

2019/20
NATIONAL TREASURY
ANNUAL REPORT
VOTE 7



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



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

Tel: +27 12 315 5757 | Fax: +27 12 315 5126

Web: www.treasury.gov.za



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CONTENTS

PART A: GENERAL INFORMATION..... 1

1.	DEPARTMENT INFORMATION.....	2
2.	LIST OF ABBREVIATIONS/ACRONYMS.....	3
3.	FOREWORD BY THE MINISTER	13
4.	REPORT OF THE DEPUTY MINISTER	16
5.	REPORT OF THE ACCOUNTING OFFICER	18
6.	STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT.....	35
7.	STRATEGIC OVERVIEW	36
8.	LEGISLATIVE AND OTHER MANDATES	37
9.	ORGANISATIONAL STRUCTURE.....	38
10.	PUBLIC ENTITIES REPORTING TO THE MINISTER.....	40

PART B: PERFORMANCE INFORMATION..... 60

1.	AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES	61
2.	OVERVIEW OF DEPARTMENTAL PERFORMANCE.....	62
3.	STRATEGIC OUTCOME ORIENTED GOALS.....	68
4.	PERFORMANCE INFORMATION BY PROGRAMME.....	86
4.1	PROGRAMME 1: ADMINISTRATION.....	86
4.2	PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH	97
4.3	PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT	105
4.4	PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT	130
4.5	PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS	139
4.6	PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS.....	159

2019/20
NATIONAL TREASURY
ANNUAL REPORT
 VOTE 7

4.7	PROGRAMME 7: CIVIL AND MILITARY PENSIONS, CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS	166
4.8	PROGRAMME 8: TECHNICAL AND MANAGEMENT SUPPORT AND DEVELOPMENT FINANCE	170
5.	TRANSFER PAYMENTS	182
6.	CONDITIONAL GRANTS.....	186
7.	DONOR FUNDS	190
8.	CAPITAL INVESTMENT	192
PART C: GOVERNANCE		193
1.	INTRODUCTION	194
2.	RISK MANAGEMENT	195
3.	FRAUD AND CORRUPTION.....	196
4.	MINIMISING CONFLICT OF INTEREST	197
5.	CODE OF CONDUCT	198
6.	HEALTH, SAFETY AND ENVIRONMENTAL ISSUES.....	199
7.	PORTFOLIO COMMITTEES.....	200
8.	SCOPA RESOLUTIONS	209
9.	PRIOR MODIFICATIONS TO AUDIT REPORTS.....	210
10.	INTERNAL CONTROL UNIT	212
11.	INTERNAL AUDIT AND AUDIT COMMITTEES	213
12.	AUDIT COMMITTEE REPORT	214
	LEGISLATIVE REQUIREMENTS.....	214
	MEMBERSHIP AND ATTENDANCE	214

2019/20
NATIONAL TREASURY
ANNUAL REPORT
VOTE 7

CONTENTS

PART D: HUMAN RESOURCE MANAGEMENT 219

1. INTRODUCTION 220

2. OVERVIEW OF HUMAN RESOURCES 221

 2.1 STATUS OF HUMAN RESOURCES IN THE DEPARTMENT 221

 2.2 HUMAN RESOURCE PRIORITIES FOR THE YEAR UNDER REVIEW 221

 2.3 WORKFORCE PLANNING AND KEY STRATEGIES TO ATTRACT AND RECRUIT SKILLED AND
 CAPABLE WORKFORCE 222

 2.4 EMPLOYEE PERFORMANCE MANAGEMENT 222

 2.5 EMPLOYEE HEALTH AND WELLNESS PROGRAMME 222

 2.6 ACHIEVEMENTS AND CHALLENGES FACED BY THE DEPARTMENT 223

 2.7 FUTURE HUMAN RESOURCE PLANS/GOALS 223

3. HUMAN RESOURCES OVERSIGHT STATISTICS 224

PART E: FINANCIAL INFORMATION 250

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT
ON VOTE NO.7 NATIONAL TREASURY 252

1. ANNUAL FINANCIAL STATEMENTS 263



PART A
GENERAL INFORMATION

PART A: GENERAL INFORMATION

1. DEPARTMENT INFORMATION

DEPARTMENT	National Treasury
PHYSICAL ADDRESS	40 Church Square, Pretoria, 0002
POSTAL ADDRESS	Private Bag X115, Pretoria, 0001
TELEPHONE NUMBER/S	027 12 315 5944
FAX NUMBER	027 12 406 5095
EMAIL ADDRESS	media@treasury.gov.za
WEBSITE ADDRESS	www.treasury.gov.za
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PART A: GENERAL INFORMATION

2. LIST OF ABBREVIATIONS/ ACRONYMS

AC	Audit Committee
ADF	African Development Fund
AENE	Adjusted Estimates of National Expenditure
AfDB	African Development Bank
AFIAAR	African Forum of Independent Accounting and Audit Regulators
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
AIF	Africa Investment Forum
ALM	Asset and Liability Management
AO	Accounting Officer
APP	Annual Performance Plan
APR	Annual Performance Report
ARC	Africa Regional Centre
ASB	Accounting Standards Board
AU	African Union
BANKSETA	Banking Sector Education and Training Authority
BAS	Basic Accounting System
BBBEE	Broad Based Black Economic Empowerment
BBCBE	Black Business Council Built Environment
BBi	Broadband Infraco
BCM	Business Continuity Management
BEE	Black Economic Empowerment
BEPP	Built Environment Performance Plan
BEPPs	Built Environment Performance Plans
BEPS	Base Erosion and Profit Shifting
BFI	Budget Facility for Infrastructure
BMA	Border Management Agency
BO	Budget Office
BPA	Benefits Payment Automation
BRICS	Brazil, Russia, India, China and South Africa
BTC	Belgian Technical Cooperation
BTO	Budget and Treasury Office
CA	Chartered Accountants
CAA	Chartered Accountants Academy
CAHF	Centre for Affordable Housing Finance in Africa
CBDA	Co-operative Banks Development Agency
CD	Chief Directorate
CDS	Capacity Development Strategy

PART A: GENERAL INFORMATION

2. LIST OF ABBREVIATIONS/ ACRONYMS ▶ *continued*

CEF	Central Energy Fund
CFI	Co-operative Financial Institution
CFO	Chief Financial Officer
CFPs	Calls for Proposals
CG	Capital Grant
CGICTPF	Corporate Governance of Information and Communications Technology Policy Framework
CIDMS	Cities' Infrastructure Delivery and Management System
CIGFARO	Chartered Institute of Government Finance, Auditing and Risk Officers
CIPPPF	Cities Investment Programme and Project Preparation Facility
CIT	Company Income Tax
CMA	Common Monetary Area
COGHSTA	Cooperative Governance, Human Settlements and Traditional Affairs
CoGTA	Cooperative Governance and Traditional Affairs
COLA	Cost of Living Adjustment
COMAF	Communication of Audit Findings
CPD	Continued Professional Development
CPO	Chief Procurement Office
CPS	Cash Paymaster Services
CS	Corporate Services
CSD	Central Supplier Database
CSIPs	City Support Implementation Plans
CSO	Civil Society Organisations
CSP	Cities Support Programme
CSPs	Country Strategy Papers
CSPS	Integrated Criminal Justice Strategy
CwA	Compact with Africa
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
DFID	Department for International Development
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
DMTN	Domestic Medium-Term Note

PART A: GENERAL INFORMATION

2. LIST OF ABBREVIATIONS/ ACRONYMS ▶ *continued*

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
DPME	Department of Planning, Monitoring and Evaluation
DPSA	Department of Public Service and Administration
DPW	Department of Public Works
DSD	Department of Social Development
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
DVD	Digital Video Disc
DWS	Department of Water and Sanitation
EAOs	Emolument Attachment Orders
ECA	Equivalent Competent Authority
ECD	Early Childhood Development
ECIC	Export Credit Insurance Corporation
ECOSOC	Economic and Social Council
EDMS	Electronic Document Management System
eEd PDMS	e-Education Procurement and Delivery Management Standard
EHW	Employee Health and Wellness
ELP	Executive Leadership Programme
ENE	Estimates of National Expenditure
EPI	Expanded Programme on Immunisation
EPWP	Expanded Public Works Programme
ERM	Enterprise Risk Management
ERSA	Economic Research Southern Africa
ETD	Education Training and Development
ETI	Employment Tax Incentive
EU	European Union
EWRM	Enterprise Wide Risk Management
F15	Committee of Fifteen Finance Ministers
FAC	Finance and Audit Committee
FAIS	Financial Advisory and Intermediary Services
FAIS Ombud	Financial Advisory and Intermediary Services Ombud
FAOA	Federal Audit Oversight Authority

PART A: GENERAL INFORMATION

2. LIST OF ABBREVIATIONS/ ACRONYMS ▶ *continued*

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
FMIP	Financial Management Improvement Programme
FMISD	Financial Management Capacity Development Programme for Improved Service Delivery
FOSAD	Forum of South African Directors Generals
FRP	Financial Recovery Plan
FSAP	Financial Sector Assessment Program
FSB	Financial Services Board
FSCA	Financial Sector Conduct Authority
FSR	Financial Sector Regulation
FSRA	Financial Sector Regulation Act
FSRB	Financial Sector Regulation Bill
FY	Financial Year
G20	Group of Twenty
GAVI	Global Alliance for Vaccines and Immunisation
GCI	General Capital Increase
GDP	Graduate Development Programme
GDP	Gross Domestic Product
GEHS	Government Employees Housing Scheme
GEPF	Government Employees Pension Fund
GFIP	Gauteng Freeway Improvement Project
GIFT	Global Initiative for Fiscal Transparency
GPAA	Government Pensions Administration Agency
GPW	Government Printing Works
GRAP	Standards of Generally Recognised Accounting Practice
GRC	Governance Review Committee
GTAC	Government Technical Advisory Centre
HIV	Human Immunodeficiency Virus
HLPF	High Level Political Forum
HOA	Home Owners Allowance
HOD	Head of Department
HR	Human Resources
HRM	Human Resource Management

PART A: GENERAL INFORMATION

2. LIST OF ABBREVIATIONS/ ACRONYMS ▶ *continued*

HSRC	Human Sciences Research Council
IA	Internal Audit
IAU	Internal Control Unit
IBRD	International Bank of Reconstruction and Development
ICASA	Independent Communications Authority of South Africa
ICDG	Integrated City Development Grant
ICT	Information and Communication Technology
IDA	International Development Association
IDC	Industrial Development Corporation
IDEP	Institute for Development and Economic Planning
IDIP	Infrastructure Delivery Improvement Programme
IDMS	Infrastructure Delivery Management System
IDMSBOK	Infrastructure Delivery Management System Body of Knowledge
IDP	Integrated Development Programme
IDT	Independent Development Trust
IES	Income and Expenditure Survey
IFIAR	International Forum of Independent Audit Regulators
IFFI	International Finance Facility for Immunisation
IFMS	Integrated Financial Management System
IGR	Inter-Governmental Relations
IIA	Institute of Internal Auditors
IIF	Institute of International Finance
IMC	Inter-Ministerial Committee
IMF	International Monetary Fund
IMTT	Inter-Ministerial Task Team
IPID	Independent Police Investigative Directorate
IPPs	Independent Power Producers
IPSASB	International Public Sector Standards Board
IRBA	Independent Regulatory Board for Auditors
ISDG	Infrastructure Skills Development Grant
ITAC	International Trade Administration Commission
IUDF	Integrated Urban Development Framework
IWG	Inter-Departmental Working Group
IYM	In-Year Monitoring
JCPS	Justice, Crime Prevention and Security
JSE	Johannesburg Stock Exchange
KIMLI	Knowledge Management, Learning and Innovation
KM	Knowledge Management
KPMG	Klynveld Peat Marwick Goerdeler

PART A: GENERAL INFORMATION

2. LIST OF ABBREVIATIONS/ ACRONYMS ► *continued*

KRA	Key Result Area
KWSAP	Komati Water Scheme Augmentation Project
KZN	Kwazulu Natal
LABS	iThemba Laboratory for Accelerator Based Sciences
Land Bank	Land and Agricultural Development Bank of South Africa
LCS	Living Conditions Survey
LED	Local Economic Development
LGBA	Local Government Budget Analysis
LGFM	Local Government Financial Management
LTSM	Learner, Teacher Support Material
LURITS	Learner Unit Record Information and Tracking System
M&E	Monitoring and Evaluation
MAFR	Mandatory Audit Firm Rotation
MBRR	Municipal Budget and Reporting Regulations
MCS	Modified Cash Standards
MCWAP-2A	Mokolo Crocodile River (West) Water Augmentation Project – Phase 2A
MDBs	Multilateral Development Banks
MDDA	Media Development and Diversity Agency
MEC	Member of Executive Council
MeV	Million Electron Volts
MFIP	Municipal Finance Improvement Programme
MFMA	Municipal Finance Management Act
MFMP	Municipal Finance Management Programme
MFRS	Municipal Finance Recovery Service
MIC	Middle-Income Country
MIG	Municipal Infrastructure Grant
MINCOMBUD	Ministers' Committee on the Budget
MMA	Multilateral Monetary Agreement
MMTS-2	Mooi Mngeni Transfer Scheme Project
Moody's	Moody's Investors Service
MOU	Memorandum of Understanding
MPAC	Municipal Public Accounts Committees
MPAT	Management Performance Assessment Tool
MPSA	Minister of Public Service and Administration
mSCOA	Municipal Standard Chart of Accounts
MSWSA	Money Smart Week South Africa
MTBPS	Medium Term Budget Policy Statement
MTEC	Medium Term Expenditure Committee
MTEF	Medium Term Expenditure Framework

PART A: GENERAL INFORMATION

2. LIST OF ABBREVIATIONS/ ACRONYMS ▶ *continued*

MTREF	Medium Term Revenue and Expenditure Framework
MTSF	Medium Term Strategic Framework
NAB	New Arrangements to Borrow
NCOP	National Council of Provinces
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
NMOG	National Macro-Organisation of Government
NPA	National Prosecuting Authority
NPS	National Payment System
NQF	National Qualifications Framework
NRF	National Research Foundation
NRF	National Research Facility
NRF	National Revenue Fund
NSA	National Skills Authority
NSG	National School of Government
NT	National Treasury
NWDC	North West Development Corporation
OAG	Office of the Accountant General
OCPO	Office of the Chief Procurement Officer
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
OHS	Occupational Health and Safety
OPFA	Office of the Pension Fund Adjudicator
OSBP	One Stop Border Post
OTO	Office of the Tax Ombud
PA	Prudential Authority
PAIA	Promotion of Access to Information Act
PBO	Public Benefit Organisation
PCG	Principles Consultative Group
PCM	Pensioner Case Management
PCU	Programme Coordinating Unit
PCoCoGTA	Portfolio Committee on Cooperative Governance and Traditional Affairs

PART A: GENERAL INFORMATION

2. LIST OF ABBREVIATIONS/ ACRONYMS ▶ *continued*

PCoHSW&S	Portfolio Committee on Human Settlements, Water and Sanitation
PCoDTi	Portfolio Committee on Trade and Industry
PDFIs	Provincial Development Finance Institutions
PDMS	Performance Management and Development System
PEOU	Public Entities Oversight Unit
PEPA	Public Expenditure and Policy Analysis
PER	Performance Expenditure Reviews
PERSAL	Personnel and Salary Administration System
PF	Public Finance
PFM	Public Finance Management
PFMA	Public Finance Management Act
PFS	Public Finance Statistics
PIAR	Program on Investment Appraisal and Risk Analysis
PIC	Public Investment Corporation
PINK	Procurement, Infrastructure Management and Knowledge Management Capacity Building Programme
PIT	Personal Income Tax
PMTE	Property Management Trading Entity
PMU	Programme Management Unit
PoE	Port of Entry
PPAs	Power Purchase Agreements
PPP	Public Private Partnership
PPFA	Preferential Procurement Policy Framework Act
PPRs	Preferential Procurement Regulations
PRASA	Passenger Rail Agency of South Africa
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	Programme Support Office
PSP	Private Sector Participation
PSRAF	Public Sector Remuneration Analysis and Forecasting
PT	Provincial Treasury
R&D	Research and Development
R&I	Ratings and Investment Information
R&MA&ARLB	Rates and Monetary Amounts and Amendment of Revenue Laws Bill
RDP	Reconstruction and Development Programme
REDI	Research Project on Employment, Income Distribution and Inclusive Growth

PART A: GENERAL INFORMATION

2. LIST OF ABBREVIATIONS/ ACRONYMS ▶ *continued*

RISDP	Regional Indicative Strategic Development Plan
RMC	Risk Management Committee
RSC	Regional Service Centre
S&P	Standard and Poor Global Ratings Agency
SA	South Africa
SAA	South African Airways
SABC	South African Broadcasting Corporation
SACU	Southern African Customs Union
SADC	Southern African Development Community
SAFE	Sanitation Appropriate for Education
SAHPRA	South African Health Products Regulatory Authority
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
SARS	South African Revenue Service
SAS	Specialised Audit Services
SA-SAMS	South African School Administration and Management System
SASRIA	South African Special Risks Insurance Association
SASSA	South African Social Security Agency
SAX	South African Express
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
SDA	Service Debt Agreement
SDIP	Service Delivery Improvement Plan
SECO	Swiss State Secretariat for Economic Development
SeCoA	Select Committee on Appropriations
SeCoF	Select Committee on Finance
SEFA	Small Enterprise Finance Agency
SHRA	Social Housing Regulatory Authority
SIPDM	Standards for Infrastructure Procurement and Delivery Management
SITA	State Information Technology Agency
SLA	Service Level Agreement
SMME	Small, Medium and Micro Enterprises
SMS	Senior Management Service

PART A: GENERAL INFORMATION

2. LIST OF ABBREVIATIONS/ ACRONYMS ► *continued*

SNDB	Sub-National Doing Business
SOC	State-Owned Company
SOERG	State-Owned Companies Remuneration Guide
SOP	Standard Operating Procedures
SPF	Strategic Procurement Framework
SQL	Structured Query Language
SSA	State Security Agency
STER	Single Transport Economic Regulator
TA	Technical Advisors
TAA	Tax Administration Act
TALAB	Tax Administration Laws Amendment Bill
TAS	Time Accounting System
TB	Tuberculosis
TCTA	Trans-Caledon Tunnel Authority
TED	Township Economic Development
TETA	Transport Education and Training Authority
TFST	Thin Film Solar Technology
TLAB	Taxation Laws Amendment Bill
TR	Treasury Regulations
TVET	Technical and Vocational Education and Training
UIF	Unemployment Insurance Fund
UIFW	Unauthorised, Irregular, Fruitless and Wasteful Expenditure
UK	United Kingdom
UN	United Nations
VAT	Value-Added Tax
VPN	Virtual Private Network
VRESAP	Vaal River Eastern Subsystem Augmentation Project
VRS	Vaal River System
WB	World Bank
WB	Water Board
WBG	World Bank Group
WBPHCOT	Ward-Based Primary Healthcare Outreach Teams
WCPT	Western Cape Treasury
WEF	World Economic Forum
WEFA	World Economic Forum Africa
YES	Youth Employment Service

3. FOREWORD BY THE MINISTER



“The National Treasury is taking aggressive measures to stabilise debt and promote economic growth”

The 2019/20 financial year will likely be remembered as an uneasy calm before the economic and fiscal storm that has hit our shores. An already weak economy was suddenly plunged into the worst crisis in more than a century by the novel coronavirus. And after a decade of above-inflation spending that did not result in positive growth outcomes, a fiscal reckoning has emerged. The fact that this is now hugely exacerbated by the COVID-19 pandemic makes this and the 2020/21 financial years arguably the most challenging in South Africa’s democratic era. The year began with our country facing a less favorable economic outlook than was the case in the previous Medium Term Expenditure Framework (MTEF) period. Economic projections indicated a slower growth trajectory across the board and the National Treasury projected domestic real Gross Domestic Product (GDP) growth of 1.5 per cent. We had set ourselves the goal of narrowing the fiscal deficit and stabilising debt at 60.2 per cent of GDP in 2023/24.

However, risks to the global outlook continued to mount, mainly due to heightened trade tensions among the richest countries in the world – with spillover effects to Africa – and monetary policy tightening in advanced economies. Domestically, the impact of increased load-shedding meant that economic activity was substantially hampered. The country entered a recession in the third quarter of 2019 and our fiscal position weakened further. The National Treasury thus embarked on an ambitious fiscal consolidation effort following the February 2019 Budget, before the emergence of the COVID-19 pandemic further underscored South Africa’s dangerous fiscal position compared to the global financial crisis.

Consequently, following the tabling of the 2020 Budget we had to make major revisions to projections for economic growth, revenue outcomes and the overall fiscal position. GDP is now projected to contract by 7.8 per cent in 2020, revenue shortfalls will reach R312.8 billion and the consolidated fiscal deficit will reach 15.7 per cent of GDP, leading to an overall debt burden of 81.8 per cent of GDP.

PART A: GENERAL INFORMATION

3. FOREWORD BY THE MINISTER ► *continued*

In the run-up to the 2008 financial crisis, government's financial position was healthy. Several years of budget surpluses had reduced debt and promoted strong economic growth. Government was thus able to respond by providing the appropriate support to the economy and preventing a steeper downturn. However, failure to restore fiscal buffers in the ensuing decade meant that, when COVID-19 came across our shores, we were fiscally weak. The above-mentioned combination of weak growth and high debt has hampered our ability to respond in a sustainable manner.

Nevertheless, we have acted aggressively. Towards the end of 2019/20, we moved quickly to provide relief in the form of tax deferrals and other tax-related support measures such as the extension of the Employment Tax Incentive (ETI). We also brought forward the payment of social grants so that additional grant payments were made in March rather than in April. Finally, we made temporary amendments to procurement regulations to make it easier and more efficient for the Health sector to procure needed health and protective equipment. These measures set the stage for a huge COVID-19 fiscal relief package, which was tabled in June 2020.

Now a fiscal reckoning looms. The National Treasury is taking aggressive measures to stabilise debt and promote economic growth. Our five-year debt stabilisation policy will not only bring debt-service costs under control, thus making more resources available for critical services and investment; it will also help to realign government spending to be more efficient and fit-for-purpose. Government spending patterns cannot remain divorced from economic reality. In this regard, fiscal consolidation over the 2021 MTEF period will be aimed at shifting the composition of expenditure away from consumption and towards investment, including by bringing public sector wage costs under control.

We are confident that our policy stance will produce positive results for the South African economy.

The National Treasury currently has 16 entities under its umbrella which play a critical role in the fiscal and financial stability of the country.

The South African Revenue Service (SARS) has a proud history of being a world-class public revenue institution. One of its stated strategic objectives is to detect taxpayers and traders who, despite efforts to make it clear and easy to comply, consciously remain non-compliant. In line with this strategic objective, SARS has continued to run a high-quality revenue collection system, seizing illegal goods and combating illicit trade through South Africa. Their work is of major benefit to the country and a testament to the high-quality public service.

PART A: GENERAL INFORMATION

3. FOREWORD BY THE MINISTER ► *continued*

Section 216 of the Constitution of the Republic and the Public Finance Management Act clearly spell out the role of the National Treasury. In carrying out this role, each year, the department prepares an Annual Budget and a Medium Term Budget Policy Statement. During the 2019/20 financial year, the National Treasury took additional measures to promote economic growth and stability. Among these was the tabling of a Special Appropriation Bill. This provided for additional funding to support the restructuring of Eskom and secure South Africa's energy future.

In the coming MTEF period, the National Treasury will focus on achieving sustainable public finances. It is on a mission to restore fiscal strength, a minimum condition required to ensure South Africa has a growing economy. We intend to strengthen our macroeconomic policy framework, facilitate regional and international cooperation, and continue the roll-out of our improvements to the financial regulation system.

Our historic response to this pandemic would not have been possible had it not been for the cooperation across all arms of the state, including that of the provincial Member of Executive Council (MEC) for Finance whose support I highly value. Effective intergovernmental relations are critical to ensuring that all arms of government work closely together to deliver on improved living standards for all.

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 the country.



TT Mboweni

Minister of Finance

Date: 1 February 2021

4. REPORT OF THE DEPUTY MINISTER



Strong empirical analysis, honest debate and hearing each other out are important parts of building democratic consensus about the direction of economic policy.

In March this year, government initiated a wide-ranging relief package to manage the immediate impact of COVID-19. This culminated in the tabling of an unprecedented Special Adjustment Budget, in which we formalised a fiscal package amounting to 10 per cent of GDP, one of the largest in the developing world. Our fiscal measures, and additional monetary policy action by the South African Reserve Bank (SARB), played a significant role in maintaining the stability of the economy through the pandemic. We are now entering the next phase of government's response, which is rebuilding the economy.

Economic growth is urgent. One of the National Treasury's key projects will be to work closely with our colleagues in the rest of government to drive a package of reforms to improve productivity, lower costs and reduce state-owned companies' demands on the public purse. These measures include finalising electricity determinations; unbundling Eskom and taking other steps to open up energy markets, modernising ports and rail infrastructure, and licensing spectrum.

We have been tasked with the critical job of driving Operation Vulindlela, a joint initiative of the National Treasury and the Presidency to speed up priority reforms. It will put economic growth at the centre of what we do as the National Treasury and as government. To realise the full benefits of these reforms for the economy's growth potential over the long term, implementation should begin now. Operation Vulindlela will fast-track the implementation of these reforms. Already we have identified a number of factors behind the sluggish pace of execution including technical difficulties, a lack of capacity and vested interests. We are addressing these with haste.

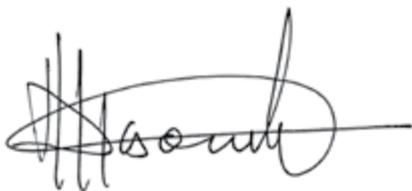
PART A: GENERAL INFORMATION

4. REPORT OF THE DEPUTY MINISTER ► *continued*

“We have been tasked with the critical job of driving Operation Vulindlela, a joint initiative of the National Treasury and the Presidency to speed up priority reforms”

There are 16 institutions that report to the Ministry of Finance. New leadership at the Public Investment Corporation (PIC) is working hard to restore confidence in the asset manager at a time when such confidence is desperately needed. With its R1.3 billion budget, the PIC will aim to achieve economic transformation and job creation, strengthen the country’s human capital and bring about a better Africa and a better world. I wish to congratulate Mr Abel Sithole, the new Chief Executive of the PIC. The Land Bank reports to the Minister of Finance and government has allocated R3 billion to recapitalise the bank. The National Treasury is supporting the Land Bank to find solutions to its default and craft a long-term restructuring plan.

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: 1 February 2021

5. REPORT OF THE ACCOUNTING OFFICER



5.1 OVERVIEW OF THE OPERATIONS OF THE DEPARTMENT

2019/20 was an unprecedented year, a year of changes, challenges and courage. The year saw the end of the 5th and the ushering in of the 6th administration. This gave South Africans an opportunity to participate in the democratic process, reinforcing the pillars of our young democracy and gave the public service an opportunity to review past performance, recommitting to service delivery imperatives into the future. In this year, some of our challenges were old and some new. South Africa's long-term economic challenges persisted, further amplified by the devastating onset of the COVID-19 pandemic. By the end of the year, to tackle a health emergency through containment measures at great expense to economies resulted in a global sudden stop, from which South Africa was not spared. This unique crisis called for a unique response and South Africans with courage and conviction ended the reporting year under lock-down Level 5 knowing the devastating impact this was having on our economy but convinced that the well-being of all citizens must be the priority. This disruptive year resulted in social partners working closely together to strengthen our national capacity and built on our collective experience to quickly address emerging needs during the start of the COVID-19 pandemic. It is envisioned that, in the national interest, this collective effort will be adapted and deployed to attend to persistent and emerging challenges especially in our endeavours to be responsive for and responding to a growth economy, apply measures to maintain the fiscal framework and tackle structural constraints, restore investor confidence and public trust, reduce policy uncertainty and lower the cost of doing business.

Globally, world output grew by 2.8 per cent in 2019 compared to 3.5 per cent in 2018. The outbreak of the COVID-19 pandemic drove almost all economies to contract, resulting in the IMF projecting an annual contraction of -4.4 per cent for world output in 2020. The world-wide lockdown measures implemented to slow the spread of the pandemic equally affected the global economy. Global output is expected to recover in 2021 on the back of a better-than-

5. REPORT OF THE ACCOUNTING OFFICER ► *continued*

“The national budget was prepared and published in a manner that ensured resources allocations met the priorities set by government while adhering to expenditure containment”

expected economic recovery in the second quarter of 2020, largely led by the developed economies and China. However, challenges remain and these crucially depend on the uncertain evolution of the pandemic.

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. This trend persisted into the 2019/20 financial year with a mere 0.2 per cent growth rate compared to the previous year of 0.6 per cent. While the largest components of the economy, the financial, real estate and business services as well as general government sectors, showed a small but positive growth of 2.5 per cent and 1.8 per cent respectively, this was not enough to drive material economic growth in the 2019/20 financial year. The lower economic performance was mainly driven by the manufacturing, mining and transport, storage and communication sectors. These sectors were mainly impacted by external factors, including load-shedding and lower domestic and international demand. The construction industry, which declined by 4 per cent, was constrained by persistent low business confidence, weak investment and low demand.

Compounding this weak economic outlook, business and consumer confidence declined compared to the previous financial year, with weak household consumption continuing to persist in 2019/20, growing at a modest 1.1 per cent. South African households continued to struggle with relatively high indebtedness, moderate wage increases and high levels of unemployment.

The struggling economy with weak domestic growth had an adverse effect on South Africa's fiscal position. The budget deficit has come in at 6.7 per cent higher than the forecast 6.5 per cent, while gross government debt rose 63.3 per cent of GDP, higher than anticipated. Challenges arising from delays in effecting the economic reform agenda and the vulnerability of key SOCs remains a significant fiscal risk to the country's fiscal position. As a result, South Africa's risk premium averaged 3.4 percentage points in 2019/20 compared to 3.07 percentage points in 2018/19 and the rand continued to depreciate, with the real exchange rate ending 4.1 per cent lower in the financial year. The contraction

5. REPORT OF THE ACCOUNTING OFFICER ► *continued*

in public finances continues to exert pressure on government's ability to balance the need for public services with constraints in public resources. This required and will continue to demand prioritisation of public service delivery, strengthening of responsive public administration, reduction in the cost of the public service and value for money programme decision making.

While much remains to be done, progress is being made. Everyone has their part to play and government together with all social partners are responding. Cabinet embraced the path laid out in the document "Towards an Economic Strategy for South Africa" which outlines nine basic and fundamental pillars required to get the economy growing again. These informed and were re-emphasised in President Ramaphosa's recent Economic Reconstruction and Recovery Plan and which will be driven by Operation Vulindlela and must be placed at the top of the reform agenda.

For the National Treasury, we have resolutely continued to deliver on our highest responsibility of ensuring fiscal sustainability. The national budget was prepared in a manner that ensured resource allocations met the priorities set by government while adhering to expenditure control. Transparency continues to be a priority for the National Treasury, evidenced by achieving joint first in the world alongside New Zealand in the Open Budget Survey Index. 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. The National Treasury has redoubled its efforts to stabilise 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. Tax amendments, aimed at raising an additional R15 billion in tax revenue to support fiscal sustainability, were implemented. Implementation of the Financial Sector Regulation (FSR) Act continued to build on measures to transform the financial sector. Relevant economic research and analysis that informed economic policy and frameworks was conducted and quarterly economic and revenue forecasts were produced. The National Treasury amplified and reinforced our commitment to advancing ethical behaviour and leadership 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 implemented, with the draft Public Procurement Bill published for comments; and a further 19 instructions were issued in line with policy interventions and proposed designated products for enhancement of SCM policies. The National Treasury continues to work tirelessly to build partnerships and diligently maintain stakeholder relations to optimise and impact results in change-agent programmes such as the Jobs Fund (employment creation facilitation programme), the Municipal Finance Improvement Programme (MFIP) and the Cities Support Programme (CSP).

Economic Policy, Tax and Financial Regulation and Research provided specialist policy research, analysis and advisory

5. REPORT OF THE ACCOUNTING OFFICER ► *continued*

services in macroeconomics, microeconomics, taxation and regulatory reform. The research focus in this reporting period was to provide analysis of monetary and exchange rate policy in light of global and financial market events; growth policy including structural reform priorities and support policy that addresses inequality and gender-based budgeting as well as labour market support in the form of work on the Employment Tax Incentive evaluation and extension. *Economic Transformation, Inclusive Growth, and Competitiveness: Towards an Economic Strategy for South Africa* was published as a key contribution towards the national discourse on South Africa's future economic trajectory. Further, research was published on competition and jobs, competitiveness of small businesses, exchange rate and export performance and work mobility and productivity spill-overs in conjunction with the Competition Commission, the World Bank and the United Nations University World Institute for Development Economics Research (UNU-WIDER); and inputs into key policy processes including electricity sector reform, economic regulation of rail and small business development made.

Tax proposals from the 2019 Budget were drafted, tabled and legislated, including raising additional tax revenue of R15 billion by not fully adjusting the personal income tax brackets and rebates for inflation, higher than inflation increases in excise duties on alcohol and tobacco and the introduction of a carbon tax levy on fuel. Additional measures to limit tax avoidance were introduced as well as supporting the process to further improve governance arrangements at the South African Revenue Service. Implementation of the Financial Sector Regulation (FSR) Act (2019) continued with the initiation of the recruitment process to appoint the Commissioner and Deputy Commissioners of the Financial Sector Conduct Authority. The inaugural meeting and a workshop of the Financial System Council of Regulators established by the FSR Act was held and as part of the implementation of Chapter 14 of the FSR Act a call for nominations for members of the Board of the Ombud Council was published. A number of the recommendations arising out of the World Bank diagnostic report were implemented, working with the FSCA. Notable was the development and publication for public comment of the Draft Conduct Standard, setting out requirements for the conduct of banks.

The Budget Office led the national budget process effectively during a time of particular fiscal constraints in a stressed economy, with the economic realities leaving limited room to manoeuvre in respect of the ever-shrinking fiscus. The division oversaw expenditure planning, provided fiscal advice and managed official development assistance, as well as compiling finance statistics. The centralised early retirement programme was successfully implemented. The budget reform programme was led both interdepartmentally and internationally. Transparency, public participation and the understanding of budgeting processes and information was further strengthened through interactions with the Collaborative Africa Budget Reform Initiative, the Global Initiative for Fiscal Transparency and Civil Society as well as further developments made to the award winning Vulekamali online data portal. As part of improving oversight, national departments' in-year monitoring reporting and public entities' quarterly reporting system were improved, and an information dashboard rolled out.

Public Finance oversaw budgetary planning and execution in national departments, provided advice and analysis on

PART A: GENERAL INFORMATION

5. REPORT OF THE ACCOUNTING OFFICER ► *continued*

sectorial policies and programmes, stringently monitored public expenditure, and advised on financial and budgetary aspects of public policy and spending proposals. Work was done in conjunction with the appropriate departments on giving effect to the National Macro Organisation of Government (NMOG) process; the 2019 Presidential Inauguration project; and finalisation of the Border Management Authority Bill and the establishment of the Border Management Authority. Support and advice were provided to the Department of Communications and affected public entities on broadcasting digital migration as well as sitting on the interdepartmental task team to monitor and evaluate that the South African Broadcasting Corporation (SABC) meets the conditions set in relation to the R3.2 billion bailout provided to the entity in 2019/20.

Policy support and advice were provided on the long-term maintenance solutions for the Limpopo and Mpumalanga High Courts, the establishment of a new investigative directorate in the Office of the National Director of Public Prosecutions, the disbanding of the State Security Agency and re-establishment of selected departments and government components for intelligence services, the allocation of funds from the Criminal Assets Recovery Account, support for decisions taken at the Presidential Summit against Gender-based Violence and Femicide and the allocation of funds for investigations and production of a closeout report by the Zondo Commission of Enquiry. Provided assistance and support with the planned shifting of the early childhood development function from the Department of Social Development to the Department of Basic Education; served on the steering committee for the development of a funding model for the early grade reading strategy; and provided extensive assistance in the development of a policy on Subsidy Schemes to Organisations that employ people with disabilities. Support was provided on various aspects of the National Health Insurance; the finalisation and monitoring of the provincial health action plan; and addressing emerging issues in grant administration. Advice was provided on various funding models for the Competition Commission as well as on the responsibility and funding for the collection of administrative penalties charged in terms of the Competition Act (1998, as amended). Support was provided on the finalisation of the small business and innovation fund as well as in the development of financing solutions for biodiversity. Public Finance participated in the committee charged with accelerating the land reform process and participated in all work streams intended to find sustainable land reform solutions.

Public Finance represented the National Treasury on the Disaster Management Task Team, co-ordinated comments on the draft Municipal Demarcation Bill and continued to provide support to improve the management and outcomes of the Community Work Programme. Focus was placed on strengthening financial management systems in the Department of Water and Sanitation and reducing the overdraft in the Water Trading Entity.

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 as well as the development of the framework for managing conditional grants. The 2020 Division of Revenue Bill included an increase in the per child subsidy for early childhood development services, addressed the shortfalls in the funding of community outreach services in the health sector and included

PART A: GENERAL INFORMATION

5. REPORT OF THE ACCOUNTING OFFICER ► *continued*

the transitional measures in spending for the municipal elections in 2021 if the municipal boundaries are re-determined. Policies to enhance the role of the private sector in financing municipal infrastructure were updated as well as drafting amendment to the Municipal Fiscal Powers and Functions Act to regulate the levying of the development charges.

The Cities Support Programme continued supporting the metropolitan municipalities to take the lead in the development of more inclusive, productive and sustainable cities. During the reporting period, the programme underwent an external implementation evaluation under the auspices of the Department of Planning Monitoring and Evaluation. Key findings included that the objectives of the programme are relevant, that the programme's value lies in being a change agent and vehicle for collaboration and integration and that the programme should be extended for a further five-year period. In this reporting period, the project signed City Support Implementation Plans with all metros, all eight metros submitted Built Environment Performance Plans, metros were supported to improve their reporting and support for Township Economic Development (TED) in six metros commenced. The division continued to support the implementation of the infrastructure delivery management system (IDMS) to improve infrastructure delivery performance across the provinces and in local governments through two major initiatives: the Infrastructure Delivery Management toolkit and the Framework for Infrastructure Delivery and Procurement Management. During the reporting period, the focus was on ensuring that all municipal budgets and adjustment budgets are funded. Significant strides were made in the implementation of the Municipal Standard Chart of Accounts (mSCOA) including training rolled out to 4 083 provincial treasuries and municipal officials in eight provinces. A revised approach to the MFRS is being piloted in the Mangaung Metro. The new approach will focus on three phases: rescue, recovery/stabilisation and sustainability and is being supported by the development of indicators for each phase as well as the establishment of a technical and political oversight committees.

IGR participated in an Inter-Ministerial Task Team (IMTT), Technical and Administrative to improve revenue management in municipalities on debt owed to Eskom and challenges associated with it. Further improvements were made to the conditional grant monitoring framework for local government. In the 2019/20 municipal financial year, municipalities were allocated R68.9 billion in the form of the equitable share and a total amount of R65.9 billion had been transferred to municipalities by 30 March 2020. The remaining balance of R3.1 billion was not transferred to municipalities as a result of the offsetting of 2018/19 unspent conditional grants in terms of section 22(4) (a) of the 2018 DoRA and the stopping of the equitable share portion of Nelson Mandela Bay Metropolitan Municipality due to the invoking of section 216 of the Constitution. The National Treasury continues to assist low-performing municipalities to improve spending and to manage their conditional grants. During the 2018/19 financial year, the total conditional grant rollover amount requested by municipalities amounted to R4.4 billion. The National Treasury, however, only approved a rollover amount of R1.8 billion for implementation into the 2019/20 financial year. Only 73.5 per cent expenditure of MIG funds was achieved while the newly formed Integrated Urban Development Grant being the highest spending conditional grant this year at 98 per cent. Further progress had been made in the North West intervention, including the reconfiguration of departments and public entities to improve efficiency.

PART A: GENERAL INFORMATION

5. REPORT OF THE ACCOUNTING OFFICER ► *continued*

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, in this reporting period 100 per cent of corporate plans and annual reports of Schedule 2 and 3b SOCs, development finance institutions (DFIs) and water boards received were reviewed within the stipulated timeframe. Board evaluations were conducted on the Boards of the Land and Development Bank of South Africa (Land Bank) and Development Bank of Southern Africa (DBSA) to assist the Minister in future board appointments by identifying the skills, experience and competencies required. A number of Section 54 PFMA applications were finalised, two government guarantees issued and, amongst a number of applications, Eskom was provided with recapitalisation. A number of foreign borrowing applications were considered and shareholder compacts with the Public Investment Corporation (PIC), the South African Special Risks Insurance Association (SASRIA), South African Airways (SAA), the Land Bank and the DBSA were concluded.

Rating agencies reduced the outlook for South Africa, culminating in Moody's having downgraded the country's long-term foreign and local currency debt ratings to 'Ba1' (non-investment grade) on 27 March 2020, maintaining a negative outlook. Although the debt portfolio grew from a gross loan debt of R1.8 trillion in March 2015 to an estimated gross loan debt of R3.2 trillion in March 2020, none of the benchmark indicators were breached. The government successfully financed the gross borrowing requirement of R414.5 billion. The cost of servicing government debt amounted to R204.8 billion compared to an original budget of R202.2 billion. Domestic and foreign loans of R70.6 billion were repaid during the reporting year. All government's rand and foreign currency commitments were met on a daily basis. In addition, surplus cash was optimally invested.

The Office of the Accountant-General prepared and tabled the 2018/19 consolidated Annual Financial Statements for the National Revenue Fund, the Reconstruction and Development Programme Fund, national departments and public entities. 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. The work of national and provincial internal audit and risk management in relation to both the PFMA and MFMA was supported, including facilitation of information-sharing platforms, peer interactions and guidance provided. State of Readiness assessments were conducted in those PFMA and MFMA spending agencies that were ready to do so in order to determine the effectiveness of the internal audit function, with the outcomes informing targeted support provided. Technical accounting support was provided to all spheres of government including liaising with the Auditor-General of South Africa (AGSA) on transversal matters and on disagreements arising between the auditees and auditors. Eighteen updated accounting guides were published in support of institutions applying the standards of the Generally Recognised Accounting Practice (GRAP). Implementation of Integrated Financial Management Systems (IFMS) is beginning to gather pace, with all assignments leading up to the Common Design project having been completed. Actions are being taken to mitigate the delays in the Common Design project itself and the establishment of a panel of System Implementers. After having to re-advertise the

PART A: GENERAL INFORMATION

5. REPORT OF THE ACCOUNTING OFFICER ► *continued*

position of CD:IFMS more than once, the position has now been filled and it is expected that this will significantly accelerate implementation.

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 50 forensic investigations and six specialised performance audit reports being conducted. Advisory services were provided to law enforcement agencies and anti-corruption task teams, with 62 cases referred for criminal investigation. Treasury Instruction Notes on Irregular Expenditure Framework and Fruitless and Wasteful Expenditure Framework were developed. Compliance with the requirement to pay suppliers within 30 days from receipt of an invoice by government institutions (national and provincial departments) was monitored and a suppliers' complaints hotline in partnership with the Office of the Chief Procurement Officer (OCPO) established. Capacity building continued to make a significant impact with the enabling support of donors, including support arising out of the FMIPP III, the Public Financial Management Capacity Development Programme for Improved Service Delivery (FMISD) over the 2018-23 period. A Procurement, Infrastructure and Knowledge Management Capacity Building Programme (PINK), funded by the Swiss State Secretariat for Economic Affairs (SECO) over the 2018-22 period commenced, with pilots in municipalities in Mpumalanga and Free State provinces. There are currently 1 600 active municipal interns across the 257 municipalities; since inception in 2007, over 9 500 municipal officials have undergone the regulated training under the minimum competency levels and the academy currently has 30 trainee accountants. With funding support from the Public Service Sector Education and Training Authority (PSETA), a Public Sector Accounting Technician Learnership Certificate has been rolled out in four provinces targeting 100 unemployed youth, 50 each in the Eastern Cape and Limpopo; and a further 100 employed officials split equally between the Gauteng and Western Cape Provincial Administrations. This adds to the existing Public Financial Management Internship Programme for 20 unemployed Bachelor of Commerce graduates in Mpumalanga and Northern Cape Provinces. With funding support by the United Nations Development Programme, the National Treasury Women Empowerment and Leadership Programme (Women in Public Finance) was established in July 2019, in response to the Governance and Administration Portfolio Programme of Action (POA) for the empowerment of women. The programme will focus on the empowerment of women in public finance in all three spheres of government. During this reporting period, the MFMA helpdesk continued to provide support and assistance to municipalities and municipal entities. The Memorandum of Understanding (MoU) between National Treasury and the Department of Cooperative Governance and Traditional Affairs (DCoG) relating to audit outcomes was further refined, capturing parties' wider roles and functions. Support was provided to 15 municipalities prioritised for receiving adverse and disclaimer audit opinions, including reviewing their audit action plans and monitoring progress whilst engagements were held with the senior municipal management of the highest ten contributors to the previous financial year's total unauthorised, irregular and wasteful expenditure and support provided.

The Office of the Chief Procurement Officer continued to exercise oversight over compliance with SCM policies,

PART A: GENERAL INFORMATION

5. REPORT OF THE ACCOUNTING OFFICER ► *continued*

procedures, norms and standards. Procurement plans, deviations and contract expansions to departments and public entities continued to be published in an on-going effort to strengthen transparency in public sector procurement. Significantly, the draft Public Procurement Bill was published for comment. During the reporting period, 19 instructions were issued, 52 transversal contracts were renewed and sourcing strategies developed for the Department of Correctional Services and Health, Education and Security clusters. As part of the National Treasury's commitment to simplify doing business with the state, the Central Supplier Database has 951 000 users and 779 315 registered suppliers of whom currently 228 008 are women, 226 533 youth and 5 437 people with disabilities. The e-Tender portal published 22 868 opportunities during the financial year.

International Financial Relations successfully supported South Africa's effective engagement in the 19th replenishment of the International Development Association (IDA), the concessional fund of the World Bank Group as well as the 15th replenishment of the African Development Fund (ADF-15), the concessional fund of the African Development Bank. ADF-15 included two key innovations, namely measures to improve debt sustainability in ADF countries and an enhanced focus on fragility. Support was provided to 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) which included being part of the establishment of the first draft Rules of Procedure for the AU Ministers of Finance and their experts in the budget oversight role. As part of implementing the 2002 SACU Agreement, the National Treasury continued to manage the Common Revenue Pool as well as participating in the 2019 Trade Data Reconciliation Task Team meetings responsible for calculating the implementation of the Revenue Sharing Formula. The 2019/20 financial year marked the sixth anniversary of the signing of the Articles of Agreement of the New Development Bank (NDB) in Fortaleza. To date, South Africa has secured NDB investments to the value of US\$3.25 billion for various sectors. In April 2019, the NDB registered a R10 billion bond programme in South Africa. The National Treasury led South Africa's effective engagement and coordination in the G20's finance track where it advocated for the country's economic and financial interests. 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 debt sustainability developments, globally and regionally. In the period under review, the National Treasury successfully sustained the dialogue between South Africa and the International Monetary Fund (IMF). With the objective of positively influencing investor confidence by positioning South Africa as an attractive business and investment destination, the Minister of Finance led the South African delegation to the World Economic Forum Annual Meeting which took place in January 2020 under the theme "Stakeholders for a Cohesive and Sustainable World".

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 99.9 per cent resolution of the integrity of data against a

PART A: GENERAL INFORMATION

5. REPORT OF THE ACCOUNTING OFFICER ► *continued*

target of 85 per cent, 100 per cent of queries were resolved within seven days and 98.9 per cent of benefits were paid within 45 days. The programme paid out pensions and benefits of R5.5 billion in 2019/20 compared to R5.0 billion in 2018/19, with the overall number of pensioners and beneficiaries increasing by 5 per cent from 139 783 in 2018/19 to 147 332 in 2019/20.

The Government Technical Advisory Centre (GTAC) continued to work towards the building and strengthening of a capable, ethical and developmental orientated state with the capacity to work with the private sector in promoting growth, employment, infrastructure investment and public service delivery. During this reporting period, the Municipal Finance Improvement Programme (MFIP) procured and deployed 80 Technical Advisors to provide technical support to build the institutional and technical financial management capacity of the National Treasury, provincial treasuries and municipalities. During the year, 2 280 capacity building sessions were held, involving 13 603 officials. To date, the Jobs Fund has issued eight calls for proposals for initiatives that innovatively catalyse new employment creation models that can be replicated and scaled. In the 8th Funding Round conducted during the financial year, the Jobs Fund Investment Committee approved 28 projects; R2.3 billion in grant funding was allocated to these projects and project partners committed R4.7 billion in matched funding. Since inception, 178 projects have been approved against a target of 150. The Cities Support Programme Phase 2 support was activated in March 2019; in the year under review, the focus was on working with the metros and other stakeholders to scope a new generation of support under the Cities Infrastructure Delivery Management System (CIDMS) project, the Catalytic Land Development Programme project and the Project Preparation support project. Through the integrated City Development Grant (ICDG), the metropolitan municipalities received R310 million to support the development of integrated catalytic projects within their integration zones. In the 2019/20 financial year, 1208 officials in provincial and national departments were oriented through Infrastructure Delivery Management System (IDMS) initiatives, including the Framework of Infrastructure Delivery and Procurement Management (FIDPM). The Neighbourhood Development Partnership Programme (NDPP), which supports municipal planning and investment in targeted locations, aims to attract and sustain third-party capital investment and business development towards spatial and economic transformation, with a focus on improving the quality of life and access to opportunities in under-served townships or settlements. R591 672 000 was transferred to municipalities for investment in catalytic projects, 37 projects were approved and 22 completed in the same period. The public investment has attracted over R2.2 billion in third-party investment into some of the locations. Two investment plans have been completed. Planning for Regional Service Centres in five municipalities was initiated as part of support to rural municipalities, in collaboration with the Department of Rural Development and the Department of Cooperative Governance. A list of 27 Regional Service Centres that will be supported in terms of planning and infrastructure investment over the Medium Term Expenditure Framework (MTEF) has been finalised. Two major catalytic land development programmes are currently being supported by the NDPP and are at an advanced stages: namely, the Tembisa Urban Hub and Jabulani Urban Hub.

PART A: GENERAL INFORMATION

5. REPORT OF THE ACCOUNTING OFFICER ► *continued*

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 2019/20 financial year.

Table 1: Sources of Revenue

DEPARTMENTAL RECEIPTS	2018/2019			2019/20		
	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	119 379	125 379	-6 000	14 401	75 445	-61 044
Interest, dividends and rent on land	3 260 761	6 830 187	-3 569 426	3 971 305	8 303 466	-4 332 161
Sale of capital assets	-	-	-3	-	35	-35
Financial transactions in assets and liabilities	260 500	158 157	102 343	275 060	260 141	14 919
Total	3 640 640	7 113 723	-3 473 083	4 260 766	8 639 087	-4 378 321

Revenue received on the interest and dividends item relates to 96.12 per cent of the department's total revenue.

Sale of goods and services

The increased amount of R61 million is mainly due to an increase in guarantee fees collected from the South African National Roads Agency Limited (SANRAL).

Interest

The highest amount of revenue received for the department was interest received from the four commercial banks, Citibank and the newly introduced Investec Bank. The over-collected interest received was as a result of an amount of R5.136 billion which was received from the South African Reserve Bank on foreign currency deposits that increased the revenue projected.

PART A: GENERAL INFORMATION

5. REPORT OF THE ACCOUNTING OFFICER ► *continued*

Sales of capital assets

The amount of R35 000.00 was received from selling a motor vehicle for scrap.

Financial transactions

The deficit of R14.918 million relates to lower than anticipated funds received on the revenue of previous years' expenditure.

5.2.2 PROGRAMME EXPENDITURE

The table below provides a high-level comparison of 2018/19 versus 2019/20 of the expenditure incurred by the Department against appropriated funds.

Table 2: Payment expenditure made by programmes for the period 1 April 2019 to 31 March 2020

PROGRAMME	2018/2019			2019/2020		
	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	453 819	424 272	29 547	511 370	453 634	57 736
Economic Policy Tax Financial Regulation and Research	152 770	138 756	14 014	138 125	124 881	13 244
Public Finance and Budget Management	298 047	295 370	2 677	318 558	306 883	11 675
Asset and Liability Management	101 585	91 185	10 400	102 929	96 718	6 211
Financial Accounting and Supply Chain Management Systems	1 102 085	869 104	232 981	1 004 188	796 790	207 398
International Financial Relations	5 883 121	5 807 686	75 435	5 948 131	5 458 763	489 368
Civil and Military Pensions Contributions to Funds and Other Benefits	5 021 277	5 020 100	1 177	5 524 503	5 487 100	37 403
Technical Support and Development Finance	2 926 779	2 235 067	691 712	2 663 832	2 629 235	34 597
Revenue Administration	9 007 217	9 007 217	-	9 529 031	9 529 031	-
Financial Intelligence and State Security	4 763 533	4 763 533	-	4 951 053	4 951 053	-
Total	29 710 233	28 652 290	1 057 943	30 691 720	29 834 088	857 632

PART A: GENERAL INFORMATION

5. REPORT OF THE ACCOUNTING OFFICER ► *continued*

The Department spent 97.2 per cent of its appropriated funds. The underspending of R857.6 million had no negative impact on attaining its predetermined objectives as processes were constantly assessed in order to improve spending effectiveness and efficiency. Fifty-five per cent of the total underspending represents unspent funds of R473.1 million mainly on the International Bank of Reconstruction and Development (IBRD) and the African Development Bank (AfDB) General and Selective Capital Increases which were not transferred due to the delayed process of subscribing to the recapitalisation of the aforementioned institutions.

PROGRAMME 1

The programme spent 88.7 per cent of its R511.4 million budget for the 2019/20 financial year. The underspending of R57.7 million was mainly on compensation of employees due to vacant posts that were not filled and utility bills which were lower than anticipated as well as under-spending on operating leases. Also, on machinery and equipment due to the procurement of a storage resource manager and Central Processing Unit (CPU), which could not be processed due to the national lockdown; hence the service providers were not able to deliver the assets.

PROGRAMME 2

The programme spent 90.4 per cent of its R138.1 million budget for the 2019/20 financial year. The underspending of R13.2 million was mainly on compensation of employees due to vacant posts that were not filled and saving on consultancy services relating to the Emoluments Attachment Orders (EAOs) project cumulative savings due to a lower rate negotiated on the corresponding month-to-month contract.

PROGRAMME 3

The programme spent 96.3 per cent of its R318.6 million budget for the 2019/20 financial year. The underspending of R11.7 million was mainly on consultancy services and operating payments due to savings realised through the utilisation of internal resources relating to the editing and publication of the 2020 Estimates of National Expenditure (ENE) and Budget Review documents.

PROGRAMME 4

The programme spent 94.0 per cent of its R102.9 million budget for the 2019/20 financial year. The underspending of R6.2 million was mainly on compensation of employees due to vacant posts that were not filled.

PART A: GENERAL INFORMATION

5. REPORT OF THE ACCOUNTING OFFICER ► *continued*

PROGRAMME 5

The programme spent 79.3 per cent of its R1 billion budget for the 2019/20 financial year. The underspending of R207.4 million was mainly on Goods and Services under Computer Services due to lower than anticipated expenditure on services related to legacy systems, and consultancy services relating to the Municipal Finance Recovery Service (MFRS) due to the delayed appointment of a panel of service providers. Expenditure on implementation of the Integrated Financial Management Systems (IFMS) was lower than anticipated due to delays in the commencement of the common design phase. The delayed appointment of a panel of service providers and revised procurement plan by the OCPO led to the postponement of various projects to the 2020/21 financial year.

PROGRAMME 6

The programme spent 91.8 per cent of its R5.9 billion budget for the 2019/20 financial year. The underspending of R489.4 million was mainly on Payment of Financial Assets relating to the unspent allocation for the International Bank of Reconstruction and Development (IBRD) and the African Development Bank (AfDB). The process of subscribing to the recapitalisation of the aforementioned foreign institutions was not concluded as anticipated.

PROGRAMME 7

The programme spent 99.3 per cent of its R5.5 billion budget for the 2019/20 financial year. The underspending of R37.4 million was mainly on Transfers and Subsidies under Injury on Duty claims which were projected to have been received from employer departments but these were not forthcoming and hence the under-spending; and from the SA Citizen Force relating to the decision to suspend review cases due to non-submission of progress reports of pensioners' and dependants' life certificates for mortality.

PROGRAMME 8

The programme spent 98.7 per cent of its R2.7 billion budget for the 2019/20 financial year. The unspent funds were mainly on the Neighbourhood Development Partnership Grant (NDPG) due to funds that were withheld, as municipalities were non-compliant with the NDP framework and the Division of Revenue Act. Also, the Jobs Fund operational under-expenditure is due to lower than anticipated cost recovery claims received from GTAC.

PROGRAMME 9

The programme transferred 100 per cent of its R9.5 billion budget for the 2019/20 financial year.

PART A: GENERAL INFORMATION

5. REPORT OF THE ACCOUNTING OFFICER ► *continued*

PROGRAMME 10

The programme transferred 100 per cent of its R5 billion budget for the 2019/20 financial year.

5.2.3 VIREMENTS/ROLLOVERS

The department had virements totalling R121.5 million between various programmes which experienced financial shortages and surpluses. The virement process was conducted during the 2019/20 year-end process through reprioritisation, where funds from under-performing programmes' "Surplus funds" were redirected to financially struggling programmes' "Shortages".

In summary, the significant virements per programme were as follows:

- R5 million from Programme 2 to Programme 6.
- R10 million from Programme 3 to Programme 6.
- R40 million from Programme 5 to Programme 6.
- R50 million from Programme 7 to Programme 6.
- R15 million from Programme 8 to Programme 6.
- R1.5 million from Programme 8 to Programme 4.

No rollovers were requested by the department.

5.2.4 UNAUTHORISED EXPENDITURE

The department did not incur any unauthorised expenditure during the year under review.

5.2.5 IRREGULAR EXPENDITURE

In 2019/20, irregular expenditure of R388.233 million was reported. Of this, R249.156 million was current year expenditure and is reflected in Note 25 of annual financial statements. The majority of the irregular expenditure was caused by non-compliance with legislation and Supply Chain Management processes.

The department requested the Office of the Chief Procurement Officer to condone irregular expenditure amounting to R241.7 million.

Other irregular expenditure to an amount of R146.533 million is still under determination.

PART A: GENERAL INFORMATION

5. REPORT OF THE ACCOUNTING OFFICER ▶ *continued*

5.2.6 FRUITLESS AND WASTEFUL EXPENDITURE

As disclosed in Note 26 of the financial statements, the department incurred fruitless and wasteful expenditure of R67.6 million in the current year as a result of payments made for technical support and maintenance of software licenses for the Integrated Financial Management System (IFMS).

5.2.7 SUPPLY CHAIN MANAGEMENT

The National Treasury does not use the unsolicited bid process.

The National Treasury experienced challenges in the areas of supply chain management (SCM) procedures, policies and systems during the 2019/20 financial year due to non-compliance. Measures to strengthen the SCM control environment include conducting a gap-analysis by assessing the current practices, policies, procedures and relevant information as it pertains to the department's SCM environment, identifying areas of weakness and making improvement recommendations.

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

- Review and institutionalisation of the entire SCM system policy.
- Development and institutionalisation of frameworks, mechanisms, procedures, manuals and application tools specifically addressing:
 - Demand management and procurement planning
 - Acquisition management processes and procedures
 - Contract management and administration inclusive of a reformed contracts and commitment register.
- Development of an improved performance and risk management mechanism inclusive of monitoring and reporting tools and an updated SCM risk register focusing on both operational and procedural risks.

5.2.8 NON-ADJUSTING EVENTS AFTER THE REPORTING DATE

There are no events planned after the reporting date except the non-adjusting events reported in Note 31 of the annual financial statements.

5.2.9 OTHER MATTERS

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

PART A: GENERAL INFORMATION

5. REPORT OF THE ACCOUNTING OFFICER ► *continued*

Appreciation and conclusion

I wish to thank the National Treasury team, to whom we are all indebted for their selfless dedication, exemplary professionalism and unrelenting commitment to the work of the National Treasury, the public service and South Africa. I extend my gratitude towards Minister Mboweni and Deputy Minister Masondo for their leadership and guidance in steering through these demanding times.



Dondo Mogajane

Accounting Officer

Date: 1 February 2021

PART A: GENERAL INFORMATION

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 2020.

Yours faithfully



Dondo Mogajane

Accounting Officer

Date: 1 February 2021

7. STRATEGIC OVERVIEW

7.1. VISION

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

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

7.2. MISSION

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

7.3. VALUES

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

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

8. LEGISLATIVE AND OTHER MANDATES

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 compliance with uniform treasury norms and standards to ensure transparency, accountability and sound financial management of public finances. This mandate is further elaborated mainly in the Public Finance Management Act, 1999 and the Municipal Finance Management Act, 2003.

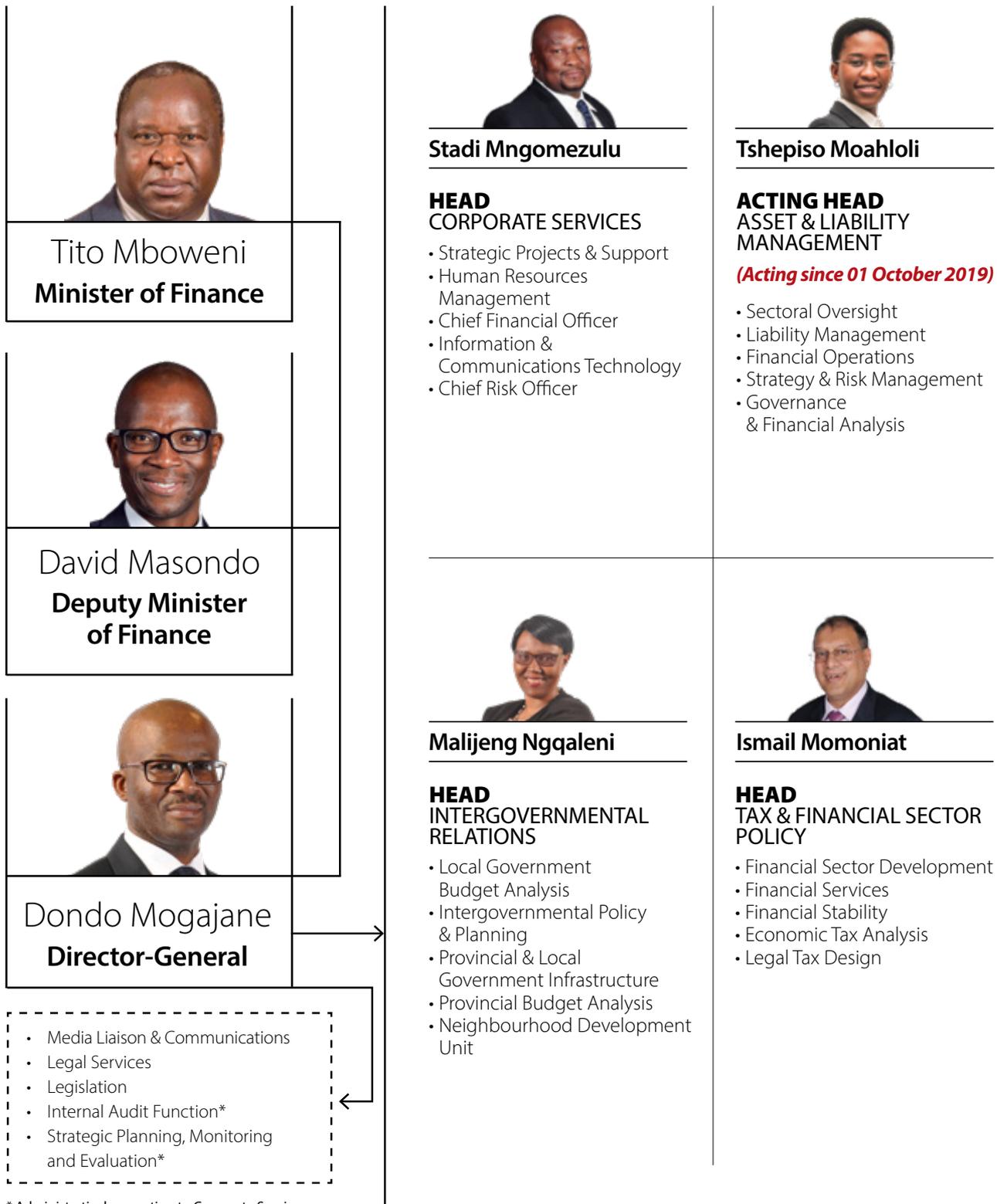
Among its responsibilities, the department is mandated to promote the national government's fiscal policy; coordinate macroeconomic policy; ensure the stability and soundness of the financial system and of financial services; coordinate intergovernmental financial and fiscal relations; manage the budget preparation process; 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 year.

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



9. ORGANISATIONAL STRUCTURE ▶ *continued*



Estelle Setan

**ACTING HEAD
CHIEF PROCUREMENT
OFFICE**

(Acting since 14 February 2020)

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



Mampho Modise

**HEAD
PUBLIC FINANCE**

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



Edgar Sishi

**ACTING HEAD
BUDGET OFFICE**

(Acting since 19 March 2020)

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



Vuyelwa Vumendlini

**HEAD
INTERNATIONAL &
REGIONAL ECONOMIC
POLICY**

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



Mampho Modise

**ACTING HEAD
ECONOMIC POLICY**

(Acting since 26 July 2019)

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



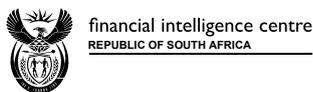
Karen Maree

**ACTING HEAD
OFFICE OF THE
ACCOUNTANT-GENERAL**

(Acting since 13 December 2019)

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

10. PUBLIC ENTITIES REPORTING TO THE MINISTER



Sixteen 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 eight 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 (GPAA), 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 commentary below on the performance of the 16 entities describes each entity's broad 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).

10. PUBLIC ENTITIES REPORTING TO THE MINISTER ▶ *continued*

ACCOUNTING STANDARDS BOARD (ASB)

(SCHEDULE 3A: NATIONAL PUBLIC ENTITY)

The ASB's legislative mandate is to develop uniform standards of Generally Recognised Accounting Practice (GRAP) for all spheres of government in terms of Section 216(1)(a) of the Constitution and the Public Finance Management Act (1999), as amended. The ASB has to promote 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 include:

- The Guideline on the Application of Materiality to Financial Statements was developed to assist preparers with applying the concept of materiality when preparing financial statements.
- The Guideline on Accounting for Landfill Sites was published to address key issues related to these sites.
- The Interpretation of the Standards of GRAP on Accounting for Adjustments to Revenue was issued to clarify when adjustments to revenue already recognised (e.g. revenue arising from legal processes) are considered a change in accounting estimate or are errors.
- A research paper was published in which the Board assessed whether there was a need for simplified reporting of information to citizens.
- The Board undertook research to identify what issues small entities face in preparing their financial statements and how these could be addressed.

10. PUBLIC ENTITIES REPORTING TO THE MINISTER ▶ *continued*

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.

Implementation of the Financial Sector Regulation Act (FSRA) has had a major impact on the CBDA's operating environment. The FSRA brings into effect the "Twin Peaks" framework. This involves having a prudential regulator, known as the Prudential Authority (PA), with the mandate to promote and enhance the safety and soundness of financial institutions and thus of the market infrastructure; protect financial customers against the risk of financial institutions failing to meet their obligations; and assist in maintaining financial stability. The FSRA covers co-operative banks and Corporate Finance Institute (CFI) as defined in the Co-operative Banks Act.

Key achievements during the reporting period include:

- Sixteen organised groups were provided with pre-registration support.
- Thirty-nine CFIs were provided with direct technical assistance; this exceeded the annual target by 12.
- One hundred and twenty-eight members including CFI Directors, members of Board Committees, officials of the Department of Economic Development (DED) and CFI staff were trained; this was 40 more than the original target number. Support was provided by stakeholder funding from the Banking Sector Education and Training Authority (BANKSETA) and with the collaboration of the Gauteng Department of Economic Development.
- With assistance of the National Treasury in securing funding from the World Bank, the process of developing a National Co-operative Banking Strategy for South Africa was started.
- A Memorandum of Understanding with the Prudential Authority to promote collaboration on issues related to the regulatory framework and targeted support for the co-operative banking sector was signed.
- The organisation participated in the Payments Policy and Regulation Coordination Forum (PPRCF), Payments Council and attended a number of International Monetary Fund (IMF)/World Bank Financial Sector Assessment Program (FSAP) review process sessions, as well as the National Consumer Financial Education Committee organising the Money Smart Week South Africa (MSWSA) to drive consumer financial literacy in South Africa.

10. PUBLIC ENTITIES REPORTING TO THE MINISTER ▶ *continued*

DEVELOPMENT BANK OF SOUTHERN AFRICA (DBSA)

(SCHEDULE 2: MAJOR PUBLIC ENTITY)

The DBSA was reconstituted in terms of the Development Bank of Southern Africa Act (1997) as a development finance institution with the primary purpose of promoting economic development and growth. The bank also promotes human resource development and institutional capacity building by mobilising financial and other resources from the national and international private and public sectors for sustainable development projects and programmes in South Africa and elsewhere in Southern Africa.

The key achievements for the reporting period were:

- Profitability of R3.1 billion (31 March 2018: R2.3 billion).
- The bank's disbursements amounted to R15.4 billion against a target of R13.5 billion.
- Non-interest revenue for the year amounted to R320 million against a target of R300 million.
- Net interest margin of 5.1 per cent which was above the target for the year of 5 per cent.
- Cost-to-income ratio improved to 27 per cent against the target for the year of 33 per cent.
- Assets exceeded R100 billion.
- R1.9 billion project preparation funding for projects for Black Economic Empowerment (BEE) entities approved against a target for the year of R1 billion.

10. PUBLIC ENTITIES REPORTING TO THE MINISTER ▶ *continued*

FINANCIAL AND FISCAL COMMISSION (FFC)

(SCHEDULE 1: CONSTITUTIONAL INSTITUTION)

The FFC derives its mandate from the Financial and Fiscal Commission Act (1997). The commission's legislative mandate is to advise relevant authorities on the financial and fiscal requirements for national, provincial and local spheres of government in terms of Section 220 of the Constitution. Other legislation that informs the commission's mandate includes the Intergovernmental Fiscal Relations Act (1997), the Money Bills Amendment Procedure and Related Matters Act (2009), the Provincial Tax Regulation Process Act (2001), the Municipal Fiscal Powers and Functions Act (2007), the Borrowing Powers of Provincial Government Act (1995), the Municipal Finance Management Act (2003) and the Municipal Systems Act (2003).

Key achievements during the reporting period include:

- Timely delivery of all constitutional and legislative submissions including the FFC's submission on the Division of Revenue 2020/21.
- Responded to the 2019 Medium-Term Budget Policy Statement.
- Responded to the Division of Revenue Bill and Appropriation Bill as tabled by the Minister of Finance in 2020.

10. PUBLIC ENTITIES REPORTING TO THE MINISTER ▶ *continued*

FINANCIAL INTELLIGENCE CENTRE (FIC)

(SCHEDULE 3A: NATIONAL PUBLIC ENTITY)

The FIC was established by the Financial Intelligence Centre Act (2001) 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 the Act. To deliver on this mandate and protect the integrity of South Africa's financial system, the Act works in conjunction with other legislation including the Prevention of Organised Crime Act (1998), the Protection of Constitutional Democracy Against Terrorist and Related Activities Act (2004) and the South African Police Service Act (1995).

Key achievements during the reporting period include:

- Conducted 19 Financial Intelligence Centre Act (FICA) compliance awareness initiatives and 287 inspections on accountable and reporting institutions and issued eight guidance products to enhance compliance with FICA.
- Registered 44 415 institutions compared with 42 353 in 2018/19.
- Referred 745 matters for further investigation and responded to 2 017 requests for financial intelligence.
- Blocked R70.7 million as suspected proceeds of crime and contributed to 38 judicial actions and the recovery of R1.7 billion in criminal proceeds.

10. PUBLIC ENTITIES REPORTING TO THE MINISTER ▶ *continued*

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 (FSRA) (2017). 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-term and long-term insurance companies, collective investment schemes, investment institutions and financial advisors and brokers).
- Banking and services related to credit and to 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 include:

- Support for the development of the Conduct of Financial Institutions (CoFI) Bill which is the second piece of legislation in the Twin Peaks regulatory architecture, the first being the FSRA.
- Successful establishment and operationalising of the Banking Supervision unit in fulfilment of the newly extended mandate of the FSCA.
- Twenty workshops for small and emerging financial service providers (FSPs) held; 14 unemployed graduates taken on as interns and learner trainees; the "Trustee Tool Kit" training promoted amongst trustees.
- Implemented 266 consumer education initiatives for a range of consumers and stakeholders. As part of its consumer education programme, the FSCA held 143 workshops and 19 exhibitions and produced 9 research, monitoring and evaluation (M&E) reports/case studies.
- Took extensive enforcement action; none were successfully challenged. The Market Abuse department finalised 33 investigations; in a number of these cases, administrative penalties were levied.

10. PUBLIC ENTITIES REPORTING TO THE MINISTER ► *continued*

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) and the Associated Institutions Pension Fund Act (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); injury-on-duty payments are administered in terms of the Compensation for Occupational Injuries and Diseases Act (1993); and special pensions are administered in terms of the Special Pensions Act (1996).

Key achievements during the reporting period include:

- An average of 90 per cent (the National Treasury 99 per cent and GEPF 81 per cent) of benefits were paid on time upon the receipt of duly completed documentation.
- An average of 91 per cent customer satisfaction was achieved in relation to services provided to clients through various service channels across the country.
- 1 145 mobile sites were visited across the country with 124 814 clients served.
- Contributions received amounted to R79.6 billion (compared to R74.9 billion in the previous financial year) with a membership of 1.26 million (the same number as in the previous financial year).
- 1 385 member awareness sessions were conducted at employer work sites to educate active members on GPAA's benefit products, processes and procedures.
- 513 574 walk-in clients (members, pensioners and beneficiaries) were serviced by the 16 national and regional offices.

10. PUBLIC ENTITIES REPORTING TO THE MINISTER ▶ *continued*

GOVERNMENT TECHNICAL ADVISORY CENTRE (GTAC)

(GOVERNMENT COMPONENT)

The GTAC was established in terms of the Public Service Act (1994) as a government component. It is mandated to assist organs of state to 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:

- Completed a research report on trends and drivers behind the rapid increase in global production and sales of electric vehicles.
- Conducted analyses of the policy choices made by the 2019 Integrated Resource Plan and whether these are consistent with other reformative plans of the government to restructure the electricity sector towards sustainability.
- Delivered a four-week training programme on Investment Appraisal and Risk Analysis.
- Provided the National Treasury with the wage bill analysis for the 2020 Budget. This included the estimation of different options for savings on the wage bill and inputs used in preparation for the Budget Speech.
- Conducted the South African Police Service analysis of employee compensation for the period 2006/07 to 2018/19.
- Published and supported 39 Performance Expenditure Reviews (PERs).
- Rolled out a Baseline Assessment and New Policy Costing Course in all provinces except Western Cape. Officials were trained to find value for money in public expenditure and equipped to use the PER as a routine part of budgeting and policymaking in government.

10. PUBLIC ENTITIES REPORTING TO THE MINISTER ▶ *continued*

INDEPENDENT REGULATORY BOARD FOR AUDITORS (IRBA)

(SCHEDULE 3A: NATIONAL PUBLIC ENTITY)

The IRBA was established under the Auditing Profession Act (2005) and became operational in April 2006. The Board is mandated to protect the public by regulating audits performed by registered auditors; improve the development and maintenance of internationally comparable ethical and auditing standards for auditors that promote investment and, as a consequence, employment in South Africa; set out measures to advance the implementation of appropriate standards of competence and good ethics in the auditing profession; and provide for procedures for disciplinary action in instances of improper conduct.

Key achievements during the reporting period include:

- The IRBA launched its Feedback Report on Audit Quality Indicators. This report provides feedback on a set of measures that audit firms reported on to the regulator and provides audit committees with insights relevant to the appointment, performance, independence and reappointment of auditors.
- The IRBA published its 2019 Public Inspections Report which covered the first year of the seventh inspections cycle and introduced numerous enhancements to the IRBA's inspections process.
- The IRBA recognises early adopters of the Mandatory Audit Firm Rotation (MAFR) rule. With three years remaining until the effective date for MAFR, approximately 25 per cent of Johannesburg Stock Exchange Limited Main Board listed companies have already voluntarily rotated their auditors.
- The IRBA issued a revised guide for registered auditors. For auditing in the public sector, the revised guide was a joint publication with the Auditor-General of South Africa. It is intended to help improve understanding and to enhance performance of quality public sector audits by auditors in public practice registered with the IRBA.
- The new Continued Professional Development (CPD) policy which focuses on output-based measurement became effective on 1 January 2020. The policy requires registered auditors to apply the CPD Framework and complete mandatory CPD activities.

10. PUBLIC ENTITIES REPORTING TO THE MINISTER ▶ *continued*

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) and the Public Finance Management Act. 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 highlights of the reporting period include:

- A substantial increase in the proportion of the bank's gross loan book that supports transformation from R7.9 billion (17.5 per cent) in 2018/19 to R9.2 billion (20.0 per cent) in 2019/20.
- Maintenance of the bank's total capital adequacy ratio of 16.0 per cent, well above the 15 per cent target.

10. PUBLIC ENTITIES REPORTING TO THE MINISTER ▶ *continued*

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) and is a Schedule 3A entity in terms of the Public Finance Management Act (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 include:

- Of 8 835 complaints received, 7 502 (85 per cent) were resolved.
- 5 750 complaints (or 65 per cent of the total for the financial year) received by the FAIS Ombud were within its mandate.
- The number of complaints settled increased by 6.7 per cent from 1 209 in 2018/19 to 1 290 in 2019/20.
- 2 467 complaints were referred 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.

10. PUBLIC ENTITIES REPORTING TO THE MINISTER ▶ *continued*

OFFICE OF THE PENSION FUNDS ADJUDICATOR (OPFA)

(SCHEDULE 3A: NATIONAL PUBLIC ENTITY)

The mandate of the OPFA is to investigate and determine complaints lodged in terms of the Pension Funds Act (1956). The office's mandate became effective in January 1998. To achieve its mandate, 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; incorporating innovation and proactive thought and action in its activities; and providing opportunities for individual growth. The OPFA has jurisdiction only over funds registered under the Pension Funds Act. Key achievements in the reporting period include:

- Of 11 179 new complaints received from across all provinces and through various mediums, 9 584 were finalised, 2 170 were settled, 4 991 were formally determined, 1 872 were out of jurisdiction and 551 were closed.

10. PUBLIC ENTITIES REPORTING TO THE MINISTER ▶ *continued*

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 (TAA) (2011). 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 tax administration. Key achievements in the reporting period include:

- 3 375 complaints were received; resolution of 1 993 complaints was finalised, a decrease of 2.45 per cent compared with the previous reporting year.
- The SARS implemented 97.69 per cent of the recommendations of finalised complaints.
- In support of OTO's strategic awareness and education objectives, it held 101 outreach and stakeholder engagement campaigns and 172 advertising campaigns and received 79 instances of coverage and interviews in print, digital and broadcast media.
- The list of identified systemic issues was reduced from 23 to 10. As a result of such developments, the services provided by SARS improve, the number of complaints received by the OTO is reduced and the SARS process for taxpayers is eased.

10. PUBLIC ENTITIES REPORTING TO THE MINISTER ▶ *continued*

PUBLIC INVESTMENT CORPORATION LIMITED (PIC)

(SCHEDULE 3B: NATIONAL GOVERNMENT BUSINESS ENTERPRISE)

The PIC was established by the Public Investment Corporation Act (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 the investment mandates as agreed upon with each client and approved by the Financial Services Board. 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:

- Disbursed R10.9 billion (2018/19: R12.6 billion), a decrease of 13.39 per cent compared to the previous year.
- Facilitated R1.6 billion for the development of a major coal mine in the Waterberg coalfield in Limpopo. Up to 2 500 people will be employed during construction and 709 people will be employed, once operational.
- In the Unlisted Property Portfolio, R3.8 billion in new investments was approved.
- Investments in the domestic property sector accounted for 80 per cent and 20 per cent was approved for the rest of Africa.
- New investments accounted for 60 per cent of domestic property investments; the BEE and gender thresholds were met in all eligible investments.
- Domestic re-developments approved totaled R1.2 billion.

10. PUBLIC ENTITIES REPORTING TO THE MINISTER ▶ *continued*

SOUTH AFRICAN REVENUE SERVICE (SARS)

(SCHEDULE 3A: NATIONAL PUBLIC ENTITY)

In terms of the South African Revenue Service Act (1997), the SARS is mandated to collect all revenues due to the state and administer trade to support 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 government to meet its policy and delivery priorities.

Key achievements in the reporting period include:

- Collection of R1 355.7 billion against the 2020 Budget (revised estimate) of R1 358.9 billion, resulting in a deficit of R3.2 billion.
- The net revenue outcome of R1 355.7 billion represents a growth of R68.1 billion (5.3 per cent) compared to the 2018/19 financial year.
- The main sources of revenue contributing to the R1 287.7 billion collected were Personal Income Tax (PIT) which contributed R529.2 billion (39 per cent); Value-Added Tax, contributing R346.8 billion (26 per cent); Company Income Tax, which contributed R215 billion (16 per cent); and Customs duties, which contributed R55.4 billion (4 per cent).
- Tax season for PIT is SARS' largest single engagement with taxpayers. SARS received 4 883 million returns by the close of the tax season.
- R23.2 billion in refunds were paid to more than 2 million non-provisional individual taxpayers.
- 4.9 million tax returns were submitted; 3.8 million inbound calls were answered; 755 415 payments were processed; 4.9 million taxpayers were served in branches; 1.3 million audits were conducted; and 1.2 million tax clearance certificate requests were received.

10. PUBLIC ENTITIES REPORTING TO THE MINISTER ▶ *continued*

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). In line with the amendments of the South African Special Risks Insurance Association Act (1998) and the Companies Act (2008), 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:

- Gross written premiums of R2.4 billion, an increase of 11.3 per cent from the R2.2 billion of the previous year.
- 82.6 per cent of the large claims received settled within 50 days and 83.68 per cent of fast track claims settled within 25 days.
- Net profit before tax increased by 816.4 per cent to R519.5 million.
- Capital and solvency positions remained strong, underpinned by a continued focus on risk management through disciplined investment and underwriting strategies.
- Assets under management amounted to R8.5 billion and shareholder equity increased to R7 billion by 31 March 2020 (2018/19: R6.6 billion).

PART A: GENERAL INFORMATION

10. PUBLIC ENTITIES REPORTING TO THE MINISTER ▶ *continued*

NAME OF ENTITY	LEGISLATIVE MANDATE	FINANCIAL RELATIONSHIP	NATURE OF OPERATION
Accounting Standards Board (ASB)	Public Finance Management Act	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	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	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)	Constitution of the Republic of South Africa, 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	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	No transfer from the National Treasury	To regulate and supervise the financial services sector's market conduct, 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.

PART A: GENERAL INFORMATION

10. PUBLIC ENTITIES REPORTING TO THE MINISTER ▶ *continued*

NAME OF ENTITY	LEGISLATIVE MANDATE	FINANCIAL RELATIONSHIP	NATURE OF OPERATION
Government Pensions Administration Agency (GPAA)	Public Service Act of 1994 (Proclamation No. 103 of 1994)	No transfer from the National Treasury	To administrate benefits on behalf of the GEPF and the National Treasury pension benefits, funeral benefits, post-retirement medical subsidies, military pensions, injury on duty payments, and special pensions.
Government Technical Advisory Centre (GTAC)	Section 7A (4) of the Public Service Act 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	No transfer from the National Treasury	To investigate and determine complaints lodged in terms of the Pension Funds Act (1956).

PART A: GENERAL INFORMATION

10. PUBLIC ENTITIES REPORTING TO THE MINISTER ► *continued*

NAME OF ENTITY	LEGISLATIVE MANDATE	FINANCIAL RELATIONSHIP	NATURE OF OPERATION
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)	Financial Advisory and Intermediary Services Act	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	Transfer payments	To collect all revenue due to the state and to support government in meeting its key growth and developmental objectives by facilitating legitimate trade, protecting South African ports of entry and eliminating illegal trade and tax evasion.
South African Special Risks Insurance Association (SASRIA)	Reinsurance of Damages and Losses Act; Conversion of SASRIA Act (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

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

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 SERVICE DELIVERY ENVIRONMENT

In 2019, global output grew by 2.8 per cent compared with 3.5 per cent in 2018. In 2020, the COVID-19 pandemic has driven almost all economies into contractionary territory, with the International Monetary Fund (IMF) projecting contraction of -4.4 per cent in world output for the year. This has been driven primarily by lockdown measures implemented by governments across the world, including South Africa's, to slow the spread of the virus. The result has been supply-side constraint, with social and economic activities brought to a halt. As lockdown measures eased, the impact of lost business activity, lost or furloughed jobs and persisting social distancing behaviour quickly spilled over into the demand-side. This perpetuated a negative and unvirtuous supply and demand-side cycle, leading to the worst economic collapse since the Great Depression of the 1930s.

Global output is expected to recover in 2021 on the back of better-than-expected economic recovery in the second quarter of 2020, largely led by the developed economies and China. However, risks to a quick recovery remain, including a second wave of the virus and renewed lockdown measures, persistent social distancing behavior, risk aversion in global investment and related geopolitical pressures such as USA-China trade tensions which could impact on global trade.

Domestically, 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 trend persisted into the 2019/20 financial year with the economy growing by a mere 0.2 per cent compared with the previous financial year's 0.6 per cent.

Although during the financial year there was small but positive growth of 2.5 per cent and 1.8 per cent respectively in the largest components of the economy - financial, real estate and business services; and the general government sector - this was not sufficient to drive material economic growth. The largest contributors to lower economic performance were the manufacturing, mining and transport, storage and communications sectors. Manufacturing and mining, which declined by 1.7 per cent and 1.8 per cent respectively, were substantially affected by load-shedding and lower domestic and international demand. The construction sector, which declined by 4 per cent, was also suppressed by persistent low business confidence, weak investment and low demand.

Business and consumer confidence declined in 2019/20 compared with the previous financial year, placing further pressure on already weak fixed capital investment which, as a result, declined by 1.6 per cent off a 2.1 per cent contraction in the previous financial year. This decline was largely driven by a 10.5 per cent contraction in general government investment which accounts for 30 per cent of total fixed capital investment.

Weak levels of household consumption persisted in 2019/20, growing at only 1.1 per cent compared with the already low 1.2 per cent in 2018/19. It was constrained by relatively high indebtedness, moderate wage increases, high levels

PART B: PERFORMANCE INFORMATION

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE ▶ *continued*

of unemployment and, from March 2020, the classification of durable and semi-durable goods as “non-essential” during the initial phases of government’s COVID-19 lockdown. On the back of lower oil prices and muted food price inflation, headline inflation slowed from 4.6 per cent in 2018/19 to 4.2 per cent on 2019/20.

In terms of monetary policy, a more contained inflationary environment as well as persistently low economic growth led the Reserve Bank to reduce interest rates in July 2019 by 0.25 percentage points to 6.5 per cent. In an attempt to further support economic growth, the bank implemented another rate cut, of 0.25 percentage points, in January 2020. With the onslaught of the coronavirus and the subsequent government lockdown measures, the bank was proactive in making a 1 percentage point rate cut in March 2020, ending the 2019/20 financial year at 5.25 per cent. This trend of rate cuts persisted into the 2020 calendar year with the repo rate declining to a historic low of 3.5 per cent by July 2020.

Weak domestic growth continues to have a negative impact on the fiscal situation. The main budget deficit came in at 6.7 per cent against a projection of 6.5 per cent in 2019/20. Gross government debt, which had been forecast to be 61.6 per cent of GDP rose to 63.3 per cent. Challenges related to delayed economic reforms, and risks from key SOCs, remained a significant risk to the country’s fiscal position. As a result, South Africa’s risk premium averaged 3.4 percentage points in 2019/20 compared with 3.07 percentage points in 2018/19; and the rand continued to depreciate, with the real exchange rate ending the financial year 4.1 per cent lower.

Despite the heightened risk premium, foreign direct investment in 2019/20 was up, at R47 billion, compared to the R18.45 billion of 2018/19. However, a significant proportion of this increase was due to foreign parent companies providing debt and equity funding to South African subsidiaries, particularly in the light of low economic activity and the COVID-19 lockdown. In addition, inward portfolio investment increased significantly in 2019/20 to R102.5 billion, compared to the outflow of R29.7 billion in 2018/19, as a result of non-resident acquisition of domestic debt securities despite the significant sell-off of domestic debt in the first quarter of 2020.

The current account deficit, as a percentage of GDP, narrowed to 2 per cent in 2019/20. This was largely due to a strong and positive trade balance in the second half of the financial year as a result of increasing export commodity prices (led by the price of gold), lower import prices and volumes (led by oil) and a smaller shortfall on the services, income and current transfer account which was boosted by lower dividend payments and higher dividend receipts.

In 2019/20, Cabinet embraced the ideas contained in the document “Towards an Economic Strategy for South Africa” which outlined the basic and fundamental pillars required to get the economy growing again. These include:

1. Strengthening the macroeconomic framework to create certainty
2. Transparency and lower borrowing costs
3. Focusing spending on education, health and social development
4. Modernising “network industries” and restructuring the state-owned enterprises

PART B: PERFORMANCE INFORMATION

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE ▶ *continued*

5. Opening markets to trade with the rest of the continent
6. Implementing a re-imagined industrial strategy
7. Lowering the cost of doing business
8. Focusing on job-creating sectors, such as agriculture and tourism.

To create an economy that can deal substantially with the triple challenges of poverty, inequality and unemployment, these priorities, which have been re-emphasised in the Economic Reconstruction and Recovery Plan recently announced by President Ramaphosa and which will be driven by Operation Vulindlela, must be at the top of the reform agenda.

ECONOMIC INDICATORS	2016/17	2017/18	2018/19	2019/20
GDP growth (y/y)	0.8%	1.3%	0.6%	0.2%
Household consumption growth (y/y)	0.6%	2.7%	1.2%	1.1%
Gross fixed investment growth (y/y)	-2.9%	1.2%	-2.1%	-1.6%
RMB/BER Business Confidence Index (average)	37.0	34.0	33.3	23.3
RMB/BER Consumer Confidence Index (average)	-7.3	0.0	9.5	-4.5
Unemployment rate	27.0%	27.2%	27.4%	29.3%
Consumer inflation (y/y)	6.3%	4.7%	4.6%	4.2%

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 is currently under way.

2.3 ORGANISATIONAL ENVIRONMENT

Exercising care, restraint, responsibility and resilience, the National Treasury maintained organisational stability while advancing a number of key-stone key initiatives designed to increase the department's service delivery maturity.

During the final year of the fifth administration, a wide-ranging five-year review of the organisation was carried out. Matters reviewed included performance achievements; people management; financial management; organisational structures; governance; and statutory and parliamentary matters. The review contributed to the extensive internal stakeholder-driven process to develop the department's Strategic Plan 2020-2025. The process involved all employees in assessing the department in terms of a number of criteria and proposing measures to improve it for employees,

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE ▶ *continued*

government, sector stakeholders and citizens. These measures will strengthen the National Treasury's ability to achieve its vision, mission, values, outcomes and service delivery priorities over the next five years.

As well as carrying out the strategic planning process, and guided by EXCO, the department developed an Optimising the Organisation plan to review and reset the four pillars of the organisational foundation:

- Governance, planning, people and financial management services
- Building and reinforcing organisational leadership, including a leadership support programme; and strengthening internal collaboration protocols between divisions
- Developing and strengthening organisational structures, including capacity building, reinforcing trust and enhancing communication
- Establishing and promoting partnerships.

The plan has added to the National Treasury's performance planning and monitoring ecosystem and will be fully implemented in the new five-year cycle starting in 2020/21.

The department's five-year strategy and Optimising the Organisation Plan have been bolstered by the Organisational Review which started in this reporting period. The as-is business processes have been completed and an organisational design developed. Internal consultations are underway and it is expected that project implementation will accelerate into the new financial year.

Chief directorate operational planning was rolled out, with the link between operational plans and individual plans fully in place. Individual annual reviews were informed by the performance achieved by each Chief Directorate.

To address the problem of vacancies and retention, a number of initiatives took place during the reporting year to advance the National Treasury's internal capacity building and development programmes with a focus on increasing integration between talent acquisition and the department's Graduate Development Programme. The Optimising the Organisation Plan prioritises employee engagement, a key focal area for the Human Resources The 'DG in Discussion' internal stakeholder engagement programme continued to be successfully rolled out.

To mainstream gender matters in the National Treasury, the DG established a special committee which will coordinate organisational introspection on gender issues and review the departmental norms, values, policies, practices and support services to ensure that they are free from discrimination and responsive to the specific needs of women employees. The committee will hold the department accountable for actions and omissions and, going into the next reporting period, will identify areas that need to be addressed and will propose change steps through which the organisation can transform.

PART B: PERFORMANCE INFORMATION

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE ▶ *continued*

ICT services are critical to the work of the National Treasury. Responding to increased demand, the department significantly increased its ICT infrastructure capacity and invested in cyber security technology to safeguard against data loss. Progress was made in optimising and automating the department's processes; deploying converged communication technologies; and improving the eTender, Integrated Financial Management System (IFMS) and Vulekamali portals.

The National Treasury remains committed to achieving its mandate which the Public Finance Management Act describes as 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 2019/20 APP. This involved:

- Further development, followed by implementation, of the comprehensive prudential and market conduct framework for new authorities.
- Development of retirement reform policies.
- Providing advice and input into tax policy, frameworks and legislation.
- Conducting research into key areas of the economy to better inform implementation of economic policy.
- Coordination of the national budgeting process. This entails overseeing expenditure planning, leading the budget reform programme and compiling public finance statistics.
- Monitoring and analysing public expenditure.
- Coordinating fiscal relations between the three spheres of government: national, provincial and local. A key aim is to ensure sound budgetary planning at provincial and local levels of government.
- Managing government's annual funding programme by optimally managing public debt; ensuring that government's liquidity requirements are met through effective cash management; and overseeing SOCs to enable them to achieve government's policy objectives in a financially and fiscally sustainable manner.
- Improving financial management governance and compliance across all spheres of government and in government entities, thereby giving effect to the PFMA and MFMA.
- Managing government's financial systems.
- Overseeing and improving government's SCM systems.

PART B: PERFORMANCE INFORMATION

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE ▶ *continued*

- Advancing South Africa's national economic interests specifically, and those of Africa generally, in the context of reputable international institutions dealing with economic development.
- Effectively administering programmes in partnership with stakeholders including facilitating employment creation through the Jobs Fund; improving municipal finances through the Municipal Finance Improvement Programme (MFIP); and working with cities to ensure economic growth and poverty reduction through the Cities Support Programme (CSP).

2.4 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

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

PART B: PERFORMANCE INFORMATION

3. STRATEGIC OUTCOME ORIENTED GOALS

STRATEGIC OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE ACHIEVEMENT OF THE 5-YEAR TARGETS
<p>Programme 1: Administration</p>	<p>Corporate Services Division</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>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 focused on reducing instances of deviations and non-compliance. The unit successfully reviewed 96 per cent of existing contracts and 100 per cent of close-out reports in respect of expiring contracts. Semi-annual and annual tax reconciliations were compiled accurately and submitted to the South African Revenue Service (SARS) six weeks before the closing date. The unit increased its efforts in processing supplier payments and processed 97 per cent of payments within an average of 12 days from receipt of an invoice.</p> <p>The Chief Risk Office continued to enhance the practice and application of risk management principles by working in harmony with Strategic Planning, Monitoring and Evaluation to develop operational plans and to integrate risk management into projects. There is improved alignment between divisions' strategic objectives and operational plans with the respective risks identified. This has strengthened the Risk Management unit's ability to monitor the implementation of risk mitigation strategies.</p> <p>Business Continuity improved its maturity by conducting a Business Impact Analysis for the department to enable continuity of operations during business disruption. Business continuity solution measures for the National Treasury have been enhanced to enable employees to work from home. Business continuity sites (with seating arrangements) are available and pre-programmed to allow for seamless continuity of critical activities. A Disaster Recovery site is available and operational in Pietermaritzburg.</p>

PART B: PERFORMANCE INFORMATION

3. STRATEGIC OUTCOME ORIENTED GOALS ▶ *continued*

STRATEGIC OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE ACHIEVEMENT OF THE 5-YEAR TARGETS
Programme 1: Administration	Corporate Services Division
	<p>Strategic Planning, Monitoring and Evaluation was strengthened with the full roll-out of standardised operational planning for all National Treasury Chief Directorates. This has added to the existing organisational planning ecosystem of strategic outcomes, annual performance and project planning. Operational objectives for each Chief Directorate have been aligned with each Chief Director's key performance areas, creating a direct link between organisational and individual performance. This level of planning is a further contribution to aligning the planning practices of risk analysis, performance planning, budgeting, human resources performance management, responding to internal audit findings, intelligent reporting and evidence-based decision making. Processes to monitor performance have been strengthened principally in the areas of compliance with the AGSA's Annual Performance Report (APR) requirements, administration of reporting and the introduction of upfront agreements with divisions on the type and nature of evidence of performance achieved required for each indicator in each quarter.</p> <p>The increasing pressures on the fiscus and the continuous adjustment in the budget for compensation of employees are challenging and the opportunity for Human Resources to retain staff through offering higher remuneration is not sustainable. Future retention efforts may need to focus on increasing exposure of employees in other National Treasury Divisions, improving the working environment and alternative methods of recognition.</p> <p>ICT continued supporting the department to deliver against its mandates in a more technologically innovative way. Processes such as budgeting, procurement enhancement and monitoring continued to be conducted in a secure and collaborative environment. The unit further positioned the department for the Fourth Industrial Revolution by fast-tracking digitising and automating departmental processes.</p>

PART B: PERFORMANCE INFORMATION

3. STRATEGIC OUTCOME ORIENTED GOALS ▶ *continued*

STRATEGIC OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE ACHIEVEMENT OF THE 5-YEAR TARGETS
Programme 1: Administration	Corporate Services Division
	<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 by government more broadly. 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 National Treasury. The department hosted frequent media interviews and, through the website, published media statements communicating key policy issues to the public. The unit also used content from the National Treasury's divisions to create social media banners to keep the public updated and rapidly informed about policy developments in the department. There was continuous media content development, monitoring and analysis to ensure effective and efficient media and communication management on all platforms.</p> <p>Legal Services continued to provide a comprehensive legal advisory service to assist National Treasury to carry out its mandate within the rule of law. During the year under review, Legal Services provided civil litigation services in cases involving a complex combination of law and policy in the following major areas: constitutional challenges to legislation, procurement, special pensions, labour and general litigation, with notable successes in the High Court.</p>

PART B: PERFORMANCE INFORMATION

3. STRATEGIC OUTCOME ORIENTED GOALS ▶ *continued*

STRATEGIC OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE ACHIEVEMENT OF THE 5-YEAR TARGETS
Programme 2: Economic Policy, Tax, Financial Regulation and Research	Economic Policy Division
<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"> • Developing tax policy proposals and supporting tax legislation for the annual budget. • Monitoring the collection of revenue through ongoing consultation with relevant stakeholders, and analysing the factors determining tax collection. • Providing macroeconomic forecasts and scenario modelling. • Providing economic policy analysis, research, assessment and advice on macro and microeconomics, including government policy proposals. 	<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 analysed monetary and exchange rate policy; worked on the Employment Tax Incentive evaluation and extension; published <i>Economic Transformation, Inclusive Growth: Towards an Economic Strategy for South Africa</i>; carried out research on competition and jobs, competitiveness of small businesses, exchange rate, export performance, work mobility and productivity spillovers; appraised suggested product designations and International Trade Administration Commission (ITAC) submissions; and provided inputs into key policy processes including electricity sector reform, economic regulation of rail and small business development.</p> <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>

PART B: PERFORMANCE INFORMATION

3. STRATEGIC OUTCOME ORIENTED GOALS ▶ *continued*

STRATEGIC OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE ACHIEVEMENT OF THE 5-YEAR TARGETS
Programme 2: Economic Policy, Tax, Financial Regulation and Research	Tax and Financial Sector Policy Division
	<p>The Tax and Financial Sector Policy division published tax proposals in the annual budget review and prepared and published tax legislation to give effect to tax proposals tabled and adopted by Parliament and enacted into law. The division monitored the revenue collected by SARS, analysing the reason for the shortfall; and provided logistical support to the Ministry to assist with implementing the Nugent Commission's recommendations on rebuilding SARS' capacity.</p> <p>The division finalised the regulations that led to the commencement of the Financial Sector Regulation Act (2017) (the Twin Peaks legislation) as well as the establishment of the two regulatory bodies arising from the Act. After public comments have been incorporated, the revised draft Conduct of Financial Institutions (COFI) Bill will be published for public comment in the next financial year. Through the Parliamentary process, the division facilitated publication of the draft Conduct Standard setting out requirements for the conduct of banks. After receiving public and stakeholder comments on the policy review paper, the division has started the process of revising the National Payment System (NPS) Act (1998).</p>

PART B: PERFORMANCE INFORMATION

3. STRATEGIC OUTCOME ORIENTED GOALS ▶ *continued*

STRATEGIC OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE ACHIEVEMENT OF THE 5-YEAR TARGETS
Programme 3: Public Finance and Budget Management	Budget Office Division
<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"> • Providing analysis and advice on fiscal policy and public finances, intergovernmental financial relations and expenditure planning and priorities. • Managing the annual budget process and providing public finance management support. 	<p>The Budget Facility for Infrastructure (BFI), established to support the execution of national priority projects, has completed its review of 25 large infrastructure proposals under BFI Window 3. 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 2019 Budget proposed large-scale expenditure reprioritisation and tax measures aimed at narrowing the deficit and stabilising the debt-to-GDP ratio. Tax measures were expected to raise an additional R15 billion in 2019/20 and R10 billion in 2020/21. Relative to the 2018 MTBPS, baselines were reduced by R50.3 billion, with about half of this amount relating to compensation. These reductions were offset by provisional allocations of R75.3 billion over the next three years, mainly for Eskom’s reconfiguration. In total, the expenditure ceiling was raised by R14 billion in 2019/20, R1.3 billion in 2020/21 and R732 million in 2021/22. The preliminary outcomes for 2019/20 were published in the 2020 Special Adjustments Budget (SAB).</p> <p>The revenue and expenditure measures would narrow the consolidated budget deficit from 4.5 per cent of GDP in 2019/20 to 4 per cent by 2021/22. Gross national debt was projected to stabilise at 60.2 per cent of GDP in 2023/24. The 2020 Budget projected debt to continue rising. In the 2020 SAB, government took a countercyclical approach in response to the COVID-19 pandemic in 2020/21, in which the main budget deficit is projected to widen to 14.6 per cent of GDP and debt to reach 81.8 per cent of GDP.</p> <p>Implementation of the 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 will continue to be processed during the 2020/21 financial year.</p> <p>Despite issuing the final report on remedial action contained in the Public Protector Report No. 18 of 2011/12 on alleged maladministration during privatisation of the Venda Pension Funds, National Treasury has responded to requests for engagements with several community groups. The basis for this engagement has been clearly delineated as additional and distinct from the ongoing legal process that is currently underway.</p>

PART B: PERFORMANCE INFORMATION

3. STRATEGIC OUTCOME ORIENTED GOALS ▶ *continued*

STRATEGIC OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE ACHIEVEMENT OF THE 5-YEAR TARGETS
Programme 3: Public Finance and Budget Management	Budget Office Division
	<p>The budget processes continued to ensure that the sharing of division of revenue allocations among provinces and municipalities is highly redistributive, with significantly higher per capita allocations to poorer provinces and municipalities. This will enable progress to be made in achieving their Medium-Term Strategic Framework (MTSF) targets.</p>
	Public Finance Division
	<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>
	Inter-Governmental Relations Division
	<p>The division provided support to provinces to build capacity in infrastructure departments (Education and Health). Structured training provided to government officials on the Infrastructure Delivery Management System (IDMS) contributes to improving the administration of public finances, planning alignment and budgeting.</p> <p>With the National Departments of Health and Education, respectively, the division assessed provincial infrastructure plans, thus contributing to better-integrated planning and budgeting.</p> <p>The Cities Support Programme (CSP) continued to assist metros to strengthen their long-term financial models and their Built Environment Performance Plans (BEPPs). Support to metros on the outcomes-focused reporting reforms project completed its first year of implementation and work with the Department of Cooperative Governance and Traditional Affairs (CoGTA) continues to further roll out this reforms process to secondary cities.</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 R2 billion in third-party investment in these areas, contributing to economic growth and job creation. In collaboration with the CSP and with cities, the Cities Investment Programme Project Preparation Facility framework was finalised. 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>

PART B: PERFORMANCE INFORMATION

3. STRATEGIC OUTCOME ORIENTED GOALS ▶ *continued*

STRATEGIC OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE ACHIEVEMENT OF THE 5-YEAR TARGETS
	<p data-bbox="785 533 1233 562">Inter-Governmental Relations Division</p> <p data-bbox="785 573 1437 913">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 data-bbox="785 954 1437 1328">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 approach. Through its Municipal Finance Improvement Programme (MFIP III), the National Treasury has placed technical advisors in five 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 data-bbox="785 1368 1437 1675">The National Treasury provided further extensive support 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 data-bbox="785 1715 1437 1980">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 DORA workshops, and training offered by the division and one offered by the University of Antwerpen in Belgium. The division continued to collaborate with provincial treasuries on own revenue, assisting with ways in which collection of revenue will continuously improve.</p>

PART B: PERFORMANCE INFORMATION

3. STRATEGIC OUTCOME ORIENTED GOALS ▶ *continued*

STRATEGIC OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE ACHIEVEMENT OF THE 5-YEAR TARGETS
	<p>Inter-Governmental Relations Division</p> <p>Reforms have been made to the provincial and local government fiscal frameworks, including introducing new components to the human settlements development grant and the urban settlements grant from the 2019/20 financial year to intensify efforts to upgrade informal settlements in partnership with communities and publishing the draft Municipal Fiscal Powers and Functions Amendment Bill, intended to improve the regulation of development charges, for public comment in January 2020.</p>
<p>Programme 4: Asset and Liability Management</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>Asset and Liability Management Division</p> <p>The division continued to review all corporate plans and annual reports received timeously from state-owned companies (SOCs), development finance institutions (DFIs) and water boards. The analysis formed the basis for reporting in the annual Budget Reviews and Mid-Term Budget to inform stakeholders about SOCs' performance over the years.</p> <p>The division continuously monitored the guarantees to Eskom, Denel, South African Airways (SAA), South African Express (SAX), the South African Post Office (SAPO) and the Land Bank and provided quarterly reports on compliance with guarantee conditions to the Fiscal Liability Committee (FLC).</p> <p>Through their shareholder, the Minister of Public Enterprises, Eskom and the South African Airways (SAA) applied for foreign currency borrowing limits. Eskom's request was approved, for an amount of R266.2 billion. Based on its unsustainable financial position, SAA's request was declined.</p> <p>The Development Bank of Southern Africa (DBSA) also applied for a foreign currency borrowing limit during the year. The request was approved as follows: R19.5 billion in the 2020/21 financial year and R20.9 billion in the 2021/22 financial year. Due to the weakening in the exchange rate, towards the end of the reporting year the DBSA requested a revision of the approved amounts; this was considered after 31 March 2020.</p>

PART B: PERFORMANCE INFORMATION

3. STRATEGIC OUTCOME ORIENTED GOALS ▶ *continued*

STRATEGIC OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE ACHIEVEMENT OF THE 5-YEAR TARGETS
	<p>Asset and Liability Management Division</p> <p>During the year, 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 the 2020/21 financial year and R223 million for the 2021/22 financial year; 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>Although the debt portfolio has grown from a gross loan debt of R1.8 trillion in March 2015 to an estimated gross loan debt of R3.2 trillion in March 2020, none of the benchmark indicators were breached. To reduce the cost of funding new debt, the government issued a portion of the overall funding in the 7-10 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 13 years as at 31 March 2020.</p> <p>The government successfully financed the gross borrowing requirement of R414.5 billion. This was financed through net issuance of domestic short-term loans (R36.1 billion), domestic long-term loans (R305.4 billion) and foreign loans of R76.1 billion (US\$5.0 billion). In addition, R3.1 billion of cash and other balances was used to finance part of the gross borrowing requirement. During 2019/20, R12.8 billion of short-dated bonds were exchanged for long-dated bonds.</p> <p>The cost of servicing government debt amounted to R204.8 billion compared to the original budget of R202.2 billion. During the reporting year, domestic and foreign loans of R70.6 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>

PART B: PERFORMANCE INFORMATION

3. STRATEGIC OUTCOME ORIENTED GOALS ▶ *continued*

STRATEGIC OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE ACHIEVEMENT OF THE 5-YEAR TARGETS
<p>Programme 5: Financial Accounting and Supply Chain Management Systems</p>	<p>Office of the Accountant General Division</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"> • The appointment of suitably qualified financial officials; • Growing the internship programme for graduates to be absorbed in municipalities; • Implementing budget reforms; • Improving supply chain management; • Addressing shortcomings in revenue management; • Strictly implementing controls in expenditure management; • Developing asset management plans that also address their repair and maintenance of assets; • Producing accurate accounting records; • Assisting in achieving auditing compliance and in producing reports that are reliable and of a quality; and • Supporting the training of officials to meet the minimum competencies. 	<p>The Office of the Accountant General (OAG) is the custodian of the Public Finance Management Act (PFMA) and the Municipal Finance Management Act (MFMA) within the National Treasury. The OAG is tasked with facilitating accountability and transparency in the management of the country's financial resources.</p> <p>A process has been initiated to align the MFMA and the Municipal Systems Act to ensure better correlation of policy direction and implementation. This will result in changes to national and provincial departments' mandates as they relate to local government. Administrative governance will be administered by the Department of Cooperative Governance (DCoG) as well as coordinate service delivery sectors. The National Treasury will be responsible for financial management and financial governance. Implementation of a Memorandum of Understanding (MOU) signed between National Treasury and DCoG in 2018 has commenced.</p> <p>As part of the process of improving financial management governance and compliance, the OAG facilitated bi-annual meetings with stakeholders involved in the local government sphere to discuss and take resolutions on improving financial management in local government. Among other topics, these discussions dealt with the Financial Management Grant; unauthorised, irregular, fruitless and wasteful expenditure (UIFWE); audit outcomes; progress with the Financial Management Capability Maturity Model (FMCMM); and financial recovery plans.</p> <p>The annual MFMA compliance reports, compiled from quarterly compliance reports, highlight progress made and areas where remedial actions are required to correct weaknesses.</p> <p>The financial management grant of R533 million was transferred to all 257 municipalities. The annual review of the support plans indicated that funds were allocated to appointing financial management interns; improving financial management systems; compiling Annual Financial Statements (AFS); training officials to meet the minimum competency levels; addressing audit findings and shortcomings in the FMCMM assessments; and strengthening the capacity of Budget and Treasury Offices (BTOs).</p>

PART B: PERFORMANCE INFORMATION

3. STRATEGIC OUTCOME ORIENTED GOALS ▶ *continued*

STRATEGIC OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE ACHIEVEMENT OF THE 5-YEAR TARGETS
<p>The Office of the Chief Procurement Officer aims to:</p> <ul style="list-style-type: none"> • Modernise the state procurement system to be fair, equitable transparent, competitive and cost effective; • Enable the efficient, economic effective and transparent utilisation of financial and other resources, including state assets, for improved service delivery; and • Promote, support and enforce the transparent and effective management of state procurement and the sound stewardship of government assets and resources. 	<p>Office of the Accountant General Division</p> <p>In conjunction with SALGA, provincial Treasuries and CoGTA, Municipal Public Accounts Committees (MPACs) are continuously provided with training on their oversight functions to assist in reducing UIFW expenditure and strengthen financial management related functions. This was underpinned by the issuance of the MPAC Guideline and Toolkit and MFMA Circular 92 to further support MPACs. One-on-one engagement sessions, including mid-year budget assessment reviews, continued with the top ten municipalities contributing towards UIFWE to monitor progress in reducing UIFWE and measures to address slow progress.</p> <p>Thirty municipalities with adverse and disclaimer audit opinions were identified for support over the medium-term. A rapid response task team was formed to assist the Municipal Financial Recovery Service with preparation of Financial Recovery Plans. Nine municipalities were assisted with developing and reviewing their recovery plans.</p> <p>Noteworthy is the consolidation of the Forum of South African Directors-General (FOSAD) and the Standing Committee on Public Accounts (SCOPA) reports, which outline issues of governance and proposed remedial actions. This annual report is collated from the quarterly dashboard reports at local government level. It demonstrates the level of compliance with the MFMA in municipalities, progress made and areas where remedial actions are required to correct weaknesses.</p> <p>The division provided support to national, provincial and local level spending agencies in accounting, risk management and internal audit. State of readiness assessments in internal audit, 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.</p> <p>The consolidation of the annual financial statements for national government and entities were tabled in Parliament to provide oversight structures with the tools to hold spending agencies accountable.</p>

PART B: PERFORMANCE INFORMATION

3. STRATEGIC OUTCOME ORIENTED GOALS ▶ *continued*

STRATEGIC OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE ACHIEVEMENT OF THE 5-YEAR TARGETS
	<p data-bbox="746 533 1230 562">Office of the Accountant General Division</p> <p data-bbox="746 577 1398 1055">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 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. Furthermore, both the Swiss funded Procurement Infrastructure and Knowledge Management (PINK) and the European Union (EU) Financial Management for Improved Service Delivery programmes have been launched to strengthen the implementation of both the MFMA and PFMA reforms across beneficiary municipalities and other clients.</p> <p data-bbox="746 1095 1398 1189">Municipalities with a history of disclaimer and adverse audit opinions for the past three financial years were identified for support since 2017/18 and over the medium-term.</p> <p data-bbox="746 1229 1398 1435">Support to municipalities included providing advice and resource placement through the MFIP as well as the development of financial recovery plans for those municipalities under distress or where governance failures have occurred. The Municipal Financial Recovery Service (MFRS) assisted municipalities with the preparation of financial recovery plans.</p> <p data-bbox="746 1476 1398 1538">The work of law enforcement authorities has been supported through investigations and the production of germane reports.</p> <p data-bbox="746 1579 1398 1673">The OAG division continued to meaningfully participate in and contribute to the Governance and Administration cluster of government.</p>

PART B: PERFORMANCE INFORMATION

3. STRATEGIC OUTCOME ORIENTED GOALS ▶ *continued*

STRATEGIC OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE ACHIEVEMENT OF THE 5-YEAR TARGETS
	<p data-bbox="785 533 1337 564">Office of the Chief Procurement Officer Division</p> <p data-bbox="785 577 1439 741">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 opportunities for SMMEs.</p> <p data-bbox="785 786 1439 1261">The development of sourcing strategies for state institutions is one of the initiatives to curb government spend on procurement and obtain value for money. In the reporting period, through the Office of the Chief Procurement Officer the National Treasury provided sourcing strategies for Department of Health on the expanded programme on immunisation vaccines and the radiology picture archiving system; for the Department of Correctional Services on prison food provision; and for the Department of Basic Education for e-Education. Centralisation of contracts in the public sector is essential as it sources goods and services through bulk purchasing and economies of scales. 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 about these opportunities.</p> <p data-bbox="785 1305 1439 1532">The engagement platforms for provincial treasuries continue to assist with creating uniformity in public procurement. Through engagement with private colleges, the division worked to ensure that graduates have information about careers in public procurement. A partnership with Vulekamali/Openup created further connections with suppliers, with the material developed made available online.</p>

PART B: PERFORMANCE INFORMATION

3. STRATEGIC OUTCOME ORIENTED GOALS ▶ *continued*

STRATEGIC OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE ACHIEVEMENT OF THE 5-YEAR TARGETS
<p>Programme 6: International Financial Relations</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>International and Regional Economic Policy Division</p> <p>During the reporting year, the National Treasury represented South Africa in the recapitalisation of the African Development Bank (AfDB). In October 2019, the Board of Governors of the AfDB approved a 125 per cent general capital increase to assist with delivering on its mandate of supporting member countries to achieve their development objectives. South Africa's participation and subscription to these institutions enables the country to maintain its voice and shareholding and to influence the decision-making process, as well as access to funding for developmental purposes.</p> <p>In November 2019, South Africa co-hosted the Africa Investment Forum (AIF) with the African Development Bank (AfDB) in Johannesburg. The aim of the AIF is to mobilise funds for infrastructure development and to bridge an estimated funding gap of US\$130-170 billion a year in the continent. The AIF is also supportive of the President's US\$100 billion investment mobilisation and the African Union's Agenda 2063 for socio-economic transformation of the continent within the coming half century. South Africa submitted five projects valued at US\$6.8 billion and received investment interest valued at US\$3.5 billion.</p> <p>In 2019, the National Treasury represented South Africa in the replenishment 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 African Union (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>

PART B: PERFORMANCE INFORMATION

3. STRATEGIC OUTCOME ORIENTED GOALS ▶ *continued*

STRATEGIC OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE ACHIEVEMENT OF THE 5-YEAR TARGETS
	<p data-bbox="785 533 1394 566">International and Regional Economic Policy Division</p> <p data-bbox="785 577 1437 880">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. Key areas identified to support the developmental objective included industrialisation through regional value chain development and infrastructure development; a regional financing mechanism which could support this remains under discussion by SACU.</p> <p data-bbox="785 920 1437 1122">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 data-bbox="785 1164 1437 1400">On behalf of the South African government, the National Treasury successfully concluded the International Monetary Fund (IMF) staff visit and the IMF Article IV Consultation in May and November 2019 respectively. The National Treasury also facilitated a visit by the IMF Chief Economist, Gita Gopinath, to the country; the purpose was to enhance policy dialogue and exchange views on economic developments in South Africa.</p> <p data-bbox="785 1440 1437 1709">In January 2020, the IMF Executive Board approved a doubling of the New Arrangements to Borrow (NAB) and proposed to the Board of Governors a resolution concluding the 15th General Review of Quotas. South Africa, as an IMF and NAB member, participated in and agreed to this. The purpose of these important decisions was to ensure that the IMF, as the centre of the Global Financial Safety Net, is adequately resourced to respond to financial crises including those arising from the COVID-19 pandemic.</p> <p data-bbox="785 1749 1437 1984">The National Treasury supported the President and the Minister in their engagement at the Osaka Group of Twenty (G20) Summit in June 2019, where the President was a lead speaker in the session "Addressing Inequalities and Realising an Inclusive and Sustainable World" which focused on employment, women's empowerment, the SDGs, quality infrastructure development, global health and development cooperation.</p>

PART B: PERFORMANCE INFORMATION

3. STRATEGIC OUTCOME ORIENTED GOALS ▶ *continued*

STRATEGIC OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE ACHIEVEMENT OF THE 5-YEAR TARGETS
	<p data-bbox="746 533 1398 566">International and Regional Economic Policy Division</p> <p data-bbox="746 577 1398 741">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; this focused on encouraging infrastructure investment through the development of digital platforms.</p> <p data-bbox="746 786 1398 981">To date, South Africa has secured New Development Bank (NDB) investments to the value of US\$3.25 billion for various sectors. Noteworthy during this financial year was the NDB's approval and disbursement to South Africa of US\$1 billion from the COVID-19 Emergency Program which provides economic and social relief from the impact of the COVID-19 pandemic.</p> <p data-bbox="746 1025 1398 1122">In April 2019, the NDB registered a R10 billion bond programme in South Africa. The programme, within unlimited validity, is listed on the Johannesburg Stock Exchange.</p> <p data-bbox="746 1167 1398 1330">The World Economic Forum (WEF) gives South Africa an opportunity to position the country as an attractive investment destination for international investors. The National Treasury led the planning and coordination of the African leg of the WEF held in September 2019 in Cape Town.</p> <p data-bbox="746 1375 1398 1709">In January 2020, the Minister of Finance led the South African delegation to the annual Davos World Economic Forum Summit; the theme was "Stakeholders for a Cohesive and Sustainable World". Participants included South African business and civil society representatives; the common objective was to influence investor confidence positively by positioning South Africa as a business and investment destination of choice. Davos offers an invaluable platform for South Africa as it is a place of convergence for global captains of industry and civil society influencers where the agenda for the global economy is set.</p>

PART B: PERFORMANCE INFORMATION

3. STRATEGIC OUTCOME ORIENTED GOALS ▶ *continued*

STRATEGIC OUTCOME	ACHIEVEMENT TO DATE TOWARDS THE ACHIEVEMENT OF THE 5-YEAR TARGETS
<p>Programme 7: Civil and Military Pensions, Contributions to Funds and Other Benefits</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>Civil and Military Pensions, Contributions to Funds and Other Benefits</p> <p>The programme has continued to achieve above its annual targets. During the reporting period, 100 per cent delivery on its Service Level Agreement indicators was achieved and three APP indicators' targets were exceeded. This is attributed to continuous monitoring of production statistics and effective administration of the programme fund benefits.</p>
<p>Programme 8: Technical and Management Support and Development Finance</p> <p>This programme provides advisory services, programme management and development finance support to improve public finance management, support high-impact government initiatives, facilitate employment creation and strengthen infrastructure planning and delivery.</p>	<p>Technical and Management Support and Development Finance</p> <p>During the reporting period, 80 financial management technical advisors were placed at the National Treasury, provincial treasuries and municipalities to support implementation of the six local government financial management game changers. These game changers include capacity support to improve (1) audit outcomes; (2) asset management; (3) SCM; (4) revenue management; (5) the implementation of mSCOA; and (6) Funded budgets. The National Treasury has approved 37 projects, with 22 completed in spatially targeted areas that contribute to socio-economic transformation and inclusive growth. The programme continued to provide support to selected national and provincial departments to institutionalise and sustainably implement the Infrastructure Delivery Management System (IDMS) which aims to improve infrastructure delivery in the public sector.</p>

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 PROGRAMME 1: ADMINISTRATION

PURPOSE

The programme ensures effective leadership, strategic management and administrative support to the National Treasury through continuous refinement of organisational strategy and structure in line with appropriate legislation and best practice.

STRATEGIC OBJECTIVES

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

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.

Management

This sub-programme primarily provides administrative services to 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

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

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 an holistic view of risk and the application of a robust risk management system. Fraud prevention is an integral part of the strategy, operations and administration function. The unit ensures that the National Treasury has a strategic risk profile register that enables coordination and alignment of strategic initiatives across the department.

Strategic Planning, Monitoring and Evaluation is tasked with embedding planning into the 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 transparency imperatives of the National Treasury by ensuring effective communication between the National Treasury and its stakeholders.

Corporate Services

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

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

Financial Management administers compliance with all relevant financial statutes and regulations, the most important

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

of which is the PFMA. In ensuring compliance, the unit strives to attain a balance between achieving service excellence and maintaining administrative controls.

Information and Communication Technology improves the National Treasury's operational efficiency, optimises costs, drives innovation and accelerates the delivery of services. The unit provides long term planning and day-to-day support in respect of ICT-enabled delivery using ICT services and systems.

Strategic Projects and Support is responsible for preserving the National Treasury's institutional memory and tangible knowledge and providing management support to internal projects. Knowledge management deals with the conservation and pollination of organisational information created within and in partnership with the National Treasury. Records management focuses on the preservation of tangible knowledge so that it can be accessed easily and 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

Risk Management continued to reconfigure its processes in order to entrench and improve the culture of risk management in the organisation. During the reporting year, the National Treasury further enhanced its practise and application of risk management principles by working in partnership with Strategic Planning, Monitoring and Evaluation to form operational plans and integrate risk management in projects. The Risk Management unit subsequently embarked on a process of reviewing and determining National Treasury risk appetite statements and tolerance thresholds. There has consequently been improved alignment of divisions' strategic objectives and operational plans with risks identified. This has allowed the Risk Management unit to strengthen monitoring of implementation of risks mitigation strategies. Four quarterly monitoring reports were produced.

Business Continuity improves organisational maturity by conducting business impact analyses to enable continuity of operations during normal business disruption. Business continuity solutions have been enhanced to enable employees to work from home; and business continuity sites, with seating arrangements, are available and pre-programmed to allow for seamless continuity of critical activities. A Disaster Recovery site is available and operational in Pietermaritzburg.

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

Internal Audit (IA) implemented its revised annual risk-based audit plan for 2019/20 as part of the three-year rolling plan, after consultation with management and approval by the National Treasury's Audit Committee and the Independent Regulatory Board for Auditors' Audit and Risk Management Committee. Thirty-two audits were approved and planned for in the revised audit plan for the 2019/20 financial year, for National Treasury; and 32 audits were completed at the end of the financial year. All changes to planned audits were approved by the Audit Committee. During the financial year, an additional nine ad hoc audits were conducted in the predetermined timeframe. 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.

Strategic Planning, Monitoring and Evaluation was further strengthened with the full roll-out of standardised operational planning for all 60 Chief Directorates, adding to the existing organisational planning ecosystem of strategic outcomes, annual performance and project planning. Operational objectives for each Chief Directorate have been aligned with the key performance areas of each Chief Director, creating a direct link between organisational and individual performance. This level of planning is a further contributor to aligning the planning practices of risk analysis, performance planning, budgeting, human resources performance management, responding to internal audit findings and reporting. All performance information plans and performance information reports' requirements were met. Processes to monitor performance have been strengthened, principally in the areas of compliance with the Annual Performance Report requirements of the Auditor-General of South Africa (AGSA), administration of reporting and introduction of upfront agreements with divisions on the type and nature of evidence required for each indicator for each quarter. Reporting has been further strengthened through intelligent reporting enhancements. This includes the introduction of new data sets and combined reporting that includes people's matters, risk reporting, expenditure reporting and resolution of audit findings, acting as a basis for evidence-based decision-making. Project Management Support provided guidance to seven new projects while continuing to provide support to all ongoing projects. Ongoing training was provided to teams in those units that have been identified as high owners of projects.

Human Resource Management staff turnover for the 2019/20 financial year was 10.4 per cent, a decrease from 13.9 per cent in the previous financial year. It is still significantly high; exits were mostly as a result of resignations which were at 42 per cent compared to 57 per cent in the previous financial year. The vacancy rate for the period under review was 11 per cent compared with 9.9 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 increasing exposure of employees, improving the working environment and alternative methods of recognition.

The National Treasury continued to encourage employees to consider rotations as part of ensuring sustainable employee engagement. Rotation, and acting in higher positions for exposure purposes, ensures that the department

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

has a diverse set of skills and is able to recruit internally should there be opportunities available. During the 2019/20 financial year, twelve interns were appointed to permanent positions.

Gender equity in the department remains high, with 59 per cent female employees. The gender equity target for Senior Management Service members has been exceeded, with 55 per cent female representation against the 50 per cent target. At the end of the financial year, the employment equity statistics indicated 0.86 per cent of employees who declared disabilities. There was an increase in awareness and utilisation of the department's Employee Health and Wellness programme to 10 per cent in the 2019/20 financial year from 8 per cent in the previous financial year.

Knowledge Management implemented learning and innovation sharing events themed according to the topics dealt with during the Learning and Innovation week and documented the National Treasury's core business processes as part of the Organisational Review project. The directorate has secured funding through the Office of the Accountant-General to implement knowledge management in collaboration with the Office of the Chief Procurement Officer (OCPO) and Intergovernmental Relations to implement the Procurement Infrastructure and Knowledge Management Capacity Development Programme (PINK) project, funded by the Swiss State Secretariat for Economic Affairs (SECO). The Records Management unit continued to ensure effective management of the National Treasury's records in line with the National Archives Act. Available filing space was increased by identifying, removing, archiving and capturing records in the records management database. Two Records Management Training workshops were conducted for National Treasury employees during the financial year. Approximately three tons of records that had reached the limit of their full retention period and no longer had any administrative value were disposed of in line with the standing disposal authority issued by the National Archives and Records Service of South Africa. The National Treasury's Promotion of Access to Information Act (PAIA) manual was approved and published on the department's website. Thirty-two requests for information from members of the public were received and finalised in line with the PAIA. The GTAC assisted with setting up its records-management system; its file plan was developed in-house and approved by the National Archives of South Africa.

Information and Communication Technology (ICT) retained a Management Performance Assessment Tool rating of 4 on ICT governance for the third consecutive year. The unit continued to position the department for the Fourth Industrial Revolution by fast tracking its drive to digitise and automate departmental processes. This includes:

- Mobility: enabling employees to work from anywhere in the world securely as if they are in the office
- Collaboration: unleashing collaboration tools for the entire department to enable video conferencing, teleconferencing and multiple people securely editing documents concurrently
- Security: measures to drastically reduce phishing scams and to prevent data leakage
- Business continuity: implementing the updated and approved Disaster Recovery Plan that includes a disaster recovery site in Pietermaritzburg
- Cloud Services: continuing to migrate relevant services to a government-controlled cloud environment
- e-Tenders revamp: securing and relaunching the e-Tenders portal

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

- Vulekamali portal: continuing to enhance the Vulekamali portal to make the budget process even more transparent whilst updating and maintaining the National Treasury website.

ICT continued supporting the department to deliver against its mandates in a more technologically knowledgeable way; processes such as budgeting, procurement monitoring and enhancement were once again conducted in a secure and collaborative environment.

Public Entities Oversight Unit (PEOU) ensured that all public entities reporting to the Minister of Finance complied with relevant governance and reporting requirements. All public entities' Strategic Plans and Annual Performance Plans were reviewed for ministerial approval and timeously tabled in Parliament. PEOU has, without compromising on quality, efficiently processed *ad hoc* appointment submissions to assist in filling vacant positions to prevent leadership instability within 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 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. The PEOU will continue to work efficiently and in partnership with all stakeholders in implementing risk-based oversight, which is a departure from the previous compliance-based and reactive model.

Financial Management continued to focus on reducing instances of deviations and non-compliance. The unit reviewed 96 per cent of existing contracts and 100 per cent of close-out reports in respect of expiring contracts. Semi-annual and annual tax reconciliations were compiled accurately and submitted to the SARS six weeks before the closing date. On 4 April 2019, the National Treasury was the first national department to close its financial records for the 2018/19 reporting period. The unit increased its efforts in processing supplier payments, processing 97 per cent of payments in an average of 12 days from receipt of an invoice.

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.

Drawing on content from the National Treasury's divisions, the unit published on the department's website a range of media statements 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.

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

The unit enhanced the image and reputation of the department through sensible, thoughtful, consistent and well-articulated internal communication messages disseminated through Corporate Communications. It assisted the department's business units to inform their stakeholders about the purpose and value of their work. It also successfully managed internal campaigns, including commemorations, staff briefings and information about wellness programmes; external campaigns and outreach projects about matters including the Budget and the Budget Vote, the MTBPS, conferences and social responsibility; and visuals, design, layout, production and brand activation for a range of production projects.

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 year under review Legal services:

Provided civil litigation services in respect of approximately 143 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. A few notable successes in the High Court include:

- A case where a taxpayer who unlawfully sought Minister's intervention in his tax dispute with the South African Revenue Service;
- Challenge by a pension fund seeking to set aside the regulations promulgated in terms of the Pension Funds Act and in particular the regulation requiring pension funds to pay the full amount of its quantified liability to untraced members into a contingency reserve account;
- Challenge to the Financial Markets Act to the extent that it does not preclude any form of non-competitive trade.

Provided commercial legal advice in respect of loans and guarantee to various SOEs, various contractual arrangements between the NT and its service providers and played a central role in the preparation of documents for the filing of the Republic's annual report, Form 18K with the USA Securities and Exchange Commission.

Assisted other organs of state like the Hawks and the Public Protector by assisting NT officials in drafting statements as requested by the aforementioned institutions. We have also been central in the presentation of evidence to the Commission of Inquiry into allegations of state capture, corruption and fraud in the public sector including organs of state.

Legislation prepared by the Chief Directorate and enacted into law during the reporting year included the annual budget legislation, including a Special Appropriation Act to provide funding for Eskom; and the Financial Matters

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

Amendment Act, 2019. The Auditing Profession Amendment Bill, proposing to strengthen the regulator's powers to deal more effectively with alleged improper conduct by auditors, was tabled in Parliament. The Financial Sector Laws Amendment Bill was finalised for Cabinet's approval for tabling 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 institution on financial stability is managed appropriately. Cabinet's approval to publish for comment the draft Public Procurement Bill, proposing to regulate all procurement by all organs of state, was obtained and the Bill published for public comment. A second draft of the Conduct of Financial Institutions Bill was developed. Amendments to the regulations in terms of the Financial Sector Regulation Act were published for public comment to enable the process for the appointment of the Commissioner and Deputy Commissioners of the Financial Sector Conduct Authority to proceed more efficiently and smoothly.

A number of Treasury Instructions and other legal instruments were scrutinised before being issued. Further adjustments to the effective dates of certain provisions of the Financial Sector Regulation Act, 2017, to accord with the readiness of affected institutions were published. The Chief Directorate provided legal advice to the Department and the Minister on numerous matters critical to the National Treasury and sectors to which the legislation it administers applies. The Chief Directorate also provided valuable input on draft legislation developed by other departments.

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

PERFORMANCE INDICATORS

PROGRAMME 1: ADMINISTRATION						
APP#	INDICATOR	ACTUAL ACHIEVEMENT 2018/2019	TARGET 2019/2020	ACTUAL ACHIEVEMENT 2019/2020	REASON FOR DEVIATION	
STRATEGIC OBJECTIVE 1.1: PROVIDE INTEGRATED BUSINESS SOLUTIONS						
1.1.1	Percentage of Enterprise Architecture Programme implemented.	#	10%	10%	N/A	
1.1.2	Percentage saved on the Rand value budgeted for paper usage, travel and strategic sourcing.	2.4%	2%	1.8%	Under-performance is attributed to: <ul style="list-style-type: none"> • service providers not being in the position/willing to negotiate prices due to the current stringent economic environment, and • delayed approval of flights by budget managers. 	
STRATEGIC OBJECTIVE 1.2: TO ENSURE GOOD GOVERNANCE AND A SOUND CONTROL ENVIRONMENT						
1.2.1	Percentage of the approved risk-based IA plan completed.	90.7%	100%	97%	Under-performance is attributed to delayed commencement of the audit in part due to availability of the auditee personnel and the provision of documentation.	
1.2.2	Number of quarterly risk implementation assessment reports produced.	4	4	4	N/A	
1.2.3	Number of quarterly reports on monitored performance of entities reporting to MoF.	4	4	4	N/A	
1.2.4	Percentage of Corporate Governance of ICT Program implemented.	#	20%	20%	N/A	

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

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

UNDER-PERFORMING INDICATORS AND ACTION PLANS			
PROGRAMME 1: ADMINISTRATION			
APP#	Indicator	Deviation	Action Plan
STRATEGIC OBJECTIVE 1.1: PROVIDE INTEGRATED BUSINESS SOLUTIONS			
1.1.2	Percentage saved on the rand value budgeted for paper usage, travel and strategic sourcing	<p>Under-performance is attributed to:</p> <ul style="list-style-type: none"> service providers not being in the position/willing to negotiate prices due to the current stringent economic environment, and delayed approval of flights by budget managers. 	<ul style="list-style-type: none"> To ensure negotiations through all approved Bids and RFPs; and Negotiation processes on RFQs continues to contribute to the overall savings.
STRATEGIC OBJECTIVE 1.2: TO ENSURE GOOD GOVERNANCE AND A SOUND CONTROL ENVIRONMENT			
1.2.1	Percentage completion of the approved risk-based IA plan	Under-performance is attributed to delayed commencement of the audit in part due to availability of the auditee personnel and the provision of documentation.	The team went in to finalise the audit as soon as the client started to go into office on a one third rotation basis to obtain the physical evidence to finalise the audit

CHANGES TO PLANNED TARGETS

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

LINKING PERFORMANCE WITH BUDGETS

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

PROGRAMME 1: ADMINISTRATION	2019/20			2018/19		
	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	4 434	3 687	747	4 659	3 692	967
Departmental Management	48 062	30 890	17 172	52 714	51 055	1 659
Corporate Services	156 200	133 094	23 106	139 960	126 408	13 552
Enterprise Wide Risk Management	35 248	31 604	3 644	31 786	29 318	2 468
Financial Administration	50 360	47 286	3 074	45 342	43 397	1 945
Legal Services	22 680	22 171	509	22 524	22 297	227
Internal Audit	37 923	34 235	3 688	34 892	32 182	2 710
Communications	12 753	10 926	1 827	10 960	9 681	1 279
Office Accommodation	143 710	139 741	3 969	110 982	106 242	4 740
Total	511 370	453 634	57 736	453 819	424 272	29 547

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

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.

STRATEGIC OBJECTIVES

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

SUB-PROGRAMMES

Programme Management for Economic Policy, Tax, Financial Regulation and Research

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

Research

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

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

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 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 Policy Chief Directorates implemented the tax proposals from the 2019 Budget during the 2019/20 financial year; this entailed drafting, tabling and enacting legislation. The aim of the tax amendments was to raise an additional R15 billion in tax revenue to support fiscal sustainability by not fully adjusting personal income tax brackets and rebates for inflation; higher than inflation increases in excise duties on alcohol and tobacco; and the introduction of a carbon tax levy on fuel. Additional measures were included to limit tax avoidance by restricting the use of 'dividend stripping' arrangements and by tightening anti-avoidance provisions for some tax incentives and controlled foreign companies. The Tax and Financial Sector Policy division supported the process to further improve governance arrangements at the South African Revenue Service. The Chief Directorates also conducted research and provided advice to the Minister on options for tax policy proposals for the 2020 Budget, which avoided increases in tax in the present weak economic environment and 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 Budget, updated the estimates for tax expenditures and proposed numerous technical tax amendments to be legislated in 2020.

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

The unit continued with implementation of the Financial Sector Regulation (FSR) Act and began the recruitment process to appoint a Commissioner and Deputy Commissioners of the Financial Sector Conduct Authority. The division also held an inaugural meeting and workshop of the Financial System Council of Regulators established by the FSR Act. As part of implementing Chapter 14 of the FSR Act, the directorates published a call for nominations for members of the Board of the Ombud Council. The FSR Act establishes a Twin Peaks approach to financial sector regulation. This gives the Reserve Bank the responsibility for overseeing the stability of the financial system, establishing the Prudential Authority (PA) to oversee the safety and soundness of financial institutions and establishing the Financial Sector Conduct Authority (FSCA) as a dedicated market conduct regulator to ensure fair treatment of customers. The division also assisted with the passage of the Financial Matters Amendment Act (2019) which includes amendments to the Banks Act to enable national state-owned companies as public entities for the purposes of the application of the Banks Act. It also amends the Insolvency Act to protect rights over collateral security in the event of settlement or dispute.

As a follow-up to the World Bank diagnostic report published in the previous year, the division worked closely with the FSCA to implement a number of the recommendations in the report. Notable was the development and publication for public comment of the Draft Conduct Standard, setting out the requirements for the conduct of banks. The division continued to work on incorporating comments received after the publication of the draft Conduct of Financial Institutions Bill. The second draft of the Bill will be published for another round of public comments in the next financial year.

In collaboration with the Intergovernmental Fintech Working Group (IFGW), the division published a report on fintech scoping in South Africa. The growing role of fintech and innovation in the South African financial sector is welcomed and the regulatory authorities continue to engage with stakeholders to promote responsible innovation.

The division published the National Payment System Act review policy paper in the 2018/19 financial year. In conjunction with the National Payments Systems (NPS) department of the South African Reserve Bank (SARB), during the 2019/20 reporting period the division held a number of workshops with key stakeholders and the public to facilitate engagement on the paper. The aim of the review is to ensure that the payments regulatory and legislative framework remains robust, flexible and adaptable to technological changes and provides an enabling environment for innovation to thrive. With the SARB, the division consolidated all comments received on the policy paper and began the process of drafting a revised NPS Bill.

The division continued to work with the Financial Intelligence Centre to implement the Financial Intelligence Centre Amendment Act, including setting up key consultative mechanisms within government and with the banking sector. The division is working with other government departments and agencies on the mutual evaluation (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 also published for consultation a discussion paper focusing on the gaps in the current Financial Markets

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

Act (2012), and considers the developments in the domestic and international financial markets regulatory framework and the alignment of the domestic regulatory framework with international best practices, given the cross-border nature of financial market activities.

The final report of the Financial Markets Review, which provides recommendations about conduct practices in domestic over-the-counter fixed income, currency, commodities and derivatives financial markets, was published in March 2020.

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 done, including the macroeconomic framework of the Economic Transformation, Inclusive Growth, Towards an Economic Strategy for South Africa document. 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 Economic Transformation, Inclusive Growth, Towards an Economic Strategy for South Africa and managed the public comments process surrounding the release of the document and its update. The unit also published research on competition and jobs, competitiveness of small businesses, exchange rates and export performance and work mobility and productivity spill-overs, in conjunction with the Competition Commission, the World Bank and the United Nations University World Institute for Development (UNU-WIDER). The unit also coordinated three policy workshops on bridging policy-making with research, 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 small business development.

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.

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

PERFORMANCE INDICATORS

PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH					
APP#	INDICATOR	ACTUAL ACHIEVEMENT 2018/2019	TARGET 2019/2020	ACTUAL ACHIEVEMENT 2019/2020	REASON FOR DEVIATION
STRATEGIC OBJECTIVE 2.1: BUILD ECONOMIC RESEARCH CAPACITY IN ACADEMIC RESEARCH INSTITUTIONS WITH THE OBJECTIVE OF PROMOTING RELEVANT RESEARCH					
2.1.1	Number of papers published through the SA-TIED programme	50	50	50	N/A
STRATEGIC OBJECTIVE 2.2: PROVIDE POLICY ADVICE ON THE FINANCIAL SECTOR					
2.2.1	Twin Peaks model legislation developed	Twin Peaks Implementation Regulations developed and two regulators established. A comprehensive prudential and market conduct framework for new authorities not fully developed having been published for comment. Thereafter the COFI bill will then proceed into the parliamentary process.	Development of comprehensive prudential and market conduct framework for new authorities.	Comprehensive prudential and market conduct framework for new authorities not developed.	Under-performance is attributed to the substantial revision of the Bill following the invitation of public comments.
2.2.2	Develop savings and retirement policies	Annuitisation resolution implemented Default regulations for retirement fund not fully implemented	Develop retirement reform policies	Retirement reform policies developed.	N/A

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH					
APP#	INDICATOR	ACTUAL ACHIEVEMENT 2018/2019	TARGET 2019/2020	ACTUAL ACHIEVEMENT 2019/2020	REASON FOR DEVIATION
STRATEGIC OBJECTIVE 2.3: PROVIDE ADVICE AND INPUT INTO TAX POLICY, FRAMEWORKS AND LEGISLATION					
2.3.1	Publish tax proposals in annual Budget Review	Tax and revenue proposals on 2018 Budget Published Revenue estimates for 2018 Medium Term Budget Policy Statement (MTBPS) updated	Publish tax and revenue proposals on 2019 Budget Update revenue estimates for 2019 Medium Term Budget Policy Statement (MTBPS)	Tax and revenue proposals on 2019 Budget published. Revenue estimates for 2019 Medium Term Budget Policy Statement (MTBPS) updated.	N/A N/A
2.3.2	Implement legislation to give effect to tax proposals from the Budget	Tax legislation in Parliament prepared, published, and tabled	Submit tax legislation for tabling in Parliament	Tax Legislation submitted for tabling in Parliament.	N/A

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH					
APP#	INDICATOR	ACTUAL ACHIEVEMENT 2018/2019	TARGET 2019/2020	ACTUAL ACHIEVEMENT 2019/2020	REASON FOR DEVIATION
STRATEGIC OBJECTIVE 2.4: PROVIDE INPUT INTO ECONOMIC POLICY AND FRAMEWORKS					
2.4.1	Number of economic models maintained	20	20	20	N/A
2.4.2	Number of economic forecasts developed	4	4	4	N/A
2.4.3	Number of economic overview chapters published	2 documents published	2	2	N/A
2.4.4	Percentage response to user requests to develop new economic models	100%	100%	100%	No requests received during the period under review.
2.4.5	Percentage response to users requests for economic research and policy analysis, and assessments of government policy proposals	100%	100%	100%	N/A
2.4.6	Percentage response to user requests for policy and scenario modelling	100%	100%	100%	N/A
2.4.7	Percentage response to user requests for commentaries on economic data	100%	100%	100%	N/A

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

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

UNDER-PERFORMING INDICATORS AND ACTION PLANS		
PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH		
APP#	Indicator	Deviation
STRATEGIC OBJECTIVE 2.2: PROVIDE POLICY ADVICE ON THE FINANCIAL SECTOR		
2.2.1	Twin Peaks model legislation developed	Under-performance is attributed to the substantial revision of the Bill following the invitation of public comments.
		It is anticipated that the Bill will be tabled in Parliament in 2020/21 and accordingly supported through the Parliamentary process.

CHANGES TO PLANNED TARGETS

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

LINKING PERFORMANCE WITH BUDGETS

	2019/20			2018/19		
	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 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH	138 125	124 881	13 244	152 770	138 756	14 014
Programme Management for Economic Policy, Tax, Financial Regulation and Research	40 493	33 449	7 044	52 332	44 417	7 915
Financial Sector Policy	21 176	19 537	1 639	23 839	21 574	2 265
Tax Policy	32 432	30 037	2 395	25 405	21 940	3 465
Economic Policy	23 265	21 099	2 166	31 311	30 942	369
Cooperative Banks Development Agency	20 759	20 759	-	19 883	19 883	-
Total	138 125	124 881	13 244	152 770	138 756	14 014

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

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.

STRATEGIC OBJECTIVES

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

SUB-PROGRAMMES

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

Budget Office

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

Public Finance

Public Finance provides financial and budgetary analysis, advises on policy and service delivery trends, and manages National Treasury's relations with other national departments as well as its own analytical work. The division monitors

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

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.

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 year, the division oversaw expenditure planning, provided fiscal advice, led the budget reform programme, managed official development assistance and compiled public finance statistics.

The Fiscal Policy unit manages and develops the fiscal framework used to advise the Minister of Finance on policy options available in setting the budget. This includes expenditure and revenue measures to achieve deficit targets. Two fiscal frameworks are published annually, one in the MTBPS and the other in the Budget Review. The unit also regulated, analysed and reported on public sector infrastructure spending; coordinated production of the Budget Review and the MTBPS; and published a formal fiscal risks statement as part of the MTBPS.

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 Ministers' Committee on the Budget (MINCOMBUD). The unit issued various guidelines to government institutions on the input requirements for the budget process and administered the process of budget consultations, culminating in Cabinet approval of the budget allocations tabled in the budget and in the adjustments budget. The unit also coordinated the production of all budget legislation and participated in budget

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ► *continued*

outreach activities to enable discussion of the budget with a wide cross-section of South African society.

The unit provided international and inter-departmental leadership for budget reform. With the aim of increasing transparency, public participation and understanding of budgeting processes and information, interactions with the Collaborative Africa Budget Reform Initiative, the Global Initiative for Fiscal Transparency (GIFT), other institutions and civil society continued. Significantly, the unit coordinated inputs into the Open Budget Index survey in which South Africa was ranked joint first in the world with New Zealand. The unit led further development of the award winning Vulekamali online data portal and successfully organised the hosting of the public participation workshop with GIFT and the International Budget Partnership.

Public Finance Statistics (PFS) provides public sector finance statistics summaries 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 year, PFS consolidated government accounts including the operating account, the capital account and consolidated financing position, classified by economic and functional classification, for the 2019 MTBPS and the 2020 Budget Review and also prepared tables for the 2020 ENE. PFS continued with the development of a data warehouse which will enhance accessibility of data in the database, particularly for users with entry-level IT skills.

National Departments' in-year monitoring (IYM) reporting and public entities' quarterly reporting system were also improved and a dashboard of the highlights of the information developed on Microsoft Power BI was rolled out. PFS continued to partner with the Technical Assistance 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 SCOA training material was updated and made available to users.

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, and 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.

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

Development Cooperation (DC) support to South Africa from international partners in the form of grants, concessionary loans and technical assistance is coordinated and managed by the Chief Directorate: International Development Cooperation. 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. Intensively targeted is support for government leadership at sector level with development partners. Official Development Assistance coordinators 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 the 2019/20 financial year to improve coordination and management of programmes.

The continued global financial crisis has had a deep and profound impact over the past decade on the flow of DC funds to the country. South Africa's classification as a middle-income country has resulted in a number of development partners withdrawing support and 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 R1.156 billion in the 2019/20 financial year.

Notwithstanding this, a number of development partners continue to support South Africa, albeit on a lower scale than in previous years. With the limited grant funding available and the shift in support towards concessionary loan financing and technical assistance, International Development Cooperation (IDC) has had to direct scarce resources to key development priorities, promoting the effective and efficient use of these resources as well as the principle of deriving maximum value for money. Other key principles in the management of DC resources are support for innovation; piloting; and development of best practices.

The Public Sector Remuneration Analysis and Forecasting unit provided timely analysis and policy advice on the fiscal impact of government's compensation policy, including review of the existing cost of living adjustment (COLA) model. The unit has successfully implemented the centralised early retirement programme. To protect the integrity of compensation ceilings, implementation of measures to address cost pressures resulting from the Public Service Coordinating Bargaining Council Resolution 1 of 2018 has been completed. Also implemented, for departments in the national sphere of government, is the scaled-up early retirement without reduction of pension benefits in terms of Section 16(6) of the Public Service Act (PSA), 1994. Exits relating to early retirement will continue to be processed during the 2020/21 financial year.

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, National Treasury has responded to requests for engagement from a number of community groups. It has been made clear that these engagements are additional to and distinct from the ongoing legal process currently underway.

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

Public Finance

The Public Finance division oversees budgetary planning and execution in national departments; provides advice and analysis on sectoral policies and programmes; monitors public expenditure; and advises on financial and budgetary aspects of public policy and spending proposals. The division provides advice to the Director-General, the 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 2019/20 included:

- **The Presidency:** The unit provided guidance and support to the Presidency during the 2019 Presidential Inauguration project. In addition, the unit prepared a submission for the approval of the new budget structure programme to provide for the Policy and Research Services that ensure greater policy coordination in government.
- **Department of Home Affairs:** The unit is part of the Border Management Authority (BMA) steering committee and provides support and technical guidance for the finalisation of the Border Management Authority bill and 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 re-development of the six ports of entry. It also provided support and funding to the Department of Home Affairs through a self-financing mechanism during the adjustment budgeting process.
- **Department of Communications:** The unit collaborated with the Urban Development and Infrastructure Chief Directorate to provide advice and support to the Department of Communications (DoC) and affected public entities on broadcasting digital migration; and reviewed, commented on and consolidated National Treasury's comments on department's revised business case for this migration. With the Urban Development and Infrastructure Chief Directorate, the Asset and Liability Management division and the Department of Communications, the unit was part of the departmental and inter-departmental task teams established to monitor and evaluate that the South African Broadcasting Corporation (SABC) meets the conditions related to the R3.2 billion bailout that it received during the reporting year. As part of the National Macro-Organisation of Government (NMOG) process, the unit worked closely with the Department of Communications in relation to its merger with the Department of Telecommunications and Postal Services to form the new DoC, the transfer of its functions to DoC, and the establishment of Government Communication and Information Systems as a separate Budget vote.
- **National Treasury:** To ensure the sustainability of and funding certainty for the Jobs Fund, with the Economic Services Chief Directorate the unit provided support and advice to the National Treasury on an appropriate budgeting mechanism through which the Jobs Fund could access its surpluses. The unit advised on an expenditure or budget management facility through which the Government Technical Advisory Centre (GTAC) could retain surpluses in relation to the Jobs Fund's match funding commitments that could not be released in the preceding financial year, subject to approval by the Public Finance division. The Jobs Fund is part of GTAC.

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

The unit also provided support and advice to the National Treasury in relation to the revision of the department's budget programme structure.

- **Department of Planning, Monitoring and Evaluation:** the unit worked closely with the department on the transfer of functions from the department to the Presidency and the Department of Women, Youth and Persons with Disabilities (DWYPD) as part of the NMOG. This included determining the personnel and funds to be transferred to the receiving departments, and a revised budget programme structure.
- **Department of International Relations and Cooperation:** The unit analysed and submitted proposals to the department on mechanisms which the department could implement to bring its spending within the ceiling set for its budget for compensation of employees, including developing and obtaining approval from Cabinet for a long-term strategy for the rationalisation of foreign missions. The unit prepared a briefing note for the President on the National Treasury's perspective on this rationalisation. In light of the National Treasury's recommendation not to approve the department's request for additional funding through the adjusted estimates of national expenditure process, the unit prepared a briefing note for the Minister and provided a rationale to the Minister for the recommendation.
- **Department of Public Service and Administration:** The unit mediated the communication by the Department of Public Service and Administration (DPSA) with the Public Investment Corporation on steps that the department intends to take to improve the competitiveness and cost effectiveness of the mechanisms through which home loans are issued to public servants and members of the Government Employees Housing Scheme. The unit consulted on and successfully recommended the National Treasury's approval of the assignment of votes to the National School of Government and the Public Service Commission. Until the end of 2019/20, they were funded through transfer payments in the vote of the DPSA. Officials from the unit represented the National Treasury in meetings on the development and implementation of a policy on service delivery through the Thusong Service Centres. It advised the meetings on the funding implications of such a policy and on the mechanisms through which shifting the centres' function from the DPSA to the Department of Cooperative Government should take place. An official from the unit participates in the Inter-Departmental Task Team that assesses evidence for the establishment of government components and, during 2019/20, took part in a number of such assessments.

Officials from the unit represented the National Treasury in meetings on the development and implementation of a policy on service delivery through Thusong Service Centres, and advised the meetings on the funding implications of such a policy, and the mechanisms through which Thusong Service Centre related function shifts from the Department of Public Service and Administration to the Department of Cooperative Governance should take place. An official from the unit seats on the Inter-Departmental Task Team that assesses evidence for the establishment of government components, and did take part in a number of such assessments during 2019/20.

- **Department of Public Works and Infrastructure:** Working with the Office of the Accountant-General, the unit processed the request by the Department of Public Works and Infrastructure (DPWI) that the National Treasury approve the extension of the Property Management Trading Entity's (PMTE's) deviation from the requirement

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

that the PMTE must charge each client an accommodation charge for each property that the client occupies. The extension of the deviation until 31 March 2022 will enable the PMTE to finally rollout and apply itemised billing to all accommodation properties in the national government's immovable asset portfolio. The unit worked with the DPWI in analysing and providing for the short-term cash-flow requirements of the financially distressed Independent Development Trust (IDT), including sending letters signed by the Director-General requesting debtors to settle amounts owed to the Trust. In consultation with other stakeholder units in the National Treasury, the unit advised on long-term funding and operational arrangements for the IDT. It also prepared a briefing note for the Minister on State Funerals, especially in light of the reported price inflation for the funerals of prominent citizens.

- **National School of Government:** The unit processed the school's request for approval of tariffs for courses and modules and advised on a strategy for ensuring that tariffs are timeously and annually adjusted in line with changes in inflation.
- **Public Service Commission:** The unit advised the Public Service Commission (PSC) on the process that needed to be followed for the Public Service Commission to access funds which it had received as a donation from a private sector organisation, and motivations which the department needed to provide in support of the PSC's plan to request a rollover of funds from 2019/20 to 2020/21.

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 are the following;

- **Justice and Secret Services Directorate.** The directorate provided policy support and advice on client department requests for implementation of long-term maintenance solutions for the Limpopo and Mpumalanga High Courts; the establishment of a new investigative directorate in the Office of the National Director of Public Prosecutions; the disbanding of the State Security Agency and re-establishment of selected departments and government components which will constitute the intelligence services; the allocation of funds from the Criminal Assets Recovery Account; the supplementation of the Office of the Inspector-General of Intelligence's budget; available baselines to support decisions taken at the Presidential Summit on gender-based violence and femicide (GBVF); allocation of funds for investigations; and production of a closeout report by the Zondo Commission of Enquiry (in-year and in 2020/21). To fast track implementation of government's integrated criminal justice strategy aimed at improving the efficiency of the criminal justice system through aligning business processes, improving and strengthening capabilities and coordinating integrated interventions across the criminal justice system, the directorate coordinated the allocation of additional funding to various departments and entities in the cluster to implement identified government priorities. In response to the urgent need to combat corruption in South Africa, the directorate facilitated the allocation of additional funding to the National Prosecuting Authority, for increased capacity and operationalising the new Investigative Directorate, and to the Special Investigating Unit for the appointment of forensic investigators and operationalising the special tribunal; this has a statutory mandate to recover public funds syphoned from the fiscus through corruption, fraud and illicit money flows.
- **Police and the Independent Police Investigative Directorate.** The directorate provided comments to the South

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

African Police Service (SAPS), the Independent Police Investigative Directorate (IPID), the Civilian Secretariat for the Police Service (CSPS) and Private Security Industry Regulatory Authority (PSIRA) on their 2020-2024 Strategic Plans and 2020/21 Annual Performance Plans. The directorate provided budget and policy support to SAPS and IPID on to their funding request to the National Treasury for the implementation of early retirement without penalisation of pension benefits. The directorate provided inputs to the CSPS on the draft Controlled Animals and Animal Products Bill; and to the Justice, Crime Prevention and Security (JCPS) cluster on the Medium-Term Strategic Framework and the Integrated Criminal Justice Strategy (ICJS). With respect to the latter, the directorate facilitated shifting of funds from SAPS to other departments in the JCPS cluster for implementation of the ICJS. Finally, the directorate provided advice to PSIRA on the planned procurement of immovable property (office accommodation) currently leased by the entity in terms of section 54(2)(d) of the Public Finance Management Act.

- **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.
- **Defence and Military Veterans Directorate.** The directorate has assessed and processed the Department of Military Veterans' applications for early retirement as part of the department's human resource strategy to stay within the compensation of employees ceiling. The directorate also reviewed the Department of Defence's rejuvenation plan to deal with the department's compensation of employees and personnel related challenges. To strengthen governance and the implementation of budgeting reform by the African Union, with the African Economic Integration Chief Directorate the directorate continued to participate in the African Union's (AU's) Technical Committee of the 15 Ministers of Finance (F15).

Education and Related Departments: The unit monitors and advises on a number of functions implemented largely by provinces and public entities. During the year under review, 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 served on the steering committee for the development of a funding model for the early grade reading strategy. It also assisted the International Development Coordination Chief Directorate with planning, coordination and oversight of the Employment for the Education donor-funded programme and served on the steering committee of the Outcomes-Based Contracting pilot. The department also provided assistance and guidance on the planning and funding of the Sanitation Appropriate for Education (SAFE) initiative; and 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 advice, support and comments to the department in finalising the national Norms and Standards for Funding Community Education and Training Colleges and

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

Technical and Vocational Education and Training. The unit is represented in the Joint Agricultural, Forestry and Fisheries Sciences Education Committee which deals with all aspects of post-school education and training for the agricultural sector. The unit continued to serve on the extended ministerial task team working on the state of readiness of integrating returning South African students from Cuba into local universities and healthcare facilities for completion of their medical training; and provided advice and support to the department on the process of shifting agricultural colleges from a provincial to a national competence.

- **Department of Labour:** The unit provided extensive assistance to the department in developing a policy on subsidy schemes to organisations employing people with disabilities; and served on the Adjudication Committee for Public Employment Services Subsidy Schemes for People with Disabilities and on the National Treasury/Unemployment Insurance Fund (UIF) Unemployment Insurance Contributions Act Review Steering Committee. The unit participated in the National Treasury/UIF COVID-19 interventions discussions which began on 28 March 2020; and, to improve South Africa's ranking in the World Bank's Doing Business Index, assisted the Technical Working Group on Starting a Business of the Department of Trade and Industry (DTI) to deal with blockages encountered at the (UIF) and the Compensation Fund.
- **Department of Sports, Arts and Culture:** The unit participated in the DPSA-led NMOG process for the merger of the Department of Arts and Culture and the Department of Sport and Recreation South Africa as well as supporting the department in the development of an Infrastructure Policy.
- **The Health and Social Development:** The unit oversees the budgets, expenditure and service delivery of the Departments of Health, Social Development and Women, Youth and Persons with Disabilities and is closely involved in a number of policy areas for these sectors. Key work carried out with the departments in 2019/20 is described below.
- **Department of Health:** The unit continued to support the Department of Health (DoH) and the Presidency on various aspects related to National Health Insurance (NHI). This included making budgetary provision for gradually building up the NHI fund and substantially updating the NHI cost model which was adopted by the NHI War Room and incorporated in the addendum to the NHI Bill. With the Intergovernmental Relations (IGR) division, the unit also facilitated a number of changes to conditional grants, including the merger of two human resources related grants into the new Statutory Human Resources and Training and Development Grant; and the shifting of funds for mental health, oncology and contracting of health professionals from indirect to several direct grants, thereby providing greater benefits to provincial health departments. The unit also provided support for the finalisation and monitoring of the provincial health action plan. The unit also contributed to numerous internal and external publications, including the finance chapter of the 2018/19 District Health Barometer.
- **Department of Social Development:** The unit refined the projection model for social grants to inform inflation-linked increases in social grants and increase in beneficiaries. It also supported the Department of Social Development (DSD) and the South African Social Security Agency to address issues in grant administration, including the audit review of Cash Paymaster Services, and implementation through the South African Post Office and the National Payment System. The unit reviewed a number of policies proposed by DSD and is working with the department in analysing funding mechanisms and strategy for the non-profit sector, including modalities for service provision.

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

It also provided support for the review of the Early Childhood Development subsidy to support increased access and subsidy per child.

- **Department of Women, Youth and Persons with Disabilities:** The Health and Social Development Chief Directorate assisted the department in strengthening its financial reporting and provided advice and recommendations on the funding mechanism for measures to promote gender equality and address gender-based violence. The unit worked closely with the DWYPD to facilitate function shifts, including receiving a sub-programme from the Department of Planning, Monitoring and Evaluation and a sub-sub-programme from DSD to DWYPD. It also provided support with fast-tracking budget structure submissions ahead of the ENE finalisation and with reviewing and adjusting the costing for the Sanitary Dignity programme.

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 technology, tourism, environmental protection, land reform, rural development, agriculture, forestry, fisheries, trade and industrial development. During the reporting period, it worked with the following departments.

- **Department of Public Enterprises:** In collaboration with the Asset and Liability Management division, the unit engaged the department on funding requirements and policy matters for state-owned companies which include South African Airways SOC Limited, Eskom Holdings SOC Limited, South African Express Airways SOC Limited, Transnet SOC Limited, Denel SOC Limited and Alexkor SOC Limited. The directorate also engaged the department on exploring options for acquiring and funding critical skills.
- **Department of Economic Development:** The unit participated in the committee responsible for the development of a social economy policy, facilitated by the Department of Economic Development (EDD). It provided advice to EDD on various funding models for the Competition Commission and on the responsibility and funding for the collection of administrative penalties charged in terms of the Competition Act (1998, as amended). The unit also participated in the Committee on the Downstream Steel Industry Competitiveness Fund, implemented through the Industrial Development Corporation. As part of NMOG, the unit provided training to EDD on the NMOG tool. It also facilitated the transfer of the function of the Presidential Infrastructure Coordination Commission and its funds from DTI to the DPWI, in line with the Presidential Proclamation
- **Department of Small Business Development:** The unit chaired the steering committee on the European Union-funded programme for employment promotion through small, micro and medium enterprise support. It provided support to the Department of Small Business Development (DSBD) on the finalisation of the small business and innovation fund; and facilitated the transfer of funds to the Small Enterprise Finance Agency to enable implementation of a blended finance model for supporting small and medium enterprises. The unit updated the list of government-funded programmes that support small, micro and medium enterprises and cooperatives and presented its findings at a policy dialogue on small business development facilitated by DSBD. The unit also provided comments on Cabinet Memoranda on the establishment of the Township Entrepreneurship Fund and the National Small Enterprise Amendment Bill 2020 which sought to establish a Small Enterprises Ombud Service.

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

- **Department of Trade and Industry:** As part of the NMOG process, the unit assisted the DTI to receive approval for a new budget programme structure and the unit also offered training on the NMOG tool. The unit also provided comments on a number of Cabinet Memoranda and provided support through participating in the evaluation of applications for the Agro-Processing Support Scheme and the Aquaculture Development and Enhancement Programme. It also provided comments on the draft Special Economic Zones Strategic Framework, and support to the Export Credit Insurance Corporation on better management of risk exposure in equity investment opportunities.
- **Department of Science and Innovation:** As part of monitoring programme implementation, the unit organised site visits to the iThemba Laboratory for Accelerator Based Sciences (iThemba LABS), a national research facility within the National Research Foundation. The unit also provided comments to the Minister of Finance on the Biologicals and Vaccines Institute of Southern Africa value proposition.
- **Department of Environment, Forestry and Fisheries:** As a member of the reference group on Financing Methodologies for Biodiversity, the unit participates in the development of financing solutions for biodiversity. It is also the convenor of the Quarterly National Treasury Working Group on Climate Change and represents the National Treasury on the National Adaptation Funds Advisory Body, the Steering Committee on the National Employment Vulnerability Assessments 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 provided inputs to various cabinet memorandums including comprehensive comments to the Minister of Finance on the amendment of sulphur dioxide minimum emission standards for coal combustion installations (mainly power generation). The unit is a key member of the Expanded Public Works Programme Steering Committee.
- **Department of Agriculture, Land Reform and Rural Development:** The unit is a key member of the Inter-Ministerial Committee on Land Reform. The aim of the committee is to accelerate the land reform process and it is involved in all work streams intended to find sustainable land reform solutions. The unit also assisted the department with reprioritisations of resources within its baseline to increase allocation towards the land restitution programme.

During the 2019 national NMOG process, the unit participated in and facilitated the function shift process and merger of the former Department of Agriculture, Forestry and Fisheries and the Department of Rural Development and Land Reform to form the new Department of Agriculture, Land Reform and Rural Development. It also contributed to the policy review of the blended finance programme to improve the performance of the programme.

The unit participated in the formulation of national policy on Comprehensive Producer Development Support which is now at an advanced stage of stakeholder consultation with farmers, funding institutions and commodity organisations. The policy aims to regulate and guide government's interventions (support services) to the various categories of agriculture related producers and to boost growth in the agriculture sector.

- **Department of Mineral Resources:** During the 2019 NMOG process, the unit participated in the function shift process and merger of the former Department of Mineral Resources and the Department of Energy to form the new Department of Mineral Resources and Energy.

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

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 investment including transport, energy, water and sanitation, human settlements, telecommunications and postal services, cooperative governance and traditional affairs. Work carried out by the unit in 2019/20 included:

- **Department of Co-operative Governance:** The unit represented National Treasury on the Disaster Management Task Team. It coordinated comments on the draft Municipal Demarcation Bill and continued to provide support to improve the management and outcomes of the Community Work Programme.
- **Department of Energy:** The unit made recommendations to the Minister of Finance on the authorisation fees for petroleum pipelines and piped gas for the National Energy Regulator of South Africa and on the authorisation fees for nuclear license holders for the National Nuclear Regulator. The unit participated in consultations on various regulatory and legislative reforms undertaken by the department; participated in the Integrated National Electrification Programme Steering Committee; and provided support in the merger of the department with the Department of Mineral Resources. In consultation with the Tax Policy Unit, the unit provided comments on the South African Biofuels Regulatory Framework and the Upstream Petroleum Resources Development Bill.
- **Department of Human Settlements:** The unit worked on finalising the objective-based budget structure for the department and provided comments on the proposed Human Settlements Development Bank. Work on the funding reforms for upgrading informal settlements continued in 2019/20 and the lower level classification of expenditure on housing programmes was finalised.
- **Department of Telecommunications and Postal Services:** The unit developed the new costing model for a voucher system for broadcasting the digital migration programme; and supported the department in the merger with the Department of Communications. The unit continues to participate in consultations on various legislative reforms undertaken by the department related to the Information and Communication Technology Policy White Paper, including the Electronic Communications Amendment Bill and the Digital Development Fund Bill.
- **Department of Water and Sanitation:** The unit focussed on strengthening financial management systems in the department and the reduction of the overdraft in the Water Trading Entity; coordinated intergovernmental efforts to deal with pollution in the Vaal River system; and provided comments to the department on the water and sanitation master plan and on the mine water management policy.
- **Department of Transport:** The unit supported the department on financial modelling for the Gauteng Freeway Improvement Project; and provided comments on the Economic Regulation of Transport Bill, the Marine Oil Pollution Bill, the Merchant Shipping Amendment Bill and the Transport Appeal Tribunal Bill. The unit represents the National Treasury on various task teams related to policy reform, including roads, rail, maritime, civil aviation and public transport. 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

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

and local spheres of government. This is an important function given that R757.7 billion or 49.5 per cent of non-interest expenditure for 2020/21 is allocated to provinces and municipalities. The bulk of this planned expenditure is for priority programmes such as education, health care and the provision of free basic services.

IGR coordinates inputs to 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 2020 Division of Revenue Bill was tabled in February 2020 and included an increase in the per-child subsidy for early childhood development services and addressing the shortfalls in the funding of community outreach services in the health sector. The bill also included the transitional measures in spending for the 2021 municipal elections if the municipal boundaries are re-determined. The bill introduces programme and project preparation funding for metros by allowing the use of at least half of their allocations for the Integrated City Development Grant for programme and project preparation activities. The 2020 Division of Revenue Bill included the completion of the phasing-in of the enrolment numbers from the SNAP survey of Learner Unit Record Information and Tracking System (LURITS) introduced in 2018/19 as part of the ongoing review of the provincial equitable share formula.

The division continues to update policies to enhance the role of the private sector in financing municipal infrastructure. The Municipal Fiscal Powers and Functions Act is being amended to regulate the levying of the development charges. Development charges are a key financing instrument for the provision of strategic infrastructure that will accelerate economic growth. The Amendment Bill was published for comment on 8 January 2020. The comments are being considered and the revised Amendment Bill will be resubmitted to Cabinet for approval to table in Parliament during the course of the 2020/21 financial year. Engagements continue between government and the private sector to strengthen and align strategies that will promote investment in strategic infrastructure that drives urban transformation. The division publishes a quarterly Municipal Borrowing Bulletin which 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. The CSP targets its support on enhancing metro capabilities and enhancing the enabling policy and regulatory environment needed for city development and the fiscal framework that funds this. The CSP is closely aligned to the Integrated Urban Development Framework (IUDF), providing the metropolitan municipalities support enabling them to implement the Framework.

The CSP phase 1 (2012-2018) was subjected to an external Implementation Evaluation conducted under the guidance of the Department of Planning Monitoring and Evaluation (DPME). Key findings from the evaluation are that (i) the objectives of the CSP were relevant given the challenges facing South Africa's cities at the time of its design and continue to be relevant given the persistence of exclusive urban development; (ii) the CSP has demonstrated that its primary value lies in being a change agent and vehicle for collaboration and integration; (iii) the CSP was designed

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

to be a short-term, time-bound programme. While the precise time period over which the CSP should exist remains to be determined, it is recommended that the programme continues for at least another five years. Guided by these evaluation findings, the CSP phase 2 was approved by the National Treasury for the period 2019-2023. The CSP continues to work closely with the Department of Cooperative Governance and Traditional Affairs (CoGTA) to locate the division's work under the IUDF.

Key achievements during the financial year:

- Projects and associated activities have been identified in consultation with cities, resulting in the signing of City Support Implementation Plans with all metros.
- Through the planning reforms support project, all eight metros submitted Built Environment Performance Plans (BEPPS). These were assessed and the outcome of the assessment presented during an Annual BEPP evaluation event. The CSP also supported CoGTA to work with metros and stakeholders in the production of a revised draft metro-specific Integrated Development Planning Framework.
- Through the reporting reforms project, metros were supported to improve their reporting in line with the Circular 88 on reporting indicators for metros; an updated Circular 88 was published in December 2019.
- A further 121 officials in Mangaung and eThekweni Metropolitan Municipalities were supported to improve their ability to utilise transversal management tools and approaches.
- The support work on long-term financial models and strategies continued with the City of Tshwane, eThekweni and Nelson Mandela Bay Metropolitan Municipality.
- Under the economic development support component of the CSP, support for driving reforms under the Sub-National Doing Business (SNDB) project continued for all metros. The project was re-launched at a national event which brought together all the key government and private stakeholders and cemented a strong partnership for improving performance in SNDB. A City Economic Strategies Facility has been established to support metros' economic development strategy-making. Support for Township Economic Development in six metros has commenced, with a multi-disciplinary team in place to provide support to metros.
- The Cities Support Programme of the National Treasury concluded a study on the Housing Subsidy Impact on the Economy and presented it to stakeholders in government.
- The Public Transport component conducted a working session with metros on deteriorating urban rail services.
- Continued support was provided to the City of Cape Town with the development and implementation of a Water Transition Plan.

The division 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

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

in collaboration with the relevant national sector departments (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 allocation to address specific areas requiring improvement. These interventions are anticipated to yield positive results during the next assessment period.

During the reporting period, the focus was on ensuring that all municipal budgets are funded. Extensive work was done to support and guide, in the main, the 17 non-delegated municipalities under the direct umbrella of the National Treasury's support. The generic framework for assessment and analysis of municipal budgets, in line with the Municipal Budget and Reporting Regulation, was updated. The division provided guidance to municipalities on preparing their 2018/19 MTREF budgets through the Municipal Finance Management Act (MFMA) Circulars No. 98 (6 December 2019) and 99 (9 March 2020).

For eleven consecutive years, the division has institutionalised two formal annual engagements with the 17 non-delegated municipalities: the municipal budget and benchmark and the mid-year budget and performance assessment engagements. These allow for robust discussion on spatial development and integrated planning efforts as well as on budgetary and performance issues and have been instrumental in ensuring that 12 of the 17 non-delegated municipalities had credible, sustainable and funded budgets for the 2019/20 MTREF. The National Treasury and provincial treasuries also engaged with 127 municipalities that adopted unfunded budgets to ensure that they adopted funded special adjustments in November 2019. Notwithstanding this intervention, the budgets of 66 municipalities remained unfunded.

Consolidated in-year reports on municipal financial performance reports were published quarterly in line with Section 71 of the Municipal Finance Management Act (2003) and Section 30(3) of the Division of Revenue Act (2019). As from 1 July 2019, all municipal financial performance information has been produced, using the data strings generated in terms of the Municipal Standard Chart of Accounts (mSCOA).

A number of routine publications were issued: the 2019/20 MTREF budget information for all municipalities, the Over and Under Expenditure Report for Municipalities (23 January 2020), a report on compliance with deadlines for the Tabling and Approving of Municipal Budgets (6 February 2020), and the State of Local Government Finances and Financial Management Report (8 August 2019). 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 improving municipal performance.

Significant strides have been made in implementation of the mSCOA post 1 July 2017. mSCOA enforces the link between integrated development planning and the budget through the project segment and enables annual reporting and performance management linked to strategic service delivery objectives. Circulars were issued to provide guidance

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

on the use of the funding segment to populate the cash flow (9 March 2020) and Construction Work-in-Progress (3 March 2020). Successful submission of the 2019/20 data strings was notable, at 94.6 per cent. Live demonstrations on asset management, performance management and the Annual Financial Statements demonstrated the functional capability of the current municipal financial systems in the space of local government.

Training on the fundamentals of mSCOA, budgeting and transacting in mSCOA, funded budgets and revenue management were rolled out to 4 083 provincial treasuries and municipal officials in eight provinces.

A Handover Report was compiled for the new political leadership (6th Administration) in August 2019 to ensure that the new administration and Parliament are aware of the state of affairs of institutional stability, governance, financial health and service delivery in local government. A Technical Budget Council Sub-Committee consisting of all relevant role-players in the national and provincial treasuries was established to provide a platform for discussing municipal finance challenges. The Strategy to address financial performance failures in local government was also updated and presented at different fora including the National Council of Provinces Parliament Week. Provincial briefing notes on the state of municipal finances as at 30 June 2020 were also prepared for all nine provinces.

Responsibility for the Municipal Financial Recovery Services (MFRS) was transferred to the Local Government Budget Analysis (LGBA) Chief Directorate. A revised approach to the MFRS is being piloted in the Mangaung Metro. The new approach will focus on three phases: rescue, recovery/ stabilisation and sustainability. The new approach is being supported by the development of indicators for each phase as well as the establishment of a technical and political oversight committee.

A methodology to support municipalities with the development of long-term financial plans, which includes support with the identification, preparation and implementation of bankable projects, was developed and piloted. The methodology will be rolled out to other municipalities in 2020/21. Quantitative and qualitative research to assess the efficiency of the framework to address municipal financial emergencies with respect to borrowing and the effectiveness of implementation was also undertaken.

The division participated in an Inter-Ministerial Task Team (Chaired by Minister of CoGTA with Ministers of NT, DPE, DMRE, SALGA and Eskom), at a political and technical level to address structural and systemic issues impacting on the municipal electricity function. This work is embedded in the revenue management work initiated to assist municipalities with addressing inefficiencies in the revenue value chain and to improve municipality cash flow and ultimately, their sustainability. This included addressing challenges on debt owed to Eskom, by engaging on the proposal to restructure it. A similar process was explored with the Departments of Human Settlements, and Water and Sanitation for water debt. Through the IMTT process NT participated in drafting Service Delivery Agreement (SDA) between Eskom and municipalities. All work culminated into joint presentation to various parliamentary committees such as to Standing Committee on Public Accounts (SCOPA), Portfolio committee of

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ► *continued*

CoGTA, Portfolio Committee of Water and Sanitation and the Standing Committee on Finance.

IGR continued to improve the conditional grant monitoring framework for local government. In the 2019/20 municipal financial year, municipalities were allocated R68.9 billion in the form of the equitable share and a total amount of R65.9 billion was transferred to municipalities by 30 March 2020. The remaining balance of R3.1 billion was not transferred to municipalities as a result of offsetting of 2018/19 unspent conditional grants in terms of section 22(4) (a) of the 2018 DoRA and the stopped equitable share portion of Nelson Mandela Bay Metropolitan Municipality due to the invoking of section 216 of the Constitution. Because offsetting the entire amount from the equitable share in a single tranche could risk crippling their finances, the DoRA allows municipalities to repay unspent funds in instalments.

The National Treasury continues to assist low-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.

During the 2018/19 financial year, the total conditional grant rollover amount requested by municipalities amounted to R4.4 billion. However, the National Treasury only approved a rollover amount of R1.8 billion for implementation into the 2019/20 financial year.

The Municipal Infrastructure Grant (MIG) has for many years consistently remained the best performing conditional grant in the local government space in comparison to other capital infrastructure grants. During the 2019/20 financial year, COGTA, which administers the MIG, reflected expenditure of 73.5 per cent on the grant. This performance is considerably lower than previous years when MIG was performing at an average of 90 per cent. The newly formed Integrated Urban Development Grant was the highest spending conditional grant during the year, at 98 per cent. It is therefore clear that the COVID-19 pandemic has affected most MIG recipient municipalities. Through section 20(6) of the 2019 DoRA, the National Treasury has supported municipalities to reprioritise any uncommitted MIG funds to be utilised for COVID-19 pandemic related projects. While the approval occurred late during the financial year, it is assumed that this low expenditure will slightly improve after completion of the final audited spending figures through the Annual Financial Statements.

Capacity building continued in the provincial sphere of government, with the essentials of budget formulation and budget analysis courses restructured and held within a week for efficiencies. The demand continued to be high and 30 planned sessions were conducted for North West Province Health Districts in support of the Section 100 (b) intervention in the Department of Health which was conducted in Mmabatho and at the National Department of Health offices in Pretoria. Division of Revenue workshops were also held with relevant national and provincial departments. As part of building public finance management capacity, provincial treasury employees and IGR officials attended PFM training at the Antwerpen University in Belgium.

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ► *continued*

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 the 2019/20 financial year, and additional information requested by members, given that they were only a few months in office. The gazettes for stopping and re-allocation were completed for the Human Settlements Development Grant and the Education Infrastructure Grant. As part of enhancing monitoring of implementation of provincial budgets, the provincial visits included visits to farms to determine how provinces are supporting farmers in crop production and animal farming.

The provincial budget benchmark meetings were held in January 2020 in anticipation of the budget adjustments discussed in the planning for the current MTEF budget. The meeting focused on equitable distribution of resources and service delivery among departments, public entities and infrastructure; and in-depth analysis of each province's budget by district classifications as well as the Health sector for other provinces during the benchmarks. This has assisted in identifying how the budgets are being prioritised in relation to social and economic indicators of each district in each province, as well as for health. The reports provided a critical analysis of the distribution of the budget against the needs, by district. The focus was also on the impact of population dynamics on service delivery and measures to improve provincial economic growth.

With regard to the North West province intervention, reconfiguration of departments was implemented as per the recommendation of the National Treasury after the 2019 elections. The North West Development Corporation was relocated from Office of the Premier back to Department of Economic Development, Environment, Conservation and Tourism department; and the Parks Board and Tourism Board are in the process of being merged into one as part of rationalisation of public entities to improve efficiency. The National Treasury had to ensure that proper budget processes are followed and implemented by the Provincial Treasury and this included endorsing the 2020 MTEF prior to tabling in the Legislature by the MEC of 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.

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

PERFORMANCE INDICATORS

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT					
APP#	INDICATOR	ACTUAL ACHIEVEMENT 2018/2019	TARGET 2019/2020	ACTUAL ACHIEVEMENT 2019/2020	REASON FOR DEVIATION
STRATEGIC OBJECTIVE 3.1: DEVELOPING AND IMPLEMENTING SOUTH AFRICA'S FISCAL POLICY AND RELATED FRAMEWORKS					
3.1.1	Number of fiscal policy chapters published	#	2	2	N/A
3.1.2	Number of fiscal frameworks provided	2	2	2	N/A
STRATEGIC OBJECTIVE 3.2: PREPARATION OF THE NATIONAL BUDGET					
3.2.1	Number of budget guidelines issued	1 set of MTEF guidelines issued by July • 1 AENE guideline issued in August • 1 ENE guideline issued in October	1 set of MTEF guidelines issued by July. 1 AENE guideline issued in August. 1 ENE guideline issued in October.	1 set of MTEF guidelines issued by July. 1 AENE guideline issued in August. 1 ENE guideline issued in October.	N/A
3.2.2	Obtain budget expenditure allocation decisions from the executive	1 Cabinet endorsement of national government expenditure allocations by end of calendar year	1 Cabinet endorsement of national government expenditure allocations by end of calendar year.	1 Cabinet endorsement of national government expenditure allocations by end of calendar year.	N/A

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT					
APP#	INDICATOR	ACTUAL ACHIEVEMENT 2018/2019	TARGET 2019/2020	ACTUAL ACHIEVEMENT 2019/2020	REASON FOR DEVIATION
STRATEGIC OBJECTIVE 3.3: PUBLICATION OF THE NATIONAL BUDGET					
3.3.1	Budget legislation and accompanying Documentation tabled in Parliament and published	<ul style="list-style-type: none"> Appropriation Bill, ENE and Budget Review tabled in February Adjustments Appropriation Bill, AENE and MTBPS tabled in October 	<ul style="list-style-type: none"> Appropriation Bill, ENE and Budget Review tabled in February. Adjustments Appropriation Bill, AENE and MTBPS tabled in October. 	<ul style="list-style-type: none"> Appropriation Bill, ENE and Budget Review tabled in February. Adjustments Appropriation Bill, AENE and MTBPS tabled in October. 	N/A
3.3.2	Number of reports produced on public finance statistics according to function and economic classification	4	4	4	N/A
3.3.3	Number of reports produced on guidance given to departments and entities on the classification of expenditure	4	4	4	N/A
STRATEGIC OBJECTIVE 3.4: MONITORING AND ANALYSIS OF PUBLIC EXPENDITURE AND SERVICE DELIVERY					
3.4.1	Percentage responses to departmental requests for PFMA and TR approvals, sectoral analysis and policy advice	94.1%	100%	96%	Under-performance is attributed to delays in getting responses from departments/entities on clarity seeking questions.
3.4.2	Percentage of Cabinet memos commented on	100%	100%	100%	N/A
3.4.3	Percentage of IYM feedback reports provided to departments	#	100%	99.6%	Under-performance is attributed to one department not providing required information for the response to be sent.

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT						
APP#	INDICATOR	ACTUAL ACHIEVEMENT 2018/2019	TARGET 2019/2020	ACTUAL ACHIEVEMENT 2019/2020	REASON FOR DEVIATION	
3.4.4	Number of quarterly expenditure reports submitted to the Standing Committee on Appropriations	4	4	4	N/A	
3.4.5	Number of reports produced on review and implementation of the COLA costing model	4	4	4	N/A	
3.4.6	Percentage response to requests for support on governance and financial management monitoring and compliance system in public entities provided	100%	100%	100%	N/A	
3.4.7	Percentage of Budget Facility on Infrastructure (BFI) projects evaluated	#	100%	100%	N/A	
STRATEGIC OBJECTIVE 3.5: COORDINATING INTERNATIONAL DEVELOPMENT COOPERATION						
3.5.1	Percentage alignment of development cooperation to government policy and priorities	100%	100%	100%	N/A	
3.5.2	Percentage of development cooperation projects in South Africa coordinated	100%	100%	100%	N/A	

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT						
APP#	INDICATOR	ACTUAL ACHIEVEMENT 2018/2019	TARGET 2019/2020	ACTUAL ACHIEVEMENT 2019/2020	REASON FOR DEVIATION	
STRATEGIC OBJECTIVE 3.6: COORDINATING INTERGOVERNMENTAL RELATIONS						
3.6.1	Number of Division of Revenue and Division of Revenue Amendment Bills published annually	2	2	2	N/A	
3.6.2	Number of reforms introduced to enhance provincial and local government fiscal frameworks	2	2	2	N/A	
3.6.3	Number of plans assessed to support improvements in infrastructure planning and implementation in provinces	36	36	35	Under-performance is attributed to Northern Cape (NC) Department of Health not submitting the second plan required in infrastructure programme management plan (IPMP).	
3.6.4	Number of built environment performance plans assessed	8	8	8	N/A	
3.6.5	Number of capacity building initiatives to facilitate improved planning, budgeting and financial management	50	30	30	N/A	
3.6.6	Number of quarterly financial reports published	8	8	8	N/A	
3.6.7	Number of provincial and municipal budgeting benchmarking exercises held to improve provincial and municipal budget credibility, composition and achievability	26	26	26	N/A	

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT						
APP#	INDICATOR	ACTUAL ACHIEVEMENT 2018/2019	TARGET 2019/2020	ACTUAL ACHIEVEMENT 2019/2020	REASON FOR DEVIATION	
3.6.8	Number of annual municipal routine reports published	6	6	5	Under-performance is attributed to the delays in publishing the State of Local Government Finances. The report was compiled in 2019 based on pre-audit information. The challenge with the pre-audit information is that it does not get verified and therefore the information remains risky to publish. It was therefore resolved to use the audited and verified audit information.	
3.6.9	Number of support initiatives implemented in provinces	13	5	5	N/A	
3.6.10	Number of municipal budgeting and reporting reforms implemented	3	1	1	N/A	
3.6.11	Number of provincial and municipal mid-year budget and expenditure performance assessment reports produced	26	26	26	N/A	

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

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

UNDER-PERFORMING INDICATORS AND ACTION PLANS		
PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT		
APP#	Indicator	Action Plan
STRATEGIC OBJECTIVE 3.4: MONITORING AND ANALYSIS OF PUBLIC EXPENDITURE AND SERVICE DELIVERY		
3.4.1	Percentage responses to departmental requests for PFMA and TR approvals, sectoral analysis and policy advice	Under-performance is attributed to delays in getting responses from departments/entities on clarity seeking questions.
3.4.3	Percentage of IYM feedback reports provided to departments	Under-performance is attributed to one department not providing required information for the response to be sent.
STRATEGIC OBJECTIVE 3.6: COORDINATING INTERGOVERNMENTAL RELATIONS		
3.6.3	Number of plans assessed to support improvements in infrastructure planning and implementation in provinces	Under-performance is attributed to Northern Cape (NC) Department of Health not submitting the second plan required infrastructure programme management plan (IPMP).
3.6.8	Number of annual municipal routine reports published	Under-performance is attributed to the delays in publishing the State of Local Government Finances. The report was compiled in 2019 based on pre-audit information. The challenge with the pre-audit information is that it does not get verified and therefore the information remains risky to publish. It was therefore resolved to use the audited and verified audit information.
		The National Department of Health will be requested to engage the HOD of NC Department of Health to establish the commitment of how non-submission of infrastructure plans will be addressed to avoid the re-occurrence of under-performance. Provincial Treasuries are in the process of completing the verification. The report will therefore be finalised in the month of July with the aim of publishing it before end September 2020.

CHANGES TO PLANNED TARGETS

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

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

LINKING PERFORMANCE WITH BUDGETS

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT	2019/20				2018/19			
	FINAL APPROPRIATION	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE		FINAL APPROPRIATION	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	
	R'000	R'000	R'000		R'000	R'000	R'000	
Programme Management for Public Finance and Budget Management	26 757	23 338	3 419		19 316	19 121	195	
Public Finance	70 214	68 497	1 717		64 706	64 037	669	
Budget Office and Coordination	62 976	59 945	3 031		60 530	59 666	864	
Intergovernmental Relations	104 292	100 784	3 508		101 713	100 764	949	
Financial and Fiscal Commission	54 319	54 319	-		51 782	51 782	-	
Total	318 558	306 883	11 675		298 047	295 370	2 677	

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

4.4 PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

PURPOSE

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

STRATEGIC OBJECTIVES

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

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. Over the medium term, the unit will continue to review and compile submissions on applications for funding, guarantees and borrowing limits as well as other PFMA applications from SOCs. Where such applications are approved, the unit will monitor financial performance and adherence to any conditions. It will also continue to review SOEs' corporate plans and annual reports as they are received annually. To strengthen regulatory compliance, the unit will report on compliance by major state-owned companies with the PFMA, the Companies Act, 2008 (Act No. 71 of 2008), Treasury Regulations and the King III and IV Code on Corporate Governance.

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

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 in all spheres of government, and ensures efficient accounting for debt, the supply of reliable systems, and the provision of high-quality information.

Strategy and Risk Management

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

SERVICE DELIVERY OBJECTIVES AND INDICATORS

Recent outputs

Annual reviews of the corporate plans of all public entities listed in Schedule 2 and 3B of the PFMA were conducted during the period under review. In addition to assessing their alignment with government's priorities, financial sustainability and soundness of governance, the reviews aim proactively to identify possible risks so that appropriate mitigating actions can be taken. Similarly, public entities' performance was evaluated through a review of their annual reports. During the reporting year, 100 per cent of corporate plans and annual reports of Schedule 2 and 3B public entities were reviewed within the stipulated timeframes. South African Airways (SAA) and the Overberg Water Board had not submitted their annual financial statements at the time of the review. Patterns of mismanagement and poor governance at public entities have in some instances led to operational failures, financial distress and increased demands for support from the sovereign. This problem is compounded by broad, sometimes unfunded mandates and, in some cases, outdated business models.

The process of appointing a Chief Executive Officer for Land Bank was completed. Appointment of the Public Investment Corporation Board is still under way. The Institute of Directors conducted evaluation of the Land Bank and the DBSA Boards. This was to assist the Minister of Finance in ensuring that the next cycle of Board appointments considers the skills and experience required as well as the right competencies to strengthen these Boards. After consideration of the

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

outcome of the evaluation, the process of appointing the DBSA and the Land Bank Board members is underway. The review did not cover the PIC or the SASRIA as the PIC interim Board was appointed on 1 July 2019 while the SASRIA Board resigned on 13 September 2019 and was only appointed after the year-end.

During the reporting year, government issued SA Express Airways SOC Limited (SAX) and Denel SOC Ltd with additional government guarantees of R1.962 billion and R3.5 billion respectively. Guarantee requests for the South African National Roads Agency SOC Ltd. (SANRAL) and the Sedibeng Water Board were reviewed but were not concurred with.

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

Recapitalisation of R23 billion was provided to Eskom for 2019/20 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 2020, the entire approved R49 billion equity allocation for 2019/20 has been disbursed to Eskom as the entity has met most of the conditions imposed by the Minister of Finance.

Recapitalisation requests for Denel, 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 Infraco and the National Water Master Plan. The Land Bank repaid debt of R2.7 billion thereby reducing government guarantee exposure. The guarantees to Eskom, Denel, SAA, SAX and the Land Bank are monitored regularly and quarterly reports on compliance with guarantee conditions were provided to the Fiscal Liability Committee. As part of the Contingency Reserve process, the following were provided with funding: SABC (R3.2 billion), Denel (R1.8 billion), SAA (R5.5 billion) and SAX (R300 million). The funding allocated to the entities was made subject to a number of conditions aimed at returning these entities to financial sustainability and reduced reliance on government support.

During the year, foreign borrowing applications from the following public entities were considered: Eskom, SAA and DBSA. The Minister of Human Settlements, Water and Sanitation also applied for borrowing authorisations and related limits for the following entities: Mhlathuze Water, Sedibeng Water, Lepelle Water and Magalies Water. The Minister 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; and to concur with the request by the Trans-Caledon Tunnel Authority for borrowing limits for the following projects: the Vaal River System and the Mokolo Crocodile River (West) Water Augmentation Project – Phase 2A. Additionally, the Minister of Transport applied for an increase in the borrowing authorisation and related limit for the SANRAL; the request for an increase was rejected on the basis of the

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

lack of finality relating to the user-pay principle for tolling the South African road network, mainly the Gauteng Freeway Improvement Project.

The following activities were also undertaken during 2019/20:

- Funding proposals for the recapitalisation of the Land Bank were presented to the Ministers' Committee at the Budget Technical Committee.
- Shareholder compacts with the PIC, SASRIA, SAA, the Land Bank and the DBSA were concluded.
- Review of the annual reports and corporate plans of the PIC, SASRIA, the Land Bank and DBSA which were tabled in Parliament.
- 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 as part of key levers in their turnaround plans. Discussions are on-going on quantifying unfunded mandates and seeking appropriate funding models.
- Inputs to the drafting of various SOC Domestic Medium-Term Note programmes were reviewed and provided.

On 26 July 2019, Fitch Ratings Inc. (Fitch) affirmed the country's long-term foreign and local currency debt ratings at 'BB+' and changed the outlook to negative from stable. On 1 November 2019, Moody's affirmed South Africa's long-term foreign and local currency debt ratings at 'Baa3' but revised the outlook to negative from stable. On 22 November 2019, S&P Global Ratings (S&P) affirmed the country's foreign and local currency debt ratings at 'BB' and 'BB+' respectively and changed the outlook to negative from stable. On 18 December 2019, Fitch followed suit affirmed the country's long-term foreign and local currency debt ratings at 'BB+' and maintaining a negative outlook. After conducting its first annual credit rating revision from 2-4 March 2020, Moody's Investors Service (Moody's) downgraded the country's long-term foreign and local currency debt ratings to 'Ba1' (non-investment grade) on 27 March 2020 and maintained a negative outlook.

Although the debt portfolio has grown from a gross loan debt of R1.8 trillion in March 2015 to an estimated gross loan debt of R3.2 trillion in March 2020, none of the benchmark indicators were breached. To reduce the cost of new debt, government issued a portion of the funding in the 7-10 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 13 years as at 31 March 2020.

South Africa's debt structure and length of maturity are regularly highly commended by ratings agencies as credit strength 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 10 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, which does not require frequent refinancing. These among other factors saw South Africa achieving stable outlooks from all ratings agencies in 2018 from a challenging period of successive downgrades in 2017.

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

The government successfully financed the gross borrowing requirement of R414.5 billion. This was financed through net issuance of domestic short-term loans (R36.1 billion), domestic long-term loans (R305.4 billion) and foreign loans of R76.1 billion (US\$5.0 billion). In addition, cash and other balances were increased by R3.1 billion. During 2019/20, R12.8 billion of short-dated bonds was exchanged for long-dated bonds.

The cost of servicing government debt amounted to R204.8 billion compared to the original budget of R202.2 billion. Domestic and foreign loans of R70.6 billion were repaid during 2019/20. All government's rand and foreign currency commitments were met on a daily basis and surplus cash was optimally invested.

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

PERFORMANCE INDICATORS

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT						
APP#	INDICATOR	ACTUAL ACHIEVEMENT 2018/2019	TARGET 2019/2020	ACTUAL ACHIEVEMENT 2019/2020	REASON FOR DEVIATION	
STRATEGIC OBJECTIVE 4.1: EXERCISE OVERSIGHT OF STATE-OWNED COMPANIES						
4.1.1	Percentage of complete corporate plans received from Schedule 2 and 3B public entities reviewed	100%	100%	100%	N/A	
4.1.2	Percentage of annual reports received from Schedule 2 and 3B public entities reviewed	100%	100%	100%	N/A	
4.1.3	Percentage of complete PFMA Section 51(g), 52, 54(2), 55, and 92 applications received from Schedule 2 and 3B public entities reviewed	100%	100%	86%	Under-performance is attributed to greater inter-departmental stakeholder consultations required on the applications received.	
4.1.4	Percentage of complete guarantee applications received from Schedule 2 and 3B public entities reviewed	100%	100%	100%	N/A	
4.1.5	Percentage of received MFMA submissions relating to tariff adjustments received from Schedule 2 and 3B public entities reviewed	100%	100%	22%	Under-performance is attributed to greater inter-departmental stakeholder consultations required on the schedule 2 and 3B public entities submissions.	
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%	100%	60%	Under-performance is attributed to a decision that was taken to prepare a consolidated memo for all the entities in order to provide a comprehensive and comparable view on schedule 2 and 3B remuneration requests.	
4.1.7	Percentage of complete board appointments recommendations received from Schedule 2 and 3B public entities reporting to the Minister of Finance reviewed	100%	100%	100%	N/A	

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT						
APP#	INDICATOR	ACTUAL ACHIEVEMENT 2018/2019	TARGET 2019/2020	ACTUAL ACHIEVEMENT 2019/2020	REASON FOR DEVIATION	
4.1.8	Percentage of complete review requests of borrowing limit applications relating to Schedule 2 and 3B public entities reviewed	100%	100%	100%	N/A	
STRATEGIC OBJECTIVE 4.2: OPTIMAL DEBT MANAGEMENT AND FUNDING OF GOVERNMENT BORROWING REQUIREMENT						
4.2.1	Percentage of government's annual gross borrowing requirement met	100%	100%	100%	N/A	
4.2.2	Percentage of interest and redemptions met	100%	100%	100%	N/A	
STRATEGIC OBJECTIVE 4.3: ENSURE SOUND MANAGEMENT OF GOVERNMENT'S CASH RESOURCES						
4.3.1	Percentage of government's liquidity requirements met	100%	100%	100%	N/A	
STRATEGIC OBJECTIVE 4.4: MINIMISE AND MITIGATE RISKS EMANATING FROM GOVERNMENT'S FISCAL OBLIGATIONS						
4.4.1	Percentage compliance with market and refinancing risks benchmarks	100%	100%	100%	N/A	
4.4.2	Number of interactions to manage and ensure effective relations with the credit rating agencies	7	8	7	Under-performance is attributed to credit rating reviews were expected to occur during the first quarter of 2019/20; one conducted by Fitch and the other by S&P. However, in order to give way to the Presidential elections that were due to occur in May 2019, Fitch requested that its credit rating review that was scheduled to occur in April 2019 be rescheduled to July 2019. The R&I postponing its sovereign credit rating review mission to March 2020, citing that it was too soon to hold another rating review given that it had just issued a credit rating opinion in May 2019. Secondly, the agency said the postponement will give it enough time to take the 2019 MTBPS and 2020 Budget into consideration.	
4.4.3	Number of reports on the management of government's contingent liabilities and counterparty risk	6	6	6	N/A	

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

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

UNDER-PERFORMING INDICATORS AND ACTION PLANS		
PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT		
APP#	Indicator	Action Plan
STRATEGIC OBJECTIVE 4.1: EXERCISE OVERSIGHT OF STATE-OWNED COMPANIES		
4.1.3	Percentage of complete PFMA Section 51(g), 52, 54(2), 55, and 92 applications received from Schedule 2 and 3B public entities reviewed	Under-performance is attributed to greater inter-departmental stakeholder consultations required on the applications received.
4.1.5	Percentage of received MFMA submissions relating to tariff adjustments received from Schedule 2 and 3B public entities reviewed	Under-performance is attributed to greater inter-departmental stakeholder consultations required on the schedule 2 and 3B public entities submissions.
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	Under-performance is attributed to a decision that was taken to prepare a consolidated memo for all the entities in order to provide a comprehensive and comparable view on schedule 2 and 3B remuneration requests.
STRATEGIC OBJECTIVE 4.4: MINIMISE AND MITIGATE RISKS EMANATING FROM GOVERNMENT'S FISCAL OBLIGATIONS		
4.4.2	Number of interactions to manage and ensure effective relations with the credit rating agencies	Under-performance is attributed to credit rating reviews were expected to occur during the first quarter of 2019/20; one conducted by Fitch and the other by S&P. However, in order to give way to the Presidential elections that were due to occur in May 2019, Fitch requested that its credit rating review that was scheduled to occur in April 2019 be rescheduled to July 2019. The R&I postponing its sovereign credit rating review mission to March 2020, citing that it was too soon to hold another rating review given that it had just issued a credit rating opinion in May 2019. Secondly, the agency said the postponement will give it enough time to take the 2019 MTBPS and 2020 Budget into consideration.

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

CHANGES TO PLANNED TARGETS

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

LINKING PERFORMANCE WITH BUDGETS

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT	2019/20			2018/19		
	FINAL APPROPRIATION	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	FINAL APPROPRIATION	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Management for Asset and Liability Management	8 825	7 999	826	11 819	6 944	4 875
State Owned Entity Financial Management and Governance	36 643	33 856	2 787	35 037	31 452	3 585
Government Debt Management	22 631	22 512	119	19 984	19 539	445
Financial Operations	24 144	23 496	648	24 677	24 227	450
Strategy and Risk Management	10 686	8 855	1 831	10 068	9 023	1 045
Total	102 929	96 718	6 211	101 585	91 185	10 400

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

4.5 PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS

PURPOSE

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

STRATEGIC OBJECTIVES

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

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:** Maintain and improve existing financial management systems and develop and implement the new IFMS. This will replace ageing and fragmented financial, supply chain and HR management systems within national and provincial departments.

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

- **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.

SERVICE DELIVERY OBJECTIVES AND INDICATORS

Recent outputs

Office of the Accountant-General

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

Accounting Support and Reporting

During the reporting period, the unit prepared and tabled the 2018/19 consolidated Annual Financial Statements (AFS) for the National Revenue Fund (NRF), Reconstruction and Development Programme Fund, national departments and public entities. The unit monitored and reported on information on national revenue and expenditure through reports published monthly in terms of Section 32 of the Public Finance Management Act. The unit continued with its initiatives to support national departments, entities, municipalities and provincial treasuries with accounting and reporting queries; assist with improving audit outcomes; assisted with the review, feedback and monitoring of AFS preparation plans as well as AFS and audit action plans; conducting a review of and providing feedback on the Interim

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

Financial Statements, involvement in internal stakeholder engagements such as the mid-term budget visits and MFMA joint meetings and involvement in external stakeholder engagements such as the Public Sector Accounting Forum, thus influencing technical accounting developments. A number of Chief Financial Officer (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 scheduled for March 2020 were cancelled due to COVID-19 restrictions.

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. Information-sharing platforms and forums were convened to disseminate information on new initiatives as well as to create opportunities for interaction with peers and to provide guidance where necessary. Audit committees were offered support through guidance available in various platforms, induction of new audit committees, attendance at audit committee meetings and continued interaction with Chief Audit Executives. State of Readiness assessments were conducted, in those PFMA and MFMA spending agencies that were ready for them, to determine the effectiveness of the internal audit function. Reports generated from these reviews were used to provide additional support. Targeted support was offered to the affected departments through strategic support plans. An initiative to build capacity in performing state-of-readiness assessments has also begun.

Technical Support Services

Technical Support Services (TSS) continued to provide technical accounting support to all spheres of government following due processes and established approaches. This included liaising with the AGSA on transversal matters and on disagreements arising between auditees and auditors. In providing technical accounting support, TSS kept a record of the issues raised by clients and stakeholders and responded to these accurately and as timeously as possible to ensure that all clients and stakeholders received feedback and services of value to them.

As custodians of the Modified Cash Standard (MCS), the accounting framework for departments, TSS interacted with stakeholders and conducted research to maintain and enhance reporting requirements. To achieve this and following a number of re-organisations in the national and provincial spheres of government, two additional chapters were introduced prescribing accounting and disclosure requirements on the transfer of functions and mergers. Further updates to the MCS resulted from comments received, audit and accounting challenges and alignment with the standards of GRAP.

In support of institutions applying the standards of GRAP, the unit published 18 updated accounting guides providing

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

employees who prepare financial statements with explanations and illustrative examples on the accounting principles embedded in the standards.

TSS continued to participate in setting local and international public sector accounting standards through Board membership and providing comments on draft documents issued for comment by the ASB and the International Public Sector Accounting Standards Board. TSS contributions had an impact on public sector standard setting to achieve broader accountability.

The Office of the Accountant-General represented by TSS is the co-owner with the Budget Office of the Standard Chart of Accounts (SCOA). Together, they form the SCOA Technical Committee which aims to achieve uniformity in classification in budgeting and financial reporting. The SCOA Technical Committee provided responses to issues raised, issued circulars relating to pervasive matters and, in certain instances, collaborated with departments' system controllers and Provincial Treasuries in the development thereof.

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 itself has been delayed by project reviews and procurement processes. Establishing a panel of System Implementers has also suffered delays which, combined, have resulted in substantial delays to implementation of the IFMS. Actions to mitigate the impact of the delays have been factored into a revised project implementation plan. The long vacant CD:IFMS position has been filled and this is expected to significantly help with accelerating the IFMS programme.

Financial Systems

The Financial Systems unit continues to operate at an 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 systems to comply with policy and user requirements. Sourcing appropriate resources and the limitations presented through the duration of formal contracts with service providers do however present some challenges. Daily bank reconciliations also continue to be a challenge largely due to external factors; the unit however is in the process of assessing measures to mitigate their impact. Government-wide financial management measures put in place during the COVID-19 lockdown period were successfully implemented.

Specialised Audit Services

The state was provided with investigation capacity on critical and complex forensic investigations relating to public

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

procurement through 50 forensic investigations and six 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 in the criminal investigation of complex commercial crime cases including Eskom coal procurement, Free State Agriculture Vrede Farm, Eastern Cape/North West and KwaZulu-Natal Social Housing Regulatory Authority. Sixty-two 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 13 training sessions with prosecutors nationally on PFMA and MFMA case law for criminal convictions.
- 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.

Governance Monitoring and Compliance

Through the development of Treasury Instructions, frameworks and guidelines, the Chief Directorate continues to support departments and public entities with the interpretation and application of the PFMA and Treasury regulations. In assisting institutions to interpret and apply the PFMA and its related prescripts, the Chief Directorate developed Treasury Instruction No 2 of 2019/20 on Irregular Expenditure Framework. This provides the procedures to be followed by accounting officers and accounting authorities when dealing with irregular expenditure. Treasury Instruction No 3 of 2019/20 on the Fruitless and Wasteful Expenditure Framework was also developed to provide procedures to be followed by accounting officers and accounting authorities when dealing with fruitless and wasteful expenditure. These frameworks were published and rolled out to PFMA institutions.

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

The Chief Directorate continued to monitor compliance with the requirement to pay suppliers within 30 days from receipt of an invoice by government institutions (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).

The Chief Directorate reports annually to SCOPA, SCoF and Cabinet on progress in improving financial management in PFMA institutions. The reports also provide information about the National Treasury's responses to transversal issues identified as challenges during audits of PFMA institutions.

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

To help ensure timely supplier payments, the Chief Directorate together with the OCPO has established a hotline that suppliers can use to follow up on late or non-payment of invoices. A competency framework for the Loss Control Function in PFMA institutions has also been developed to ensure that irregularities identified in transactions processed are assessed, confirmed, quantified, monitored and reported to relevant structures within the respective PFMA institutions.

Capacity Building

The work of the Chief Directorate Capacity Building is informed by their 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. Development partners' collaboration with the National Treasury, facilitated through the International Development Coordination unit, also uses the strategy as a roadmap for managing public funds in terms of the PFM capacity development mandate.

Based on the positive impact of Financial Management Improvement Programme (FMIP) III, the European Union (EU) committed €15 million to fund the follow-up Public Financial Management Capacity Development Programme for Improved Service Delivery (FMISD) over the 2018-23 period. The finance agreement has been signed and the multi-annual programme has been drafted and submitted to the EU for endorsement. The four Key Result Areas (KRAs) of the programme are:

- Result Area 1: Increased professionalisation of public finance management within all spheres of government.
- Result Area 2: Enhanced capacity of provincial treasuries to perform their roles with respect to provincial departments and municipalities.
- Result Area 3: Improved capacity of municipalities to manage public funds and deliver services.
- Result Area 4: Increased ability of citizens and civil society organisations to participate in budget formulation and to monitor implementation.

There are two envelopes to this funding. The first is directly managed by the National Treasury and the second through a consortium jointly appointed by the EU and the National Treasury through an international tender instrument. An implementing partner, Development Transformations (DT) Global, has been appointed. As part of the implementation process, the Programme Coordinating Unit (PCU) has held extensive internal discussions which have led to the development and refinement of the 60 projects identified by the policy owners.

In addition, R95 million PINK, funded by SECO over the 2018-22 period, has been secured. PINK has the following KRAs:

- KRA 1: More effective Supply Chain Management (procurement) at local government level.
- KRA 2: Enhanced infrastructure management (budgeting, planning and asset management) at local government level.
- Cross-cutting activity: knowledge management and peer learning.

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ► *continued*

During the reporting period, the unit established the PINK Programme Coordinating Unit and completed the inception report and the programme workplan. During the period and in line with the SECO PINK programme document, the PMU selected the following municipalities as pilots for the programme: Mpumalanga Province: Chief Albert Luthuli, Dipaleseng, Dr Pixley Ka Isaka Seme, Nkomazi and Gert Sibande Municipalities; and Free State Province: Metsimaholo, Tswelopele, Moqhaka, Setsoto and Nala Municipalities. Supply chain management (SCM) experts were appointed and deployed to the eight pilot municipalities. During the reporting period, the experts finalised the baseline assessments which informed the development of the SCM support plans. A service provider was appointed to conduct a comprehensive review of eight pilot municipalities Woto cover the SCM value chain and make recommendations for improvement.

The unit has also implemented the Municipal Financial Management Technical Assistance project, funded by the African Development Bank (AfDB), to strengthen municipal public finance management capacity and improve service delivery. The programme had been successfully concluded by the end of March 2020.

The Chief Directorate: Capacity Building coordinated the bi-annual Donor Coordination Forum involving 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. There are also a number of programmes that are core to the responsibilities of the CD: Capacity Building. These include the internship programme, minimum competency levels and the Chartered Accountants Academy (CAA). There are currently 1 600 municipal interns across the 257 municipalities with a retention rate of just over 60 per cent. Since 2007, just over 9 500 municipal officials have undertaken the regulated training under the minimum competency levels, with just over 300 during the 2019/2020 reporting period. These two programmes are continuously monitored to ensure that the local government sector builds the necessary talent pipeline through the internship programme while continuing to professionalise the sector.

The unit continued to support the development of a pool of accounting professionals through the Chartered Accountants Academy (CAA). Ten trainee accountants recruited in February 2020 qualified to attend the support programme in preparation for writing Board examinations. During the reporting period, four candidates qualified as chartered accountants through the academy which has, since its establishment in 2008, developed 68 chartered accountants. It currently has 30 trainee accountants.

The unit facilitated delivery of a workplace practice-based internal audit short-learning programme titled 'How to Review Financial Statements by Internal Auditors'. The aim of the programme was to enable internal auditors to engage in the review of interim and annual financial statements using the Modified Cash Basis of Accounting Framework. The programme was 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, 384 delegates were

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

trained in the solution. Feedback indicated that it was one of the most practice-oriented solutions that the National Treasury has developed for the Internal Audit discipline.

The Chief Directorate received R6.6 million from the Public Services Sector Education and Training (PSETA) to rollout a Public Sector Accounting Technician Learnership Certificate, in line with National Qualifications Framework (NQF) Level 3, in four provinces and targeting 100 unemployed youth (50 each in the Eastern Cape and in Limpopo) and 100 employed officials (50 each in Gauteng and the Western Cape). The aim of this certificate programme is to empower employed and 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

In July 2018, with R6 million in funding from the Finance and Accounting Services Sector Education and Training Authority (FASSET), the National Treasury launched a Public Financial Management Internship Programme for 20 unemployed Bachelor of Commerce graduates in Mpumalanga and Northern Cape Provinces. The objective of the programme was to pilot a new public sector partnership through which learners would be placed in provincial departments over a period of 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 was that, when they had completed the programme, the learners would have a professional designation that would allow them to be recognised professional accountants in the public sector. The programme would 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 their qualifying examinations for the designation Professional Accountant.

Work has started on enhancing and aligning the 2015 LG IDMS Toolkit with the 2018/2019 IDM Toolkit and Cities Infrastructure Delivery Management System (CIDMS) Toolkit. A process is also underway to appoint a short-term service provider to compile infrastructure delivery process maps for the pilot municipalities and a generic local government infrastructure delivery process maps was also appointed.

The unit has also implemented the Municipal Financial Management Technical Assistance project funded by the AfDB, to strengthen municipal public finance management capacity and improve the service delivery performance. This programme was successfully concluded by the end of March 2020.

During the reporting period, the i-Develop (Individual Competency Development Toolkit) was improved following piloting of the programme in four provinces involving the three disciplines of Supply Chain Management, Internal Audit and Risk

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

Management. The toolkit provides a systematic process for assessing the learning needs of the individual, the organisation and the province. Competency statements for the financial accounting discipline were developed in partnership with the Western Cape Provincial Treasury and coordinated with the competency assessments of over 720 SCM practitioners in North West provincial departments, municipalities and entities as part of the Section 100 Intervention.

Funding from the AfDB was secured to design and develop Standard Operating Procedures (SOPs) for SCM, costing, budgeting and reporting and governance. The aim of the SOPs is to strengthen internal control systems and processes in local government. The SOPs will be piloted in two provinces. Further funding was secured from the Transport Education and Training Authority (TETA) to pilot the roll-out of an SCM learnership certificate (NQF Level 5) in five provinces to 259 employed municipal officials and 30 unemployed youth. A further collaboration has been put in place with the Local Government Sector Education and Training Authority (LGSETA) and North West Provincial Government to train 600 municipal officials under the minimum competency levels, SCM and Accounting Technician skills aligned with the qualifications registered with South African Qualifications Authority in the 2020/2021 financial year. The unit also secured Discretionary Grant funding from TETA to roll-out an SCM learnership certificate in the Eastern Cape and Gauteng provinces to 105 SCM municipal officials.

The National Treasury Women Empowerment and Leadership Programme (Women in Public Finance) was established in July 2019 in response to the Governance and Administration Portfolio Programme of Action for the empowerment of women. The programme will focus on empowerment of women in public finance in all three spheres of government. A National Steering Committee has been established consisting of the National Treasury, the Department of Public Service and Administration, the Department of Cooperative Governance and Traditional Affairs (CoGTA) and the Department of Women, Youth and Persons with Disabilities (DWYPD). The first project, funded by the United Nations Development Programme (UNDP), will conduct quantitative and qualitative gender research at selected national departments, provincial treasuries, provincial departments, metros and district municipalities. Four provinces (Gauteng, Kwa-Zulu Natal, Limpopo and the Northern Cape) have been selected as pilot research sites. Quantitative data collection has been completed; however, the collection of qualitative data which includes site visits was delayed due to the COVID-19 lockdown regulations. Collection of this data using alternative methods is underway. The second project, to develop training material and rollout of training for gender-responsive budgeting, is funded by the IMF and is supported by the DWYPD. The project will support public finance reforms in the rollout of the new budget planning and reporting tool which includes reporting on budget allocations and spending for women. The project had to be delayed due to international travel restrictions imposed by the COVID-19 lockdown.

MFMA Implementation

A MFMA Legislation, Regulatory Oversight and Helpdesk (MFMA) 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

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

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 2020; 89 per cent were responded to within 30 days of receipt.

To address UIFW expenditure, the unit has worked 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 Memorandum of Understanding (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 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 Office of the Accountant-General, 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, during 2019/20, all prioritised municipalities that received adverse and disclaimer audit opinions. However, it could only support 15 municipalities which had responded positively with improved audit outcomes. The support included engagements 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 treasuries are still in the process of gearing up support mechanisms and structures as part of this transition process.

Engagements with senior municipal management at individual municipalities focussing on the top 10 contributors to UIFW expenditure were conducted. The purpose was to better understand the root causes that contribute to UIFW expenditure and to find solutions for implementation. As a result, a number of steps are being taken by senior management in processing expenditure and controls put in place to minimise the risk of reoccurrence. Besides the Helpdesk, circulars were prepared to assist implementation of the reforms.

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

MFMA coordinators' meetings with officials of provincial treasuries, national and provincial departments of cooperative governance, the Auditor-General 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 could access on their own.

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).

Office of the Chief Procurement Officer

SCM Policy, Norms and Standards

Through the OCPO, in February 2020 the National Treasury published the draft Public Procurement Bill for public comment. 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 as well as 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 of government;
- Establish a procurement system that provides for different types of procurement and related sourcing strategies;
- Regulate the Preferential Procurement Policy Framework Act (PPPFA) to ensure that it is aligned to the Constitution;
- Eliminate abuse of the 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; and
- Modernise public procurement.

Modernisation of SCM policies and procedures is imperative for the advancement of government's socio-economic objectives. During the reporting period, 19 instructions were issued in line with policy interventions and proposed designated products for enhancing SCM policies.

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

Transversal Contracting

Fifty-two transversal contracts were renewed during the 2019/20 financial year, providing government institutions with access to procurement of goods and services with an array of pre-qualified suppliers. 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 textile.

SCM Information and Communication Technology

The Central Supplier Database (CSD) continues to simplify doing business with the state. As at 31 March 2020, the system had 951 000 users and 779 315 registered suppliers, with 228 008 women, 226 533 youth and 5 437 people with disabilities registered on the CSD. To avoid being scammed, suppliers are encouraged to verify advertised tenders before they bid. The e-Tender portal continues to be used for publishing tender opportunities in organs of state. During the reporting period, 22 868 opportunities were published on the portal. The National Treasury continued to provide support to municipalities in respect of SCM audit findings and opinions.

SCM Governance, Monitoring and Compliance

The National Treasury, through SCM Governance, Monitoring and Compliance, continued to monitor government procurement, identify malpractices that result in procurement irregularities and act to ensure compliance. In the reporting period, oversight of compliance with SCM policies, procedures, norms and standards continued; procurement plans, deviations and contract expansions for departments and public entities were published to improve transparency. Various organs of state continuously request the OCPO GMC to review their tender processes which may include the review of bid specifications; the evaluation processes and adjudication processes to ensure compliance with policy, norms and standards.

Strategic Procurement

The National Treasury, through strategic procurement initiatives, has developed sourcing strategies for the health, education and security clusters. The Expanded Programme on Immunisation (EPI) vaccine-sourcing strategy was developed and resulted in the termination of a long-term public-private partnership (PPP) between the Department of Science and Technology (DST), the National Department of Health (NDoH) and a private company. This paved the way for establishing an open tender process for EPI vaccines henceforth. The OCPO also assisted the NDoH and South African Military Health Services (SAMHS) with developing a sourcing strategy for a radiological picture archiving and communication system (PACS, an integrated information technology system used in healthcare facilities to capture, store and transmit patient data and images such as X-rays and computerised tomography (CT) scans. The radiological equipment sourcing strategy development will continue into the 2020/21 financial year and will ultimately integrate with existing PACS systems at health facilities.

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

The Department of Correctional Services was assisted with developing a sourcing strategy for prison food and other nutritional products. The strategy advocated an open tender process which would unlock opportunities for local suppliers, manufacturers, wholesalers and distributors.

An e-Education Procurement Delivery Management Guide was developed for the Department of Education, providing it with a suitable procurement approach for all ICT commodities and e-learning projects involving learning devices such as tablets and laptops for learners.

The Framework for Infrastructure Delivery and Procurement Management (FIDPM) was developed during the reporting period. The Framework, issued as National Treasury Instruction Number 3 of 2019/20, prescribes minimum requirements for implementing infrastructure processes for portfolio, programme projects, operations and maintenance of infrastructure including clear responsibilities and decision-making at control points, stages and gates.

Stakeholder and Client Management

To ensure uniformity across the system, through the OCPO the National Treasury prioritised ten departments and entities that were assisted on their supply chain management processes.

Also, in response to the scourging problem of gender-based violence, during the reporting period 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 programme continued to support empowerment objectives through public procurement strategies targeted at vulnerable women facing economic challenges that result in gender-based violence. Groups of emerging women-owned businesses in Limpopo, Free State, Eastern Cape and North West were engaged to educate them on opportunities that exist in government through public procurement.

Through its stakeholder engagements initiatives, the OCPO delivered:

- In July and September 2019, four SCM forums for provincial treasuries on PFMA and MFMA were conducted to ensure continuous uniformity in the application of SCM prescripts across all provinces.
- Participation with provincial departments in intergovernmental relations forums.
- Content in the form of public procurement script and videos for the Vulekamali/Open project for the procurement module.
- Support for the DSBD and SABC on supplier development programmes aimed at small, medium and micro enterprises (SMMEs) and dealing with public procurement opportunities that exists for SMMEs across government.
- Support for higher learning institutions with modifying the Supply Chain Management curriculum to include public procurement content.

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

PERFORMANCE INDICATORS

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS						
APP#	INDICATOR	ACTUAL ACHIEVEMENT 2018/2019	TARGET 2019/2020	ACTUAL ACHIEVEMENT 2019/2020	REASON FOR DEVIATION	
STRATEGIC OBJECTIVE 5.1: IMPROVE FINANCIAL MANAGEMENT GOVERNANCE AND COMPLIANCE ACROSS ALL SPHERES AND ENTITIES IN GOVERNMENT, GIVING EFFECT TO THE PFMA AND MFMA						
5.1.1	Number of support plans developed for government entities struggling with financial management as identified in audit reports	5	5	6	Over-performance is attributed to increased demand emanating from the internal audit support work that was done with the entities in 2018/19.	
5.1.2	Number of monitoring reports on improvement of financial management in national and provincial institutions produced	6	4	4	N/A	
5.1.3	Number of guidelines to assist with the implementation of Treasury Regulations, policies and Treasury Instructions developed	1	4	4	N/A	
5.1.4	Number of training sessions provided to support PFMA institutions on the implementation of Treasury Regulations, Treasury Instructions and guidelines	26	8	34	Over-performance is attributed to high demand for training sessions following the roll-out of the revised Irregular Expenditure Framework.	
5.1.5	Number of forensic investigation reports produced	48	26	50	Over-performance is attributed to efficient responses to increased demand.	
5.1.6	Number of specialised audit reports produced	8	4	6	Over-performance is attributed to efficient responses to increased demand.	
5.1.7	Number of criminal investigation cases supported	90	30	62	Over-performance is attributed to enhanced efficiency in support provided.	

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS						
APP#	INDICATOR	ACTUAL ACHIEVEMENT 2018/2019	TARGET 2019/2020	ACTUAL ACHIEVEMENT 2019/2020	REASON FOR DEVIATION	
5.1.8	Number of engagements held with public officials to address compliance and implementation of regulations, instructions and guidelines in a coordinated and consistent manner	2	2	4	Over-performance is attributed to increased demand for engagement sessions in order to address compliance and implementation of instruction notes and guidelines.	
5.1.9	Percentage of financial management grant support plans reviewed for alignment with the grant framework for municipalities	100%	100%	100%	N/A	
5.1.10	Percentage of complete requests to draft financial recovery plans responded to within 90 days of receipt	100%	100%	100%	N/A	
5.1.11	Number of municipalities assisted in addressing gaps as identified by FCMMS and financial indicator assessments	5	5	5	N/A	
5.1.12	Number of municipalities with the highest UIFW incurred annually monitored to rectify such expenditure in terms of the MFMA	10	10	10	N/A	
5.1.13	Number of monthly statement reports of actual revenue and actual expenditure for the National Revenue Fund (NRF) published	12	12	12	N/A	
5.1.14	Number of consolidated annual financial statements for national departments, public entities and Reconstruction and Development Programme (RDP) Fund tabled on 31 October	1	2	0	Under-performance is attributed to late submission of audited information by a number of institutions. Consequently, the audit of consolidated annual financial statements was delayed.	
5.1.15	Number of Modified Cash Standard published	1	1	1	N/A	

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS						
APP#	INDICATOR	ACTUAL ACHIEVEMENT 2018/2019	TARGET 2019/2020	ACTUAL ACHIEVEMENT 2019/2020	REASON FOR DEVIATION	
STRATEGIC OBJECTIVE 5.2: SUPPORT AND FACILITATE CAPACITY DEVELOPMENT ACROSS ALL SPHERES OF GOVERNMENT IN ORDER TO IMPROVE FINANCIAL MANAGEMENT EXECUTION						
5.2.1	Number of training sessions conducted in the preparation of provincial consolidated financial statements, provincial revenue fund statements and implementation of Generally Recognised Accounting Practice (GRAP) standards	8	4	4	N/A	
5.2.2	Percentage of the public financial management education, training and development implementation plan achieved	100%	100%	100%	N/A	
5.2.3	Number of municipal officials trained in financial management competencies	1 185	1 000	333	Under-performance is attributed to fewer learning outcomes endorsed by Local Government Sector Education and Training Authority (LGSETA) due to capacity constraints in both LGSETA and NT.	
5.2.4	Percentage of the public financial management capacity development strategy (CDS) implementation plan achieved	100%	100%	100%	N/A	
5.2.5	Percentage of qualifying trainees that participate in the academic support programme for prospective chartered accountants	100%	100%	100%	N/A	
5.2.6	Number of municipalities monitored to comply with minimum competencies regulations for financial management	70	70	70	N/A	
5.2.7	Number of municipalities that received disclaimers and adverse opinions prioritised by NT and PTs supported	30	30	30	N/A	

4. PERFORMANCE INFORMATION BY PROGRAMME *continued*

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS						
APP#	INDICATOR	ACTUAL ACHIEVEMENT 2018/2019	TARGET 2019/2020	ACTUAL ACHIEVEMENT 2019/2020	REASON FOR DEVIATION	
STRATEGIC OBJECTIVE 5.3: MANAGE EXISTING FINANCIAL SYSTEMS AND RENEW THESE AS REQUIRED TO EXERCISE COMPREHENSIVE FINANCIAL MANAGEMENT						
5.3.1	Percentage availability of current transversal systems	99.7%	98%	99%	Over-performance is attributed to a reduction in the incidence of power outages experienced by SITA at its hosting centres.	
5.3.2	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 developed.	Functional and technical specifications of IFMS system not developed.	Under-performance is attributed to delays experienced in the procurement of common design services due to exploration of various procurement options.	
STRATEGIC OBJECTIVE 5.4: MODERNISE SCM POLICIES AND PROCEDURES						
5.4.1	Number of instructions issued in line with policy interventions and proposed designated products or categories to enhance SCM policy	4	3	19	Over-performance is attributed to increased number of requests requiring the issuance of circulars and instructions on proposed designated products.	
STRATEGIC OBJECTIVE 5.5: MONITOR AND EVALUATE SCM PERFORMANCE						
5.5.1	Percentage of departments/ entities' deviation/ expansion requests reviewed	100%	100%	99.5%	Under-performance is attributed to resource constraints and a need to strengthen the tracking, monitoring and report systems.	
5.5.2	Percentage of procurement plans published on the e-tender portal	100%	100%	100%	N/A	
5.5.3	Percentage of bids reviewed to ensure compliance with norms and standards	100%	100%	98%	Under-performance is attributed to resource constraints and a need to strengthen the tracking, monitoring and report systems..	

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS					
APP#	INDICATOR	ACTUAL ACHIEVEMENT 2018/2019	TARGET 2019/2020	ACTUAL ACHIEVEMENT 2019/2020	REASON FOR DEVIATION
STRATEGIC OBJECTIVE 5.6: DEVELOP AND IMPLEMENT STRATEGIC PROCUREMENT					
5.6.1	Percentage implementation of the strategic sourcing opportunities plan	91%	100%	100%	N/A
5.6.2	Number of transversal term contracts implemented	22	25	52	Over-performance is attributed to extension of contracts that were due to expire. This was as a result of a decision taken to review the contracts that are currently in place. The extension will allow the finalisation of the award process based on new strategic outcomes.
STRATEGIC OBJECTIVE 5.7: BUILD AND STRENGTHEN STAKEHOLDER RELATIONS					
5.7.1	Number of prioritised departments and entities supported on supply chain	15	10	10	N/A
STRATEGIC OBJECTIVE 5.8: MODERNISE AND AUTOMATE SCM PROCESSES					
5.8.1	Number of municipalities supported in SCM and contract management audit findings/opinions; monitoring corrective actions taken by non-compliant municipalities	Metros: 8 Districts: 44 Local: 205	Non Delegated Municipalities: 17	Non Delegated Municipalities: 17	N/A

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

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

UNDER-PERFORMING INDICATORS AND ACTION PLANS		
PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS		
APP#	Indicator	Action Plan
STRATEGIC OBJECTIVE 5.1: IMPROVE FINANCIAL MANAGEMENT GOVERNANCE AND COMPLIANCE ACROSS ALL SPHERES AND ENTITIES IN GOVERNMENT, GIVING EFFECT TO THE PFMA AND MFMA		
5.1.14	Number of consolidated annual financial statements for national departments, public entities and Reconstruction and Development Programme (RDP) Fund tabled on 31 October	Under-performance is attributed to late submission of audited information by a number of institutions. Consequently, the audit of consolidated annual financial statements was delayed.
STRATEGIC OBJECTIVE 5.2: SUPPORT AND FACILITATE CAPACITY DEVELOPMENT ACROSS ALL SPHERES OF GOVERNMENT IN ORDER TO IMPROVE FINANCIAL MANAGEMENT EXECUTION		
5.2.3	Number of municipal officials trained in financial management competencies	Under-performance is attributed to fewer learning outcomes endorsed by Local Government Sector Education and Training Authority (LGSETA) due to capacity constraints in both LGSETA and NT.
STRATEGIC OBJECTIVE 5.3: MANAGE EXISTING FINANCIAL SYSTEMS AND RENEW THESE AS REQUIRED TO EXERCISE COMPREHENSIVE FINANCIAL MANAGEMENT		
5.3.2	Implementation of the IFMS II plan	The submission to procure common design services was completed and currently in the approval process.
STRATEGIC OBJECTIVE 5.5: MONITOR AND EVALUATE SCM PERFORMANCE		
5.5.1	Percentage of departments/ entities' deviation/expansion requests reviewed	Applications that were not finalised in the fourth quarter will be finalised in 2020/21. A process is underway to address under capacitation in critical positions across the department and a monitoring register is being developed for this performance area.

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

UNDER-PERFORMING INDICATORS AND ACTION PLANS		
PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS		
APT#	Indicator	Action Plan
5.5.3	Percentage of bids reviewed to ensure compliance with norms and standards	Under-performance is attributed to resource constraints and a need to strengthen recording management systems.
		Applications that were not finalised in the fourth quarter will be finalised in 2020/21. A process is underway to address under capacitation in critical positions across the department and a monitoring register is being developed for this performance area.

CHANGES TO PLANNED TARGETS

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

LINKING PERFORMANCE WITH BUDGETS

	2019/20			2018/19		
	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 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS						
Programme Management for Financial Accounting and Supply Chain Management Systems	60 466	38 843	21 623	62 637	50 175	12 462
Office of the Chief Procurement Officer	74 382	68 772	5 610	70 570	69 018	1 552
Financial Systems	543 040	399 043	143 997	634 721	419 593	215 128
Financial Reporting for National Accounts	107 790	104 454	3 336	102 519	102 044	475
Financial Management Policy and Compliance Improvement	155 365	122 594	32 771	133 611	130 261	3 350
Audit Statutory Bodies	62 842	62 842	-	97 738	97 738	-
Service Charges: Commercial Banks	303	242	61	289	275	14
Total	1 004 188	796 790	207 398	1 102 085	869 104	232 981

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

4.6 PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

PURPOSE

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

STRATEGIC OBJECTIVES

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

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 serves mainly as a vehicle to enable the National Treasury to engage with Africa through the Southern African Customs Union (SACU), the Southern African Development Community (SADC) and the African Union (AU). Regional integration in terms of growing trade, infrastructure investment and strengthening bilateral relations with key countries are the focus areas for strengthening South Africa's relations with SACU, SADC and Africa more broadly.

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

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

Concessional Finance

The programme supported South Africa's effective engagement in the 19th replenishment of the International Development Association (IDA), the concessional fund of the World Bank Group. This comprised negating Policy Commitments and pledging donor resources that will be used to make concessional finance available to low-income countries, of which 37 are in Africa. The negotiations on the Policy Commitments yielded an increased focus on the Jobs and Economic Transformation Programme and an increased allocation to the Regional Window. IDA-19 achieved a capitalisation of US\$82 billion, an increase of 3 per cent in real terms.

The programme also supported South Africa's effective engagement in the 15th replenishment of the African Development Fund (ADF-15), the concessional fund of the African Development Bank. ADF-15 included two key innovations: measures to improve debt sustainability in ADF countries; and an increased focus on fragility. South Africa successfully hosted the ADF-15 pledging meeting, the first time that it was held in Africa; the meeting resulted in a 32 per cent increase in donor contributions to the ADF-15, with donors contributing US\$7.6 billion.

Africa Continental

The programme supported the work of the Minister of Finance on the budget oversight role at the African Union (AU)

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

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 an 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 in this role. The National Treasury was part of the drafting.

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 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 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.

Southern African Customs Union (SACU)

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

The programme exercised oversight over the effective governance of the SACU Secretariat by chairing and participating in the quarterly Finance and Audit Committee (FAC) meetings. As chair of the FAC, this programme oversaw implementation of the 2019/20 Budget and Business Plan, the ongoing work to review the Conditions of Service for the Secretariat and the audit processes, including approval of the Internal Audit Plan for the 2020/21 financial year. The work further included overseeing the discussion, review and approval of the revisions of the Financial Policy and Guidelines and the Investment Policy and Procedures.

The programme also engaged on finance track issues through participation in the quarterly meetings of the SACU Commission and the SACU Council of Ministers.

As part of implementing the 2002 SACU Agreement, the National Treasury continues to manage the Common Revenue Pool. Related to this work, the organisation participated in the 2019 Trade Data Reconciliation Task Team meetings responsible for calculating the implementation of the Revenue Sharing Formula.

Southern Africa Development Community (SADC)

The programme managed South Africa's engagement with the Macro-economic Convergence Programme and all finance track work. This included engaging in the meetings of the Ministers of Finance and Investment in July 2019 and

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

in the Peer Review Panel of the Macro-economic Convergence Programme of August 2019.

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 2019. This included providing the President's report to the Summit on the status of the implementation of the Macro-economic Convergence Programme. Substantive support was also provided to DIRCO's report to Cabinet in October 2019 on the outcomes of South Africa's Chairship of SADC from August 2017 to August 2018.

The programme also engaged in the discussions and negotiations on the proposed 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 the next decade.

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

The National Treasury continues to effectively represent South Africa in the BRICS formation by advancing collaboration on the BRICS Public Private Partnership and Infrastructure Task Force in which members reflect on and exchange best practices on instruments for infrastructure development. The focus during the period under review was on encouraging infrastructure investment through developing digital platforms.

The 2019/20 financial year marked the 6th anniversary of the signing of the New Development Bank's (NDB) Articles of Agreement in Fortaleza, Brazil. To date, South Africa has secured NDB investments to the value of US\$3.25 billion for various sectors. Noteworthy during this financial year was the NDB's approval and disbursement of its COVID-19 Emergency Program of US\$1 billion to South Africa to provide economic and social relief from the impact of the pandemic.

In April 2019, the NDB registered a R10 billion bond programme in South Africa. The programme, with unlimited validity, is listed on the Johannesburg Stock Exchange.

Group of Twenty (G20)

During the 2019/20 financial year, 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 2019 finance strategy for engagement with the G20 which was endorsed by Cabinet.

The programme supported the successful engagement by the President and ministers at the Osaka G20 Summit in June 2019 where the President was a lead speaker in the session "Addressing Inequalities and Realising an Inclusive and Sustainable World" which focused on issues of employment and women's empowerment, the Sustainable Development Goals, quality infrastructure development, global health and development cooperation.

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

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. On behalf of the President, the Minister of Finance participated in the annual G20 Investment Summit in Berlin where he was a panellist in a session “Benefits of partnerships between investors and development institutions.”

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

International Monetary Fund (IMF)

In the period under review, the National Treasury successfully sustained the dialogue between South Africa and the IMF, including coordinating the IMF’s staff visit in May 2019 and the IMF Article IV mission in November 2019. Additionally, South Africa facilitated a successful visit by the new IMF Chief Economist, Ms Gita Gopinath, to South Africa in February 2020 as part of her African tour to familiarise herself with the continent. Topics of discussions included South Africa’s economic situation and the IMF Integrated Policy Framework.

In January 2020, the IMF Executive Board approved a doubling of the New Arrangements to Borrow (NAB) and proposed to the Board of Governors a resolution concluding the 15th General Review of Quotas. South Africa, as an IMF and NAB member, participated and agreed to this. The aim of these important decisions was to ensure that the IMF, as the centre of the global financial safety net, is adequately resourced to respond to financial crises including the negative impact of the COVID-19 pandemic.

World Economic Forum (WEF)

The World Economic Forum (WEF) provides South Africa with the opportunity to position the country as an attractive investment destination for international investors. The National Treasury led the planning and coordination of the African leg of the WEF held in September 2019 in Cape Town.

The Minister of Finance led the South African delegation to the Annual Davos World Economic Forum Summit in January 2020 under the theme “Stakeholders for a Cohesive and Sustainable World”. Participants included South African business and civil society representatives; the common objective was to positively influence investor confidence by positioning South Africa as an attractive business and investment destination of choice. Davos offers an invaluable platform for South Africa as it is a place of convergence for global captains of industry and civil society influencers where the agenda for the global economy is set.

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

PERFORMANCE INDICATORS

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS						
APP#	INDICATOR	ACTUAL ACHIEVEMENT 2018/2019	TARGET 2019/2020	ACTUAL ACHIEVEMENT 2019/2020	REASON FOR DEVIATION	
STRATEGIC OBJECTIVE 6.1: ADVANCE SOUTH AFRICA'S INTERESTS SPECIFICALLY, AND THOSE OF AFRICA MORE GENERALLY, THROUGH REGULAR STRATEGIC ANALYSIS, ENGAGEMENTS AND NEGOTIATIONS AT REGIONAL AND GLOBAL FINANCIAL AND ECONOMIC FORUMS						
6.1.1	Percentage of obligations towards international agreements met monitored	100%	100%	100%	N/A	
6.1.2	Percentage response to customer requests on mandatory briefing notes and analyses	100%	100%	100%	N/A	
6.1.3	Percentage response to customer request on ad-hoc briefing notes and analyses	100%	100%	100%	N/A	
STRATEGIC OBJECTIVE 6.2: INCREASE AFRICA'S VOICE AND SOUTH AFRICA'S INFLUENCE IN INTERNATIONAL INSTITUTIONS AND FORUMS						
6.2.1	Number of interventions to increase South Africa's presence within institutions of particular strategic value	1	1	1	N/A	
6.2.2	Percentage of interventions in pursuit of institutional reform implemented	100%	100%	100%	N/A	
STRATEGIC OBJECTIVE 6.3: SUPPORT AN ENABLING ENVIRONMENT FOR INCREASED ECONOMIC ACTIVITY WITHIN AFRICA						
6.3.1	Number of initiatives developed to expand relations with key strategic partners in Africa	1	1	1	N/A	
6.3.2	Percentage of implemented identified plans to accelerate regional integration reviewed	100%	100%	100%	N/A	

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

No under-performance.

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

CHANGES TO PLANNED TARGETS

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

LINKING PERFORMANCE WITH BUDGETS

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS	2019/20			2018/19		
	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	10 473	6 660	3 813	10 161	9 043	1 118
International Economic Cooperation	55 711	44 407	11 304	49 398	46 710	2 688
African Integration and Support	981 896	981 508	388	1 017 119	1 002 585	14 534
International Development Institutions	4 879 235	4 405 819	473 416	4 786 127	4 729 982	56 145
International Projects	20 816	20 369	447	20 316	19 366	950
Total	5 948 131	5 458 763	489 368	5 883 121	5 807 686	75 435

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

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

PURPOSE

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

STRATEGIC OBJECTIVES

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

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.

Military Pensions

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

Other Benefits

This sub-programme processes the payment of benefits to former members of legislative assemblies. These include payments to former members of the legislative assemblies of the former Venda, Transkei, Ciskei and Bophuthatswana governments; judges or their widows in terms of the Judges' Remuneration and Conditions of Employment Act, 1989 (Act No. 88 of 1989); and former state presidents.

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

SERVICE DELIVERY OBJECTIVES AND INDICATORS

Recent outputs

By maintaining continual monitoring and data cleansing, the programme achieved 99.9 per cent resolution of the integrity of data against a target of 85 per cent.

In terms of client queries and complaints, the programme achieved its target of 100 per cent of queries resolved within seven days. This is attributed to customer-centric team efforts and continual maintenance of stakeholder relationships. The programme paid 98.9 per cent of benefits within 45 days against a target of 96 per cent.

The programme paid out pensions and benefits of R5.5 billion in 2019/20 compared to R5.0 billion in 2018/19, an increase of 9 per cent. This can be attributed to the increase in post-retirement medical subsidies, injury on duty claims and annual increases.

The number of pensioners and beneficiaries increased by 5 per cent, from 139 783 in 2018/19 to 147 332 in 2019/20. The increase in applications received can be attributed to post-retirement medical subsidy and injury on duty claims.

Stakeholder Relations

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

The programme held workshops, roadshows, human resources and finance forums to ensure that members and employer departments are informed of the programme's products and services. These events took place in Kimberly, De Aar, Upington, Richards Bay, Nelspruit, Bushbuckridge, Stellenbosch, Klerksdorp, Mahikeng, Port Shepstone, Ulundi, Vosloorus, Katsi, Elim, Bela Bela, Bloemfontein, Port Elizabeth, New Brighton, Kwa Mhlanga, Ermelo, Cape Town, Trompsburg, George, Saldanha Bay, Polokwane, Groblersdal, Vryburg, Mogwase, East London, Bisho, Pretoria, Johannesburg, Krugersdorp, Hammanskraal, Ladysmith, QwaQwa, Durban, Sasolburg, Mthatha and Queenstown.

Focus areas arising from 2019/20

Due to the COVID-19 pandemic, the programme had to cancel all public gatherings and participation, and will resort to informing existing members of our products and services through newsletters. The programme will consider other mediums of communication to stakeholders and pensioners until the COVID-19 pandemic period has passed.

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

PERFORMANCE INDICATORS

PROGRAMME 7: CIVIL AND MILITARY PENSIONS, CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS					
APP#	INDICATOR	ACTUAL ACHIEVEMENT 2018/2019	TARGET 2019/2020	ACTUAL ACHIEVEMENT 2019/2020	REASON FOR DEVIATION
STRATEGIC OBJECTIVE 7.1: ENSURE GOOD GOVERNANCE AND ROBUST CONTROL ENVIRONMENT FOR FUND ADMINISTRATION					
7.1.1	Percentage of benefits validated for payment paid within liable dates	99%	96%	98.9%	Over-performance is attributed to effective and efficient administration of Programme 7 benefits.
7.1.2	Percentage compliance with SLA between NT and GPAA specifically Programme 7 related indicators	99.4%	97.5%	100%	Over-performance is attributed to continuous and effective management and compliance monitoring of service delivery against the SLA indicators.
7.1.3	Percentage integrity of client data	100%	85%	99.9%	Over-performance is attributed to effective continuous monitoring of client data.
STRATEGIC OBJECTIVE 7.2: PROVIDE AN IMPROVED AND INTEGRATED CUSTOMER SERVICE EXPERIENCE					
7.2.1	Percentage of customer service complaints responded to within seven days of receipt	100%	100%	100%	N/A

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

The programme will continue to look for opportunities to automate pension administration processes i.e Military medical accounts ,IOD and Post-Retirement Medical Subsidies.

CHANGES TO PLANNED TARGETS

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

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

LINKING PERFORMANCE WITH BUDGETS

PROGRAMME 7: CIVIL AND MILITARY PENSIONS, CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS	2019/20			2018/19		
	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	72 712	66 871	5 841	64 488	64 488	-
Civil Pensions and Contributions to Funds	4 461 438	4 437 947	23 491	4 017 709	4 017 142	567
Military Pensions and Other Benefits	990 353	982 282	8 071	939 080	938 470	610
Total	5 524 503	5 487 100	37 403	5 021 277	5 020 100	1 177

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

4.8 PROGRAMME 8: TECHNICAL AND MANAGEMENT SUPPORT AND DEVELOPMENT FINANCE

PURPOSE

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

STRATEGIC OBJECTIVES

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

SUB-PROGRAMMES

Government Technical Advisory Centre (GTAC)

In support of the National Treasury and its functions as set out in the PFMA, GTAC administers the Employment Creation Facilitation Programme, the Municipal Finance Improvement Programme, and contributes to the City Support and Infrastructure Delivery Improvement Programmes of the Intergovernmental Relations division.

Within the context of the NDP and the Medium-Term Strategic Framework (MTSF), GTAC contributes to building a capable and development-oriented state while also strengthening capacity to work with the private sector in promoting growth, employment, infrastructure investment and public service delivery.

Local Government Financial Management Support

The Local Government Financial Management Support sub-programme has one component:

The Municipal Finance Improvement Programme (MFIP), which provides technical assistance and support to the National Treasury, provincial treasuries and municipalities by placing long term advisors with experience and expertise in municipal financial management to facilitate key reforms, improvements and skills transfer.

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

The third phase of the MFIP (MFIP III) commenced in April 2017 and draws extensively on the experiences and lessons of the first two phases of the programme. The MFIP is administered by a Programme Management Unit (PMU) located functionally in the OAG and is led by the Head of the Programme Management (PMU). GTAC provides administrative support to the PMU. Its responsibilities include assigning municipal finance specialists to assist national and provincial treasuries to improve their ability to monitor and support municipalities, and placing long term advisors directly at municipalities, based on requests for assistance and diagnostic assessment outcomes.

The main intended outcomes of the MFIP are improved financial management capacity, qualified finance officers, enhanced budget and financial management practices, and improved financial health and audit outcomes. The MFIP is overseen by a steering committee chaired by the Accountant-General and constituted by national and provincial programme stakeholders.

Urban Development and Support

Urban Development and Support consists of two programmes:

The Neighbourhood Development Partnership Programme, which supports municipal planning and investment in targeted locations, aimed at attracting and sustaining third-party capital investment and business development towards spatial and economic transformation, with a focus on improving the quality of life and access to opportunities in under-served townships or settlements.

Within the programme, the Neighbourhood Development Partnership Grant (NDPG) was introduced to ensure investment in underserved residential neighbourhoods and to leverage private sector development in these areas.

The NDP's Urban Network Strategy targets urban hub precincts with secondary linkages to under-served residential areas and built environment upgrade projects in urban or rural townships. The NDPG consists of two complementary components: a technical assistance grant for municipal planning of potential capital projects in urban hubs across sectors and spheres, and a capital grant for funding selected catalytic projects in urban hubs.

The programme aims to encourage complementary public and private investment in these targeted locations and in this way contribute to the broader goal of liveable, sustainable, resilient, efficient and integrated towns and cities. The Urban Network Strategy aims to optimise the spatial impact of public infrastructure investment, fiscal and regulatory measures and coordinated urban management in identified transit-oriented urban hubs. NDP projects in rural municipalities are supported in collaboration with the Department of Rural Development and Land Reform.

The Cities Support Programme (CSP) aims to promote cities that are inclusive, productive and sustainable through accelerated and more inclusive development in major urban areas. This is delivered by focusing on improvements to

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

cities' governance and built environment planning, improved human settlements and public transport management, local economic development and environmental sustainability as well as climate resilience. The CSP includes technical assistance, peer learning, collaborative reviews and development finance support and is implemented through a partnership model that includes the Development Bank of Southern Africa, the World Bank, SA Cities Network and GTAC.

The Integrated City Development Grant (ICDG) was introduced in 2013/14 and is a component of the National Treasury's broader Cities Support Programme (CSP). The ICDG is intended as an incentive to metropolitan municipalities to strengthen planning and delivery capacity and to target infrastructure spending to transform inefficient urban landscapes into more inclusive, productive and sustainable spatial forms. Eligibility is restricted to municipalities with sound financial management and acceptable levels of capital expenditure performance. The first transfer was subject to each municipality submitting a Council-approved BEPP in the prescribed format by 31 May 2019. The second transfer will only be released to municipalities that have submitted annual circular 88 indicators in the prescribed format, as well as their Cities Infrastructure Delivery and Management (CIDMS) Readiness Assessments.

The NDPG is administered by the Neighbourhood Development Programme under the Intergovernmental Relations division, while the CSP reports to the Provincial and Local Government Infrastructure units of the Intergovernmental Relations division.

Employment Creation Facilitation

The Employment Creation Facilitation sub-programme was introduced in 2011 to contribute to employment and inclusive growth by supporting innovative approaches to job creation and enterprise development. The main component of the programme is the Jobs Fund, a multi-year R9 billion investment which leverages complementary funding from public and private sector project partners. It operates as a "challenge fund" and allocates matching grants following a competitive, open and transparent application process. Project allocations are made by an independent investment committee.

The Employment Facilitation sub-programme also supports a research project (REDI3x3), based at the Southern African Labour and Development Research Unit at the University of Cape Town, and the www.econ3x3.org web forum which publishes accessible policy-relevant research on employment, income distribution and inclusive growth.

Infrastructure Development Support

The Infrastructure Development Support sub-programme consists of two elements:

- The Infrastructure Skills Development Grant (ISDG), which assists municipalities to provide built environment graduates with training and support leading to professional registration.
- The Infrastructure Delivery Improvement Programme (IDIP), which provides advisory and technical support

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

to provincial departments of health, education and public works, and to selected municipalities, to improve infrastructure planning, procurement and contract management.

- Municipalities apply for funding from the ISDG through a business plan which demonstrates that they have suitable projects, and training and mentoring capacity to support identified graduates in engineering, town planning, architecture, quantity surveying, geographic information systems and project management on the “road-to-registration” with the relevant statutory councils. The business plan must include an absorption strategy for successful candidates in the applicant municipality or in another municipality.
- The key intended outcomes of the grant are to develop technical capacity in local government and increase the number of qualified and professionally registered graduates in built environment disciplines. The grant is administered by the Provincial and Local Government Infrastructure Unit of the Intergovernmental Relations division and its requirements are set out in the ISDG Guidelines published by the unit.
- The Provincial and Local Government Infrastructure Unit is also responsible for the IDIP, through which experienced professional advisors are assigned to provincial departments or municipalities to assist with developing infrastructure planning and project management capacity. Currently in its third phase, the IDIP programme includes implementation support for the Infrastructure Delivery Management System (IDMS) developed in partnership with the Construction Industry Development Board. The programme is implemented in cooperation with the national departments of Basic Education, Health and Public Works.

SERVICE DELIVERY OBJECTIVES AND INDICATORS

Recent outputs

Government Technical Advisory Centre

In the 2019/20 financial year, GTAC contributed to the inclusive growth agenda that stimulates employment and income-generating opportunities. Through its interventions, GTAC continued to support private sector participation in infrastructure investment and development financing. During the year under review, GTAC’s portfolio of work included institutional capacity building support; this included projects in key sectors of government business.

GTAC manages a project management unit for the Employment Creation Facilitation Programme (the Jobs Fund) and the Municipal Finance Improvement Programme as well as contract advisors to municipalities and the national and provincial treasuries as part of this initiative.

Municipal Finance Improvement Programme

During the 2019/20 financial year, the Municipal Finance Improvement Programme (MFIP) procured and deployed 80 Technical Advisors (TAs) to provide technical support aligned to the six local government financial management

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

(LGF) game changers designed to build the institutional and technical financial management capacity of the National Treasury, provincial treasuries and municipalities.

As at 31 March 2020, the MFIP had procured and deployed 80 TAs to the following institutions and work streams:

- Direct capacity support to municipal budget and treasury offices in general financial management: 23 TAs were deployed in municipalities across the nine provinces.
- Direct capacity support to the municipal finance units of provincial treasuries: 32 TAs were placed, of whom five provided general support. Specialist support was offered in the following areas: Supply Chain Management (seven advisors), the Municipal Standard Chart of Accounts (six advisors), Asset Management (seven advisors) and Revenue Management (seven advisors).
- Direct capacity support to three National Treasury chief directorates (Local Government Budget Analysis, Municipal Finance Management Act Implementation and SCM Policy and Legal): 18 TAs were placed, providing specialist support on the Financial Management Capability Maturity Model (two advisors), audit outcomes (three advisors), budgeting and reporting (one advisor), the Municipal Financial Recovery Service (eight advisors), the Municipal Standard Chart of Accounts (one advisor), OCPO (one advisor) and revenue management (two advisors).
- Seven TAs were procured to provide programme and project management capacity support to the officials in the MFIP project management unit.

During the year, 2 280 capacity building sessions were held involving 13 603 officials. Further measures to improve the overall effectiveness and efficiency of the programme included strengthening the institutionalisation of the modified business model; undertaking ongoing advocacy of the revised governance and management arrangements with programme stakeholders; appointing officials to the Project Management Unit to further strengthen accountability and sustainability; sourcing the full complement of TAs to implement the entire spectrum of MFIP technical support; and implementing the MFIP knowledge and information management strategy to improve the efficiency of programme administration and enhance knowledge sharing and collaborative learning across the project work streams.

Jobs Fund Project Management

To date, eight calls for proposals have been issued for initiatives that innovatively catalyse new employment creation models that can be replicated and scaled up. The Fund offers once-off grants in the areas of enterprise development, infrastructure, support for work seekers and institutional capacity building. During the 2019/20 financial year, the Jobs Fund finalised its 8th funding round, with the Jobs Fund Investment Committee approving 28 projects. R2.3 billion in grant funding was allocated to these projects and project partners committed R4.7 billion in matched funding.

Since the Jobs Fund's inception, 178 projects have been approved against a target of 150; 25 withdrew before contracting, leaving 153 in the approved portfolio. Of these 153, 146 have been contracted and are at various stages of implementation. The main determinant of the number of projects approved is the quality of the proposals submitted.

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

During the year under review, five Jobs Fund supported projects came to completion. Amongst these was the Capital Harvest Emerging Farmer Finance project which contributes to transformation in the agriculture sector by supporting emerging farmers on their journey to commercialisation. Access to appropriately structured finance together with technical assistance remain critical factors for agricultural transformation. The project supported emerging farmers through a blended finance model paired with technical assistance.

The funding enabled emerging farmers to acquire much-needed assets to develop orchards, vineyards and infrastructure with the potential to create long term opportunities; the project also proactively sought to support women emerging farmers.

Another area of focus for the Jobs Fund has been the development and placement of youth. During the year under review, the Harambee: Accelerating Inclusive Youth Employment project came to completion. The project addresses the mismatch between available skills and employer demand. The impact on work-seekers has been profound. Their levels of emotional maturity, resilience and skill have increased; they are better able to navigate the labour market and contract; and they have higher levels of confidence to connect themselves and others to available employment.

Urban Development and Infrastructure Development Support

Phase 2 of the Cities Support Programme support was activated in March 2019 and, in the year under review, the focus was on working with the metros and other stakeholders to scope a new generation of support under the CIDMS project, the Catalytic Land Development Programme project and the Project Preparation support project. In collaboration with the Neighbourhood Development Programme (NDP), a draft Cities Investment Programme and Project Preparation Facility (CIPPPF) guideline was developed through extensive consultation with the cities. Work was undertaken to repurpose the Integrated City Development Grant (ICDG) to support programme and project preparation in the cities. Through the ICDG, the metropolitan municipalities received R310 million to support the development of integrated catalytic projects in their integration zones. Release of this funding to the metros was subject to their submitting a pipeline of catalytic programmes; submitting Sub National Doing Business Reform Action Plans; and completing readiness assessments for the CIDMS.

Infrastructure Development Support

During the 2019/20 financial year, 1 208 officials in the provincial and national departments were oriented through IDMS initiatives, including the FIDPM.

The Infrastructure Delivery Management System Body of Knowledge (IDMSBOK) was conceptualised and shared with stakeholders and role players in the infrastructure environment for institutionalisation of the deliverables of the Infrastructure Delivery Improvement Programme (IDIP) which provided advisory and technical support to provincial Departments of Health, Education and Public Works in partnership with the national counterparts to improve infrastructure planning and delivery.

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

Provincial and Local Government Infrastructure unit has continued to implement further infrastructure management reforms such as the IDMSBOK. Its purpose is to create an IT platform that will enable sharing of IDMS explicit information and support uniform management of the IDMS process and deliverables. Various IDMS related toolkits will be hosted on the IDMSBOK IT platform.

During the reporting period, through partnerships with the OCPO and the Construction Industry Development Board, the PLGI unit continued to support infrastructure delivery management system initiatives such as the FIDPM. Consultants were appointed to assist with the enhancement of the IDMS, IDMS Toolkits and IDMSBOK. Parts of the Health Facility Revitalisation Grant and the Education Infrastructure Grant, respectively, were used to build capacity in provincial departments of health and education infrastructure units by appointing qualified officials. The need to create infrastructure units in provincial treasuries has been identified; approval from the Minister of Public Service and Administration (MPSA) is required before posts for infrastructure units can be included in the treasuries' organisational structures.

Neighbourhood Development Partnership Programme

During the 2019/20 financial year, the NDPP continued to assist metros and ten secondary cities on planning and infrastructure investment. R 591 672 000 was transferred to municipalities for investment in catalytic projects, 37 projects were approved and 22 projects were completed during the period. The public investment attracted over R2.2 billion third party investment into some of the locations. Two investment plans have been completed.

The NDPP worked with the Cities Support Programme to finalise the framework for a project preparation facility that will result in the development of a project pipeline. The work is ongoing, with the National Treasury collaborating with the Infrastructure and Investment office in the Presidency. To enable comprehensive support for township enterprises in targeted locations, the team maintained a strong partnership with the Department of Small Business Development and the Gauteng Premier's office.

As part of support for rural municipalities, planning for Regional Service Centres (RSCs) in five municipalities was initiated in collaboration with the Department of Rural Development and CoGTA. A list of 27 RSCs to be provided with support on planning and infrastructure investment over the MTEF has been finalised and discussions have begun with the Department of Human Settlements about possible collaboration on spatial transformation in priority human settlement and housing development areas.

The Tembisa Urban Hub and the Jabulani Urban Hub, two major catalytic land development programmes being supported by the NDPP, are at advanced stages.

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

PERFORMANCE INDICATORS

PROGRAMME 8: TECHNICAL AND MANAGEMENT SUPPORT AND DEVELOPMENT FINANCE					
APP#	INDICATOR	ACTUAL ACHIEVEMENT 2018/2019	TARGET 2019/2020	ACTUAL ACHIEVEMENT 2019/2020	REASON FOR DEVIATION
STRATEGIC OBJECTIVE 8.1: ESTABLISHMENT OF GTAC AS A CENTRE OF EXCELLENCE IN PUBLIC SECTOR ADVISORY SERVICES, TRANSACTION SUPPORT, PROJECT MANAGEMENT AND PUBLIC FINANCE MANAGEMENT					
8.1.1	Number of GTAC quarterly reports on progress produced	4	4	4	N/A
STRATEGIC OBJECTIVE 8.2: LOCAL GOVERNMENT FINANCIAL MANAGEMENT IMPROVEMENT					
8.2.1	Number of technical advisors placed at National Treasury, provincial treasuries and municipalities through the Municipal Finance Improvement Programme (MFIP)	69	60	80	Over-performance is attributed to the MFIP Programme Steering Committee (PSC) resolution to procure additional resources to augment the support MFIP is currently providing to municipalities, PTs and NT. This was mainly as a result of the increase in the number of municipalities classified by NT and CoGTA as financially distressed and institutionally dysfunctional.
STRATEGIC OBJECTIVE 8.3: PROMOTION OF URBAN INTEGRATION AND NEIGHBOURHOOD DEVELOPMENT					
8.3.1	Number of investment plans completed	4	2	2	N/A
8.3.2	Number of catalytic projects approved	50	20	37	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.
8.3.3	Number of programmes in Integration Zones identified for planning	12	12	11	Under-performance is attributed to the catalytic land development programmes in Mangaung being halted due to non-performance and the city being placed under administration.
8.3.4	Number of programmes in Integration Zones under implementation	10	10	9	Under-performance is attributed to the catalytic land development programmes in Mangaung being halted due to non-performance.

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

PROGRAMME 8: TECHNICAL AND MANAGEMENT SUPPORT AND DEVELOPMENT FINANCE					
APP#	INDICATOR	ACTUAL ACHIEVEMENT 2018/2019	TARGET 2019/2020	ACTUAL ACHIEVEMENT 2019/2020	REASON FOR DEVIATION
STRATEGIC OBJECTIVE 8.4: FACILITATION OF EMPLOYMENT CREATION AND INCLUSIVE GROWTH					
8.4.1	Number of Jobs Fund projects approved (cumulative across the term of the project)	127	150	153	Over-performance is attributed to greater number of projects having met the Jobs Fund's competitive requirements in the 8th Funding Round.
8.4.2	Grant funding approved (cumulative across the term of the project)	R6 684m	R7 880m	R8 927m	Over-performance is attributed to greater number of projects approved in the 8th Funding Round.
8.4.3	Matched funding committed (cumulative across the term of project)	R9 473m	R7 880m	R14 118m	Over-performance is attributed to the matched funding ratio being greater than the required 1:1 ratio with projects committing more own funding.
8.4.4	New jobs contracted (cumulative across the term of project)	150 627	150 000	177 532	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 created over the life of the programme.
8.4.5	Number of placements contracted (cumulative across the term of project)	75 718	80 000	81 987	Over-performance is attributed to projects contracting greater than expected number of new jobs.
8.4.6	Number of training opportunities contracted (cumulative across the term of project)	249 615	250 000	306 991	Over-performance is attributed to projects contracting greater than expected number of training opportunities across the Jobs Fund's portfolio of projects.
8.4.7	Value of grant funding disbursed (cumulative across the term of project)	R4 624m	R5 825m	R5 037m	Under-performance is attributed to a number of factors that includes project withdrawals, terminations, overestimation of cash flow forecasts and slow economic growth. Grant funding is disbursed upon the achievement of targets.

4. PERFORMANCE INFORMATION BY PROGRAMME ▶ *continued*

PROGRAMME 8: TECHNICAL AND MANAGEMENT SUPPORT AND DEVELOPMENT FINANCE					
APP#	INDICATOR	ACTUAL ACHIEVEMENT 2018/2019	TARGET 2019/2020	ACTUAL ACHIEVEMENT 2019/2020	REASON FOR DEVIATION
8.4.8	Number of Jobs Fund evaluation reports and dissemination of learning conducted	2 project evaluation reports. 1 learning event.	2 project evaluation reports. 1 learning event.	2 project evaluation reports. 1 learning event.	N/A N/A
STRATEGIC OBJECTIVE 8.5: IMPROVED INFRASTRUCTURE PLANNING, MANAGEMENT AND SKILLS DEVELOPMENT					
8.5.1	Percentage response to procure approved Professional Service Providers to assist with institutionalising the IDMS	100%	100%	57.9%	Under-performance is attributed to bidders rejecting offers based on the maximum amount that can be afforded as per budget.
8.5.2	Number of officials trained on the infrastructure delivery management system initiatives	716	500	1208	Over-performance is attributed to a greater demand for workshops especially on Framework for Infrastructure Delivery Management (FIDPM) than anticipated.
8.5.3	Number of graduates in training for professional registration	378	500	532	Over-performance is attributed to candidates that have been registered professionally by various statutory councils during the current financial year.
8.5.4	Number of capacity improvement initiatives undertaken to support infrastructure delivery	23	18	21	Over-performance is attributed to a greater demand for capacity improvement initiatives than anticipated.

4. PERFORMANCE INFORMATION BY PROGRAMME ▸ *continued*

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

UNDER-PERFORMING INDICATORS AND ACTION PLANS		
PROGRAMME 8: TECHNICAL AND MANAGEMENT SUPPORT AND DEVELOPMENT FINANCE		
APP#	Indicator	Action Plan
STRATEGIC OBJECTIVE 8.3: PROMOTION OF URBAN INTEGRATION AND NEIGHBOURHOOD DEVELOPMENT		
8.3.3	Number of programmes in Integration Zones identified for planning	Under-performance is attributed to the catalytic land development programmes in Mangaung being halted due to non-performance and the city being placed under administration.
8.3.4	Number of programmes in Integration Zones under implementation	Under-performance is attributed to the catalytic land development programmes in Mangaung being halted due to non-performance.
STRATEGIC OBJECTIVE 8.4: FACILITATION OF EMPLOYMENT CREATION AND INCLUSIVE GROWTH		
8.4.7	Value of grant funding disbursed (cumulative across the term of project)	Under-performance is attributed to a number of factors that includes project withdrawals, terminations, overestimation of cash flow forecasts and slow economic growth. Grant funding is disbursed upon the achievement of targets.
STRATEGIC OBJECTIVE 8.5: IMPROVED INFRASTRUCTURE PLANNING, MANAGEMENT AND SKILLS DEVELOPMENT		
8.5.1	Percentage to procure Professional Providers to assist with institutionalising the IDMS response approved Service Providers to assist with	Under-performance is attributed to bidders rejecting offers based on the maximum amount that can be afforded as per budget.
		The offers that were rejected have been re-advertised. It is anticipated these required professional service providers will be procured in the 2020/21 financial year.

4. PERFORMANCE INFORMATION BY PROGRAMME ▸ *continued*

CHANGES TO PLANNED TARGETS

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

LINKING PERFORMANCE WITH BUDGETS

PROGRAMME 8: TECHNICAL AND MANAGEMENT SUPPORT AND DEVELOPMENT FINANCE	2019/20			2018/19		
	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
Local Government Financial Management Support	681 399	681 399	-	645 481	645 481	-
Urban Development and Support	962 220	947 792	14 428	924 829	910 853	13 976
Employment Creation Facilitation	642 848	628 133	14 715	603 237	330 597	272 640
Government Technical Advisory Centre	46 734	46 734	-	71 858	71 858	-
Infrastructure Development Support	330 631	325 177	5 454	681 374	276 278	405 096
Total	2 663 832	2 629 235	34 597	2 926 779	2 235 067	691 712

5. TRANSFER PAYMENTS

5.1. TRANSFER PAYMENTS TO PUBLIC ENTITIES

The table below reflects the transfer payments made for the period 1 April 2019 to 31 March 2020

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	14 340	14 340	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	20 759	20 759	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	54 319	54 319	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	294 324	294 324	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	61 734	61 734	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	43 163	43 163	Refer to General Information Public Entities reporting to Minister
7. South African Revenue Service*	Efficient and effective collection of revenue	9 529 031	9 529 031	Refer to General Information Public Entities reporting to Minister

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

5. TRANSFER PAYMENTS ▶ continued

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 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
8. Economic Research Southern Africa (ERSA)	Research programme which is being funded by the National Treasury	Promote research capacity in areas such as economic growth, job creation, macroeconomic stability, poverty alleviation, financial sector development etc.	Yes	-	-	The ERSA project was discontinued.
9. Audit Statutory Bodies	Audit organisation	A financial injection to provinces with municipalities that are financially distressed and unable to pay their audit costs.	Yes	62 842	62 842	Not applicable
10. African Regional Technical Assistance Centre	Foreign and International organisation	Providing technical assistance and cooperation in core macroeconomic and financial management.	Yes	1 227	1 227	Not applicable
11. African Risk Capacity (ARC)	Foreign and International organisation	To anchor the Bank's engagements with South Africa and maintain complementary linkages with development institutions.	No	-	-	The annual membership which could not be transferred as the concept to for South Africa to have a membership with ARC is being placed on hold until further notice.

PART B: PERFORMANCE INFORMATION

5. TRANSFER PAYMENTS ▶ continued

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
12. Collaborative African Budget Reform Initiative	Foreign and International organisation	To provide capacity building in Africa's financial sector management, budget reform and governance through SA's contribution.	Yes	2 152	2 152	Not applicable
13. Common Monetary Area Compensation (CMA)	Foreign and International organisation	To compensate the contracting parties of the Multilateral Monetary Agreement (MMA) for the amount of rand currency in circulation.	Yes	976 938	976 938	Not applicable
14. Institute for Development and Economic Planning (IDEP)	Foreign and International organisation	For improving public sector management and development planning in support of member States' structural transformation.	Yes	1 191	1 191	Not applicable
15. Employment Creation Facilitation Fund		To support innovative partnership-based approaches to sustainable employment creation and research into employment, income distribution and inclusive growth.	Yes	305 000	305 000	Not applicable
15. African Development Bank & Fund (AFDB)	Foreign and International organisation	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	78 699	Not applicable
16. World Bank	Foreign and International organisation	To provide concessional loans and grants to low income countries.	Yes	53 620	53 620	Not applicable

PART B: PERFORMANCE INFORMATION

5. TRANSFER PAYMENTS ▶ *continued*

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
17. Commonwealth Fund for Technical Cooperation	Foreign and International organisation	To provide support for common secretarial goals and programmes on annual basis.	Yes	5 816	5 816	Not applicable
18. International Finance Facility for Immunisation (IFFI)	Foreign and International organisation	To support health care, particularly the provision of vaccines to reduce the number of vaccine preventable deaths among children in low income countries.	Yes	-	-	Not applicable

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

PART B: PERFORMANCE INFORMATION

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 WHICH TRANSFERRED THE GRANT: NATIONAL TREASURY	
Purpose of the grant	To provide a financial incentive for metropolitan municipalities to achieve a more compact, livable, inclusive, productive and sustainable urban spatial form.
Expected outputs of the grant	Metropolitan municipalities are authorised to use this grant to: <ul style="list-style-type: none"> • Conduct authorised studies/strategies. • Acquire land within identified integration zones. • Plan and implement catalytic/strategic projects within identified integration zones. • Implement infrastructure projects including public transport, roads, water, energy, housing and development within identified integration zones.
Actual outputs achieved	The grant allocation supported metropolitan municipalities towards integrated planning, spatial targeting, project pipelining and implementation of projects funded by various infrastructure grants in 47 identified integration zones. Overall, the grant supported realisation of the following national priorities: Outcomes six, eight and nine.
Amount per amended DoRA	R310.051 million
Amount received	R310.051 million
Reasons if amount as per DoRA not received	Not applicable
Amount spent by the department/municipality	R310.051 million was transferred to eight metropolitan municipalities.
Reasons for the funds unspent by the entity	Not applicable. The Integrated City Development Grant is a supplementary grant for various municipal infrastructure grants.
Reasons for deviations on performance	Not applicable
Measures taken to improve performance	Not applicable
Monitoring mechanism by the receiving department	Municipalities report on the grant expenditure through Section 71 of MFMA. They also report on their financial and non-financial performance by submitting annual evaluations.

PART B: PERFORMANCE INFORMATION

6. CONDITIONAL GRANTS ▶ *continued*

CONDITIONAL GRANT 2: INFRASTRUCTURE SKILLS DEVELOPMENT GRANT

DEPARTMENT WHICH TRANSFERRED THE GRANT: NATIONAL TREASURY	
Purpose of the grant	To recruit unemployed graduates into municipalities, to be trained and professionally registered with the relevant statutory councils, within the built environment
Expected outputs of the grant	<ul style="list-style-type: none"> • Number of built environment graduates in training and registered as candidates for professional registration, with the relevant statutory councils. • Number of graduates registered as professionals by the relevant statutory councils. • Number of graduates employed as registered professionals within the built environment in local government.
Actual outputs achieved	<ul style="list-style-type: none"> • A total of 630 graduates were recruited into the programme since inception in 2012/13. For the reporting period 532 graduates were still receiving training. • From 2012/13 to 2019/20 a cumulative number of 262 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. Therefore, graduates exit the programme upon completing all the requirements and competencies of the respective Statutory Councils for professional registration. • From 2012/13 to 2019/20 a cumulative number of 200 graduates are permanently employed within municipalities and across other sectors.
Amount per amended DoRA	R149.416 million
Amount received	R149.416 million
Reasons if amount as per DoRA not received	Not applicable
Amount spent by the department/municipality	R149.416 million was transferred to Infrastructure Skills Development Grant (ISDG) participating municipalities.
Reasons for the funds unspent by the entity	<ul style="list-style-type: none"> • Municipalities spent R91.671 million out of R149.416 million. • Spending was affected by slow recruitment of graduates by municipalities.
Reasons for deviations on performance	Not applicable
Measures taken to improve performance	Not applicable
Monitoring mechanism by the receiving department	<ul style="list-style-type: none"> • Municipalities submit monthly, quarterly and annual reports reflecting their financial and non-financial performance. • The National Treasury conducts site visits to verify training and graduates recruited and hosts workshops with municipalities.

PART B: PERFORMANCE INFORMATION

6. CONDITIONAL GRANTS ▶ *continued*

CONDITIONAL GRANT 3: NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT

DEPARTMENT WHICH TRANSFERRED THE GRANT: NATIONAL TREASURY	
Purpose of the grant	To provide spatially targeted capital funding of intergovernmental project pipelines, supporting and facilitating economic development opportunities in previously disadvantaged areas.
Expected outputs of the grant	20 targeted infrastructure projects.
Actual outputs achieved	30 targeted infrastructure projects delivered at municipal year-end.
Amount per amended DORA	Schedule 5B: R601.672 million, Schedule 6B: R50.497 million.
Amount received	Schedule 5B: R601.672 million; Schedule 6B R50.497 million.
Reasons if amount as per DoRA not received	The full DoRA amount was received.
Amount spent by the department/municipality	<ul style="list-style-type: none"> For Schedule 5B, R591.672 million was transferred to municipalities. For Schedule 6B, R46.069 million was paid to service providers appointed by the municipalities.
Reasons for the funds unspent by the entity	For Schedule 5B, R10 million for Nelson Mandela Bay Metropolitan Municipality was not transferred as per section 216(2) of the Constitution of the Republic of South Africa. For Schedule 6B, R4.428 million was not paid to municipalities' service providers because of delays in completing contracted work before the end of the financial year; expired contract periods not extended in time; and tax status not in good standing.
Reasons for deviations on performance	Over-performance on the Baseline Management Process based on cash flows and associated timelines, including support alignment 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.
Measures taken to improve performance	Application of the Baseline Management Process based on cash flows and associated timelines, including support for alignment.
Monitoring mechanism by the receiving department	Actual spend measured against Baseline Management cash flows.

PART B: PERFORMANCE INFORMATION

6. CONDITIONAL GRANTS ▶ *continued*

CONDITIONAL GRANT 4: LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT

DEPARTMENT WHICH TRANSFERRED THE GRANT: NATIONAL TREASURY	
Purpose of the grant	To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA).
Expected outputs of the grant	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; implementation of financial misconduct regulations; etc.
Actual outputs achieved	Funds were transferred to 257 municipalities.
Amount per amended DoRA	R532.822 million
Amount received	R532.822 million
Reasons if amount as per DoRA not received	Not applicable
Amount spent by the department/municipality	R532.822 million was transferred to municipalities.
Reasons for the funds unspent by the entity	Municipalities spent R275.576 million. The municipal financial year is not aligned with the national financial year; it begins in July and ends in June. Therefore, for the 2019/20 financial year, municipalities have three additional months (April, May and June) to spend the grant funds. The COVID-19 disaster and consequent lockdown impacted on spending as some municipalities could not complete reporting for March 2020.
Reasons for deviations on performance	Not applicable, as all funds were transferred to municipalities.
Measures taken to improve performance	Not applicable
Monitoring mechanism by the receiving department	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 DoRA.

6.2. CONDITIONAL GRANTS AND EARMARKED FUNDS RECEIVED

No conditional grants and earmarked funds were received

PART B: PERFORMANCE INFORMATION

7. DONOR FUNDS

7.1. DONOR FUNDS RECEIVED

DONOR FUND: USAID TECHNICAL ASSISTANCE FACILITY (TAF)

Name of donor	United States Agency for International Development (USAID) including counterpart funding.
Full amount of the funding	R31 million
Period of the commitment	2016 – 2022
Purpose of the funding	Design, implementation and ad hoc support for development cooperation projects.
Expected outputs	Technical assistance
Actual outputs achieved	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 DG. Funds were also allocated for an audit undertaken on the General Budget support project implemented by the Government Technical Advisory Centre (GTAC).
Amount received in current period	R18 million
Amount spent by the department	R9.4 million
Reasons for the funds unspent	Not applicable as this is technical assistance facility. Funds are released as and when required.
Monitoring mechanism by the donor	Donor monitoring and reporting is not required as the funds are used according to South African systems in agreement with the donor.

PART B: PERFORMANCE INFORMATION

7. DONOR FUNDS ▶ *continued*

DONOR FUND: EUROPEAN UNION (EU)

Name of donor	European Union (EU): Public Financial Management Capacity Development Programme for Improved Service Delivery in South Africa, also referred to as Financial Management Capacity Development Programme for Improved Service Delivery (FMISD).
Full amount of the funding	€15 million
Period of the commitment	2019 – 2024
Purpose of the funding	The overall objective of this programme is to improve public finance management and participatory decision making within all three spheres of government, national, provincial and local with a particular focus on the local government level.
Expected outputs	The expected results from the activities carried out over the period covered by this programme are: <ol style="list-style-type: none"> 1. Key Result Area 1: Increased Professionalisation of Public Financial Management within all spheres of government (national, provincial and local). 2. Key Result Area 2: Enhanced Capacity of Provincial Treasuries to perform their roles with respect to provincial departments and municipalities. 3. Result Area 3: Improved Capacity of Municipalities to manage public funds and deliver services.
Actual outputs achieved	<ul style="list-style-type: none"> • Recruitment of the Programme Coordinator, Monitoring & Evaluation Expert and two Administrators for the Programme Coordinating Unit (PCU). • Appointment of the International Technical Assistance team through an international tender. • Completion of the multi-annual Programme Workplan for the Programme Estimate. • Two Framework Contract projects were submitted to the EU for approval and contracting, ten simplified contracts and two short-term projects were launched.
Amount received in current period	R50.734 million
Amount spent by the department	R2.146 million
Reasons for the funds unspent	The reasons for under expenditure are: <ul style="list-style-type: none"> • The implementation of the programme commenced in June 2019. • The PCU was understaffed at implementation of the programme and did not function at full capacity. • Five projects were re-published and no tenders were received for one tender published. This delayed the procurement, contracting and commencement of the said projects. • The awarding of one tender was cancelled due to non-compliance. • Due to the COVID-19 pandemic, launching of several projects and the initiation of two contracted projects were deferred.
Monitoring mechanism by the donor	The donor will require: <ul style="list-style-type: none"> • An independent expenditure review. • Mid-term programme review and final programme evaluation. • Quarterly Financial Management Capacity Development Programme for Improved Service Delivery (FMISD) reports, endorsed by the National Treasury Capacity Building Steering Committee.

PART B: PERFORMANCE INFORMATION

8. CAPITAL INVESTMENT

The department replaced and installed a new air-conditioning system in some areas at 40 Church Square building, see the budget and actual expenditure incurred.

INFRASTRUCTURE PROJECTS	2019/2020			2018/2019		
	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
New and replacement assets	5 629	5 634	(5)	0	0	0
Existing infrastructure assets	0	0	0	0	0	0
Upgrades and additions	0	0	0	0	0	0
Rehabilitation, renovations and refurbishments	0	0	0	0	0	0
Maintenance and repairs	0	0	0	0	0	0
Infrastructure transfer	0	0	0	0	0	0
Current	0	0	0	0	0	0
Capital	5 629	5 634	(5)	0	0	0
TOTAL	5 629	5 634	(5)	0	0	0



PART C
GOVERNANCE

1. INTRODUCTION

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

2. RISK MANAGEMENT

Risk Management 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 and mitigation strategies that are monitored quarterly, are implemented.

In the 2019/20 financial year, the National Treasury continued to improve its practise and application of Risk Management principles by working closely with the Chief Directorate: Strategic Planning, Monitoring and Evaluation in forming department-wide operational plans, embedding Risk Management in all projects and starting a process of reviewing and determining the organisation's Risk Appetite Statements and Tolerance Thresholds.

The Business Continuity Management (BCM) programme has been designed and is currently being implemented through a Business Continuity Policy, a Business Continuity Strategy and a Business Continuity Plan aligned with the Disaster Recovery Plan. Business continuity Management maturity was strengthened through a Business Impact Analysis to enable continuity of operations during normal business disruption; this includes enabling officials to work from home.

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 of approximately 30 officials. A Disaster Recovery site at Pietermaritzburg is linked to the Virtual Private Network (VPN) and allows for 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 business continuity information campaign was conducted during the reporting period to make officials aware of the importance of business continuity management.

Appointed by the Accounting Officer, the Risk Management Committee (RMC) is the 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, a previous committee, chaired by external/non-executive members was replaced by a new one made up of executive management members reporting to the Audit Committee.

3. FRAUD AND ANTI-CORRUPTION

Focusing on preventative procedures, the National Treasury adopts a zero-tolerance stance to fraud and anti-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 aims to ensure 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 year, 100 per cent of the Senior Management Service 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, the disclosures are analysed and reported to the DG.

The department has put in place measures that prohibit 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.

5. CODE OF CONDUCT

The Code of Conduct describes how National Treasury officials are expected to deal 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. The Office of the Public Service Commission was invited to conduct workshops on the public service Code of Conduct with all National Treasury employees. Contravening the Code is an act of misconduct and disciplinary steps, in terms of the public service disciplinary code and procedures, are taken against officials found to be in breach of it.

6. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

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) and all related regulations.

Emergency plans for the department's buildings were reviewed and endorsed by the City of Tshwane's Disaster Management Services Division. Floor Committees are fully functional, with members trained in firefighting levels 1 and 2, first aid and OHS. During the reporting year, awareness sessions were conducted with all of the department's employees.

The National Treasury holds the necessary compliance certificates that provide reasonable assurance that officials are free from OHS hazards. Two emergency evacuation drills were successfully carried out during the reporting period. The department received a score of 99 per cent during a physical security audit conducted by the South African Police Service.

PART C: GOVERNANCE

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
25 Feb 2020	Pre-2020 budget workshop with National Treasury on budget instruments to be tabled by Minister of Finance	Matters addressed as presented at the meeting and subsequent responses to follow-up questions.
19 Feb 2020	Contract deviations & expansions, 2019/20 Quarter 3: Office of Chief Procurement Officer	
18 Feb 2020	Quarter 3 spending challenges: Treasury report	Records available from the Committee secretariat or on request from the National Treasury.
03 Dec 2019	2019 Adjustments Appropriation Bill & Medium-Term Budget Policy Statement (MTBPS): finalisation & committee reports	
29 Nov 2019	2019 Adjustments Appropriation Bill & MTBPS: public hearings	
28 Nov 2019	Adjustments Appropriation Bill [B16-2019]: briefing	
19 Nov 2019	2019 Division of Revenue Amendment Bill: committee report	
15 Nov 2019	Division of Revenue Amendment Bill [B15-2019]: South African Local Government Association (SALGA) briefing & public hearings	
14 Nov 2019	2019 Division of Revenue Amendment Bill: National Treasury briefing	
13 Nov 2019	Department of Planning, Monitoring and Evaluation (DPME) 2019/20 Quarter 2 performance for national departments; Committee strategy concerning Eskom	
12 Nov 2019	2019 MTBPS: Human Sciences Research Council (HRSC) submission	
06 Nov 2019	2019 MTBPS: Public Service Commission briefing	
10 Oct 2019	Special Appropriation Bill [B10-2019]: committee report	
09 Oct 2019	Special Appropriation Bill: National Treasury on Eskom conditions; FFC submission on 2020/21 Division of Revenue	
18 Sep 2019	Special Appropriation Bill [B10-2019]: deliberations	
17 Sep 2019	Special Appropriation Bill [B10-2019]: DA's proposed amendments; proposed oversight visit	
11 Sep 2019	Special Appropriation Bill [B10-2019]: public hearings	
10 Sep 2019	Special Appropriation Bill [B10-2019]: Department of Public Enterprises and Eskom briefings, with Minister	
04 Sep 2019	Special Appropriation Bill [B10-2019]: Parliamentary Budget Office briefing	
03 Sep 2019	Eskom's Special Appropriation Bill: FFC submission	
28 Aug 2019	Special Appropriation Bill [B10-2019]: National Treasury briefing	
27 Aug 2019	National Treasury Quarter 1 performance; Parliamentary Budget Office on its Quarterly Economic Brief and analysis of the National Development Plan (NDP) Outcome 6	
21 Aug 2019	National Treasury briefing: Members' orientation	
19 Jul 2019	2019 Appropriation Bill: proposed amendments & Committee report	

PART C: GOVERNANCE

7. PORTFOLIO COMMITTEES ▶ *continued*

PARLIAMENTARY COMMITTEES		
STANDING COMMITTEE ON APPROPRIATIONS (SCoA)		
DATE OF MEETING	MATTERS RAISED BY PARLIAMENTARY COMMITTEE	HOW THE NATIONAL TREASURY HAS ADDRESSED THESE MATTERS
16 Jul 2019	2019 Appropriation Bill: public hearings and National Treasury response	
10 Jul 2019	2019 Appropriation Bill: FFC briefing	
09 Jul 2019	2019 Appropriation Bill: Parliamentary Budget Office briefing	
04 Jul 2019	Committee's role and budget process: training; Legacy Report	
03 Jul 2019	National Treasury 2018/19 Quarter 4 performance; Appropriation Bill 2019, with Deputy Minister	
13 Mar 2019	Public Audit Excess Bill: adoption	
12 Mar 2019	Committee report on Division of Revenue Bill 2019	
08 Mar 2019	Division of Revenue Bill: public hearings; FFC & SALGA input	
07 Mar 2019	Division of Revenue Bill & Public Audit Excess Fee Bill: briefing	
06 Mar 2019	Integrated Financial Management System: National Treasury briefing	
05 Mar 2019	Jobs Fund: National Treasury briefing	

PART C: GOVERNANCE

7. PORTFOLIO COMMITTEES ▶ *continued*

PARLIAMENTARY COMMITTEES		
STANDING COMMITTEE ON FINANCE (SCoF)		
DATE OF MEETING	MATTERS RAISED BY PARLIAMENTARY COMMITTEE	HOW THE NATIONAL TREASURY HAS ADDRESSED THESE MATTERS
27 Feb 2020	2020 Budget: Treasury briefing, with Minister & Deputy Minister	Matters addressed as presented at the meeting and subsequent responses to follow-up questions.
03 Dec 2019	Public Investment Corporation (PIC) & Government Employees Pension Fund (GEPF) on Steinhoff; Transformation of the financial sector: NEDLAC; Over-the Counter Derivative Transactions: NT briefing	
26 Nov 2019	Transformation in the financial sector: stakeholder engagement	Records available from the Committee secretariat or on request from the National Treasury.
20 Nov 2019	Taxation Laws Amendment Bill (TLAB), Tax Administration Laws Amendment Bill (TALAB) & Rates Bill: finalisation	
19 Nov 2019	Illicit Tobacco Trade: South African Revenue Service briefing	
12 Nov 2019	Committee Report on 2019 Revised Fiscal Framework and Revenue Proposals (MTBPS)	
08 Nov 2019	2019 Revised Framework: response by National Treasury to public submissions	
06 Nov 2019	2019 Revised Fiscal Framework and Revenue Proposals: public hearings	
05 Nov 2019	2019 MTBPS: PBO & FFC briefing	
31 Oct 2019	Medium Term Budget Policy statement: Minister & National Treasury remarks	
23 Oct 2019	Standing Committee on Finance (SCoF): Adoption of the National Treasury Budgetary Review and Recommendation Report	
16 Oct 2019	Financial Intelligence Centre 2018/19 Annual Report, with Deputy Minister	
15 Oct 2019	PIC on its 2018/19 Annual Report, with Deputy Minister	
09 Oct 2019	National Treasury & SARS 2018/19 Annual Report, with Deputy Minister	
18 Sep 2019	TLAB, TALAB, Rates Bill & Income Tax Amendment Bill: Treasury & SARS response to public submissions	
17 Sep 2019	Nugent Commission recommendations: progress report by SARS	
10 Sep 2019	TLAB, TALAB, Rates Bill & Income Tax Amendment Bill: public hearings	
04 Sep 2019	Steinhoff investigation update	
03 Sep 2019	National Treasury & SARS on TLAB, TALAB, Rates Bill & Income Tax Amendment Bill	
21 Aug 2019	Induction workshop: Financial Advisory and Intermediary Services, IRBA, DBSA, Pension Funds Adjudicator & Land Bank, with Deputy Minister	
20 Aug 2019	Induction & stakeholder engagement on their role, mandate & key strategic objectives, with Deputy Minister	

PART C: GOVERNANCE

7. PORTFOLIO COMMITTEES ▶ *continued*

PARLIAMENTARY COMMITTEES		
STANDING COMMITTEE ON FINANCE (SCoF)		
DATE OF MEETING	MATTERS RAISED BY PARLIAMENTARY COMMITTEE	HOW THE NATIONAL TREASURY HAS ADDRESSED THESE MATTERS
09 Jul 2019	National Treasury budget: Committee report	
04 Jul 2019	National Treasury & SARS 2019/20 Annual Performance Plans	
20 Mar 2019	Illicit financial flows	
19 Mar 2019	Steinhoff follow-up, with DPSA Minister present	
07 Mar 2019	Financial Matters Amendment Bill: finalisation; Banks Amendment Bill: rejected	
06 Mar 2019	Financial Matters Amendment Bill: National Treasury response to stakeholders; Banks Amendment Bill	
05 Mar 2019	Financial Matters Amendment Bill: deliberations	
05 Mar 2019	Committee Report on 2019/20 Budget	
01 Mar 2019	2019 Budget submissions: National Treasury response	

PART C: GOVERNANCE

7. PORTFOLIO COMMITTEES ▶ *continued*

PARLIAMENTARY COMMITTEES		
SELECT COMMITTEE ON FINANCE (SeCoF)		
DATE OF MEETING	MATTERS RAISED BY PARLIAMENTARY COMMITTEE	HOW THE NATIONAL TREASURY HAS ADDRESSED THESE MATTERS
11 Feb 2020	Independent Regulatory Board for Auditors (IRBA) Annual Report and legislative changes to its powers and functions	Matters addressed as presented at the meeting and subsequent responses to follow-up questions.
04 Feb 2020	Development Bank Southern Africa (DBSA) on its R3.5 billion South African Airways loan, mandate and activities	
04 Dec 2019	Tax bills: adoption	Records available from the committee secretariat or on request from the National Treasury.
03 Dec 2019	Tax bills [Tax Laws Amendment Bill (TLAB) and Tax Administrations Laws Amendment Bill (TALAB)] Rates and Monetary Amounts and Amendment of Revenue Laws Bill (R&MA&ARLB) finalisation	
27 Nov 2019	Tax bills (TLAB & TALAB): public hearings and National Treasury's response	
12 Nov 2019	Committee report on 2019 Revised Fiscal Framework and Revenue Proposals (MTBPS)	
15 Oct 2019	State of Local Government Finances and Financial Management: National Treasury briefing	
08 Oct 2019	Money Bills and Related Matters Act: Parliamentary Legal Services & Parliamentary Budget Office briefings	
27 Mar 2019	Financial Matters Amendment Bill: adoption; Money Bills Amendment Procedure Bill: meeting with Gauteng Legislature; Legacy Report	
26 Mar 2019	Financial Matters Amendment Bill: public hearings	
19 Mar 2019	Carbon Tax Bill; Customs & Excise Amendment Bill; PIC Amendment Bill: adoption; Financial Matters Amendment Bill: briefing	
12 Mar 2019	Carbon Tax Bill; Customs and Excise Amendment Bill & PIC Amendment Bill: public hearings	
06 Mar 2019	Carbon Tax Bill; Customs & Excise Amendment Bill; PIC Amendment Bill: briefing	

PART C: GOVERNANCE

7. PORTFOLIO COMMITTEES ▶ *continued*

PARLIAMENTARY COMMITTEES		
SELECT COMMITTEE ON APPROPRIATIONS (SeCoA)		
DATE OF MEETING	MATTERS RAISED BY PARLIAMENTARY COMMITTEE	HOW THE NATIONAL TREASURY HAS ADDRESSED THESE MATTERS
19 Feb 2020	Conditional Grants 2019/20 Quarter 3 spending	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.
05 Dec 2019	Committee reports: Adjustments Appropriation Bill 2019 & proposed Division of Revenue and conditional grant allocations to provinces and local government in 2019 MTBPS	
26 Nov 2019	Division of Revenue Amendment Bill [B15-2019]: Final mandates & committee report	
25 Nov 2019	Division of Revenue Amendment Bill [B15-2019]: negotiating mandates	
23 Oct 2019	Special Appropriation Bill [B10-2019]: committee report	
18 Sep 2019	Special Appropriation Bill [B10-2019]: Financial and Fiscal Commission & Parliamentary Budget Office briefings	
17 Sep 2019	Special Appropriation Bill [B10-2019]: National Treasury briefing	
24 Jul 2019	Appropriation Bill: briefing & adoption; Eskom's financial support briefing Section 16 of the PFMA	
27 Mar 2019	Division of Revenue Bill: final mandates; Public Audit Excess Fee Bill: adoption; committee report on Eastern Cape ECD Grant; Legacy Report	
20 Mar 2019	Division of Revenue Bill: negotiating mandates	

PART C: GOVERNANCE

7. PORTFOLIO COMMITTEES ► *continued*

PARLIAMENTARY COMMITTEES		
STANDING COMMITTEE ON PUBLIC ACCOUNTS (SCOPA)		
DATE OF MEETING	MATTERS RAISED BY PARLIAMENTARY COMMITTEE	HOW THE NATIONAL TREASURY HAS ADDRESSED THESE MATTERS
19 Feb 2020	South African Airways outstanding matters: update, with Minister	National Treasury officials attended to provide support to the committee.
18 Feb 2020	ESKOM update on SCOPA recommendations following oversight visit, with Deputy Minister	
05 Feb 2020	Passenger Rail Agency of South Africa (PRASA) financial management and regression: follow-up meeting, with Minister and Administrator	
04 Feb 2020	Department of Public Works on plan to address ESKOM debt, with Minister	
03 Dec 2019	Department of Cooperative Governance and Traditional Affairs (COGTA) plans to resolve municipal debt to Eskom, with Deputy Ministers	National Treasury Intergovernmental Relations (IGR) officials attended to provide support to the committee.
27 Nov 2019	Department of Correctional Services 2018/19 financial statements, deviations, expansions, irregular, fruitless & wasteful expenditure: follow-up hearing	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.
26 Nov 2019	Unemployment Insurance Fund (UIF) and Compensation Fund: deviations, expansions, irregular, fruitless & wasteful expenditure, with Minister	
20 Nov 2019	PRASA 2018/19 financial statements, deviations, expansions, irregular, fruitless & wasteful expenditure, with Minister & Deputy Minister	
19 Nov 2019	Department of Correctional Services 2018/19 financial statements, deviations, expansions, irregular, fruitless & wasteful expenditure	
29 Oct 2019	Deviations and expansions by national departments and entities for Quarter 4, 2018/19 & Quarter 1, 2019/20: National Treasury briefing	
23 Oct 2019	Audit outcome 2018/19: briefing by Auditor General	
09 Oct 2019	ESKOM oversight report	
17 Sep 2019	Mafube and Masilonyana: audit outcomes hearing	National Treasury IGR officials attended to provide support to the committee.
11 Sep 2019	Bojanala District; Lekwa-Teemane and Madibeng: audit outcomes hearing	
10 Sep 2019	Mogalakweng; Mopani District; Thabazimbi; Vhembe District; Joe Morolong and Phokwane: audit outcomes hearing, with COGTA Deputy Minister	

PART C: GOVERNANCE

7. PORTFOLIO COMMITTEES ▶ *continued*

PARLIAMENTARY COMMITTEES		
STANDING COMMITTEE ON PUBLIC ACCOUNTS (SCOPA)		
DATE OF MEETING	MATTERS RAISED BY PARLIAMENTARY COMMITTEE	HOW THE NATIONAL TREASURY HAS ADDRESSED THESE MATTERS
21 Aug 2019	Orientation workshop continued	National Treasury officials of the Chief Procurement Office (CPO); Public Finance (PF) and IGR officials assisted the committee with induction and orientation workshops for new Members of Parliament.
20 Aug 2019	Induction on committee mandate and work	

PART C: GOVERNANCE

7. PORTFOLIO COMMITTEES ▶ *continued*

PARLIAMENTARY COMMITTEES		
PORTFOLIO COMMITTEE ON COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS (PCoCoGTA)		
DATE OF MEETING	MATTERS RAISED BY PARLIAMENTARY COMMITTEE	HOW THE NATIONAL TREASURY HAS ADDRESSED THESE MATTERS
03 Sep 2019	Interventions in local government: Department of Cooperative Governance (DCOG) & National Treasury briefings; comparison of intervention strategies in municipalities; Municipal Infrastructure Support Agent (MISA) induction, with Deputy Ministers	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.

PARLIAMENTARY COMMITTEES		
PORTFOLIO COMMITTEE ON HUMAN SETTLEMENTS, WATER AND SANITATION (PCoHSW&S)		
DATE OF MEETING	MATTERS RAISED BY PARLIAMENTARY COMMITTEE	HOW THE NATIONAL TREASURY HAS ADDRESSED THESE MATTERS
29 Oct 2019	Debt owed to water boards: input from CoGTA, SALGA, National Treasury and Department of Water and Sanitation (DWS)	Matters addressed as presented at the meeting and subsequent responses to follow-up questions.
10 Sep 2019	Induction workshop by AGSA & the National Treasury	Records available from the committee secretariat or on request from the National Treasury.

PARLIAMENTARY COMMITTEES		
PORTFOLIO COMMITTEE ON TRADE AND INDUSTRY (PCoDTi)		
DATE OF MEETING	MATTERS RAISED BY PARLIAMENTARY COMMITTEE	HOW THE NATIONAL TREASURY HAS ADDRESSED THESE MATTERS
05 Mar 2019	Localisation progress report by Auditor-General, PRASA, the National Treasury and Department of Trade and Industry (DTI)	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.

8. SCOPA RESOLUTIONS

There were no SCOPA resolutions adopted in the 2019/20 financial year.

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

During the 2018/19 financial year, the department obtained an unqualified audit opinion with emphasis of matters as presented in the detailed audit report. To address prior-year audit findings, the department prepared the audit action plan which was approved by the Accounting Officer. The aim was to establish a road map for addressing audit findings raised by the external auditors and to define internal control measures that will be put in place to prevent these findings from recurring. An audit findings register was established to track progress, on a quarterly basis, in addressing the findings.

In addition, follow-up meetings were held quarterly to resolve any bottlenecks, particularly in relation to audit findings whose deadline for resolution have not yet been met. The purpose is to ensure adequate follow-through and finalisation of corrective measures within agreed timeframes.

Each quarter during the reporting year, the status of each audit finding in the register was presented 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
Non-compliance with the normal supply chain management processes and procedures as prescribed in relevant regulations.	2016/17	A revised process has been implemented and meetings of the Bids Steering Committee are taking place as scheduled. No limited bidding process is undertaken without market analysis except where it is impractical to do so. In such cases, reasons are recorded and approved by a properly delegated official.
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"> 1. Quarterly preparation and review of accurate and complete financial reports that are supported by reliable information. 2. Developing and monitoring the implementation of action plans to address internal control deficiencies. 3. Reviewing and monitoring compliance with SCM legislation on a regular basis.

PART C: GOVERNANCE

9. PRIOR MODIFICATIONS TO AUDIT REPORTS ▶ *continued*

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
<p>Limitations placed on the scope of work to substantiate the completeness of the reported achievement of the targets.</p>	<p>2018/19</p>	<p>Effort has been placed on ensuring that appropriate, valid and effective controls are implemented to enable testing of whether all of 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.</p>
<p>Misstatements in the annual financial statements and non-compliance with applicable legislation for supply chain management.</p>		<p>A process has been put in place 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.</p>

10. INTERNAL CONTROL UNIT

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

Departmental policies, including HRM and security management-related policies, were reviewed by the Governance Review Committee (GRC) and recommended for approval by the Accounting Officer (AO).

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, maintained an Audit Findings Register as a tool for monitoring progress and updated the Audit Committee (AC) on the status of these findings.

By performing random checks to ensure that payments are in accordance with prescripts and improved standards of financial administration, the IAU 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 2019/20 as part of the three-year rolling plan, after consultation with management and approval by the National Treasury's Audit Committee. For National Treasury 23 audits were approved on the revised audit plan for the year 2019/20 all 23 audits were completed. All changes to planned audits were approved by the Audit Committee. For the year, an additional nine ad-hoc audits were conducted in the predetermined timeframe resulting in overall completion of 32 assignments (planned plus ad hoc). This resulted in a 100 per cent completion of the approved 2019/20 internal audit annual plan, and an overall 100 per cent completion of all audits (Planned plus ad hoc). 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 (IIA).

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 2020.

LEGISLATIVE REQUIREMENTS

The Audit Committee herewith presents its report for the financial year ended 31 March 2020, 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 2019/20 financial year:

#	Meeting	Meeting Date	Number of members attended
1	Special Audit Committee Meeting	29 May 2019	5
2	Special Audit Committee Meeting	19 July 2019	5
3	Special Audit Committee Meeting	3 September 2019	5
4	Ordinary Audit Committee Meeting	17 September 2019	5
5	Special Audit Committee Meeting	20 November 2019	5
6	Special Audit Committee Meeting	22 November 2019	5
7	Ordinary Audit Committee Meeting	5 December 2019	5

PART C: GOVERNANCE

12. AUDIT COMMITTEE REPORT ► *continued*

The members, their qualifications and record of their attendance, are as follows:

NAME OF MEMBER	QUALIFICATIONS	APPOINTMENT DATE	NUMBER OF MEETINGS ATTENDED
Ms Pumla Mzizi^^	BCom Honours in Transport Economics CA (SA) BCompt Honours CTA	1 October 2018	7 of 7
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	7 of 7
Mr Brandon Furstenburg	Master of Science (MSc) in Financial Management, Master of Commerce (MCom) in Economics BCom Hons BCom FAIS exams: RE1, RE3 & RE5. M.InstD	1 June 2016	7 of 7
Mr Freddy Sinthumule^	Diploma in Finance and Auditing BCom Accounting MBA with special project on PFMA	1 July 2019	6 of 7
Contracts Expired			
Ms Octavia Matloa (Chairperson)*	Chartered Accountant (SA) B. Com (Hons) CTA.	1 March 2016	1 of 7
Mr Charl de Kock**	Masters in IT Auditing Honours degree in Accounting Certified Information Systems Auditor (CISA) Certified Internal Auditor (CIA) South African Institute of Professional Accountants (SAIPA)	1 February 2017	7 of 7

* Contract expired on 30 June 2019

** Contract expired on 31 January 2020

^ Contract commenced on 1 July 2019

^^ Chairperson from 1 July 2019

PART C: GOVERNANCE

12. AUDIT COMMITTEE REPORT ► *continued*

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.

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.

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 2019 to 31 March 2020, covering the following key audit activities for the 2019/20 financial year for National Treasury:

TYPE	TOTAL PLANNED AUDITS	COMPLETED AUDITS
Regularity Audit	167	15 (937 (100%))
Performance Audit	82	82 (100%)
Information Technology Audit	1514	1514 (100%)
Compliance Audit	0	-

PART C: GOVERNANCE

12. AUDIT COMMITTEE REPORT ▶ *continued*

TYPE	TOTAL PLANNED AUDITS	COMPLETED AUDITS
Total Planned Audits	23	23(100%)
Postponed Audits	0	0
Ad hoc Audits	9	9 (100%)
Total	32	32 (100%)

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, reporting on predetermined objectives and compliance with laws and regulations. The Committee concludes that the system on internal control for the reporting period has been generally 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 2020 and duly recommended them for the Accounting Officer's approval prior to being submitted to the AGSA for audit. Subsequently the material misstatements corrected 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.

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

PART C: GOVERNANCE

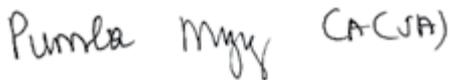
12. AUDIT COMMITTEE REPORT ► *continued*

to the current audit, pertaining to the difference in opinions regarding the application of the fruitless and wasteful expenditure definition. 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 is concerned with high vacancy rates in critical positions, including inadequate capacity in the finance unit and the IFMS implementation.

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



Ms. Pumla Mzizi CA(SA)

Chairperson of the Audit Committee

National Treasury

Date: 31 January 2021



PART D
HUMAN RESOURCE MANAGEMENT

PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

The information contained in this part of the Annual Report has been prescribed by the Minister for the Public Service and Administration (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 11 per cent in 2019/20 from 9.9 per cent in the previous financial year. This has principally been due to the moratorium on filling positions introduced in the 2016/17 financial year.

One of the ways in which the department has dealt with this moratorium has been to implement a rotation policy in terms of which employees are encouraged to act in vacant unfunded positions without receiving acting allowances. This approach drives employee capacity building and development.

During the reporting year, employee engagement continued to be a focus area for the National Treasury, with skills development a human resources priority. In general, the National Treasury attracts highly skilled employees with the required technical knowledge. The focus has therefore been 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 help to attract technical entry level skills.

The employee turnover rate for 2019/20 was 10.9 per cent, an improvement from the previous year's 13.9 per cent. Employee rotation and acting in higher positions ensured that the department improved the diverse set of skills. No interns were absorbed into permanent positions during the year under review, as the Public Service Regulations do not make provision for this. However, 12 interns were recruited into permanent positions. HR is in the process of aligning the interns' years of experience with the National Treasury's required minimum entry level experience. 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 acquisition
- Employee engagement
- Employee development

2. OVERVIEW OF HUMAN RESOURCES ▶ *continued*

- Employee retention
- Human resources information management that ensures improved efficiency in HRM processes and decision-making.

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 16 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 and Reward 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. Senior Management Service (SMS) members entered into performance agreements for the reporting period, SMS members who do not sign performance agreements with their line managers are not eligible for pay progression. The performance evaluation process for 2019/20 is currently underway and will be finalised before 31 March 2021, in line with revised Department of Public Service and Administration (DPSA) Circular.

2.5 EMPLOYEE HEALTH AND WELLNESS PROGRAMME

The Employee Health and Wellness programme is effectively and impactfully operating in the department. During the 2019/20 financial year, 988 employees had health risk assessments. Employees in the department as well as their

2. OVERVIEW OF HUMAN RESOURCES ▶ *continued*

immediate family members have access to a 24-hour support and counselling service, this is available telephonically or face-to-face.

2.6 ACHIEVEMENTS AND CHALLENGES FACED BY THE DEPARTMENT

ACHIEVEMENTS

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

CHALLENGES

The skill sets required by the department in terms of technical skills merged in a single position (for example: economics, health and policy analysis) creates challenges that require unique strategies. This is combined with regulatory requirements that must be adhered to, but which exacerbate the challenges. Internal development and skills transfer therefore become key strategies for ensuring that capacity requirements are met. The limited flexibility within the existing structure remains a challenge. The department has managed to promote employees internally from middle management to senior management positions, but fiscal challenges make it difficult to fill positions vacated by middle managers and junior positions. It is envisaged that the organisational optimisation process currently underway will minimise these challenges

2.7 FUTURE HUMAN RESOURCE PLANS/GOALS

- Enhance talent development and retention that is aligned to the departmental strategic objectives.
- Enhance employee engagement 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 2019 to 31 March 2020

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	453 634	192 446	1 059	57 440	42.42	607
Programme 2 Economic Policy, Tax, Financial Regulation and Research	124 881	70 797	117	24 042	56.59	80
Programme 3 Public Finance and Budget Management	306 883	223 967	211	10 984	72.98	889
Programme 4 Asset and Liability Management	96 718	78 383	253	2 485	81.04	792
Programme 5 Financial Systems and Accounting	796 790	207 668	1 104	86 464	26.06	796
Programme 6 International Financial Relations	5 458 763	31 558	8	660	0.58	928
Programme 7 Civil and Military Pensions, Contributions to Funds and other benefits	5 487 100	0	0	66 871	0.00	0
Programme 8 Technical and Management Support and Development Finance	2 629 235	0	0	343 511	0.00	0
Programme 9 Revenue Administration	9 529 031	0	0	0	0.00	0
Programme 10 Financial Intelligence and State Security	4 951 053	0	0	0	0.00	0
Total	29 834 088	804 819	2 752	592 457		

* 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.

PART D: HUMAN RESOURCE MANAGEMENT

3. HUMAN RESOURCES OVERSIGHT STATISTICS ▶ continued

Table 3.1.2 Personnel costs by salary band for the period 2019/20

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)	13 425	1.67	46	292
Highly skilled production (Levels 6-8)	100 460	12.48	262	383
Highly skilled supervision (Levels 9-12)	368 615	45.80	479	770
Senior management (Levels 13-16)	317 929	39.50	254	1 252
Total**	800 429	99.45	1 041	769

** Note: Minister and Deputy Minister personnel expenditure excluded from the 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, home owners' allowance (HOA) and medical aid. In each case, the table indicates the percentage of the personnel budget used for these items.

Table 3.1.3 Salaries, overtime, home owners' allowance (HOA) and medical aid by programme for the period 2019/20

PROGRAMME	SALARIES		OVERTIME		HOME OWNERS ALLOWANCE (HOA)		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	132 186	68.69	1 733	0.90	2 878	1.50	5 694	2.96
Programme 2	47 425	66.99	0	0.00	335	0.47	829	1.17
Programme 3	154 018	68.77	108	0.05	2 123	0.95	3 055	1.36
Programme 4	54 072	68.98	0	0.00	813	1.04	1 542	1.97
Programme 5	146 007	70.31	12	0.01	2 287	1.10	4 361	2.10
Programme 6	19 441	61.60	286	0.30	145	0.46	525	1.66
Programme 7	0	0.00	0	0.00	0	0.00	0	0.00
Programme 8	0	0.00	0	0.00	0	0.00	0	0.00
Total****	553 149	69.11	2 139	0.24	8 581	1.07	16 006	1.99

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

PART D: HUMAN RESOURCE MANAGEMENT

3. HUMAN RESOURCES OVERSIGHT STATISTICS ▶ continued

Table 3.1.4 Salaries, overtime, home owners' allowance and medical aid by salary band for the period 2019/20

SALARY BANDS	SALARIES		OVERTIME		HOME OWNERS ALLOWANCE		MEDICAL AID	
	AMOUNT (R'000)	SALARIES AS A % OF PERSONNEL COST	AMOUNT (R'000)	OVERTIME AS A % OF PERSONNEL COST	AMOUNT (R'000)	HOA AS A % OF PERSONNEL COST	AMOUNT (R'000)	MEDICAL ASSISTANCE AS A % OF PERSONNEL COST*****
Lower skilled (Levels 1-2)	0	0.00	0	0.00	0	0.00	0	0.00
Skilled (Levels 3-5)	8 386	62.47	373	2.78	632	4.71	982	7.31
Highly skilled production (Levels 6-8)	75 426	75.08	748	0.74	2 851	2.84	5 524	5.50
Highly skilled supervision (Levels 9-12)	260 791	70.75	804	0.22	3 341	0.91	6 955	1.89
Senior management (Levels 13-16)	205 912	64.77	0	0.00	1 757	0.55	2 545	0.32
Total *****	550 515	68.78	1 925	0.24	8 581	1.07	16 006	2.00

***** Note: Minister and Deputy Minister personnel expenditure excluded from the total.

PART D: HUMAN RESOURCE MANAGEMENT

3. HUMAN RESOURCES OVERSIGHT STATISTICS ▶ continued

3.2 EMPLOYMENT AND VACANCIES

Table 3.2.1 Employment and vacancies by programme as at 31 March 2020

PROGRAMME	NUMBER OF FUNDED POSTS	HEADCOUNT	VACANCY RATE %	NUMBER OF POSTS FILLED ADDITIONAL TO THE ESTABLISHMENT
Programme 1	367	317	13.62	66
Programme 2	99	80	19.19	6
Programme 3	279	252	9.68	7
Programme 4	112	99	11.61	4
Programme 5	290	261	10.00	35
Programme 6	36	34	5.56	2
Programme 7	0	0	0.00	0
Programme 8	0	0	0.00	0
Total	1 183	1 043	11.83	120

NB: Minister and Deputy Minister excluded from the totals.

Table 3.2.2 Employment and vacancies by salary band as at 31 March 2020

SALARY BANDS	NUMBER OF FUNDED 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)	53	46	13.21	0
Highly skilled production (Levels 6-8)	284	262	7.75	78
Highly skilled supervision (Levels 9-12)	543	479	11.78	34
Senior management (Levels 13-16)	303	256	15.51	8
Total	1 183	1 043	11.83	120

NB: Vacancies reduced by additional appointments. Minister and Deputy Minister excluded from totals

Table 3.2.3 Employment and vacancies by critical occupation as at 31 March 2020

No formal critical occupations were approved for the National Treasury.

3. HUMAN RESOURCES OVERSIGHT STATISTICS ► *continued*

3.3 FILLING OF SMS POSTS

Table 3.3.1 SMS post information as at 31 March 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 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	6	54.55	5	45.45
Salary Level 14	65	54	83.08	11	16.92
Salary Level 13	226	195	86.28	31	13.72
Total	303	256	84.49	47	15.51

Minister and Deputy Minister excluded from totals.

Table 3.3.2 SMS post information as at 30 September 2019

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	7	63.64	4	36.36
Salary Level 14	65	55	84.62	10	15.38
Salary Level 13	223	193	86.55	30	13.45
Total	300	256	85.33	44	14.67

Minister and Deputy Minister excluded from totals.

PART D: HUMAN RESOURCE MANAGEMENT

3. HUMAN RESOURCES OVERSIGHT STATISTICS ▶ *continued*

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2019 to 31 March 2020

SMS LEVEL	ADVERTISING	FILLING OF POSTS	
	NUMBER OF VACANCIES PER LEVEL ADVERTISED WITHIN 6 MONTHS OF BECOMING VACANT	NUMBER OF VACANCIES PER LEVEL FILLED WITHIN 6 MONTHS OF BECOMING VACANT	NUMBER OF VACANCIES PER LEVEL NOT FILLED WITHIN 6 MONTHS BUT FILLED WITHIN 12 MONTHS
Director-General/ Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	1	0	0
Salary Level 14	6	1	2
Salary Level 13	11	2	20
Total	18	3	25

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS posts advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2019 to 31 March 2020

REASONS FOR VACANCIES NOT ADVERTISED WITHIN SIX MONTHS

Due to the organisational review project within the National Treasury, all positions that became vacant were required to be reviewed. Prior to filling a vacant funded position, the respective vacancy manager was required to assess future needs and potential changes to the business unit before advertising. In addition, the job evaluation process had to be completed before advertisement can take place and this process lengthened the recruitment period and consequently the time taken to fill positions. As part of ensuring that the National Treasury remains within the department's CoE budget, positions are filled in accordance with their critical status.

REASONS FOR VACANCIES NOT FILLED WITHIN TWELVE MONTHS

A number of positions within the National Treasury have been difficult to fill due to the salary scales not being attractive enough to target the right set of skills. Consequently, this has meant that the National Treasury has had to re-advertise positions. The National Treasury is upskilling and developing internal employees to address the scarcity of skills.

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 2019 to 31 March 2020

REASONS FOR VACANCIES NOT ADVERTISED WITHIN SIX MONTHS

In ensuring alignment with the CoE budget, where units have failed to advertise positions within the stipulated period funding is re-distributed to fund positions in other units that urgently require funding.

REASONS FOR VACANCIES NOT FILLED WITHIN TWELVE MONTHS

The department will consider further strengthening controls to give vacancy managers tighter timeframes. Overall, the recruitment process is within the twelve-month period and in line with the DPSA requirements.

PART D: HUMAN RESOURCE MANAGEMENT

3. HUMAN RESOURCES OVERSIGHT STATISTICS ▶ continued

3.4 JOB EVALUATION

Table 3.4.1 Job evaluation by salary band for the period 1 April 2019 to 31 March 2020

SALARY BAND	NUMBER OF POSTS ON APPROVED ESTABLISHMENT	NUMBER OF JOBS EVALUATED	% OF POSTS EVALUATED BY SALARY BAND	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)	53	0	0.00	0	0.00	0	0.00
Highly skilled production (Levels 6-8)	284	18	6.34	0	0.00	0	0.00
Highly skilled supervision (Levels 9-12)	543	27	4.97	61	100.00	0	0.00
Senior Management Service A	226	52	23.01	0	0.00	0	0.00
Senior Management Service B	65	12	18.46	0	0.00	0	0.00
Senior Management Service C	11	2	18.18	0	0.00	0	0.00
Senior Management Service D	1	0	0.00	0	0.00	0	0.00
Total	1183	111	9.38	61	100.00	0	0.00

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 2019 to 31 March 2020

GENDER	AFRICAN	ASIAN	COLOURED	WHITE	TOTAL
Female	32	3	1	0	36
Male	24	0	0	1	25
Employees with a disability	0	0	0	0	0
Total	56	3	1	1	61

PART D: HUMAN RESOURCE MANAGEMENT

3. HUMAN RESOURCES OVERSIGHT STATISTICS ▶ *continued*

Table 3.4.3 Employees with salary levels higher than determined by job evaluation by occupation for the period 1 April 2019 to 31 March 2020 (in terms of PSR 1.V.C.3)

OCCUPATION	NUMBER OF EMPLOYEES	JOB EVALUATION LEVEL	REMUNERATION LEVEL	REASON FOR DEVIATION
	0	0	0	
Total number of employees whose salaries exceeded the level determined by job evaluation				0
Percentage of total employed (1043 as at 31 March 2020)				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 2019 to 31 March 2020 (in terms of PSR 1.V.C.3)

Total number of employees whose salaries exceeded the grades determined by job evaluation	0
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3.5 EMPLOYMENT CHANGES

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2019 to 31 March 2020

SALARY BAND	NUMBER OF EMPLOYEES AT BEGINNING OF PERIOD 31 MARCH 2019	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)	49	2	3	6.12
Highly skilled production (Levels 6-8)	265	50	40	15.09
Highly skilled supervision (Levels 9-12)	477	44	47	9.85
Senior Management Service A	193	12	17	8.81
Senior Management Service B	53	2	4	7.55
Senior Management Service C	8	0	2	25.00
Senior Management Service D	3	1	1	33.33
Total	1 048	111	114	10.88

NB: Minister and Deputy Minister included in totals (SMS Band D).

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2019 to 31 March 2020

No formal critical occupations were approved for the National Treasury.

PART D: HUMAN RESOURCE MANAGEMENT

3. HUMAN RESOURCES OVERSIGHT STATISTICS ► *continued*

Table 3.5.3 Reasons why staff left the department for the period 1 April 2019 to 31 March 2020

TERMINATION TYPE	NUMBER	% OF TOTAL RESIGNATIONS
Death	4	3.51
Discharged due to ill-health	1	0.88
Expiry of contract	32	28.07
Resignation	65	57.02
Retirement	10	8.77
Transfer to other public service departments	2	1.75
Total	114	100.00
Total number of employees who left as a % of total employment (1045 as at 31 March 2020)		10.91

NB: Minister and Deputy Minister included in totals.

Table 3.5.4 Promotions by critical occupation for the period 1 April 2019 to 31 March 2020

No formal critical occupations were approved for National Treasury.

Table 3.5.5 Promotions by salary band for the period 1 April 2019 to 31 March 2020

SALARY BAND	EMPLOYEES 31 MARCH 2019	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)	49	0	0.00
Highly skilled production (Levels 6-8)	265	3	1.13
Highly skilled supervision (Levels 9-12)	477	15	3.14
Senior management (Levels 13-16)	257	4	1.56
Total	1 048	22	2.10

PART D: HUMAN RESOURCE MANAGEMENT

3. HUMAN RESOURCES OVERSIGHT STATISTICS ▶ continued

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 2020

OCCUPATIONAL CATEGORY	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Legislators, senior officials and managers	70	11	11	22	93	6	11	29	253
Professionals	188	10	6	23	238	6	6	19	496
Technicians and associate professionals	27	3	0	2	87	7	2	20	148
Clerks	28	0	0	0	69	0	3	9	109
Service and sales workers	15	0	0	0	11	0	0	0	26
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	8	0	0	0	5	0	0	0	13
Total	336	24	17	47	503	19	22	77	1 045
Employees with disabilities	2	0	0	4	0	0	0	2	8

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 2020

OCCUPATIONAL BAND	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Top management (Levels 15-16)	6	0	2	1	6	0	0	2	17
Senior management (Levels 13-14)	68	12	9	23	89	6	11	28	246
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	172	8	6	19	225	9	8	25	472
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (Levels 6-8)	70	2	0	3	164	4	3	22	268
Semi-skilled and discretionary decision making (Levels 3-5)	20	2	0	1	19	0	0	0	42
Unskilled and defined decision making (Levels 1-2)	0	0	0	0	0	0	0	0	0
Total	336	24	17	47	503	19	22	77	1 045

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

PART D: HUMAN RESOURCE MANAGEMENT

3. HUMAN RESOURCES OVERSIGHT STATISTICS ► *continued*

Table 3.6.3 Recruitment for the period 1 April 2019 to 31 March 2020

OCCUPATIONAL BAND	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Top management (Levels 15-16)	0	0	0	0	1	0	0	0	1
Senior management (Levels 13-14)	9	0	1	1	2	1	0	0	14
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	26	0	0	2	16	0	0	0	44
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (Levels 6-8)	34	0	0	0	16	0	0	0	50
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
Total	71	0	1	3	35	1	0	0	111
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.4 Promotions for the period 1 April 2019 to 31 March 2020

OCCUPATIONAL BAND	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)	3	0	0	0	1	0	0	0	4
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	6	0	0	0	7	0	1	1	15
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (Levels 6-8)	1	0	0	0	2	0	0	0	3
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
Total	10	0	0	0	10	0	1	1	22
Employees with disabilities	0	0	0	0	0	0	0	0	0

PART D: HUMAN RESOURCE MANAGEMENT

3. HUMAN RESOURCES OVERSIGHT STATISTICS ► *continued*

Table 3.6.5 Terminations for the period 1 April 2019 to 31 March 2020

OCCUPATIONAL BAND	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Top management (Levels 15-16)	2	1	0	0	0	0	0	0	3
Senior management (Levels 13-14)	9	0	1	2	5	0	1	3	21
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	18	2	1	3	19	0	1	3	47
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (Levels 6-8)	10	0	0	0	24	1	0	5	40
Semi-skilled and discretionary decision making (Levels 3-5)	3	0	0	0	0	0	0	0	3
Unskilled and defined decision making (Levels 1-2)	0	0	0	0	0	0	0	0	0
Total	42	3	2	5	48	1	2	11	114
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 2019 to 31 March 2020

DISCIPLINARY ACTION	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
	3	0	0	0	1	0	0	0	4

PART D: HUMAN RESOURCE MANAGEMENT

3. HUMAN RESOURCES OVERSIGHT STATISTICS ► *continued*

Table 3.6.7 Skills development for the period 1 April 2019 to 31 March 2020

OCCUPATIONAL CATEGORIES	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Legislators, senior officials and managers	8	1	1	0	15	1	1	4	31
Professionals	60	7	3	7	127	1	1	12	218
Technicians and associate professionals	5	0	0	0	22	3	0	1	31
Clerks	26	0	0	1	44	0	0	1	72
Service and sales workers	6	0	0	0	6	0	0	0	12
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	1	0	0	0	1
Total	105	8	4	8	215	5	2	18	365
Employees with disabilities	0	0	0	0	0	0	0	0	0

NB: Minister and Deputy Minister excluded from 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).

PART D: HUMAN RESOURCE MANAGEMENT

3. HUMAN RESOURCES OVERSIGHT STATISTICS ► *continued*

Table 3.7.1 Signing of Performance Agreements by SMS members as at 31 May 2019

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	14	14	13	92.86
Salary Level 14	64	51	45	88.24
Salary Level 13	233	191	174	91.10
Total	312	257	233	90.66

NB: Minister and Deputy Minister excluded from totals.

Table 3.7.2 Reasons for not having concluded performance agreements for all SMS members as at 31 May 2019

STATUS	13	14	15	16	TOTAL	REASONS
Performance agreement not finalised	5	4	1	0	10	Secondments as per the Revolving Door Policy on performance outcomes to be submitted at the end of the financial year.
Performance agreement not finalised	2	0	0	0	2	Employees were serving notice
Performance agreement not finalised	2	0	0	0	2	On incapacity leave
Performance agreement not finalised	1	0	0	0	1	New appointment: three months to finalise performance expired 15 July 2019
Performance agreement not finalised	1	1	0	0	2	Pending 2018/19 performance grievances
Performance agreement not finalised	6	1	0	0	7	Non-compliance with PMDS
Total	17	6	1	0	24	

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded performance agreements as at 31 May 2019

Letters of intent to issue written warnings were issued for the seven non-compliance cases.

PART D: HUMAN RESOURCE MANAGEMENT

3. HUMAN RESOURCES OVERSIGHT STATISTICS ► *continued*

3.8 PERFORMANCE REWARDS

In recognition of performance, the department granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations.

Table 3.8.1 Performance rewards by race, gender and disability for the period 1 April 2018 to 31 March 2019

RACE AND GENDER	BENEFICIARY PROFILE			COST	
	NUMBER OF BENEFICIARIES	NUMBER OF EMPLOYEES	% OF TOTAL WITHIN GROUP	COST (R'000)	AVERAGE COST PER EMPLOYEE
African	531	726	73.14	9 008	16 963.29
Male	207	300	69.00	3 734	18 037.81
Female	324	426	76.06	5 274	16 276.80
Asian	32	41	78.05	733	22 919.58
Male	12	19	63.16	320	26 691.95
Female	20	22	90.91	413	20 656.16
Coloured	33	46	71.74	703	21 309.22
Male	16	26	61.54	341	21 325.13
Female	17	20	85.00	362	21 294.24
White	109	135	80.74	2 349	21 550.46
Male	38	52	73.08	925	24 337.46
Female	71	83	85.54	1 424	20 058.82
Total	705	948	74.37	12 793	18 146.30

NB: Minister, Deputy Minister and Director-General (HOD) are excluded from the totals.

Table 3.8.2 Performance rewards by salary band for personnel below SMS for the period 1 April 2018 to 31 March 2019

SALARY BAND	BENEFICIARY PROFILE			COST		TOTAL COST AS A % OF THE TOTAL PERSONNEL EXPENDITURE
	NUMBER OF BENEFICIARIES	NUMBER OF EMPLOYEES	% OF TOTAL WITHIN SALARY BANDS	TOTAL COST (R'000)	AVERAGE COST PER EMPLOYEE	
Lower skilled (Levels 1-2)	0	0	0.00	0	0.00	0.00
Skilled (Levels 3-5)	40	48	83.33	249	6 232.16	0.03
Highly skilled production (Levels 6-8)	164	204	80.39	1 443	8 799.85	0.19

3. HUMAN RESOURCES OVERSIGHT STATISTICS ▶ *continued*

SALARY BAND	BENEFICIARY PROFILE			COST		TOTAL COST AS A % OF THE TOTAL PERSONNEL EXPENDITURE
	NUMBER OF BENEFICIARIES	NUMBER OF EMPLOYEES	% OF TOTAL WITHIN SALARY BANDS	TOTAL COST (R'000)	AVERAGE COST PER EMPLOYEE	
Highly skilled supervision (Levels 9-12)	323	445	72.58	6 025	18 652.63	0.78
Total	527	697	75.61	7 717	14 643.76	100.00

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2018 to 31 March 2019

No formal critical occupations were approved for National Treasury.

Table 3.8.4 Performance related rewards (cash bonus), by salary band, for SMS for the period 1 April 2018 to 31 March 2019

SALARY BAND	BENEFICIARY PROFILE			COST		TOTAL COST AS A % OF THE TOTAL PERSONNEL EXPENDITURE
	NUMBER OF BENEFICIARIES	NUMBER OF EMPLOYEES	% OF TOTAL WITHIN BANDS	TOTAL COST (R'000)	AVERAGE COST PER EMPLOYEE	
Band A	134	191	70.16	3 688	27 521.85	0.46
Band B	39	52	75.00	1 220	31 269.61	0.15
Band C	5	8	62.50	168	33 687.08	0.02
Band D	0	0	0.00	0	0.00	0.00
Total	178	251	70.92	5 076	28 516.17	0.63

NB: Minister, Deputy Minister, Director-General (HOD) and the two Minister Special Advisors are excluded from the totals.

3.9 FOREIGN WORKERS

Table 3.9.1 Foreign workers by salary band for the period 1 April 2019 to 31 March 2020

SALARY BAND	MARCH 2019		MARCH 2020		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)	7	43.75	3	33.33	-4	-57.14
Senior management (Levels 13-16)	9	56.25	6	66.67	-3	-33.33
Total	16	100.00	9	100.00	-7	-43.75

PART D: HUMAN RESOURCE MANAGEMENT

3. HUMAN RESOURCES OVERSIGHT STATISTICS ▶ continued

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2019 to 31 March 2020

MAJOR OCCUPATION	MARCH 2019		MARCH 2020		CHANGE	
	NUMBER	% OF TOTAL	NUMBER	% OF TOTAL	NUMBER	% CHANGE
Senior management	9	56.25	6	66.67	-3	-33.33
Professional qualified	7	43.75	3	33.33	-4	-57.14
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
Total	16	100.00	9	100.00	-7	-43.75

3.10 LEAVE UTILISATION

Table 3.10.1 Sick leave for the period 1 January 2019 to 31 December 2019

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)	0.00	0.00	0	0.00	0	0
Skilled (Levels 3-5)	316.00	78.20	40	4.19	8	314
Highly skilled production (Levels 6-8)	2 270.00	76.30	261	27.33	9	3 699
Highly skilled supervision (Levels 9-12)	3 488.50	73.00	440	46.07	8	10 543
Senior management (Levels 13-16)	1 395.00	71.20	214	22.41	7	6 110
Total	7 469.50	73.90	955	100.00	8	20 666

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2019 to 31 December 2019

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)	0	100.00	0	0.00	0	0
Highly skilled production (Levels 6-8)	303	100.00	4	44.44	76	533
Highly skilled supervision (Levels 9-12)	203	100.00	4	44.44	51	608
Senior management (Levels 13-16)	111	100.00	1	11.11	111	600
Total	617	100.00	9	100.00	69	1 741

PART D: HUMAN RESOURCE MANAGEMENT

3. HUMAN RESOURCES OVERSIGHT STATISTICS ▶ continued

Table 3.10.3 Annual leave for the period 1 January 2019 to 31 December 2019

SALARY BAND	TOTAL DAYS TAKEN	NUMBER OF EMPLOYEES USING ANNUAL LEAVE	AVERAGE PER EMPLOYEE
Lower skilled (Levels 1-2)	0	0	0
Skilled (Levels 3-5)	1 027	45	23
Highly skilled production (Levels 6-8)	5 916	291	20
Highly skilled supervision (Levels 9-12)	11 279	520	22
Senior management (Levels 13-16)	6 475	284	23
Total	24 697	1 140	22

Table 3.10.4 Capped leave for the period 1 January 2019 to 31 December 2019

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 2019
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
Total	20	5	4	26

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 2019 to 31 March 2020

REASON	TOTAL AMOUNT (R'000)	NUMBER OF EMPLOYEES	AVERAGE PER EMPLOYEE (R'000)
Leave payouts for 2019/20 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2019/20	3 547	18	197
Current leave payouts on termination of service for 2019/20	3 664	130	28
Total	7 211	148	49

3. HUMAN RESOURCES OVERSIGHT STATISTICS ► *continued*

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
The National Treasury provides regular health screenings through the on-site clinic. The highest trend of health issues noted was signs of obesity and pre-hypertension (blood pressure that is higher than normal but not yet high enough to be deemed high blood pressure).	Employees are encouraged to follow a work-life balance by following exercise programmes and a healthy diet. Nutrition Week was hosted in October 2019 to educate employees about healthy eating and living.

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.	X		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. • Ms PS Tomotomo (CD: HRM)
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		The Employee Health and Wellness (EHW) Unit is a Sub-Directorate of the Organisational Development Directorate within the Chief Directorate: Human Resources Management. The EHW Unit is run by a Wellness Specialist (Assistant Director). The unit has a budget of R3.8 million to utilise over a period of 3 years.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for employees? If so, indicate the key elements/services of this Programme.	X		The National Treasury provides Employee Assistance Programmes under its programme brand of Siyaphila. Siyaphila is a confidential, free, 24-hour, 365-day personal support line for National Treasury employees and their immediate family members. These services include counselling services, wellness management, HIV/AIDS management, primary health care services and productivity management.

PART D: HUMAN RESOURCE MANAGEMENT

3. HUMAN RESOURCES OVERSIGHT STATISTICS ► *continued*

QUESTION	YES	NO	DETAILS, IF YES
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.	X		The committee consists of employees across the department in various divisions: 1. Neethling Francois 2. Leeuw Faith 3. Tau Alfred 4. Maupye Velencia 5. Shandu Nomthandazo 6. Modibane Caroline 7. Molefe Lebogang 8. Malope Betty 9. Gwangwa Kelebogile 10. Majola Mmule 11. Dodo Xolisa 12. Rudolph Judith 13. Mdzikwa Julia 14. Magoro Ditshego 15. Guma Nomvuyo 16. Kgare Reuben 17. Kruger Chris
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		The HIV/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.	X		Confidentiality clauses have been in place and are still enforced. New infections are managed by the Primary Health Care personnel.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		Seventy-four employees voluntarily tested for HIV/AIDS during the reporting period. The department has a clinic on-site providing primary health care services. The clinic is staffed by a nurse twice a week, for four hours on each day, and by a doctor for one day per week. The services are free of charge and provide employees with an opportunity to do voluntary testing. In addition to this, the Siyaphila programme hosts wellness events where employees also have the opportunity to do voluntary counselling and testing.

PART D: HUMAN RESOURCE MANAGEMENT

3. HUMAN RESOURCES OVERSIGHT STATISTICS ► *continued*

QUESTION	YES	NO	DETAILS, IF YES
8. Has the department developed measures/ indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X		Rate of absenteeism. Number of health-related complaints. Voluntary HIV/AIDS reports (that do not compromise confidentiality). Wellness cards to continuously monitor and improve on health risk assessments. Quarterly and annual utilisation statistics of services.

3.12. LABOUR RELATIONS

Table 3.12.1 Collective agreements for the period 1 April 2019 to 31 March 2020

SUBJECT MATTER	DATE
None	N/A

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2019 to 31 March 2020

OUTCOMES OF DISCIPLINARY HEARINGS	NUMBER	% OF TOTAL
Dismissal	1	33.33
One (1) month's suspension without pay	2	66.67
Total	3	100.00

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2019 to 31 March 2020

TYPE OF MISCONDUCT	NUMBER	% OF TOTAL
Misuse of state vehicle	1	33.33
Abscondment	1	33.33
Failure to disclose a criminal record	1	33.33
Total	3	100.00

PART D: HUMAN RESOURCE MANAGEMENT

3. HUMAN RESOURCES OVERSIGHT STATISTICS ▶ *continued*

Table 3.12.4 Grievances lodged for the period 1 April 2019 to 31 March 2020

GRIEVANCES	NUMBER	% OF TOTAL
Number of grievances resolved	8	40.00
Number of grievances not resolved	12	60.00
Total number of grievances lodged	20	100.00

Table 3.12.5 Disputes lodged with Councils for the period 1 April 2019 to 31 March 2020

DISPUTES	NUMBER	% OF TOTAL
Number of disputes upheld	0	0.00
Number of disputes dismissed	1	10.00
Number of disputes pending	5	50.00
Number of new disputes lodged	4	40.00
Total number of disputes	10	100.00

Table 3.12.6 Strike action for the period 1 April 2019 to 31 March 2020

STRIKE ACTIONS	NUMBER	% OF TOTAL
Total number of persons working days lost		0
Total cost of 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 2019 to 31 March 2020

PRECAUTIONARY SUSPENSIONS	NUMBER	% OF TOTAL
Number of people suspended		0
Number of people whose suspension exceeded 30 days		0
Average number of days suspended		0
Cost of suspensions		0

PART D: HUMAN RESOURCE MANAGEMENT

3. HUMAN RESOURCES OVERSIGHT STATISTICS ▶ continued

3.13. SKILLS DEVELOPMENT

Table 3.13.1 Training needs identified as at 31 March 2019

OCCUPATIONAL CATEGORY	GENDER	NUMBER OF EMPLOYEES AS AT 31 MARCH 2019	TRAINING NEEDS IDENTIFIED AT START OF THE REPORTING PERIOD			
			LEARNERSHIPS	SKILLS PROGRAMMES AND OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL
Legislators, senior officials and managers	Female	139	0	40	0	40
	Male	147	0	24	0	24
Professionals	Female	243	5	124	0	129
	Male	223	5	102	0	107
Technicians and associated professionals	Female	123	0	63	0	63
	Male	55	0	20	0	20
Clerks	Female	45	0	0	0	0
	Male	37	0	0	0	0
Service and sales workers	Female	6	0	2	0	2
	Male	15	0	8	0	8
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
Skilled agriculture	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	5	0	1	0	1
Elementary occupations	Female	5	0	5	0	5
	Male	0	0	0	0	0
Subtotal	Female	561	5	234	0	239
	Male	482	5	155	0	160
Total		1043	10	389	0	399

***Note: Minister and Deputy Minister excluded from the total.*

PART D: HUMAN RESOURCE MANAGEMENT

3. HUMAN RESOURCES OVERSIGHT STATISTICS ▶ continued

Table 3.13.2 Training provided for the period 1 April 2019 to 31 March 2020

OCCUPATIONAL CATEGORY	GENDER	NUMBER OF EMPLOYEES AS AT 31 MARCH 2019	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	21	0	21
	Male	147	0	10	0	10
Professionals	Female	243	6	135	0	141
	Male	223	5	72	0	77
Technicians and associated professionals	Female	123	0	26	0	26
	Male	55	0	5	0	5
Clerks	Female	45	0	45	0	45
	Male	37	0	27	0	27
Service and sales workers	Female	6	0	6	0	6
	Male	15	0	6	0	6
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	5	0	0	0	0
Elementary occupations	Female	5	0	1	0	1
	Male	0	0	0	0	0
Subtotal	Female	561	6	234	0	240
	Male	482	5	120	0	125
Total		1043	11	354	0	365

*** Note: Minister and Deputy Minister excluded from the total.*

3. HUMAN RESOURCES OVERSIGHT STATISTICS ► *continued*

3.14. INJURY ON DUTY

Table 3.14.1 Injuries on duty for the period 1 April 2019 to 31 March 2020

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
Total	3	100.00

3.15. UTILISATION OF CONSULTANTS

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

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

Table 3.15.1 Consultant appointments using appropriated funds for the period 1 April 2019 to 31 March 2020

PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON PROJECT	DURATION (WORK DAYS)	CONTRACT VALUE INRAND
N/A	0	0	0

PART D: HUMAN RESOURCE MANAGEMENT

3. HUMAN RESOURCES OVERSIGHT STATISTICS ▶ *continued*

Table 3.15.2 Consultant appointments using donor funds for the period 1 April 2019 to 31 March 2020

PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON PROJECT	DURATION (WORK DAYS)	DONOR AND CONTRACT VALUE IN RND
N/A	0	0	0

Table 3.15.3 Analysis of consultant appointments using donor funds, in terms of historically disadvantaged individuals (HDIs) for the period 1 April 2019 to 31 March 2020

PROJECT TITLE	PERCENTAGE OWNERSHIP BY HDI GROUPS	PERCENTAGE MANAGEMENT BY HDI GROUPS	NUMBER OF CONSULTANTS FROM HDI GROUPS THAT WORK ON THE PROJECT
N/A	0	0	0

3.16. SEVERANCE PACKAGES

Table 3.16.1 Granting of employee-initiated severance packages for the period 1 April 2019 to 31 March 2020

SALARY BAND	NUMBER OF APPLICATIONS RECEIVED	NUMBER OF APPLICATIONS REFERRED TO THE MPSA	NUMBER OF APPLICATIONS SUPPORTED BY THE MPSA	NUMBER OF PACKAGES APPROVED BY DEPARTMENT
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
Total	0	0	0	0



PART E
ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2020

TABLE OF CONTENTS

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 7: NATIONAL TREASURY252
APPROPRIATION STATEMENT263
NOTES TO THE APPROPRIATION STATEMENT332
STATEMENT OF FINANCIAL PERFORMANCE337
STATEMENT OF FINANCIAL POSITION338
STATEMENT OF CHANGES IN NET ASSETS339
CASH FLOW STATEMENT340
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (INCLUDING ACCOUNTING POLICIES)341
ANNEXURES386

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 7: NATIONAL TREASURY

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

1. I have audited the financial statements of the National Treasury set out on pages 263 to 385, which comprise the appropriation statement, statement of financial position as at 31 March 2020, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Treasury as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standard (MCS) as prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2019 (Act No.16 of 2019) (DoRA).

BASIS FOR OPINION

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the department in accordance with sections 290 and 291 of the Code of ethics for professional accountants and parts 1 and 3 of the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my unqualified opinion.

EMPHASIS OF MATTERS

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

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 7: NATIONAL TREASURY ► CONTINUED

IRREGULAR EXPENDITURE

7. As disclosed in note 25 to the financial statements, the department incurred irregular expenditure of R249 million. The majority of the irregular expenditure was caused by non-compliance with supply chain management and contract management processes.

FRUITLESS AND WASTEFUL EXPENDITURE

8. As disclosed in note 26 to the financial statements, fruitless and wasteful expenditure to the amount of R66 million was incurred, as the department made a payment for technical support and maintenance not utilised by the department. This is as a result of delays in the implementation of the Integrated Financial Management System (IFMS) programme.

RESTATEMENT OF CORRESPONDING FIGURES

9. As disclosed in note 38 to the financial statements, the corresponding figures for 31 March 2019 were restated as a result of errors in the financial statements of the department at, and for the year ended, 31 March 2020.

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 page 386 to 415 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.

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 7: NATIONAL TREASURY ▶ CONTINUED

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 applicable 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 OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 7: NATIONAL TREASURY ► CONTINUED

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

INTRODUCTION AND SCOPE

16. In accordance with the Public Audit Act of South Africa 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report 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 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 approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
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 annual performance report of the department for the year ended 31 March 2020:

Programmes	Pages in the annual performance report
Programme 4: Asset and Liability Management	135 – 137

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 4: Asset and Liability Management

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 7: NATIONAL TREASURY ▶ CONTINUED

OTHER MATTERS

21 I draw attention to the matters below.

ACHIEVEMENT OF PLANNED TARGETS

22 Refer to the annual performance report on pages 135 to 137 for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a number of targets.

ADJUSTMENT OF MATERIAL MISSTATEMENTS

23 I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of Programme 4: Asset and Liability Management. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

INTRODUCTION AND SCOPE

24 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.

25 The material findings on compliance with specific matters in key legislation are as follows:

ANNUAL FINANCIAL STATEMENTS

26 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 statement were corrected, resulting in the financial statements receiving an unqualified opinion.

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 7: NATIONAL TREASURY ▶ CONTINUED

PROCUREMENT AND CONTRACT MANAGEMENT

27. Tender requirements for some of the contracts above R30 million did not include a condition for mandatory subcontracting to advance designated groups, as required by the 2017 preferential procurement regulation 9(1). This non-compliance related to transversal contracts facilitated by the department. Similar non-compliance was reported in the prior year for department specific tenders.
28. Some of the contracts were awarded to bidders based on pre-qualification criteria that differed from those stipulated in the original invitation for bidding, in contravention of the 2017 preferential procurement regulation 4(1) and 4(2). This non-compliance was identified in the procurement processes for the transversal contracts facilitated by the department. Similar non-compliance was also reported in the prior year.
29. Some of the commodities designated for local content and production, were procured from suppliers who did not submit a declaration on local production and content as required by the 2017 preferential procurement regulation. This non-compliance was identified in the procurement processes for the transversal contracts facilitated by the department.
30. Some of the commodities designated for local content and production, were procured from suppliers who did not meet the prescribed minimum threshold for local production and content, as required by the 2017 preferential procurement regulation 8(5). This non-compliance was identified in the procurement processes for the transversal contracts facilitated by the department.
31. Some contracts were extended or modified without the approval of a properly delegated official as required by section 44 of the PFMA and treasury regulation 8.1 and 8.2.

EXPENDITURE MANAGEMENT

32. Resources of the department were not utilised economically, as required by section 38(1)(b) and 45(b) of the PFMA. The department incurred expenditure for annual technical support and maintenance of R66 million (R267 254 million since 2016-17) on the software licenses of the commercial off the shelf (COTS) Enterprise Resource Planning (ERP) system that was purchased to implement an Integrated Financial Management System (IFMS 2) for government. The implementation of IFMS 2 has been delayed due to deficiencies documented in paragraph 42 herein and the department is therefore not utilising the software licenses economically.
33. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R249 million, as disclosed in note 25 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 7: NATIONAL TREASURY ► CONTINUED

treasury regulation 9.1.1. The majority of the irregular expenditure was caused by non-compliance with the supply chain management and contract management processes.

34. Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R66 million as disclosed in note 26 to the annual 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 programme.

OTHER INFORMATION

35. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. 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 on in the auditor's report.
36. 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 thereon.
37. 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.
38. If based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact.
39. I have nothing to report in this regard.

INTERNAL CONTROL DEFICIENCIES

40. 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 basis for the findings on compliance with legislation included in this report for the year under review.
41. The instability as a result of vacancies in key positions had an impact on the control environment of the department.

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 7: NATIONAL TREASURY ► CONTINUED

42. An audit action plan was developed and an audit findings committee was established to monitor the implementation of the action plan to address internal and external audit findings. However, some repeat findings were identified in the financial statements as well as non-compliance with applicable legislation.
43. A lack of a formal business case and programme charter, proper project management, insufficient resources and limited Steering Committee meetings relating to the IFMS programme may result in failure to deliver the overall quality solution on time and with the funds allocated. During the year under audit the position of Chief Director: IFMS was filled by four (4) acting employees during different intervals. The updated IFMS roll out strategy indicated that the programme would have been rolled out to the two selected pilot sites during the 2019-20 financial year. The set timeline has not been met as a common design, also known as the detailed design still needs to be completed. The deficiencies within the IFMS programme is causing delays in delivering the required solution timeously.
44. The reviewing of compliance with applicable legislation remains a challenge for the department especially in the areas of supply chain management and the prevention of irregular and fruitless and wasteful expenditure.
45. Effective systems of internal control and the management thereof had not been implemented to ensure accurate and complete financial statements. The preparation and review of the financial statements were not adequately planned, to ensure a comprehensive review of year-end adjustments and reconciliations, resulting in errors and omissions identified in the financial statements by the auditors.

OTHER REPORTS

46. I draw attention to the following engagements conducted by various parties 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. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
47. The accounting officer instituted a forensic investigation into IFMS 2 focusing on the procurement processes followed, appointments of, and payments made, to service providers. The investigation was concluded and the forensic report was shared with the audit committee. The department is in the process of implementing the recommendations of the investigation. In January 2020 the Special Investigations Unit (SIU) commenced with an investigation into IFMS. The SIU investigation based on the approved scope proclaimed by the Department of Justice was completed but no report was received by the department to date. A motivation for an expansion of mandate was submitted by the SIU to the Department of Justice.

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 7: NATIONAL TREASURY ▶ CONTINUED

48. The National Treasury Special Audit Services unit (SAS) performed an investigation into allegations of the irregular use of third parties for domestic conferences and accommodation bookings by the Co-operative Banks Development Agency (CBDA). CBDA utilises National Treasury's supply chain unit to procure travel agent services. The investigation was concluded in March 2020 and confirmed collusion between a National Treasury SCM official responsible for travel management, the CBDA official and the two service providers for procurement of "fictitious" venues for training and accommodation. The consequence management processes are still underway.

Auditor-General

Pretoria

31 January 2021



**AUDITOR - GENERAL
SOUTH AFRICA**

Auditing to build public confidence

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 7: NATIONAL TREASURY ▶ CONTINUED

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 the National Treasury 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

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 7: NATIONAL TREASURY ▶ CONTINUED

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020

APPROPRIATION PER PROGRAMME												
VOTED FUNDS	2019/20						2018/19					
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE			
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		R'000	
PROGRAMME												
1	Administration	511 370	-	-	511 370	453 634	88.7%	453 819	424 272			
2	Economic Policy, Tax, Financial Regulation And Research	143 125	-	(5 000)	138 125	124 881	90.4%	152 770	138 756			
3	Public Finance And Budget Management	328 558	-	(10 000)	318 558	306 883	96.3%	298 047	295 370			
4	Asset And Liability Management	101 429	-	1 500	102 929	96 718	94.0%	101 585	91 185			
5	Financial/Accounting And Supply Chain Management Systems	1 044 188	-	(40 000)	1 004 188	796 790	79.3%	1 102 085	869 104			
6	International Financial Relations	5 828 131	-	120 000	5 948 131	5 458 763	91.8%	5 883 121	5 807 686			
7	Civil And Military Pensions, And Contributions	5 574 503	-	(50 000)	5 524 503	5 487 100	99.3%	5 021 277	5 020 100			
8	Tech Support And Development Finance	2 680 332	-	(16 500)	2 663 832	2 629 235	98.7%	2 926 779	2 235 067			
9	Revenue Administration	9 529 031	-	-	9 529 031	9 529 031	100.0%	9 007 217	9 007 217			
10	Fin Intelligence And State Security	4 951 053	-	-	4 951 053	4 951 053	100.0%	4 763 533	4 763 533			
	Total	30 691 720	-	-	30 691 720	29 834 088	97.2%	29 710 233	28 652 290			
	Reconciliation with Statement of Financial Performance											
	Add: Departmental receipts				8 639 087			7 113 723				
	Aid assistance				105 747			64 268				
	Actual amounts per Statement of Financial Performance				39 436 554			36 888 224				
	Add: Aid assistance				51 090				49 958			
	Actual amounts per Statement of Financial Performance Expenditure				29 885 178				28 702 248			

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

	2019/20							2018/19		
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current payments	2 410 448	(13 142)	(71 500)	2 325 806	2 014 384	311 422	86.6%	2 755 192	2 071 255	
Compensation of employees	847 205	-	-	847 205	804 819	42 386	95.0%	807 760	790 344	
Salaries and wages	761 570	(3 845)	880	758 605	719 717	38 888	94.9%	721 256	707 504	
Social contributions	85 635	3 845	(880)	88 600	85 102	3 498	96.1%	86 504	82 840	
Goods and services	1 563 243	(13 142)	(71 500)	1 478 601	1 209 565	269 036	81.8%	1 947 432	1 280 911	
Administrative fees	3 586	245	-	3 831	2 606	1 225	68.0%	8 181	7 164	
Advertising	2 029	82	-	2 111	894	1 217	42.3%	1 925	1 372	
Minor assets	5 403	(3 174)	-	2 229	1 676	553	75.2%	534	341	
Audit costs: External	17 656	451	-	18 107	17 578	529	97.1%	16 800	16 113	
Bursaries: Employees	7 335	(1 118)	-	6 217	2 864	3 353	46.1%	5 467	4 330	
Catering: Departmental activities	2 309	40	-	2 349	1 315	1 034	56.0%	1 871	1 285	
Communication (G&S)	8 568	(850)	-	7 718	6 950	768	90.0%	8 250	7 100	
Computer services	514 792	5 456	-	520 248	403 851	116 397	77.6%	594 867	390 501	
Consultants: Business and advisory services	723 211	6 498	(71 500)	658 209	554 453	103 756	84.2%	665 608	628 839	
Infrastructure and planning	-	13	-	13	12	1	92.3%	400 080	72	
Legal services	16 580	(780)	-	15 800	12 840	2 960	81.3%	18 980	13 906	
Contractors	17 088	1 927	-	19 015	17 724	1 291	93.2%	21 946	20 880	
Agency and support / outsourced services	7 530	-	-	7 530	7 440	90	98.8%	7 252	6 732	
Entertainment	540	(2)	-	538	50	488	9.3%	451	90	
Fleet services (including government motor transport)	3 337	204	-	3 541	3 218	323	90.9%	3 536	3 387	
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	29	24	
Consumable supplies	3 603	667	-	4 270	3 003	1 267	70.3%	3 162	2 451	

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

	APPROPRIATION PER ECONOMIC CLASSIFICATION									
	2019/20					2018/19				
	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: Stationery, printing and office supplies	8 881	225	-	9 106	4 834	4 272	53.1%	8 045	5 692	
Operating leases	91 314	(6 567)	-	84 747	82 839	1 908	97.7%	60 746	59 817	
Property payments	23 698	704	-	24 402	24 380	22	99.9%	20 028	19 715	
Travel and subsistence	61 454	(6 696)	-	54 758	38 863	15 895	71.0%	74 838	69 579	
Training and development	8 016	(1 660)	-	6 356	2 752	3 604	43.3%	4 417	2 645	
Operating payments	10 962	(2 025)	-	8 937	7 169	1 768	80.2%	9 890	9 306	
Venues and facilities	25 351	(6 782)	-	18 569	12 254	6 315	66.0%	10 529	9 570	
Transfers and subsidies	23 491 488	13 142	71 500	23 576 130	23 532 333	43 797	99.8%	22 261 909	21 962 844	
Provinces and municipalities	1 593 961	-	-	1 593 961	1 583 961	10 000	99.4%	1 521 534	1 508 784	
Municipalities	1 593 961	-	-	1 593 961	1 583 961	10 000	99.4%	1 521 534	1 508 784	
Municipal bank accounts	1 593 961	-	-	1 593 961	1 583 961	10 000	99.4%	1 521 534	1 508 784	
Departmental agencies and accounts	15 379 250	(99 923)	-	15 279 327	15 279 324	3	100.0%	14 588 296	14 327 242	
Departmental agencies	15 379 250	(99 923)	-	15 279 327	15 279 324	3	100.0%	14 588 296	14 327 242	
Foreign governments and international organisations	1 009 191	7 000	120 000	1 136 191	1 134 773	1 418	99.9%	1 174 708	1 159 123	
Public corporations and private enterprises	-	100 000	-	100 000	100 000	-	100.0%	7 862	-	
Public corporations	-	100 000	-	100 000	100 000	-	100.0%	-	-	
Other transfers to public corporations	-	100 000	-	100 000	100 000	-	100.0%	-	-	
Private enterprises	-	-	-	-	-	-	-	7 862	-	
Other transfers to private enterprises	-	-	-	-	-	-	-	7 862	-	
Households	5 509 086	6 065	(48 500)	5 466 651	5 434 275	32 376	99.4%	4 969 509	4 967 695	
Social benefits	5 507 143	4 731	(48 500)	5 463 374	5 430 999	32 375	99.4%	4 966 424	4 964 744	
Other transfers to households	1 943	1 334	-	3 277	3 276	1	100.0%	3 085	2 951	

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

	2019/20							2018/19		
	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
Payments for capital assets	42 868	-	-	42 868	13 555	29 313	31.6%	43 125	23 448	
Machinery and equipment	35 393	83	-	35 476	13 532	21 944	38.1%	35 868	20 466	
Transport equipment	1 350	-	-	1 350	654	696	48.4%	1 830	1 733	
Other machinery and equipment	34 043	83	-	34 126	12 878	21 248	37.7%	34 038	18 733	
Software and other intangible assets	7 475	(83)	-	7 392	23	7 369	0.3%	7 257	2 982	
Payment for financial assets	4 746 916	-	-	4 746 916	4 273 816	473 100	90.0%	4 650 007	4 594 743	
Total	30 691 720	-	-	30 691 720	29 834 088	857 632	97.2%	29 710 233	28 652 290	

PROGRAMME 1: ADMINISTRATION	2019/20							2018/19		
	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
SUBPROGRAMME										
1 Ministry	4 434	-	-	4 434	3 687	747	83.2%	4 659	3 692	
2 Departmental Management	55 810	(7 748)	-	48 062	30 890	17 172	64.3%	52 714	51 055	
3 Corporate Services	152 995	3 205	-	156 200	133 094	23 106	85.2%	139 960	126 408	
Enterprise Wide Risk Management	34 575	673	-	35 248	31 604	3 644	89.7%	31 786	29 318	
5 Financial Administration	47 940	2 420	-	50 360	47 286	3 074	93.9%	45 342	43 397	
6 Legal Services	22 903	(223)	-	22 680	22 171	509	97.8%	22 524	22 297	
7 Internal Audit	30 241	7 682	-	37 923	34 235	3 688	90.3%	34 892	32 182	
8 Communications	11 339	1 414	-	12 753	10 926	1 827	85.7%	10 960	9 681	
9 Office Accommodation	151 133	(7 423)	-	143 710	139 741	3 969	97.2%	110 982	106 242	
Total	511 370	-	-	511 370	453 634	57 736	88.7%	453 819	424 272	

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

	PROGRAMME 1: ADMINISTRATION - ECONOMIC CLASSIFICATION									
	2019/20					2018/19				
	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	481 856	(1 487)	-	480 369	438 917	41 452	91.4%	418 662	402 394	
Compensation of employees	211 505	-	-	211 505	192 446	19 059	91.0%	194 903	190 837	
Salaries and wages	190 101	(918)	-	189 183	171 118	18 065	90.5%	172 579	170 061	
Social contributions	21 404	918	-	22 322	21 328	994	95.5%	22 324	20 776	
Goods and services	270 351	(1 487)	-	268 864	246 471	22 393	91.7%	223 759	211 557	
Administrative fees	980	(6)	-	974	408	566	41.9%	2 429	2 084	
Advertising	786	29	-	815	439	376	53.9%	424	209	
Minor assets	5 133	(3 272)	-	1 861	1 507	354	81.0%	269	180	
Audit costs: External	9 648	43	-	9 691	9 691	-	100.0%	8 955	8 952	
Bursaries: Employees	2 729	(228)	-	2 501	1 130	1 371	45.2%	1 767	1 497	
Catering: Departmental activities	631	-	-	631	391	240	62.0%	574	389	
Communication (G&S)	8 091	(1 063)	-	7 028	6 436	592	91.6%	7 521	6 636	
Computer services	43 698	4 756	-	48 454	44 092	4 362	91.0%	30 448	28 148	
Consultants: Business and advisory services	13 609	8 149	-	21 758	19 874	1 884	91.3%	14 108	12 304	
Infrastructure and planning services	-	13	-	13	12	1	92.3%	80	72	
Legal services	15 080	(1 206)	-	13 874	12 417	1 457	89.5%	13 560	13 487	
Contractors	16 994	1 922	-	18 916	17 709	1 207	93.6%	21 048	20 214	
Agency and support / outsourced services	7 530	-	-	7 530	7 440	90	98.8%	7 252	6 732	
Entertainment	169	(3)	-	166	11	155	6.6%	154	38	
Fleet services (including government motor transport)	3 148	208	-	3 356	3 206	150	95.5%	3 491	3 387	
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	29	24	
Consumable supplies	3 051	629	-	3 680	2 663	1 017	72.4%	2 833	2 218	

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

	2019/20							2018/19		
	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: Stationery, printing and office supplies	3 094	316	-	3 410	2 263	1 147	66.4%	2 929	1 815	
Operating leases	88 611	(6 531)	-	82 080	81 002	1 078	98.7%	58 320	57 702	
Property payments	23 698	704	-	24 402	24 380	22	99.9%	20 028	19 715	
Travel and subsistence	19 125	(5 047)	-	14 078	9 598	4 480	68.2%	24 458	23 593	
Training and development	3 249	(775)	-	2 474	1 059	1 415	42.8%	1 956	1 302	
Operating payments	1 002	(75)	-	927	703	224	75.8%	626	458	
Venues and facilities	295	(50)	-	245	40	205	16.3%	500	401	
Transfers and subsidies	5 233	1 487	-	6 720	6 433	287	95.7%	7 944	7 281	
Departmental agencies and accounts	2 161	77	-	2 238	2 235	3	99.9%	2 120	2 075	
Departmental agencies	2 161	77	-	2 238	2 235	3	99.9%	2 120	2 075	
Households	3 072	1 410	-	4 482	4 198	284	93.7%	5 824	5 206	
Social benefits	1 129	1 223	-	2 352	2 068	284	87.9%	4 042	3 556	
Other transfers to households	1 943	187	-	2 130	2 130	-	100.0%	1 782	1 650	
Payments for capital assets	24 281	-	-	24 281	8 048	16 233	33.1%	27 213	13 886	
Machinery and equipment	21 681	-	-	21 681	8 025	13 656	37.0%	20 654	11 529	
Transport equipment	1 350	-	-	1 350	654	696	48.4%	1 830	1 733	
Other machinery and equipment	20 331	-	-	20 331	7 371	12 960	36.3%	18 824	9 796	
Software and other intangible assets	2 600	-	-	2 600	23	2 577	0.9%	6 559	2 357	
Payment for financial assets	-	-	-	-	236	(236)	-	-	711	
Total	511 370	-	-	511 370	453 634	57 736	88.7%	453 819	424 272	

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

SUBPROGRAMME: 1.1: MINISTRY	2019/20							2018/19		
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
ECONOMIC CLASSIFICATION										
Current payments	4 434	-	-	4 434	3 687	747	83.2%	4 659	3 692	
Compensation of employees	4 434	-	-	4 434	3 687	747	83.2%	4 659	3 692	
Salaries and wages	4 434	-	-	4 434	3 687	747	83.2%	4 659	3 692	
Total	4 434	-	-	4 434	3 687	747	83.2%	4 659	3 692	

SUBPROGRAMME: 1.2: DEPARTMENTAL MANAGEMENT	2019/20							2018/19		
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
ECONOMIC CLASSIFICATION										
Current payments	54 032	(7 852)	-	46 180	29 613	16 567	64.1%	47 071	45 442	
Compensation of employees	32 597	(3 020)	-	29 577	18 978	10 599	64.2%	21 099	20 744	
Salaries and wages	30 024	(2 992)	-	27 032	16 966	10 066	62.8%	18 652	18 489	
Social contributions	2 573	(28)	-	2 545	2 012	533	79.1%	2 447	2 255	
Goods and services	21 435	(4 832)	-	16 603	10 635	5 968	64.1%	25 972	24 698	
Administrative fees	361	25	-	386	211	175	54.7%	846	845	
Advertising	17	68	-	85	-	85	-	-	-	
Minor assets	44	5	-	49	4	45	8.2%	21	18	
Bursaries: Employees	236	-	-	236	24	212	10.2%	175	150	
Catering: Departmental activities	313	(3)	-	310	213	97	68.7%	252	182	
Communication (G&S)	226	27	-	253	228	25	90.1%	222	218	
Computer services	7	-	-	7	-	7	-	2	-	
Consultants: Business and advisory services	472	35	-	507	284	223	56.0%	68	67	
Legal services	1 361	-	-	1 361	164	1 197	12.0%	186	148	
Contractors	-	34	-	34	33	1	97.1%	170	160	
Agency and support / outs service	17	-	-	17	4	13	23.5%	7	3	

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

SUBPROGRAMME: 1.2: DEPARTMENTAL MANAGEMENT (CONTINUED)	2019/20										2018/19	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	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	
Economic Classification												
Entertainment	109	-	-	109	2	107	1.8%	104	104	22	22	
Fleet services	615	79	-	694	651	43	93.8%	759	759	673	673	
Consumable supplies	106	128	-	234	151	83	64.5%	192	192	172	172	
Consumable: Stationery, printing and office supplies	654	10	-	664	306	358	46.1%	534	534	252	252	
Operating leases	692	-	-	692	267	425	38.6%	364	364	323	323	
Travel and subsistence	15 693	(5 092)	-	10 601	8 047	2 554	75.9%	21 519	21 519	21 038	21 038	
Training and development	222	(92)	-	130	-	130	-	51	51	14	14	
Operating payments	9	10	-	19	6	13	31.6%	13	13	12	12	
Venues	281	(66)	-	215	40	175	18.6%	487	487	401	401	
Transfers and subsidies	100	104	-	204	201	3	98.5%	3 200	3 200	3 059	3 059	
Households	100	104	-	204	201	3	98.5%	3 200	3 200	3 059	3 059	
Social benefits	100	104	-	204	201	3	98.5%	3 200	3 200	3 059	3 059	
Payments for capital assets	1 678	-	-	1 678	916	762	54.6%	2 443	2 443	2 179	2 179	
Machinery and equipment	1 678	-	-	1 678	916	762	54.6%	2 443	2 443	2 179	2 179	
Transport equipment	1 350	-	-	1 350	654	696	48.4%	1 830	1 830	1 733	1 733	
Other machinery and equipment	328	-	-	328	262	66	79.9%	613	613	446	446	
Payment for financial assets	-	-	-	-	160	(160)	-	-	-	375	375	
Total	55 810	(7 748)	-	48 062	30 890	17 172	64.3%	52 714	52 714	51 055	51 055	

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

ECONOMIC CLASSIFICATION	SUBPROGRAMME: 1.3: CORPORATE SERVICES									
	2019/20					2018/19				
	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	133 632	2 591	-	136 223	127 155	9 068	93.3%	115 060	111 947	
Compensation of employees	80 569	(1 598)	-	78 971	76 703	2 268	97.1%	77 313	75 893	
Salaries and wages	73 322	(1 789)	-	71 533	69 301	2 232	96.9%	69 122	68 574	
Social contributions	7 247	191	-	7 438	7 402	36	99.5%	8 191	7 319	
Goods and services	53 063	4 189	-	57 252	50 452	6 800	88.1%	37 747	36 054	
Administrative fees	287	(35)	-	252	27	225	10.7%	609	485	
Advertising	409	31	-	440	279	161	63.4%	221	101	
Minor assets	19	19	-	38	37	1	97.4%	61	19	
Bursaries: Employees	673	(164)	-	509	324	185	63.7%	953	867	
Catering: Departmental activities	114	3	-	117	67	50	57.3%	117	49	
Communication (G&S)	4 100	(1 093)	-	3 007	3 007	-	100.0%	3 457	3 431	
Computer services	40 500	5 223	-	45 723	41 974	3 749	91.8%	26 888	26 105	
Consultants: Business and advisory services	3 676	431	-	4 107	3 170	937	77.2%	1 667	1 290	
Contractors	69	-	-	69	50	19	72.5%	1 062	1 751	
Entertainment	16	-	-	16	2	14	12.5%	8	3	
Fleet services	2	-	-	2	-	2	-	9	2	
Consumable supplies	263	43	-	306	268	38	87.6%	334	253	
Consumable: Stationery, printing and office supplies	316	29	-	345	222	123	64.3%	206	143	
Operating leases	248	-	-	248	134	114	54.0%	248	161	
Travel and subsistence	1 083	(99)	-	984	512	472	52.0%	1 041	885	
Training and development	1 275	(226)	-	1 049	354	695	33.7%	842	505	

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

SUBPROGRAMME: 1.3: CORPORATE SERVICES (CONTINUED)	2019/20							2018/19		
	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	13	11	-	24	25	(1)	104.2%	24	24	4
Venues and facilities	-	16	-	16	-	16	-	-	-	-
Transfers and subsidies	4 651	968	-	5 619	5 340	279	95.0%	4 178	4 178	3 999
Departmental agencies and accounts	2 140	77	-	2 217	2 217	-	100.0%	2 100	2 100	2 057
Departmental agencies (non-business entities)	2 140	77	-	2 217	2 217	-	100.0%	2 100	2 100	2 057
Households	2 511	891	-	3 402	3 123	279	91.8%	2 078	2 078	1 942
Social benefits	568	704	-	1 272	994	278	78.1%	296	296	292
Other transfers to households	1 943	187	-	2 130	2 129	1	100.0%	1 782	1 782	1 650
Payments for capital assets	14 712	(354)	-	14 358	599	13 759	4.2%	20 722	20 722	10 462
Machinery and equipment	12 112	(354)	-	11 758	576	11 182	4.9%	14 163	14 163	8 238
Other machinery and equipment	12 112	(354)	-	11 758	576	11 182	4.9%	14 163	14 163	8 238
Software and other intangible assets	2 600	-	-	2 600	23	2 577	0.9%	6 559	6 559	2 224
Total	152 995	3 205	-	156 200	133 094	23 106	85.2%	139 960	139 960	126 408

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

SUBPROGRAMME: 1.4: ENTERPRISE WIDE RISK MANAGEMENT	2019/20							2018/19	
	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	33 285	539	-	33 824	31 312	2 512	92.6%	30 602	28 793
Compensation of employees	19 911	-	-	19 911	19 481	430	97.8%	18 921	18 300
Salaries and wages	17 386	(89)	-	17 297	16 959	338	98.0%	16 409	15 945
Social contributions	2 525	89	-	2 614	2 522	92	96.5%	2 512	2 355
Goods and services	13 374	539	-	13 913	11 831	2 082	85.0%	11 681	10 493
Administrative fees	23	(5)	-	18	18	-	100.0%	13	11
Advertising	81	(30)	-	51	33	18	64.7%	43	-
Minor assets	177	1	-	178	5	173	2.8%	19	12
Bursaries: Employees	303	(28)	-	275	178	97	64.7%	129	29
Catering: Departmental activities	10	-	-	10	7	3	70.0%	16	12
Communication (G&S)	42	64	-	106	96	10	90.6%	66	59
Computer services	-	-	-	-	-	-	-	110	105
Consultants: Business and advisory services	586	43	-	629	145	484	23.1%	256	218
Contractors	10 619	680	-	11 299	10 552	747	93.4%	10 107	9 377
Entertainment	4	(3)	-	1	-	1	-	5	3
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	25	20
Consumable supplies	103	93	-	196	120	76	61.2%	46	17
Consumable: Stationery, printing and office supplies	291	(177)	-	114	50	64	43.9%	85	68
Operating leases	117	51	-	168	162	6	96.4%	104	75
Travel and subsistence	613	5	-	618	284	334	46.0%	487	418
Training and development	393	(155)	-	238	179	59	75.2%	123	37

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

SUBPROGRAMME: 1.4: ENTERPRISE WIDE RISK MANAGEMENT (CONTINUED)	2019/20										2018/19		
	ECONOMIC CLASSIFICATION	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	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
	12	-	-	-	12	2	16.7%	47	32				
Operating payments													
Transfers and subsidies	-	134	-	-	134	134	100.0%	30	30				
Households	-	134	-	-	134	134	100.0%	30	30				
Social benefits	-	134	-	-	134	134	100.0%	30	30				
Payments for capital assets	1 290	-	-	-	1 290	158	12.2%	1 154	495				
Machinery and equipment	1 290	-	-	-	1 290	158	12.2%	1 154	495				
Other machinery and equipment	1 290	-	-	-	1 290	158	12.2%	1 154	495				
Total	34 575	673	-	-	35 248	31 604	89.7%	31 786	29 318				

SUBPROGRAMME: 1.5: FINANCIAL ADMINISTRATION	2019/20										2018/19		
	ECONOMIC CLASSIFICATION	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	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
Current payments	47 083	2 327	-	-	49 410	46 650	94.4%	44 751	42 926				
Compensation of employees	30 268	3 020	-	-	33 288	32 074	96.4%	29 566	29 274				
Salaries and wages	26 204	2 582	-	-	28 786	27 665	96.1%	25 391	25 263				
Social contributions	4 064	438	-	-	4 502	4 409	97.9%	4 175	4 011				
Goods and services	16 815	(693)	-	-	16 122	14 576	90.4%	15 185	13 652				
Administrative fees	224	(27)	-	-	197	118	59.9%	465	421				
Advertising	82	(40)	-	-	42	1	2.4%	49	8				
Minor assets	8	-	-	-	8	-	-	7	6				
Audit costs: External	9 648	43	-	-	9 691	9 691	100.0%	8 955	8 952				
Bursaries: Employees	504	169	-	-	673	418	62.1%	260	205				
Catering: Departmental activities	10	-	-	-	10	1	10.0%	11	3				
Communication (G&S)	2 857	(61)	-	-	2 796	2 466	88.2%	2 762	2 318				

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

ECONOMIC CLASSIFICATION	2019/20							2018/19		
	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	
Catering: Departmental activities	10	-	-	10	1	9	10.0%	11	3	
Communication (G&S)	2 857	(61)	-	2 796	2 466	330	88.2%	2 762	2 318	
Computer services	742	-	-	742	623	119	84.0%	973	664	
Consultants: Business and advisory services	1 274	(1 214)	-	60	-	60	-	-	-	
Contractors	10	-	-	10	-	10	-	2	-	
Entertainment	5	-	-	5	2	3	40.0%	5	2	
Consumable supplies	5	22	-	27	10	17	37.0%	70	37	
Consumable: Stationery, printing and office supplies	732	333	-	1 065	1 021	44	95.9%	953	578	
Operating leases	140	7	-	147	123	24	83.7%	134	123	
Travel and subsistence	242	63	-	305	89	216	29.2%	183	110	
Training and development	302	25	-	327	8	319	2.4%	327	213	
Operating payments	30	(13)	-	17	5	12	29.4%	29	12	
Transfers and subsidies	334	93	-	427	427	-	100.0%	340	-	
Households	334	93	-	427	427	-	100.0%	340	-	
Social benefits	334	93	-	427	427	-	100.0%	340	-	
Payments for capital assets	523	-	-	523	133	390	25.4%	251	138	
Machinery and equipment	523	-	-	523	133	390	25.4%	251	138	
Other machinery and equipment	523	-	-	523	133	390	25.4%	251	138	
Payment for financial assets	-	-	-	-	76	(76)	-	-	333	
Total	47 940	2 420	-	50 360	47 286	3 074	93.9%	45 342	43 397	

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

SUBPROGRAMME: 1.6: LEGAL SERVICES	2019/20							2018/19	
	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	22 788	(223)	-	22 565	22 059	506	97.8%	22 350	22 146
Compensation of employees	8 749	983	-	9 732	9 688	44	99.5%	8 763	8 677
Salaries and wages	7 829	866	-	8 695	8 664	31	99.6%	7 800	7 760
Social contributions	920	117	-	1 037	1 024	13	98.7%	963	917
Goods and services	14 039	(1 206)	-	12 833	12 371	462	96.4%	13 587	13 469
Administrative fees	2	-	-	2	1	1	50.0%	2	1
Advertising	-	-	-	-	-	-	-	35	26
Minor assets	4	-	-	4	1	3	25.0%	-	-
Bursaries: Employees	27	(12)	-	15	-	15	-	-	-
Catering	2	-	-	2	-	2	-	2	-
Communication	-	-	-	-	-	-	-	1	-
Consultants: Business and advisory services	-	9	-	9	8	1	88.9%	6	5
Legal services	13 719	(1 206)	-	12 513	12 253	260	97.9%	13 374	13 339
Entertainment	13	-	-	13	-	13	-	12	-
Consumable supplies	-	-	-	-	-	-	-	1	-
Consumable: Stationery, printing and office supplies	23	1	-	24	18	6	75.0%	29	23
Operating leases	78	-	-	78	43	35	55.1%	74	52
Travel and subsistence	86	2	-	88	6	82	6.8%	22	16
Training and development	81	-	-	81	40	41	49.4%	25	5
Operating payments	4	-	-	4	1	3	25.0%	4	2
Transfers and subsidies	-	-	-	-	-	-	-	35	35

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

SUBPROGRAMME: 1.6: LEGAL SERVICES (CONTINUED)									
ECONOMIC CLASSIFICATION	2019/20					2018/19			
	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
Households	-	-	-	-	-	-	-	35	35
Social benefits	-	-	-	-	-	-	-	35	35
Payments for capital assets	115	-	-	115	112	3	97.4%	139	116
Machinery and equipment	115	-	-	115	112	3	97.4%	139	116
Other machinery and equipment	115	-	-	115	112	3	97.4%	139	116
Total	22 903	(223)	-	22 680	22 171	509	97.8%	22 524	22 297

SUBPROGRAMME: 1.7: INTERNAL AUDIT									
ECONOMIC CLASSIFICATION	2019/20					2018/19			
	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	29 798	7 546	-	37 344	33 791	3 553	90.5%	34 564	31 911
Compensation of employees	19 607	(983)	-	18 624	16 316	2 308	87.6%	19 330	19 262
Salaries and wages	17 700	(901)	-	16 799	14 577	2 222	86.8%	17 528	17 463
Social contributions	1 907	(82)	-	1 825	1 739	86	95.3%	1 802	1 799
Goods and services	10 191	8 529	-	18 720	17 475	1 245	93.3%	15 234	12 649
Administrative fees	17	36	-	53	5	48	9.4%	236	249
Advertising	191	-	-	191	125	66	65.4%	72	72
Minor assets	-	-	-	-	-	-	-	6	-
Bursaries: Employees	653	(111)	-	542	169	373	31.2%	197	197
Catering: Departmental activities	65	-	-	65	35	30	53.8%	60	42
Communication (G&S)	-	-	-	-	-	-	-	2	1
Computer services	514	-	-	514	296	218	57.6%	1 584	401

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

SUBPROGRAMME: 1.7: INTERNAL AUDIT (CONTINUED)	2019/20							2018/19		
	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
Consultants: Business and advisory services	7 530	8 845	-	16 375	16 197	178	98.9%	12 050	10 724	
Entertainment	15	-	-	15	3	12	20.0%	13	6	
Fleet services	4	-	-	4	-	4	-	-	-	
Consumable supplies	-	1	-	1	-	1	-	-	-	
Consumable: Stationery, printing and office supplies	38	-	-	38	10	28	26.3%	33	28	
Operating leases	161	(80)	-	81	59	22	72.8%	97	96	
Travel and subsistence	240	64	-	304	107	197	35.2%	330	323	
Training and development	690	(237)	-	453	394	59	87.0%	487	444	
Operating payments	73	11	-	84	75	9	89.3%	67	66	
Transfers and subsidies	127	136	-	263	262	1	99.6%	77	77	
Households	127	136	-	263	262	1	99.6%	77	77	
Social benefits	127	136	-	263	262	1	99.6%	77	77	
Payments for capital assets	316	-	-	316	182	134	57.6%	251	194	
Machinery and equipment	316	-	-	316	182	134	57.6%	251	194	
Other machinery and equipment	316	-	-	316	182	134	57.6%	251	194	
Total	30 241	7 682	-	37 923	34 235	3 688	90.3%	34 892	32 182	

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

SUBPROGRAMME: 1.8: COMMUNICATIONS	2019/20							2018/19	
	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	10 783	1 584	-	12 367	10 599	1 768	85.7%	10 302	9 397
Compensation of employees	5 739	1 598	-	7 337	7 294	43	99.4%	6 574	6 527
Salaries and wages	5 117	1 297	-	6 414	6 380	34	99.5%	5 717	5 680
Social contributions	622	301	-	923	914	9	99.0%	857	847
Goods and services	5 044	(14)	-	5 030	3 305	1 725	65.7%	3 728	2 870
Administrative fees	60	-	-	60	28	32	46.7%	256	71
Advertising	2	-	-	2	1	1	50.0%	1	-
Minor assets	8	3	-	11	-	11	-	11	2
Bursaries: Employees	163	(52)	-	111	17	94	15.3%	12	8
Catering: Departmental activities	117	-	-	117	68	49	58.1%	116	101
Communication (G&S)	-	-	-	-	-	-	-	1	-
Computer services	1 554	(144)	-	1 410	1 196	214	84.8%	891	873
Consultants: Business and advisory services	71	-	-	71	70	1	98.6%	54	-
Contractors	4	-	-	4	3	1	75.0%	12	-
Entertainment	5	-	-	5	2	3	40.0%	5	2
Consumable supplies	14	6	-	20	12	8	60.0%	14	9
Consumable: Stationery, printing and office supplies	957	120	-	1 077	612	465	56.8%	857	508
Operating leases	300	54	-	354	353	1	99.7%	401	373
Travel and subsistence	1 102	(1)	-	1 101	533	568	48.4%	790	750
Training and development	173	-	-	173	65	108	37.6%	94	84
Operating payments	500	-	-	500	345	155	69.0%	200	89
Venues and facilities	14	-	-	14	-	14	-	13	-
Transfers and subsidies	-	14	-	14	13	1	92.9%	26	26
Households	-	14	-	14	13	1	92.9%	26	26
Social benefits	-	14	-	14	13	1	92.9%	26	26

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

SUBPROGRAMME: 1.8: COMMUNICATIONS (CONTINUED)	2019/20							2018/19		
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
ECONOMIC CLASSIFICATION										
Payments for capital assets	556	(184)	-	372	314	58	84.4%	632	258	
Machinery and equipment	556	(184)	-	372	314	58	84.4%	632	125	
Other machinery and equipment	556	(184)	-	372	314	58	84.4%	632	125	
Software and other intangible assets	-	-	-	-	-	-	-	-	133	
Total	11 339	1 414	-	12 753	10 926	1 827	85.7%	10 960	9 681	

SUBPROGRAMME: 1.9: OFFICE ACCOMMODATION	2019/20							2018/19		
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
ECONOMIC CLASSIFICATION										
Current payments	146 021	(7 999)	-	138 022	134 051	3 971	97.1%	109 303	106 140	
Compensation of employees	9 631	-	-	9 631	8 225	1 406	85.4%	8 678	8 468	
Salaries and wages	8 085	108	-	8 193	6 919	1 274	84.5%	7 301	7 195	
Social contributions	1 546	(108)	-	1 438	1 306	132	90.8%	1 377	1 273	
Goods and services	136 390	(7 999)	-	128 391	125 826	2 565	98.0%	100 625	97 672	
Administrative fees	6	-	-	6	-	6	-	2	1	
Advertising	4	-	-	4	-	4	-	3	2	
Minor assets	4 873	(3 300)	-	1 573	1 460	113	92.8%	1 444	1 233	
Bursaries: Employees	170	(30)	-	140	-	140	-	41	41	
Communication (G&S)	866	-	-	866	639	227	73.8%	1 010	609	
Computer services	381	(323)	-	58	3	55	5.2%	-	-	
Consultants: Business and advisory services	-	-	-	-	-	-	-	7	-	
Infrastructure and planning services	-	13	-	13	12	1	92.3%	80	72	

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

SUBPROGRAMME: 1.9: OFFICE ACCOMMODATION (CONTINUED)	2019/20							2018/19		
	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	6 292	1 208	-	7 500	7 071	429	94.3%	9 695	8 926	
Agency and support / outsourced services	7 513	-	-	7 513	7 436	77	99.0%	7 245	6 729	
Entertainment	2	-	-	2	-	2	-	2	-	
Fleet services (including government motor transport)	2 527	129	-	2 656	2 555	101	96.2%	2 723	2 712	
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	4	4	
Consumable supplies	2 560	336	-	2 896	2 102	794	72.6%	2 176	1 730	
Consumable: Stationery, printing and office supplies	83	-	-	83	24	59	28.9%	232	215	
Operating leases	86 875	(6 563)	-	80 312	79 861	451	99.4%	56 898	56 499	
Property payments	23 698	704	-	24 402	24 380	22	99.9%	20 028	19 715	
Travel and subsistence	66	11	-	77	20	57	26.0%	86	53	
Training and development	113	(90)	-	23	19	4	82.6%	7	-	
Operating payments	361	(94)	-	267	244	23	91.4%	242	241	
Transfers and subsidies	21	38	-	59	56	3	94.9%	58	55	
Departmental agencies and accounts	21	-	-	21	18	3	85.7%	20	18	
Departmental agencies (non-business entities)	21	-	-	21	18	3	85.7%	20	18	
Households	-	38	-	38	38	-	100.0%	38	37	
Social benefits	-	38	-	38	37	1	97.4%	38	37	
Other transfers to households	-	-	-	-	1	(1)	-	-	-	
Payments for capital assets	5 091	538	-	5 629	5 634	(5)	100.1%	1 621	44	

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

SUBPROGRAMME: 1.9: OFFICE ACCOMMODATION (CONTINUED)	2019/20							2018/19		
	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
Machinery and equipment	5 091	538	-	5 629	5 634	(5)	100.1%	1 621	44	
Other machinery and equipment	5 091	538	-	5 629	5 634	(5)	100.1%	1 621	44	
Payment for financial assets	-	-	-	-	-	-	-	-	3	
Total	151 133	(7 423)	-	143 710	139 741	3 969	97.2%	110 982	106 242	

PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH	2019/20							2018/19		
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Programme Management For Economic Policy, Tax, Financial Regulation And Research	40 464	29	-	40 493	33 449	7 044	82.6%	52 332	44 417	
2 Financial Sector Policy	23 180	(4)	(2 000)	21 176	19 537	1 639	92.3%	23 839	21 574	
3 Tax Policy	32 526	806	(900)	32 432	30 037	2 395	92.6%	25 405	21 940	
4 Economic Policy	26 196	(831)	(2 100)	23 265	21 099	2 166	90.7%	31 311	30 942	
5 Cooperative Banks Development Agency	20 759	-	-	20 759	20 759	-	100.0%	19 883	19 883	
Total	143 125	-	(5 000)	138 125	124 881	13 244	90.4%	152 770	138 756	

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

ECONOMIC CLASSIFICATION	PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH (CONTINUED)									
	2019/20					2018/19				
	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	121 245	(246)	(5 000)	115 999	103 527	12 472	89.2%	123 707	118 005	
Compensation of employees	80 505	-	(5 000)	75 505	70 797	4 708	93.8%	78 682	73 003	
Salaries and wages	72 138	(43)	(4 090)	68 005	63 763	4 242	93.8%	70 685	65 685	
Social contributions	8 367	43	(910)	7 500	7 034	466	93.8%	7 997	7 318	
Goods and services	40 740	(246)	-	40 494	32 730	7 764	80.8%	45 025	45 002	
Administrative fees	198	(5)	-	193	116	77	60.1%	561	550	
Advertising	300	(14)	-	286	114	172	39.9%	245	244	
Minor assets	5	-	-	5	1	4	20.8%	11	11	
Bursaries: Employees	255	(27)	-	228	154	74	67.5%	395	393	
Catering: Departmental activities	173	14	-	187	87	100	46.5%	74	71	
Communication (G&S)	5	-	-	5	4	1	80.0%	69	64	
Computer services	74	(21)	-	53	45	8	84.9%	82	81	
Consultants: Business and advisory services	28 731	(1 127)	-	27 604	23 619	3 985	85.6%	31 048	31 201	
Legal services	-	426	-	426	423	3	99.3%	420	419	
Contractors	-	-	-	-	-	-	-	7	7	
Entertainment	63	1	-	64	7	57	10.9%	16	12	
Consumable supplies	116	17	-	133	106	27	79.7%	39	36	
Consumable: Stationery, printing and office supplies	2 078	(94)	-	1 984	989	995	49.8%	2 137	2 091	
Operating leases	303	-	-	303	225	78	74.3%	199	197	
Travel and subsistence	5 541	687	-	6 228	4 677	1 551	75.1%	7 157	7 068	
Training and development	796	(273)	-	523	117	406	22.4%	565	561	
Operating payments	1 999	160	-	2 159	2 037	122	94.3%	1 992	1 990	
Venues and facilities	103	10	-	113	9	104	8.0%	8	6	
Transfers and subsidies	20 985	246	-	21 231	21 130	101	99.5%	28 158	20 292	

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH (CONTINUED)												
ECONOMIC CLASSIFICATION	2019/20						2018/19					
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000
Departmental agencies and accounts	20 759	-	-	20 759	20 759	-	100.0%	19 883	19 883	-	100.0%	19 883
Departmental agencies	20 759	-	-	20 759	20 759	-	100.0%	19 883	19 883	-	100.0%	19 883
Public corporations and private enterprises	-	-	-	-	-	-	-	7 862	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	7 862	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	7 862	-	-	-	-
Households	226	246	-	472	371	101	78.6%	413	409	413	78.6%	409
Social benefits	226	246	-	472	371	101	78.6%	413	409	413	78.6%	409
Payments for capital assets	895	-	-	895	224	671	25.0%	905	452	905	25.0%	452
Machinery and equipment	895	-	-	895	224	671	25.0%	905	452	905	25.0%	452
Other machinery and equipment	895	-	-	895	224	671	25.0%	905	452	905	25.0%	452
Payment for financial assets	-	-	-	-	-	-	-	-	7	-	-	7
Total	143 125	-	(5 000)	138 125	124 881	13 244	90.4%	152 770	138 756	152 770	90.4%	138 756

SUBPROGRAMME 2.1: PROGRAMME MANAGEMENT FOR ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH												
ECONOMIC CLASSIFICATION	2019/20						2018/19					
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000
Current payments	40 132	29	-	40 161	33 449	6 712	83.3%	44 098	44 230	44 098	83.3%	44 230
Compensation of employees	9 061	825	-	9 886	8 593	1 293	86.9%	8 694	8 678	8 694	86.9%	8 678
Salaries and wages	8 018	823	-	8 841	7 637	1 204	86.4%	7 676	7 670	7 676	86.4%	7 670
Social contributions	1 043	2	-	1 045	956	89	91.5%	1 018	1 008	1 018	91.5%	1 008
Goods and services	31 071	(796)	-	30 275	24 856	5 419	82.1%	35 404	35 552	35 404	82.1%	35 552

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

SUBPROGRAMME: 2.1: PROGRAMME MANAGEMENT FOR ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH (CONTINUED)	2019/20										2018/19	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000	
Administrative fees	28	-	-	28	23	5	82.1%	312	310	312	310	
Advertising	67	6	-	73	28	45	38.4%	52	52	52	52	
Catering: Departmental activities	40	14	-	54	54	-	100.0%	6	5	6	5	
Communication (G&S)	-	-	-	-	-	-	-	57	55	57	55	
Computer services	2	-	-	2	1	1	50.0%	2	2	2	2	
Consultants: Business and advisory services	28 162	(1 060)	-	27 102	23 272	3 830	85.9%	30 430	30 605	30 430	30 605	
Legal services	-	190	-	190	188	2	98.9%	420	419	420	419	
Contractors	-	-	-	-	-	-	-	7	7	7	7	
Entertainment	10	-	-	10	3	7	30.0%	4	3	4	3	
Consumable supplies	60	5	-	65	54	11	83.1%	8	7	8	7	
Consumable: Stationery, printing and office supplies	663	(14)	-	649	16	633	2.5%	1 252	1 251	1 252	1 251	
Operating leases	1	-	-	1	-	1	-	-	-	-	-	
Travel and subsistence	1 924	38	-	1 962	1 203	759	61.3%	2 714	2 698	2 714	2 698	
Training and development	68	25	-	93	14	79	15.1%	140	138	140	138	
Venues and facilities	46	-	-	46	-	46	-	-	-	-	-	
Transfers and subsidies	-	-	-	-	-	-	-	7 893	31	7 893	31	
Private enterprises	-	-	-	-	-	-	-	7 862	-	7 862	-	
Public corporations and private enterprises	-	-	-	-	-	-	-	7 862	-	7 862	-	
Other transfers to private enterprises	-	-	-	-	-	-	-	7 862	-	7 862	-	

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

SUBPROGRAMME: 2.1: PROGRAMME MANAGEMENT FOR ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH (CONTINUED)											
ECONOMIC CLASSIFICATION	2019/20						2018/19				
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Households	-	-	-	-	-	-	-	-	-	31	31
Social benefits										31	31
Payments for capital assets	332	-	-	332	-	332	-	341	-	341	156
Machinery and equipment	332	-	-	332	-	332	-	341	-	341	156
Other machinery and equipment	332	-	-	332	-	332	-	341	-	341	156
Total	40 464	29	-	40 493	33 449	7 044	82.6%	52 332	33 449	52 332	44 417

SUBPROGRAMME: 2.2: FINANCIAL SECTOR POLICY											
ECONOMIC CLASSIFICATION	2019/20						2018/19				
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Current payments	23 085	(61)	(2 000)	21 024	19 415	1 609	92.3%	23 612	19 415	23 612	21 437
Compensation of employees	21 543	(800)	(2 000)	18 743	17 407	1 336	92.9%	21 193	17 407	21 193	19 064
Salaries and wages	19 254	(840)	(1 590)	16 824	15 715	1 109	93.4%	19 019	15 715	19 019	17 233
Social contributions	2 289	40	(410)	1 919	1 692	227	88.2%	2 174	1 692	2 174	1 831
Goods and services	1 542	739	-	2 281	2 008	273	88.0%	2 419	2 008	2 419	2 373
Administrative fees	44	(4)	-	40	32	8	80.0%	47	32	47	44
Advertising	60	10	-	70	61	9	87.1%	171	61	171	171
Bursaries: Employees	150	(27)	-	123	109	14	88.6%	276	109	276	275
Catering: Departmental activities	23	-	-	23	-	23	-	2	-	2	1
Communication (G&S)	-	-	-	-	-	-	-	3	-	3	2
Consultants: Business and advisory services	36	1	-	37	24	13	64.9%	34	24	34	16

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

ECONOMIC CLASSIFICATION	2019/20							2018/19		
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Legal services	-	236	-	236	235	1	99.6%	-	-	-
Entertainment	21	-	-	21	1	20	4.8%	3	2	2
Consumable supplies	23	8	-	31	31	-	100.0%	25	25	25
Consumable: Stationery, printing and office supplies	97	(75)	-	22	16	6	72.7%	99	98	98
Operating leases	116	-	-	116	83	33	71.6%	75	74	74
Travel and subsistence	816	602	-	1 418	1 405	13	99.1%	1 591	1 573	1 573
Training and development	156	(22)	-	134	2	132	1.5%	93	92	92
Venues and facilities	-	10	-	10	9	1	90.0%	-	-	-
Transfers and subsidies	52	57	-	109	108	1	99.1%	137	135	135
Households	52	57	-	109	108	1	99.1%	137	135	135
Social benefits	52	57	-	109	108	1	99.1%	137	135	135
Payments for capital assets	43	-	-	43	14	29	32.6%	90	-	-
Machinery and equipment	43	-	-	43	14	29	32.6%	90	-	-
Other machinery and equipment	43	-	-	43	14	29	32.6%	90	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-	2
Total	23 180	(4)	(2 000)	21 176	19 537	1 639	92.3%	23 839	21 574	21 574

ECONOMIC CLASSIFICATION	2019/20							2018/19		
	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	32 175	644	(900)	31 919	29 700	2 219	93.0%	25 024	21 712	21 712
Compensation of employees	27 292	806	(900)	27 198	26 198	1 000	96.3%	22 304	19 081	19 081
Salaries and wages	24 667	743	(900)	24 510	23 511	999	95.9%	20 166	17 209	17 209
Social contributions	2 625	63	-	2 688	2 687	1	100.0%	2 138	1 872	1 872

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

SUBPROGRAMME: 2.3: TAX POLICY (CONTINUED)	2019/20							2018/19	
	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
Goods and services	4 883	(162)	-	4 721	3 502	1 219	74.2%	2 720	2 631
Administrative fees	91	-	-	91	45	46	49.5%	29	26
Advertising	31	-	-	31	8	23	25.8%	22	21
Minor assets	5	-	-	5	1	4	20.8%	2	2
Bursaries: Employees	30	-	-	30	2	28	6.7%	78	78
Catering: Departmental activities	83	-	-	83	33	50	39.8%	2	1
Communication (G&S)	-	-	-	-	-	-	-	7	6
Computer services	-	-	-	-	-	-	-	80	79
Consultants: Business and advisory services	523	(64)	-	459	323	136	70.4%	18	16
Entertainment	15	-	-	15	-	15	-	6	5
Consumable supplies	21	-	-	21	7	14	33.3%	6	4
Consumable: Stationery, printing and office supplies	1 275	-	-	1 275	955	320	74.9%	42	2
Operating leases	95	-	-	95	87	8	91.6%	57	56
Travel and subsistence	1 794	(33)	-	1 761	1 390	371	78.9%	699	665
Training and development	116	(65)	-	51	20	31	39.2%	304	303
Operating payments	752	-	-	752	631	121	83.9%	1 368	1 367
Venues and facilities	52	-	-	52	-	52	-	-	-
Transfers and subsidies	97	162	-	259	159	100	61.4%	140	139
Households	97	162	-	259	159	100	61.4%	140	139
Social benefits	97	162	-	259	159	100	61.4%	140	139
Payments for capital assets	254	-	-	254	178	76	70.1%	241	87
Machinery and equipment	254	-	-	254	178	76	70.1%	241	87
Other machinery and equipment	254	-	-	254	178	76	70.1%	241	87
Payment for financial assets	-	-	-	-	-	-	-	-	2
Total	32 526	806	(900)	32 432	30 037	2 395	92.6%	25 405	21 940

APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

ECONOMIC CLASSIFICATION	2019/20						2018/19		
	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	25 853	(858)	(2 100)	22 895	20 963	1 932	91.6%	30 973	30 626
Compensation of employees	22 609	(831)	(2 100)	19 678	18 599	1 079	94.5%	26 491	26 180
Salaries and wages	20 199	(769)	(1 600)	17 830	16 900	930	94.8%	23 824	23 573
Social contributions	2 410	(62)	(500)	1 848	1 699	149	91.9%	2 667	2 607
Goods and services	3 244	(27)	-	3 217	2 364	853	73.5%	4 482	4 446
Administrative fees	35	(1)	-	34	16	18	47.1%	173	170
Advertising	142	(30)	-	112	17	95	15.2%	-	-
Minor assets	-	-	-	-	-	-	-	9	9
Bursaries: Employees	75	-	-	75	43	32	57.3%	41	40
Catering	27	-	-	27	-	27	-	64	64
Communication (G&S)	5	-	-	5	4	1	80.0%	2	1
Computer services	72	(21)	-	51	44	7	86.3%	-	-
Consultants: Bus & advisory	10	(4)	-	6	-	6	-	566	564
Entertainment	17	1	-	18	3	15	16.7%	3	2
Consumable supplies	12	4	-	16	14	2	87.5%	-	-
Consumable: Stationery, printing and office supplies	43	(5)	-	38	2	36	5.3%	744	740
Operating leases	91	-	-	91	55	36	60.4%	67	67
Travel and subsistence	1 007	80	-	1 087	679	408	62.5%	2 153	2 132
Training and development	456	(211)	-	245	81	164	33.1%	28	28
Operating payments	1 247	160	-	1 407	1 406	1	99.9%	624	623
Venues and facilities	5	-	-	5	-	5	-	8	6
Transfers and subsidies	77	27	-	104	104	-	100.0%	105	104
Households	77	27	-	104	104	-	100.0%	105	104
Social benefits	77	27	-	104	104	-	100.0%	105	104
Payments for capital assets	266	-	-	266	32	234	12.0%	233	209
Machinery and equipment	266	-	-	266	32	234	12.0%	233	209

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

SUBPROGRAMME: 2.4: ECONOMIC POLICY	2019/20							2018/19	
	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 machinery and equipment	266	-	-	266	32	234	12.0%	233	209
Payment for financial assets	-	-	-	-	-	-	-	-	3
Total	26 196	(831)	(2 100)	23 265	21 099	2 166	90.7%	31 311	30 942

SUBPROGRAMME: 2.5: COOPERATIVE BANKS DEVELOPMENT AGENCY	2019/20							2018/19	
	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	20 759	-	-	20 759	20 759	-	100.0%	19 883	19 883
Departmental agencies and accounts	20 759	-	-	20 759	20 759	-	100.0%	19 883	19 883
Departmental agencies (non-business entities)	20 759	-	-	20 759	20 759	-	100.0%	19 883	19 883
Total	20 759	-	-	20 759	20 759	-	100.0%	19 883	19 883

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

SUB PROGRAMME	2019/20							2018/19		
	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
1	34 486	(7 729)	-	26 757	23 338	3 419	87.2%	19 316	19 121	
2	61 252	7 029	1 933	70 214	68 497	1 717	97.6%	64 706	64 037	
3	62 935	41	-	62 976	59 945	3 031	95.2%	60 530	59 666	
4	115 566	659	(11 933)	104 292	100 784	3 508	96.6%	101 713	100 764	
5	54 319	-	-	54 319	54 319	-	100.0%	51 782	51 782	
Total	328 558	-	(10 000)	318 558	306 883	11 675	96.3%	298 047	295 370	

ECONOMIC CLASSIFICATION	2019/20							2018/19		
	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	271 695	(2 588)	(10 000)	259 107	249 534	9 573	96.3%	241 726	239 832	
Compensation of employees	219 184	-	5 000	224 184	223 967	217	99.9%	214 455	213 854	
Salaries and wages	197 218	(1 230)	4 970	200 958	200 802	156	99.9%	192 226	191 874	
Social contributions	21 966	1 230	30	23 226	23 165	61	99.7%	22 229	21 980	
Goods and services	52 511	(2 588)	(15 000)	34 923	25 567	9 356	73.2%	27 271	25 978	
Administrative fees	487	46	-	533	421	112	79.0%	1 059	984	
Advertising	87	93	-	180	96	84	53.3%	322	272	
Minor assets	59	91	-	150	93	57	62.0%	31	13	
Audit costs: External	17	-	-	17	-	17	-	-	-	
Bursaries: Employees	1 526	(302)	-	1 224	458	766	37.4%	1 152	983	
Catering: Departmental activities	644	12	-	656	402	254	61.3%	507	358	

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT (CONTINUED)	2019/20										2018/19	
	ECONOMIC CLASSIFICATION	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	FINAL APPROPRIATION	ACTUAL EXPENDITURE
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Communication (G&S)	19	6	-	25	19	6	76.0%	30	27	30	27	
Computer services	1 066	(220)	-	846	625	221	73.9%	513	509	513	509	
Consultants: Business and advisory services	28 490	117	(15 000)	13 607	10 984	2 623	80.7%	4 678	4 627	4 678	4 627	
Contractors	14	-	-	14	-	14	-	8	-	8	-	
Entertainment	138	-	-	138	14	124	10.1%	137	20	137	20	
Fleet services (including government motor transport)	4	-	-	4	-	4	-	3	-	3	-	
Consumable supplies	255	(39)	-	216	126	90	58.3%	156	126	156	126	
Consumable: Stationery, printing and office supplies	1 352	284	-	1 636	741	895	45.3%	1 195	1 007	1 195	1 007	
Operating leases	1 055	13	-	1 068	660	408	61.8%	863	787	863	787	
Travel and subsistence	9 958	(285)	-	9 673	7 251	2 422	75.0%	10 526	10 274	10 526	10 274	
Training and development	897	(151)	-	746	211	535	28.3%	250	165	250	165	
Operating payments	6 150	(2 239)	-	3 911	3 372	539	86.2%	5 813	5 807	5 813	5 807	
Venues and facilities	293	(14)	-	279	94	185	33.7%	28	19	28	19	
Transfers and subsidies	54 493	2 588	-	57 081	56 169	912	98.4%	53 691	53 683	53 691	53 683	
Departmental agencies and accounts	54 319	-	-	54 319	54 319	-	100.0%	51 782	51 782	51 782	51 782	
Departmental agencies	54 319	-	-	54 319	54 319	-	100.0%	51 782	51 782	51 782	51 782	
Households	174	2 588	-	2 762	1 850	912	67.0%	1 909	1 901	1 909	1 901	
Social benefits	174	2 588	-	2 762	1 850	912	67.0%	1 909	1 901	1 909	1 901	
Payments for capital assets	2 370	-	-	2 370	1 159	1 211	48.9%	2 630	1 830	2 630	1 830	
Machinery and equipment	2 370	-	-	2 370	1 159	1 211	48.9%	2 630	1 830	2 630	1 830	
Other machinery and equipment	2 370	-	-	2 370	1 159	1 211	48.9%	2 630	1 830	2 630	1 830	
Payment for financial assets	-	-	-	-	21	(21)	-	-	25	-	25	
Total	328 558	-	(10 000)	318 558	306 883	11 675	96.3%	298 047	295 370	298 047	295 370	

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

ECONOMIC CLASSIFICATION	SUBPROGRAMME: 3.1: PROGRAMME MANAGEMENT FOR PUBLIC FINANCE AND BUDGET MANAGEMENT									
	2019/20					2018/19				
	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	34 218	(8 627)	-	25 591	22 349	3 242	87.3%	18 965	18 777	
Compensation of employees	15 185	(6 134)	-	9 051	8 977	74	99.2%	8 624	8 553	
Salaries and wages	13 820	(5 761)	-	8 059	8 001	58	99.3%	7 684	7 626	
Social contributions	1 365	(373)	-	992	976	16	98.4%	940	927	
Goods and services	19 033	(2 493)	-	16 540	13 372	3 168	80.8%	10 341	10 224	
Administrative fees	46	31	-	77	29	48	37.7%	198	162	
Advertising	4	28	-	32	29	3	90.6%	177	176	
Minor assets	5	10	-	15	12	3	80.0%	-	-	
Bursaries: Employees	92	(50)	-	42	17	25	40.5%	18	18	
Catering: Departmental activities	154	4	-	158	83	75	52.5%	58	39	
Communication (G&S)	-	-	-	-	(1)	1	-	-	-	
Consultants: Business and advisory services	10 795	-	-	10 795	8 959	1 836	83.0%	2 572	2 572	
Entertainment	15	-	-	15	2	13	13.3%	15	6	
Consumable supplies	56	(9)	-	47	36	11	76.6%	13	7	
Consumable: Stationery, printing and office supplies	207	14	-	221	22	199	10.0%	153	143	
Operating leases	189	(5)	-	184	147	37	79.9%	188	186	
Travel and subsistence	1 256	(28)	-	1 228	738	490	60.1%	1 167	1 141	
Training and development	121	19	-	140	112	28	80.0%	9	8	
Operating payments	5 873	(2 493)	-	3 380	3 093	287	91.5%	5 748	5 747	
Venues and facilities	220	(14)	-	206	94	112	45.6%	25	19	
Transfers and subsidies	-	950	-	950	950	-	100.0%	64	64	
Households	-	950	-	950	950	-	100.0%	64	64	
Social benefits	-	950	-	950	950	-	100.0%	64	64	
Payments for capital assets	268	(52)	-	216	39	177	18.1%	287	279	
Machinery and equipment	268	(52)	-	216	39	177	18.1%	287	279	

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

SUBPROGRAMME: 3.1: PROGRAMME MANAGEMENT FOR PUBLIC FINANCE AND BUDGET MANAGEMENT (CONTINUED)													
ECONOMIC CLASSIFICATION	2019/20						2018/19						
	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	VARIANCE R'000	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000
Other machinery and equipment	268	(52)	-	216	39	177	18.1%	287	279	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-	-	-	-	1
Total	34 486	(7 729)	-	26 757	23 338	3 419	87.2%	19 316	19 121	3 419	87.2%	19 316	19 121
SUBPROGRAMME: 3.2: PUBLIC FINANCE													
ECONOMIC CLASSIFICATION	2019/20						2018/19						
	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	VARIANCE R'000	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000
Current payments	60 436	7 029	1 933	69 398	67 997	1 401	98.0%	63 425	62 859	1 401	98.0%	63 425	62 859
Compensation of employees	57 469	7 029	1 933	66 431	66 427	4	100.0%	60 581	60 270	4	100.0%	60 581	60 270
Salaries and wages	51 510	6 076	1 933	59 519	59 516	3	100.0%	54 110	53 939	3	100.0%	54 110	53 939
Social contributions	5 959	953	-	6 912	6 911	1	100.0%	6 471	6 331	1	100.0%	6 471	6 331
Goods and services	2 967	-	-	2 967	1 570	1 397	52.9%	2 844	2 589	1 397	52.9%	2 844	2 589
Administrative fees	73	1	-	74	45	29	60.8%	214	209	29	60.8%	214	209
Advertising	22	(1)	-	21	-	21	-	13	13	-	-	13	13
Minor assets	6	-	-	6	-	6	-	1	-	-	-	1	-
Audit costs: External	17	-	-	17	-	17	-	-	-	-	-	-	-
Bursaries: Employees	675	(71)	-	604	258	346	42.7%	582	478	346	42.7%	582	478
Catering	96	-	-	96	42	54	43.8%	44	32	54	43.8%	44	32
Communication (G&S)	11	1	-	12	8	4	66.7%	14	13	4	66.7%	14	13
Consultants: Bus & advisory	9	-	-	9	8	1	88.9%	62	50	1	88.9%	62	50
Contractors	3	-	-	3	-	3	-	4	-	3	-	4	-
Entertainment	27	-	-	27	4	23	14.8%	27	4	23	14.8%	27	4
Consumable supplies	39	19	-	58	41	17	70.7%	5	-	17	70.7%	5	-
Consumable: Stationery, printing and office supplies	128	(8)	-	120	60	60	50.0%	98	76	60	50.0%	98	76

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

ECONOMIC CLASSIFICATION	2019/20							2018/19	
	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	261	10	-	271	184	87	67.9%	221	204
Travel and subsistence	1 359	58	-	1 417	898	519	63.4%	1 541	1 494
Training and development	240	(10)	-	230	22	208	9.6%	18	16
Operating payments	-	1	-	1	-	1	-	-	-
Venues and facilities	1	-	-	1	-	1	-	-	-
Transfers and subsidies	90	-	-	90	90	-	100.0%	597	594
Households	90	-	-	90	90	-	100.0%	597	594
Social benefits	90	-	-	90	90	-	100.0%	597	594
Payments for capital assets	726	-	-	726	410	316	56.5%	684	580
Machinery and equipment	726	-	-	726	410	316	56.5%	684	580
Other mach. & equipment	726	-	-	726	410	316	56.5%	684	580
Payment for fin assets	-	-	-	-	-	-	-	-	4
Total	61 252	7 029	1 933	70 214	68 497	1 717	97.6%	64 706	64 037

ECONOMIC CLASSIFICATION	2019/20							2018/19	
	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	62 276	(1 300)	-	60 976	59 339	1 637	97.3%	59 020	58 556
Compensation of employees	59 513	(1 300)	-	58 213	58 186	27	100.0%	57 016	56 822
Salaries and wages	53 237	(1 278)	-	51 959	51 952	7	100.0%	50 822	50 717
Social contributions	6 276	(22)	-	6 254	6 234	20	99.7%	6 194	6 105
Goods and services	2 763	-	-	2 763	1 153	1 610	41.7%	2 004	1 734
Administrative fees	70	7	-	77	42	35	54.5%	117	106
Advertising	20	-	-	20	20	-	100.0%	30	28
Minor assets	10	-	-	10	-	10	-	27	10

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

SUBPROGRAMME: 3.3: BUDGET OFFICE AND COORDINATION (CONTINUED)	2019/20										2018/19	
	ECONOMIC CLASSIFICATION	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	FINAL APPROPRIATION	ACTUAL EXPENDITURE
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Bursaries: Employees	348	(60)	-	288	33	255	11.5%	159	148	159	148	
Catering	64	-	-	64	22	42	34.4%	54	12	54	12	
Communication (G&S)	4	5	-	9	8	1	88.9%	8	7	8	7	
Computer services	1	-	-	1	-	1	-	-	-	-	-	
Consultants: Bus & advisory	62	-	-	62	16	46	25.8%	-	-	-	-	
Contractors	6	-	-	6	-	6	-	4	-	4	-	
Entertainment	37	-	-	37	2	35	5.4%	37	-	37	-	
Fleet services	1	-	-	1	-	1	-	1	-	1	-	
Consumable supplies	29	-	-	29	2	27	6.9%	11	5	11	5	
Consumable: Stationery, printing and office supplies	142	(8)	-	134	7	127	5.2%	118	83	118	83	
Operating leases	278	-	-	278	72	206	25.9%	132	118	132	118	
Travel and subsistence	1 408	109	-	1 517	852	665	56.2%	1 281	1 197	1 281	1 197	
Training and development	167	(53)	-	114	29	85	25.4%	22	17	22	17	
Operating payments	60	-	-	60	48	12	80.0%	-	-	-	-	
Venues and facilities	56	-	-	56	-	56	-	3	-	3	-	
Transfers and subsidies	-	1 341	-	1 341	430	911	32.1%	668	-	668	-	
Households	-	1 341	-	1 341	430	911	32.1%	668	-	668	-	
Social benefits	-	1 341	-	1 341	430	911	32.1%	668	665	668	665	
Payments for cap assets	659	-	-	659	176	483	26.7%	842	445	842	445	
Machinery and equipment	659	-	-	659	176	483	26.7%	842	445	842	445	
Other mach & equipment	659	-	-	659	176	483	26.7%	842	445	842	445	
Total	62 935	41	-	62 976	59 945	3 031	95.2%	60 530	59 666	60 530	59 666	

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

ECONOMIC CLASSIFICATION	SUBPROGRAMME: 3.4: INTERGOVERNMENTAL RELATIONS									
	2019/20					2018/19				
	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	114 765	310	(11 933)	103 142	99 849	3 293	96.8%	100 316	99 640	
Compensation of employees	87 017	405	3 067	90 489	90 377	112	99.9%	88 234	88 209	
Salaries and wages	78 651	(267)	3 037	81 421	81 333	88	99.9%	79 610	79 592	
Social contributions	8 366	672	30	9 068	9 044	24	99.7%	8 624	8 617	
Goods and services	27 748	(95)	(15 000)	12 653	9 472	3 181	74.9%	12 082	11 431	
Administrative fees	298	7	-	305	305	-	100.0%	530	507	
Advertising	41	66	-	107	47	60	43.9%	102	55	
Minor assets	38	81	-	119	81	38	68.1%	3	3	
Bursaries: Employees	411	(121)	-	290	150	140	51.7%	393	339	
Catering	330	8	-	338	255	83	75.4%	351	275	
Communication (G&S)	4	-	-	4	4	-	100.0%	8	7	
Computer services	1 065	(220)	-	845	625	220	74.0%	513	509	
Consultants: Bus & advisory	17 624	117	-	2 741	2 001	740	73.0%	2 044	2 005	
Contractors	5	-	-	5	-	5	-	-	-	
Entertainment	59	-	-	59	6	53	10.2%	58	7	
Fleet services	3	-	-	3	-	3	-	2	-	
Consumable supplies	131	(49)	-	82	47	35	57.3%	127	114	
Consumable: Stationery, printing and office supplies	875	286	-	1 161	652	509	56.2%	826	705	
Operating leases	327	8	-	335	257	78	76.7%	322	279	
Travel and subsistence	5 935	(424)	-	5 511	4 763	748	86.4%	6 537	6 442	
Training and development	369	(107)	-	262	48	214	18.3%	201	124	
Operating payments	217	253	-	470	231	239	49.1%	65	60	
Venues and facilities	16	-	-	16	-	16	-	-	-	
Transfers and subsidies	84	297	-	381	380	1	99.7%	580	578	
Households	84	297	-	381	380	1	99.7%	580	578	
Social benefits	84	297	-	381	380	1	99.7%	580	578	
Payments for cap assets	717	52	-	769	534	235	69.4%	817	526	

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

SUBPROGRAMME: 3.4: INTERGOVERNMENTAL RELATIONS (CONTINUED)	2019/20							2018/19	
	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
Machinery and equipment	717	52	-	769	534	235	69.4%	817	526
Other mach and equipment	717	52	-	769	534	235	69.4%	817	526
Payment for fin assets	-	-	-	-	21	(21)	-	-	20
Total	115 566	659	(11 933)	104 292	100 784	3 508	96.6%	101 713	100 764

SUBPROGRAMME: 3.5: FINANCIAL AND FISCAL COMMISSION	2019/20							2018/19	
	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
Transfers and subsidies	54 319	-	-	54 319	54 319	-	100.0%	51 782	51 782
Departmental agencies and accounts	54 319	-	-	54 319	54 319	-	100.0%	51 782	51 782
Departmental agencies (non-business entities)	54 319	-	-	54 319	54 319	-	100.0%	51 782	51 782
Total	54 319	-	-	54 319	54 319	-	100.0%	51 782	51 782

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT	2019/20							2018/19	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
SUB PROGRAMME	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme Management For Asset And Liability Management	7 997	(441)	1 269	8 825	7 999	826	90.6%	11 819	6 944
State Owned Entity	36 409	233	1	36 643	33 856	2 787	92.4%	35 037	31 452
Financial Management And Governance									

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

SUB PROGRAMME	2019/20							2018/19		
	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
3 Government Debt Management	20 627	1 775	229	22 631	22 512	119	99.5%	19 984	19 539	
4 Financial Operations	25 215	(1 071)	-	24 144	23 496	648	97.3%	24 677	24 227	
5 Strategy And Risk Management	11 181	(496)	1	10 686	8 855	1 831	82.9%	10 068	9 023	
Total	101 429	-	1 500	102 929	96 718	6 211	94.0%	101 585	91 185	

ECONOMIC CLASSIFICATION	2019/20							2018/19		
	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	99 288	(530)	-	98 758	92 987	5 771	94.2%	98 758	88 366	
Compensation of employees	83 557	-	-	83 557	78 383	5 174	93.8%	78 692	73 813	
Salaries and wages	74 546	(293)	-	74 253	69 828	4 425	94.0%	69 972	65 705	
Social contributions	9 011	293	-	9 304	8 555	749	91.9%	8 720	8 108	
Goods and services	15 731	(530)	-	15 201	14 604	597	96.1%	20 066	14 553	
Administrative fees	89	-	-	89	46	43	51.7%	688	432	
Advertising	84	(7)	-	77	71	6	92.2%	170	129	
Minor assets	13	-	-	13	-	13	-	9	-	
Audit costs: External	691	428	-	1 119	1 118	1	99.9%	999	998	
Bursaries: Employees	792	(570)	-	222	136	86	61.3%	692	368	
Catering: Departmental activities	85	-	-	85	1	84	1.2%	83	17	
Communication (G&S)	7	7	-	14	14	-	100.0%	18	11	

APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT (CONTINUED)	2019/20										2018/19							
	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	R'000	R'000	R'000	%	%	R'000	R'000	R'000
Computer services	7 441	1 205	-	8 646	8 646	-	8 646	8 646	-	-	-	-	100.0%	100.0%	9 442	8 452		
Consultants: Business and advisory services	1 600	887	-	2 487	2 487	-	2 487	2 485	2	-	-	-	99.9%	99.9%	2 848	987		
Contractors	15	-	-	15	15	-	15	-	15	-	-	-	-	-	16	-		
Entertainment	36	-	-	36	36	-	36	5	31	-	-	-	13.9%	13.9%	33	2		
Fleet services (including government motor transport)	19	(19)	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Consumable supplies	-	42	-	42	42	-	42	41	1	-	-	-	97.6%	97.6%	2	2		
Consumable: Stationery, printing and office supplies	550	(304)	-	246	246	-	246	186	60	-	-	-	75.6%	75.6%	598	318		
Operating leases	314	(84)	-	230	230	-	230	210	20	-	-	-	91.3%	91.3%	411	275		
Travel and subsistence	2 975	(1 499)	-	1 476	1 476	-	1 476	1 319	157	-	-	-	89.4%	89.4%	3 474	2 376		
Training and development	828	(524)	-	304	304	-	304	253	51	-	-	-	83.2%	83.2%	388	73		
Operating payments	95	(45)	-	50	50	-	50	50	-	-	-	-	100.0%	100.0%	85	55		
Venues and facilities	97	(47)	-	50	50	-	50	23	27	-	-	-	46.0%	46.0%	110	58		
Transfers and subsidies	1 398	530	1 500	3 428	3 428	6	3 422	3 422	6	99.8%	99.8%	2 071	2 070	2 071	2 070			
Households	1 398	530	1 500	3 428	3 428	6	3 422	3 422	6	99.8%	99.8%	2 071	2 070	2 071	2 070			
Social benefits	1 398	530	1 500	3 428	3 428	6	3 422	3 422	6	99.8%	99.8%	2 071	2 070	2 071	2 070			
Payments for capital assets	743	-	-	743	743	434	309	309	434	41.6%	41.6%	756	734	756	734			
Machinery and equipment	743	-	-	743	743	434	309	309	434	41.6%	41.6%	756	734	756	734			
Other machinery and equipment	743	-	-	743	743	434	309	309	434	41.6%	41.6%	756	734	756	734			
Payment for financial assets	-	-	-	-	-	-	-	-	-	-	-	-	15	-	-	15		
Total	101 429	-	1 500	102 929	102 929	6 211	96 718	96 718	6 211	94.0%	94.0%	101 585	91 185	101 585	91 185			

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

ECONOMIC CLASSIFICATION	SUBPROGRAMME: 4.1: PROGRAMME MANAGEMENT FOR ASSET AND LIABILITY MANAGEMENT									
	2019/20					2018/19				
	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	7 254	(441)	-	6 813	6 421	392	94.2%	11 064	6 196	
Compensation of employees	3 308	-	-	3 308	3 105	203	93.9%	3 690	3 687	
Salaries and wages	2 916	(23)	-	2 893	2 706	187	93.5%	3 246	3 245	
Social contributions	392	23	-	415	399	16	96.1%	444	442	
Goods and services	3 946	(441)	-	3 505	3 316	189	94.6%	7 374	2 509	
Administrative fees	16	-	-	16	8	8	50.0%	17	16	
Advertising	84	(7)	-	77	71	6	92.2%	170	129	
Minor assets	2	-	-	2	-	2	-	2	-	
Bursaries: Employees	80	(80)	-	-	-	-	-	25	7	
Catering: Departmental activities	50	-	-	50	-	50	-	48	15	
Communication (G&S)	5	5	-	10	10	-	100.0%	10	4	
Computer services	1	-	-	1	1	-	100.0%	1 789	27	
Consultants: Business and advisory services	1 600	887	-	2 487	2 485	2	99.9%	2 839	978	
Contractors	7	-	-	7	-	7	-	8	-	
Entertainment	7	-	-	7	2	5	28.6%	7	2	
Fleet services	19	(19)	-	-	-	-	-	-	-	
Consumable supplies	-	42	-	42	41	1	97.6%	2	2	
Consumable: Stationery, printing and office supplies	548	(304)	-	244	186	58	76.2%	597	318	
Operating leases	314	(84)	-	230	210	20	91.3%	405	270	
Travel and subsistence	977	(745)	-	232	229	3	98.7%	1 218	617	
Training and development	44	(44)	-	-	-	-	-	42	11	
Operating payments	95	(45)	-	50	50	-	100.0%	85	55	
Venues and facilities	97	(47)	-	50	23	27	46.0%	110	58	
Transfers and subsidies	-	-	1 269	1 269	1 269	-	100.0%	-	-	
Households	-	-	1 269	1 269	1 269	-	100.0%	-	-	

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

SUBPROGRAMME: 4.1: PROGRAMME MANAGEMENT FOR ASSET AND LIABILITY MANAGEMENT (CONTINUED)												
ECONOMIC CLASSIFICATION	2019/20						2018/19					
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000
Social benefits	-	-	1 269	1 269	1 269	-	100.0%	-	-	-	-	-
Payments for capital assets	743	-	-	743	309	434	41.6%	755	734	755	41.6%	734
Machinery and equipment	743	-	-	743	309	434	41.6%	755	734	755	41.6%	734
Other machinery and equipment	743	-	-	743	309	434	41.6%	755	734	755	41.6%	734
Payment for financial assets	-	-	-	-	-	-	-	-	14	-	-	14
Total	7 997	(441)	1 269	8 825	7 999	826	90.6%	11 819	6 944	11 819	90.6%	6 944

SUBPROGRAMME: 4.2: STATE OWNED ENTITY FINANCIAL MANAGEMENT AND GOVERNANCE												
ECONOMIC CLASSIFICATION	2019/20						2018/19					
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000
Current payments	36 358	233	-	36 591	33 806	2 785	92.4%	34 928	31 343	34 928	92.4%	31 343
Compensation of employees	35 066	961	-	36 027	33 368	2 659	92.6%	33 659	30 726	33 659	92.6%	30 726
Salaries and wages	31 560	960	-	32 520	29 923	2 597	92.0%	30 049	27 605	30 049	92.0%	27 605
Social contributions	3 506	1	-	3 507	3 445	62	98.2%	3 610	3 121	3 610	98.2%	3 121
Goods and services	1 292	(728)	-	564	438	126	77.7%	1 269	617	1 269	77.7%	617
Administrative fees	26	-	-	26	17	9	65.4%	347	232	347	65.4%	232
Minor assets	4	-	-	4	-	4	-	-	-	-	-	-
Bursaries: Employees	250	(194)	-	56	23	33	41.1%	196	16	196	41.1%	16

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

ECONOMIC CLASSIFICATION	2019/20							2018/19		
	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
Catering: Departmental activities	14	-	-	14	-	14	-	14	14	-
Entertainment	10	-	-	10	1	9	10.0%	7	7	-
Travel and subsistence	669	(339)	-	330	317	13	96.1%	531	368	368
Training and development	319	(195)	-	124	80	44	64.5%	174	1	1
Transfers and subsidies	51	-	1	52	50	2	96.2%	109	109	109
Households	51	-	1	52	50	2	96.2%	109	109	109
Social benefits	51	-	1	52	50	2	96.2%	109	109	109
Total	36 409	233	1	36 643	33 856	2 787	92.4%	35 037	31 452	31 452

ECONOMIC CLASSIFICATION	2019/20							2018/19		
	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	20 627	1 246	-	21 873	21 755	118	99.5%	19 901	19 457	19 457
Compensation of employees	19 179	1 841	-	21 020	20 959	61	99.7%	18 315	18 042	18 042
Salaries and wages	16 821	1 573	-	18 394	18 333	61	99.7%	15 889	15 731	15 731
Social contributions	2 358	268	-	2 626	2 626	-	100.0%	2 426	2 311	2 311
Goods and services	1 448	(595)	-	853	796	57	93.3%	1 586	1 415	1 415
Administrative fees	24	-	-	24	17	7	70.8%	30	29	29
Minor assets	2	-	-	2	-	2	-	2	-	-
Bursaries: Employees	250	(136)	-	114	113	1	99.1%	202	201	201
Catering: Departmental activities	7	-	-	7	1	6	14.3%	7	2	2
Communication (G&S)	2	2	-	4	4	-	100.0%	8	7	7
Consultants: Business and advisory services	-	-	-	-	-	-	-	9	9	9

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

SUBPROGRAMME: 4.3: GOVERNMENT DEBT MANAGEMENT (CONTINUED)	2019/20										2018/19		
	ECONOMIC CLASSIFICATION	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000	
Contractors	8	-	-	-	8	-	-	8	-	8	-		
Entertainment	5	-	-	-	5	-	-	5	-	5	-		
Consumable: Stationery, printing and office supplies	2	-	-	-	2	-	-	2	-	1	-		
Travel and subsistence	916	(314)	-	-	602	-	95.7%	1 298	1 152	1 298	1 152		
Training and development	232	(147)	-	-	85	-	100.0%	16	15	16	15		
Transfers and subsidies	-	529	229	229	758	757	99.9%	82	81	82	81		
Households	-	529	229	229	758	757	99.9%	82	81	82	81		
Social benefits		529	229	229	758	757	99.9%	82	81	82	81		
Payments for capital assets	-	-	-	-	-	-	-	1	-	1	-		
Machinery and equipment	-	-	-	-	-	-	-	1	-	1	-		
Other machinery and equipment		-	-	-	-	-	-	1	-	1	-		
Payment for financial assets	-	-	-	-	-	-	-	-	1	-	1		
Total	20 627	1 775	229	229	22 631	22 512	99.5%	19 984	19 539	19 984	19 539		

SUBPROGRAMME: 4.4: FINANCIAL OPERATIONS	2019/20										2018/19		
	ECONOMIC CLASSIFICATION	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000	
Current payments	23 877	(1 071)	-	-	22 806	22 158	97.2%	22 812	22 362	22 812	22 362		
Compensation of employees	15 328	(2 400)	-	-	12 928	12 339	95.4%	13 734	12 692	13 734	12 692		
Salaries and wages	13 798	(2 401)	-	-	11 397	11 161	97.9%	12 390	11 353	12 390	11 353		
Social contributions	1 530	1	-	-	1 531	1 178	76.9%	1 344	1 339	1 344	1 339		
Goods and services	8 549	1 329	-	-	9 878	9 819	99.4%	9 078	9 670	9 078	9 670		
Administrative fees	7	-	-	-	7	1	14.3%	43	37	43	37		
Minor assets	3	-	-	-	3	-	-	3	-	3	-		

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

ECONOMIC CLASSIFICATION	2019/20							2018/19		
	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
Audit costs: External	691	428	-	1 119	1 118	1	99.9%	999	998	
Bursaries: Employees	100	(100)	-	-	-	-	-	128	83	
Catering: Departmental activities	7	-	-	7	-	7	-	7	-	
Computer services	7 440	1 205	-	8 645	8 645	-	100.0%	7 653	8 425	
Entertainment	7	-	-	7	1	6	14.3%	7	-	
Travel and subsistence	210	(120)	-	90	54	36	60.0%	182	86	
Training and development	84	(84)	-	-	-	-	-	56	41	
Transfers and subsidies	1 338	-	-	1 338	1 338	-	100.0%	1 865	1 865	
Households	1 338	-	-	1 338	1 338	-	100.0%	1 865	1 865	
Social benefits	1 338	-	-	1 338	1 338	-	100.0%	1 865	1 865	
Total	25 215	(1 071)	-	24 144	23 496	648	97.3%	24 677	24 227	

ECONOMIC CLASSIFICATION	2019/20							2018/19		
	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	11 172	(497)	-	10 675	8 847	1 828	82.9%	10 053	9 008	
Compensation of employees	10 676	(402)	-	10 274	8 612	1 662	83.8%	9 294	8 666	
Salaries and wages	9 451	(402)	-	9 049	7 705	1 344	85.1%	8 398	7 771	
Social contributions	1 225	-	-	1 225	907	318	74.0%	896	895	
Goods and services	496	(95)	-	401	235	166	58.6%	759	342	
Administrative fees	16	-	-	16	3	13	18.8%	251	118	
Minor assets	2	-	-	2	-	2	-	2	-	
Bursaries: Employees	112	(60)	-	52	-	52	-	141	61	
Catering: Departmental activities	7	-	-	7	-	7	-	7	-	

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

SUBPROGRAMME: 4.5: STRATEGY AND RISK MANAGEMENT (CONTINUED)	2019/20										2018/19	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000	
Entertainment	7	-	-	7	1	6	14.3%	7	-	7	-	
Operating leases	-	-	-	-	-	-	-	-	6	6	5	
Travel and subsistence	203	19	-	222	143	79	64.4%	245	153	245	153	
Training and development	149	(54)	-	95	88	7	92.6%	100	5	100	5	
Transfers and subsidies	9	1	1	11	8	3	72.7%	15	15	15	15	
Households	9	1	1	11	8	3	72.7%	15	15	15	15	
Social benefits	9	1	1	11	8	3	72.7%	15	15	15	15	
Total	1 181	(496)	1	10 686	8 855	1 831	82.9%	10 068	9 023	10 068	9 023	

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS	2019/20										2018/19	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000	
Programme Management For Financial Accounting And Supply Chain Management Systems	100 030	436	(40 000)	60 466	38 843	21 623	64.2%	62 637	50 175	62 637	50 175	
Office Of The Chief Procurement Officer	72 980	1 402	-	74 382	68 772	5 610	92.5%	70 570	69 018	70 570	69 018	
Financial Systems	542 032	1 008	-	543 040	399 043	143 997	73.5%	634 721	419 593	634 721	419 593	
Financial Reporting For National Accounts	108 176	(386)	-	107 790	104 454	3 336	96.9%	102 519	102 044	102 519	102 044	
Financial Management Policy And Compliance Improvement	157 825	(2 460)	-	155 365	122 594	32 771	78.9%	133 611	130 261	133 611	130 261	
Audit Statutory Bodies	62 842	-	-	62 842	62 842	-	100.0%	97 738	97 738	97 738	97 738	
Service Charges: Commercial Banks	303	-	-	303	242	61	79.9%	289	275	289	275	
Total	1 044 188	-	(40 000)	1 004 188	796 790	207 398	79.3%	1 102 085	869 104	1 102 085	869 104	

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

ECONOMIC CLASSIFICATION	PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS (CONTINUED)									
	2019/20					2018/19				
	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	906 484	(1 291)	(40 000)	865 193	667 867	197 326	77.2%	934 862	706 457	
Compensation of employees	216 964	-	-	216 964	207 668	9 296	95.7%	207 590	206 944	
Salaries and wages	195 405	(1 434)	-	193 971	185 676	8 295	95.7%	185 922	185 379	
Social contributions	21 559	1 434	-	22 993	21 992	1 001	95.6%	21 668	21 565	
Goods and services	689 520	(1 291)	(40 000)	648 229	460 199	188 030	71.0%	727 272	499 513	
Administrative fees	1 387	115	-	1 502	1 161	341	77.3%	1 773	1 575	
Advertising	705	(19)	-	686	174	512	25.4%	653	409	
Minor assets	183	7	-	190	68	122	35.6%	117	70	
Audit costs: External	7 300	(20)	-	7 280	6 769	511	93.0%	6 846	6 163	
Bursaries: Employees	1 784	(34)	-	1 750	879	871	50.2%	1 433	1 083	
Catering	726	-	-	726	419	307	57.7%	588	428	
Communication (G&S)	446	199	-	645	477	168	74.0%	612	362	
Computer services	462 473	(320)	-	462 153	350 387	111 766	75.8%	554 370	353 305	
Consultants: Bus & advisory	191 803	(1 406)	(40 000)	150 397	86 449	63 948	57.5%	134 373	119 450	
Legal services	1 500	-	-	1 500	-	1 500	-	5 000	-	
Contractors	59	5	-	64	15	49	23.4%	32	6	
Entertainment	114	-	-	114	13	101	11.4%	91	17	
Fleet services	16	1	-	17	-	17	-	36	-	
Consumable supplies	139	-	-	139	50	89	36.2%	83	45	
Consumable: Stationery, printing and office supplies	1 543	24	-	1 567	624	943	39.8%	1 080	428	
Operating leases	893	33	-	926	631	295	68.1%	794	725	
Travel and subsistence	10 938	(32)	-	10 906	6 855	4 051	62.9%	12 101	10 020	
Training and development	1 818	126	-	1 944	1 104	840	56.8%	1 134	437	
Operating payments	1 068	32	-	1 100	641	459	58.3%	965	594	
Venues and facilities	4 625	(2)	-	4 623	3 483	1 140	75.3%	5 191	4 396	
Transfers and subsidies	123 830	1 291	-	125 121	125 079	42	100.0%	156 310	156 303	
Depart agencies & accounts	120 345	-	-	120 345	120 345	-	100.0%	152 666	152 666	

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS (CONTINUED)											
ECONOMIC CLASSIFICATION	2019/20						2018/19				
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Departmental agencies	120 345	-	-	120 345	120 345	-	100.0%	152 666	152 666	152 666	152 666
Households	3 485	1 291	-	4 776	4 734	42	99.1%	3 644	3 637	3 644	3 637
Social benefits	3 485	144	-	3 629	3 588	41	98.9%	2 341	2 336	2 341	2 336
Other transfer to households	-	1 147	-	1 147	1 146	1	99.9%	1 303	1 301	1 303	1 301
Payments for cap assets	13 874	-	-	13 874	3 785	10 089	27.3%	10 913	6 324	10 913	6 324
Machinery and equipment	8 999	83	-	9 082	3 785	5 297	41.7%	10 215	5 699	10 215	5 699
Other mach and equipment	8 999	83	-	9 082	3 785	5 297	41.7%	10 215	5 699	10 215	5 699
Software & intangible assets	4 875	(83)	-	4 792	-	4 792	-	698	625	-	625
Payment for fin assets	-	-	-	-	59	(59)	-	-	20	-	20
Total	1 044 188	-	(40 000)	1 004 188	796 790	207 398	79.3%	1 102 085	869 104	1 102 085	869 104

SUBPROGRAMME 5.1: PROGRAMME MANAGEMENT FOR FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS											
ECONOMIC CLASSIFICATION	2019/20						2018/19				
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Current payments	99 817	429	(40 000)	60 246	38 668	21 578	64.2%	62 484	50 175	62 484	50 175
Compensation of employees	7 546	436	-	7 982	5 787	2 195	72.5%	6 223	6 217	6 223	6 217
Salaries and wages	6 729	438	-	7 167	5 049	2 118	70.4%	5 444	5 440	5 444	5 440
Social contributions	817	(2)	-	815	738	77	90.6%	779	777	779	777
Goods and services	92 271	(7)	-	92 264	32 881	19 383	62.9%	56 261	43 958	56 261	43 958
Administrative fees	37	-	-	37	10	27	27.0%	284	276	284	276
Advertising	149	-	-	149	54	95	36.2%	103	76	103	76
Minor assets	-	6	-	6	5	1	83.3%	-	-	-	-
Audit costs: External	130	-	-	130	-	130	-	135	-	135	-
Bursaries: Employees	36	-	-	36	-	36	-	40	-	40	-
Total	36	-	-	36	-	36	-	40	8	40	8

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

ECONOMIC CLASSIFICATION	2019/20										2018/19	
	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	
Catering	46	-	-	46	40	6	87.0%	83	49			
Communication (G&S)	-	-	-	-	-	-	-	1	-			
Consultants: Bus & advisory	90 032	(282)	(40 000)	49 750	31 983	17 767	64.3%	53 433	42 692			
Entertainment	10	-	-	10	-	10	-	10	2			
Consumable supplies	3	32	-	35	34	1	97.1%	5	4			
Consumable: Stationery, printing and office supplies	69	32	-	101	-	101	-	50	10			
Operating leases	151	-	-	151	82	69	54.3%	149	143			
Travel and subsistence	1 023	(45)	-	978	207	771	21.2%	1 072	365			
Training and development	35	250	-	285	114	171	40.0%	61	-			
Operating payments	529	-	-	529	352	177	66.5%	521	315			
Venues and facilities	21	-	-	21	-	21	-	314	18			
Transfers and subsidies	87	7	-	94	93	1	98.9%	-	-			
Households	87	7	-	94	93	1	98.9%	-	-			
Social benefits	87	7	-	94	93	1	98.9%	-	-			
Payments for capital assets	126	-	-	126	82	44	65.1%	153	-			
Machinery and equipment	126	-	-	126	82	44	65.1%	153	-			
Other machinery and equipment	126	-	-	126	82	44	65.1%	153	-			
Total	100 030	436	(40 000)	60 466	38 843	21 623	64.2%	62 637	50 175			

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

SUBPROGRAMME: 5.2: OFFICE OF THE CHIEF PROCUREMENT OFFICER	2019/20							2018/19		
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
ECONOMIC CLASSIFICATION										
Current payments	71 563	(133)	-	71 430	66 245	5 185	92.7%	68 321	67 487	67 487
Compensation of employees	63 929	-	-	63 929	62 225	1 704	97.3%	61 395	61 994	61 994
Salaries and wages	57 113	(290)	-	56 823	55 363	1 460	97.4%	54 737	55 346	55 346
Social contributions	6 816	290	-	7 106	6 862	244	96.6%	6 658	6 648	6 648
Goods and services	7 634	(133)	-	7 501	4 020	3 481	53.6%	6 926	5 493	5 493
Administrative fees	576	4	-	580	424	156	73.1%	552	538	538
Advertising	170	(4)	-	166	35	131	21.1%	349	231	231
Minor assets	144	-	-	144	58	86	40.3%	88	67	67
Bursaries: Employees	847	(127)	-	720	481	239	66.8%	661	458	458
Catering	330	-	-	330	223	107	67.6%	156	136	136
Communication (G&S)	96	198	-	294	294	-	100.0%	89	85	85
Computer services	712	(198)	-	514	162	352	31.5%	548	505	505
Consultants: Bus & advisory	123	-	-	123	24	99	19.5%	10	-	-
Contractors	15	5	-	20	12	8	60.0%	2	2	2
Entertainment	35	-	-	35	6	29	17.1%	28	2	2
Consumable supplies	51	1	-	52	8	44	15.4%	28	16	16
Consumable: Stationery, printing and office supplies	455	29	-	484	208	276	43.0%	389	171	171
Operating leases	141	20	-	161	104	57	64.6%	110	86	86
Travel and subsistence	3 392	(77)	-	3 315	1 959	1 356	59.1%	3 467	3 105	3 105
Training and development	136	20	-	156	22	134	14.1%	213	70	70
Operating payments	222	2	-	224	-	224	-	135	-	-
Venues and facilities	189	(6)	-	183	-	183	-	101	21	21
Transfers and subsidies	43	1 535	-	1 578	1 559	19	98.8%	994	991	991
Households	43	1 535	-	1 578	1 559	19	98.8%	994	991	991
Social benefits	43	1 535	-	1 578	1 559	19	98.8%	994	991	991
Payments for cap assets	1 374	-	-	1 374	968	406	70.5%	1 255	536	536
Machinery and equipment	1 334	-	-	1 334	968	366	72.6%	1 255	536	536

APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

ECONOMIC CLASSIFICATION	2019/20						2018/19		
	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 machin. & equipment	1 334	-	-	1 334	968	366	72.6%	1 255	536
Software & intangible assets	40	-	-	40	-	40	-	-	-
Payment for fin assets	-	-	-	-	-	-	-	-	4
Total	72 980	1 402	-	74 382	68 772	5 610	92.5%	70 570	69 018

ECONOMIC CLASSIFICATION	2019/20						2018/19		
	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	529 498	1 201	-	530 699	395 517	135 182	74.5%	627 097	415 179
Compensation of employees	28 539	1 258	-	29 797	29 585	212	99.3%	29 603	28 397
Salaries and wages	25 330	756	-	26 086	25 875	211	99.2%	26 055	24 929
Social contributions	3 209	502	-	3 711	3 710	1	100.0%	3 548	3 468
Goods and services	500 959	(57)	-	500 902	365 932	134 970	73.1%	597 494	386 782
Administrative fees	29	-	-	29	12	17	41.4%	45	5
Advertising	138	-	-	138	21	117	15.2%	40	-
Minor assets	25	1	-	26	5	21	18.2%	25	1
Audit costs: External	1 441	450	-	1 891	1 890	1	99.9%	1 254	706
Bursaries: Employees	201	(57)	-	144	51	93	35.4%	189	87
Catering: Departmental activities	96	-	-	96	12	84	12.5%	62	31
Communication (G&S)	349	-	-	349	182	167	52.1%	519	276
Computer services	453 810	(495)	-	453 315	343 162	110 153	75.7%	546 654	345 631
Consultants: Business and advisory services	36 975	-	-	36 975	16 772	20 203	45.4%	37 504	35 491
Legal services	1 500	-	-	1 500	-	1 500	-	5 000	-
Contractors	29	-	-	29	3	26	10.3%	27	3

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

SUBPROGRAMME: 5.3: FINANCIAL SYSTEMS (CONTINUED)	2019/20							2018/19		
	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
Entertainment	10	-	-	10	2	8	20.0%	10	3	
Fleet services (including government motor transport)	10	-	-	10	-	10	-	30	-	
Consumable supplies	3	-	-	3	0	3	9.3%	3	-	
Consumable: Stationery, printing and office supplies	420	34	-	454	137	317	30.2%	291	40	
Operating leases	225	-	-	225	127	98	56.4%	209	196	
Travel and subsistence	1 244	10	-	1 254	206	1 048	16.4%	788	169	
Training and development	309	(4)	-	305	60	245	19.7%	402	21	
Operating payments	5	-	-	5	-	5	-	5	-	
Venues and facilities	4 140	4	-	4 144	3 290	854	79.4%	4 437	4 122	
Transfers and subsidies	1 383	57	-	1 440	1 438	2	99.9%	-	-	
Households	1 383	57	-	1 440	1 438	2	99.9%	-	-	
Social benefits	1 383	57	-	1 440	1 438	2	99.9%	-	-	
Payments for capital assets	11 151	(250)	-	10 901	2 088	8 813	19.2%	7 624	4 405	
Machinery and equipment	6 316	(167)	-	6 149	2 088	4 061	34.0%	7 624	4 405	
Other machinery and equipment	6 316	(167)	-	6 149	2 088	4 061	34.0%	7 624	4 405	
Software and other intangible assets	4 835	(83)	-	4 752	-	4 752	-	-	-	
Payment for financial assets	-	-	-	-	-	-	-	-	-	9
Total	542 032	1 008	-	543 040	399 043	143 997	73.5%	634 721	419 593	

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

ECONOMIC CLASSIFICATION	2019/20							2018/19	
	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	50 269	(436)	-	49 833	46 592	3 241	93.5%	46 626	46 263
Compensation of employees	35 060	(436)	-	34 624	33 251	1 373	96.0%	32 624	32 617
Salaries and wages	31 515	(544)	-	30 971	29 711	1 260	95.9%	29 182	29 177
Social contributions	3 545	108	-	3 653	3 540	113	96.9%	3 442	3 440
Goods and services	15 209	-	-	15 209	13 341	1 868	87.7%	14 002	13 646
Administrative fees	40	-	-	40	30	10	75.0%	22	28
Advertising	30	-	-	30	-	30	-	29	-
Audit costs: External	5 729	(470)	-	5 259	4 879	380	92.8%	5 457	5 457
Bursaries: Employees	187	-	-	187	8	179	4.3%	12	12
Catering: Departmental activities	50	-	-	50	17	33	34.0%	46	26
Communication (G&S)	1	1	-	2	1	1	50.0%	2	1
Computer services	7 353	400	-	7 753	6 943	810	89.6%	6 782	6 778
Consultants: Business and advisory services	-	17	-	17	16	1	94.1%	-	-
Entertainment	24	-	-	24	-	24	-	24	3
Consumable supplies	45	(18)	-	27	6	21	22.2%	32	16
Consumable: Stationery, printing and office supplies	186	70	-	256	200	56	78.1%	147	137
Operating leases	223	8	-	231	180	51	77.9%	219	208
Travel and subsistence	1 000	(8)	-	992	849	143	85.6%	1 008	798
Training and development	91	-	-	91	5	86	5.5%	19	9
Operating payments	93	-	-	93	75	18	80.6%	89	74
Venues and facilities	157	-	-	157	132	25	84.1%	114	99
Transfers and subsidies	57 601	50	-	57 651	57 651	-	100.0%	54 977	54 977
Departmental agencies and accounts	57 503	-	-	57 503	57 503	-	100.0%	54 928	54 928

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

SUBPROGRAMME: 5.4: FINANCIAL REPORTING FOR NATIONAL ACCOUNTS (CONTINUED)	2019/20										2018/19		
	ECONOMIC CLASSIFICATION	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000	
Departmental agencies (non-business entities)	57 503	-	-	57 503	57 503	-	100.0%	54 928	54 928	54 928	54 928		
Households	98	50	-	148	148	-	100.0%	49	49	49	49		
Social benefits	98	50	-	148	148	-	100.0%	49	49	49	49		
Payments for capital assets	306	-	-	306	211	95	69.0%	916	804	916	804		
Machinery and equipment	306	-	-	306	211	95	69.0%	218	179	218	179		
Other machinery and equipment	306	-	-	306	211	95	69.0%	218	179	218	179		
Software and other intangible assets	-	-	-	-	-	-	-	698	625	698	625		
Total	108 176	(386)	-	107 790	104 454	3 336	96.9%	102 519	102 044	102 519	102 044		

SUBPROGRAMME: 5.5: FINANCIAL MANAGEMENT POLICY AND COMPLIANCE IMPROVEMENT	2019/20										2018/19		
	ECONOMIC CLASSIFICATION	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000	
Current payments	155 034	(2 352)	-	152 682	120 603	32 079	79.0%	130 045	127 078	130 045	127 078		
Compensation of employees	81 890	(1 258)	-	80 632	76 820	3 812	95.3%	77 745	77 719	77 745	77 719		
Salaries and wages	74 718	(1 794)	-	72 924	69 678	3 246	95.5%	70 504	70 487	70 504	70 487		
Social contributions	7 172	536	-	7 708	7 142	566	92.7%	7 241	7 232	7 241	7 232		
Goods and services	73 144	(1 094)	-	72 050	43 783	28 267	60.8%	52 300	49 359	52 300	49 359		
Administrative fees	402	111	-	513	443	70	86.4%	581	453	581	453		
Advertising	218	(15)	-	203	64	139	31.5%	132	102	132	102		
Minor assets	14	-	-	14	-	14	-	4	2	4	2		
Bursaries: Employees	513	150	-	663	339	324	51.1%	531	518	531	518		
Catering: Departmental activities	204	-	-	204	127	77	62.3%	241	186	241	186		

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

SUBPROGRAMME: 5.5: FINANCIAL MANAGEMENT POLICY AND COMPLIANCE IMPROVEMENT (CONTINUED)											
ECONOMIC CLASSIFICATION	2019/20						2018/19				
	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	
Communication (G&S)	-	-	-	-	-	-	-	-	1	-	
Computer services	598	(27)	-	571	120	451	21.0%	386	386	391	
Consultants: Business and advisory services	64 673	(1 141)	-	63 532	37 654	25 878	59.3%	43 426	43 426	41 267	
Contractors	15	-	-	15	-	15	-	3	3	1	
Entertainment	35	-	-	35	5	30	14.3%	19	19	7	
Fleet services (including government motor transport)	6	1	-	7	-	7	-	6	6	-	
Consumable supplies	37	(15)	-	22	2	20	9.1%	15	15	9	
Consumable: Stationery, printing and office supplies	413	(141)	-	272	79	193	29.0%	203	203	70	
Operating leases	153	5	-	158	138	20	87.3%	107	107	92	
Travel and subsistence	4 279	88	-	4 367	3 634	733	83.2%	5 766	5 766	5 583	
Training and development	1 247	(140)	-	1 107	903	204	81.6%	439	439	337	
Operating payments	219	30	-	249	214	35	85.9%	215	215	205	
Venues and facilities	118	-	-	118	61	57	51.7%	225	225	136	
Transfers and subsidies	1 874	(358)	-	1 516	1 496	20	98.7%	2 601	2 601	2 597	
Households	1 874	(358)	-	1 516	1 496	20	98.7%	2 601	2 601	2 597	
Social benefits	1 874	(1 505)	-	369	350	19	94.9%	1 298	1 298	1 296	
Other transfers to households	-	1 147	-	1 147	1 146	1	99.9%	1 303	1 303	1 301	
Payments for capital assets	917	250	-	1 167	436	731	37.4%	965	965	579	
Machinery and equipment	917	250	-	1 167	436	731	37.4%	965	965	579	
Other machinery and equipment	917	250	-	1 167	436	731	37.4%	965	965	579	
Payment for financial assets	-	-	-	-	59	(59)	-	-	-	7	
Total	157 825	(2 460)	-	155 365	122 594	32 771	78.9%	133 611	133 611	130 261	

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

SUBPROGRAMME: 5.6: AUDIT STATUTORY BODIES	2019/20							2018/19	
	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	62 842	-	-	62 842	62 842	-	100.0%	97 738	97 738
Departmental agencies and accounts	62 842	-	-	62 842	62 842	-	100.0%	97 738	97 738
Departmental agencies (non-business entities)	62 842	-	-	62 842	62 842	-	100.0%	97 738	97 738
Total	62 842	-	-	62 842	62 842	-	100.0%	97 738	97 738

SUBPROGRAMME: 5.7: SERVICE CHARGES: COMMERCIAL BANKS	2019/20							2018/19	
	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	303	-	-	303	242	61	79.9%	289	275
Goods and services	303	-	-	303	242	61	79.9%	289	275
Administrative fees	303	-	-	303	242	61	79.9%	289	275
Total	303	-	-	303	242	61	79.9%	289	275

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS	2019/20							2018/19	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1	10 473	-	-	10 473	6 660	3 813	63.6%	10 161	9 043
Programme Management For International Financial Relations	10 473	-	-	10 473	6 660	3 813	63.6%	10 161	9 043
2	62 711	(7 000)	-	55 711	44 407	11 304	79.7%	49 398	46 710
International Economic Cooperation	62 711	(7 000)	-	55 711	44 407	11 304	79.7%	49 398	46 710

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS (CONTINUED)											
SUB PROGRAMME	2019/20						2018/19				
	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
3	854 896	7 000	120 000	981 896	981 508	388	100.0%	1 017 119	1 002 585		
4	4 879 235	-	-	4 879 235	4 405 819	473 416	90.3%	4 786 127	4 729 982		
5	20 816	-	-	20 816	20 369	447	97.9%	20 316	19 366		
Total	5 828 131	-	120 000	5 948 131	5 458 763	489 368	91.8%	5 883 121	5 807 686		

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS											
ECONOMIC CLASSIFICATION	2019/20						2018/19				
	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
Current payments	72 379	(7 000)	-	65 379	50 989	14 390	78.0%	58 887	55 563		
Compensation of employees	35 490	-	-	35 490	31 558	3 932	88.9%	33 438	31 893		
Salaries and wages	32 162	73	-	32 235	28 530	3 705	88.5%	29 872	28 800		
Social contributions	3 328	(73)	-	3 255	3 028	227	93.0%	3 566	3 093		
Goods and services	36 889	(7 000)	-	29 889	19 431	10 458	65.0%	25 449	23 670		
Administrative fees	445	88	-	533	447	86	83.9%	1 655	1 524		
Advertising	67	-	-	67	-	67	-	111	109		
Minor assets	10	-	-	10	7	3	70.0%	27	-		
Bursaries: Employees	249	43	-	292	107	185	36.6%	28	6		
Catering: Departmental activities	50	-	-	50	1	49	2.0%	45	22		
Computer services	40	-	-	40	-	40	-	-	-		
Consultants: Business and advisory services	1 477	63	-	1 540	660	880	42.9%	344	-		
Contractors	6	-	-	6	-	6	-	835	653		

APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS (CONTINUED)	2019/20							2018/19		
	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
Entertainment	20	-	-	20	-	20	-	20	20	1
Fleet services (including government motor transport)	150	14	-	164	12	152	7.3%	6	6	-
Consumable supplies	42	18	-	60	17	43	28.3%	48	48	23
Consumable: Stationery, printing and office supplies	264	(1)	-	263	31	232	11.8%	106	106	33
Operating leases	138	-	-	138	111	27	80.4%	159	159	131
Travel and subsistence	12 917	(626)	-	12 291	9 059	3 232	73.7%	16 840	16 840	15 969
Training and development	428	(63)	-	365	8	357	2.2%	124	124	107
Operating payments	648	142	-	790	366	424	46.3%	409	409	402
Venues and facilities	19 938	(6 679)	-	13 259	8 605	4 654	64.9%	4 692	4 692	4 690
Transfers and subsidies	1 008 131	7 000	120 000	1 135 131	1 134 244	887	99.9%	1 173 567	1 173 567	1 157 983
Foreign governments and international organisations	1 008 031	7 000	120 000	1 135 031	1 134 196	835	99.9%	1 173 555	1 173 555	1 157 971
Households	100	-	-	100	48	52	48.0%	12	12	12
Social benefits	100	-	-	100	48	52	48.0%	12	12	12
Payments for cap assets	705	-	-	705	30	675	4.3%	660	660	175
Machinery and equipment	705	-	-	705	30	675	4.3%	660	660	175
Other machinery and equipment	705	-	-	705	30	675	4.3%	660	660	175
Payment for financial assets	4 746 916	-	-	4 746 916	4 273 500	473 416	90.0%	4 650 007	4 650 007	4 593 965
Total	5 828 131	-	120 000	5 948 131	5 458 763	489 368	91.8%	5 883 121	5 883 121	5 807 686

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

ECONOMIC CLASSIFICATION	SUBPROGRAMME: 6.1: PROGRAMME MANAGEMENT FOR INTERNATIONAL FINANCIAL RELATIONS									
	2019/20					2018/19				
	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	10 329	-	-	10 329	6 660	3 669	64.5%	9 922	9 009	
Compensation of employees	5 532	-	-	5 532	4 452	1 080	80.5%	6 204	5 562	
Salaries and wages	5 256	(75)	-	5 181	4 102	1 079	79.2%	5 400	5 225	
Social contributions	276	75	-	351	350	1	99.7%	804	337	
Goods and services	4 797	-	-	4 797	2 208	2 589	46.0%	3 718	3 447	
Administrative fees	85	-	-	85	35	50	41.2%	82	81	
Advertising	29	-	-	29	-	29	-	88	88	
Minor assets	-	-	-	-	-	-	-	7	-	
Bursaries: Employees	50	-	-	50	45	5	90.0%	-	-	
Catering: Departmental activities	14	-	-	14	1	13	7.1%	12	12	
Consultants: Business and advisory services	1 200	-	-	1 200	332	868	27.7%	-	-	
Entertainment	3	-	-	3	-	3	-	3	1	
Consumable supplies	19	-	-	19	3	16	15.8%	18	10	
Consumable: Stationery, printing and office supplies	37	-	-	37	4	33	10.8%	9	6	
Operating leases	138	-	-	138	111	27	80.4%	159	131	
Travel and subsistence	2 978	(477)	-	2 501	1 078	1 423	43.1%	2 841	2 621	
Training and development	34	-	-	34	8	26	23.5%	9	8	
Operating payments	210	156	-	366	366	-	100.0%	379	378	
Venues and facilities	-	321	-	321	225	96	70.1%	111	111	
Payments for capital assets	144	-	-	144	-	144	-	239	34	
Machinery and equipment	144	-	-	144	-	144	-	239	34	
Other machinery and equipment	144	-	-	144	-	144	-	239	34	
Total	10 473	-	-	10 473	6 660	3 813	63.6%	10 161	9 043	

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

SUBPROGRAMME: 6.2: INTERNATIONAL ECONOMIC COOPERATION	2019/20							2018/19		
	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	62 050	(7 000)	-	55 050	44 329	10 721	80.5%	48 965	46 554	
Compensation of employees	29 958	-	-	29 958	27 106	2 852	90.5%	27 234	26 331	
Salaries and wages	26 906	148	-	27 054	24 428	2 626	90.3%	24 472	23 575	
Social contributions	3 052	(148)	-	2 904	2 678	226	92.2%	2 762	2 756	
Goods and services	32 092	(7 000)	-	25 092	17 223	7 869	68.6%	21 731	20 223	
Administrative fees	360	88	-	448	412	36	92.0%	1 573	1 443	
Advertising	38	-	-	38	-	38	-	23	21	
Minor assets	10	-	-	10	7	3	70.0%	20	-	
Bursaries: Employees	199	43	-	242	62	180	25.6%	28	6	
Catering: Departmental activities	36	-	-	36	-	36	-	33	10	
Communication (G&S)	-	1	-	1	-	1	-	-	-	
Computer services	40	-	-	40	-	40	-	-	-	
Consultants: Bus & advisory	277	63	-	340	328	12	96.5%	344	-	
Contractors	6	-	-	6	-	6	-	835	653	
Entertainment	17	-	-	17	-	17	-	17	-	
Fleet services	150	14	-	164	12	152	7.3%	6	-	
Consumable supplies	23	18	-	41	14	27	34.1%	30	13	
Consumable: Stationery, printing and office supplies	227	(1)	-	226	27	199	11.9%	97	27	
Travel and subsistence	9 939	(149)	-	9 790	7 981	1 809	81.5%	13 999	13 348	
Training and development	394	(63)	-	331	-	331	-	115	99	
Operating payments	438	(14)	-	424	-	424	-	30	24	
Venues and facilities	19 938	(7 000)	-	12 938	8 380	4 558	64.8%	4 581	4 579	
Transfers and subsidies	100	-	-	100	48	52	48.0%	12	12	
Households	100	-	-	100	48	52	48.0%	12	12	
Social benefits	100	-	-	100	48	52	48.0%	12	12	
Payments for cap assets	561	-	-	561	30	531	5.3%	421	141	

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

ECONOMIC CLASSIFICATION	2019/20							2018/19		
	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
Machinery and equipment	561	-	-	561	30	531	5.3%	421	141	
Other mach. & equipment	561	-	-	561	30	531	5.3%	421	141	
Payment for fin assets	-	-	-	-	-	-	-	-	3	
Total	62 711	(7 000)	-	55 711	44 407	11 304	79.7%	49 398	46 710	

ECONOMIC CLASSIFICATION	2019/20							2018/19		
	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 subsidies	854 896	7 000	120 000	981 896	981 508	388	100.0%	1 017 119	1 002 585	
Foreign governments and international organisations	854 896	7 000	120 000	981 896	981 508	388	100.0%	1 017 119	1 002 585	
Total	854 896	7 000	120 000	981 896	981 508	388	100.0%	1 017 119	1 002 585	

ECONOMIC CLASSIFICATION	2019/20							2018/19		
	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 subsidies	132 319	-	-	132 319	132 319	-	100.0%	136 120	136 020	
Foreign governments and international organisations	132 319	-	-	132 319	132 319	-	100.0%	136 120	136 020	
Payment for financial assets	4 746 916	-	-	4 746 916	4 273 500	473 416	90.0%	4 650 007	4 593 962	
Total	4 879 235	-	-	4 879 235	4 405 819	473 416	90.3%	4 786 127	4 729 982	

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

SUBPROGRAMME: 6.5: INTERNATIONAL PROJECTS	2019/20							2018/19		
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
ECONOMIC CLASSIFICATION										
Transfers and subsidies	20 816	-	-	20 816	20 369	447	97.9%	20 316	19 366	
Foreign governments and international organisations	20 816	-	-	20 816	20 369	447	97.9%	20 316	19 366	
Total	20 816	-	-	20 816	20 369	447	97.9%	20 316	19 366	

PROGRAMME 7: CIVIL AND MILITARY PENSIONS, CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS	2019/20							2018/19		
	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
SUB PROGRAMME										
1 Government Pensions Administration Agency	72 712	-	-	72 712	66 871	5 841	92.0%	64 488	64 488	
2 Civil Pensions And Contributions To Funds	4 511 438	-	(50 000)	4 461 438	4 437 947	23 491	99.5%	4 017 709	4 017 142	
3 Military Pensions And Other Benefits	990 353	-	-	990 353	982 282	8 071	99.2%	939 080	938 470	
Total	5 574 503	-	(50 000)	5 524 503	5 487 100	37 403	99.3%	5 021 277	5 020 100	

PROGRAMME 7: CIVIL AND MILITARY PENSIONS, CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS	2019/20							2018/19		
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
ECONOMIC CLASSIFICATION										
Current payments	72 712	-	-	72 712	66 871	5 841	92.0%	64 488	64 488	
Goods and services	72 712	-	-	72 712	66 871	5 841	92.0%	64 488	64 488	
Consultants: Business and advisory services	72 712	-	-	72 712	66 871	5 841	92.0%	64 488	64 488	
Transfers and subsidies	5 501 791	-	(50 000)	5 451 791	5 420 229	31 562	99.4%	4 956 789	4 955 612	

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

PROGRAMME 7: CIVIL AND MILITARY PENSIONS, CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS (CONTINUED)	2019/20							2018/19		
	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
Foreign governments and international organisations	1 160	-	-	1 160	577	583	49.7%	1 153	1 152	
Households	5 500 631	-	(50 000)	5 450 631	5 419 652	30 979	99.4%	4 955 636	4 954 460	
Social benefits	5 500 631	-	(50 000)	5 450 631	5 419 652	30 979	99.4%	4 955 636	4 954 460	
Total	5 574 503	-	(50 000)	5 524 503	5 487 100	37 403	99.3%	5 021 277	5 020 100	

SUBPROGRAMME 7.1: GOVERNMENT PENSIONS ADMINISTRATION AGENCY	2019/20							2018/19		
	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	72 712	-	-	72 712	66 871	5 841	92.0%	64 488	64 488	
Goods and services	72 712	-	-	72 712	66 871	5 841	92.0%	64 488	64 488	
Consultants: Business and advisory services	72 712	-	-	72 712	66 871	5 841	92.0%	64 488	64 488	
Total	72 712	-	-	72 712	66 871	5 841	92.0%	64 488	64 488	

SUBPROGRAMME 7.2: CIVIL PENSIONS AND CONTRIBUTIONS TO FUNDS	2019/20							2018/19		
	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 subsidies	4 511 438	-	(50 000)	4 461 438	4 437 947	23 491	99.5%	4 017 709	4 017 142	
Foreign governments and international organisations	1 160	-	-	1 160	577	583	49.7%	1 153	1 152	
Households	4 510 278	-	(50 000)	4 460 278	4 437 370	22 908	99.5%	4 016 556	4 015 990	
Social benefits	4 510 278	-	(50 000)	4 460 278	4 437 370	22 908	99.5%	4 016 556	4 015 990	
Total	4 511 438	-	(50 000)	4 461 438	4 437 947	23 491	99.5%	4 017 709	4 017 142	

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

SUBPROGRAMME: 7.3: MILITARY PENSIONS AND OTHER BENEFITS	2019/20							2018/19		
	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 subsidies	990 353	-	-	990 353	982 282	8 071	99.2%	939 080	938 470	
Households	990 353	-	-	990 353	982 282	8 071	99.2%	939 080	938 470	
Social benefits	990 353	-	-	990 353	982 282	8 071	99.2%	939 080	938 470	
Total	990 353	-	-	990 353	982 282	8 071	99.2%	939 080	938 470	

PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE	2019/20							2018/19		
	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
1 Local Government Financial Management Support	681 399	-	-	681 399	681 399	-	100.0%	645 481	645 481	
2 Urban Development And Support	962 220	-	-	962 220	947 792	14 428	98.5%	924 829	910 853	
3 Employment Creation Facilitation	642 848	-	-	642 848	628 133	14 715	97.7%	603 237	330 597	
4 Government Technical Advisory Centre	61 734	-	(15 000)	46 734	46 734	-	100.0%	71 858	71 858	
5 Infrastructure Development Support	332 131	-	(1 500)	330 631	325 177	5 454	98.4%	681 374	276 278	
Total	2 680 332	-	(16 500)	2 663 832	2 629 235	34 597	98.7%	2 926 779	2 235 067	

APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

ECONOMIC CLASSIFICATION	PROGRAMME 8: TECHNICAL SUPPORT AND DEVELOPMENT FINANCE									
	2019/20					2018/19				
	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	384 789	-	(16 500)	368 289	343 692	24 597	93.3%	814 102	396 150	
Goods and services	384 789	-	(16 500)	368 289	343 692	24 597	93.3%	814 102	396 150	
Administrative fees	-	7	-	7	7	-	100.0%	16	15	
Minor assets	-	-	-	-	-	-	-	70	67	
Catering: Departmental activities	-	14	-	14	14	-	100.0%	-	-	
Computer services	-	56	-	56	56	-	100.0%	12	6	
Consultants: Business and advisory services	384 789	(185)	(16 500)	368 104	343 511	24 593	93.3%	413 721	395 782	
Cons supplies	-	-	-	-	-	-	-	-	1	
Infra & plan services	-	-	-	-	-	-	-	400 000	-	
Operating leases	-	2	-	2	-	2	-	-	-	
Travel and subsistence	-	106	-	106	104	2	98.1%	282	279	
Transfers and subsidies	2 295 543	-	-	2 295 543	2 285 543	10 000	99.6%	2 112 629	1 838 870	
Provinces and municipalities	1 593 961	-	-	1 593 961	1 583 961	10 000	99.4%	1 521 534	1 508 784	
Municipalities	1 593 961	-	-	1 593 961	1 583 961	10 000	99.4%	1 521 534	1 508 784	
Municipal bank accounts	1 593 961	-	-	1 593 961	1 583 961	10 000	99.4%	1 521 534	1 508 784	
Departmental agencies and accounts	701 582	(100 000)	-	601 582	601 582	-	100.0%	591 095	330 086	
Departmental agencies	701 582	(100 000)	-	601 582	601 582	-	100.0%	591 095	330 086	
Public corporations and private enterprises	-	100 000	-	100 000	100 000	-	100.0%	-	-	
Public corporations	-	100 000	-	100 000	100 000	-	100.0%	-	-	
Other transfers to public corporations	-	100 000	-	100 000	100 000	-	100.0%	-	-	
Payments for capital assets	-	-	-	-	-	-	-	48	47	
Machinery and equipment	-	-	-	-	-	-	-	48	47	
Other machinery and equipment	-	-	-	-	-	-	-	48	47	
Total	2 680 332	-	(16 500)	2 663 832	2 629 235	34 597	98.7%	2 926 779	2 235 067	

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

SUBPROGRAMME: 8.1: LOCAL GOVERNMENT FINANCIAL MANAGEMENT SUPPORT	2019/20							2018/19		
	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	148 577	-	-	148 577	148 577	-	100.0%	140 915	140 915	140 915
Goods and services	148 577	-	-	148 577	148 577	-	100.0%	140 915	140 915	140 915
Consultants: Business and advisory services	148 577	-	-	148 577	148 577	-	100.0%	140 915	140 915	140 915
Transfers and subsidies	532 822	-	-	532 822	532 822	-	100.0%	504 566	504 566	504 566
Provinces and municipalities	532 822	-	-	532 822	532 822	-	100.0%	504 566	504 566	504 566
Municipalities	532 822	-	-	532 822	532 822	-	100.0%	504 566	504 566	504 566
Municipal bank accounts	532 822	-	-	532 822	532 822	-	100.0%	504 566	504 566	504 566
Total	681 399	-	-	681 399	681 399	-	100.0%	645 481	645 481	645 481

SUBPROGRAMME: 8.2: URBAN DEVELOPMENT AND SUPPORT	2019/20							2018/19		
	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	50 497	-	-	50 497	46 069	4 428	91.2%	49 353	48 127	48 127
Goods and services	50 497	-	-	50 497	46 069	4 428	91.2%	49 353	48 127	48 127
Consultants: Bus & advisory	50 497	-	-	50 497	46 069	4 428	91.2%	49 353	48 127	48 127
Transfers and subsidies	911 723	-	-	911 723	901 723	10 000	98.9%	875 476	862 726	862 726
Provinces and municipalities	911 723	-	-	911 723	901 723	10 000	98.9%	875 476	862 726	862 726
Municipalities	911 723	-	-	911 723	901 723	10 000	98.9%	875 476	862 726	862 726
Municipal bank accounts	911 723	-	-	911 723	901 723	10 000	98.9%	875 476	862 726	862 726
Total	962 220	-	-	962 220	947 792	14 428	98.5%	924 829	910 853	910 853

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

ECONOMIC CLASSIFICATION	2019/20										2018/19		
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	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	
Current payments	88 000	-	-	88 000	73 285	14 715	83.3%	84 000	72 369	83.3%	84 000	72 369	
Goods and services	88 000	-	-	88 000	73 285	14 715	83.3%	84 000	72 369	83.3%	84 000	72 369	
Consultants: Business and advisory services	88 000	(2)	-	87 998	73 285	14 713	83.3%	84 000	72 369	83.3%	84 000	72 369	
Operating leases	-	2	-	2	-	2	-	-	-	-	-	-	
Transfers and subsidies	554 848	-	-	554 848	554 848	-	100.0%	519 237	258 228	100.0%	519 237	258 228	
Departmental agencies and accounts	554 848	-	-	554 848	554 848	-	100.0%	519 237	258 228	100.0%	519 237	258 228	
Departmental agencies (non-business entities)	554 848	-	-	554 848	554 848	-	100.0%	519 237	258 228	100.0%	519 237	258 228	
Total	642 848	-	-	642 848	628 133	14 715	97.7%	603 237	330 597	97.7%	603 237	330 597	

ECONOMIC CLASSIFICATION	2019/20										2018/19		
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	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	
Current payments	15 000	-	(15 000)	-	-	-	-	-	-	-	-	-	
Goods and services	15 000	-	(15 000)	-	-	-	-	-	-	-	-	-	
Consultants: Bu & advisory	15 000	-	(15 000)	-	-	-	-	-	-	-	-	-	
Transfers and subsidies	46 734	-	-	46 734	46 734	-	100.0%	71 858	71 858	100.0%	71 858	71 858	
Depart agencies & accounts	46 734	-	-	46 734	46 734	-	100.0%	71 858	71 858	100.0%	71 858	71 858	
Departmental agencies	46 734	-	-	46 734	46 734	-	100.0%	71 858	71 858	100.0%	71 858	71 858	
Total	61 734	-	(15 000)	46 734	46 734	-	100.0%	71 858	71 858	100.0%	71 858	71 858	

SUBPROGRAMME: 8.4: GOVERNMENT TECHNICAL ADVISORY CENTRE

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

SUBPROGRAMME: 8.5: INFRASTRUCTURE DEVELOPMENT SUPPORT	2019/20							2018/19	
	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	82 715	-	(1 500)	81 215	75 761	5 454	93.3%	539 834	134 739
Goods and services	82 715	-	(1 500)	81 215	75 761	5 454	93.3%	539 834	134 739
Administrative fees	-	7	-	7	7	-	100.0%	16	15
Minor assets	-	-	-	-	-	-	-	70	67
Catering: Departmental activities	-	14	-	14	14	-	100.0%	-	-
Computer services	-	56	-	56	56	-	100.0%	12	6
Consultants: Business and advisory services	82 715	(183)	(1 500)	81 032	75 580	5 452	93.3%	139 453	134 371
Infrastructure and planning services	-	-	-	-	-	-	-	400 000	-
Consumable supplies	-	-	-	-	-	-	-	1	1
Travel and subsistence	-	106	-	106	104	2	98.1%	282	279
Transfers and subsidies	249 416	-	-	249 416	249 416	-	100.0%	141 492	141 492
Provinces and municipalities	149 416	-	-	149 416	149 416	-	100.0%	141 492	141 492
Municipalities	149 416	-	-	149 416	149 416	-	100.0%	141 492	141 492
Municipal bank accounts	149 416	-	-	149 416	149 416	-	100.0%	141 492	141 492
Departmental agencies and accounts	100 000	(100 000)	-	-	-	-	-	-	-
Departmental agencies (non-business entities)	100 000	(100 000)	-	-	-	-	-	-	-
Public corporations and private enterprises	-	100 000	-	100 000	100 000	-	100.0%	-	-
Public corporations	-	100 000	-	100 000	100 000	-	100.0%	-	-
Other transfers to public corporations	-	100 000	-	100 000	100 000	-	100.0%	-	-
Payments for capital assets	-	-	-	-	-	-	-	48	47
Machinery and equipment	-	-	-	-	-	-	-	48	47
Other mach and equipment	-	-	-	-	-	-	-	48	47
Total	332 131	-	(1 500)	330 631	325 177	5 454	98.4%	681 374	276 278

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

PROGRAMME 9: REVENUE ADMINISTRATION									
SUB PROGRAMME	2019/20					2018/19			
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1 South African Revenue Service	9 529 031	-	-	9 529 031	9 529 031	-	100.0%	9 007 217	9 007 217
Total	9 529 031	-	-	9 529 031	9 529 031	-	100.0%	9 007 217	9 007 217

PROGRAMME 9: REVENUE ADMINISTRATION									
ECONOMIC CLASSIFICATION	2019/20					2018/19			
	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	9 529 031	-	-	9 529 031	9 529 031	-	100.0%	9 007 217	9 007 217
Departmental agencies and accounts	9 529 031	-	-	9 529 031	9 529 031	-	100.0%	9 007 217	9 007 217
Departmental agencies and accounts	9 529 031	-	-	9 529 031	9 529 031	-	100.0%	9 007 217	9 007 217
Total	9 529 031	-	-	9 529 031	9 529 031	-	100.0%	9 007 217	9 007 217

SUBPROGRAMME: 9.1: SOUTH AFRICAN REVENUE SERVICE									
ECONOMIC CLASSIFICATION	2019/20					2018/19			
	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	9 529 031	-	-	9 529 031	9 529 031	-	100.0%	9 007 217	9 007 217
Departmental agencies and accounts	9 529 031	-	-	9 529 031	9 529 031	-	100.0%	9 007 217	9 007 217
Departmental agencies (non-business entities)	9 529 031	-	-	9 529 031	9 529 031	-	100.0%	9 007 217	9 007 217
Total	9 529 031	-	-	9 529 031	9 529 031	-	100.0%	9 007 217	9 007 217

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

PROGRAMME 10: FINANCIAL INTELLIGENCE AND STATE SECURITY									
SUB PROGRAMME	2019/20					2018/19			
	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	294 324	-	-	294 324	294 324	-	100.0%	278 716	278 716
2	4 656 729	-	-	4 656 729	4 656 729	-	100.0%	4 484 817	4 484 817
Total	4 951 053	-	-	4 951 053	4 951 053	-	100.0%	4 763 533	4 763 533

PROGRAMME 10: FINANCIAL INTELLIGENCE AND STATE SECURITY									
ECONOMIC CLASSIFICATION	2019/20					2018/19			
	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	4 951 053	-	-	4 951 053	4 951 053	-	100.0%	4 763 533	4 763 533
Departmental agencies and accounts	4 951 053	-	-	4 951 053	4 951 053	-	100.0%	4 763 533	4 763 533
Departmental agencies and accounts	4 951 053	-	-	4 951 053	4 951 053	-	100.0%	4 763 533	4 763 533
Total	4 951 053	-	-	4 951 053	4 951 053	-	100.0%	4 763 533	4 763 533

SUBPROGRAMME: 10.1: FINANCIAL INTELLIGENCE CENTRE									
ECONOMIC CLASSIFICATION	2019/20					2018/19			
	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	294 324	-	-	294 324	294 324	-	100.0%	278 716	278 716
Departmental agencies and accounts	294 324	-	-	294 324	294 324	-	100.0%	278 716	278 716
Departmental agencies (non-business entities)	294 324	-	-	294 324	294 324	-	100.0%	278 716	278 716
Total	294 324	-	-	294 324	294 324	-	100.0%	278 716	278 716

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

SUBPROGRAMME: 10.2: SECRET SERVICES	2019/20							2018/19	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
ECONOMIC CLASSIFICATION									
Transfers and subsidies	4 656 729	-	-	4 656 729	4 656 729	-	100.0%	4 484 817	4 484 817
Departmental agencies and accounts	4 656 729	-	-	4 656 729	4 656 729	-	100.0%	4 484 817	4 484 817
Departmental agencies (non-business entities)	4 656 729	-	-	4 656 729	4 656 729	-	100.0%	4 484 817	4 484 817
Total	4 656 729	-	-	4 656 729	4 656 729	-	100.0%	4 484 817	4 484 817

NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

	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-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 the note to 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

511 370	453 634	57 736	11%
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The underspending was mainly on Compensation of Employees due to vacant posts that were not filled, and utility bills which were lower than anticipated as well as under-spending on operating leases. Machinery and equipment due to the procurement of a storage resource manager and Central Processing Unit (CPU), which could not be processed due to the national lockdown; hence the service providers were not able to deliver the assets.

Programme 2:

ECONOMIC POLICY, TAX, FINANCIAL REGULATION
AND RESEARCH

138 125	124 881	13 244	10%
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The underspending was mainly on Compensation of Employees due to vacant posts that were not filled and saving on consultancy services relating to the Emoluments Attachment Orders (EAOs), project cumulative savings due to a lower rate negotiated on the corresponding month-to-month contract.

Programme 3:

PUBLIC FINANCE AND BUDGET MANAGEMENT

318 558	306 883	11 675	4%
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The underspending was mainly on consultancy services and operating payments due to savings realised through the utilisation of internal resources relating to the editing and publication of the 2020 ENE and Budget Review documents.

NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	VARIANCE AS A % OF FINAL APPROP.
	R'000	R'000	R'000	%

Programme 4:

ASSET AND LIABILITY MANAGEMENT

102 929	96 718	6 211	6%
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The underspending was mainly on Compensation of Employees due to vacant posts that were not filled.

Programme 5:FINANCIAL ACCOUNTING AND SUPPLY CHAIN
MANAGEMENT SYSTEMS

1 004 188	796 790	207 398	21%
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The underspending was mainly on Goods and Services under computer services due to lower than anticipated expenditure on services related to legacy systems, and the consultancy services relating to the Municipal Finance Recovery Service (MFRS) due to the delayed appointment of a panel of service providers. Expenditure for implementation of the Integrated Financial Management Systems (IFMS) was lower than anticipated due to delays in the commencement of the common design phase. The delayed appointment of a panel of service providers and revised procurement plan by the Office of the Chief Procurement Officer (OCPO) led to the postponement of various projects to the 2020/21 financial year.

Programme 6:

INTERNATIONAL FINANCIAL RELATIONS

5 948 131	5 458 763	489 368	8%
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The underspending was mainly on Payment of Financial Assets relating to the unspent allocation for the International Bank of Reconstruction and Development (IBRD) and the African Development Bank (AFDB). The process subscribing to the recapitalisation of the aforementioned foreign institutions was not concluded as anticipated.

Programme 7:CIVIL AND MILITARY PENSIONS, CONTRIBUTIONS TO
FUNDS

5 524 503	5 487 100	37 403	1%
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The underspending was mainly on Transfers and Subsidies under Injury on Duty claims which were projected to have been received from employer departments; however, these were not forthcoming, hence the under-spending; and SA Citizen Force relating to the decision to suspend review cases due to non-submission of progress reports of pensioners' and dependants' life certificates for mortality.

NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	VARIANCE AS A % OF FINAL APPROP.
	R'000	R'000	R'000	%

Programme 8:

TECHNICAL SUPPORT AND DEVELOPMENT FINANCE	2 663 832	2 629 235	34 597	1%
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Unspent funds on the Neighbourhood Development Partnership Grant (NDPG) was mainly due to funds that were withheld as municipalities were non-compliant with the NDP framework and the Division of Revenue Act. Also, the Jobs Fund unspent operational expenditure due to lower than anticipated cost recovery claims received from GTAC.

Programme 9:

REVENUE ADMINISTRATION	9 529 031	9 529 031	-	0%
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Programme 10:

FINANCIAL INTELLIGENCE AND STATE SECURITY	4 951 053	4 951 053	-	0%
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4.2 PER ECONOMIC CLASSIFICATION:

Current expenditure	2 325 806	2 014 384	311 422	13,4%
Compensation of employees	847 205	804 819	42 386	5,0%
Goods and services	1 478 601	1 209 565	269 036	18,2%
Interest and rent on land	-	-	-	0,0%
Transfers and subsidies	23 576 130	23 532 333	43 797	0,2%
Provinces and municipalities	1 593 961	1 583 961	10 000	0,6%
Departmental agencies and accounts	15 279 327	15 279 324	3	0,0%
Higher education institutions	-	-	-	0,0%
Public corporations and private enterprises	100 000	100 000	-	0,0%
Foreign governments and international organisations	1 136 191	1 134 773	1 418	0,1%
Non-profit institutions	-	-	-	0,0%
Households	5 466 651	5 434 275	32 376	0,6%

NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	VARIANCE AS A % OF FINAL APPROP.
	R'000	R'000	R'000	%
Payments for capital assets	42 868	13 555	29 313	68,4%
Buildings and other fixed structures	-	-	-	0,0%
Machinery and equipment	35 476	13 532	21 944	61,9%
Heritage assets	-	-	-	0,0%
Specialised military assets	-	-	-	0,0%
Biological assets	-	-	-	0,0%
Land and subsoil assets	-	-	-	0,0%
Software and other intangible assets	7 392	23	7 369	99,7%
Payments for financial assets	4 746 916	4 273 816	473 100	10,0%
Total per economic classification	30 691 720	29 834 088	857 632	

Underspending on **Compensation of Employees** was mainly due to a longer than anticipated recruitment process to fill vacant positions which was compounded by the suspension of non-critical positions pending the finalisation of the departmental organisational review. Underspending on **Goods and Services** was mainly on the IFMS, MFRS and OCPO projects which were lower than anticipated. **Machinery and Equipment** relates to the procurement of a storage resources manager and Central Processing Unit (CPU), which could not be processed due to the national lockdown, hence the service providers were not able to deliver the assets. The variances on **Payments for Financial Assets** relates to the new GCI for African Development Bank which was deferred to the 2020/21 financial year due to longer than anticipated negotiations.

4.3 PER CONDITIONAL GRANT

<i>Financial Management grant - municipalities</i>	532 822	532 822	-	0,0%
Infrastructure Skills Development grant - municipalities	149 416	149 416	-	0,0%
Neighbourhood Development Partnership grant	601 672	591 672	10 000	1,7%
Integrated Cities Development Grant	310 051	310 051	-	0,0%
Sub-total	1 593 961	1 583 961	10 000	
<i>Neighbourhood Development Partnership indirect grant</i>	50 497	46 069	4 428	8,8%
Total	1 644 458	1 630 030	14 428	

PART E: ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2020

NOTES TO THE APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	VARIANCE AS A % OF FINAL APPROP.
	R'000	R'000	R'000	%

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 2020

		2019/20	2018/19
	NOTE	R'000	R'000
REVENUE			
Annual appropriation	1	30 691 720	29 710 233
Departmental revenue	2	8 639 087	7 113 723
Aid assistance	3	105 747	64 268
TOTAL REVENUE		39 436 554	36 888 224
EXPENDITURE			
Current expenditure			
Compensation of employees	4	804 818	790 344
Goods and services	5	1 209 566	1 280 910
Aid assistance	3	51 090	49 958
Total current expenditure		2 065 474	2 121 212
Transfers and subsidies			
Transfers and subsidies	7	23 532 333	21 962 844
Total transfers and subsidies		23 532 333	21 962 844
Expenditure for capital assets			
Tangible assets	8	13 531	20 467
Intangible assets	8	23	2 982
Total expenditure for capital assets		13 554	23 449
Payments for financial assets	6	4 273 817	4 594 743
TOTAL EXPENDITURE		29 885 178	28 702 248
SURPLUS/(DEFICIT) FOR THE YEAR		9 551 376	8 185 976
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds		857 632	1 057 943
Annual appropriation		847 632	1 045 192
Conditional grants		10 000	12 751
Departmental revenue and NRF Receipts	2	8 639 087	7 113 723
Aid assistance	3	54 657	14 310
SURPLUS/(DEFICIT) FOR THE YEAR		9 551 376	8 185 976

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2020

		2019/20	2018/19
	NOTE	R'000	R'000
ASSETS			
Current Assets		1 722 910	1 109 759
Cash and cash equivalents	9	1 648 265	1 067 642
Prepayments and advances	10	23 967	18 485
Receivables	11	50 678	23 632
Non-Current Assets		419 303	404 756
Investments	12	400 957	400 956
Receivables	11	18 346	3 800
TOTAL ASSETS		2 142 213	1 514 515
LIABILITIES			
Current Liabilities		1 740 360	1 112 665
Voted funds to be surrendered to the Revenue Fund	13	857 631	1 057 940
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	14	807 925	23 851
Payables	15	20 147	16 663
Aid assistance repayable	4	54 657	14 211
Non-Current Liabilities			
Payables	16	3	-
TOTAL LIABILITIES		1 740 363	1 112 665
NET ASSETS		401 850	401 850
Represented by:			
Capitalisation reserve		400 957	400 957
Recoverable revenue		893	893
TOTAL		401 850	401 850

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2020

		2019/20	2018/19
	NOTE	R'000	R'000
NET ASSETS			
Capitalisation Reserves			
Opening balance	12	400 956	23 409 714
Transfers:			
Movement in Operational Funds		-	(23 008 758)
Closing balance		400 956	400 956
Recoverable revenue			
Opening balance		894	1 110
Transfers		-	(216)
Debts recovered (included in departmental receipts)		-	(216)
Closing balance		894	894
TOTAL		401 850	401 850

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020

		2019/20	2018/19
	NOTE	R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		39 436 519	36 808 224
Annual appropriated funds received	1,1	30 691 720	29 710 233
Departmental revenue received	2	335 586	283 536
Interest received	2,2	8 303 466	6 750 187
Aid assistance received	3	105 747	64 268
Net (increase)/ decrease in working capital		(29 044)	65 455
Surrendered to Revenue Fund		(8 912 954)	(7 782 454)
Surrendered to RDP Fund/Donor		(14 305)	(5 984)
Current payments		(2 065 474)	(2 121 212)
Payments for financial assets		(4 273 817)	(4 594 743)
Transfers and subsidies paid		(23 532 333)	(21 962 844)
Net cash flow available from operating activities	17	608 592	406 442
CASH FLOWS FROM INVESTING ACTIVITIES			
Distribution/dividend received		-	80 000
Payments for capital assets	8	(13 554)	(23 449)
Proceeds from sale of capital assets	2,3	35	-
(Increase)/ decrease in investments		(1)	23 008 758
(Increase)/ decrease in other financial assets		-	-
(Increase)/decrease in non-current receivables		(14 546)	-
Net cash flows from investing activities		(28 066)	23 065 309
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/ (decrease) in net assets		-	(23 008 974)
Increase/ (decrease) in non-current payables		3	-
Net cash flows from financing activities		3	(23 008 974)
Net increase/ (decrease) in cash and cash equivalents		580 529	462 777
Cash and cash equivalents at beginning of period		1 067 642	604 765
Unrealised gains and losses within cash and cash equivalents		94	100
Cash and cash equivalents at end of period	18	1 648 265	1 067 642

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

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.

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

7.3 ACCRUED DEPARTMENTAL REVENUE

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the department; and
- The amount of revenue can be measured reliably.

The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and/or 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

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 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 are on-going negotiations.

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

11. PREPAYMENTS AND ADVANCES

Prepayments and advances are recognised in the statement of financial position only when the department becomes party to the provisions of the arrangement and receives or disburses the cash. Alternatively, the department may recognise prepayments and advances in the statement of financial performance in accordance with MCS on Expenditure if the prepayment was budgeted for as an expense in the year in which the actual prepayment was made. The department discloses in its notes for prepayments and advances a reconciliation of the opening balance and the closing balance at the end of the reporting period where goods and services were partially received or prior to the recipient earning the cash, in the case of transfer and subsidies.

12. LOANS AND RECEIVABLES

Loans and receivables are recognised in the statement of financial position at cost plus accrued interest where interest is charged less amounts already settled or written-off. 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

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 are measured at fair value as at the date of acquisition.

Where the cost of immovable capital assets cannot be determined reliably, the immovable capital assets are measured at cost/fair value for recording in the asset register.

Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department, in which case the completed project costs are transferred to that department.

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 are 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

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.

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 7 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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

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.

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,

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

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.

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. The 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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

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 2020 ► CONTINUED**PART B: EXPLANATORY NOTES****1. ANNUAL APPROPRIATION****1.1. APPROPRIATION PER PROGRAMME**

PROGRAMMES	2019/20			2018/19		
	FINAL APPROPRIATION R'000	ACTUAL FUNDS RECEIVED R'000	FUNDS NOT REQUESTED/ NOT RECEIVED R'000	FINAL APPROPRIATION R'000	APPROPRIATION RECEIVED R'000	FUNDS NOT REQUESTED/ NOT RECEIVED R'000
Administration	511 370	511 370	-	453 819	453 819	-
Economic Policy, Tax, Financial Regulation & Research	138 125	138 125	-	152 770	152 770	-
Public Finance & Budget Management	318 558	318 558	-	298 047	298 047	-
Asset & Liability Management	102 929	102 929	-	101 585	101 585	-
Financial Accounting & Supply Chain Management Systems	1 004 188	1 004 188	-	1 102 085	1 102 085	-
International Financial Relations	5 948 131	5 948 131	-	5 883 121	5 883 121	-
Civil & Military Pensions	5 524 503	5 524 503	-	5 021 277	5 021 277	-
Technical Support & Development Finance	2 663 832	2 663 832	-	2 926 779	2 926 779	-
Revenue Administration	9 529 031	9 529 031	-	9 007 217	9 007 217	-
Financial Intelligence & State Security	4 951 053	4 951 053	-	4 763 533	4 763 533	-
Total	30 691 720	30 691 720	-	29 710 233	29 710 233	-

1.2. CONDITIONAL GRANT

Total grants received	40	1 644 418	1 576 728
Provincial grants included in Total Grants received		-	-

Conditional grants are included as part of the Annual Appropriation. Refer to note 40 for statement of conditional grants received.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

	2019/20	2018/19
NOTE	R'000	R'000

2. DEPARTMENTAL REVENUE

Sales of goods and services other than capital assets	2,1	75 445	125 379
Interest, dividends and rent on land	2,2	8 303 466	6 830 187
Sales of capital assets	2,3	35	-
Transactions in financial assets and liabilities	2,4	260 141	158 157
Departmental revenue collected		8 639 087	7 113 723

An increase of R1,525 billion (21%) in revenue was due to higher interest received from the investment accounts held with four (4) commercial banks, Citibank and Investec in the tax and loan accounts.

2.1. SALE OF GOOD AND SERVICES OTHER THAN CAPITAL ASSETS

Sales of goods and services produced by the department		75 443	125 191
Sales by market establishment		83	90
Administrative fees		1	1
Other sales		75 359	125 100
Sales of scrap, waste and other used current goods		2	188
Total		75 445	125 379

2.2. INTEREST, DIVIDENDS AND RENT ON LAND

Interest		8 303 466	6 750 187
Dividends		-	80 000
Total		8 303 466	6 830 187

The increase in interest was due to higher interest received from investments made with the commercial banks.

2.3. SALE OF CAPITAL ASSETS

Machinery and equipment	32	35	-
Total		35	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

	2019/20	2018/19
NOTE	R'000	R'000

2.4. TRANSACTIONS IN FINANCIAL ASSET AND LIABILITIES

Receivables	8 183	24 863
Other Receipts including Recoverable Revenue	251 958	133 294
Total	260 141	158 157

2.5. CASH RECEIVED NOT RECOGNISED
(NOT INCLUDED IN THE MAIN NOTE) – 2019/20

Name of entity	AMOUNT RECEIVED	AMOUNT PAID TO REVENUE FUND	BALANCE
	R'000	R'000	R'000
Funds surrendered by municipalities	(318 742)	318 742	-
Total	(318 742)	318 742	-

Cash received not recognised (not included in the main note) - 2018/19

Name of entity	AMOUNT RECEIVED	AMOUNT PAID TO REVENUE FUND	BALANCE
	R'000	R'000	R'000
Funds surrendered by municipalities	(458 751)	458 751	-
Total	(458 751)	458 751	-

3. AID ASSISTANCE

Opening Balance	14 305	5 885
Prior period error	-	94
As restated	14 305	5 979
Transferred from statement of financial performance	54 657	14 310
Paid during the year	(14 305)	(5 984)
Closing Balance	54 657	14 305

Opening balance was restated to R14,305; refer to note 3,3 for detail on prior period.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

	2019/20	2018/19
NOTE	R'000	R'000
3.1. ANALYSIS OF BALANCE BY SOURCE		
Aid assistance from RDP	54 657	14 305
Closing Balance	54 657	14 305

3.2. ANALYSIS OF BALANCE

Aid assistance repayable	54 657	14 305
Closing balance	54 657	14 305

3.2.1. 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
Closing balance	14 305	105 747	(14 305)	-51 090	54 657

The opening balance was restated refer to note 3,3

Aid assistance prepayments (expensed) - 2018/19

	AMOUNT AS AT 1 APRIL 2018 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 2019 R'000
Goods and services	5 885	64 268	(5 984)	(49 958)	14 211
Closing balance	5 885	64 268	(5 984)	(49 958)	14 211

3.3. PRIOR PERIOD ERROR

PFMA Ass in Prov PEFA METH (Aid assistance)

(94)

Total prior period errors

(94)

Timing difference in reporting periods led to overspending of R94 thousand due to over expenditure that was incurred in prior period (2018/19) while the funds were availed in 2019/20 for aid assistance on Public Finance Management.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

	2019/20	2018/19
NOTE	R'000	R'000
3.4. AID ASSISTANCE EXPENDITURE PER ECONOMIC CLASSIFICATION		
Current	51 090	49 958
Total aid assistance expenditure	51 090	49 958
4. COMPENSATION OF EMPLOYEES		
4.1. SALARIES AND WAGES		
Basic salary	553 151	540 350
Performance award	13 882	12 309
Service Based	2 408	1 693
Compensative/circumstantial	2 926	2 617
Other non-pensionable allowances	147 349	150 534
Total	719 716	707 503
4.2. SOCIAL CONTRIBUTIONS		
Pension	68 997	67 199
Medical	16 009	15 551
Bargaining council	96	91
Total	85 102	82 841
Total compensation of employees	804 818	790 344
Average number of employees	1 017	1 062

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

		2019/20	2018/19
	NOTE	R'000	R'000
Administrative fees		2 606	7 166
Advertising		894	1 370
Minor assets	5,1	1 678	343
Bursaries (employees)		2 864	4 328
Catering		1 315	1 285
Communication		6 949	7 102
Computer services	5,2	403 850	390 500
Consultants: Business and advisory services		554 453	628 913
Laboratory services		12	-
Legal services		12 840	13 905
Contractors		17 724	20 880
Agency and support / outsourced services		7 440	6 732
Entertainment		50	89
Audit cost – external	5,3	17 579	16 114
Fleet services		3 218	3 387
Consumables	5,4	7 837	8 165
Operating leases		82 839	59 816
Property payments	5,5	24 380	19 715
Travel and subsistence	5,6	38 863	69 578
Venues and facilities		12 254	9 569
Training and development		2 752	2 645
Other operating expenditure	5,7	7 169	9 308
Total		1 209 566	1 280 910

The decrease in Goods and Services was mainly due to underspending on consultants as a result of delayed procurement of professional services and commencement of the common design phase for the Integrated Financial Management System (IFMS) project and delayed appointment of panel of service providers for Municipal Finance Recovery Service (MFRS).

5.1. MINOR ASSETS - TANGIBLE

Machinery and equipment		1 678	343
Total		1 678	343

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

	2019/20	2018/19
NOTE	R'000	R'000

5.2. COMPUTER SERVICES

SITA computer services	70 733	48 868
External computer service providers	333 117	341 632
Total	403 850	390 500

Increase in computer services was due to an increased service for operational support in relation to the legacy systems for BAS, PERSAL, LOGIS and Vulindlela.

5.3. AUDIT COST – EXTERNAL

Regularity audits	17 579	16 114
Total	17 579	16 114

5.4. CONSUMABLES

Consumable supplies	3 003	2 472
Uniform and clothing	74	24
Household supplies	2 027	1 659
Building material and supplies	150	92
Communication accessories	1	-
IT consumables	595	645
Other consumables	156	52
Stationery, printing and office supplies	4 834	5 693
Total	7 837	8 165

5.5. PROPERTY PAYMENTS

Municipal services	23 025	18 696
Property management fees	1 151	935
Other	204	84
Total	24 380	19 715

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

	2019/20	2018/19
NOTE	R'000	R'000

5.6. TRAVEL AND SUBSISTENCE

Local	22 990	34 313
Foreign	15 873	35 265
Total	38 863	69 578

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	3 181	3 129
Resettlement costs	85	73
Other	3 903	6 106
Total	7 169	9 308

6. PAYMENT FOR FINANCIAL ASSETS

Extension of loans for policy purposes		4 273 500	4 593 962
Debts written off	6,1	317	781
Total		4 273 817	4 594 743

The decrease in payment for financial assets was mainly due to unspent allocation for the International Bank of Reconstruction and Development (IBRD) and the African Development Bank for the General and Selective Capital increases.

6.1. LOSSES AND DAMAGES

Losses and damages		317	781
Total		317	781

7. TRANSFERS AND SUBSIDIES

Provinces and municipalities	NAS 4.3	1 583 961	1 508 784
Departmental agencies and accounts	ANNEXURE 1B	15 279 324	14 327 245
Foreign governments and international organisations	ANNEXURE 1E	1 134 773	1 159 123
Public corporations and private enterprises	ANNEXURE 1D	100 000	-
Households	ANNEXURE 1G	5 434 275	4 967 692
Total		23 532 333	21 962 844

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

	2019/20	2018/19
NOTE	R'000	R'000

Increase in Departmental agencies and accounts was due to the higher transfers made to the Government Technical Advisory Centre (R271.496 million), South African Revenue Service (R521.814 million) and Secret Services (R171.912 million) compared to prior year. Increase in Households was due to the higher transfers made to Post-Retirement Medical Scheme Contribution (R387.679 million) compared to prior year.

8. EXPENDITURE FOR CAPITAL ASSETS

Tangible assets		13 531	20 467
Machinery and equipment	32,1	13 531	20 467
Intangible assets	35,1	23	2 982
Software		23	2 982
Total		13 554	49

8.1. ANALYSIS OF FUNDS UTILISED TO ACQUIRE CAPITAL ASSETS 2019/20

	VOTED FUNDS	AID ASSISTANCE	TOTAL
	R'000	R'000	R'000
Tangible assets	13 531	-	13 531
Machinery and equipment	13 531		13 531
Intangible assets	23	-	23
Software	23		23
Total	13 554	-	13 554

The department received lesser requests for procurement of computer equipment and software licences; hence a decline in expenditure for tangible and intangible capital assets.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

	2019/20	2018/19
NOTE	R'000	R'000

8.2. ANALYSIS OF FUNDS UTILISED TO ACQUIRE CAPITAL ASSETS 218/19

	VOTED FUNDS	AID ASSISTANCE	TOTAL
	R'000	R'000	R'000
Tangible assets	20 467	-	20 467
Machinery and equipment	20 467	-	20 467
Intangible assets	2 982	-	2 982
Software	2 982	-	2 982
Total	23 449	-	23 449

8.3. FINANCE LEASE EXPENDITURE INCLUDED IN THE EXPENDITURE FOR CAPITAL ASSETS

Tangible assets		
Machinery and equipment	-	4
Total	-	4

9. CASH AND CASH EQUIVALENTS

Consolidated Paymaster General Account	1 646 723	1 016 202
Cash on hand	23	20
Investments (Domestic)	1 519	51 420
Total	1 648 265	1 067 642

An increase in the consolidated Paymaster General Account was due to underspent funds of R858 million against the budget and R807 million interest received from commercial banks which was then paid back to the National Revenue Fund in April 2020.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

		2019/20	2018/19
NOTE		R'000	R'000
Travel and subsistence		7	20
Prepayments (Not expensed)	10,2	17 798	18 168
Advance paid (Not expensed)	10,1	6 162	297
Total		23 967	18 485

An increase in advances was mainly paid to Government Pensions Administration Agency (GPAA).

10.1. ADVANCES PAID (NOT EXPENSED)

NOTE	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
Total	297	(297)	-	6 162	6 162

	BALANCE AS AT 1 APRIL 2018	LESS: AMOUNT EXPENSED IN CURRENT YEAR	ADD/LESS: OTHER	ADD: CURRENT YEAR ADVANCES	BALANCE AS AT 31 MARCH 2019
	R'000	R'000	R'000	R'000	R'000
National departments	359	(359)	-	-	-
Public entities	-	-	297	-	297
Total	359	(359)	297	-	297

10.2. PREPAYMENTS NOT EXPENSED

	BALANCE AS AT 1 APRIL 2019	LESS: AMOUNT EXPENSED IN CURRENT YEAR	ADD/LESS: OTHER	ADD: CURRENT YEAR PREPAYMENTS	BALANCE AS AT 31 MARCH 2020
	R'000	R'000	R'000	R'000	R'000
<i>Listed by economic classification</i>					
Goods and services	17 630	(805)	-	-	16 825
Other	538	-	-	435	973
Total	18 168	(805)	-	435	17 798

PART E: ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2020

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED**

				2019/20	2018/19	
				R'000	R'000	
	NOTE					
		BALANCE AS AT 1 APRIL 2018	LESS: AMOUNT EXPENSED IN CURRENT YEAR	ADD/LESS: OTHER	ADD: CURRENT YEAR PREPAYMENTS	BALANCE AS AT 31 MARCH 2019
		R'000	R'000	R'000	R'000	R'000
<i>Listed by economic classification</i>						
Goods and services		18 434	(804)	-	-	17 630
Other		70 033	(70 033)	-	538	538
Total		88 467	(70 837)	-	538	18 168

10.3. 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 - MFIP	114 579	-	(139 568)	148 577	123 588
DBSA - Cities Support Programme	29 889	5 472	(24 985)	-	10 376
GTAC - NDPG	12 594	(3 331)	(46 457)	50 497	13 303
GTAC – Jobs Fund	370	6 891	(413 311)	554 848	148 798
Total	157 432	9 032	(624 321)	753 922	296 065

The National Treasury made current-year advance payments of R149 million to GTAC for the Municipal Financial Improvement Programme (MFIP), R50 million for the Neighbourhood Development Partnership Grant (NDPG) and R555 million for the Jobs Fund. There was no current year advance paid to the Development Bank of Southern Africa for the Cities Support Programme.

2018/19	BALANCE AS AT 1 APRIL 2018	LESS: RECEIVED IN THE CURRENT YEAR	ADD/LESS: OTHER	ADD: CURRENT YEAR ADVANCES	AMOUNT AS AT 31 MARCH 2019
	R'000	R'000	R'000	R'000	R'000
GTAC - MFIP	69 110	-	(95 446)	140 915	114 579
DBSA- Cities Support	26 609	20 061	(31 381)	14 600	29 889
GTAC - NDPG	-	12 594	-	-	12 594
GTAC – Jobs Fund	41 639	(88 041)	(283 825)	330 597	370
Total	137 358	(55 386)	(410 652)	486 112	157 432

Advances paid for 2018/19 were restated; refer to note 39,2 for prior year adjustment of R15,289 million in relation to Cities Support Programme, R12,594 for Neighbourhood Development Partnership Grant and R370 thousand for Jobs Fund.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

	2019/20	2018/19
NOTE	R'000	R'000

11. RECEIVABLES

	NOTE	2019/20			2018/19		
		CURRENT R'000	NON-CURRENT R'000	TOTAL R'000	CURRENT R'000	NON-CURRENT R'000	TOTAL R'000
Claims recoverable	11,1	42 709	1 990	44 699	209	1 949	2 158
Recoverable expenditure	11,2	183	82	265	749	530	1 279
Staff debt	11,3	364	642	1 006	257	979	1 236
Other receivables	11,4	7 422	15 632	23 054	22 417	342	22 759
Total		50 678	18 346	69 024	23 632	3 800	27 432

11.1. CLAIMS RECOVERABLE

National departments	11	43 480	984
Provincial departments		21	21
Foreign governments		1 198	1 153
Total		44 699	2 158

Increase in claims recoverable was mainly due to other national departments not processing the payment for claims recoverable by 31 March 2020 as a result of the nationwide lockdown on 26 March 2020.

11.2. RECOVERABLE EXPENDITURE

Disallowance damages and losses	11	764	710
Disallowance Miscellaneous		(499)	560
Private telephone		-	9
Total		265	1 279

11.3. STAFF DEBT

Departmental debts	11	1 006	1 236
Total		1 006	1 236

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

		2019/20	2018/19
	NOTE	R'000	R'000
11.4. OTHER RECEIVABLES			
Value added tax (SARS)	11	1 632	1 348
Amounts owed by departments - Civil and military pensions		4 204	4 060
Outstanding debts - Civil and military pensions		39	32
Disallowance - Civil and military pensions		4 114	4 382
Disallowance - Special pensions		12 591	12 937
Other debts - GPAA		474	-
Total		23 054	22 759

11.5. IMPAIRMENT OF RECEIVABLES

Departmental debts	11	8 426	8 351
Total		8 426	8 351

Irrecoverable debt owing to Civil Military Pension (GPAA) due to debtors that were discovered to have been deceased.

12. INVESTMENTS

Development Bank of Southern Africa		200 000	200 000
Public Investment Corporation Limited		1	1
Land Bank		200 955	200 955
Non-cash movements		1	-
Total		400 957	400 956

12.1. ANALYSIS OF NON-CURRENT INVESTMENTS

Opening balance		400 956	23 409 714
Non-cash movements		1	(23 008 758)
Closing balance		400 957	400 956

12.2. IMPAIRMENT OF INVESTMENT

Opening balance		-	23 008 758
Estimate of impairment of investments		-	(23 008 758)
Total		-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

	2019/20	2018/19
NOTE	R'000	R'000

The decrease on investments relates to transfer of SAA to Department of Public Enterprises in the prior year and no impairment of investments was processed in the year under review.

13. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND

Opening balance	1 057 940	692 235
Transfer from statement of financial performance (as restated)	857 632	1 057 943
Paid during the year	(1 057 941)	(692 238)
Closing balance	857 631	1 057 940

14. DEPARTMENTAL REVENUE AND NRF RECEIPTS TO BE SURRENDERED TO THE REVENUE FUND

Opening balance	23 851	344
Transfer from Statement of Financial Performance (as restated)	8 639 087	7 113 723
Paid during the year	(7 855 013)	(7 090 216)
Closing balance	807 925	23 851

The department received R23.851 million through Government Pension Administration Agency and R8.639 billion in interest on the tax and loan accounts. R7.855 billion was paid to National Revenue Fund. The remaining amount of R800 million was paid as revenue accrual in April and May respectively as the amount was received from South African Reserve Bank after the final revenue amount for March 2020 was paid to the NRF.

15. PAYABLE – CURRENT

Amounts owing to other entities	15,1	-	4 068
Clearing accounts	15,2	208	183
Other payables	15,3	19 939	12 412
Total		20 147	16 663

15.1. ADVANCE RECEIVED

Other institutions	Annex 8B	-	4 068
Total		-	4 068

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

	2019/20	2018/19
NOTE	R'000	R'000

15.2. CLEARING ACCOUNTS

Income Tax (PAYE)	103	167
Bargaining council	1	-
Government Employees Housing Scheme	25	-
VAT Input	4	-
Salary suspense	75	16
Total	208	183

15.3. OTHER PAYABLES

Civil and military pensions	18 457	11 447
Special pensions	1 482	965
Total	19 939	12 412

16. PAYABLES – NON-CURRENT

		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	R'000
Advances received	16.1	3	-	-	3	-
Total		3	-	-	3	-

16.1. ADVANCE RECEIVED

Public entities	Annex 8B	3	-
Total		3	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

	2019/20	2018/19
NOTE	R'000	R'000
17. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES		
Net surplus/(deficit) as per Statement of Financial Performance	9 551 376	8 185 976
Add back non-cash/cash movements not deemed operating activities	(8 942 784)	(7 779 534)
(Increase)/decrease in receivables	(27 046)	8 475
(Increase)/decrease in prepayments and advances	(5 482)	70 344
Increase/(decrease) in payables – current	3 484	(13 364)
Proceeds from sale of capital assets	(35)	-
Expenditure on capital assets	13 554	23 449
Surrenders to Revenue Fund	(8 912 954)	(7 782 454)
Surrenders to RDP Fund/Donor	(14 305)	(5 984)
Other non-cash items		(80 000)
Net cash flow generated by operating activities	608 592	406 442

18. RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES

Consolidated Paymaster General account	1 646 723	1 016 202
Cash on hand	23	20
Cash with commercial banks (Local)	1 519	51 420
Total	1 648 265	1 067 642

19. CONTINGENT LIABILITIES

Other guarantees	Annex 3A	7 305 144	5 298 419
Claims against the department	Annex 3B	56 473	56 473
Other	Annex 3B	411 106	382 308
Total		7 772 723	5 737 200

The 2018/19 amount on claims against the department were restated to exclude claims that are not for vote 7. The increase in other guarantees was mainly due to an increase in drawdowns during the year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

	2019/20	2018/19
NOTE	R'000	R'000

20. COMMITMENTS

Capital expenditure	-	-
Total	-	-

The reduction in commitments is due to the change in the accounting framework (MCS) effective from 1 April 2019; departments are no longer required to disclose commitments that relate to current expenditure.

21. ACCRUALS

	30 DAYS	30+ DAYS	2019/20 TOTAL	2018/19 TOTAL
LISTED BY ECONOMIC CLASSIFICATION				
Goods and services	70 167	7 776	77 943	85 138
Transfers and subsidies	698	-	698	96
Capital assets	-	-	-	12
Other	7 790	-	7 790	9 000
Total	78 655	7 776	86 431	94 246

Listed by programme level

Administration	4 130	10 504
Economic Policy, Tax, Financial regulation and Research	1 497	5 894
Public Finance and Budget Management	1 222	1 623
Asset and Liability Management	1 048	711
Financial Systems and Accounting	32 924	29 591
International Financial Relations	282	2 158
Civil and Military Pensions, Contributions to Funds and Other Benefits	37 538	34 765
Government Technical Advisory Centre - MFIP	7 790	9 000
Total	86 431	94 246

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

	2019/20	2018/19
NOTE	R'000	R'000
22. EMPLOYEE BENEFITS		
Leave entitlement	29 287	27 476
Service bonus	16 952	16 615
Performance awards	6 520	13 040
Capped leave	8 257	10 040
Total	61 016	67 171

23. LEASE COMMITMENTS

23.1. OPERATING LEASE

2019/20	BUILDINGS AND OTHER FIXED STRUCTURES R'000	MACHINERY AND EQUIPMENT R'000	TOTAL R'000
Not later than 1 year	74 168	2 065	76 233
Later than 1 year and not later than 5 years	266 817	267	267 084
Later than five years	198 511	-	198 511
Total lease commitments	539 496	2 332	541 828
2018/19	BUILDINGS AND OTHER FIXED STRUCTURES R'000	MACHINERY AND EQUIPMENT R'000	TOTAL R'000
Not later than 1 year	81 463	3 162	84 625
Later than 1 year and not later than 5 years	696	1 646	248 342
Later than five years	348 410	-	348 410
Total lease commitments	676 569	4 808	681 377

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

	2019/20	2018/19
NOTE	R'000	R'000

23.2. FINANCE LEASE

2019/20	SPECIALISED MILITARY ASSETS	LAND	BUILDINGS AND OTHER FIXED STRUCTURES	MACHINERY AND EQUIPMENT	TOTAL
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	1 502	1 502
Later than 1 year and not later than 5 years	-	-	-	533	533
Total lease commitments	-	-	-	2 035	2 035

2018/19	SPECIALISED MILITARY ASSETS	LAND	BUILDINGS AND OTHER FIXED STRUCTURES	MACHINERY AND EQUIPMENT	TOTAL
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	881	881
Later than 1 year and not later than 5 years	-	-	-	434	434
Total lease commitments	-	-	-	1 315	1 315

24. ACCRUED DEPARTMENTAL REVENUE

Sales of goods and services other than capital assets	-	1
Interest, dividends and rent on land	479 880	220 017
Transactions in financial assets and liabilities	4	346
Investment (Sanlam Focus Fund)	113 030	-
Total	592 914	220 364

The increase in interest was due to the amount received from sterilisation deposit account held with the South African Reserve Bank for which the amount was only received after lockdown on 26 March 2020. Sanlam Focus Fund was closed and an amount of R113.030 million was received in July 2020.

24.1. ANALYSIS OF ACCRUED DEPARTMENTAL REVENUE

Opening balance	220 364	451 274
Less: Amounts received	220 364	451 274
Add: Amounts recognised	479 884	220 364
Closing balance	479 884	220 364

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

	2019/20	2018/19
NOTE	R'000	R'000

25. IRREGULAR EXPENDITURE

25.1 RECONCILIATION OF IRREGULAR EXPENDITURE

Opening balance		222 126	809 432
Prior period error	Note		(365 523)
As restated		222 126	443 909
Add: Irregular expenditure - relating to prior year	25,2	220 931	61 719
Add: Irregular expenditure - relating to current year	25,2	28 225	404 227
Less: Prior year amounts condoned	25,3	(76 274)	(687 456)
Less: Current year amounts condoned	25,3	(6 775)	(273)
Closing balance		388 233	222 126

Analysis of closing balance

Current year		249 156	125 892
Prior years		139 077	96 234
Total		388 233	222 126

Current year closing balance of R388,233 million comprises of R249,156 million added in the current year in relation to prior and current year expenditure, less R83,049 million condoned in the current year in relation to expenditure incurred in prior and current year.

25.2. DETAIL OF CURRENT AND PRIOR YEAR IRREGULAR EXPENDITURE (ADDED CURRENT YEAR (UNDER INVESTIGATION))

INCIDENT	CORRECTIVE STEPS TAKEN	2019/20 R'000
Procurement of services for the development and enhancement of the Central Supplier Database (CSD) functionality that were procured in terms of the TR 16A6.6 through an existing SLA.	Irregular expenditure confirmed. Request for condonation submitted	10 900
Goods and services procured without a contract. No competitive bidding process (ALM's Back Office Software)	Irregular expenditure confirmed. Request for condonation submitted	4 426
Goods and services procured without a contract. No competitive bidding process (IFMS Project)	Irregular expenditure confirmed. Request for condonation submitted	15 199
Bid specification not based on relevant characteristic (Webfocus)	Investigations completed. Request for condonation in process.	1 697

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

		2019/20	2018/19
	NOTE	R'000	R'000
			2019/20
INCIDENT	CORRECTIVE STEPS TAKEN		R'000
No competitive bidding process or quotations	Irregular expenditure confirmed. Request for condonation submitted		5 174
Goods and services procured without a contract	Investigations completed. Request for condonation in process.		550
Goods and services procured without a contract	Irregular expenditure confirmed. Request for condonation submitted		24 148
No competitive bidding process or quotations	Irregular expenditure confirmed. Request for condonation submitted		2 804
NT003-2018 Bidder who failed to meet the pre-qualifying criteria was not disqualified and their entire Panel was declared Irregular	Investigations completed. Request for condonation in process.		531
Payments made for services rendered outside expired contract	Irregular expenditure confirmed. Investigations to be initiated		12 420
No competitive bidding process or quotations	Irregular expenditure confirmed. Request for condonation in process.		340
Payments made without service Level Agreement	Irregular expenditure confirmed. Request for condonation in process.		131
No competitive bidding process or quotations	Irregular expenditure confirmed. Request for condonation in process.		217
Salary paid to an employee of the department while rendering services to another department	Irregular expenditure confirmed. Request for condonation submitted		237
Contract value exceeded without prior approval	Irregular expenditure confirmed. Request for condonation in process.		2 504
Payments made for services rendered under expired contract	Irregular expenditure confirmed. Investigations to be initiated		203
Non-compliance with Bid Specifications and TR section 16A8.1, 16A8.3, 16A8.5	Irregular expenditure confirmed. Request for condonation		140 348
Contract value exceeded without prior approval	Irregular expenditure confirmed. Request for condonation submitted		174
An agent of NT did not comply with SCM process for MFIP	Condoned		6 775
An agent of NT did not comply with SCM process for MFIP	Irregular expenditure confirmed		2 163
Expenditure incurred without prior approval by the OCPO	Irregular expenditure confirmed		18 215
Total			249 156

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

	2019/20	2018/19
NOTE	R'000	R'000

25.3 DETAIL OF IRREGULAR EXPENDITURE CONDONED

INCIDENT	CORRECTIVE STEPS TAKEN	2019/20 R'000
An agent of NT did not comply with SCM process	Office of the Chief Procurement Officer	75 220
An agent of NT did not comply with SCM process for MFIP	Office of the Chief Procurement Officer	7 829
Total		83 049

25.4 PRIOR PERIOD ERROR

Akhile Management (NT006-2018)	(2 472)
MFIP	1 054
Transversal Systems - Condoned by OCPO	(215 494)
MFIP - Condoned by OAG	(140 915)
Q-Link	(7 696)
Total	(365 523)

26. FRUITLESS AND WASTEFUL EXPENDITURE

26.1 RECONCILIATION OF FRUITLESS AND WASTEFUL EXPENDITURE

Opening balance	201 178	136 635
Fruitless and wasteful expenditure – relating to current year	67 609	67 609
Less: Service utilised	(1 533)	(3 066)
Closing balance	267 254	201 178

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

	2019/20	2018/19
NOTE	R'000	R'000

26.2 DETAIL OF CURRENT AND PRIOR YEAR FRUITLESS AND WASTEFUL EXP – ADDED CURRENT YEAR (UNDER INVESTIGATION AND DETERMINATION)

INCIDENT	CORRECTIVE STEPS TAKEN	R'000
Technical support for IFMS (Software licences)	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
Total		<u>67 609</u>

26.3 DETAILS OF FRUITLESS AND WASTEFUL EXPENDITURE UNDER INVESTIGATION (NOT IN THE MAIN NOTE)

INCIDENT	CORRECTIVE STEPS TAKEN	R'000
Technical support for IFMS (Software licences)	Steps were taken to communicate to national and provincial departments not to purchase or renew Oracle licences that form part of the stack of licences purchased by National Treasury as these licences are available for use by these departments as well. Moreover, Oracle services that can be accessed currently at this stage of the IFMS development are utilised and usage is monitored. The savings in licence costs as well as the cost of the services utilised are offset against the annual expenditure of R67.7 million	20 000
Total		<u>20 000</u>

27. RELATED PARTY TRANSACTION

27.1 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)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

	2019/20	2018/19
NOTE	R'000	R'000
SASRIA Limited (SASRIA)		
The Land and Agricultural Development Bank of South Africa (Land Bank)		
Government Employee Pension Fund (GEPF)		
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)		

27.2 RELATED PARTY IN-KING GOODS AND SERVICES RECEIVED / PROVIDED

CBDA - Office space and professional services (provided)	6 315	6 197
GTAC - Office space and professional services (provided)	15 474	14 395
ESAAG - Office space (provided)	339	493
GTAC - Services received	5 659	6 109
Total	27 787	27 195

Budget Portal software development cost for 2018/19 was restated to R6,109 million from R3,777 million. In 2019/20, development cost was R1,965 million which was capitalised and R3,694 was for research cost.

27.3. RELATED PARTY TRANSACTIONS

Goods and services	241 380	260 900
Total	241 380	260 900

27.4. GUARANTEES ISSUED TO RELATED PARTIES

Land Bank	1 071 818	955 455
Development Bank of Southern Africa	6 185 541	4 297 600
Total	7 257 359	5 253 055

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

	2019/20	2018/19
NOTE	R'000	R'000

28. KEY MANAGEMENT PERSONNEL

	NO. OF INDIVIDUALS		
Key management personnel			
Political Office bearers:			
Level 15 to 16	3	4 390	4 520
Level 14 (incl. CFO if at a lower level)	16	17 444	18 013
	68	80 938	75 372
Total		102 772	97 905

29. IMPAIRMENT (OTHER THAN RECEIVABLES, ACCRUED DEPARTMENTAL REVENUE, LOANS AND INVESTMENTS)

Debtors		334	-
Other material losses		43 328	42 654
Total		43 662	42 654

30. PROVISIONS

SA Smit claims		14	14
Injury on Duty		194 760	131 107
Military Pension		8 918	13 446
Military Medical Benefits		391	4 522
Special Pensions		27 140	32 786
Post-Retirements Medical Benefits		4 027	3 733
Total		235 250	185 608

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

	2019/20	2018/19
NOTE	R'000	R'000

30.1 RECONCILIATION OF MOVEMENTS IN PROVISIONS

2019/20	MILITARY & 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	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)
Closing balance	27 531	194 760	8 918	4 041	235 250

2018/19	MILITARY & 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	29 865	143 135	16 084	3 125	192 209
Increase in provision	47 549	60 475	7 776	21 317	137 117
Settlement of provision	(23 749)	(72 503)	(9 048)	(20 695)	(125 995)
Unused amount reversed	(16 357)	-	(1 366)	-	(17 723)
Closing balance	37 308	131 107	13 446	3 747	185 608

31. NON-ADJUSTING EVENTS AFTER REPORTING DATE

Eskom	-	13 500 000
World Bank	7 285	-
Supplementary Budget	863 000	-
Land Bank	(3 000 000)	-
Total	(2 129 715)	13 500 000

The Land Bank failed to make an interest payment due under the loan agreement. Subsequently, the World Bank Group called up the Guarantor (the National Treasury) to make the loan payment of R7.285 million that was due and payable on 01 July 2020. The impact of COVID-19 has resulted in the department adjusting the 2020/21 Budget by R863 million to contribute to the COVID-19 fiscal response package. The 2020 Supplementary Budget was tabled in Parliament on 24 June 2020. Through the Special Adjustment, the department received an amount of R3 billion to recapitalise the Land Bank.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

32. MOVEABLE TANGIBLE CAPITAL ASSETS

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	OPENING BALANCE	VALUE ADJUSTMENTS	ADDITIONS	DISPOSALS	CLOSING BALANCE
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	224 625	-	13 529	(203)	237 951
Transport assets	6 811	-	654	(192)	7 273
Computer equipment	143 991	-	5 754	-	149 745
Furniture and office equipment	17 731	-	323	(11)	18 043
Other machinery and equipment	56 092	-	6 798	-	62 890
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	224 625	-	13 529	(203)	237 951

Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	CASH	NON-CASH	(CAPITAL WORK- IN-PROGRESS CURRENT COSTS AND FINANCE LEASE PAYMENTS)	RECEIVED CURRENT, NOT PAID (PAID CURRENT YEAR, RECEIVED PRIOR YEAR)	TOTAL
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	13 529	-	-	-	13 529
Transport assets	654	-	-	-	654
Computer equipment	5 754	-	-	-	5 754
Furniture and office equipment	323	-	-	-	323
Other machinery and equipment	6 798	-	-	-	6 798
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	13 529	-	-	-	13 529

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	SOLD FOR CASH	NON-CASH DISPOSAL	TOTAL DISPOSALS	CASH RECEIVED ACTUAL
	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-
Heritage assets	-	-	-	-
MACHINERY AND EQUIPMENT	192	11	203	(35)
Transport assets	192	-	192	(35)
Furniture and office equipment	-	11	11	-
Other machinery and equipment	-	-	-	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	192	11	203	(35)

Movement for 2018/19

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	OPENING BALANCE	PRIOR PERIOD ERROR	ADDITIONS	DISPOSALS	CLOSING BALANCE
	R'000	R'000	R'000	R'000	R'000
			20		
MACHINERY AND EQUIPMENT	213 545	-	464	(9 383)	224 625
Transport assets	5 271	-	1 733	(192)	6 811
Computer equipment	136 886	-	-15 658	(8 554)	143 991
Furniture and office equipment	17 876	-	365	(511)	17 731
Other machinery and equipment	53 512	-	-2 707	(126)	56 092
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	213 545	-	20 464	(9 383)	224 625

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

33. MINOR ASSETS

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	SPECIALISED MILITARY ASSETS	INTANGIBLE ASSETS	HERITAGE ASSETS	MACHINERY AND EQUIPMENT	BIOLOGICAL ASSETS	TOTAL
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	31 808	-	31 808
Value adjustments	-	-	-	-	-	-
Additions	-	-	-	1 676	-	1 676
Disposals	-	-	-	(526)	-	(526)
TOTAL MINOR ASSETS	-	-	-	32 958	-	32 958

	SPECIALISED MILITARY ASSETS	INTANGIBLE ASSETS	HERITAGE ASSETS	MACHINERY AND EQUIPMENT	BIOLOGICAL ASSETS	TOTAL
Number of R1 minor assets	-	-	-	34	-	34
Number of minor assets at cost	-	-	-	20 289	-	20 289
TOTAL NUMBER OF MINOR ASSETS	-	-	-	20 323	-	20 323

Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	SPECIALISED MILITARY ASSETS	INTANGIBLE ASSETS	HERITAGE ASSETS	MACHINERY AND EQUIPMENT	BIOLOGICAL ASSETS	TOTAL
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	32 372	-	32 372
Prior period error	-	-	-	(78)	-	(78)
Additions	-	-	-	342	-	342
Disposals	-	-	-	(828)	-	(828)
TOTAL MINOR ASSETS	-	-	-	31 808	-	31 808

	SPECIALISED MILITARY ASSETS	INTANGIBLE ASSETS	HERITAGE ASSETS	MACHINERY AND EQUIPMENT	BIOLOGICAL ASSETS	TOTAL
Number of R1 minor assets	-	-	-	-	-	-
Number of minor assets at cost	-	-	-	20 763	-	20 763
TOTAL NUMBER OF MINOR ASSETS	-	-	-	20 763	-	20 763

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

33.1. PRIOR PERIOD ERROR

PRIOR PERIOD ERROR	NOTE	2018/19 R'000
Nature of prior period error		
Relating to 2018/19 (affecting the opening balance)		(78)
		(78)
Total		(78)

34. MOVABLE ASSETS WRITTEN OFF

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2020

	SPECIALISED MILITARY ASSETS	INTANGIBLE ASSETS	HERITAGE ASSETS	MACHINERY AND EQUIPMENT	BIOLOGICAL ASSETS	TOTAL
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	-	-	-
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	-	-	-

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2019

	SPECIALISED MILITARY ASSETS	INTANGIBLE ASSETS	HERITAGE ASSETS	MACHINERY AND EQUIPMENT	BIOLOGICAL ASSETS	TOTAL
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	166	-	166
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	166	-	166

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

35. INTANGIBLE CAPITAL ASSETS

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	OPENING BALANCE	VALUE ADJUSTMENTS	ADDITIONS	DISPOSALS	CLOSING BALANCE
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	528 540	-	1 988	-	530 528
TOTAL INTANGIBLE CAPITAL ASSETS	528 540	-	1 988	-	530 528

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	CASH	NON-CASH	(DEVELOPMENT WORK-IN- PROGRESS CURRENT COSTS)	RECEIVED CURRENT, NOT PAID (PAID CURRENT YEAR, RECEIVED PRIOR YEAR)	TOTAL
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	23	1 965	-	-	1 988
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	23	1 965	-	-	1 988

Movement for 2018/19

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	OPENING BALANCE	PRIOR PERIOD ERROR	ADDITIONS	DISPOSALS	CLOSING BALANCE
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	521 781	-	6 759	-	528 540
TOTAL INTANGIBLE CAPITAL ASSETS	521 781	-	6 759	-	528 540

36. IMMOVABLE TANGIBLE CAPITAL ASSETS

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	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
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	1 062	-	-	-	1 062

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	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
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	1 062	-	-	-	1 062

37. PRINCIPAL-AGENT ARRANGEMENTS

Department acting as the principal

Government Pension Administration Agency (GPAA)	65 755	63 524
Government Technical Advisory Centre (GTAC)	360	360
Development Bank of Southern Africa (DBSA)	2 014	2 140
Total	68 129	66 024

38. PRIOR PERIOD ERRORS

38.1 REVENUE

	NOTE	AMOUNT BEFORE ERROR CORRECTION	PRIOR PERIOD ERROR	RESTATED AMOUNT
		R'000	R'000	R'000
CORRECTION OF PRIOR PERIOD ERRORS				
Departmental revenue - Annual appropriation	App Stat	7 090 148	23 575	7 113 723
Total revenue per Statement of Financial Performance	App Stat	36 864 649	23 595	36 888 244
Salaries and wages for Programme 1 (Final Appropriation)	App Stat	172 524	55	172 579
Salaries and wages for Programme 1 (Final Appropriation)	App Stat	22 379	(55)	22 324
Departmental revenue - Received	CFS	283 636	(100)	283 536
Net effect		44 433 336	47 070	44 480 406

R23,575 million is Departmental Revenue balance from GPAA was omitted in error in the Appropriation Statement of the published annual report. R23 595 million was omitted in error in the Appropriation Statement of the published annual report. R55 thousand for Programme 1 salaries was omitted in error in the Appropriation Statement of the published annual report. Departmental Revenue was overstated by R100 thousand in the Cash Flow Statement of the published annual report.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

38.2 ASSETS:

	NOTE	AMOUNT BEFORE ERROR CORRECTION	PRIOR PERIOD ERROR	RESTATED AMOUNT
		R'000	R'000	R'000
CORRECTION OF PRIOR PERIOD ERRORS				
Tangible minor assets	33	31 886	(78)	31 808
Advance payment for Cities Support Programme	10.3	-	15 289	15 289
Advance payment for Neighbourhood Development Partnership Grant	10.3	-	12 594	12 594
Advance payment for Jobs Fund	10.3	-	370	370
Net effect		31 886	28 175	60 061

The closing balance for tangible minor assets was R31,808 million but incorrect recorded as R31,886 million in the prior disclosure note.

38.3 LIABILITIES:

	NOTE	AMOUNT BEFORE ERROR CORRECTION	PRIOR PERIOD ERROR	RESTATED AMOUNT
		R'000	R'000	R'000
CORRECTION OF PRIOR PERIOD ERRORS				
Aid assistance - PFMA	4	14 211	94	14 305
Contingent liabilities - claims against vote 7		102 294 697	(102 238 224)	56 473
Net effect		102 308 908	(102 238 130)	70 778

Timing difference in reporting periods led to overspending of R94 thousand, as budgeted funds for expenditure incurred in 2018/19 for Public Finance Management were released in 2019/20.

Contingent liabilities were reclassified to disclose claims that related to vote 7; and other claims that do not affect vote 7 were excluded from the disclosure note.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED**38.4 OTHER:**

	NOTE	AMOUNT BEFORE ERROR CORRECTION	PRIOR PERIOD ERROR	RESTATED AMOUNT
		R'000	R'000	R'000
CORRECTION OF PRIOR PERIOD ERRORS				
Related party transaction - Research cost for the Budget Portal		3 777	2 332	6 109
Related party transaction – Professional services provided to GTAC		8 475	5 920	14 395
Development Bank of Southern Africa- Management fees		-	2 140	2 140
Irregular expenditure	25.4	809 432	(365 523)	443 909
Irregular expenditure - analysis of waiting condonation		404 954	(1 000)	403 954
Net effect		1 226 638	(356 131)	870 507

Research costs of R2,332 million for the budget portal software were excluded in error from the total cost incurred of R6,109 million. DBSA's management fee for 2018/19 of R2,140 million was omitted in error.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

39. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF GRANT	GRANT ALLOCATION						SPENT				2018/19	
	DIVISION OF REVENUE ACT/ PROVINCIAL GRANTS	ROLL OVERS	DORA ADJUSTMENTS	OTHER ADJUSTMENTS	TOTAL AVAILABLE	AMOUNT RECEIVED BY DEPARTMENT	AMOUNT SPENT BY DEPARTMENT	UNDER/ (OVERSPENDING)	% 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	532 822	-	-	-	532 822	532 822	532 822	-	100%	504 566	504 566	
Infrastructure Skills Development grant - municipalities	149 416	-	-	-	149 416	149 416	149 416	-	100%	147 333	141 492	
Neighbourhood Development Partnership grant	621 172	-	(19 500)	-	601 672	601 632	591 672	10 000	98%	581 867	569 117	
Integrated Cities Development Grant	310 051	-	-	-	310 051	310 051	310 051	-	100%	293 609	293 609	
Indirect Grant- Neighbourhood Development Partnership	30 997	-	19 500	-	50 497	50 497	46 069	4 428	91%	49 353	49 353	
	1 644 458	-	-	-	1 644 458	1 644 418	1 630 030	14 428		1 576 728	1 558 137	

Departments are reminded of the requirement to certify that all transfers in terms of this Act were deposited into the primary bank account of the province or, where appropriate, into the CPD account of the province.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

40. STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	DORA AND OTHER TRANSFERS			GRANT ALLOCATION			TRANSFER		
	R'000	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD	RE-ALLOCATIONS BY NATIONAL TREASURY OR NATIONAL DEPARTMENT	R'000	
LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT									
!Kai !Garib	2 880	-	-	2 880	2 880	-	-	2 880	-
!Kheis	2 880	-	-	2 880	2 880	-	-	2 880	-
AbaQulusi	2 235	-	-	2 235	2 235	-	-	2 235	-
Alfred Duma	2 500	-	-	2 500	2 500	-	-	2 500	-
Alfred Nzo District Municipality	1 865	-	-	1 865	1 865	-	-	1 865	-
Amahlathi	2 235	-	-	2 235	2 235	-	-	2 235	-
Amajuba District Municipality	2 035	-	-	2 035	2 035	-	-	2 035	-
Amathole District Municipality	1 000	-	-	1 000	1 000	-	-	1 000	-
Ba-Phalaborwa	2 680	-	-	2 680	2 680	-	-	2 680	-
Beaufort West	1 700	-	-	1 700	1 700	-	-	1 700	-
Bela-Bela	1 700	-	-	1 700	1 700	-	-	1 700	-
Bergirivier	1 550	-	-	1 550	1 550	-	-	1 550	-
Big Five Hlabisa	3 000	-	-	3 000	3 000	-	-	3 000	-
Bitou	1 550	-	-	1 550	1 550	-	-	1 550	-
Blouberg	2 534	-	-	2 534	2 534	-	-	2 534	-
Blue Crane Route	2 235	-	-	2 235	2 235	-	-	2 235	-
Bojanala Platinum District Municipality	1 000	-	-	1 000	1 000	-	-	1 000	-
Breedee Valley	1 550	-	-	1 550	1 550	-	-	1 550	-
Buffalo City	1 000	-	-	1 000	1 000	-	-	1 000	-
Bushbuckridge	2 215	-	-	2 215	2 215	-	-	2 215	-
Cape Agulhas	1 550	-	-	1 550	1 550	-	-	1 550	-
Cape Winelands District Municipality	1 000	-	-	1 000	1 000	-	-	1 000	-
Capricorn District Municipality	1 000	-	-	1 000	1 000	-	-	1 000	-
Cederberg	2 085	-	-	2 085	2 085	-	-	2 085	-
Central Karoo District Municipality	1 000	-	-	1 000	1 000	-	-	1 000	-

PART E: ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2020

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

NAME OF MUNICIPALITY	DORA AND OTHER TRANSFERS		ROLL OVERS		ADJUSTMENTS		GRANT ALLOCATION		ACTUAL TRANSFER		FUNDS WITHHELD		RE-ALLOCATIONS BY NATIONAL TREASURY OR NATIONAL DEPARTMENT		TRANSFER
	R'000	R'000	R'000	R'000	R'000	R'000	TOTAL AVAILABLE	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT															
Chief Albert Luthuli	1 700	-	-	-	-	-	1 700	-	1 700	-	-	-	-	-	-
Chris Hani District Municipality	1 250	-	-	-	-	-	1 250	-	1 250	-	-	-	-	-	-
City of Cape Town	1 000	-	-	-	-	-	1 000	-	1 000	-	-	-	-	-	-
City of Johannesburg	1 000	-	-	-	-	-	1 000	-	1 000	-	-	-	-	-	-
City of Matlosana	2 680	-	-	-	-	-	2 680	-	2 680	-	-	-	-	-	-
City of Mbombela	2 500	-	-	-	-	-	2 500	-	2 500	-	-	-	-	-	-
City of Tshwane	2 250	-	-	-	-	-	2 250	-	2 250	-	-	-	-	-	-
Collins Chabane	2 345	-	-	-	-	-	2 345	-	2 345	-	-	-	-	-	-
Dannhauser	1 900	-	-	-	-	-	1 900	-	1 900	-	-	-	-	-	-
Dawid Kruiper	3 000	-	-	-	-	-	3 000	-	3 000	-	-	-	-	-	-
Dihlabeng	2 235	-	-	-	-	-	2 235	-	2 235	-	-	-	-	-	-
Dikgatlong	2 880	-	-	-	-	-	2 880	-	2 880	-	-	-	-	-	-
Dipaleseng	2 435	-	-	-	-	-	2 435	-	2 435	-	-	-	-	-	-
Ditsobotla	2 680	-	-	-	-	-	2 680	-	2 680	-	-	-	-	-	-
Dr Beyers Naude	4 000	-	-	-	-	-	4 000	-	4 000	-	-	-	-	-	-
Dr JS Moroka	2 235	-	-	-	-	-	2 235	-	2 235	-	-	-	-	-	-
Dr Kenneth Kaunda District Municipality	1 000	-	-	-	-	-	1 000	-	1 000	-	-	-	-	-	-
Dr Nkosazana Dlamini Zuma	3 000	-	-	-	-	-	3 000	-	3 000	-	-	-	-	-	-
Dr Pixley ka Isaka Seme	2 235	-	-	-	-	-	2 235	-	2 235	-	-	-	-	-	-
Dr Ruth Segomotsi Mompoti District Municipality	1 785	-	-	-	-	-	1 785	-	1 785	-	-	-	-	-	-
Drakenstein	1 550	-	-	-	-	-	1 550	-	1 550	-	-	-	-	-	-
eDumbe	2 435	-	-	-	-	-	2 435	-	2 435	-	-	-	-	-	-
Ehlanzeni District Municipality	1 250	-	-	-	-	-	1 250	-	1 250	-	-	-	-	-	-
Ekurhuleni	1 000	-	-	-	-	-	1 000	-	1 000	-	-	-	-	-	-
Elias Motsoaledi	2 235	-	-	-	-	-	2 235	-	2 235	-	-	-	-	-	-
Elundini	1 700	-	-	-	-	-	1 700	-	1 700	-	-	-	-	-	-
eMadlangeni	2 435	-	-	-	-	-	2 435	-	2 435	-	-	-	-	-	-
Emakhazeni	2 435	-	-	-	-	-	2 435	-	2 435	-	-	-	-	-	-
Emalahleni (EC)	2 880	-	-	-	-	-	2 880	-	2 880	-	-	-	-	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER	
	DORA AND OTHER TRANSFERS	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD
	R'000	R'000	R'000	R'000	R'000	R'000
LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT						
Emalahleni (MP)	2 680	-	-	2 680	2 680	-
Emfuleni	2 015	-	-	2 015	2 015	-
Emthanjeni	1 700	-	-	1 700	1 700	-
eNdumeni	2 235	-	-	2 235	2 235	-
Engcobo	1 700	-	-	1 700	1 700	-
Enoch Mgijima	4 000	-	-	4 000	4 000	-
Ephraim Mogale	2 680	-	-	2 680	2 680	-
eThekweni	1 000	-	-	1 000	1 000	-
Fetakgomo-Tubatse	3 000	-	-	3 000	3 000	-
Fezile Dabi District Municipality	1 000	-	-	1 000	1 000	-
Frances Baard District Municipality	1 000	-	-	1 000	1 000	-
Gamegara	1 770	-	-	1 770	1 770	-
Garden Route District Municipality	1 000	-	-	1 000	1 000	-
Ga-Segonyana	2 680	-	-	2 680	2 680	-
George	1 550	-	-	1 550	1 550	-
Gert Sibande District Municipality	1 000	-	-	1 000	1 000	-
Govan Mbeki	1 770	-	-	1 770	1 770	-
Great Kei	2 415	-	-	2 415	2 415	-
Greater Giyani	2 145	-	-	2 145	2 145	-
Greater Kokstad	1 800	-	-	1 800	1 800	-
Greater Letaba	2 145	-	-	2 145	2 145	-
Greater Taung	2 880	-	-	2 880	2 880	-
Greater Tzaneen	2 145	-	-	2 145	2 145	-
Hantam	1 970	-	-	1 970	1 970	-
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	-
iMpendle	2 365	-	-	2 365	2 365	-
iNkosi Langalibalele	2 500	-	-	2 500	2 500	-

PART E: ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2020

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

NAME OF MUNICIPALITY	DORA AND OTHER TRANSFERS			GRANT ALLOCATION			TRANSFER		
	R'000	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD	RE-ALLOCATIONS BY NATIONAL TREASURY OR NATIONAL DEPARTMENT	R'000	
LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT									
Intsika Yethu	2 215	-	-	2 215	2 215	-	-	-	-
Inxuba Yethemba	2 680	-	-	2 680	2 680	-	-	-	-
Joe Gqabi District Municipality	1 785	-	-	1 785	1 785	-	-	-	-
Joe Morolong	2 680	-	-	2 680	2 680	-	-	-	-
John Taolo Gaetsewe District Municipality	1 465	-	-	1 465	1 465	-	-	-	-
Jozini	2 435	-	-	2 435	2 435	-	-	-	-
Kagisano-Molopo	3 080	-	-	3 080	3 080	-	-	-	-
Kamiesberg	2 880	-	-	2 880	2 880	-	-	-	-
Kannaland	2 215	-	-	2 215	2 215	-	-	-	-
Kareeberg	2 435	-	-	2 435	2 435	-	-	-	-
Karoo Hoogland	2 435	-	-	2 435	2 435	-	-	-	-
Kgatelopele	2 880	-	-	2 880	2 880	-	-	-	-
Kgetlengrivier	2 880	-	-	2 880	2 880	-	-	-	-
Khâ-Ma	2 435	-	-	2 435	2 435	-	-	-	-
King Cetshwayo District Municipality	1 465	-	-	1 465	1 465	-	-	-	-
King Sabata Dalindyebo	2 680	-	-	2 680	2 680	-	-	-	-
Knysna	1 550	-	-	1 550	1 550	-	-	-	-
Kopanong	1 700	-	-	1 700	1 700	-	-	-	-
Kouga	1 770	-	-	1 770	1 770	-	-	-	-
Kou-Kamma	2 435	-	-	2 435	2 435	-	-	-	-
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	2 235	-	-	2 235	2 235	-	-	-	-
Lekwa-Teemane	2 680	-	-	2 680	2 680	-	-	-	-
Lepele-Nkumpi	2 145	-	-	2 145	2 145	-	-	-	-
Lephalale	1 700	-	-	1 700	1 700	-	-	-	-
Lesedi	1 550	-	-	1 550	1 550	-	-	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER	
	DORA AND OTHER TRANSFERS	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD
	R'000	R'000	R'000	R'000	R'000	R'000
LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT						
Letsemeng	2 435	-	-	2 435	2 435	-
Madibeng	2 235	-	-	2 235	2 235	-
Mafikeng	2 680	-	-	2 680	2 680	-
Mafube	2 880	-	-	2 880	2 880	-
Magareng	2 435	-	-	2 435	2 435	-
Makana	2 680	-	-	2 680	2 680	-
Makhado	1 700	-	-	1 700	1 700	-
Makhuduthamaga	1 770	-	-	1 770	1 770	-
Maluti-a-Phofung	2 680	-	-	2 680	2 680	-
Mamusa	2 880	-	-	2 880	2 880	-
Mandeni	1 900	-	-	1 900	1 900	-
Mangaung	3 000	-	-	3 000	3 000	-
Mantsopa	2 680	-	-	2 680	2 680	-
Maphumulo	1 900	-	-	1 900	1 900	-
Maquassi Hills	2 680	-	-	2 680	2 680	-
Maruleng	1 900	-	-	1 900	1 900	-
Masilonyana	1 970	-	-	1 970	1 970	-
Matatiele	1 700	-	-	1 700	1 700	-
Matjhabeng	2 680	-	-	2 680	2 680	-
Matzikama	1 550	-	-	1 550	1 550	-
Mbhashe	1 770	-	-	1 770	1 770	-
Mbizana	2 215	-	-	2 215	2 215	-
Merafong City	2 165	-	-	2 165	2 165	-
Metsimaholo	2 235	-	-	2 235	2 235	-
Mhlontlo	2 415	-	-	2 415	2 415	-
Midvaal	1 550	-	-	1 550	1 550	-
Mkhambathini	2 435	-	-	2 435	2 435	-
Mkhondo	2 680	-	-	2 680	2 680	-
Mnquma	1 700	-	-	1 700	1 700	-

PART E: ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2020

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

NAME OF MUNICIPALITY	DORA AND OTHER TRANSFERS			ROLL OVERS			GRANT ALLOCATION			TRANSFER		
	R'000	R'000	R'000	R'000	R'000	R'000	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD	RE-ALLOCATIONS BY NATIONAL TREASURY OR NATIONAL DEPARTMENT	R'000
LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT												
Modimolle-Mookgophong	3 000	-	-	-	-	-	-	3 000	3 000	-	-	-
Mogalakwena	1 770	-	-	-	-	-	-	1 770	1 770	-	-	-
Mogale City	1 550	-	-	-	-	-	-	1 550	1 550	-	-	-
Mohokare	2 435	-	-	-	-	-	-	2 435	2 435	-	-	-
Molemole	2 403	-	-	-	-	-	-	2 403	2 403	-	-	-
Mopani District Municipality	2 330	-	-	-	-	-	-	2 330	2 330	-	-	-
Moqhaka	2 215	-	-	-	-	-	-	2 215	2 215	-	-	-
Moretele	2 680	-	-	-	-	-	-	2 680	2 680	-	-	-
Moses Kotane	1 700	-	-	-	-	-	-	1 700	1 700	-	-	-
Mossel Bay	1 550	-	-	-	-	-	-	1 550	1 550	-	-	-
Mpofana	2 435	-	-	-	-	-	-	2 435	2 435	-	-	-
Msukaligwa	2 680	-	-	-	-	-	-	2 680	2 680	-	-	-
Msunduzi	1 700	-	-	-	-	-	-	1 700	1 700	-	-	-
Mthonjaneni	2 850	-	-	-	-	-	-	2 850	2 850	-	-	-
Mtubatuba	1 970	-	-	-	-	-	-	1 970	1 970	-	-	-
Musina	2 365	-	-	-	-	-	-	2 365	2 365	-	-	-
Nala	2 880	-	-	-	-	-	-	2 880	2 880	-	-	-
Naledi	2 235	-	-	-	-	-	-	2 235	2 235	-	-	-
Nama Khoi	2 680	-	-	-	-	-	-	2 680	2 680	-	-	-
Namakwa District Municipality	1 785	-	-	-	-	-	-	1 785	1 785	-	-	-
Ndlambe	2 435	-	-	-	-	-	-	2 435	2 435	-	-	-
Ndwedwe	2 435	-	-	-	-	-	-	2 435	2 435	-	-	-
Nelson Mandela Bay	1 000	-	-	-	-	-	-	1 000	1 000	-	-	-
Newcastle	1 700	-	-	-	-	-	-	1 700	1 700	-	-	-
Ngaka Modiri Molema District Municipality	2 330	-	-	-	-	-	-	2 330	2 330	-	-	-
Ngqushwa	2 880	-	-	-	-	-	-	2 880	2 880	-	-	-
Ngquza Hill	1 700	-	-	-	-	-	-	1 700	1 700	-	-	-
Ngwathe	2 680	-	-	-	-	-	-	2 680	2 680	-	-	-
Nkandla	2 435	-	-	-	-	-	-	2 435	2 435	-	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER	
	DORA AND OTHER TRANSFERS	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD
	R'000	R'000	R'000	R'000	R'000	R'000
LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT						
Nkangala District Municipality	1 000	-	-	1 000	1 000	-
Nketoana	2 235	-	-	2 235	2 235	-
Nkomazi	1 770	-	-	1 770	1 770	-
Nongoma	1 970	-	-	1 970	1 970	-
Nquthu	1 900	-	-	1 900	1 900	-
Ntabankulu	2 435	-	-	2 435	2 435	-
Nyandeni	1 700	-	-	1 700	1 700	-
O.R. Tambo District Municipality	2 115	-	-	2 115	2 115	-
Okhahlamba	1 900	-	-	1 900	1 900	-
Oudtshoorn	2 085	-	-	2 085	2 085	-
Overberg District Municipality	1 000	-	-	1 000	1 000	-
Overstrand	1 550	-	-	1 550	1 550	-
Phokwane	2 680	-	-	2 680	2 680	-
Phumelela	2 880	-	-	2 880	2 880	-
Pixley Ka Seme District Municipality	1 785	-	-	1 785	1 785	-
Polokwane	2 500	-	-	2 500	2 500	-
Port St Johns	2 435	-	-	2 435	2 435	-
Prince Albert	1 700	-	-	1 700	1 700	-
Ramotshere Moiloa	2 215	-	-	2 215	2 215	-
Rand West City	2 500	-	-	2 500	2 500	-
Ratlou	1 940	-	-	1 940	1 940	-
Ray Nkonyeni	2 500	-	-	2 500	2 500	-
Raymond Mhlaba	3 000	-	-	3 000	3 000	-
Renosterberg	2 880	-	-	2 880	2 880	-
Richmond	1 900	-	-	1 900	1 900	-
Richtersveld	2 435	-	-	2 435	2 435	-
Rustenburg	1 700	-	-	1 700	1 700	-
Sakhisizwe	1 700	-	-	1 700	1 700	-
Saldanha Bay	1 550	-	-	1 550	1 550	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

NAME OF MUNICIPALITY	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	R'000	R'000	R'000	R'000	R'000	R'000	R'000
LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT														
Sarah Baartman District Municipality	1 000	-	-	-	-	-	1 000	1 000	1 000	-	-	-	-	-
Sedibeng District Municipality	1 000	-	-	-	-	-	1 000	1 000	1 000	-	-	-	-	-
Sekhukhune District Municipality	1 785	-	-	-	-	-	1 785	1 785	1 785	-	-	-	-	-
Senqu	1 700	-	-	-	-	-	1 700	1 700	1 700	-	-	-	-	-
Setoto	2 165	-	-	-	-	-	2 165	2 165	2 165	-	-	-	-	-
Siyancuma	2 880	-	-	-	-	-	2 880	2 880	2 880	-	-	-	-	-
Siyathemba	2 880	-	-	-	-	-	2 880	2 880	2 880	-	-	-	-	-
Sol Plaatjie	1 700	-	-	-	-	-	1 700	1 700	1 700	-	-	-	-	-
Stellenbosch	1 550	-	-	-	-	-	1 550	1 550	1 550	-	-	-	-	-
Steve Tshwete	1 700	-	-	-	-	-	1 700	1 700	1 700	-	-	-	-	-
Sundays River Valley	2 880	-	-	-	-	-	2 880	2 880	2 880	-	-	-	-	-
Swartland	1 550	-	-	-	-	-	1 550	1 550	1 550	-	-	-	-	-
Thaba Chweu	2 680	-	-	-	-	-	2 680	2 680	2 680	-	-	-	-	-
Thabazimbi	2 680	-	-	-	-	-	2 680	2 680	2 680	-	-	-	-	-
Thabo Mofutsanyana District Municipality	1 785	-	-	-	-	-	1 785	1 785	1 785	-	-	-	-	-
Theewaterskloof	1 700	-	-	-	-	-	1 700	1 700	1 700	-	-	-	-	-
Thembelihle	2 880	-	-	-	-	-	2 880	2 880	2 880	-	-	-	-	-
Thembisile Hani	1 770	-	-	-	-	-	1 770	1 770	1 770	-	-	-	-	-
Thulamela	1 700	-	-	-	-	-	1 700	1 700	1 700	-	-	-	-	-
Tokologo	2 435	-	-	-	-	-	2 435	2 435	2 435	-	-	-	-	-
Tsantsabane	2 880	-	-	-	-	-	2 880	2 880	2 880	-	-	-	-	-
Tswaing	2 880	-	-	-	-	-	2 880	2 880	2 880	-	-	-	-	-
Tswelopele	1 970	-	-	-	-	-	1 970	1 970	1 970	-	-	-	-	-
uBuhlebezwe	1 970	-	-	-	-	-	1 970	1 970	1 970	-	-	-	-	-
Ubuntu	2 435	-	-	-	-	-	2 435	2 435	2 435	-	-	-	-	-
Ugu District Municipality	1 865	-	-	-	-	-	1 865	1 865	1 865	-	-	-	-	-
Ulundi	1 870	-	-	-	-	-	1 870	1 870	1 870	-	-	-	-	-
uMdoni	3 000	-	-	-	-	-	3 000	3 000	3 000	-	-	-	-	-
uMfolozi	1 900	-	-	-	-	-	1 900	1 900	1 900	-	-	-	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

NAME OF MUNICIPALITY	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	R'000	R'000	R'000	R'000	R'000	R'000	R'000
LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT														
uMgungundlovu District Municipality	1 000	-	-	-	-	-	1 000	-	1 000	1 000	-	-	-	-
uMhlabuyalingana	1 900	-	-	-	-	-	1 900	-	1 900	1 900	-	-	-	-
uMhathuze	2 650	-	-	-	-	-	2 650	-	2 650	2 650	-	-	-	-
uMkhanyakude District Municipality	1 465	-	-	-	-	-	1 465	-	1 465	1 465	-	-	-	-
uMlalazi	1 770	-	-	-	-	-	1 770	-	1 770	1 770	-	-	-	-
uMngeni	1 770	-	-	-	-	-	1 770	-	1 770	1 770	-	-	-	-
uMshwathi	1 970	-	-	-	-	-	1 970	-	1 970	1 970	-	-	-	-
uMisinga	1 900	-	-	-	-	-	1 900	-	1 900	1 900	-	-	-	-
Umsobomvu	1 970	-	-	-	-	-	1 970	-	1 970	1 970	-	-	-	-
uMuziwabantu	1 900	-	-	-	-	-	1 900	-	1 900	1 900	-	-	-	-
uMvoti	2 335	-	-	-	-	-	2 335	-	2 335	2 335	-	-	-	-
uMzimkhulu	1 900	-	-	-	-	-	1 900	-	1 900	1 900	-	-	-	-
Urmzimvubu	1 770	-	-	-	-	-	1 770	-	1 770	1 770	-	-	-	-
uMizinyathi District Municipality	1 785	-	-	-	-	-	1 785	-	1 785	1 785	-	-	-	-
uMzumbe	1 900	-	-	-	-	-	1 900	-	1 900	1 900	-	-	-	-
uPhongolo	2 435	-	-	-	-	-	2 435	-	2 435	2 435	-	-	-	-
uThukela District Municipality	2 010	-	-	-	-	-	2 010	-	2 010	2 010	-	-	-	-
Ventersdorp/Tlokwe	3 000	-	-	-	-	-	3 000	-	3 000	3 000	-	-	-	-
Vhembe District Municipality	2 330	-	-	-	-	-	2 330	-	2 330	2 330	-	-	-	-
Victor Khanye	1 770	-	-	-	-	-	1 770	-	1 770	1 770	-	-	-	-
Walter Sisulu	3 000	-	-	-	-	-	3 000	-	3 000	3 000	-	-	-	-
Waterberg District Municipality	1 000	-	-	-	-	-	1 000	-	1 000	1 000	-	-	-	-
West Coast District Municipality	1 000	-	-	-	-	-	1 000	-	1 000	1 000	-	-	-	-
West Rand District Municipality	1 000	-	-	-	-	-	1 000	-	1 000	1 000	-	-	-	-
Witzenberg	1 550	-	-	-	-	-	1 550	-	1 550	1 550	-	-	-	-
Xhariep District Municipality	1 785	-	-	-	-	-	1 785	-	1 785	1 785	-	-	-	-
Z.F. Mgcawu District Municipality	1 000	-	-	-	-	-	1 000	-	1 000	1 000	-	-	-	-
Zululand District Municipality	1 465	-	-	-	-	-	1 465	-	1 465	1 465	-	-	-	-
Total -LOCAL GOV	532 822	-	-	-	-	-	532 822	-	532 822	532 822	-	-	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER				SPENT				2018/19		
	R'000	R'000	R'000	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	R'000	REVENUE ACT	R'000	R'000
INFRASTRUCTURE SKILLS DEVELOPMENT GRANT														
Buffalo City	11 300	-	-	9 000	2 300	-	9 000	7 547	1 453	67%	10 800	10 800	10 800	10 800
Nelson Mandela Bay	9 500	-	-	9 500	-	-	9 500	11 186	(1 686)	118%	11 834	11 834	11 834	11 834
Enoch Mgijima	-	-	-	-	-	-	-	-	-	-	-	-	-	-
King Sabata Dalindyebo	6 500	-	-	6 500	-	-	6 500	4 870	1 630	75%	6 000	6 000	6 000	6 000
Alfred Nzo	5 400	-	-	5 400	-	-	5 400	5 708	(308)	106%	5 400	5 400	5 400	5 400
City of Johannesburg	7 200	-	-	6 200	1 000	-	6 200	6 437	(237)	89%	7 200	7 200	7 200	7 200
Rand West City	-	-	-	-	-	-	-	-	-	-	-	-	-	-
eThekweni	36 300	-	3 000	39 300	-	-	39 300	22 338	16 962	57%	30 500	30 500	30 500	30 500
uMhlathuze	-	-	-	-	-	-	-	-	-	-	5 000	5 000	5 000	5 000
Alfred Duma	3 500	-	-	3 500	-	-	3 500	3 040	460	87%	1 800	1 800	1 800	1 800
Polokwane	5 111	-	-	5 111	-	-	5 111	4 645	466	91%	6 500	6 500	6 500	6 500
Thulamela	3 500	-	-	3 500	-	-	3 500	3 322	178	95%	1 800	1 800	1 800	1 800
Govan Mbeki	20 500	-	4 105	24 605	-	-	24 605	25 521	(916)	104%	22 500	22 500	22 500	22 500
Gert Sibande	11 200	-	-	9 000	2 200	-	9 000	9 253	(253)	83%	5 553	5 553	5 553	5 553
Sol Plaatje	6 500	-	-	4 500	2 000	-	4 500	4 852	(352)	75%	3 800	3 800	3 800	3 800
John Taolo Gaetsewe	1 800	-	3 000	4 800	-	-	4 800	3 903	897	81%	3 200	3 200	3 200	3 200
City of Cape Town	13 605	-	-	11 000	2 605	-	11 000	11 937	(937)	88%	13 605	13 605	13 605	13 605
George	7 500	-	-	7 500	-	-	7 500	6 356	1 144	85%	6 000	6 000	6 000	6 000
Total - ISDG	149 416	-	10 105	159 521	10 105	-	149 416	130 915	18 501	82%	141 492	141 492	141 492	141 492

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER				SPENT				2018/19	
	DORA AND OTHER TRANSFERS	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	FUNDS WITHHELD	RE-ALLOCATIONS BY NATIONAL TREASURY OR DEPARTMENT	AMOUNT RECEIVED BY MUNICIPALITY	AMOUNT SPENT BY MUNICIPALITY	UNSPENT FUNDS	% OF AVAILABLE FUNDS SPENT BY MUNICIPALITY	DIVISION OF REVENUE ACT	R'000	R'000
NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT														
Buffalo City	7 500	-	2 500	10 000	10 000	-	-	10 000	10 000	-	100%	13 250	13 250	13 250
City of Cape Town	30 000	-	12 000	42 000	42 000	-	-	42 000	42 000	-	100%	7 300	7 300	7 300
City of Johannesburg	65 000	-	15 000	80 000	80 000	-	-	80 000	80 000	-	100%	80 000	80 000	80 000
City of Matlosana	60 000	-	(19 200)	40 800	40 800	-	-	40 800	40 800	-	100%	75 000	75 000	75 000
City of Mbombela	15 000	-	4 200	19 200	19 200	-	-	19 200	19 200	-	100%	33 535	33 535	33 535
City of Tshwane	4 500	-	(3 232)	1 268	1 268	-	-	1 268	1 268	-	100%	7 105	7 105	7 105
David Kruiper	-	-	8 200	8 200	8 200	-	-	8 200	8 200	-	-	-	-	-
Ekurhuleni	65 000	-	29 092	94 092	94 092	-	-	94 092	94 092	-	100%	60 000	60 000	60 000
Emalahleni	15 000	-	(15 000)	-	-	-	-	-	-	-	-	10 605	10 605	10 605
Ermfuleni	7 500	-	(7 500)	-	-	-	-	-	-	-	-	14 924	14 924	14 924
Ethekwini	48 000	-	26 000	74 000	74 000	-	-	74 000	74 000	-	100%	25 220	25 220	25 220
Knyasa	10 000	-	10 000	20 000	20 000	-	-	20 000	20 000	-	100%	23 000	23 000	23 000
Langeberg (Mandeni)	10 000	-	(2 000)	8 000	8 000	-	-	8 000	8 000	-	100%	10 667	10 667	10 667
Mangaung	28 000	-	(18 000)	10 000	10 000	-	-	10 000	10 000	-	100%	13 000	13 000	13 000
Mogale City	28 000	-	(18 000)	10 000	10 000	-	-	10 000	10 000	-	100%	75 361	75 361	75 361
Msunduzi	50 000	-	(40 000)	10 000	10 000	-	-	10 000	10 000	-	100%	14 900	14 900	14 900
Nelson Mandela Bay	30 000	-	(5 000)	25 000	15 000	-	-	15 000	15 000	-	60%	-	-	-
Newcastle	30 059	-	(22 059)	8 000	8 000	-	-	8 000	8 000	-	100%	2 000	2 000	2 000
Polokwane	40 613	-	2 200	42 813	42 813	-	-	42 813	42 813	-	100%	45 000	45 000	45 000
Ray Nkonyeni	10 000	-	(10 000)	-	-	-	-	-	-	-	-	-	-	-
Rustenburg	15 000	-	5 000	20 000	20 000	-	-	20 000	20 000	-	100%	5 000	5 000	5 000
Sol Plaatje	40 000	-	38 299	78 299	78 299	-	-	78 299	78 299	-	100%	58 000	58 000	58 000
West Rand	12 000	-	(12 000)	-	-	-	-	-	-	-	-	-	-	-
Total - NDPG	621 172	-	19 500	601 672	591 672	-	-	591 672	591 672	-	98%	581 867	581 867	581 867

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT				2018/19		
	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
INTEGRATED CITIES DEVELOPMENT GRANT													
Buffalo City	10 383	-	-	10 383	10 383	-	-	10 383	3 707	6 676	36%	10 003	10 003
Nelson Mandela Bay	12 697	-	-	12 697	12 697	-	-	12 697	2 025	10 672	16%	12 355	12 355
Mangaung	6 781	-	-	6 781	6 781	-	-	6 781	541	6 240	8%	7 207	7 207
Ekurhuleni	54 295	-	-	54 295	54 295	-	-	54 295	15 989	38 306	29%	45 537	45 537
City of Johannesburg	75 757	-	-	75 757	75 757	-	-	75 757	47 759	27 998	63%	63 536	63 536
City of Tshwane	43 265	-	-	43 265	43 265	-	-	43 265	-	43 265	0%	45 013	45 013
Ethekwini	51 486	-	-	51 486	51 486	-	-	51 486	6 639	44 847	13%	45 596	45 596
Cape Town	55 387	-	-	55 387	55 387	-	-	55 387	398	54 989	1%	64 362	64 362
Total - ICDG	310 051	-	-	310 051	310 051	-	-	310 051	77 058	232 993	25%	293 609	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

ANNEXURE 1B STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2018/19
	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	14 340	-	-	14 340	14 340	100%	14 054
Audit Statutory Bodies	50 411	-	12 431	62 842	62 842	100%	97 738
Tv Licences	21	-	-	21	18	86%	18
Financial Intelligence Centre	294 324	-	-	294 324	294 324	100%	278 716
Government Technical Advisory Centre	758 807	-	(157 225)	601 582	601 582	100%	330 086
Independent Regulatory Board for Auditors	43 163	-	-	43 163	43 163	100%	40 874
South African Revenue Service	9 529 031	-	-	9 529 031	9 529 031	100%	9 007 217
Secret Services	4 656 729	-	-	4 656 729	4 656 729	100%	4 484 817
Skills Development Levy	2 140	-	77	2 217	2 217	100%	2 060
Cooperative Banking Development Agency	20 759	-	-	20 759	20 759	100%	19 883
Financial and Fiscal Commission	54 319	-	-	54 319	54 319	100%	51 782
Total	15 424 044	-	(144 717)	15 279 327	15 279 324		14 327 245

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

ANNEXURE 1D

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE			2018/19 FINAL APPROPRIATION R'000	
	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
Public corporations									
Transfers									
DEVELOPMENT BANK OF SA	100 000	-	-	100 000	100 000	100,0%	-	100 000	7 686
Economic Research of Southern Africa	100 000	-	-	100 000	100 000	100,0%	-	100 000	-
	-	-	-	-	-	-	-	-	7 686
Sub total: Public corporations	100 000	-	-	100 000	100 000	100,0%	-	100 000	7 686
Total	100 000	-	-	100 000	100 000	100,0%	-	100 000	7 686

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

ANNEXURE 1E STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2018/19	
	ADJUSTED APPROPRIATION ACT	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	% OF AVAILABLE FUNDS TRANSFERRED	FINAL APPROPRIATION	R'000
	R'000	R'000	R'000	R'000	R'000	%		R'000
Transfers								
African Regional Tech Assist Centre for Southern Africa	1 281	-	-	1 281	1 227	96%		1 074
Common Monetary Area Compensation	849 938	-	127 000	976 938	976 938	100%		997 833
Donation and Gifts (FIGO)	14 212	-	788	15 000	14 553	97%		-
Institute for Development Economic Planning (IDEP)	1 427	-	-	1 427	1 191	83%		1 112
African Development Bank & African Development Fund	37 389	-	41 310	78 699	78 699	100%		82 431
African Risk Capacity	8 106	-	(8 106)	-	-	-		-
Collaborative African Budget Reform Initiative	1 808	-	442	2 250	2 152	96%		2 565
Commonwealth Fund for Technical Cooperation	6 783	-	(967)	5 816	5 816	100%		5 816
United Kingdom Tax	2 846	-	(1 686)	1 160	577	50%		1 152
World Bank (FIGO)	106 354	-	(52 734)	53 620	53 620	100%		53 590
International Funding Facility for Immunisation	-	-	-	-	-	-		13 550
Total	1 030 144	-	106 047	1 136 191	1 134 773			1 159 123

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

ANNEXURE 1G

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2018/19 FINAL APPROPRIATION R'000
	ADJUSTED APPROPRIATION ACT R'000	ROLL OVERS R'000	ADJUSTMENTS R'000	TOTAL AVAILABLE R'000	ACTUAL TRANSFER R'000	% OF AVAILABLE FUNDS TRANSFERRED %	
Transfers							
Other benefits	458 933	-	(316 656)	142 277	138 282	97%	116 585
Injury on duty	688 838	-	(22 985)	665 853	647 903	97%	640 530
Military benefits ex-servicemen	2 801	-	(1 696)	1 105	1 027	93%	8 702
SA citizen force	205 293	-	(5 971)	199 322	193 905	97%	-
Special pensions	468 000	-	10 167	478 167	474 629	99%	652 325
Post-retirement medical schemes contribution	2 896 491	-	297 026	3 193 517	3 194 131	100%	2 806 452
Social assistance (bursaries)	1 768	-	(622)	1 146	3 275	286%	2 949
Service benefits leave gratuity	1 943	-	4 519	6 462	2 534	39%	2 849
Non-statutory Forces	778 589	-	-	778 589	778 589	100%	737 300
	5 502 656	-	(36 218)	5 466 438	5 434 275		4 967 692
Total	5 502 656	-	(36 218)	5 466 438	5 434 275		4 967 692

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

ANNEXURE 1H

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2019/20 R'000	2018/19 R'000
Received in cash			
Subtotal		-	-
Received in kind			
GDMIP	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 employee 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 (\$1 170.00/R14.6969)	17	-
Total		373	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

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
Received in cash						
European Union (Mum Fin Man Tech Assistance)	Improve capacity development in public finance management across the three spheres of government with emphasis on provincial and municipal levels	3 786	1 839	1 642	3 786	197
Budget Off Data Analy Project	Support for budget data analysis for improvement of budgeting processes in the public sector	-	4 850	873	-	3 977
The Belg Technical Coop (Btc)	Belgian contribution towards the research in development finance	452	2 917	2 789	452	128
JICADCIS Project	Establish and operationalise a management information system (knowledge management information system for ODA (DCMIS))	460	51 132	2 146	460	48 986
Cities Support Programme	Contribute to the implementation of the Medium-Term Strategic Framework and accompanying outcomes-based approach which aims to improve the conditions of life of South Africans and halving poverty and unemployment.	324	26 285	25 762	324	523
Capacity Building for Public Finance Management Program	Develop public finance management capacity of national provincial and local government	6 242	-	-	6 242	-
PFMA Ass in Prov PEFA METH African Fiscal Forum (Ga)	Measure the progress made with regards to Public Finance Management (PFM) improvement informing and guiding the Government's PFM capacity development programme in coordination with the donor community.	-	-	-	-	-
Technical Assist Facility (Ga)	Strengthening capacity of national and provincial departments in South Africa	2 971	4 550	4 254	2 971	296
Market Readiness Project (Ga)	To enable the implementation of the carbon tax in South Africa	70	14 174	13 622	70	552
Total		14 305	105 747	51 088	14 305	54 659

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

ANNEXURE 1J

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2019/20	2018/19
	R'000	R'000
Payments made as an act of grace		
Circumstantial compensation	199	98
Total	199	98

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

ANNEXURE 2A

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL/PROVINCIAL PUBLIC ENTITIES

NAME OF PUBLIC ENTITY	STATE ENTITY'S PFMA SCHEDULE TYPE (STATE YEAR- END IF NOT 31 MARCH)	% OF SHARES HELD		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
		2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	
National/Provincial Public Entity												
Accounting Standards Board	Schedule 3A	-	-	-	-	-	-	341	290	52	(26)	No
Cooperative Banks Development Agency	Schedule 3A	-	-	-	-	-	-	3 953	4 381	4 422	1 998	No
Development Bank of Southern Africa	Schedule 2	100	200 000	200 000	200 000	200 000	200 000	37 497 577	37 172 485	423 932	3 096 695	No
FAIS Ombudsman	Schedule 3A	-	-	-	-	-	-	41 904	17 594	24 316	13 906	No
Financial and Fiscal Commission	Schedule 1	-	-	-	-	-	-	8 182	9 912	(1 729)	4 392	No
Financial Intelligence Centre	Schedule 3A	-	-	-	-	-	-	113 879	163 246	1 723	22 291	No
Financial Services Board	Schedule 3A	-	-	-	-	-	-	464 714	439 675	25 039	44 498	No
Government Technical Advisory Centre	Schedule 3A	-	-	-	-	-	-	228 407	238 519	(11 939)	(7 071)	No

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

Government Pensions Administration Agency	Schedule 3A	-	-	-	-	-	-	-	301 489	410 416	(188 684)	16 308	No
Independent Regulatory Board for Auditors	Schedule 3A	-	-	-	-	-	-	-	35 092	31 970	6 121	(11 987)	No
LAND Bank	Schedule 2	100	100	1	200 955	200 955	200 955	4 604 474	6 814 398	(1 656 688)	181 218	No	
Office of the Pension Funds Adjudicator	Schedule 3A	-	-	-	-	-	-	29 961	19 840	7 121	6 807	No	
Public Investment Corporation Ltd	Schedule 3B	100	100	1	1	1	1	2 857 291	2 789 301	177 638	290 757	No	
Sasria SOC Ltd	Schedule 3B	100	100	1	1	-	-	7 059 539	6 625 406	584 151	(1 383)	No	
South African Revenue Service	Schedule 3A	-	-	-	-	-	-	2 771 091	3 434 658	(663 565)	(54 414)	No	
Total		200 003	200 003	200 003	400 956	400 956	400 956	56 017 894	58 172 091	(1 268 090)	3 603 989		

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

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	
		2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19
Controlled entities									
Accounting Standards Board	Determine standards of generally recognised accounting practice	-	-	341	290	55	55	430	113
Co-operative Banks Development Agency	Establish a regulatory framework for Co-operative Banks	-	-	3 953	4 381	1 666	1 678	3 286	1 591
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	37 492 577	37 172 485	328 069	365 579	776 324	678 991
FAIS Ombudsman	Handle complaints in terms of the Financial Advisory and Intermediary Services Act (2002)	-	-	41 904	17 594	36 246	13 778	1 858	1 468
Financial and Fiscal Commission	Assist and maintain the fiscal balance between fiscal decentralisation and the unitary state	-	-	8 182	9 912	45	243	11 575	1 677
Financial Intelligence Centre	Assist in the identification of unlawful activities; combat money laundering activities; financing of terrorism and related activities	-	-	113 879	163 246	541	612	8 502	16 334
Financial Sector Conduct Authority	Oversee the South African non-banking financial services industry in the public interest	-	-	464 714	439 675	180 614	35 395	187 771	103 225

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

Government Technical Advisory Centre	Assist organs of state in building their capacity for efficient, effective and transparent financial management	-	-	228 407	238 591	20 113	22 220	733 632	647 313
Government Pensions Administration Agency	Government Employees Pension Fund in terms of the Government Employees Pension (GEP) Act (1996)	-	-	301 489	410 416	8 800	119 238	104 369	110 801
Independent Regulatory Board for Auditors	Register public accountants and auditors and regulate the training of public accountants and auditors	-	-	35 092	31 970	5 115	4 831	10 381	6 246
LAND Bank	Facilitate access to ownership of land for the development of farming enterprises and agricultural processes for historically disadvantaged people	200 955	200 955	4 604 474	6 814 398	1 237 257	829 366	1 334 646	499 079
Office of the Pension Funds Adjudicator	Investigate and determine complaints of abuse of power, maladministration, disputes of fact or law and employer dereliction of duty in respect of retirement pension funds.	-	-	29 961	19 840	7 548	12 028	3 602	3 106
Public Investment Corporation Ltd	Invest funds on behalf of the South African public sector	1	1	2 857 291	2 789 301	158 707	209 653	47 188	38 154
Sasria SOC Ltd	Special Risk Insurance	-	-	7 059 539	6 625 406	88 390	298 933	87 570	73 225
South African Revenue Service	Efficient and effective collection of revenue	-	-	2 771 091	3 434 658	108 265	104 885	512 304	618 833
Total		400 956	400 956	56 012 894	58 172 163	2 181 431	2 018 494	3 823 438	2 800 156

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2020 - LOCAL

GUARANTOR INSTITUTION	GUARANTEE IN RESPECT OF	ORIGINAL GUARANTEED CAPITAL AMOUNT	OPENING BALANCE 1 APRIL 2019	GUARANTEES DRAWN DURING THE YEAR	GUARANTEED REPAYMENTS/ CANCELLED/ REDUCED DURING THE YEAR	REVALUATION DUE TO FOREIGN CURRENCY MOVEMENTS	CLOSING BALANCE 31 MARCH 2020	REVALUATIONS DUE TO INFLATION RATE MOVEMENTS	ACCRUED GUARANTEED INTEREST FOR YEAR ENDED 31 MARCH 2020
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
LOCAL	Other								
Development Bank of Southern Africa	Former Bophuthatswana Regional Authority	126 060	55 877	-	614	-	55 263	-	19 532
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	-	-	1 400 000	-	-
Land and Agricultural Development Bank of South Africa	Refinancing risk	3 000 000	-	-	-	-	-	-	-
Subtotal		7 426 060	148 605	1 400 000	614	-	1 547 991	-	19 532
Total		7 426 060	148 605	1 400 000	614	-	1 547 991	-	19 532

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2020 - FOREIGN

GUARANTOR INSTITUTION	GUARANTEE IN RESPECT OF	ORIGINAL GUARANTEED CAPITAL AMOUNT	OPENING BALANCE 1 APRIL 2019	GUARANTEES DRAWN DURING THE YEAR	GUARANTEED REPAYMENTS/ CANCELLED/ REDUCED DURING THE YEAR	REVALUATION DUE TO FOREIGN CURRENCY MOVEMENTS	CLOSING BALANCE 31 MARCH 2020	REVALUATIONS DUE TO INFLATION RATE MOVEMENTS	ACCRUED GUARANTEED INTEREST FOR YEAR ENDED 31 MARCH 2020
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Other								
Development Bank of Southern Africa	Eurobonds	8 470 000	3 495 536	325 072	-	-	3 820 608	-	10 875
Development Bank of Southern Africa	Kreditanstalt für Wiederaufbau	572 552	214 210	-	23 284	38 095	229 021	-	1 158
Development Bank of Southern Africa	Kreditanstalt für Wiederaufbau	285 366	148 284	-	11 605	27 406	164 085	-	829
Development Bank of Southern Africa	Kreditanstalt für Wiederaufbau	245 488	159 407	-	9 716	30 095	179 786	-	909
Development Bank of Southern Africa	Kreditanstalt für Wiederaufbau	250 321	112 067	-	9 939	20 445	122 573	-	620
Development Bank of Southern Africa	Kreditanstalt für Wiederaufbau	269 950	112 219	-	11 011	20 269	121 477	-	614
Land and Agricultural Development Bank of South Africa	African Development Bank	1 000 000	772 727	-	90 909	-	681 818	-	8 048
Land and Agricultural Development Bank of South Africa	World Bank	1 300 000	90 000	300 000	-	-	390 000	-	5 200
	Subtotal	12 393 677	5 104 450	625 072	156 464	136 310	5 709 368	-	28 253
	Total	19 819 737	5 253 055	2 025 072	157 078	136 310	7 257 359	-	47 785

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2020

NATURE OF LIABILITY	OPENING BALANCE 1 APRIL 2019	LIABILITIES INCURRED DURING THE YEAR	LIABILITIES PAID/ CANCELLED/REDUCED DURING THE YEAR	LIABILITIES RECOVERABLE (PROVIDE DETAILS HEREUNDER)	CLOSING BALANCE 31 MARCH 2020
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Claim for damages arising out of an alleged breach of contract.	2 400	-	-	-	2 400
Damages for claims emanating from cancellation of a transversal contract	54 006	-	-	-	54 006
Claim for damages as a result of a cheque that was stolen.	67	-	-	-	67
Subtotal	56 473	-	-	-	56 473
Other					
Military Pension	292 565	30 061	13 914	-	308 712
Injury on duty	9 466	15 497	1 262	-	23 701
Special Pension	80 277	19 476	21 060	-	78 693
Subtotal	382 308	65 034	36 236	-	411 106
TOTAL	438 781	65 034	36 236	-	467 579

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

ANNEXURE 8A

INTER-ENTITY ADVANCES PAID (NOTE 14)

ENTITY	CONFIRMED BALANCE OUTSTANDING		UN CONFIRMED BALANCE OUTSTANDING		TOTAL	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Department of International Relations and Cooperation (DIRCO)	328	-	-	-	328	-
Subtotal	328	-	-	-	328	-
PUBLIC ENTITIES						
Pension Administration	5 834	-	-	-	5 834	-
Subtotal	5 834	-	-	-	5 834	-
TOTAL	6 162	-	-	-	6 162	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020 ► CONTINUED

ANNEXURE 8B

INTER-ENTITY ADVANCES RECEIVED

ENTITY	CONFIRMED BALANCE OUTSTANDING		UNCONFIRMED BALANCE OUTSTANDING		TOTAL	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	R'000	R'000	R'000	R'000	R'000	R'000
PUBLIC ENTITIES						
Current						
Government Technical Advisory Centre	-	1 610	-	-	-	1 610
PSETTA	-	420	-	-	-	420
WINGS	-	677	-	-	-	677
State Debt Account	-	1 361	-	-	-	1 361
Subtotal	-	4 068	-	-	-	4 068
Non-Current						
PSETTA	11	-	-	-	11	-
FASSET	(358)	-	-	-	(358)	-
TETA	268	-	-	-	268	-
Unallocated	82	-	-	-	82	-
Subtotal	3	-	-	-	3	-
TOTAL	3	4 068	-	-	3	4 068
Current	-	4 068	-	-	-	4 068
Non-current	3	-	-	-	3	-

2019/20
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Private Bag X115, Pretoria, 0001 | 40 Church Square, Pretoria, 0002

Tel: +27 12 315 5944 | Fax: +27 12 406 9055

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