to meet the pre-qualifying criteria was not disqualified and their entire Panel was declared Irregular	OCPO	5 123
Goods and services with a transaction value of more than R 500 000 were not procured through a competitive bidding process	OCPO	589
Bid specification not based on relevant characteristic	OCPO	8 826
Service provider's tax status on CSD was "noncompliant" at the time when the award was done	OCPO	486
Contract that was awarded based on an incorrect BBBEE certificate that was used during the bid evaluation process of two companies that was used during the bid evaluation process of two companies who appear to have tendered as a joint venture.	OCPO	12 100
Project Manager failed to obtain written approval from Chief Director or without the involvement of the Director: Donor Mobilisation and Coordination in developing the terms of reference for the RFQ 28, 29 & 30.	OCPO	600
Payments made for services rendered under expired contract	OCPO	131
Payments made for goods delivered under expired contract	OCPO	217
Contract value exceeded without prior approval	OCPO	2 504
Goods and services procured without a contract	OCPO	4 239
<b>Total</b>		<b>154 161</b>

### 25. FRUITLESS AND WASTEFUL EXPENDITURE

#### 25.1 RECONCILIATION OF FRUITLESS AND WASTEFUL EXPENDITURE

	2020/21	2019/20
	R'000	R'000
<b>Reconciliation of fruitless and wasteful expenditure</b>		
Opening balance	267 254	201 178
As restated	267 254	201 178
Fruitless and wasteful expenditure – relating to current year	24.2 67 614	67 609
Less: Amounts recoverable	(1 533)	(1 533)
<b>Closing balance</b>	<b>333 335</b>	<b>267 254</b>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS - Cont

for the year ended 31 March 2021

### 25.2 DETAILS OF CURRENT AND PRIOR YEAR FRUITLESS AND WASTEFUL EXPENDITURE – ADDED CURRENT YEAR (UNDER DETERMINATION AND INVESTIGATION)

Incident	DISCIPLINARY STEPS TAKEN/CRIMINAL PROCEEDINGS	2020/21 R'000
Technical support for IFMS (Software licenses)	Corrective action was taken through change in strategic direction from a hybrid system (IFMS1) to a commercial off-the-shelf software (COTS) solution (IFMS2).	67 609
Interest on the Penalty to The South African Revenue Services (SARS)	Investigations to be initiated	5
<b>Total</b>		<b>67 614</b>

## 26. RELATED PARTY TRANSACTIONS

### 26.1 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)  
 Government Employee Pension Fund (GEPPF)  
 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)

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS - Cont

for the year ended 31 March 2021

	NOTE	2020/21	2019/20
		R'000	R'000
<b>26.2 RELATED PARTY - PAYMENTS MADE</b>			
Goods and services		231 045	241 380
<b>Total</b>		<b>231 045</b>	<b>241 380</b>

### 26.3 GUARANTEES ISSUED TO RELATED PARTIES

Land Bank		2 305 637	2 564 546
Development Bank of Southern Africa		4 894 926	4 692 813
South African Reserve Bank		13 468 402	-
<b>Total</b>		<b>20 668 965</b>	<b>7 257 359</b>

### 26.4 RELATED PARTY IN-KIND GOODS AND SERVICES RECEIVED / PROVIDED

CBDA - Office space and professional services (provided)		6 852	6 315
GTAC - Office space and professional services (provided)		20 895	15 474
ESAAG - Office space (provided)		-	339
GTAC - Goods and services received		1 323	5 659
<b>Total</b>		<b>29 070</b>	<b>27 787</b>

## 27. KEY MANAGEMENT PERSONNEL

	NO. OF INDIVIDUALS		
<b>Key management personnel</b>			
Political office bearers (provide detail below)			-
Officials:			
Level 15 to 16	2	4 379	4 390
Level 14 (incl CFO if at a lower level)	13	18 094	17 444
	67	72 335	80 938
<b>Total</b>		<b>94 808</b>	<b>102 772</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS - Cont

for the year ended 31 March 2021

	NOTE	2020/21 R'000	2019/20 R'000
<b>28. IMPAIRMENT (OTHER THAN RECEIVABLES ACCRUED DEPARTMENTAL REVENUE LOANS AND INVESTMENTS)</b>			
Debtors		331	334
Other material losses		42 866	43 328
<b>Total</b>		<b>43 197</b>	<b>43 662</b>

## 29. PROVISIONS

### Provisions

SA Smith - claim	14	14
Injury on Duty	203 510	194 760
Military Pension	9 559	8 918
Military Medical	156	391
Special Pension	49 548	27 140
Medical Benefits	9 408	4 027
<b>Total</b>	<b>272 195</b>	<b>235 250</b>

### 29.1 RECONCILIATION OF MOVEMENT IN PROVISIONS – 2020/21

	MILITARY MEDICAL & SPECIAL PENSIONS R'000	INJURY ON DUTY R'000	MILITARY PENSIONS R'000	POST- RETIREMENT MEDICAL BENEFITS & CLAIM R'000	TOTAL PROVISIONS R'000
Opening balance	27 531	194 760	8 918	4 041	235 250
Increase in provision	60 435	54 923	3 209	25 642	144 209
Settlement of provision	(38 262)	(46 173)	(2 568)	(20 261)	107 264
<b>Closing balance</b>	<b>49 704</b>	<b>203 510</b>	<b>9 559</b>	<b>9 422</b>	<b>272 195</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS - Cont

for the year ended 31 March 2021

### Reconciliation of movement in provisions - 2019/20

	<b>MILITARY MEDICAL &amp; SPECIAL PENSIONS</b>	<b>INJURY ON DUTY</b>	<b>MILITARY PENSIONS</b>	<b>POST- RETIREMENT MEDICAL BENEFITS &amp; CLAIM</b>	<b>TOTAL PROVISIONS</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Opening balance	37 308	131 107	13 446	3 747	185 608
Increase in provision	40 194	123 957	4 129	25 896	194 176
Settlement of provision	(49 971)	(60 304)	(8 657)	(25 588)	(144 520)
Unused amount reversed	-	-	-	(14)	(14)
<b>Closing balance</b>	<b>27 531</b>	<b>194 760</b>	<b>8 918</b>	<b>4 041</b>	<b>235 250</b>

### 30. NON-ADJUSTING EVENTS AFTER REPORTING DATE

Social Relieve of Distress (SRD)	26 700 000
SASRAI Cash Injection	3 900 000
DTI & Dept of Small Business Development	2 300 000
SANDF & SAPS	950 000
<b>Total</b>	<b>33 850 000</b>

The R33.8 billion is precautionary spending measures to support the recovery of the economy, and provide relief to the poor in wake of the spate of civil unrests and the ongoing COVID-19 pandemic.

### 31. MOVABLE TANGIBLE CAPITAL ASSETS

Movable Tangible Capital Assets as per asset register for the year ended 2020/21

	<b>OPENING BALANCE</b>	<b>VALUE ADJUSTMENTS</b>	<b>ADDITIONS</b>	<b>DISPOSALS</b>	<b>CLOSING BALANCE</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Transport assets	237 951	-	32 628	(8 685)	261 894
Computer equipment	7 273	-	-	-	7 273
Furniture and office equipment	149 745	112	32 011	(7 697)	174 171
Other machinery and equipment	18 043	(149)	34	(258)	17 670
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>237 951</b>	<b>-</b>	<b>32 628</b>	<b>(8 685)</b>	<b>261 894</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS - Cont

for the year ended 31 March 2021

The increase in purchase of computer equipment was due to a shift from use of computer desktop to laptops as officials were required to rotate between working from home and the office in response to the COVID-19 lockdown.

### Additions

#### Additions to movable tangible capital assets as per asset register for the year ended 2020/21

	CASH	NON-CASH	(CAPITAL WORK-IN- PROGRESS CURRENT COSTS AND FINANCE LEASE PAYMENTS)	RECEIVED CURRENT NOT PAID (PAID CURRENT YEAR RECEIVED PRIOR YEAR)	TOTAL
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	32 628	-	-	-	32 628
Computer equipment	32 011	-	-	-	32 011
Furniture and office equipment	34	-	-	-	34
Other machinery and equipment	583	-	-	-	583
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>32 628</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32 628</b>

### Disposals

#### Disposals of movable tangible capital assets as per asset register for the year ended 2020/21

	SOLD FOR CASH	NON-CASH DISPOSAL	TOTAL DISPOSALS	CASH RECEIVED ACTUAL
	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	-	8 685	8 685	-
Computer equipment	-	7 697	7 697	-
Furniture and office equipment	-	258	258	-
Other machinery and equipment	-	730	730	-
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>8 685</b>	<b>8 685</b>	<b>-</b>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS - Cont

for the year ended 31 March 2021

### Movement in minor assets per the asset register for the year ended 31 March 2020

	<b>MACHINERY AND EQUIPMENT</b>	<b>BIOLOGICAL ASSETS</b>	<b>TOTAL</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Opening balance	31 808	-	31 808
Additions	1 676	-	1 676
Disposals	526	-	526
<b>TOTAL MINOR ASSETS</b>	<b>32 958</b>	<b>-</b>	<b>32 958</b>

	<b>MACHINERY AND EQUIPMENT</b>	<b>BIOLOGICAL ASSETS</b>	<b>TOTAL</b>
Number of R1 minor assets	34	-	34
Number of minor assets at cost	20 289	-	20 289
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>20 323</b>	<b>-</b>	<b>20 323</b>

### 33. INTANGIBLE CAPITAL ASSETS

#### Movement in intangible capital assets per asset register for the year ended 31 March 2021

	<b>OPENING BALANCE</b>	<b>VALUE ADJUSTMENTS</b>	<b>ADDITIONS</b>	<b>DISPOSALS</b>	<b>CLOSING BALANCE</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
SOFTWARE	530 528	-	13 814	-	544 342
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>530 528</b>	<b>-</b>	<b>13 814</b>	<b>-</b>	<b>544 342</b>

#### Additions

#### Additions to intangible capital assets per asset register for the year ended 31 March 2021

	<b>CASH</b>	<b>NON-CASH</b>	<b>(DEVELOPMENT WORK-IN- PROGRESS CURRENT COSTS)</b>	<b>RECEIVED CURRENT NOT PAID (PAID CURRENT YEAR RECEIVED PRIOR YEAR)</b>	<b>TOTAL</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
SOFTWARE	12 998	816	-	-	13 814
<b>TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS</b>	<b>12 998</b>	<b>816</b>	<b>-</b>	<b>-</b>	<b>13 814</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS - Cont

for the year ended 31 March 2021

Movement for 2020/21

Movement in intangible capital assets per asset register for the year ended 31 March 2020

	OPENING BALANCE	PRIOR PERIOD ERROR	ADDITIONS	DISPOSALS	CLOSING BALANCE
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	528 540	-	1 988	-	530 528
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>528 540</b>	<b>-</b>	<b>1 988</b>	<b>-</b>	<b>530 528</b>

The department spent R13 million for a Dell EMC software License Authorisation Code

### 34. IMMOVABLE TANGIBLE CAPITAL ASSETS

Movement in immovable tangible capital assets per asset register for the year ended 31 March 2021

	OPENING BALANCE	VALUE ADJUSTMENTS	ADDITIONS	DISPOSALS	CLOSING BALANCE
	R'000	R'000	R'000	R'000	R'000
Other fixed structures	1 062	-	-	-	1 062
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>1 062</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 062</b>

Movement in immovable tangible capital assets per asset register for the year ended 31 March 2020

	OPENING BALANCE	PRIOR PERIOD ERROR	ADDITIONS	DISPOSALS	CLOSING BALANCE
	R'000	R'000	R'000	R'000	R'000
Other fixed structures	1 062	-	-	-	1 062
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>1 062</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 062</b>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS - Cont

for the year ended 31 March 2021

### Movement for 2019/20

#### Movement in immovable tangible capital assets per asset register for the year ended 31 March 2020

	<b>OPENING BALANCE</b>	<b>PRIOR PERIOD ERROR</b>	<b>ADDITIONS</b>	<b>DISPOSALS</b>	<b>CLOSING BALANCE</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Other fixed structures	1 062	-	-	-	1 062
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>1 062</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 062</b>

## 35. PRINCIPAL-AGENT ARRANGEMENTS

	<b>2020/21</b>	<b>2019/20</b>
	<b>R'000</b>	<b>R'000</b>
Government Pension Administration Agency (GPAA)	59 716	65 755
Government Technical Advisory Centre (GTAC)	360	360
Development Bank of Southern Africa (DBSA)	2 559	2 014
GTAC – Jobs Fund	1 921	2 135
DBSA – NT Infrastructure fund	1 803	-
<b>Total</b>	<b>66 359</b>	<b>70 264</b>

National Treasury is party to a principal-agent arrangement with GPAA which 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. GTAC provides technical assistance on behalf of the department. DBSA manages the Cities Support Programme on behalf of the department. National Treasury pays fees to GPAA for the administration services and there will be no cost implication if the arrangements are terminated. Resources that are under the agents are recognised and recorded by the agents.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS - Cont

for the year ended 31 March 2021

### 36. PRIOR PERIOD ERRORS

#### 36.1 CORRECTION OF PRIOR PERIOD ERRORS

**Revenue:**

Sub-programme 4.3: Gov Debt Man - T&S

Sub-programme 4.3: Gov Debt Man - Training & Development

**Net effect**

NOTE	2019/20		
	AMOUNT BEFORE ERROR CORRECTION	PRIOR PERIOD ERROR	RESTATED AMOUNT
	R'000	R'000	R'000
Approp Stat	-	576	576
Approp Stat	-	85	85
	<b>-</b>	<b>661</b>	<b>661</b>

#### 36.2 CORRECTION OF PRIOR PERIOD ERRORS

**Assets:**

Analysis of accrued departmental revenue

Advance paid (expensed)

Land Bank Investment

**Net effect**

NOTE	2019/20		
	AMOUNT BEFORE ERROR CORRECTION	PRIOR PERIOD ERROR	RESTATED AMOUNT
	R'000	R'000	R'000
23.1	479 884	113 030	592 914
10.3	296 065	121 134	417 199
12	200 955	4 196 700	4 397 655
	<b>976 904</b>	<b>4 430 864</b>	<b>5 407 768</b>

The R113 million omission was correctly included in the main note 23 but omitted in sub-note 23.1 for analysis of accrued departmental revenue. Advances paid but not expense sub note 10.3 was restated to reflect the 121 million for Infrastructure Fund managed by DBSA. The R100 million was advance to DBSA for NT Infrastructure Fund. R4.2 billion was for recapitalisation of Land Bank.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS - Cont

for the year ended 31 March 2021

### 36.3 CORRECTION OF PRIOR PERIOD ERRORS

Other:	NOTE	2019/20		RESTATED AMOUNT
		AMOUNT BEFORE ERROR CORRECTION	PRIOR PERIOD ERROR	
		R'000	R'000	
Related party transaction - Land Bank guarantee	26.4	1 071 818	1 492 728	2 564 546
Related party transaction - DBSA	26.4	6 185 541	(1 492 728)	4 692 813
Principal-agent arrangement – Jobs Funds (Admin fee)	34	-	2 135	2 135
Advance paid (not expensed) – IDIP	10.3	-	7 135	7 135
<b>Net effect</b>		<b>7 257 359</b>	<b>9 270</b>	<b>7 266 629</b>

Sub-note 26.4 for state guarantees issued to related parties was restated to reflect R1.5 billion adjustments for Land Bank guarantee that was incorrectly allocated to the Development Bank of Southern Africa. R2 million for Jobs Funds admin fee and R7 million advance paid for IDIP were omitted.

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

for the year ended 31 March 2021

### 37. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF GRANT	GRANT ALLOCATION						SPENT				2019/20	
	DIVISION OF REVENUE ACT/ PROVINCIAL GRANTS	ROLL OVERS	DORA ADJUSTMENTS	OTHER ADJUSTMENTS	TOTAL AVAILABLE	AMOUNT RECEIVED BY DEPARTMENT	AMOUNT SPENT BY DEPARTMENT	UNDER/ (OVER- SPENDING)	% OF AVAILABLE FUNDS SPENT BY DEPT	DIVISION OF REVENUE ACT	AMOUNT SPENT BY DEPARTMENT	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Financial Management grant – municipalities	544 862	-	-	-	544 862	544 862	544 862	-	100%	504 566	504 566	
Infrastructure Skills Development grant – municipalities	153 192	-	143 860	297 052	594 104	143 860	143 860	450 244	100%	147 333	141 492	
Neighbourhood Development Partnership grant	559 442	-	(41 726)	517 716	1 035 432	479 417	479 417	556 015	100%	581 867	569 117	
Integrated Cities Development Grant	317 499	-	313 722	631 221	1 262 442	313 722	313 722	948 720	100%	293 609	293 609	
Indirect Grant- Neighbourhood Development Partnership	62 702	-	-	-	62 702	62 702	60 626	2 076	97%	49 353	49 353	
	<b>1 637 697</b>	<b>-</b>	<b>415 856</b>	<b>1 445 989</b>	<b>3 499 542</b>	<b>1 544 563</b>	<b>1 542 487</b>	<b>1 957 055</b>		<b>1 576 728</b>	<b>1 558 137</b>	

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT - Cont

for the year ended 31 March 2021

## 38. STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DORA AND OTHER TRANSFERS	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD	RE-ALLOCATIONS BY NATIONAL TREASURY OR NATIONAL DEPARTMENT
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT</b>							
IKai !Garib	3 000	-	-	3 000	3 000	-	-
IKheis	3 000	-	-	3 000	3 000	-	-
AbaQulusi	2 600	-	-	2 600	2 600	-	-
Alfred Duma	2 000	-	-	2 000	2 000	-	-
Alfred Nzo District Municipality	1 700	-	-	1 700	1 700	-	-
Amahlathi	2 200	-	-	2 200	2 200	-	-
Amajuba District Municipality	2 400	-	-	2 400	2 400	-	-
Amathole District Municipality	1 000	-	-	1 000	1 000	-	-
Ba-Phalaborwa	3 000	-	-	3 000	3 000	-	-
Beaufort West	1 700	-	-	1 700	1 700	-	-
Bela-Bela	1 700	-	-	1 700	1 700	-	-
Bergvliet	1 550	-	-	1 550	1 550	-	-
Big Five Hlabisa	2 500	-	-	2 500	2 500	-	-
Bitou	1 550	-	-	1 550	1 550	-	-
Blouberg	2 500	-	-	2 500	2 500	-	-
Blue Crane Route	2 500	-	-	2 500	2 500	-	-
Bojanala Platinum District Municipality	1 400	-	-	1 400	1 400	-	-
Breedevale	1 550	-	-	1 550	1 550	-	-
Buffalo City	1 000	-	-	1 000	1 000	-	-
Bushbuckridge	2 600	-	-	2 600	2 600	-	-
Cape Agulhas	1 550	-	-	1 550	1 550	-	-

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT - Cont

for the year ended 31 March 2021

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DORA AND OTHER TRANSFERS	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD	RE-ALLOCATIONS BY NATIONAL TREASURY OR NATIONAL DEPARTMENT
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT</b>							
Cape Winelands District Municipality	1 000	-	-	1 000	1 000	-	-
Capricorn District Municipality	1 000	-	-	1 000	1 000	-	-
Cederberg	2 011	-	-	2 011	2 011	-	-
Central Karoo District Municipality	1 000	-	-	1 000	1 000	-	-
Chief Albert Luthuli	2 000	-	-	2 000	2 000	-	-
Chris Hani District Municipality	1 000	-	-	1 000	1 000	-	-
City of Cape Town	1 000	-	-	1 000	1 000	-	-
City of Johannesburg	1 000	-	-	1 000	1 000	-	-
City of Matlosana	3 000	-	-	3 000	3 000	-	-
City of Mbombela	2 500	-	-	2 500	2 500	-	-
City of Tshwane	2 000	-	-	2 000	2 000	-	-
Collins Chabane	2 300	-	-	2 300	2 300	-	-
Dannhauser	1 900	-	-	1 900	1 900	-	-
Dawid Kruiper	3 000	-	-	3 000	3 000	-	-
Dihlabeng	2 500	-	-	2 500	2 500	-	-
Dikgatlong	3 000	-	-	3 000	3 000	-	-
Dipaleseng	2 600	-	-	2 600	2 600	-	-
Ditsobotla	3 000	-	-	3 000	3 000	-	-
Dr Beyers Naude	3 000	-	-	3 000	3 000	-	-
Dr JS Moroka	2 600	-	-	2 600	2 600	-	-
Dr Kenneth Kaunda District Municipality	1 000	-	-	1 000	1 000	-	-
Dr Nkosazana Dlamini Zuma	2 000	-	-	2 000	2 000	-	-
Dr Pixley ka Isaka Seme	2 600	-	-	2 600	2 600	-	-
Dr Ruth Segomotsi Mompati District Municipality	2 200	-	-	2 200	2 200	-	-

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT - Cont

for the year ended 31 March 2021

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DORA AND OTHER TRANSFERS	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD	RE-ALLOCATIONS BY NATIONAL TREASURY OR NATIONAL DEPARTMENT
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT</b>							
Drakenstein	1 550	-	-	1 550	1 550	-	-
eDumbe	2 800	-	-	2 800	2 800	-	-
Ehlanzeni District Municipality	1 000	-	-	1 000	1 000	-	-
Ekurhuleni	1 000	-	-	1 000	1 000	-	-
Elias Motsoaledi	2 600	-	-	2 600	2 600	-	-
Elundini	1 700	-	-	1 700	1 700	-	-
eMadrilangeni	2 800	-	-	2 800	2 800	-	-
Emakhazeni	2 800	-	-	2 800	2 800	-	-
Emalahleni(EC)	3 000	-	-	3 000	3 000	-	-
Emalahleni(MP)	3 000	-	-	3 000	3 000	-	-
Erntfuleni	2 000	-	-	2 000	2 000	-	-
Emthanjeni	1 700	-	-	1 700	1 700	-	-
eNdumeni	2 200	-	-	2 200	2 200	-	-
Engcobo	1 700	-	-	1 700	1 700	-	-
Enoch Mgijima	3 000	-	-	3 000	3 000	-	-
Ephraim Mogale	3 000	-	-	3 000	3 000	-	-
eThekwini	1 000	-	-	1 000	1 000	-	-
Fetakgomo-Tubatse	2 500	-	-	2 500	2 500	-	-
Fezile Dabi District Municipality	1 000	-	-	1 000	1 000	-	-
Frances Baard District Municipality	1 000	-	-	1 000	1 000	-	-
Gamagara	1 700	-	-	1 700	1 700	-	-
Garden Route District Municipality	1 000	-	-	1 000	1 000	-	-
Ga-Segonyana	3 000	-	-	3 000	3 000	-	-
George	1 550	-	-	1 550	1 550	-	-
Gert Sibande District Municipality	1 000	-	-	1 000	1 000	-	-
Govan Mbeki	2 000	-	-	2 000	2 000	-	-

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT - Cont

for the year ended 31 March 2021

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DORA AND OTHER TRANSFERS	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD	RE-ALLOCATIONS BY NATIONAL TREASURY OR NATIONAL DEPARTMENT
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT</b>							
Great Kei	2 400	-	-	2 400	2 400	-	-
Greater Giyani	2 000	-	-	2 000	2 000	-	-
Greater Kokstad	1 800	-	-	1 800	1 800	-	-
Greater Letaba	2 000	-	-	2 000	2 000	-	-
Greater Taung	3 300	-	-	3 300	3 300	-	-
Greater Tzaneen	2 000	-	-	2 000	2 000	-	-
Hantam	1 900	-	-	1 900	1 900	-	-
Harry Gwala District Municipality	1 000	-	-	1 000	1 000	-	-
Hessequa	1 550	-	-	1 550	1 550	-	-
iLembe District Municipality	1 000	-	-	1 000	1 000	-	-
iMpindle	2 300	-	-	2 300	2 300	-	-
iNkosi Langalibalele	2 000	-	-	2 000	2 000	-	-
Intsika Yethu	2 000	-	-	2 000	2 000	-	-
Inxuba Yethemba	3 000	-	-	3 000	3 000	-	-
Joe Gqabi District Municipality	1 500	-	-	1 500	1 500	-	-
Joe Morolong	3 000	-	-	3 000	3 000	-	-
John Taolo Gaetsewe District Municipality	1 000	-	-	1 000	1 000	-	-
Jozini	2 800	-	-	2 800	2 800	-	-
Kagisano-Molopo	2 900	-	-	2 900	2 900	-	-
Kamiesberg	3 000	-	-	3 000	3 000	-	-
Kannaland	2 647	-	-	2 647	2 647	-	-
Kareeberg	2 800	-	-	2 800	2 800	-	-
Karoo Hoogland	2 800	-	-	2 800	2 800	-	-
Kgatelopele	2 800	-	-	2 800	2 800	-	-
Kgetlengrivier	3 000	-	-	3 000	3 000	-	-



# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT - Cont

for the year ended 31 March 2021

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DORA AND OTHER TRANSFERS	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD	RE-ALLOCATIONS BY NATIONAL TREASURY OR NATIONAL DEPARTMENT
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT</b>							
Khâi-Ma	2 800	-	-	2 800	2 800	-	-
King Cetshwayo District Municipality	1 200	-	-	1 200	1 200	-	-
King Sabata Dalindyebo	2 500	-	-	2 500	2 500	-	-
Knysna	1 550	-	-	1 550	1 550	-	-
Kopanong	2 000	-	-	2 000	2 000	-	-
Kouga	1 500	-	-	1 500	1 500	-	-
Kou-Kamma	2 800	-	-	2 800	2 800	-	-
KwaDukuza	1 800	-	-	1 800	1 800	-	-
Laingsburg	1 800	-	-	1 800	1 800	-	-
Langeberg	1 550	-	-	1 550	1 550	-	-
Lejweleputswa District Municipality	1 000	-	-	1 000	1 000	-	-
Lekwa	2 600	-	-	2 600	2 600	-	-
Lekwa-Teemane	3 000	-	-	3 000	3 000	-	-
Lepele-Nkumpi	2 000	-	-	2 000	2 000	-	-
Lephalale	1 700	-	-	1 700	1 700	-	-
Lesedi	1 550	-	-	1 550	1 550	-	-
Letsemeng	2 800	-	-	2 800	2 800	-	-
Madibeng	2 600	-	-	2 600	2 600	-	-
Mafikeng	3 000	-	-	3 000	3 000	-	-
Mafube	3 000	-	-	3 000	3 000	-	-
Magareng	2 800	-	-	2 800	2 800	-	-
Makana	3 000	-	-	3 000	3 000	-	-
Makhado	1 700	-	-	1 700	1 700	-	-
Makhuduthamaga	1 700	-	-	1 700	1 700	-	-
Maluti-a-Phofung	3 000	-	-	3 000	3 000	-	-

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT - Cont

for the year ended 31 March 2021

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DORA AND OTHER TRANSFERS	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD	RE-ALLOCATIONS BY NATIONAL TREASURY OR NATIONAL DEPARTMENT
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT</b>							
Mamusa	3 300	-	-	3 300	3 300	-	-
Mandeni	1 900	-	-	1 900	1 900	-	-
Mangaung	2 200	-	-	2 200	2 200	-	-
Mantsopa	3 000	-	-	3 000	3 000	-	-
Maphumulo	1 900	-	-	1 900	1 900	-	-
Maquassi Hills	3 000	-	-	3 000	3 000	-	-
Maruleng	1 900	-	-	1 900	1 900	-	-
Masilonyana	2 400	-	-	2 400	2 400	-	-
Matatiele	1 700	-	-	1 700	1 700	-	-
Matjhabeng	3 000	-	-	3 000	3 000	-	-
Matzikama	1 550	-	-	1 550	1 550	-	-
Mbhashe	1 700	-	-	1 700	1 700	-	-
Mbizana	2 000	-	-	2 000	2 000	-	-
Merafong City	2 500	-	-	2 500	2 500	-	-
Metsimaholo	2 500	-	-	2 500	2 500	-	-
Mhlontlo	2 400	-	-	2 400	2 400	-	-
Midvaal	1 550	-	-	1 550	1 550	-	-
Mkhambathini	2 800	-	-	2 800	2 800	-	-
Mkhondo	3 000	-	-	3 000	3 000	-	-
Mnquma	1 700	-	-	1 700	1 700	-	-
Modimolle-Mookgophong	2 500	-	-	2 500	2 500	-	-
Mogalakwena	1 700	-	-	1 700	1 700	-	-
Mogale City	1 550	-	-	1 550	1 550	-	-
Mohokare	2 800	-	-	2 800	2 800	-	-
Molemole	2 400	-	-	2 400	2 400	-	-

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT - Cont

for the year ended 31 March 2021

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DORA AND OTHER TRANSFERS	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD	RE-ALLOCATIONS BY NATIONAL TREASURY OR NATIONAL DEPARTMENT
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT</b>							
Mopani District Municipality	2 700	-	-	2 700	2 700	-	-
Moghaka	2 000	-	-	2 000	2 000	-	-
Moretele	3 000	-	-	3 000	3 000	-	-
Moses Kotane	1 700	-	-	1 700	1 700	-	-
Mossel Bay	1 550	-	-	1 550	1 550	-	-
Mpofana	2 800	-	-	2 800	2 800	-	-
Msukaligwa	3 000	-	-	3 000	3 000	-	-
Msunduzi	1 700	-	-	1 700	1 700	-	-
Mthonjaneni	2 800	-	-	2 800	2 800	-	-
Mtubatuba	1 900	-	-	1 900	1 900	-	-
Musina	2 700	-	-	2 700	2 700	-	-
Nala	3 000	-	-	3 000	3 000	-	-
Naledi	2 600	-	-	2 600	2 600	-	-
Nama Khoi	3 000	-	-	3 000	3 000	-	-
Namakwa District Municipality	2 200	-	-	2 200	2 200	-	-
Ndlambe	2 800	-	-	2 800	2 800	-	-
Ndwedwe	2 800	-	-	2 800	2 800	-	-
Nelson Mandela Bay	1 000	-	-	1 000	1 000	-	-
Newcastle	1 700	-	-	1 700	1 700	-	-
Ngaka Modiri Molema District Municipality	2 700	-	-	2 700	2 700	-	-
Ngqushwa	3 000	-	-	3 000	3 000	-	-
Ngquza Hill	1 700	-	-	1 700	1 700	-	-
Ngwathe	3 000	-	-	3 000	3 000	-	-
Nkandla	2 800	-	-	2 800	2 800	-	-
Nkangala District Municipality	1 000	-	-	1 000	1 000	-	-

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT - Cont

for the year ended 31 March 2021

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DORA AND OTHER TRANSFERS	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD	RE-ALLOCATIONS BY NATIONAL TREASURY OR NATIONAL DEPARTMENT
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT</b>							
Nketoana	2 500	-	-	2 500	2 500	-	-
Nkomazi	1 700	-	-	1 700	1 700	-	-
Nongoma	1 900	-	-	1 900	1 900	-	-
Nquthu	1 900	-	-	1 900	1 900	-	-
Ntabankulu	2 800	-	-	2 800	2 800	-	-
Nyandeni	1 700	-	-	1 700	1 700	-	-
O.R. Tambo District Municipality	2 000	-	-	2 000	2 000	-	-
Okhahlamba	1 900	-	-	1 900	1 900	-	-
Oudtshoorn	2 517	-	-	2 517	2 517	-	-
Overberg District Municipality	1 000	-	-	1 000	1 000	-	-
Overstrand	1 550	-	-	1 550	1 550	-	-
Phokwane	3 000	-	-	3 000	3 000	-	-
Phumelela	3 000	-	-	3 000	3 000	-	-
Pixley Ka Seme District Municipality	1 500	-	-	1 500	1 500	-	-
Polokwane	2 500	-	-	2 500	2 500	-	-
Port St Johns	2 800	-	-	2 800	2 800	-	-
Prince Albert	1 700	-	-	1 700	1 700	-	-
Ramotshere Moiloa	2 000	-	-	2 000	2 000	-	-
Rand West City	2 000	-	-	2 000	2 000	-	-
Ratlou	1 900	-	-	1 900	1 900	-	-
Ray Nkonyeni	2 000	-	-	2 000	2 000	-	-
Raymond Mhlaba	2 500	-	-	2 500	2 500	-	-
Renosterberg	3 000	-	-	3 000	3 000	-	-
Richmond	1 900	-	-	1 900	1 900	-	-
Richtersveld	2 800	-	-	2 800	2 800	-	-

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT - Cont

for the year ended 31 March 2021

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DORA AND OTHER TRANSFERS	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD	RE-ALLOCATIONS BY NATIONAL TREASURY OR NATIONAL DEPARTMENT
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT</b>							
Rustenburg	1 700	-	-	1 700	1 700	-	-
Sakhisizwe	1 700	-	-	1 700	1 700	-	-
Saldanha Bay	1 550	-	-	1 550	1 550	-	-
Sarah Baartman District Municipality	1 000	-	-	1 000	1 000	-	-
Sedibeng District Municipality	1 000	-	-	1 000	1 000	-	-
Sekhukhune District Municipality	2 200	-	-	2 200	2 200	-	-
Senqu	1 700	-	-	1 700	1 700	-	-
Setsoto	2 000	-	-	2 000	2 000	-	-
Siyancuma	3 000	-	-	3 000	3 000	-	-
Siyathemba	3 000	-	-	3 000	3 000	-	-
Sol Plaatjie	1 700	-	-	1 700	1 700	-	-
Stellenbosch	1 550	-	-	1 550	1 550	-	-
Steve Tshwete	1 700	-	-	1 700	1 700	-	-
Sundays River Valley	3 000	-	-	3 000	3 000	-	-
Swartland	1 550	-	-	1 550	1 550	-	-
Swellendam	1 770	-	-	1 770	1 770	-	-
Thaba Chweu	3 000	-	-	3 000	3 000	-	-
Thabazimbi	3 000	-	-	3 000	3 000	-	-
Thabo Mofutsanyana District Municipality	2 000	-	-	2 000	2 000	-	-
Theewaterskloof	1 700	-	-	1 700	1 700	-	-
Thembelihle	3 000	-	-	3 000	3 000	-	-
Thembisile Hani	1 700	-	-	1 700	1 700	-	-
Thulamela	1 700	-	-	1 700	1 700	-	-
Tokologo	2 800	-	-	2 800	2 800	-	-
Tsantsabane	3 000	-	-	3 000	3 000	-	-

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT - Cont

for the year ended 31 March 2021

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DORA AND OTHER TRANSFERS	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD	RE-ALLOCATIONS BY NATIONAL TREASURY OR NATIONAL DEPARTMENT
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT</b>							
Tswaing	3 000	-	-	3 000	3 000	-	-
Tswelopele	1 900	-	-	1 900	1 900	-	-
uBuhlebezwe	1 900	-	-	1 900	1 900	-	-
Ubuntu	2 867	-	-	2 867	2 867	-	-
Ugu District Municipality	1 800	-	-	1 800	1 800	-	-
Ulundi	1 800	-	-	1 800	1 800	-	-
uMdoni	2 000	-	-	2 000	2 000	-	-
uMfolozi	1 900	-	-	1 900	1 900	-	-
uMgungundlovu District Municipality	1 000	-	-	1 000	1 000	-	-
uMhlabuyalingana	1 900	-	-	1 900	1 900	-	-
uMhlatuze	2 600	-	-	2 600	2 600	-	-
uMkhanyakude District Municipality	1 800	-	-	1 800	1 800	-	-
uMlalazi	1 700	-	-	1 700	1 700	-	-
uMngeni	1 700	-	-	1 700	1 700	-	-
uMshwathi	1 900	-	-	1 900	1 900	-	-
uMisinga	1 900	-	-	1 900	1 900	-	-
Umsobomvu	1 900	-	-	1 900	1 900	-	-
uMuziwabantu	1 900	-	-	1 900	1 900	-	-
uMvoti	2 700	-	-	2 700	2 700	-	-
uMzimkhulu	1 900	-	-	1 900	1 900	-	-
Umzimvubu	1 700	-	-	1 700	1 700	-	-
uMzinyathi District Municipality	1 500	-	-	1 500	1 500	-	-
uMzambe	1 900	-	-	1 900	1 900	-	-
uPhongolo	2 800	-	-	2 800	2 800	-	-
uThukela District Municipality	1 800	-	-	1 800	1 800	-	-

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT - Cont

for the year ended 31 March 2021

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DORA AND OTHER TRANSFERS	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD	RE-ALLOCATIONS BY NATIONAL TREASURY OR NATIONAL DEPARTMENT
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT</b>							
Ventersdorp/Tlokwe	3 000	-	-	3 000	3 000	-	-
Vhembe District Municipality	2 700	-	-	2 700	2 700	-	-
Victor Khanye	1 700	-	-	1 700	1 700	-	-
Walter Sisulu	2 000	-	-	2 000	2 000	-	-
Waterberg District Municipality	1 000	-	-	1 000	1 000	-	-
West Coast District Municipality	1 000	-	-	1 000	1 000	-	-
West Rand District Municipality	1 000	-	-	1 000	1 000	-	-
Witzenberg	1 550	-	-	1 550	1 550	-	-
Xhariep District Municipality	1 500	-	-	1 500	1 500	-	-
Z.F. Mgcawu District Municipality	1 000	-	-	1 000	1 000	-	-
Zululand District Municipality	1 200	-	-	1 200	1 200	-	-
<b>Total - LOCAL GOV FMG GRANT</b>	<b>544 862</b>	<b>-</b>	<b>-</b>	<b>544 862</b>	<b>544 862</b>	<b>-</b>	<b>-</b>

## **ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT - Cont**

for the year ended 31 March 2021

### **39. BROAD BASED BLACK ECONOMIC EMPOWERMENT PERFORMANCE**

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

### **40. COVID 19 RESPONSE EXPENDITURE**

	<b>NOTE</b>	<b>2021</b>	<b>2020</b>
		<b>R'000</b>	<b>R'000</b>
Goods and services	<i>Annexure 11</i>	2 230	-
<b>Total</b>		<b>2 230</b>	<b>-</b>



# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT - Cont

for the year ended 31 March 2021

## ANNEXURE 1A

### STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION					TRANSFER					SPENT			2019/20	
	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	R'000	R'000	R'000
<b>INFRASTRUCTURE SKILLS DEVELOPMENT GRANT</b>															
Buffalo City	11 514	-	(706)	10 808	10 808	-	-	10 808	5 385	5 423	50%	11 300	11 300		
Nelson Mandela Bay	10 500	-	(694)	9 806	9 806	-	-	9 806	5 917	3 889	60%	9 500	9 500		
Enoch Mgijima	-	-	-	-	-	-	-	-	-	-	-	-	-		
King Sabata Dalindyebo	5 500	-	(65)	5 435	5 435	-	-	5 435	3 031	2 404	56%	6 500	6 500		
Alfred Nzo	5 500	-	(65)	5 435	5 435	-	-	5 435	3 090	2 345	57%	5 400	5 400		
City of Johannesburg	7 000	-	(83)	6 917	6 917	-	-	6 917	2 952	3 965	43%	7 200	7 200		
Rand West City	2 500	-	(2 500)	-	2 500	-	-	-	-	-	-	-	-		
eThekweni	35 000	-	(3 058)	31 942	31 942	-	-	31 942	15 682	16 260	49%	36 300	36 300		
uMhlathuze	-	-	-	-	-	-	-	-	-	-	-	-	-		
Alfred Duma	3 500	-	(42)	3 458	3 458	-	-	3 458	2 386	1 072	69%	3 500	3 500		
Polokwane	6 278	-	(75)	6 203	6 203	-	-	6 203	3 544	2 659	57%	5 111	5 111		
Thulamela	4 000	-	(48)	3 952	3 952	-	-	3 952	2 769	1 183	70%	3 500	3 500		
Govan Mbeki	25 500	-	(1 563)	23 937	23 937	-	-	23 937	11 424	12 513	48%	20 500	20 500		
Gert Sibande	10 000	-	(119)	9 881	9 881	-	-	9 881	7 522	2 359	76%	11 200	11 200		
Sol Plaatje	5 000	-	(59)	4 941	4 941	-	-	4 941	3 294	1 647	67%	6 500	6 500		
John Taolo Gaetsewe	4 200	-	(50)	4 150	4 150	-	-	4 150	2 977	1 173	72%	1 800	1 800		
City of Cape Town	11 000	-	(131)	10 869	10 869	-	-	10 869	5 958	4 911	55%	13 605	13 605		
George	6 200	-	(74)	6 126	6 126	-	-	6 126	4 890	1 236	80%	7 500	7 500		
<b>Total – ISDG</b>	<b>153 192</b>	<b>-</b>	<b>(9 332)</b>	<b>143 860</b>	<b>143 860</b>	<b>2 500</b>	<b>-</b>	<b>143 860</b>	<b>80 821</b>	<b>63 039</b>	<b>56%</b>	<b>149 416</b>	<b>149 416</b>		

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT - Cont

for the year ended 31 March 2021

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER				SPENT				2019/20													
	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	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000	
<b>NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT</b>																										
Buffalo City	18 000	-	(8 000)	10 000	10 000	10 000	10 000	-	-	-	10 000	10 000	-	-	10 000	10 000	-	-	-	100%	-	10 000	10 000	10 000	10 000	10 000
City of Cape Town	66 536	-	(44 002)	22 534	22 534	22 534	22 534	-	-	-	22 534	22 534	-	-	22 534	22 534	-	-	-	100%	-	42 000	42 000	42 000	42 000	42 000
City of Johannesburg	62 406	-	8 588	70 994	70 994	70 994	70 994	-	-	-	70 994	70 994	-	-	70 994	70 994	-	-	-	100%	-	80 000	80 000	80 000	80 000	80 000
City of Matlosana	40 000	-	10 000	50 000	50 000	50 000	50 000	-	-	-	50 000	50 000	-	-	50 000	50 000	-	-	-	100%	-	40 800	40 800	40 800	40 800	40 800
City of Mbombela	2 500	-	20 021	22 521	22 521	22 521	22 521	-	-	-	22 521	22 521	-	-	22 521	22 521	-	-	-	100%	-	19 200	19 200	19 200	19 200	19 200
City of Tshwane	5 000	-	-	5 000	5 000	5 000	5 000	-	-	-	5 000	5 000	-	-	5 000	5 000	-	-	-	100%	-	1 268	1 268	1 268	1 268	1 268
David Kruijer	20 000	-	(10 000)	10 000	10 000	10 000	10 000	-	-	-	10 000	10 000	-	-	10 000	10 000	-	-	-	100%	-	8 200	8 200	8 200	8 200	8 200
Ekurhuleni	75 000	-	(5 000)	70 000	70 000	70 000	70 000	-	-	-	70 000	70 000	-	-	70 000	70 000	-	-	-	100%	-	94 092	94 092	94 092	94 092	94 092
Ethekwini	70 000	-	(4 000)	66 000	66 000	66 000	66 000	-	-	-	66 000	66 000	-	-	66 000	66 000	-	-	-	100%	-	74 000	74 000	74 000	74 000	74 000
Knysna	15 000	-	-	15 000	15 000	15 000	15 000	-	-	-	15 000	15 000	-	-	15 000	15 000	-	-	-	100%	-	20 000	20 000	20 000	20 000	20 000
JB Marck	2 000	-	(2 000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Langeberg (Mandeni)	20 000	-	(6 788)	13 212	13 212	13 212	13 212	-	-	-	13 212	13 212	-	-	13 212	13 212	-	-	-	100%	-	8 000	8 000	8 000	8 000	8 000
Mangaung	10 000	-	(5 595)	4 405	4 405	4 405	4 405	-	-	-	4 405	4 405	-	-	4 405	4 405	-	-	-	100%	-	10 000	10 000	10 000	10 000	10 000
Midvaal	1 500	-	(1 500)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mogale City	10 000	-	(5 000)	5 000	5 000	5 000	5 000	-	-	-	5 000	5 000	-	-	5 000	5 000	-	-	-	100%	-	10 000	10 000	10 000	10 000	10 000
Msunduzi	35 000	-	(17 000)	18 000	18 000	18 000	18 000	-	-	-	18 000	18 000	-	-	18 000	18 000	-	-	-	100%	-	10 000	10 000	10 000	10 000	10 000
Nelson Mandela Bay	35 000	-	(20 000)	15 000	15 000	15 000	15 000	-	-	-	15 000	15 000	-	-	15 000	15 000	-	-	-	100%	-	15 000	15 000	15 000	15 000	15 000
Newcastle	-	-	15 000	15 000	15 000	15 000	15 000	-	-	-	15 000	15 000	-	-	15 000	15 000	-	-	-	100%	-	8 000	8 000	8 000	8 000	8 000
Polokwane	35 000	-	(12 249)	22 751	22 751	22 751	22 751	-	-	-	22 751	22 751	-	-	22 751	22 751	-	-	-	100%	-	42 813	42 813	42 813	42 813	42 813
Rand West	1 500	-	(1 500)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ray Nkonyeni	5 000	-	15 000	20 000	20 000	20 000	20 000	-	-	-	20 000	20 000	-	-	20 000	20 000	-	-	-	100%	-	-	-	-	-	-
Rustenburg	10 000	-	(6 000)	4 000	4 000	4 000	4 000	-	-	-	4 000	4 000	-	-	4 000	4 000	-	-	-	100%	-	20 000	20 000	20 000	20 000	20 000
Sol Plaatje	20 000	-	-	20 000	20 000	20 000	20 000	-	-	-	20 000	20 000	-	-	20 000	20 000	-	-	-	100%	-	78 299	78 299	78 299	78 299	78 299
<b>Total – NDPG</b>	<b>559 442</b>	<b>-</b>	<b>(80 025)</b>	<b>479 417</b>	<b>479 417</b>	<b>479 417</b>	<b>479 417</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>479 417</b>	<b>479 417</b>	<b>-</b>	<b>-</b>	<b>479 417</b>	<b>479 417</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100%</b>	<b>-</b>	<b>591 672</b>	<b>591 672</b>	<b>591 672</b>	<b>591 672</b>	<b>591 672</b>

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT - Cont

for the year ended 31 March 2021

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER				SPENT				2019/20	
	DORA AND OTHER TRANSFERS R'000	ROLL OVERS R'000	ADJUSTMENTS R'000	TOTAL AVAILABLE R'000	ACTUAL TRANSFER R'000	FUNDS WITHHELD R'000	RE-ALLOCATIONS BY NATIONAL TREASURY OR NATIONAL DEPARTMENT R'000	AMOUNT RECEIVED BY MUNICIPALITY R'000	AMOUNT SPENT BY MUNICIPALITY R'000	UNSPENT FUNDS R'000	% OF AVAILABLE FUNDS SPENT BY MUNICIPALITY	DIVISION OF REVENUE ACT R'000	ACTUAL TRANSFER R'000	
<b>INTERGRATED CITIES DEVELOPMENT GRANT</b>														
Buffalo City	8 317	-	(99)	8 218	8 218	-	-	8 218	1 338	6 880	16%	10 003	10 003	
Nelson Mandela Bay	10 481	-	(125)	10 356	10 356	-	-	10 356	-	10 356	0%	12 355	12 355	
Mangaung	6 450	-	(77)	6 373	6 373	-	-	6 373	1 289	5 084	20%	7 207	7 207	
Ekurhuleni	53 577	-	(637)	52 940	52 940	-	-	52 940	32 963	19 977	62%	45 537	45 537	
City of Johannesburg	74 754	-	(889)	73 865	73 865	-	-	73 865	4 973	68 892	7%	63 536	63 536	
City of Tshwane	51 512	-	(613)	50 899	50 899	-	-	50 899	4 846	46 053	10%	45 013	45 013	
Ethekekwini	46 464	-	(553)	45 911	45 911	-	-	45 911	32 721	13 190	71%	45 596	45 596	
Cape Town	65 944	-	(784)	65 160	65 160	-	-	65 160	12 378	52 782	19%	64 362	64 362	
<b>Total – ICDG</b>	<b>317 499</b>	<b>-</b>	<b>(3 777)</b>	<b>313 722</b>	<b>313 722</b>	<b>-</b>	<b>-</b>	<b>313 722</b>	<b>90 508</b>	<b>223 214</b>	<b>29%</b>	<b>293 609</b>		

Departments are required to include a summary of expenditure per conditional grant to aid in the identification of under- / over-spending of such funds and to allow the department to provide an explanation for the variance

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT - Cont

for the year ended 31 March 2021

### ANNEXURE 1B

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

DEPARTMENT/AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2019/20
	ADJUSTED APPROPRIATION	ROLL-OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	% OF AVAILABLE FUNDS TRANSFERRED	FINAL APPROPRIATION
	R'000	R'000	R'000	R'000	R'000	%	R'000
Accounting Standards Board	15 038	-	(631)	14 407	14 407	100%	14 340
Audit Statutory Bodies	-	-	50 000	50 000	50 000	100%	62 842
Tv Licences	-	-	-	-	-	-	18
Financial Intelligence Centre	305 661	-	(8 918)	296 743	296 743	100%	294 324
Government Technical Advisory Centre	680 623	-	(75 608)	605 015	548 896	91%	601 582
Independent Regulatory Board for Auditors	44 624	-	(437)	44 187	44 187	100%	43 163
South African Revenue Service	10 510 017	-	(238 144)	10 271 873	10 271 873	100%	9 529 031
Secret Services	4 902 082	-	(255 937)	4 646 145	4 646 145	100%	4 656 729
Skills Development Levy	2 221	-	-	2 221	2 632	119%	2 217
Cooperative Banking Development Agency	21 461	-	(988)	20 473	20 473	100%	20 759
Financial and Fiscal Commission	66 358	-	(2 537)	63 821	63 821	100%	54 319
<b>Total</b>	<b>16 548 085</b>	<b>-</b>	<b>(533 200)</b>	<b>16 014 885</b>	<b>15 959 177</b>		<b>15 279 324</b>

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT - Cont

for the year ended 31 March 2021

## ANNEXURE 1D

### STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION			EXPENDITURE				2019/20	
	ADJUSTED APPROPRIATION ACT R'000	ROLL OVERS R'000	ADJUSTMENTS R'000	TOTAL AVAILABLE R'000	ACTUAL TRANSFER R'000	% OF AVAILABLE FUNDS TRANSFERRED	CAPITAL R'000	CURRENT R'000	FINAL APPROPRIATION R'000
<b>PUBLIC CORPORATIONS</b>									
Transfers	40 000	-	-	40 000	40 000	100 0%	-	40 000	100 000
DEVELOPMENT BANK OF SA	40 000	-	-	40 000	40 000	100 0%	-	40 000	100 000
Sub-total: Public corporations	40 000	-	-	40 000	40 000	100 0%	-	40 000	100 000
<b>Total</b>	<b>40 000</b>	<b>-</b>	<b>-</b>	<b>40 000</b>	<b>40 000</b>	<b>100 0%</b>	<b>-</b>	<b>40 000</b>	<b>100 000</b>

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT - Cont

for the year ended 31 March 2021

## ANNEXURE 1E STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENT / INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE			2019/20 FINAL APPROPRIATION R'000
	ADJUSTED APPROPRIATION ACT	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	% OF AVAILABLE FUNDS TRANSFERRED	R'000	
	R'000	R'000	R'000	R'000	R'000	%		
<b>TRANSFERS</b>								
African Regional Tech Assist Centre for Southern Africa	1 200	-	-	1 200	75	6%	1 281	
Common Monetary Area Compensation	1 236 685	-	(473 698)	762 987	762 982	100%	976 938	
Donation and Gifts (FIGO)	14 994	-	202	15 196	14 831	98%	15 000	
Institute for Development Economic Planning (IDEP)	1 351	-	-	1 351	1 316	97%	1 427	
African Development Bank & African Development Fund	95 322	-	(16 623)	78 699	78 571	100%	78 699	
Collaborative African Budget Reform Initiative	2 650	-	-	2 650	2 213	84%	2 250	
Commonwealth Fund for Technical Cooperation	7 162	-	(1 346)	5 816	5 662	97%	5 816	
United Kingdom Tax	3 003	-	(1 029)	1 974	-	0%	1 160	
World Bank (FIGO)	56 328	-	-	56 328	56 327	100%	53 620	
International Funding Facility for Immunisation	-	-	-	-	-	-	13 550	
<b>Total</b>	<b>1 418 695</b>	<b>-</b>	<b>(492 494)</b>	<b>926 201</b>	<b>921 977</b>		<b>1 149 741</b>	

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT - Cont

for the year ended 31 March 2021

## ANNEXURE 1G

### STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2019/20
	ADJUSTED APPROPRIATION ACT R'000	ROLL OVERS R'000	ADJUSTMENTS R'000	TOTAL AVAILABLE R'000	ACTUAL TRANSFER R'000	% OF AVAILABLE FUNDS TRANSFERRED %	FINAL APPROPRIATION R'000
<b>TRANSFERS</b>							
Other benefits	144 432	-	(9 957)	134 475	114 931	85%	138 282
Injury on duty	690 901	-	(36 855)	654 046	655 669	100%	647 903
Civil and military pension	219 730	-	(1 843)	217 887	191 519	88%	193 905
Special pensions	430 000	-	37 949	467 949	467 052	100%	474 629
Post-retirement medical schemes contribution	3 802 090	-	(138 915)	3 663 175	3 592 141	98%	3 194 131
Social assistance (bursaries)	2 818	-	-	2 818	2 167	77%	3 275
Service benefits leave gratuity	2 050	-	5 780	7 830	7 851	100%	2 534
Non-statutory Forces	102 411	-	-	102 411	102 411	100%	778 589
Adjust (SA citizen force & Other benefit)	-	-	-	-	5 040	-	-
<b>Total</b>	<b>5 394 432</b>	<b>-</b>	<b>(143 841)</b>	<b>5 250 591</b>	<b>5 138 781</b>		<b>5 433 248</b>

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT - Cont

for the year ended 31 March 2021

## ANNEXURE 1H

### STATEMENT OF GIFTS DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT DONATION OR SPONSORSHIP	2020/21	2019/20
		R'000	R'000
<b>RECEIVED IN KIND</b>			
GDMP	Resource donation	-	157
Commonwealth Secretariat	Economy return flights for 1 NT employee to attend the Public Management Forum and Launch of Commonwealth Meridian in London 5 – 6 June 2019	-	14
Commonwealth Secretariat	Accommodation for 1 NT employee to attend the Public Management Forum and Launch of Commonwealth Meridian In London for 5 – 6 June 2019	-	109
Commonwealth Secretariat	Out-of-pocket expenses (£170.00/R18.7294) to attend the Public Management Forum and Launch of Commonwealth Meridian In London for 5 – 6 June 2019	-	3
Collaborative Africa Budget Reform Initiative (CABRI)	Economy flights for one NT employees to attend a policy dialogue on cash management in the Ivory Coast – 3 – 4 September 2019	-	21
Collaborative Africa Budget Reform Initiative (CABRI)	Accommodation for one NT employee to attend a policy dialogue on cash management in Ivory Coast – 3 – 4 September 2019	-	8
Collaborative Africa Budget Reform Initiative (CABRI)	Daily allowance (\$81 for 4 days/R17.1793) for one NT employee to attend a policy dialogue on cash management in Ivory Coast – 3 – 4 September 2019	-	6
Collaborative Africa Budget Reform Initiative (CABRI)	Business class return flights for 1 NT employee to attend the Cash-flow forecast training workshop in Dakar on 19 – 20 November 2019	-	22
Collaborative Africa Budget Reform Initiative (CABRI)	Accommodation for 1 NT employee to attend the Cash-flow forecast training workshop in Dakar on 19 – 20 November 2019	-	5
Collaborative Africa Budget Reform Initiative (CABRI)	Airport transfer for 1 NT employee to attend the Cash-flow forecast training workshop in Dakar on 19 – 20 November 2019	-	1
Collaborative Africa Budget Reform Initiative (CABRI)	Daily allowance (\$103 for 5 days/R16.2381) for 1 NT employee to attend the Cash-flow forecast training workshop in Dakar on 19 – 20 November 2019	-	10
World Bank	Accommodation for 1 NT employee to attend a Cash Flow Forecasting and Cash Management workshop in Ghana on 2 – 6 December 2019 (\$1170.00/R14.6969)	-	17
Don MacRobert (Retired consultant)	Forensic evaluation report	150	-
Government Communications and Information System	Radio slots and television for a campaign directed at suppliers doing business with government	354	-
<b>TOTAL</b>		<b>504</b>	<b>373</b>



# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT - Cont

for the year ended 31 March 2021

## ANNEXURE 11

### STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDITURE	PAID BACK ON/BY 31 MAR	CLOSING BALANCE
		R'000	R'000	R'000	R'000	R'000
<b>RECEIVED IN CASH</b>						
MUN FIN MAN TECH ASSISTANCE(GA)	Improve capacity development in public finance management across the three spheres of government with emphasis on provincial and municipal levels	196	-	108	196	(108)
MUNICIPAL PROJECTS (EC443 MBIZANA)	Develop public finance management capacity of national provincial and local government	-	147 691	32 813	-	114 878
THE BELG TECHNICAL COOP (BTC)	Belgian contribution towards the research in development finance	127	-	40	127	(40)
FMISD	Establish and operationalise a management information system (knowledge management information system for ODA (DCMIS)	48 986	3 723	3 867	48 986	(144)
SA TIED	Contribute to the implementation of the Medium-Term Strategic Framework and accompanying outcomes-based approach which aims to improve the conditions of life of South Africans and halving poverty and unemployment	523	-	-	523	-
GEN ACC OF DON:EUJ(COVID19)	COVID-19 relieve	-	100 000	100 000	-	-
BUDGET FACILITY INFRA(BFI)(GA)	Support for budget data analysis for improvement of budgeting processes in the public sector	3977	2300	2171	3 977	129
TECHNICAL-ASSIST FACILITY(GA)	Strengthening capacity of national and provincial departments in South Africa	296	3500	3696	296	(196)
MARKET READINESS PROJECT(GA)	To enable the implementation of the carbon tax in South Africa	552	17109	17070	552	39
<b>TOTAL</b>		<b>54 657</b>	<b>274 323</b>	<b>159 765</b>	<b>54 657</b>	<b>114 558</b>

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT - Cont

for the year ended 31 March 2021

### ANNEXURE 1J

#### STATEMENT OF GIFTS DONATIONS AND SPONSORSHIPS MADE

NATURE OF GIFT DONATION OR SPONSORSHIP (GROUP MAJOR CATEGORIES BUT LIST MATERIAL ITEMS INCLUDING NAME OF ORGANISATION)	2020/21		2019/20	
	R'000		R'000	
<b>PAYMENTS MADE AS AN ACT OF GRACE</b>				
Circumstantial compensation	-	-	199	199
<b>TOTAL</b>	-	-	199	199

### ANNEXURE 2A

#### STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL/PROVINCIAL PUBLIC ENTITIES

NAME OF PUBLIC ENTITY	STATE ENTITY'S PPMA SCHEDULE TYPE (STATE YEAR-END IF NOT 31 MARCH)	% OF SHARES HELD		NUMBER OF SHARES HELD		COST OF INVESTMENT R'000		NET ASSET VALUE OF INVESTMENT R'000		PROFIT/(LOSS) FOR THE YEAR R'000		LOSSES GUARANTEED YES/NO
		2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	
<b>NATIONAL/PROVINCIAL PUBLIC ENTITY</b>												
Accounting Standards Board	Schedule 3A	-	-	-	-	-	-	365	341	23	52	No
Cooperative Banks Development Agency	Schedule 3A	-	-	-	-	-	-	10 876	3 953	7 062	4 422	No
Development Bank of Southern Africa	Schedule 2	100	100	200 000	200 000	200 000	200 000	39 207 197	37 497 577	1 473 712	423 932	No
FAIS Ombudsman	Schedule 3A	-	-	-	-	-	-	57 998	41 904	16 087	24 316	No
Financial and Fiscal Commission	Schedule 1	-	-	-	-	-	-	26 212	8 182	13 690	(1 729)	No

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT - Cont

for the year ended 31 March 2021

NAME OF PUBLIC ENTITY	STATE ENTITY'S PFMA SCHEDULE TYPE (STATE YEAR-END IF NOT 31 MARCH)	% OF SHARES HELD		NUMBER OF SHARES HELD		COST OF INVESTMENT R 000		NET ASSET VALUE OF INVESTMENT R 000		PROFIT/(LOSS) FOR THE YEAR R 000		LOSSES GUARANTEED YES/NO
		2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	
Financial Intelligence Centre	Schedule 3A	-	-	-	-	-	-	71 893	113 879	30 192	1 723	No
Financial Services Board	Schedule 3A	-	-	-	-	-	-	593 138	464 714	128 424	25 039	No
Government Technical Advisory Centre	Schedule 3A	-	-	-	-	-	-	213 190	228 407	(16 340)	(11 939)	No
Government Pensions Administration Agency	Schedule 3A	-	-	-	-	-	-	330 762	301 489	(59 853)	(188 684)	No
Independent Regulatory Board for Auditors	Schedule 3A	-	-	-	-	-	-	86 524	35 092	45 891	6 121	No
Land Bank	Schedule 2	100	100	-	1	7 397 655	4 397 655	7 397 655	4 397 655	(1 067 545)	(1 283 860)	No
Office of the Pension Funds Adjudicator	Schedule 3A	-	-	-	-	-	-	34 325	29 961	7 415	7 121	No
Public Investment Corporation Ltd	Schedule 3B	100	100	1	1	1	1	3 437 927	2 857 291	569 261	177 638	No
Sasria SOC Ltd	Schedule 3B	100	100	-	1	-	-	8 509 090	7 059 539	1 653 303	584 151	No
South African Revenue Service	Schedule 3A	-	-	-	-	-	-	3 411 979	2 771 091	380 597	(663 565)	No
<b>Total</b>				<b>200 001</b>	<b>200 003</b>	<b>7 597 656</b>	<b>4 597 656</b>	<b>63 389 131</b>	<b>55 811 075</b>	<b>3 181 919</b>	<b>(895 262)</b>	

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT - Cont

for the year ended 31 March 2021

## ANNEXURE 2B STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES (CONTINUED)

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	
		2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20
<b>CONTROLLED ENTITIES</b>									
Accounting Standards Board	Determine standards of generally recognised accounting practice	-	-	365	341	170	55	296	430
Co-operative Banks Development Agency	Establish a regulatory framework for co-operative banks	-	-	10 876	3 953	1 002	1 666	1 578	3 286
Development Bank of Southern Africa	Promote facilitate by funding mobilise socioeconomic development in Southern Africa while promoting efficiency fairness transparency and responsibility	200 000	200 000	39 207 197	37 492 577	297 933	328 069	1 254 961	776 324
FAIS Ombudsman	Handling complaints in terms of the Financial Advisory and Intermediary Services Act (2002)	-	-	57 998	41 904	49 740	36 246	2 304	1 858
Financial and Fiscal Commission	Assist and maintain fiscal the balance between fiscal decentralisation and the unitary state	-	-	26 212	8 182	590	45	696	11 575
Financial Intelligence Centre	Assist in the identification of unlawful activities and combating of money laundering activities financing of terrorism and related activities	-	-	71 893	113 879	531	541	12 156	8 502
Financial Sector Conduct Authority	To oversee the South African non-banking financial services industry in the public interest	-	-	593 138	464 714	280 356	180 614	387 114	187 771

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT - Cont

for the year ended 31 March 2021

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	
		2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20
Government Technical Advisory Centre	Assist organs of state in building their capacity for efficient effective and transparent financial management.	-	-	213 190	228 407	21 437	20 113	787 980	733 632
Government Pensions Administration Agency	Government Employees Pension Fund in terms of the Government Employees Pension (GEP) Act (1996)	-	-	330 762	301 489	2 091	8 800	53 335	104 369
Independent Regulatory Board for Auditors	Registration of public accountants and auditors and for the regulation of the training of public accountants and auditors	-	-	80 129	35 092	4 876	5 115	8 355	10 381
LAND Bank	Facilitate access to ownership of land for the development of farming enterprises and agricultural processes for the historically disadvantaged people	7 397 655	4 397 655	7 397 655	4 397 655	12 290	1 237 257	103 958	1 334 646
Office of the Pension Funds Adjudicator	The adjudicator's office investigates and determines complaints of abuse of power maladministration disputes of fact or law and employer dereliction of duty in respect of retirement pension funds.	-	-	34 325	29 961	4 624	7 548	4 961	3 602
Public Investment Corporation Ltd	Invests funds on behalf of the South African public sector	1	1	3 437 927	2 857 291	449 438	158 707	123 735	47 188
Sasria SOC Ltd	Special Risk Insurance	-	-	8 509 090	7 059 539	353 381	88 390	1 538 327	87 570
South African Revenue Service	Efficient and effective collection of revenue	-	-	3 411 979	2 771 091	637	108 265	394 356	512 304
<b>Total</b>		<b>7 597 656</b>	<b>4 597 656</b>	<b>63 382 736</b>	<b>55 806 075</b>	<b>1 479 096</b>	<b>2 181 431</b>	<b>4 674 112</b>	<b>3 823 438</b>

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT - Cont

for the year ended 31 March 2021

## ANNEXURE 3A

### STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2021 – LOCAL

GUARANTOR INSTITUTION	GUARANTEE IN RESPECT OF	ORIGINAL GUARANTEED CAPITAL AMOUNT	OPENING BALANCE 1 APRIL 2020	GUARANTEES DRAW-DOWNS DURING THE YEAR	GUARANTEED REPAYMENTS/ CANCELLED/ REDUCED DURING THE YEAR	REVALUATION DUE TO FOREIGN CURRENCY MOVEMENTS	CLOSING BALANCE 31 MARCH 2021	REVALUATIONS DUE TO INFLATION RATE MOVEMENTS	ACCRUED GUARANTEED INTEREST FOR YEAR ENDED 31 MARCH 2021
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>OTHER</b>									
Development Bank of Southern Africa	Former Bophuthatswana Regional Authority	1 26 060	55 263	-	-	-	55 263	-	18 918
Land and Agricultural Development Bank of South Africa	Consolidation of debt	100 000	92 728	-	-	-	92 728	-	-
Land and Agricultural Development Bank of South Africa	Financial sustainability	1 500 000	-	-	-	-	-	-	-
Land and Agricultural Development Bank of South Africa	Financial sustainability	2 700 000	1 400 000	-	168 000	-	1 232 000	-	82 201
Land and Agricultural Development Bank of South Africa	Refinancing risk	3 000 000	-	-	-	-	-	-	-
South African Reserve Bank	Covid-19 loan guarantee scheme	100 000 000	-	13 468 402	-	-	13 468 402	-	257 780
<b>TOTAL</b>		<b>107 426 060</b>	<b>1 547 991</b>	<b>13 468 402</b>	<b>168 000</b>	<b>-</b>	<b>14 848 393</b>	<b>-</b>	<b>358 899</b>

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT - Cont

for the year ended 31 March 2021

## ANNEXURE 3A (continued)

### STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2021 – FOREIGN

GUARANTOR INSTITUTION	GUARANTEE IN RESPECT OF	ORIGINAL GUARANTEED CAPITAL AMOUNT		OPENING BALANCE 1 APRIL 2020		GUARANTEES DRAW-DOWNS DURING THE YEAR		GUARANTEED REPAYMENTS/ CANCELLED/ REDUCED DURING THE YEAR		REVALUATION DUE TO FOREIGN CURRENCY MOVEMENTS		CLOSING BALANCE 31 MARCH 2021		REVALUATIONS DUE TO INFLATION RATE MOVEMENTS		ACCRUED GUARANTEED INTEREST FOR YEAR ENDED 31 MARCH 2021		
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
<b>OTHER</b>																		
Development Bank of Southern Africa	Eurobonds	8 470 000	3 820 608	366 350	-	-	-	-	-	-	-	4 186 958	-	-	-	-	10 875	
Development Bank of Southern Africa	Kreditanstalt für Wiederaufbau	507 532	229 021	-	27 380	(24 005)	-	-	-	-	-	177 636	-	-	-	-	898	
Development Bank of Southern Africa	Kreditanstalt für Wiederaufbau	252 960	164 086	-	13 646	(17 635)	-	-	-	-	-	132 804	-	-	-	-	671	
Development Bank of Southern Africa	Kreditanstalt für Wiederaufbau	217 610	179 786	-	11 463	(19 578)	-	-	-	-	-	148 745	-	-	-	-	752	
Development Bank of Southern Africa	Kreditanstalt für Wiederaufbau	221 894	122 573	-	11 706	(13 064)	-	-	-	-	-	97 803	-	-	-	-	494	
Development Bank of Southern Africa	Kreditanstalt für Wiederaufbau	239 294	121 477	-	12 909	(12 851)	-	-	-	-	-	95 718	-	-	-	-	484	
Land and Agricultural Development Bank of South Africa	African Development Bank	1 000 000	681 818	-	90 909	-	-	-	-	-	-	590 909	-	-	-	-	34 702	
Land and Agricultural Development Bank of South Africa	World Bank	1 300 000	390 000	-	-	-	-	-	-	-	-	390 000	-	-	-	-	23 305	
<b>Total</b>		<b>12 209 290</b>	<b>5 709 368</b>	<b>366 350</b>	<b>168 013</b>	<b>(87 132)</b>	<b>5 820 573</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>72 182</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>72 182</b>	

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT - Cont

for the year ended 31 March 2021

### ANNEXURE 3B

#### STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2021

NATURE OF LIABILITY	OPENING BALANCE 1 APRIL 2020	LIABILITIES INCURRED DURING THE YEAR	LIABILITIES PAID/ CANCELLED/ REDUCED DURING THE YEAR	LIABILITIES RECOVERABLE (PROVIDE DETAILS HEREUNDER)	CLOSING BALANCE 31 MARCH 2021
	R'000	R'000	R'000	R'000	R'000
<b>CLAIMS AGAINST THE DEPARTMENT</b>					
Claim for damages arising out of an alleged breach of contract.	2 400	-	2 400	-	-
Action for payment of damages suffered by the Plaintiff as a result of a cheque that was stolen	67	-	-	-	67
Claim against unlawful deductions made in breach of the agreement	-	9 997	-	-	9 997
SA Red Cross has instituted action proceedings against the Minister of Finance. It is a damage 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
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 defendant's repudiation of the various agreements.	-	79 792	-	-	79 792
COLA - (Cost of living adjustment)	-	14 154	-	-	14 154
<b>Subtotal</b>	<b>56 473</b>	<b>103 943</b>	<b>2 400</b>	<b>-</b>	<b>158 016</b>
<b>OTHER</b>					
Military Pension	308 713	26 010	24 799	-	309 924
Injury on duty	23 701	2 780	1 178	-	25 303
Special Pension	78 693	38 026	35 792	-	80 927
<b>Subtotal</b>	<b>411 108</b>	<b>66 816</b>	<b>61 769</b>	<b>-</b>	<b>416 154</b>
<b>Total</b>	<b>467 581</b>	<b>170 759</b>	<b>64 169</b>	<b>-</b>	<b>574 170</b>



# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT - Cont

for the year ended 31 March 2021

## ANNEXURE 4

### CLAIMS RECOVERABLE

GOVERNMENT ENTITY	CONFIRMED BALANCE OUTSTANDING		UNCONFIRMED BALANCE OUTSTANDING		TOTAL		CASH IN TRANSIT AT YEAR END 2020/21*	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020	RECEIPT DATE UP TO SIX (6) WORKING DAYS AFTER YEAR END	AMOUNT
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>DEPARTMENTS</b>								
Western Cape	-	-	21	21	21	21	-	-
National Departments	435	23 904	3 764	19 576	4 199	43 480	-	-
Foreign government	-	-	1 201	1 199	1 201	1 199	-	-
<b>Total</b>	<b>-</b>	<b>23 904</b>	<b>4 986</b>	<b>20 796</b>	<b>5 421</b>	<b>44 700</b>	<b>-</b>	<b>-</b>

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT - Cont

for the year ended 31 March 2021

## ANNEXURE 8A (note 10)

### INTER-ENTITY ADVANCES PAID

ENTITY	CONFIRMED BALANCE OUTSTANDING		UNCONFIRMED BALANCE OUTSTANDING		TOTAL	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020
	R'000	R'000	R'000	R'000	R'000	R'000
<b>NATIONAL DEPARTMENTS</b>						
Department of International Relations and Cooperation (DIRCO)	328	328	-	-	328	328
<b>Subtotal</b>	<b>328</b>	<b>328</b>	<b>-</b>	<b>-</b>	<b>328</b>	<b>328</b>
<b>PUBLIC ENTITIES</b>						
Pension Administration	14 524	5 834	-	-	14 524	5 834
<b>Subtotal</b>	<b>14 524</b>	<b>5 834</b>	<b>-</b>	<b>-</b>	<b>14 524</b>	<b>5 834</b>
<b>OTHER INSTITUTIONS</b>						
ICT WORKS	16 027	-	-	-	16 027	-
<b>Subtotal</b>	<b>16 027</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16 027</b>	<b>-</b>
<b>TOTAL</b>	<b>30 879</b>	<b>6 162</b>	<b>-</b>	<b>-</b>	<b>30 879</b>	<b>6 162</b>

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT - Cont

for the year ended 31 March 2021

## ANNEXURE 8B

### INTER-ENTITY ADVANCES PAID (note 11)

ENTITY	CONFIRMED BALANCE OUTSTANDING		UNCONFIRMED BALANCE OUTSTANDING		TOTAL	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020
	R'000	R'000	R'000	R'000	R'000	R'000
<b>PUBLIC ENTITIES</b>						
<b>Current</b>						
DEPT OF JUSTICE	6 632	-	-	-	6 632	-
FASSET	3 384	(358)	-	-	3 384	(358)
GTAC-REFUND	135		-	-	135	-
PSETA	11	11	-	-	11	11
SECRET SERVICES	66 103		-	-	66 103	-
TETA	2 056	268	-	-	2 056	268
THUTHUKA	37		-	-	37	-
UNALLOCATED	57	82	-	-	57	82
WINGS	664		-	-	664	-
<b>TOTAL</b>	<b>79 079</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>79 079</b>	<b>3</b>

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT - Cont

for the year ended 31 March 2021

### ANNEXURE 11 COVID 19 RESPONSE EXPENDITURE Per quarter and in total

EXPENDITURE PER ECONOMIC CLASSIFICATION	SUBTOTAL		SUBTOTAL		SUBTOTAL		SUBTOTAL		2020/21		2019/20	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	TOTAL	TOTAL	R'000	TOTAL
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of employees	-	-	-	-	-	-	-	-	-	-	-	-
<b>Goods services</b>	<b>755</b>	<b>631</b>	<b>168</b>	<b>676</b>	<b>2 230</b>	-	-	-	-	-	-	-
Catering: Departmental activities	-	201	-	-	201	-	-	-	-	-	-	-
Cons Supp:Uni/Prot Clth&Clothes	135	6	-	-	141	-	-	-	-	-	-	-
Cons Hous Sup:Toiletries	182	-	-	-	182	-	-	-	-	-	-	-
Cons House Sup:Wash/Clean dete	68	233	140	671	1 113	-	-	-	-	-	-	-
Cons: Medical Kit	354	-	-	5	359	-	-	-	-	-	-	-
Cons:SP&OS:Gov Prin	6	-	-	-	6	-	-	-	-	-	-	-
Cons:SP&OS:Stationery	-	-	21	-	21	-	-	-	-	-	-	-
P/P:Pest Cntrl/Fumigation Ser	9	191	-	-	200	-	-	-	-	-	-	-
O/P:Printing&Publications Serv	-	-	6	-	6	-	-	-	-	-	-	-
<b>TOTAL COVID 19 RESPONSE EXPENDITURE</b>	<b>755</b>	<b>631</b>	<b>168</b>	<b>676</b>	<b>2 230</b>	-	-	-	-	-	-	-







**2020/21**  
NATIONAL TREASURY  
**ANNUAL**  
**REPORT**  
**VOTE 8**

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