

# Northern Cape Provincial Treasury

## VOTE 8

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**ANNUAL REPORT**  
2017/2018

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# **PART. A**

## **GENERAL INFORMATION**

**ANNUAL REPORT**  
2017/2018

## 1. DEPARTMENT GENERAL INFORMATION

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## 2. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor General of South Africa
AO	Accounting Officer
BBBEE	Broad Based Black Economic Empowerment
CFO	Chief Financial Officer
MEC	Member of Executive Council
HOD	Head of Department
PFMA	Public Finance Management Act
TR	Treasury Regulations
MTEF	Medium Term Expenditure Framework
SMME	Small Medium and Micro Enterprises
SCM	Supply Chain Management
EU	European Union
SITA	State Information Technology Agency
SDIP	Service Delivery Improvement Plan

### 3. FOREWORD BY THE MEC



MN Jack  
MEC of Provincial Treasury

Last year this time, South Africa was facing a number of economic turbulences which led to a technical recession, however this financial year ended on a good note, where we declared 2018 the year of change, renewal and hope. As we move forward, we find ourselves in a different space all together, guarded by the New Dawn, which encapsulates the Thuma Mina/Send Me agenda, which is an inspiring phenomenon that will see South Africa moving forward.

In view of the provincial fiscal position, we needed to be decisive on how we ensure prudent management of available resources. After implementing various measures to stabilise the province's fiscal position and implementation of prudent cash management strategies, the province closed with a significantly reduced negative bank balance. Furthermore, in an effort to improve our obligations and ensure that the province restores a sound fiscal trajectory more fiscal measures were adopted by the Executive Council. These measures are intended to assist in improving our fiscal position in the short to medium term.

Revenue collection in the Province is not performing in a manner that we predicted, thus we will continue to strengthen collection system processes at all cash collecting points, revising of tariffs and debt collection strategies. Improving revenue collection will significantly address the constraints placed on the fiscus.

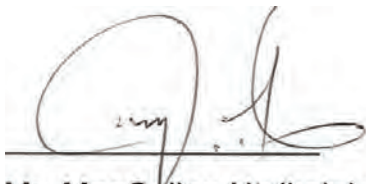
Provincial Treasury has commenced with a project to assist departments in addressing their accumulated irregular expenditure. The project has started at the Department of Health and will be rolled out to departments that have legacy issues on irregular expenditure. More efforts should be employed by all departments to address and prevent non-compliant processes.

All officials within the department has significantly contributed to the achievement of the strategic objectives and this was evidenced by the innovative and sound solutions employed to support and assist our clients.

I wish to thank the ministry, management and the staff of the department, for all their unwavering hard-work, support and dedication to the mandate of our department.

Let us continue to serve with passion and deliver on time.

I hereby table the annual report for the year ended 31 March 2018.

A handwritten signature in dark ink, appearing to be 'MacCollen Ntsikelelo Jack', written over a horizontal line.

**Mr. MacCollen Ntsikelelo Jack**

MEC for Finance, Economic Development and Tourism



#### 4. REPORT OF THE ACCOUNTING OFFICER



ATM Mabija  
Acting Head of Department

In espousing our values and vision, being the heartbeat of sound financial management, Provincial Treasury embarked on various projects and initiatives in order to effectively fulfil our mandate and the realisation of Service Delivery Outcome 9 and 12. As a country, we need to be aware and conscious of the economic situation that we find ourselves in. These conditions have required us, as treasury, to be proactive in our initiatives, vigilant on governance issues and provide effective and efficient support to organisations which exercise oversight on.

Our focus has continued to be improvement of audit outcomes, prudent management of available resources and the optimisation of revenue collection in the province. The following are key achievements for the financial year ending 2017/18:

- The viability of municipalities has been a key focus for the country, in the province we have noted that in order for municipalities to adequately deliver services, it is essential that revenue is generated from services rendered. A key challenge in this regard is the incorrect data on billing accounts or debtors books of municipalities, which significantly hampered the collection of revenue. We thus embarked on a pilot data cleansing project for three municipalities. This project was successfully completed at the end of year. The impact of the project will only be visible in the new financial year, evidence by improved revenue collection. It is essential to mention that the municipalities will be required to maintain the correct data going forward to ensure that there is no regression in this regard. We will, however, continue to provide continuous support to ensure this is achieved.
- The municipal support programme has continue in the year under review, eight municipalities were assisted through the Municipal Support Grant and three other municipalities were assisted to compile credible GRAP compliant asset registers through the appointed panel of consultants. The audit outcomes of these municipalities have improved, in terms number of qualification paragraphs. Due to the hands-on support provided to the following municipalities, their audit outcomes improved was as follows:

- Kamiesberg moved from a qualified audit opinion to an Unqualified audit opinion;
  - Dikgatlong retained its status quo ( qualification) with reduced matters; and
  - Ubuntu moved from a disclaimer to qualification.
- 
- Each oversight programme focused its support and capacity building initiatives around the improvement of the departments and municipalities financial management maturity capability level. Support plan were implemented to improve the gaps identified by the model to increase the financial maturity levels of respective organisations.
  - We have continued to provide support to municipalities with regards to transacting according to the Municipal Standard Chart of Accounts. All municipalities have implemented MSCOA, however there challenges with consistency in transacting according to the Chart of Accounts. Trainings and consultative sessions were held with the municipalities to improve, however the municipalities require additional capacity and skills to ensure full compliance.
  - The internal audit function has continued to internal audit service has continued to provide effective services to provincial departments, 285 audits were completed and client gave internal audit a rating of 4 in terms of services rendered. The audit committee was evaluated by clients and was found to be adding value to the organisations. The scope of internal audit was extended this year and included entities as well. To deal with the additional audits, Treasury appointed auditing firms to assist.

With regards to reining in expenditure and making sure we remain within to the fiscal framework of the province, Treasury had to intensify its oversight over the appointment of personnel. We put special focus on the Department of Education and the Department of Health, to curb compensation budget. We also sponsored and got approval to stop the appointment function on PERSAL for those Departments that do not comply with the moratorium process on the filling of posts. This was followed through with a proposal to the executive committee of the Province to revise the moratorium guidelines and cover the unintended practice, where departments were starting to appoint people on contract in order to circumvent the moratorium process and in cases where the application process of filling vacancies were taking too long. We hoping the executive committee will approve the set recommendations.

Provincial Treasury has been busy trying to finalise the alignment of its structure to generic structures of Treasuries that was developed by National Treasury in consultation of DPSA. There is a general consensus in the department that we need to follow the stand alone model when it come to the Municipal Financial Management programme that does oversight and support to municipalities. We expect this structure to be finalised in the 2018/19 financial year, and consultations with DPSA and Office of the Premier in the Province have started. A minimal amount has been put aside to partially

implement this revised structure in the 2018/19 financial, and to stagger the full implementation over time.

As part of becoming a learning organisation Treasury revised its bursary policy to also include bursaries for senior degrees and to also assist middle management to further their studies, as a result the uptake for the 2019 academic year has increased. Last year two of our directors were nominated by National Treasury to participate in a Public Finance Management Course at the University of Vrige in Brasils. The programme will continue in the 2018/19 financial year, and other senior managers will be given an opportunity to do the Public Financial Management Course. The internal audit unit continued participation in the Internal Audit Technician (IAT) and Professional Internal Auditor (PIA) Learnership Programmes of the Institute of Internal Auditors. Twenty Three, 23 officials successfully completed the IAT programme in August 2017 and continued to the PIA programme that will run during 2018. Seven, 7 other officials started on the IAT programme. This learnership programme is managed by Mr J Snyders, Director: Internal Audit. He won the Institute of Internal Auditor's award for 'Best Contribution to the Internal Audit Learnership Programme' in South Africa in August 2017.

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

##### Departmental Receipts

Departmental receipts	2017/2018			2016/2017		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	135	134	1	128	119	9
Interest, dividends and rent on land	777	45,250	(44,473)	733	39,222	(38,489)
Sale of Capital Assets	85	-	85	80	-	80
Financial transactions in assets and liabilities	12	84	(72)	11	2	9
Total	1,009	45,468	(44,459)	952	39,343	(38,391)

Provincial Treasury as an oversight department generates revenue primarily from interest received on the provincial consolidated bank account. The over collection on interest received is due proper cash-flow management processes within Provincial Treasury, which ensured that the province doesn't utilise its overdraft facilities.

Included in sale of goods and services is parking fees, service commission and sale of capital assets. There was an under collection with regards to sale of capital assets due to the fact that all redundant assets have not been disposed of yet, disposals will be finalised in the new financial year. During the financial year R241,000, was recovered from old debt and R244,000 was written off as bad debts. The department doesn't render free services.

#### Programme Expenditure

Programme Name	2017/2018			2016/2017		
	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	95,612	92,803	2,809	89,571	86,138	3,433
Sustainable Resource Management	61,001	57,070	3,931	59,064	47,954	11,110
Asset and Liabilities	93,789	80,724	13,065	70,578	50,811	19,767
Financial Governance	31,951	30,058	1,893	29,954	26,557	3,397
Internal Audit	35,832	32,041	3,791	32,681	31,463	1,218
Total	318,185	292,696	25,489	281,848	242,923	38,925

The above underspending of R25,489 million, significantly relates to the earmarked projects. The following are the reasons for variances per programme:

#### Administration

The programme underspent with an amount of R2,809 million which relates to delays in filling of vacancies amounting, R2,126 million and capital equipment amounting R0.683 million ordered and delivered in April 2018.

#### Sustainable Resource Management

The programme underspent with an amount of R3,931 million which significantly relates to earmarked funding for the Health Intervention Project which is continuing in the new financial year amounting to R2,545 million and delays in filling of vacancies.

#### Assets and Liabilities

The programme underspent with an amount of R13,095 million which significantly relates to the following:

- Municipal Support Programme amounting R8,095 million, which supported municipalities on in compiling credible financial statements and GRAP compliant asset register, thus improving

audit outcomes. The programme will be institutionalised into operations of the department in the new financial year.

- Interest on overdraft amounting to R3,454 million, due to efficient cash management process, the department avoided utilizing the interest on overdraft.

#### Financial Governance:

The programme underspent with an amount of R1,893 million which significantly relates to earmarked funding for the MSCOA which is continuing the new financial year amounting to R1,693 million.

#### Internal Audit:

The programme underspent with an amount of R3,791 million which significantly relates to laptops and furniture procured and delivered in April 2018, these amount to R1,737 million.

#### 4.2 Virements/roll overs

At the end of 2017/18 financial year, no virements were effected, however, shifts were effected within the programme and economic classifications to defray over-expenditure on sub-programme level.

Furthermore in the above-mentioned under-spending there is an amount of R13,801 million requested for rollover. This amount relates to the earmarked funding of the above-mentioned projects and purchases for capital equipment that were not delivered yet at year end.

#### 4.3 Unauthorised, Irregular, Fruitless and Wasteful expenditure

Internal controls in the Department has proven to be effective in that there was no occurrence of unauthorised for the financial year.

However, the an amount of R7,5 million has been listed as possible irregular expenditure that is subject to investigation. This is due to a lease contract that was no signed timeously by the Department of Roads and Public Works.

There was an increase in fruitless and wasteful expenditure. The amount for the current financial year amounts to R150,000. This is mainly due to cancellation fees on accommodation and flights which resulted from changes beyond the control of the department. It needs however to be mentioned that subsequent to the investigation processes of fruitless and wasteful expenditure, the department condoned R83,000 of the prior year's fruitless and wasteful expenditure. Furthermore after year end a policy decision was taken by management, that service fee charged by travel management companies should not be considered as fruitless and wasteful as the service was received irrespective if the accommodation was cancelled or rescheduled. This will result in a significant reduction in the new financial year.

#### 4.4 Future plans of the department

The strategic direction of the department is derived from the PFMA section 18 and will remain the same for the new financial year. However, more focus will be placed on support provided to the municipalities and provincial revenue collection.

#### 4.5 Public Private Partnerships

Due to the nature of the department's functions, it does not have or has proposed Private Public Partnerships (PPP). Our role as Treasury is to assist/facilitate the registering of PPP of service delivery departments.

#### 4.6 Discontinued activities/ New proposed activities

There are no services or activities that were discontinued during the year under review nor were any new services introduced.

#### 4.7 Supply chain management

The Department concluded all advertised bids and no unsolicited bids were issued. Sound internal controls were implemented to detect and prevent irregular, wasteful and fruitless expenditure.

Key reforms were implemented with regards to travel and accommodation and cost containment, thus there were modification of certain processes.

#### 4.8 Gifts and Donations received in kind from non-related parties

No gifts and donations were received in kind from non-related parties. The Department as part of Provincial Government donated goods to recipients identified during EXCO Outreaches through the department's corporate social investment.

#### 4.9 Exemptions and deviations received from the National Treasury

No exemptions or deviations have been granted from National Treasury for the year under review, except for the exemption provided to the province with regards to the National Travel Management Framework. Implementation of the framework was extended to 1 April 2018, instead of 1 October 2017.

#### 4.10 Events after the reporting date

No significant events which might have a financial implication occurred after the reporting date.

I would like to express my gratitude and appreciation to all officials for their unwavering support and tireless efforts in ensuring that the department achieves its objectives. I would also like to extend my gratitude to the MEC for Finance, Economic Development and Tourism, Mr MN Jack, who provided strategic leadership during the year. The information in the report clearly reflects the work Provincial

Treasury has performed for the financial year 2017/18, and it is thus accepted as accurate and complete.

Yours faithfully



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ATM MABIJA  
Acting Accounting Officer  
Northern Cape Provincial Treasury  
Date: 31 May 2018

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

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

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

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

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

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

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

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

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

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2018.

Yours faithfully



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ATM MABIJA  
Acting Accounting Officer  
Northern Cape Provincial Treasury  
Date: 31 May 2018



## 6. STRATEGIC OVERVIEW

### 6.1 Vision

To be the heartbeat of sound financial management that support economic growth and development.

### 6.2 Mission

To strive to promote sound fiscal policy that enables financial sustainability and support economic development.

### 6.3 Values

Batho Pele  
Integrity  
Excellence  
Professionalism

## 7. LEGISLATIVE AND OTHER MANDATES

LEGISLATION	PURPOSE
Constitution of the Republic South Africa 1996	The supreme law of the Republic, law or conduct inconsistent with it is invalid and the obligations imposed by it must be fulfilled.
Public Finance Management Act (Act 1 of 1999) as amended (PFMA)	To regulate financial management in the National Government and Provincial Governments, to ensure that all revenue, expenditure, assets and liabilities of the Governments are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in those Governments and to provide for matters connected therewith.
Division of Revenue Act as annually enacted	To provide for the equitable division of revenue anticipated to be raised nationally among the national, provincial and local spheres of government and the reporting requirements for allocation pursuant to such division; to permit the withholding and the delaying of payments in certain circumstances; to provide for liability for costs incurred in litigation in violation of the principles of co-operative governance and intergovernmental relations and to provide for matters connected therewith.
Treasury Regulations, March 2005 (as amended)	To regulate for the requirements for strategic planning as the basis for the preparation of budgets; To set minimum standards for financial management, clarification of roles; to instilling a culture of output measurement; to regulate and provide guidelines for the handling of property, disposal of state assets, disposal of immovable state assets and procurement.
Preferential Procurement Policy Framework Act (Act 5 of 2000)	To provide regulatory framework enabling and assisting departments and potentially disadvantaged Individuals (HDI's) in the sustainable development and implementation of preferential procurement system.
Preferential Procurement Regulations	To promote the introduction of practical measures pertaining to application of the points system referred to in the Act; the call for evaluation and allocation of tenders in accordance with the preference policy.
Public Service Act (Act 103 of 1994) as amended	To provide for the organization and administration of human resources management which includes the regulation of conditions of employment, terms of office, discipline, retirement and discharge of staff and matters connected therewith.
Occupational Health and Safety Act	To provide for the Health and Safety of persons at work and for the health and safety of persons connected with the use of plant and machinery; the protection of persons other than persons at work against hazards to health and safety arising out of or in connection with the activities of persons at work; to establish an advisory council for occupational health and safety; to provide for matters connected therewith.
Promotion of Access to Information Act, 2000 (Act 2 of 2000)	To give effect to constitutional right of access to any information held by the state and any information that is held by another person and that is required for the exercise or protection of any rights; and to provide for matters connected therewith.
Employment Equity Act, 1998 (Act 55 of 1998)	To regulate the process and procedures in achieving a diverse and competent workforce broadly representative of demographics of the country and eliminating unfair discrimination in employment towards implementing equity.
Labour Relations Act, 1995 (Act 66 of 1995)	To regulate and guide organisations in recognizing and fulfilling their roles in effecting labour harmony and democratization of the workplace.
Municipal Financed Management Act, 2003 (Act 56 of 2003) (MFMA)	To secure sound and sustainable management of the financial affairs of the municipalities and other institutions in the local sphere of government; to establish treasury norms and standards for the local sphere of government and to provide for matters connected therewith.
Municipal Systems Act (2000) and Development facilitation Act (1995)	To support and monitor municipal Integrated Development Planning (IDP)

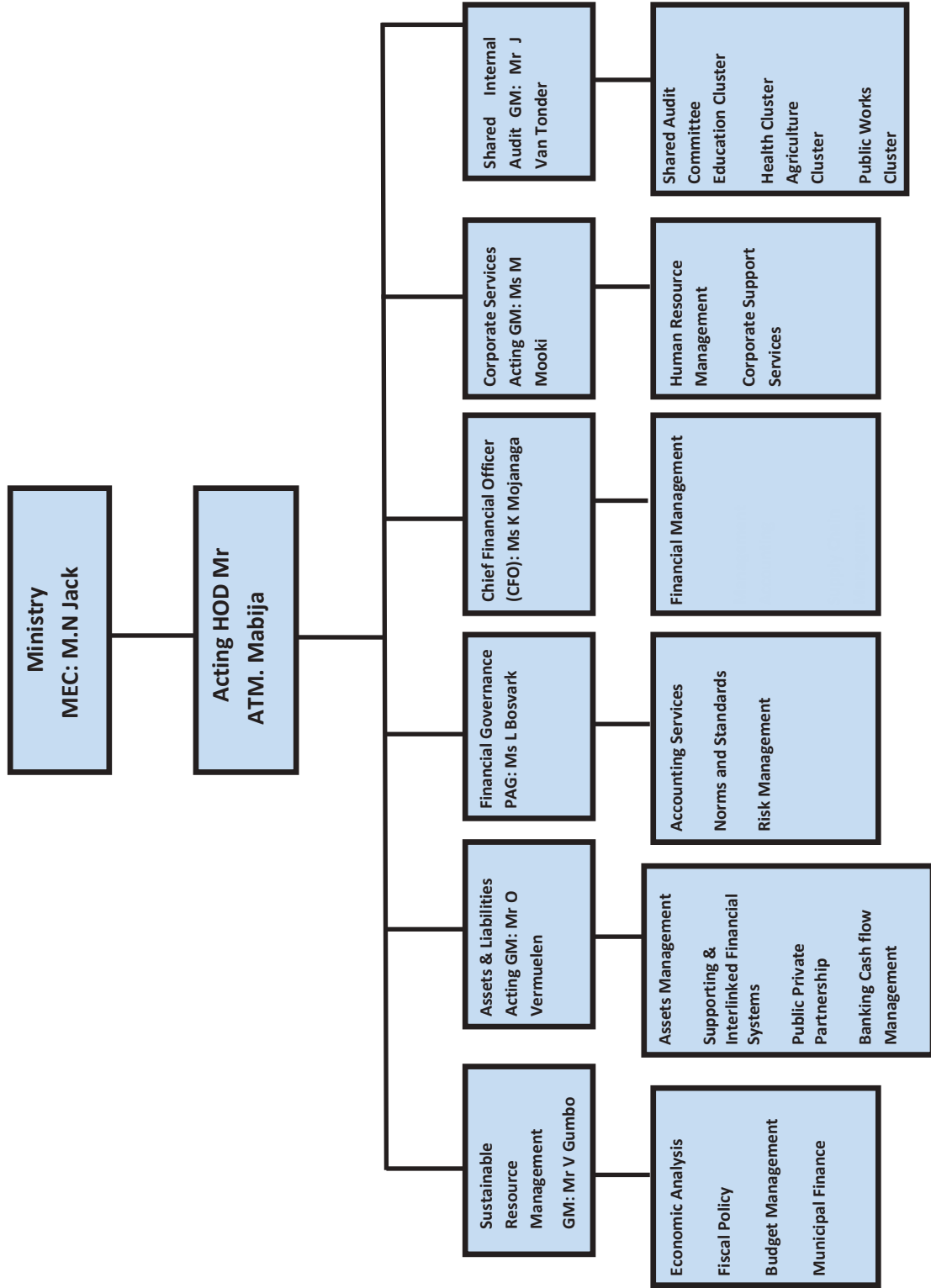
Skills Development Act 1998 (Act 97 of 1998)	To provide an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce; to provide for the financing of skills development by means of a levy-grant scheme and a national skills fund, to provide for and regulate employment services; and to provide for matters connected therewith.
Skills Development Levies Act (Act 9 of 1999)	To impose the payment of a skills development levy on employers; establishment of a system for the recovery and disbursement of levies for purpose of funding skills development training in accordance with approved skills development strategy.
Qualification Authority Act, 1995	To provide for learner ship that lead to recognized occupational qualification; provide for matters connected therewith.

POLICY MANDATES	PURPOSE
National Development Plan	The department should ensure that its plans are aligned to the country's development plan. This will ensure achievement of socio-economic development and growth.
Medium Term Strategic Framework(MTSF) 2014 -2019	The department must develop a five year strategic plan and budget requirement taking into account the medium-term imperatives as outlined in the MTSF 2014 – 2019
Integrated Development Plans	To assist in determining the credibility of Integrated Development Plans and Municipal Budgets as well as facilitate integrated planning among the three spheres of government
Human Resource Development Strategy	To maximise the potential of the people of South Africa, through the acquisition of knowledge, skills and values, to work productively and competitively in order to achieve a rising quality of life for all, and to set in place an operational plan, together with the necessary institutional arrangements, to achieve this.
Implementation of the PT & COGHSTA MoU	To clarify the roles and consolidate efforts between NCPT and COHGSTA in rendering support to municipalities;  Collaborate and cross cutting issues and synchronise efforts in providing assistance to municipalities through "Back to Basics" programme.
Provincial strategy to support municipalities	<ul style="list-style-type: none"> <li>• Promote credible and reliable financial reporting by enforcing;</li> <li>• The implementation of control activities in all financial management functional areas;</li> <li>• Build financial management capacity in municipalities in a holistic approach by addressing individual institutional and organisation gaps;</li> <li>• Enhance control environment in municipalities to improve oversight and accountability;</li> <li>• Municipal financial viability through sustainable operations that will enable service delivery.</li> </ul>

## 7.1 OTHER RELEVANT LEGISLATION AND IMPORTANT DOCUMENTS:

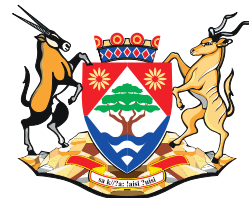
- SITA Act;
- Provincial Appropriation Act;
- Provincial Adjustment Appropriation Act;
- Provincial Finance Act;
- Public Service Regulations, 2001;
- Public Service Co-ordinating Bargaining Council Collective Agreements;
- Basic Conditions of Employment Act;
- Intergovernmental Fiscal review;
- Report of the Auditor-General on the accounts of Government;
- Budget review documents;
- Financial and Fiscal Commission's recommendations;
- Northern Cape Provincial Supply Chain Management Policy;
- Outcome-based Service Delivery Agreements.

## 8. ORGANISATIONAL STRUCTURE



## 9. ENTITIES REPORTING TO THE MEC

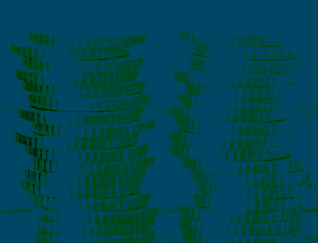
The Executive Authority provides political and strategic direction over the Department of Economic Development and Tourism and Provincial Treasury, thus Department of Economic Development and Tourism and its related public entities are listed as related party.



# PART. B

## PERFORMANCE INFORMATION

**ANNUAL REPORT**  
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## 1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 106 of the Report of the Auditor General, published as Part E: Financial Information.

## 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

### 2.1 Service Delivery Environment

Provincial Treasury's primary responsibility finds its mandate from Public Finance Management Act of 1999, section 17 and 18 which states that there is a Provincial Treasury in each province responsible for financial matters in the province. These mandates are exercised through oversight, advisory support and capacity building for 12 Departments and 30 Municipalities and 6 Entities.

Various challenges are experienced in rendering oversight, support and capacity building initiatives. These were especially experienced with municipalities due to their capacity constraints, lack of internal controls and lack of compliance with good governance principles.

There have been various changes in the legislative prescripts and this has resulted in an increase in the demand for services. These reforms are in Supply Chain Management, Financial Reporting and Expenditure Management both for municipalities and departments. These changes have significantly impacted how the department monitors, supports and enforces compliance.



## 2.2 Service Delivery Improvement Plan

The department has completed a service delivery improvement plan. The tables below highlight the service delivery plan and the achievements to date.

Key Services	Service Beneficiaries	Current standard	Desired standards	Achieved targeted
Render budgetary support and assistance to ensure credibility of budgets, Promote sustainable municipal budgets	13 Departments and 30 municipalities	Support provided to departments and municipalities on how to compile budgets	13 Departments and 30 Municipalities supported	13 Departments and 30 Municipalities supported
<u>Batho Pele Principles:</u>				
<u>Consultation</u>	13 Departments and 30 municipalities	Consult with departments during budget process. Hold budget forums, PMTECs, MEC Bilaterals	<p>Consultation on budget issues through:</p> <ul style="list-style-type: none"> <li>Quarterly budget forums,</li> <li>Budget guideline workshops</li> <li>PMTECs,</li> <li>MEC Bilateral</li> </ul> <p>Implement budget tips for MEC of finance from the public</p>	<p>30 Municipalities were consulted on financial management during section 72 and Budget benchmark visits.</p> <p>3 Revenue Forums were held with departments.</p> <p>13 departments were consulted through PMTECs and entities.</p> <p>All engagements were conducted with departments and public entities as per the desired standards.</p>
<u>Courtesy</u>		Communication systems are in place:	<p>Written Acknowledgement on all request for advice or approval.</p> <p>Provide feedback on all assessment within 5 days of receipt</p>	<p>All requests for advice/approval were acknowledged timeously</p> <p>Written responses were provided on all requests. e.g tariff approval, virement requests, provincial stroke municipal budgets..</p> <p>Departments were given the</p>

**NORTHERN CAPE PROVINCIAL TREASURY VOTE 8**  
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Key Services	Service Beneficiaries	Current standard	Desired standards	Achieved targeted
Render budgetary support and assistance to ensure credibility of budgets, Promote sustainable municipal budgets	13 Departments and 30 municipalities	Support provided to departments and municipalities on how to compile budgets	13 Departments and 30 Municipalities supported	13 Departments and 30 Municipalities supported
<u>Batho Pele Principles:</u>				
				<p>feedbacks during the budget engagements at the PMTEC</p> <p>A courtesy effort was for for the department of Sports, Arts and Culture on the rollover.</p>
<u>Access</u>		Continuous communication between Budget Analysts and the Departmental Officials.	Designated budget analyst that will conduct regular visits to departments and attend to request for support	All stakeholders have access to the analysts' i.e departments, public entities and municipalities.
<u>Information</u>		Information communicated with the relevant stakeholders to ensure timely implementation	<p>Publish the budget statements, guidelines and any relevant communication on the departmental website.</p> <p>Disseminate all budgetary policy information to affected department.</p>	Information published and distributed to all stakeholders e.g Legislature, department, libraries and website.
<u>Openness &amp; Transparency</u>		The budget process should be transparent to all stakeholders	<p>Issue assessment reports on department's budget and IYM submissions.</p> <p>Issue budget guidelines</p>	<p>Information was made available to all stakeholders through Section 32 in respect of departments and Section 71 in respect to municipalities</p> <p>Socio Economic Review, District Comparative analysis were distributed to stakeholders e.g municipalities.</p>

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Key Services	Service Beneficiaries	Current standard	Desired standards	Achieved targeted
Render budgetary support and assistance to ensure credibility of budgets, Promote sustainable municipal budgets	13 Departments and 30 municipalities	Support provided to departments and municipalities on how to compile budgets	13 Departments and 30 Municipalities supported	13 Departments and 30 Municipalities supported
<u>Batho Pele Principles:</u>				
<u>Redress</u>		Head Office staff available to address complaints	Allocate a designated budget analyst to attend to departmental complaints and communicate the resolution to the complaints timeously	All complaints/ queries from departments and municipalities were attended to; the following platforms were put in place e.g Debtors forums, CFOs forums.
<u>Value for money</u>		Ensure provision of services by departments are cost effective and within allocative budgets	Ensure provision of services by departments are cost effective and within allocative budgets	Assistance provided to departments and municipalities in a cost effective manner.

Main Services	Beneficiaries	Current standard	Desired standards	Achieved targeted
Monitoring compliance with laws and regulations	30 municipalities 12 departments	Monitoring compliance of 12 Departments & 30 Municipalities.	Monitoring and support services provided to 30 municipalities 12 departments and entities.	Monitored and supported services provided to 30 municipalities 12 departments and entities.
<u>Batho Pele Principles</u>				
<u>Consultation</u>		Forums. Meetings. Correspondence. Workshops conducted. Official visits conducted.	Consultation through Forums, Meetings; Written correspondence, Workshops conducted, Official visits conducted and	Consulted with clients as Various platforms namely : <ul style="list-style-type: none"> <li>• CFO forums,</li> <li>• MSCOA steering committees</li> <li>• Accounting reporting framework workshops</li> <li>• Risk Management workshop/Forums</li> </ul> Meetings were also held with clients to discuss assessment reports on compliance matters
<u>Courtesy</u>		Training of municipalities centralised at one venue	Bring services rendered closer to the clients	Ensured that trainings are held per region instead of at head office.

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Main Services	Beneficiaries	Current standard	Desired standards	Achieved targeted
Monitoring compliance with laws and regulations	30 municipalities 12 departments	Monitoring compliance of 12 Departments & 30 Municipalities.	Monitoring and support services provided to 30 municipalities 12 departments and entities.	Monitored and supported services provided to 30 municipalities 12 departments and entities.
Batho Pele Principles				
		Respond timeously to queries from our clients	Respond timeously to queries	<p>Queries responded to timeously with a formal letter or via email</p> <p>Assessment report provided quarterly on information submitted by clients.</p>
<u>Access</u>		<p>Training notice circulated 30 days before the training commencement date.</p> <p>Training schedules available on websites.</p> <p>Details of responsible officials to support clients availed</p>	<p>Training notice circulated 30 days before the training commencement date.</p> <p>Training schedules available on websites.</p> <p>Communicate details of responsible officials responsible to support client</p>	<p>Clients were informed timeously about the training</p> <p>Training notices were issued instead of being published on the website.</p> <p>The clients were informed of the officials responsible for supporting them</p>
<u>Information</u>		<p>Communicate information regarding :</p> <ul style="list-style-type: none"> <li>• Minimum Competency Levels Regulation.</li> <li>• Skills development act require up skilling of all officials.</li> <li>• Public Sector Competency Framework.</li> </ul> <p>New reporting frameworks</p> <p>Progress reports submitted on various forums.</p>	<p>Provide and communicated information to all our stakeholders on:</p> <ul style="list-style-type: none"> <li>• Minimum Competency Levels Regulation.</li> <li>• Skills development act require up skilling of all officials.</li> <li>• Public Sector Competency Framework.</li> </ul> <p>Inform the clients timeously on reforms and reporting frameworks</p> <p>Progress reports submitted on</p>	<p>The regulation requirements were provided and explained to clients timeously</p> <p>The information pertaining to the reporting frameworks was made available within two days after being published by National Treasury</p> <p>Progress reports were provided to the CFO</p>

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Main Services	Beneficiaries	Current standard	Desired standards	Achieved targeted
Monitoring compliance with laws and regulations	30 municipalities 12 departments	Monitoring compliance of 12 Departments & 30 Municipalities.	Monitoring and support services provided to 30 municipalities 12 departments and entities.	Monitored and supported services provided to 30 municipalities 12 departments and entities.
Batho Pele Principles				
			various forums.	forum, HOD forum and meetings with departments/Municipalities
<u>Openness &amp; Transparency</u>		Awareness programmes          Assessment reports          National Treasury website	Clients to be made aware about the services rendered and how they access assistance from Treasury      Assessment reports with recommendation shared with the clients   Provide National Treasury website links where necessary	Awareness sessions were held with our clients          The assessment reports are shared as and when they were finalized with the clients          Website links to important information of the NT website were circulated to clients.
<u>Redress</u>		Service evaluation forms completed by clients.	Service evaluation forms completed by clients.   Comments and inputs considered when implementing other training sessions.	The evaluation forms are completed by clients for all services rendered.     Comments are always positive.

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Key Services	Service Beneficiaries	Current standard	Desired standards	Achieved targeted
Render shared internal audit services	12 Departments 1 Trading Entity 6 Public Entities	12 Departments 1 Trading Entity 6 Public Entities	12 Departments 1 Trading Entity 6 Public Entities	12 Departments 1 Trading Entity 6 Public Entities
Batho Pele Principles:				
<u>Consultation</u>		Quarterly AC meetings  AC engagement at IA, HOD and/or MEC level.  Client satisfaction survey	Consult with departments through Quarterly AC meetings  AC engagement at IA, HOD and/or MEC level.  Issuing of AC meeting terms of reference letters	All clients were consulted in the five AC meetings  AC engaged with IA, HODs and MECs  AC meeting terms of reference letters were issued prior to all AC meetings
<u>Courtesy</u>		Client satisfaction questionnaires  Engagement with HOD and relevant stakeholders.	Client satisfaction questionnaires  Engagement with HOD and relevant stakeholders.	Client satisfaction questionnaires were issued to all clients  Engaged with all HODs and relevant stakeholders.
<u>Access</u>		Meetings convened at Provincial Treasury boardrooms  Per AC charter AC has access to all departmental officials.	Meetings convened at Provincial Treasury boardrooms  Per AC charter AC has access to all departmental officials.	All meetings convened in government boardrooms  AC had access to all officials.
<u>Information</u>		Quarterly AC packs.  Annual AC report for inclusion in annual report.	Information on services provided can be accessed through the Promotion of Information Act  Information on services provided can be accessed through the Promotion of Information Act	No requests received.  Annual AC reports were included in all client annual reports
<u>Open &amp; Transparency</u>		Quarterly AC meetings open to AGSA, PAG, Risk Management oversight, relevant departmental officials, National Treasury.	Issuing Quarterly AC packs prior to meetings to AGSA, PAG, Risk Management oversight, relevant departmental officials, National	AC packs were issued to all stakeholders before the AC meetings

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Key Services	Service Beneficiaries	Current standard	Desired standards	Achieved targeted
Render shared internal audit services	12 Departments 1 Trading Entity 6 Public Entities	12 Departments 1 Trading Entity 6 Public Entities	12 Departments 1 Trading Entity 6 Public Entities	12 Departments 1 Trading Entity 6 Public Entities
Batho Pele Principles:				
			Treasury.	
<u>Redress</u>		AC reporting responsibility to MEC, HOD Provincial Treasury and HODs per department.  Client satisfaction survey        AC assessment of IA	Responding to complaints promptly within the quarter, before next AC meeting  Addressing weakness identified in the Client satisfaction survey     AC assessment of IA	All matters have been addressed within the next AC meeting   Client satisfaction survey outcomes analysed and action plan developed    AC assessed the IA service
<u>Value for Money</u>		Tracking AC resolutions on quarterly basis.  Tracking implementation of IA recommendations quarterly.	Tracking AC resolutions on quarterly basis.  Tracking implementation of IA recommendations quarterly.	AC resolutions have been incorporated into the matters arising lists for all AC meetings

### 2.3 Organisational environment

The organizational environment of the department has been significantly stable over the financial year. However, the service delivery environment has necessitated an increase in capacity within Provincial Treasury in order to be more effective in delivering the said oversight services. The department is still in the process of revising its organizational structure to align it to the generic Provincial Treasuries' structures. The Department has adopted the MFMA standalone model. The process is at its final stages and will be followed by consultation.

As indicated in the Accounting Officer's report, there has been delays in filling of vacancies. This was as a result of the moratorium process implemented by the province in an attempt to curb unauthorized expenditure on compensation of employees. There were four senior management vacancies, of which one was filled early in the new financial year.

### 2.4 Key policy developments and legislative changes

The Draft Treasury Regulations have not been approved for implementation and the envisage date has not been provided as yet.

The Preferential Procurement Framework Act and the Regulations have resulted in the Department developing a Provincial Preferential Procurement Framework, which will service as a guide how the province will procure goods and services.

The Public Procurement Bill which will address the role of the chief procurement officer and has been issued for comment. The bill is still under discussion.

The Public Audit Bill is currently being revised in order to provide the Auditor General powers to refer undesirable audit outcomes for investigations and to recover losses against the responsible persons.



### 3. STRATEGIC OUTCOME ORIENTED GOALS

Strategic Goal 1:	Strategic leadership and administrative support
Goal statement :	To render strategic leadership, effective management and administrative support within the department
Justification	To provide and maintain high quality support services to Member of the Executive Council and the whole Department pertaining to sound financial management, human resource management and corporate support.
Links	MTSF Priority 12: An efficient, effective and development-oriented public service.
Progress Made:	Through the leadership, management and administrative support, 96% of the departmental performance targets have been achieved. Sound financial management and corporate services processes have been implemented resulting in effective management of the department, thus the clean audit status.

Strategic Goal 2:	Management and use of fiscal resources
Goal statement :	To ensure effective and efficient management and utilization of fiscal resources at 30 municipalities and 13 provincial departments.
Justification	To formulate and manage sound fiscal policy and to support municipal and departmental budget processes.
Links	MTSF priority area 9: Responsive, accountable, effective and efficient developmental Local government. MTSF priority are 12: An efficient, effective and development-oriented public service.
Progress Made:	The Department has been able to advice and direct departments on effective utilisation of financial resources. A credible provincial budget informed by provincial and national policies has been tabled. Assistance has been provided in optimising revenue collection and improving financial planning especially within municipalities.

Strategic Goal 3:	Management of assets and liabilities
Goal statement 3	To promote compliance with supply chain management prescripts and the prudent management of assets and liabilities through effective management of transversal systems and processes within the province
Justification	To provide policy direction and facilitate the effective and efficient management of assets and liabilities and compliance with supply chain policies.
Links	MTSF priority area 4: Decent employment and an inclusive economic growth MTSF priority area 9: Responsive, accountable, effective and efficient developmental Local government. MTSF priority are 12: An efficient, effective and development-oriented public service.
Progress Made	Hands on support and development of standards has contributed effective and efficient asset management within the province.

Strategic Goal 4:	Sound financial management and good governance
Goal statement 4	To promote sound financial management and good governance within the province
Justification	Strive for clean administration through good financial governance
Links	MTSF priority area 9: Responsive, accountable, effective and efficient developmental Local government. MTSF priority area 12: An efficient, effective and development-oriented public service.
Progress Made	Financial governance improved leading to improved financial administration at a provincial level. However, the financial management maturity level is still below level 3, however progress is noted in Departments

Strategic Goal 5:	Sound governance through internal audit and audit committees
Goal statement 5	To render an independent objective assurance and consulting activity designed to add value and improve audit committee oversight over Northern Cape Provincial Government
Justification	To improve the effectiveness of risk management, control and governance processes in the Northern Cape Provincial Government. To maintain oversight through audit committees over Northern Cape Provincial Government
Links	MTSF priority area 12: An efficient, effective and development-oriented public service
Progress Made	An independent objective assurance and consulting service and audit committee oversight function was delivered to the 12 provincial departments, 1 trading entity and 6 public entities.

## 4. PERFORMANCE INFORMATION BY PROGRAMME

### 4.1 Programme 1: Administration

Programme purpose

To provide and maintain high quality support service to the Executive Authority and the department pertaining to sound financial management, human resource management and administration.

The programme consists of the following sub-programmes:

- Office of the MEC
- Management Service
- Corporate Services
- Financial Management ( Office of the CFO )
- Security and Records Management

#### Strategic objectives:

Programme Name: Administration					
Strategic objectives	Actual Achievement 2016/2017	Planned Target 2017/18	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Achievement of all Provincial Treasury's performance targets as indicated in the APP.	96% of performance targets achieved	Achievement of all Provincial Treasury's targets indicated in the APP.	96.9% of targets achieved	3.1	Only two targets were not reached for the year, i.e  Administration: Partial Compliance with the ICT Framework, due to non-completion of the ICT Architecture Policy.  Assets and Liabilities: and only 40% of new officials enrolled on the Headcount system
Compliance to all HRM and Corporate Support Services regulation and prescripts.	No matter of emphasis reported in the audit report.	Compliance to all HRM and corporate support services regulations and prescripts.	Complied to all HRM and corporate support services regulations and prescripts, thus no matters raised in the Audit Report	-	-
Implementation of sound financial management within the department	1 Clean Audit report.	Implementation of sound financial management within the	Clean Audit Opinion received from the Auditor General	-	-

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Programme Name: Administration					
Strategic objectives	Actual Achievement 2016/2017	Planned Target 2017/18	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
evidenced by annual clean audit outcomes.		department evidenced by annual clean audit outcomes.			

Performance indicators

Sub-programme: Management Services							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
Reports on the province's financial performance	4 Quarterly budget performance reports to EXCO.	4 Quarterly budget performance reports to EXCO	4 Quarterly budget performance reports to EXCO	4 Quarterly Financial performance reports.	4 Reports on the Province's financial performance	-	-
Number of risk register review sessions completed.	New indicator	New indicator	1	1	1	-	-
Number of risk management action plans issued.	New indicator	New indicator	4	4	4	-	-

Sub-programme: Corporate Services							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
Number of HRM compliance reports submitted timeously.	4 x PMDS & OE	4 x PMDS & OE	4 x PMDS & 4 OE	16 Reports.	16 Reports	-	-
	1 x HRD	1 x HRD	4 x HRD				
	4 x EHW	-	4 x EHW				
Number of HRM Plans.	1	1	1	1	1	-	-
Number of EE Reports.	New indicator.	New indicator	1	1	1	-	-
Compliance with the	80%	93%	Approved ICT Strategic Plan,	Full complianc	Partial Compliance	Approved ICT Enterprise	Currently benchmar

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Sub-programme: Corporate Services							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
corporate governance of ICT framework (GCICT).			Approved ICT Implementation, Approved ICT Operational Plan	e with Phase 2 requirement.	with the corporate governance of ICT framework (GCICT) = 4 documents approved)	Architecture and migration plan not completed	king with other department and provinces in finalising these documents
Number of Facility Management Reports.	New indicator.	New indicator	4	4	4	-	-
Number of Security Management reports.	New indicator.	4	4	4	4	-	-
Percentage of misconduct cases received and finalised internally within 90 days.	100%	100%	100%	100%	100%	-	-
Number of diversity management plans.	New indicator.	New indicator.	New indicator.	2	2	-	-
Number of diversity management reports.	New indicator.	New indicator.	New indicator.	4	4	-	-
Number of newsletters issued.	New indicator.	New indicator.	New indicator.	4	4	-	-

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Sub-programme: Financial Management							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
Number of APP's submitted timeously.	1 APP	1 APP	1 APP	1 APP	1 APP	-	-
Number of Estimates of Provincial Expenditure (EPRE) submitted timeously.	2 EPRE	2 EPRE	2 EPRE	2 EPRE	2 EPRE	-	-
Number of compliant annual reports submitted timeously.	1 AR	1 AR	1 AR	1 AR	1 AR	-	-
Number of compliant financial statements submitted timeously.	4 IFS	3 IFS	3 IFS	3 IFS	3 IFS	-	-
	1 AFS	1 AFS	1 AFS	1 AFS	1 AFS	-	-
Quarterly departmental performance reports submitted timeously.	4	4	4	4	4	-	-
Number of compliance and financial management reports submitted timeously.	14 IYM Reports	14 IYM Reports	14 IYM Reports	14 IYM Reports	14 IYM Reports	-	-
	11 x Monthly SCM Report.	12 x Monthly SCM reports.	12 x Monthly SCM reports.	12 x Monthly SCM reports.	12 x Monthly SCM reports.	-	-
	11 x Salary Reports	12 x Salary Reports	12 x Salary Reports	12 x Salary Reports	12 x Salary Reports	-	-
	12 x Financial Compliance reports	12 x Financial Compliance reports	12 x Financial Compliance reports	12 x Financial Compliance reports	12 x Financial Compliance reports	-	-

Strategy to overcome areas of under performance

In the following year, the department will finalise the benchmarking process in order to complete all required documents in relation to ICT Compliance Framework.

Changes to planned targets

There were no changes to planned targets during the year.

Sub-programme expenditure

Sub- Programme Name	2017/2018			2016/2017		
	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
Office of the MEC	11,990	11,785	205	12,392	11,979	413
Management Services	3,426	2,371	1,055	2,706	2,706	-
Corporate Services	25,994	24,721	1,273	21,703	21,611	92
Financial Management	25,152	24,901	251	21,910	21,509	401
Security and Records Management	29,050	29,025	25	30,860	28,333	2,527
Total	95,612	92,803	2,809	89,571	86,138	3,433

The programme spent 97.1 percent of its adjusted budget, the underspending of 3 percent is due to delays in filling of vacancies.

#### 4.2 Programme 2: Sustainable Resource Management

The aim of this programme is to enhance the effective utilisation of available fiscal resources by informing financial resources allocation, managing the provincial budgets and monitoring the implementation of provincial, municipal and entities budget.

The programme consists of the following sub-programmes:

- Programme Support
- Economic Analysis
- Fiscal Policy
- Budget Management
- Municipal Finance

Strategic objectives:

Sustainable Resource Management					
Strategic objectives	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Provincial Economic and social research published.	Annual Provincial Socio-economic review and outlook tabled and published.	Annual Provincial Socio-economic review and outlook tabled and published.	Provincial economic & social research and analysis published	-	-
Monitoring report on Provincial and Municipal revenue generation.	2 Monitoring reports on Provincial and Municipal revenue generation.	1 Monitoring reports on Provincial and Municipal revenue generation.	1 Monitoring reports on Provincial and Municipal revenue generation.	-	-
Promote effective optimal financial resource allocation.	Two provincial Fiscal Frameworks produced.	Two provincial Fiscal Frameworks produced.	Two provincial Fiscal Frameworks produced.	-	-
Municipalities supported to promote sustainable budgets of the municipalities.	31 Municipalities assisted in achieving sustainable budget.	30 Municipalities assisted in achieving sustainable budget.	30 Municipalities assisted in achieving sustainable budget.	-	-

Performance indicators

Sub-programme: Economic Analysis							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
Number of MTBPS produced.	1	1	1	1	1	-	-
Number of provincial policy briefs produced.	5	5	4	4	4	-	-
Number of comparative reports produced.	New indicator	1	1	1	1	-	-
Provincial Economic Review and Outlook produced.	New indicator	New indicator	1	1	1	-	-



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Sub-programme: Fiscal Policy							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
Number of consolidated revenue performance reports produced.	4	4	4 Departmental reports.	4 Departmental reports.	4 Departmental reports.	-	-
			4 Municipal reports.	4 Municipal reports.	4 Municipal reports.	-	-
Number of consolidated municipal cash flow performance reports.	New indicator	New indicator	4	4	4	-	-
Number of progress reports on FMCMM gaps identified: Revenue Management .	New indicator	New indicator	New indicator	1 Departmental report.	1 Departmental report	-	-
				1 Municipal report.	1 Municipal report.	-	-
Number of provincial fiscal framework reports produced.	3	3	-	1	1	-	-
Number of consolidated reports on reviewed tariff submissions.	New indicator	New indicator	New indicator	1	1	-	-
Number of progress reports on support provided on revenue management and debt collection in municipal produced.	New indicator	New indicator	New indicator	4	4	-	-
Number of municipal support intervention reports on indigent policy management	New indicator	New indicator	New indicator	1	1	-	-

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Sub-programme: Budget Management							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
Number of budgets tabled.	3	3	2	2	2	-	-
Provincial In Year Monitoring reports.	14	14	14	14	14	-	-
Quarterly consolidated performance Assessment report.	4	4	4	4	4	-	-

Sub-programme: Municipal Finance							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
Number of gazettes produced on transfers to municipalities	1	2	1	1	2	1	2018/19 Gazette was finalised earlier, i.e March 2018 instead of April 2018
Number of consolidated assessment reports on Municipal budgets.	3	3	3	1	1	-	-
Number of consolidated IYM reports produced.	12	12	12	12	12	-	-
Number of quarterly consolidated municipal performance reports produced.	4	4	4	4	4	-	-
Number of gazettes produced on quarterly outcomes of	4	2	4	4	4	-	-

Sub-programme: Municipal Finance							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
municipal performance							
Number of progress reports on FMCMM gaps identified: municipal budgets.	New indicator	New indicator	New indicator	1	1	-	-
Number of consolidated progress reports on the Municipal Support strategy.	New indicator	New indicator	2	4	4	-	-

Strategy to overcome areas of under performance

The programme didn't report any underperformance for the financial year

Changes to planned targets

There were no changes to planned targets during the financial year.

Sub-programme expenditure

Sub-Programme Name	2017/2018			2016/2017		
	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 Support	2,020	1,924	96	2,106	2,066	40
Economic Analysis	5,276	4,122	1,154	5,645	5,354	291
Fiscal Policy	16,566	16,062	504	10,854	6,466	4,388
Budget Management	14,521	12,344	2,177	11,802	8,835	2,967
Municipal Finance	22,618	22,618	-	28,657	25,233	3,424
Total	61,001	57,070	3,931	59,064	47,954	11,110

The programme spent 93.6 percent of the its adjusted budget due to continuation of the health intervention project into the new financial year and delays in filling of vacancies in the Economic Analysis programme.

### 4.3 Programme 3: Asset and Liabilities Management

#### Programme purpose

This programme aim to provide policy direction, facilitating the effective and efficient management of physical assets, ensure sound supply chain management policies, procedures, maintain and manage all financial systems, Banking Cash Flow Management and provide technical support on Immovable Asset Management to municipalities and provincial departments.

The programme consists of the following sub-programmes:

- Programme Support
- Asset Management
- Supporting and Interlinked Financial System
- Public Private Partnership
- Banking and Cash Flow Management

#### Strategic objectives:

Assets and Liabilities Management					
Strategic objectives	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Level of financial maturity capability on Asset and Supply Chain Management.	2.90 For 12 departments.	Financial capability to level 3 for 12 departments.	Average score: 2.95	0.05	Policies and procurement plan not completed timeously
	2.64 For 30 municipalities.	Financial capability level 2 for 30 Municipalities.	Average score: 2.67	0.67	Improvement in functioning of bid committees
Monitoring reports on utilisation and compliance of transversal and support sub-system.	4 Consolidated reports.	4 Consolidated reports.	4 Consolidated reports	-	-
Number departments and municipalities compliant with the NC IDMS framework	NCIDMS to be reviewed to support Municipal Infrastructure.	7 Departments	7 Departments	-	-
	Municipal infrastructure delivery management framework developed.	12 Municipalities.	12 Municipalities		

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Assets and Liabilities Management					
Strategic objectives	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Audit outcome for the Provincial Revenue Fund reflecting the effectiveness and efficiency of banking services and cash flow management.	Clean Audit Report on the Provincial Revenue Fund	Clean Audit Report on the Provincial Revenue Fund	Clean Audit Report on the Provincial Revenue Fund	-	-

Performance indicators

Sub-programme: Asset Management							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
Support provided to roll out and implement the National Central Supplier Database in the province.	New indicator	New indicator	2 Road shows in the Province	2 Road shows in the Province	2 Road shows in the Province	-	-
Price Index reports published.	2	2	4	4	4	-	-
Number of progress reports on support intervention implemented to address SCM and Asset Management gaps identified during the FMCMM assessment.	New indicator	New indicator	2	3	3	-	-
Capacity building initiatives within departments and municipalities to enhance compliance and effectiveness of Supply Chain Management.	1	1	1	1	1	-	-
Progress reports on the municipalities assisted through the Municipal Support Grant	New indicator	New indicator	New indicator	4	4	-	-

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Sub-programme: Supporting and Interlinked Systems							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
Management and provision of Technical and Functional support, calls solved after being lodged and the escalation of national calls to LOGIK where required. (Includes BAS, PERSAL, LOGIS and BACS).	100% of calls resolved within 24 hours after being logged	98% of calls resolved within 24 hours after being logged.	97.5%	95% of calls resolved within 24 hours after being lodged.	98%	3%	More calls were resolved within 24 hours after being logged
Capacity building sessions for Provincial Departments to enhance effective utilisation of transversal systems and sub-systems.	519 x users trained.	430 x users trained.	10 BAS 15 PERSAL 18 LOGIS	10 X BAS 15 X PERSAL 16 X LOGIS trainings	11 X BAS 16 X PERSAL 17 X LOGIS trainings	3	Additional Training session were held due to additional requests
	21 X Users forum	23 x Users forum	15 x User Forum	16 x User Forum.	16 x User Forums		
Reports to enhance monitoring compliance and enforcement of prescribed legislation and policies.	12 Consolidated Reports	8 Consolidated Reports	12 X Consolidated Reports.	12 X Consolidated Reports.	12 Consolidated Reports	-	-
Assessments reports on Optimal Utilisation of LOGIS.	-	-	52 Reports	Quarterly reports for 13 Departments( 52 Reports )	52 reports	-	-
Provide support and monitor the biometric headcount system to ensure PERSAL integrity.	13 Departments supported and monitored.	Support and monitor 13 departments' head count system.	10%	80% of new appointments enrolled on the head count system within 90 days.	40% new appointments enrolled on the head count system within 90 days.	40%	Officials not presenting themselves timeously for enrolment
BAS System	13	13	52 reports.	Quarterly	52 reports	-	-

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Sub-programme: Supporting and Interlinked Systems							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
Controller services provided on behalf of provincial departments.	Departments	Departments		reports for 13 Departments ( 52 reports )			

Sub-programme: Public Private Partnership							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
Assessments conducted on infrastructure plans in line with infrastructure Budget Process.	New indicator	New indicator	New indicator	2 Assessment conducted on 7 departments in line with Infrastructure Budget Process.	2 Assessment conducted on 7 departments	-	-
				2 Assessment conducted on 12 municipalities in line with Infrastructure Budget Process.	2 Assessment conducted on 12		
Facilitate Capacity Building in accordance with the approved provincial IDMS in support of the institutionalisation of best practices.	2 Workshops conducted.	2 Workshops conducted.	3 Workshops conducted.	2 Provincial workshops conducted.	2 Provincial workshops conducted.	1	Additional workshop on SIPDM was conducted on request from Municipalities
				2 Municipal workshops conducted.	3 Municipal workshops conducted.		
Assessments reports produced on Municipalities and Departments ' capacity to manage infrastructure delivery.	7 Departments assessed.	7 Departments assessed.	28 Reports	4 Quarterly Assessments reports of 7 departments.	4 reports for 7 departments.	-	-
	New indicator	New indicator	45 Reports	4 Quarterly Assessments reports of 12 municipalities	4 reports of 12 municipalities.		
Financial analysis of capital expenditure	4 Quarterly expenditure outcomes reports	4 Quarterly expenditure outcomes reports	4 Quarterly expenditure outcomes reports	4 Quarterly expenditure outcomes reports	4 Quarterly expenditure outcomes reports	-	-



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Sub-programme: Public Private Partnership							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
trends and physical project verification on provincial immovable asset.	produced.	produced.	produced.	produced.	produced		
	5 site visits conducted.	4 site visits conducted.	4 site visits conducted.	5 site visits conducted.	5 site visits conducted		

Sub-programme: Banking and Cash Flow Management							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
Number of Bank Reconciliation for Exchequer Account.	12	12	12	12	12	-	-
Banking services evaluation reports.	2	2	2	2	2	-	-
Audited Provincial Revenue (PRF) annual financial statements produced.	1	1	1	1	1	-	-
Number of cash flow reports produced.	6	6	6	6	6	-	-
Review and maintain cash management framework.	1	1	1	1	1	-	-
Review and maintain Investment Policy.	New indicator	2	4	4	4	-	-

Strategy to overcome areas of under performance

Level of financial maturity capability on Asset and Supply Chain Management.

Although there was not an under achievement on MFMA, the following strategies will put in place to improve scores for municipalities.

- National Treasury has allocated a dedicated SCM MFIP consultant to the Northern Cape to assist with assessment of SCM compliance in municipalities. Part of the scope of work of the consultant is

to identify mitigation measures that can be taken to improve on SCM compliance within municipalities.

- In conjunction with the above, a matrix model will be implemented to identify problematic municipalities. A focussed approach will be followed to assist municipalities that are lacking the necessary skills.
- A district model will be implemented whereby support will be given from district level to assist municipalities with SCM related matters.

There was a minor under achievement with the scores of provincial departments and the following strategy will be put in place to improve the score.

- The FMCMM scores will be reviewed to identify areas of weakness where after a support plan with mitigation measures will be developed to address the weaknesses.
- Provincial Assets will, in line with provincial legislation and prescripts, prescribe compulsory reporting periods and criteria for all provincial departments.

Head count of new employees:

The following strategies will be put in place to mitigate the constant and significant under performance.

- Reporting and monitoring of employees not verified within 3 months will be improved. Improved reports has been developed to assist officials to timeously identify noncompliance by officials.
- The freezing of salaries will be utilised more assertively as mechanism to force employees to verify.
- A Provincial Policy to make head count compulsory before appointment by provincial departments can take place will be discussed with OTP.

#### Changes to planned targets

There were changes to planned targets during the financial year.

Sub-programme expenditure

	2017/2018			2016/2017		
Sub- Programme Name	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 Support	1,951	1,933	18	1,645	1,255	390
Asset Management	53,397	44,626	8,771	38,971	22,275	16,696
Support and Interlinked Financial Systems	23,254	23,135	119	18,804	16,861	1,943
Public Private Partnership	6,789	6,411	378	6,556	6,208	348
Banking and Cashflow Management	8,398	4,614	3,784	4,602	4,212	390
Total	93,789	80,719	13,070	70,578	50,811	19,767

The programme spent 86.1 percent due to the earmarked funding of the Municipal Support Programme amounting R8, 095 million, which supported municipalities on in compiling credible financial statements and GRAP compliant asset register, thus improving audit outcomes. The programme will be institutionalised into operations of the department in the new financial year. Interest on overdraft amounting to R3,454 million was not utilized , due to efficient cash management process, thus the savings incurred.

#### 4.4 Programme 4: Financial Governance

Programme purpose:

To promote accountability and good governance through substantive reflection of financial activities of the province as well as compliance with financial norms and standards.

The programme consists of the following sub-programmes:

- Programme Support
- Accounting Services
- Norms and Standards
- Risk Management

##### Strategic objectives:

Financial Governance					
Strategic objectives	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Improved Financial Management Capacity Maturity (FMCM) to level 3 on financial reporting.	2.78	Improved Financial Management Capacity Maturity (FMCM) to level 3 on financial reporting.	2.86  Average of 2.95 for PFMA and 2.77 for MFMA	0.14	Lack of accounting skills in municipalities is major contributor to the non-achievement of ideal level.
Improved financial management capacity maturity level to 3 on compliance, institutionalised arrangements, accountability and transparency within the province.	2.95	FMC level 3 by departments.	2.92	0.08	Insufficient sanctions for promoting effective financial management and compliance
	2.57	FMC level 3 by municipalities.	2.62	0.30	Instability in senior management results in poor governance
Improved financial management capacity maturity to level 3 on risk management practices by departments.	2.89	Risk Management maturity level of 3 for 12 Departments.	2.94	0.06	Departments are appointing CRO who are not adequately skilled.

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Financial Governance					
Strategic objectives	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Improved financial management capacity maturity to level 3 on risk management practices by municipalities.	2.14	Risk Management maturity levels of 3 for 30 municipalities.	2.30	0.07	Lack of capacity in municipalities

Performance indicators

Sub-programme: Accounting Services							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
Number of compliance reports on compliance certificates of departments.	48 assessment reports for departments.	48 Quarterly assessment reports for departments.	4 reports on compliance certificates.	4	4	-	-
Number of compliance reports on monitoring tools on municipalities.	55 Quarterly assessments reports.	42 Quarterly assessment reports.	4 reports on monitoring reports.	4	4	-	-
Number of capacity building programmes implemented	4 Training sessions.	13 workshops.	7 Workshops.	2 Workshops	5	3	Due to financial year end additional forums/workshops had to be arranged to discuss items that might affect proper disclosure during the preparation of the AFS.
	3 CFO Forums.	7 CFO Forums.	6 CFO Forums.	4 CFO Forums.	5	1	

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Sub-programme: Accounting Services							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
Number of reports on audit action plans.	65 assessments reports on audit action plans.	73 assessments reports on audit action plans.	4 reports on audit action plans.	4	5	1	Due to the slow progress made in addressing audit issues additional report was compiled, to assist departments to fast the process.
Consolidated annual financial information tabled timeously.	1	1	1	1	1	-	-
Number of municipalities supported and monitored on implementation of MSCOA.	New indicator	New indicator	30	30	30	-	-
Number of support intervention implemented to address financial reporting gaps identified during the FMCMM assessment.	New indicator	New indicator	1	1	1	-	-

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Sub-programme: Norms and Standards							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
Number of compliance reports compiled on institutional arrangements, accountability and transparency to improve alignment with norms and standards.	7 reports.	10 reports.	4 reports.	4	4	-	-
Number of support intervention implemented to address gaps identified during the FMCMM assessments.	5	5	5	4	4	-	-
Number of capacity building programmes implemented.	New indicator	New indicator	9	8	8	-	-

Sub-programme: Risk Management							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
Progress reports on support intervention implemented to address gaps identified during FMCMM assessment.	New indicator	New indicator	New indicator	4	4	-	-
Report on the Risk Management status of the	3 RM reports.	5 RM reports.	4 reports.	4 RM reports.	4 RM reports.	-	-

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Sub-programme: Risk Management							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
province.							
Number of Provincial risk registers developed.	2 consolidated risk registers per cluster.	1 consolidated risk registers per cluster.	1 consolidated risk registers per cluster.	1 consolidated risk registers per cluster.	1 consolidated risk registers per cluster.	-	-
Number of capacity building programmes implemented within the province.	4 RM forums.	5 RM forums.	5 RM forums.	6 RM forums.	5 forums	-1	One forum was cancelled due to the workshop on the compliance framework
	3 Provincial Risk Management Forums.	2 provincial RMC workshops.	4 provincial RMC workshops.	2 provincial RMC workshops.	4 workshops	2	An additional workshop was a request that was not planned for
Number of progress reports on establishment of Internal Audit Units and Audit Committees in Municipalities.	New indicator	New indicator	New indicator	4	4	-	-

Strategy to overcome areas of under performance

No underperformance has been recorded for the financial year, except for the cancelled forum which was replaced with compliance framework workshop.

Changes to planned targets

There were changes to planned targets during the financial year.



Sub-programme expenditure

Sub- Programme Name	2017/2018			2016/2017		
	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 Support	1,926	1,911	15	1,677	1,677	0
Accounting Services	13,489	12,050	1,439	10,511	8,818	1,693
Norms and Standards	8,453	8,053	400	7,212	6,901	311
Risk Management	8,083	8,044	39	10,554	9,161	1,393
Total	31,951	30,058	1,893	29,954	26,557	3,397

The programme has spent 94.1 percent of its adjusted budget. The variance is due the earmarked funding for the MSCOA which is continuing the new financial year.

#### 4.5 Programme 5: Internal Audit

Programme purpose:

- To provide internal audit service to the Northern Cape Provincial Departments and listed public entities.
- To provide audit committee oversight services to the Northern Cape Provincial Departments and listed public entities.

The programme consists of the following sub-programmes:

- Programme Support
- Education Cluster
- Agriculture Cluster
- Public Works Cluster

Strategic objectives:

Programme Support ( Audit Committee )					
Strategic objectives	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Convene Audit Committee meetings in adherence to the legislative requirements.	87	99	99	-	-

Performance indicators

Programme / Sub-programme: Programme Support ( Audit Committee)							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
Number of Compliance Assessments to the Audit Committee Charter.	-	Rating of 4 out of 5	1	4 compliance assessment	4 compliance assessment	-	-

Internal Audit					
Strategic objectives	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Execution of the approved annual audit plans.	257	255	279	24	Various management requests were received for ad-hoc assignments. Revised internal audit plans was then approved by the Audit Committee, whereby the risks, scope of planned assignments and ad-hoc assignments were reconsidered.

Performance indicators

Sub-programme: Education Cluster							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
Number of risk based plans approved by AC.	3	3	6	7	7	-	-
Number of audit reports issued.	118%	152%	66	89	100	11	Management requested addition audits, based on continuous risk assessments at departments and

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Sub-programme: Education Cluster							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
							public entities; This increased the number of audit reports issued.
Outcome of client satisfaction surveys received.	3	4	14	3 Out of 5	4 Out of 5	1	The overall outcome from the departments and public entities exceeded the planned target for the year.
Outcome of audit committee satisfaction survey received.	4	4	1 (surveys received)	3 Out of 5	4 Out of 5	1	The overall outcome from the audit committee exceeded the planned target for the year.
Number of internal quality reviews conducted (1 per quarter)	New indicator	New indicator	4	4	4	-	-

Sub-programme: Health Cluster							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
Number of risk based plans approved by AC.	3	3	3	3	3	-	-
Number of audit reports issued.	106%	100%	52	50	51	1	As a result of an ad-hoc request from management an additional

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Sub-programme: Health Cluster							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
							audit was completed.
Outcome of client satisfaction surveys received.	3	4	12 (surveys received).	3 Out of 5	4 Out of 5	1	The outcome of client satisfaction surveys indicate that internal audit exceeded the expectations of client departments .
Outcome of audit committee satisfaction survey received.	5	4	1 (surveys received).	3 Out of 5	4 Out of 5	1	The AC was extremely impressed with the performance of IA regarding the full execution of the IA Charter, IA plans and performing the AC Secretariat function.
Number of internal quality reviews conducted ( 1 per quarter)	New indicator	New indicator	4	4	4	-	-

Sub-programme: Agriculture Cluster							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
Number of risk based plans approved by AC.	3	3	5	5	5	-	-
Number of audit reports issued.	102%	126%	73	66	72	6	Departmental Management requested additional a-hoc audits.

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Sub-programme: Agriculture Cluster							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
Outcome of client satisfaction surveys received.	4	4	12 ( surveys received)	3 out of 5	4 Out of 5	1	The stakeholders felt that IA acted professionally and added value in their departments / entities.
Outcome of audit committee satisfaction survey received.	4	4	1 ( surveys received)	3 out of 5	5 Out of 5	2	The AC was extremely impressed with the performance of IA regarding the full execution of the IA Charter, IA plans and the performing of the AC Secretariat function. Therefore they scored IA higher than what was planned for.
Number of internal quality reviews conducted ( 1 per quarter)	New indicator	New indicator	4	4	4	-	-

Sub-programme: DPW Cluster							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
Number of risk based plans approved by AC.	4	4	3	4	4	-	-
Number of audit reports issued.	97%	114%	66	50	56	6	Management requested additional audits and internal audit identified the need for additional audits based on continuous risk assessments

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Sub-programme: DPW Cluster							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
							. This increased the number of audit reports issued.
Outcome of client satisfaction surveys received.	3	4	13( surveys received)	3 out of 5	4 Out of 5	-	The stakeholders felt that IA acted professionally and added value in their departments / entities.
Outcome of audit committee satisfaction survey received.	4	4	1 ( surveys received)	3 out of 5	4 Out of 5	-	The AC was extremely impressed with the performance of IA regarding the full execution of the IA Charter, IA plans and the performing of the AC Secretariat function. Therefore they scored IA higher than what was planned for.
Number of internal quality reviews conducted ( 1 per quarter)	New indicator	New indicator	4	4	4	-	-

Strategy to overcome areas of under performance

No underperformance was recorded for the financial year

Changes to planned targets

There were no changes to planned performance indicators, however the internal audit plans were amended during the year to respond to the vacancies in the internal audit unit and the emerging risks at the clients.

Sub-programme expenditure

Sub- Programme Name	2017/2018			2016/2017		
	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 Support	10,033	7,359	2,674	8,901	7,769	1,132
Internal Audit (Education)	6,667	6,489	178	5,971	5,962	9
Internal Audit (Health)	6,573	6,186	387	6,022	5,945	77
Internal Audit (Agriculture)	6,159	5,848	311	5,915	5,915	0
Internal Audit (DPW)	6,400	6,159	241	5,872	5,872	0
Total	35,832	32,041	3,791	32,681	31,463	1,218

The programme spent 89 percent of its adjusted budget due to capital equipment procured during the financial year and only delivered after year-end in April 2018.

Performance indicators

Sub-programme: Economic Analysis							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
Number of MTBPS produced.	1	1	1	1	1	-	-
Number of provincial policy briefs produced.	5	5	4	4	4	-	-
Number of comparative reports produced.	New indicator	1	1	1	1	-	-
Provincial Economic Review and Outlook produced.	New indicator	New indicator	1	1	1	-	-

## 5. TRANSFER PAYMENTS

### 5.1. Transfer payments to public entities

The department does not have any entities.

### 5.2. Transfer payments to all organisations other than public entities

Transfer payment effected was to municipalities, departmental agencies, households and non-profit organisation.

Transfer to household relate significantly to payments for leave gratuity paid to officials who have resigned from department and donations made from MEC's discretionary funds.

Transfer payments to non-profitable were donations made in terms of the departmental corporate social responsibility.

Transfers to municipalities relate to transfers made in line with the municipal support management grant in supporting municipalities in ensuring that GRAP compliant financial statements and asset registers are compiled.

## 6. CONDITIONAL GRANTS

The department is not recipient of conditional grants.

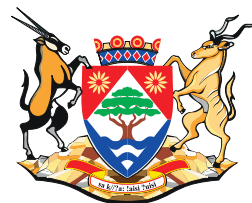
## 7. DONOR FUNDS

No donor assistance was received by the department.

## 8. CAPITAL INVESTMENT

The nature of the Department is such that there is no infrastructure related projects or significant capital investment projects. The only capital procurement being initiated is regarding office furniture and computer equipment.





# **PART. C**

# **GOVERNANCE**

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**ANNUAL REPORT**  
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## 1. INTRODUCTION

The Department is committed to maintaining the highest standards of governance, as good governance is important for the management of public finances and resources. Good financial governance builds public confidence and assures business and community members that resources are utilized effectively and efficiently in achieving the objectives of the department.

During the year, the department has supported public entities in improving governance and has directed all efforts towards an improvement in the audit outcomes; transparent and fair supply chain management practices; efficient and effective spending by departments and sound cash management.

## 2. RISK MANAGEMENT

The Department has adopted the Public Sector Risk Management Framework (PSRMF), which incorporates the requirements of the King III report on Corporate Governance and other best practices such as COSO Enterprise Risk Management.

In accordance with the aforementioned, the risk management policy and the risk management strategy were in place. The department further ensured that risk assessment is conducted both at strategic and operational levels including the consideration of Information and Technology (IT) risks. This was done in line with the risk management implementation plan that was developed at the beginning of the financial year to obtain assurance that new and emerging risk are identified on a continuous basis.

The Risk Management Committee which is under the direction and guidance of an external chairperson, played a vital role in overseeing the implementation of risk management as well as satisfying itself that risks are not only identified but measures are put in place to mitigate such risks.

The Audit Committee Charter makes provision for the Audit Committee to advise management on matters relating to the effectiveness of the system of risk management. The Audit Committee cluster responsible for the department has been exercising this responsibility throughout the year.

Embedment of risk management into the departmental daily operations has commenced and this is evident through the favourable audit opinion achieved over the years. There is still some work to do in this area, as the ultimate goal is to ensure that the effectiveness of risk management translates into enhancement of departmental performance. To reach this goal, the department will appoint risk champions across the programmes, these champions will be capacitated to communicate and leverage risk management in such programmes.

### 3. FRAUD AND CORRUPTION

The fraud prevention plan is compiled based on the minimum anticorruption capacity model (MACC) that is reviewed on an annual basis. The respective key stakeholders, e.g. Finance, HR, Security Management and Risk Management give input into the document.

The Department has an approved Whistleblowing policy in place which details the strategies and reporting mechanisms that are adopted in the organisation.

### 4. MINIMISING CONFLICT OF INTEREST

Senior Managers are required in terms of the Public Service Regulations to disclose annually their financial and other interest to ensure that where possible conflict of interest is minimized. Furthermore, all supply chain practitioners and bid committee members are required to declare their interest annually and per bid committee meeting to ensure transparency in the procurement processes. No conflict of interest incidence has been identified or reported for the year under review. Staff members who conduct business and receive additional remuneration are required to request permission from the accounting officer. Declaration of interest by bid specification, bid evaluation and bid adjudication committee members on any bid which is being considered.

Recruitment and selection panel members are required to sign the declaration of interest during the process.

Transparency and accountability is key within our department, thus we have ensured that vetting of all newly appointed officials occurs.

### 5. CODE OF CONDUCT

Newly appointed officials are inducted on their first day at work, and the Public Service Code of Conduct manual is handed to them on that day. Breach thereof is addressed through proper disciplinary procedures. NCPT officials are oriented on the code of conduct; this has improved the ethical behaviour of the officials as there were no cases reported during this financial year.

### 6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Health and Safety Committee was in operation to ensure compliance with the relevant legislation and to champion health and safety matters at the work place. Quarterly meetings were held and inspections were conducted in the buildings.

## 7. PORTFOLIO COMMITTEES

The Department provided feedback to the Portfolio Committee on the following:

- Annual Performance Plan 2017/18
- 1st and 2nd Quarter Reports
- Annual Report for 2016/17.

The following were the resolution of the committee

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
1 <sup>st</sup> Quarter Report	Report on provincial accruals	To provide the speaker with accruals incurred by the province and guidance provided by provincial treasury to date	The presentation on late payments to suppliers is a standing agenda item on the HOD forum that takes place on a monthly basis. Provincial Treasury tables the consolidated instruction note together with recommended actions for consideration by the HODs.	Y
Annual Report	Applying SMART Principles during planning	Department should apply SMART Principles during planning to ensure that there are no finding on performance information	In August 2017, the Department commenced with its planning session whereby each programmes' indicators were analysed to determine if the indicators meet the SMART principles. The 2017/18 Annual Performance Plan's indicators were corrected where they didn't meet the requirements. Furthermore, there is continuous engagement with internal audit and auditor general on performance information in order to ensure that a clean audit status is sustained	Y
	Share best practices on management of allocated funds	Share best practices and ensure that it exercises its monitoring role by instituting discipline in order for department and municipalities to manage the allocated funds optimally	The Public Finance Management Act requires the accounting officer of each institution to manage available resources effectively and efficiently. Mismanagement of allocated funds should be addressed in-line with prescripts. Provincial Treasury has continued to exercise oversight on spending of departments and issues identified have been discussed with the relevant departments. More efforts and focus is being directed to Health and Education, this	Y

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			include regular interactions and close scrutiny of their expenditure to check how and where moneys are spent	

## 8. SCOPA RESOLUTIONS

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
1	Finance and supply chain management	Share best practices and capacitate finance and supply chain management units of all department and identified municipalities to enhance their audit outcomes	<p>Provincial Supply Chain Management and Financial Governance units continued to conduct various workshops/training sessions with departments and municipalities to provide advice on new pieces of legislations and frameworks. The following are key best practices that Provincial Treasury is promoting in improving audit outcomes:</p> <ul style="list-style-type: none"> <li>Ensure that each finance and supply chain unit is adequately capacitated with competent and skilled officials;</li> </ul> <p>Business process should be adequately aligned to the relevant prescripts, thus it is important that each department has approved policies and checklists to ensure compliance during tender processes;</p> <p>All required bid committees should be functional and all aspects of contract management should be complied with;</p> <p>It is also essential that all</p>	YES

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Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			<p>functions and processes are monitored regularly</p> <p>feedback is provided to oversight bodies;</p> <p>Full utilisation of LOGIS to ensure that all transactions are recorded and are fully accounted for;</p> <p>Accounting Officers should address non-compliance decisively in order to deter irregular, fruitless and wasteful expenditure.</p>	
2	Expenditure Outcomes	Under no circumstances must Provincial Treasury under-spend or under perform on its targets as per the approved plan.	<p>The mandate of the Department is exercised through oversight, advisory support and capacity building services for 13 Departments, 30 Municipalities and 6 entities. Due to the nature of function of the department, some indicators are dependent on the co-operation of our clients. Non-cooperation or delayed responses from clients may lead to underperformance of the department, e.g. submission of statutory reports, compliance with agreements on support services, attendance to workshops and meetings and headcount enrolment. However, continuous engagements are held with stakeholders to ensure that set targets are reached.</p> <p>Underperformance caused by the above</p>	Partially

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			challenges may leads to underspending. Significant part of the department's spending relates to delay in filling of vacancies and non-compliance with reporting requirements by municipalities, thus we are unable to effect transfer payments.	

## 9. PRIOR MODIFICATIONS TO AUDIT REPORTS

The Department obtained an unqualified audit opinion with no matters of emphasis in the prior year. Continuous efforts were implemented to ensure that the opinion is improved, thus the clean audit opinion for the current year

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
Unqualified with no matters of emphasis	2013/14	Not Applicable
Matters of emphasis: Verification of qualifications was done subsequent to appointments	2014/15	Verification of qualifications is done prior to appointments.
Unqualified with no matters of emphasis	2015/16	Not Applicable
Unqualified with no matters of emphasis	2016/17	Not Applicable

## 10. INTERNAL CONTROL UNIT

Internal control unit is located in Financial Management sub-programme. Currently the unit only has one official responsible for compliance checks on all relevant areas within financial management. Policies and procedure manuals have been implemented and to ensure implementation, monthly reporting is provided to Chief Financial Officer for reporting at the senior management meeting. The following are the areas being tested and monitored by the internal control unit.

- Audit of Payment to ensure that all non-compliance matters are timeously identified and rectified.
- Auditing of salary claims, S&T and fuel claims to ensure that there is no fraudulent activities:
- Test controls within the Transport unit to ensure that there is no misuse of state vehicles

## 11. INTERNAL AUDIT AND AUDIT COMMITTEES

The Internal Audit Unit reported to the Northern Cape Provincial Treasury Accounting Officer administratively and functionally to the Audit Committee.

The Unit follows a risk-based internal audit approach. The three year rolling annual performance plan and annual internal audit plans were based on an assessment of the risk of the Department. The Internal Audit Plan was discussed with senior management before approval by the Audit Committee.

The Internal Audit Unit performed a wide range of operational, financial, compliance and information-technology audits in addition to these planned audits, the Unit also attended to certain management requests.

Using the risk assessment as a basis, audit reviews for the year included regulatory, compliance, performance and follow-up reviews. According to the 2017/18 Internal Audit Plan, the Unit targeted fifteen audits and completed sixteen audits, included are quarterly performance information and follow-up audit assignment which were successfully conducted.

The Audit Committee comprises of independent external and internal members, who operated in accordance with the approved Audit Committee Charter. The Audit Committee had five sittings during the year under review. The Audit Committee plays an essential part of the Department's governance and reporting process in relation to both financial and performance reporting.



## Summary of audit work done

The Provincial Internal Audit Unit have evaluated and contributed to the improvement of governance, risk management and control processes using a systematic discipline approach:

- Governance: making appropriate recommendation by improving the governance processes;
- Risk management: Evaluating risk exposures relating to the Department's governance, operations and information system;
- Control: Evaluate the adequacy and effectiveness of control in responding to risk within the Department's governance, operations and information system.

Name	Qualifications	Internal or External	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Ms. M Mbonambi	Bachelor of Accountancy  B.Com Honours  Certificate in Risk Management and Certificate in Board Governance	External	n/a	01 December 2017	n/a	02
Ms. A Mafuleka	CA (SA)  B Com – Honours	External	n/a	01 December 2017	n/a	02
Mr. VA Makaleni	Master in Public Management  Bachelor of Commerce (Accounting)  Postgraduate Diploma in Corporate Governance  Management Advancement Programme (MAP)	External	n/a	01 December 2014	n/a	06
Ms. S Vallabh	Bachelor of Arts  Post Graduate Diploma in Library and Information Science  Certificate Programme in Public Service Management	Internal	Chief Director: Performance, Monitoring and Evaluations	01 December 2017	n/a	02

Name	Qualifications	Internal or External	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Adv. DJ Block	B.Luris, LLB, Higher Diploma In Taxation	External	n/a	01 December 2014	30 November 2017	04
Mr. AL Kimmie	B.Compt (Hons); RGA; SAIPA; MBA; Reg. Public Service Financial Officer	External	n/a	01 December 2014	30 November 2017	04

## 12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2018.

### Audit Committee Responsibility

The Audit Committee has adopted formal terms of reference, approved by the Accounting Officer, as its Audit Committee Charter. The Audit Committee has discharged its responsibilities in terms of its Charter as contained therein, in line with the requirements of section 38(1)(a)(ii) of the PFMA and Treasury Regulation 3.1. as follows:

- Reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor-General and the Accounting Officer;
- Reviewed the Auditor-General's management report and management's response thereto;
- Reviewed the department's processes for compliance with legal and regulatory provisions;
- Reviewed the information on predetermined objectives as reported in the annual report;
- Reviewed material adjustments resulting from the audit of the department on performance information; and
- Reviewed and where appropriate recommended changes to the interim financial statements as presented by the department for the six months ending 30 September 2017.

### The Effectiveness of Internal Control

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the department revealed certain weaknesses, which were then raised with the Department.

The following internal audit work was completed during the year under review:

- Review of the Annual Financial Statements 2017/18
- Review of Interim Financial Statements 2017/18
- Asset Management
- Supply Chain Management
- Records Management
- Information Technology Systems review (assess IT governance systems)
- Management Assessment Performance Tool
- Quarterly review on Performance Information verification
- Quarterly follow up audits
- Review of risk management processes and minimum anti-corruption capacity requirements

The following were areas of concern:

- Information Technology
- Head of Department vacancy

#### Risk Management

The Department's risk management was reported to the Audit Committee on a quarterly basis and was seen as a matter of concern which required management to focus on in terms of the King IV report. The Audit Committee is satisfied that the actual management of risk is receiving attention. However, the Committee together with the Management continue to refine a very dynamic risk profile of the organization.

Management has been advised to embed risk management throughout the Department. Management should take full responsibility for the entire Enterprise Risk Management process and continue to support the Head of Department to even further enhance the performance of the Department.

#### In-Year Management and Monthly/Quarterly Report

The Audit Committee reports that, during the year under review, it was presented with regular quarterly management reports to enable it to:

- Monitor the integrity, accuracy and reliability of the performance of the Department

- Review the financial reports of the Department and the context in which statements on the financial health of the Department are made, and
- Review all material information presented together with the management accounts.

The reports were discussed with management of the department. Progress has been made in the development and quality of these management reports and the Department reported monthly and quarterly to the Provincial Treasury as required by the PFMA.

#### One-on-One Meeting with the Accounting Officer

The Audit Committee met with the Accounting Officer to address unresolved issues at the Department.

#### One-on-One Meetings with the Executive Authority

The Audit Committee apprised the Executive Authority on the performance of the Department and intend to schedule a meeting in due course to address unresolved issues. The Audit Committee also submits quarterly reports to the MEC to keep him informed on the activities of the committee.

#### Auditor-General's Report

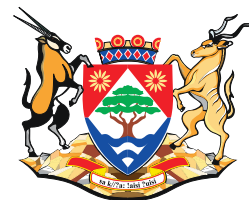
We have reviewed the department's implementation plan for audit issues raised in the previous year and we are satisfied that the matters have been adequately resolved except for the following:

- Information Technology

The Audit Committee concurs and accepts the conclusions of the Auditor-General South Africa on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General South Africa.



Masaccha Mbonambi  
Chairperson of the Audit Committee  
Northern Cape Provincial Treasury  
Date: 10 August 2018



# **PART. D**

## **HUMAN RESOURCE MANAGEMENT**

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**ANNUAL REPORT**  
2017/2018

## 1. INTRODUCTION

The creation of a conducive working environment for its employees has enable the department to address the interest of its employees. The department has introduce the general staff meeting, which will be used as a platform where all employees take part, strengthen the efforts of the department to be the employer of choice and improve its overall performance.

## 2. OVERVIEW OF HUMAN RESOURCES

Emphasis has been placed on the finalisation of the Departmental Organisational Structure in line with the approved generic structure for Provincial Treasuries; proper consultation processes with all relevant stakeholders are ongoing. The organisational structure will expanded to enable the department recruit and appoint officials to reached the targeted groups.

Departmental Labour Forum was set up where the employer and the unions continuously engage and resolve on labour related matters. Promote core values and sound labour peace.

Continue providing accredited and NQF aligned courses and granting bursaries to employees to improve their qualifications

Continue to accelerate recruitment and appointment of competent staff. Critical and scare skill within the department will be identified to enable the department to integrate it with the staff retention policy. The employment equity plan is being considered during recruitment and selection process.

The retention and succession planning policies are approved. This policy will assist the department in dealing with the attraction and retention officials with scarce and critical skills. The policy also encourage officials to enrol with professional bodies by subsidising them.

The new determination and Directive on the PMDS for officials other than employees who are members of the Senior Management Services (SMS) as well as the New Chapter 4, Performance Management and Development System for members of the Senior Management Service (SMS) was issued by the Minister of Public Services and Administration (MPSA). Workshops on the implementation of the new determination and directives were held by DPSA to all SMS members.

EAP Service provider's contract has been extended. Officials has access the comprehensive EAP services, which includes counselling, referrals, life management, financial and legal wellbeing services. Health screening in partnership with Department of Health, GEMS and EAP service provider has been provide to the officials. The department complies with the OHSA act. Health and Safety representatives were trained to be compliant with the act.

The recruitment process has unfolded, delayed due to the moratorium in place. The moratorium process has an impact on the vacancy rate, which currently are on 9.89%.

### 3. HUMAN RESOURCES OVERSIGHT STATISTICS

#### 3.1. Personnel related expenditure

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

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

*Table 3.1.1 Personnel expenditure by programme for the period 1 April 2017 and 31 March 2018*

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	92,803	51,953	408	-	56.00	382
Sustainable Resource Management	57,070	46,297	-	-	81.10	437
Asset & Liability Management	80,724	37,326	73	-	46.20	566
Financial Governance	30,058	22,429	87	-	74.60	680
Internal Audit	32,041	27,336	465	-	85.30	434
Total	292,696	185,341	1,033	-	63.30	459

*Table 3.1.2 Personnel costs by salary band for the period 1 April 2017 and 31 March 2018*

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	14	-	-	-
Skilled (level 3-5)	16,636	8.70	119	138
Highly skilled production (levels 6-8)	36,903	19.30	94	393
Highly skilled supervision (levels 9-12)	100,875	52.70	157	643

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Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Senior and Top management (levels 13-16)	29,683	15.50	22	1,349
Periodical Remuneration	1,230	0.60	12	102
Total	185,341	97.00	404	459

Periodic Remuneration includes payments made to Audit Committee members.

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2017 and 31 March 2018

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	44,358	83.70	31	0.10	1,215	2.30	1,882	3.60
Sustainable Resource Management	40,274	84.40	-	-	696	1.50	1,180	2.50
Asset & Liability Management	32,370	83.50	24	0.10	575	1.50	981	2.50
Financial Governance	19,632	81.50	-	-	322	1.30	573	2.40
Internal Audit	23,303	84.10	-	-	636	2.3	912	3.3
Total	159 937	83.60	55	-	3,443	1.80	5,528	2.90



*Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2017 and 31 March 2018*

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	8	57.10	-	-	1	7.10	3	21.40
Skilled (level 3-5)	14,689	87.40	6	-	503	3	665	4
Highly skilled production (levels 6-8)	29,814	80	13	-	1,379	3.70	2,105	5.70
Highly skilled supervision (levels 9-12)	87,442	83.40	35	-	1,443	1.40	2,455	2.30
Senior management (level 13-16)	26,753	86	1	-	117	0.40	300	0.90
Periodical Remuneration	1,230	96	-	-	-	-	-	-
Total	159,937	83.60	55	-	3,443	1.80	5,528	2.90

Periodic Remuneration includes payments made to Audit Committee members.

### 3.2. Employment and Vacancies

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

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

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

*Table 3.2.1 Employment and vacancies by programme as on 31 March 2018*

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	146	136	6.85	3
Sustainable Resource Management	117	106	9.40	-
Asset & Liability Management	77	66	14.29	-
Financial Governance	37	33	10.81	-
Internal Audit	58	51	12.07	14
Total	435	392	9.89	17

*Table 3.2.2 Employment and vacancies by salary band as on 31 March 2018*

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled ( 1-2)	25	25	-	-
Skilled(3-5)	96	94	2.08	2
Highly skilled production (6-8)	112	94	16.07	8
Highly skilled supervision (9-12)	175	157	10.29	7
Senior management (13-16)	27	22	18.52	-
Total	435	392	9.89	17

*Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2018*

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Economic & Research Related/ Professionals	10	5	50.00	-
Total	10	5	50.00	-

#### Notes

- Critical occupations are defined as occupations or sub-categories within an occupation –
  - (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;

- (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
- (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
- (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

### 3.3. Filling of SMS Posts

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

*Table 3.3.1 SMS post information as on 31 March 2018*

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	-	-	-	-	-
Salary Level 16	1	1	100	-	-
Salary Level 15	1	-	-	1	100
Salary Level 14	7	7	100	-	-
Salary Level 13	18	14	77.8	4	22.2
Total	27	22	81.48	5	19.2

*Table 3.3.2 SMS post information as on 30 September 2017*

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	-	-	-	-	-
Salary Level 16	1	1	100	-	-
Salary Level 15	1	-	-	1	100
Salary Level 14	7	7	100	-	-
Salary Level 13	19	17	89.47	2	10.53
Total	28	25	89.29	3	10.71

*Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2017 and 31 March 2018*

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department	-	-	-
Salary Level 16	-	-	-
Salary Level 15	-	-	-
Salary Level 14	-	-	-
Salary Level 13	-	-	-
Total	-	-	-

*Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2017 and 31 March 2018*

Reasons for vacancies not advertised within six months
Moratorium in place and delaying the recruitment process

Reasons for vacancies not filled within twelve months
Moratorium in place and delaying the recruitment process

*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 2017 and 31 March 2018*

Reasons for vacancies not advertised within six months
None

Reasons for vacancies not filled within twelve months
Moratorium in place and delaying the recruitment process

### 3.4. Job Evaluation

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

*Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2017 and 31 March 2018*

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	25	-	-	-	-	-	-
Skilled (Levels 3-5)	96	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	112	2	1.79	-	-	-	-
Highly skilled supervision (Levels 9-12)	175	2	1.14	-	-	-	-
Senior Management Service Band A	18	-	-	-	-	-	-
Senior Management Service Band B	7	-	-	-	-	-	-
Senior Management Service Band C	1	-	-	-	-	-	-
Senior Management Service Band D	1	-	-	-	-	-	-
Total	435	4	0.92	-	-	-	-

The following table provides a summary of the number of employees whose positions were upgraded due to their post being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2017 and 31 March 2018

Gender	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	-	-	-	-	-
Total	-	-	-	-	-

Employees with a disability	None
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The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2017 and 31 March 2018

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
-	-	-	-	-
Total number of employees whose salaries exceeded the level determined by job evaluation				-
Percentage of total employed				-

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2017 and 31 March 2018

Gender	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	-	-	-	-	-
Total	-	-	-	-	-

Employees with a disability	-	-	-	-	-
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### 3.5. Employment Changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band and critical occupations (see definition in notes below).

*Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2017 and 31 March 2018*

Salary band	Number of employees at beginning of period-1 April 2017	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled ( Levels 1-2)	-	-	-	-
Skilled (Levels3-5)	39	4	3	7.70
Highly skilled production (Levels 6-8)	110	6	10	9.09
Highly skilled supervision (Levels 9-12)	165	8	11	6.67
Senior Management Service Bands A	16	-	-	-
Senior Management Service Bands B	7	-	-	-
Senior Management Service Bands C	1	-	-	-
Senior Management Service Bands D	1	2	-	-
Contracts	23	118	16	69.57
Total	362	138	40	11.04

*Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2017 and 31 March 2018*

Critical occupation	Number of employees at beginning of period-April 2017	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Economic & Research Related/ Professionals	5	1	2	40
TOTAL	5	1	2	40

#### Notes

- Critical occupations are defined as occupations or sub-categories within an occupation –
  - (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
  - (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
  - (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
  - (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

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

*Table 3.5.3 Reasons why staff left the department for the period 1 April 2017 and 31 March 2018*

Termination Type	Number	% of Total Resignations
Death	-	-
Resignation	15	37.50
Expiry of contract	11	27.50
Dismissal – operational changes	-	-
Dismissal – misconduct	-	-
Dismissal – inefficiency	-	-
Discharged due to ill-health	-	-
Retirement	2	5.00
Transfer to other Public Service Departments	7	17.50
Other (Interns)	5	12.50
Total	40	-
Total number of employees who left as a % of total employment	9.20	

*Table 3.5.4 Promotions by critical occupation for the period 1 April 2017 and 31 March 2018*

Occupation	Employees 1 April 2017	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Economic Analysis	10	-	-	6	60
TOTAL	10	-	-	6	60



*Table 3.5.5 Promotions by salary band for the period 1 April 2017 and 31 March 2018*

Salary Band	Employees 1 April 2017	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled ( Levels 1-2)	6	-	-	-	-
Skilled (Levels3-5)	42	-	-	24	57.14
Highly skilled production (Levels 6-8)	114	2	1.75	68	59.65
Highly skilled supervision (Levels 9-12)	171	3	1.75	95	55.56
Senior Management (Level 13-16)	29	2	6.90	18	62.07
Total	362	7	1.93	205	56.63

### 3.6. Employment Equity

*Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2018*

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	8	1	-	4	8	1	-	-	22
Professionals	59	14	1	2	55	21	1	4	157
Technicians and associate professionals	20	8	-	-	46	17	-	3	94
Clerks	17	7	-	-	53	16	-	1	94
Service and sales workers	-	-	-	-	-	-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	10	3	-	-	10	2	-	-	25
Total	114	33	1	6	172	57	1	8	392
Employees with disabilities	-	1	-	-	3	-	-	-	4

*Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2018*

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	-	-	-	-	-	-	-	1
Senior Management	7	1	-	4	8	1	-	-	21
Professionally qualified and experienced specialists and mid-management	59	14	1	2	55	21	1	4	157
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	20	8	-	-	46	17	-	3	94
Semi-skilled and discretionary decision making	17	7	-	-	53	16	-	1	94
Unskilled and defined decision making	10	3	-	-	10	2	-	-	25
Total	114	33	1	6	172	57	1	8	392

*Table 3.6.3 Recruitment for the period 1 April 2017 to 31 March 2018*

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	-	-	-	1	-	-	-	2
Senior Management	-	1	-	-	1	-	-	-	2
Professionally qualified and experienced specialists and mid-management	10	3	-	1	7	5	-	-	26
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	3	-	-	-	2	7	-	-	12
Semi-skilled and discretionary decision making	20	-	-	-	34	12	-	-	66

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Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Unskilled and defined decision making	9	4	-	-	16	1	-	-	30
Total	43	8	-	1	61	25	-	-	138
Employees with disabilities	-	-	-	-	-	-	-	-	-

*Table 3.6.4 Promotions for the period 1 April 2017 to 31 March 2018*

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	-	-	-	1	-	-	-	2
Senior Management	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid-management	-	2	-	-	-	1	-	-	3
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	-	-	-	-	-	2	-	-	2
Semi-skilled and discretionary decision making	-	-	-	-	-	-	-	-	-
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
Total	1	2	-	-	1	3	-	-	7
Employees with disabilities	-	-	-	-	-	-	-	-	-

*Table 3.6.5 Terminations for the period 1 April 2017 to 31 March 2018*

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	1	-	-	-	-	-	-	1
Senior Management	-	1	-	-	-	-	-	1	2
Professionally qualified and experienced specialists and mid-management	12	-	-	-	1	-	-	1	14
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	6	-	-	-	2	4	-	-	12

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Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Semi-skilled and discretionary decision making	3	-	-	-	2	1	-	-	6
Unskilled and defined decision making	1	-	-	-	3	1	-	-	5
Total	22	2	-	-	8	6	-	2	40
Employees with Disabilities	-	-	-	-	-	-	-	-	-

*Table 3.6.6 Disciplinary action for the period 1 April 2017 to 31 March 2018*

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Unauthorised disposal of state property.	-	2	-	-	-	-	-	-	2
Unauthorised issuing of email against the department's communication protocol.	1	-	-	-	-	-	-	-	1
Dereliction of duties	1	-	-	-	-	-	-	-	1

*Table 3.6.7 Skills development for the period 1 April 2017 to 31 March 2018*

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	25	14	1	4	26	2	1	1	92
Professionals	28	7	-	-	23	9	-	-	67
Technicians and associate professionals	21	6	-	1	11	11	1	1	52
Clerks	1	1	-	-	16	9	-	2	29
Service and sales workers	-	-	-	-	-	-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	-	-	-	-	-	-	-	-	-
Total	75	28	1	5	76	49	2	4	240
Employees with disabilities	-	-	-	-	1	-	-	-	1

### 3.7 Signing of Performance Agreements by SMS Members

All members of the SMS must conclude and sign performance agreements within specific timeframes. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes and disciplinary steps taken is presented here.

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2017

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	-	-	-	-
Salary Level 16	-	-	-	-
Salary Level 15	1	1	-	-
Salary Level 14	7	7	5	71.4
Salary Level 13	18	16	15	93.8
Total	26	24	20	83.3

#### Notes

- In the event of a National or Provincial election occurring within the first three months of a financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example if elections took place in April, the reporting date in the heading of the table above should change to 31 July 2017.

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2018

Reasons
1 official on long ill health
1 official non compliance

#### Notes

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2018

Reasons
No disciplinary steps taken

## Notes

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

### 3.8. Performance Rewards

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations (see definition in notes below).

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2017 to 31 March 2018

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	48	116	41.4	408	8 500.31
Female	88	180	48.9	541	6 152.28
Asian					
Male	1	1	100	5	5 571.00
Female	-	1	-	-	-
Coloured					
Male	18	32	56.3	121	6 759.83
Female	39	59	66.1	216	5 541.77
White					
Male	5	6	83.3	79	15 879.60
Female	6	8	75	39	6 503.00
Total	205	403	50.9	1 411	6 883.95

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2017 to 31 March 2018

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)	-	23	-	-	-	-
Skilled (level 3-5)	24	99	24.2	54	2 249.88	
Highly skilled production (level 6-8)	68	96	70.8	280	4 119.88	
Highly skilled supervision (level 9-12)	95	163	58.3	787	8 293.04	
Total	187	381	49.1	1 121	5 999.94	

*Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2017 to 31 March 2018*

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Economic & Research Related/ Professionals	4	5	80.0	36	9 222.00
Total	4	5	80.0	36	9 222.00

Notes

- Critical occupations are defined as occupations or sub-categories within an occupation –
  - (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
  - (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
  - (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
  - (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees;

*Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2017 to 31 March 2018*

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	3	16	18.8	144 559.80	48 186.60	-
Band B	3	7	42.9	173 639.40	57 879.80	-
Band C	-	-	-	-	-	-
Band D	-	-	-	-	-	-
Total	6	23	26.09	318 199.20	53 033.20	

### 3.9. Foreign Workers

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

*Table 3.9.1 Foreign workers by salary band for the period 1 April 2017 and 31 March 2018*

Salary band	01 April 2017		31 March 2018		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	-	-	-	-	-	-
Highly skilled production (Lev. 6-8)	-	-	-	-	-	-
Highly skilled supervision (Lev. 9-12)	-	-	-	-	-	-
Contract (level 9-12)	1	100	1	100	-	-
Contract (level 13-16)	-	-	-	-	-	-
Total	1	-	1	-	-	-

*Table 3.9.2 Foreign workers by major occupation for the period 1 April 2017 and 31 March 2018*

Major occupation	01 April 20YY		31 March 20ZZ		Change	
	Number	% of total	Number	% of total	Number	% Change
	-	-	-	-	-	-
	-	-	-	-	-	-

### 3.10. Leave utilisation

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

*Table 3.10.1 Sick leave for the period 1 January 2017 to 31 December 2017*

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 Skills (Level 1-2)	50	47	13	4	8	17
Skilled (levels 3-5)	310	81.94	46	14.2	11	238
Highly skilled production (levels 6-8)	879	73.15	98	30.0	21	1215
Highly skilled supervision (levels 9 -12)	1091	73.97	148	45.8	13	2591
Top and Senior management (levels 13-16)	97	77.32	18	5.5	9	383
Total	2427	74.20	323	100	8	4444



Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2017 to 31 December 2017

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	-	-	-	-	-	-
Skilled (Levels 3-5)	86	100	1	11.10	86	58
Highly skilled production (Levels 6-8)	16	100	3	33.30	5	18
Highly skilled supervision (Levels 9-12)	214	100	4	44.4	54	549
Senior management (Levels 13-16)	238	100	1	11.10	238	1005
Total	554	100	9	100	62	1630

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

Table 3.10.3 Annual Leave for the period 1 January 2017 to 31 December 2017

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	245	30	9
Skilled Levels 3-5)	968	83	23
Highly skilled production (Levels 6-8)	2306.92	124	28
Highly skilled supervision (Levels 9-12)	3820	177	31
Senior management (Levels 13-16)	558	27	40
Total	7897.92	441	18

*Table 3.10.4 Capped leave for the period 1 January 2017 to 31 December 2017*

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2017
Lower skilled (Levels 1-2)	-	-	-	-
Skilled Levels 3-5)	-	-	-	18
Highly skilled production (Levels 6-8)	1	1	1	16
Highly skilled supervision (Levels 9-12)	24	2	12	25
Senior management (Levels 13-16)	-	-	-	51
Total	25	3	8	23

The following table summarise payments made to employees as a result of leave that was not taken.

*Table 3.10.5 Leave pay-outs for the period 1 April 2017 and 31 March 2018*

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2017/18 due to non-utilisation of leave for the previous cycle	-	-	-
Capped leave payouts on termination of service for 2017/18	359	18	19944
Current leave payout on termination of service for 2017/18	44	2	22000
Total	403	20	20150

### 3.11 HIV/AIDS & Health Promotion Programmes

*Table 3.11.1 Steps taken to reduce the risk of occupational exposure*

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
None	None

Table 3.11.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	✓		ML Mooki
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.	✓		3 Officials  R270 000
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	✓		EAP service provider appointed.  DOH and GEMS provide the following: HIV/AIDS counselling and testing. Health Screenings Health Information sessions  Financial Wellness provided by NCR, Standard Bank and ICAS
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	✓		Health and Safety Representative Committee: B. Seekoei L. Hatendi C. January P. Seleoane P. Raadt I. Mhlanga L. Kgarebe W. Jones G. Tshasibane B. Ogle L. Mokae F. Webster J. Brandt G. khutlelang L. Stolk T. Gaqa S. Madibela D. Barnette M Mooki E. Buys
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.	✓		HIV/AIDS,TB and STI Policy Health and productivity policy Health and Wellness Policy SHERQ
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.	✓		HIV/AIDS,TB and STI Policy Awareness programmes ICAS intervention
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	✓		▪ 24 testings done with negative results.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	✓		EHW monthly, quarterly and annual reports System Monitoring Tool (SMT)

### 3.12 Labour Relations

*Table 3.12.1 Collective agreements for the period 1 April 2017 and 31 March 2018*

Subject matter	Date
None	
None	

#### Notes

- If there were no agreements, keep the heading and replace the table with the following:

Total number of Collective agreements	None
---------------------------------------	------

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

*Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2017 and 31 March 2018*

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	-	-
Verbal warning	-	-
Written warning	2	33.33
Final written warning	1	16.16
Suspended without pay	2	33.33
Fine	-	-
Demotion	1	16.66
Dismissal	-	-
Not guilty	-	-
Case withdrawn	-	-
Total	6	100

#### Notes

- If there were no agreements, keep the heading and replace the table with the following:

Total number of Disciplinary hearings finalised	6
---	---

*Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2017 and 31 March 2018*

Type of misconduct	Number	% of total
Unauthorised disposal of state property.	2	100
Total	2	100

*Table 3.12.4 Grievances logged for the period 1 April 2017 and 31 March 2018*

Grievances	Number	% of Total
Number of grievances resolved	3	13.04
Number of grievances not resolved	20	86.96
Total number of grievances lodged	23	100

*Table 3.12.5 Disputes logged with Councils for the period 1 April 2017 and 31 March 2018*

Disputes	Number	% of Total
Number of disputes upheld	-	-
Number of disputes dismissed	1	10.00
Total number of disputes lodged	10	-

*Table 3.12.6 Strike actions for the period 1 April 2017 and 31 March 2018*

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

*Table 3.12.7 Precautionary suspensions for the period 1 April 2017 and 31 March 2018*

Number of people suspended	3
Number of people who's suspension exceeded 30 days	3
Average number of days suspended	60 (2 months)
Cost of suspension(R'000)	198 5.00

### 3.13 Skills Development

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

*Table 3.13.1 Training needs identified for the period 1 April 2017 and 31 March 2018*

Occupational category	Gender	Number of employees as at 1 April 2017	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training (bursary)	Total
Legislators, senior officials and managers	Female	41	-	59	6	65
	Male	49	-	55	4	59
Professionals	Female	50	-	28	9	37
	Male	45	-	17	5	22
Technicians and associate professionals	Female	71	-	6	4	10
	Male	30	-	8	0	8
Clerks	Female	32	-	27	5	32
	Male	8	-	0	1	1
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Elementary occupations	Female	5	-	-	-	-
	Male	1	-	-	-	-
Sub Total	Female	-	-	-	-	-
	Male	-	-	-	-	-
Total		332	-	200	34	234

*Table 3.13.2 Training provided for the period 1 April 2017 and 31 March 2018*

Occupational category	Gender	Number of employees as at 1 April 2017	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training (Bursaries)	Total
Legislators, senior officials and managers	Female	41	-	24	2	26
	Male	49	-	21	1	22
Professionals	Female	50	-	-	3	3
	Male	45	-	-	2	2
Technicians and associate professionals	Female	71	-	15	-	15
	Male	30	-	16	-	16
Clerks	Female	32	-	2	6	8
	Male	8	-	2	1	3
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Elementary occupations	Female	5	-	-	-	-
	Male	1	-	-	-	-
Sub Total	Female	199	-	41	11	52
	Male	133	-	39	4	43
Total		332	-	80	15	95

### 3.14 Injury on duty

The following tables provide basic information on injury on duty.

*Table 3.14.1 Injury on duty for the period 1 April 2017 and 31 March 2018*

Nature of injury on duty	Number	% of total
Required basic medical attention only	3	100
Temporary Total Disablement	-	-
Permanent Disablement	-	-
Fatal	-	-
Total	3	100

### 3.15 Utilisation of Consultants

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

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

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2017 and 31 March 2018

Project title	Duration (work days)	Contract value in Rand
Appointment For Compilation Of GRAP Compliant Register For Namakhoi Municipality, Ritzersveld Municipality And Kamiesberg	8 Months	9 508 740.12
Provision For Internal Audit Services To Public Entities (Mcgregor Museum And Kalahari Kid Corporation)	YEAR1	347 448.56
	YEAR 2	347 448.56
Provision For Internal Audit Services To Public Entities (Northern Cape Tourism Authority And Northern Cape Development Agency)	YEAR1	382 853.00
	YEAR 2	499 750.00
Provision For Internal Audit Services To Public Entities (Northern Cape Gambling And Liquor Board)	YEAR1	299 151.97
	YEAR 2	430 742.42

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 20YY and 31 March 20ZZ

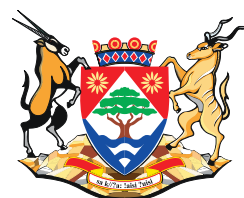
Project title	Percentage ownership by HDI groups	Percentage management by HDI groups
Appointment For Compilation Of GRAP Compliant Register For Namakhoi Municipality, Ritzersveld Municipality And Kamisberg	100%	B-BBEE Contributor: Level one
Provision For Internal Audit Services To Public Entities ( Mcgregor Museum And Kalahari Kid Corporation)	96%	B-BBEE Contributor Level One
Provision For Internal Audit Services To Public Entities ( Northern Cape Tourism Authority And Northern Cape Development Agency	100%	B-BBEE Contributor : Level One
Provision For Internal Audit Services To Public Entities (Northern Cape Gambling And Liquor Board )	51%	B-BBEE Contributor: Level Two



3.16 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2017 and 31 March 2018

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Total	-	-	-	-



# **PART. E**

## **FINANCIAL INFORMATION**

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**ANNUAL REPORT**  
2017/2018

## Report of the Auditor-General to the Northern Cape Provincial Legislature on Vote No. 8: Northern Cape Provincial Treasury

### Report on the audit of the annual financial statements

#### Opinion

1. I have audited the financial statements of the Northern Cape Provincial Treasury set out on pages 112 to 165, which comprise the appropriation statement, the statement of financial position as at 31 March 2018, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Northern Cape Provincial Treasury as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standard (MCS) prescribed by National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

#### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the 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 the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Emphasis of matter

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

#### Material underspending of the budget

7. As disclosed in the appropriation statement, the department has materially underspent the budget by R23 489 000 on administration, sustainable resources management, asset and liability management and provincial internal audit.

#### Other matter

8. I draw attention to the matter below. My opinion is not modified in respect of this matter.

## Unaudited supplementary schedules

9. The supplementary information set out on pages 166 to 174 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

## Responsibilities of the accounting officer for the financial statements

10. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with MCS prescribed by National Treasury and the requirements of the PFMA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
11. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting officer 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

12. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
13. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

## Report on the audit of the annual performance report

### Introduction and scope

14. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
15. My procedures address the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be

included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

16. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2018:

Programmes	Pages in the annual performance report
Programme 2 – Sustainable Resource Management	39 - 43
Programme 3 – Asset and Liabilities Management	44 - 50
Programme 4 – Financial Governance	51 - 62

17. 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.
18. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programmes:
- Programme 2 – Sustainable Resources Management
  - Programme 3 – Assets and Liabilities Management
  - Programme 4 – Financial Governance

#### Other matter

19. I draw attention to the matter below.

#### Achievement of planned targets

20. Refer to the annual performance report on pages 34 to 61 for information on the achievement of planned targets for the year and explanations provided for the under and over achievement of a significant number of targets.

#### Adjustment of material misstatements

21. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of Sustainable Resource Management and Financial Governance. 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

22. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the department with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
23. I did not raise material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

### Other information

24. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
25. 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.
26. 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.
27. I did not receive the other information prior to the date of this auditor's report. After I receive and read this information, and if I conclude that there is a material misstatement, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

## Internal control deficiencies

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

*Auditor General*

Kimberley

31 July 2018



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## 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 related to events or conditions that may cast significant doubt on the department's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a department to cease continuing as a going concern
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

### Communication with those charged with governance

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



# ANNUAL FINANCIAL STATEMENTS FOR PROVINCIAL TREASURY

For the year ended  
31 March 2018

NORTHERN CAPE PROVINCIAL TREASURY VOTE 8

APPROPRIATION STATEMENT  
Annual Report 2018

Appropriation per programme									
2017/18							2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
1. Administration	95 612	-	-	95 612	92 803	2 809	97.1%	89 571	86 138
2. Sustainable Resource	61 001	-	-	61 001	57 070	3 931	93.6%	59 064	47 954
3. Assets And Liabilities Management	93 789	-	-	93 789	80 724	13 065	86.1%	70 578	50 811
4. Financial Governance	31 951	-	-	31 951	30 058	1 893	94.1%	29 954	26 557
5. Provincial Internal Audit	35 832	-	-	35 832	32 041	3 791	89.4%	32 681	31 463
Subtotal	318 185	-	-	318 185	292 696	25 489	92.0%	281 848	242 923
TOTAL	318 185	-	-	318 185	292 696	25 489	92.0%	281 848	242 923
Departmental receipts				44 459				38 391	
Actual amounts per statement of financial performance (total revenue)				362 644				320 239	
Actual amounts per statement of financial performance (total expenditure)					292 696				242 923

**APPROPRIATION STATEMENT**  
**Annual Report 2018**

Appropriation per economic classification									
	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	283 840	(1 468)	-	282 372	265 468	16 904	94.0%	240 356	219 474
Compensation of employees	193 327	(3 839)	-	189 488	185 341	4 147	97.8%	166 944	164 259
Salaries and wages	170 606	(3 646)	-	166 960	163 426	3 534	97.9%	146 084	144 036
Social contributions	22 721	(193)	-	22 528	21 915	613	97.3%	20 860	20 223
Goods and services	87 044	2 371	-	89 415	80 107	9 308	89.6%	73 346	55 198
Administrative fees	1 301	196	-	1 497	1 436	61	95.9%	857	839
Advertising	670	48	-	718	686	32	95.5%	500	351
Minor assets	532	(34)	-	498	408	90	81.9%	1 262	756
Audit costs: External	3 122	650	-	3 772	3 772	-	100.0%	3 064	2 750
Bursaries: Employees	300	285	-	585	585	-	100.0%	251	251
Catering: Departmental activities	1 497	(460)	-	1 037	940	97	90.6%	1 275	994
Communication	2 829	282	-	3 111	3 078	33	98.9%	3 851	3 666
Computer services	3 287	5 279	-	8 566	8 566	-	100.0%	2 525	2 525
Consultants: Business and advisory services	24 966	(1 029)	-	23 937	17 901	6 036	74.8%	12 986	3 756
Legal services	105	(105)	-	-	-	-	-	117	117

NORTHERN CAPE PROVINCIAL TREASURY VOTE 8

APPROPRIATION STATEMENT  
Annual Report 2018

Appropriation per economic classification									
	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Contractors	213	(202)	-	11	11	-	100.0%	164	151
Entertainment	141	(94)	-	47	21	26	44.7%	46	4
Fleet services	945	206	-	1 151	1 149	2	99.8%	1 371	1 366
Consumable supplies	3 201	(1 889)	-	1 312	1 260	52	96.0%	1 459	1 184
Consumable: Stationery, printing and office supplies	1 646	(538)	-	1 108	861	247	77.7%	1 508	911
Operating leases	10 956	2 391	-	13 347	13 347	-	100.0%	15 187	12 717
Property payments	4 936	1 189	-	6 125	6 125	-	100.0%	6 733	6 733
Travel and subsistence	18 853	(3 474)	-	15 379	13 784	1 595	89.6%	13 700	10 363
Training and development	3 895	(346)	-	3 549	2 894	655	81.5%	3 490	3 436
Operating payments	2 810	(60)	-	2 750	2 408	342	87.6%	1 951	1 436
Venues and facilities	839	76	-	915	875	40	95.6%	1 010	853
Rental and hiring	-	-	-	-	-	-	-	39	39
Interest and rent on land	3 469	-	-	3 469	20	3 449	0.6%	66	17
Interest	3 469	-	-	3 469	20	3 449	0.6%	66	17
Transfers and subsidies	25 965	86	-	26 051	21 160	4 891	81.2%	33 197	17 065

NORTHERN CAPE PROVINCIAL TREASURY VOTE 8

APPROPRIATION STATEMENT  
Annual Report 2018

Appropriation per economic classification									
	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Municipalities	25 479	-	-	25 479	20 590	4 889	80.8%	32 659	16 528
Municipal agencies and funds	25 479	-	-	25 479	20 590	4 889	80.8%	32 659	16 528
Departmental agencies and accounts	9	4	-	13	13	-	100.0%	8	8
Departmental agencies (non-business entities)	9	4	-	13	13	-	100.0%	8	8
Non-profit institutions	91	(31)	-	60	60	-	100.0%	66	66
Households	386	113	-	499	497	2	99.6%	464	463
Social benefits	180	161	-	341	339	2	99.4%	198	198
Other transfers to households	206	(48)	-	158	158	-	100.0%	266	265
Payments for capital assets	8 380	1 133	-	9 513	5 819	3 694	61.2%	8 295	6 384
Machinery and equipment	8 243	1 165	-	9 408	5 819	3 589	61.9%	8 098	6 214
Transport equipment	540	1 104	-	1 644	1 528	116	92.9%	986	1 003
Other machinery and equipment	7 703	61	-	7 764	4 291	3 473	55.3%	7 112	5 211
Intangible assets	137	(32)	-	105	-	105	-	197	170
Payments for financial assets	-	249	-	249	249	-	100.0%	-	-
TOTAL	318 185	-	-	318 185	292 696	25 489	92.0%	281 848	242 923

Programme 1: ADMINISTRATION									
	2017/18					2016/17			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Office Of The Mec	11 990	-	-	11 990	11 785	205	98.3%	12 392	11 979
2. Management Services	4 041	(616)	-	3 426	2 371	1 055	69.2%	2 706	2 706
3. Corporate Services	28 141	(2 147)	-	25 994	24 721	1 273	95.1%	21 703	21 611
4. Financial Management	24 905	247	-	25 152	24 901	251	99.0%	21 910	21 509
5. Security And Records Management	26 535	2 516	-	29 050	29 025	25	99.9%	30 860	28 333
Total for sub programmes	95 612	-	-	95 612	92 803	2 809	97.1%	89 571	86 138
Economic classification									
Current payments	92 925	(1 221)	-	91 704	89 578	2 126	97.7%	86 069	82 789
Compensation of employees	55 151	(1 072)	-	54 079	51 953	2 126	96.1%	46 730	46 730
Salaries and wages	48 228	(1 043)	-	47 185	45 239	1 946	95.9%	40 518	40 518
Social contributions	6 923	(29)	-	6 894	6 714	180	97.4%	6 212	6 212
Goods and services	37 774	(149)	-	37 625	37 625	-	100.0%	39 339	36 059
Administrative fees	275	(56)	-	219	219	-	100.0%	267	267
Advertising	570	62	-	632	632	-	100.0%	287	252

**APPROPRIATION STATEMENT**  
**Annual Report 2018**

Programme 1: ADMINISTRATION										
	2017/18						2016/17			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Minor assets	195	(81)	-	114	114	-	100.0%	175	110	
Audit costs: External	2 531	442	-	2 973	2 973	-	100.0%	2 290	2 290	
Bursaries: Employees	300	285	-	585	585	-	100.0%	251	251	
Catering: Departmental activities	548	(274)	-	274	274	-	100.0%	379	260	
Communication	2 735	313	-	3 048	3 048	-	100.0%	3 603	3 501	
Computer services	2 623	573	-	3 196	3 196	-	100.0%	2 229	2 229	
Consultants: Business and advisory services	531	(26)	-	505	505	-	100.0%	428	428	
Legal services	105	(105)	-	-	-	-	-	117	117	
Contractors	213	(204)	-	9	9	-	100.0%	162	149	
Entertainment	93	(77)	-	16	16	-	100.0%	8	2	
Fleet services	905	140	-	1 045	1 045	-	100.0%	1 336	1 336	
Consumable supplies	2 748	(1 969)	-	779	779	-	100.0%	758	744	
Consumable: Stationery, printing and office supplies	622	(307)	-	315	315	-	100.0%	424	276	
Operating leases	10 956	2 391	-	13 347	13 347	-	100.0%	15 187	12 717	
Property payments	4 936	1 189	-	6 125	6 125	-	100.0%	6 733	6 733	
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-	

**APPROPRIATION STATEMENT**  
**Annual Report 2018**

Programme 1: ADMINISTRATION									
	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Travel and subsistence	4 569	(1 916)	-	2 653	2 653	-	100.0%	2 990	2 798
Training and development	639	(231)	-	408	408	-	100.0%	612	590
Operating payments	1 297	(372)	-	925	925	-	100.0%	826	756
Venues and facilities	383	74	-	457	457	-	100.0%	240	216
Rental and hiring	-	-	-	-	-	-	-	37	37
Transfers and subsidies	326	(7)	-	319	319	-	100.0%	471	470
Departmental agencies and accounts	9	4	-	13	13	-	100.0%	8	8
Departmental agencies	9	4	-	13	13	-	100.0%	8	8
Non-profit institutions	91	(31)	-	60	60	-	100.0%	66	66
Households	226	20	-	246	246	-	100.0%	397	396
Social benefits	20	68	-	88	88	-	100.0%	131	131
Other transfers to households	206	(48)	-	158	158	-	100.0%	266	265
Payments for capital assets	2 361	1 001	-	3 362	2 679	683	79.7%	3 031	2 879
Machinery and equipment	2 224	1 033	-	3 257	2 679	578	82.3%	2 857	2 732
Transport equipment	360	1 168	-	1 528	1 528	-	100.0%	986	1 003
Other machinery and equipment	1 864	(135)	-	1 729	1 151	578	66.6%	1 871	1 729



Programme 1: ADMINISTRATION									
2017/18							2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Software and other intangible assets	137	(32)	-	105	-	105	-	174	147
Payments for financial assets	-	227	-	227	227	-	100.0%	-	-
Total	95 612	-	-	95 612	92 803	2 809	97.1%	89 571	86 138

**APPROPRIATION STATEMENT**  
**Annual Report 2018**

Programme 2: SUSTAINABLE RESOURCES MANAGEMENT									
	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Programme Support	2 020	-	-	2 020	1 924	96	95.2%	2 106	2 066
2. Economic Analysis	5 623	(747)	-	4 876	4 122	754	84.5%	5 645	5 354
3. Fiscal Policy	16 566	-	-	16 566	16 062	504	97.0%	10 854	6 466
4. Budget Management	14 305	616	-	14 921	12 344	2 577	82.7%	11 802	8 835
5. Municipal Finance	22 487	131	-	22 618	22 618	-	100.0%	28 657	25 233
Total for sub programmes	61 001	-	-	61 001	57 070	3 931	93.6%	59 064	47 954
Economic classification									
Current payments	59 720	(77)	-	59 643	56 013	3 630	93.9%	52 362	42 137
Compensation of employees	47 291	(330)	-	46 961	46 297	664	98.6%	40 115	39 027
Salaries and wages	41 903	(214)	-	41 689	41 281	408	99.0%	35 248	34 214
Social contributions	5 388	(116)	-	5 272	5 016	256	95.1%	4 867	4 813
Goods and services	12 429	253	-	12 682	9 716	2 966	76.6%	12 247	3 110
Administrative fees	153	37	-	190	187	3	98.4%	144	131
Advertising	20	(19)	-	1	1	-	100.0%	109	53

**APPROPRIATION STATEMENT**  
**Annual Report 2018**

Programme 2: SUSTAINABLE RESOURCES MANAGEMENT									
	2017/18					2016/17			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Minor assets	61	(15)	-	46	42	4	91.3%	287	147
Catering: Departmental activities	145	(14)	-	131	105	26	80.2%	145	52
Communication	29	-	-	29	29	-	100.0%	10	10
Computer services	175	(13)	-	162	162	-	100.0%	154	154
Consultants: Business and advisory services	6 736	1 017	-	7 753	4 854	2 899	62.6%	7 357	-
Entertainment	12	-	-	12	2	10	16.7%	6	2
Consumable supplies	112	(59)	-	53	49	4	92.5%	121	62
Consumable: Stationery, printing and office supplies	235	(93)	-	142	130	12	91.5%	255	103
Travel and subsistence	3 832	(817)	-	3 015	3 007	8	99.7%	2 907	1 956
Training and development	21	(21)	-	-	-	-	-	8	3
Operating payments	728	267	-	995	995	-	100.0%	599	327
Venues and facilities	170	(17)	-	153	153	-	100.0%	145	110
Transfers and subsidies	85	-	-	85	84	1	98.8%	5 000	5 000
Provinces and municipalities	-	-	-	-	-	-	-	5 000	5 000
Municipalities	-	-	-	-	-	-	-	5 000	5 000

**APPROPRIATION STATEMENT**  
Annual Report 2018

Programme 2: SUSTAINABLE RESOURCES MANAGEMENT									
	2017/18					2016/17			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Municipal agencies and funds	-	-	-	-	-	-	-	5 000	5 000
Households	85	-	-	85	84	1	98.8%	-	-
Social benefits	85	-	-	85	84	1	98.8%	-	-
Payments for capital assets	1 196	77	-	1 273	973	300	76.4%	1 702	817
Machinery and equipment	1 196	77	-	1 273	973	300	76.4%	1 702	817
Other machinery and equipment	1 196	77	-	1 273	973	300	76.4%	1 702	817
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	61 001	-	-	61 001	57 070	3 931	93.6%	59 064	47 954

Programme 3: ASSETS & LIABILITIES MANAGEMENT										
	2017/18							2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Sub programme										
1. Programme Support	1 951	-	-	1 951	1 933	18	99.1%	1 645	1 255	
2. Asset Management	53 624	(227)	-	53 397	44 626	8 771	83.6%	38 971	22 275	
3. Support & Interlinked Financial Systems	21 872	1 382	-	23 254	23 135	119	99.5%	18 804	16 861	
4. Public Private Partnership	7 070	(281)	-	6 789	6 411	378	94.4%	6 556	6 208	
5. Banking And Cashflow Management	9 272	(874)	-	8 398	4 619	3 779	55.0%	4 602	4 212	
Total for sub programmes	93 789	-	-	93 789	80 724	13 065	86.1%	70 578	50 811	
Economic classification										
Current payments	67 780	(110)	-	67 670	60 298	7 372	89.1%	45 318	40 935	
Compensation of employees	39 825	(2 203)	-	37 622	37 326	296	99.2%	34 231	33 651	
Salaries and wages	35 293	(2 038)	-	33 255	33 000	255	99.2%	30 352	29 865	
Social contributions	4 532	(165)	-	4 367	4 326	41	99.1%	3 879	3 786	
Goods and services	24 486	2 093	-	26 579	22 952	3 627	86.4%	11 021	7 267	
Administrative fees	600	200	-	800	800	-	100.0%	283	278	
Advertising	80	-	-	80	48	32	60.0%	104	46	

**APPROPRIATION STATEMENT**  
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Programme 3: ASSETS & LIABILITIES MANAGEMENT									
	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Minor assets	87	(8)	-	79	43	36	54.4%	429	265
Catering: Departmental activities	210	(55)	-	155	146	9	94.2%	163	103
Communication	51	(29)	-	22	1	21	4.5%	193	152
Computer services	339	4 720	-	5 059	5 059	-	100.0%	-	-
Consultants: Business and advisory services	16 342	(2 324)	-	14 018	10 881	3 137	77.6%	3 811	3 003
Entertainment	26	(18)	-	8	2	6	25.0%	27	-
Fleet services	20	62	-	82	82	-	100.0%	31	26
Consumable supplies	207	134	-	341	319	22	93.5%	460	292
Consumable: Stationery, printing and office supplies	383	(111)	-	272	227	45	83.5%	430	147
Travel and subsistence	4 692	(496)	-	4 196	4 132	64	98.5%	4 549	2 616
Training and development	1 115	47	-	1 162	966	196	83.1%	190	163
Operating payments	216	4	-	220	201	19	91.4%	245	124
Venues and facilities	118	(33)	-	85	45	40	52.9%	106	52
Interest and rent on land	3 469	-	-	3 469	20	3 449	0.6%	66	17
Interest	3 469	-	-	3 469	20	3 449	0.6%	66	17

**APPROPRIATION STATEMENT**  
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Programme 3: ASSETS & LIABILITIES MANAGEMENT									
2017/18								2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	24 364	93	-	24 457	19 568	4 889	80.0%	23 262	8 295
Municipalities	24 315	-	-	24 315	19 426	4 889	79.9%	23 195	8 228
Municipal agencies and funds	24 315	-	-	24 315	19 426	4 889	79.9%	23 195	8 228
Households	49	93	-	142	142	-	100.0%	67	67
Social benefits	49	93	-	142	142	-	100.0%	67	67
Payments for capital assets	1 645	-	-	1 645	841	804	51.1%	1 998	1 581
Machinery and equipment	1 645	-	-	1 645	841	804	51.1%	1 975	1 558
Other machinery and equipment	1 645	-	-	1 645	841	804	51.1%	1 975	1 558
Software and other intangible assets	-	-	-	-	-	-	-	23	23
Payments for financial assets	-	17	-	17	17	-	100.0%	-	-
Total	93 789	-	-	93 789	80 724	13 065	86.1%	70 578	50 811

Programme 4: FINANCIAL GOVERNANCE										
	2017/18							2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Sub programme										
1. PROGRAMME SUPPORT	1 883	43	-	1 926	1 911	15	99.2%	1 677	1 677	1 677
2. ACCOUNTING SERVICES	13 948	(59)	-	13 889	12 050	1 839	86.8%	10 511	10 511	8 818
3. NORMS AND STANDARDS	8 453	(400)	-	8 053	8 053	-	100.0%	7 212	7 212	6 901
4. RISK MANAGEMENT	7 667	416	-	8 083	8 044	39	99.5%	10 554	10 554	9 161
Total for sub programmes	31 951	-	-	31 951	30 058	1 893	94.1%	29 954	29 954	26 557
Economic classification										
Current payments	30 142	(60)	-	30 082	28 244	1 838	93.9%	24 674	24 674	22 745
Compensation of employees	23 197	(234)	-	22 963	22 429	534	97.7%	19 164	19 164	18 147
Salaries and wages	20 714	(248)	-	20 466	19 955	511	97.5%	16 454	16 454	15 927
Social contributions	2 483	14	-	2 497	2 474	23	99.1%	2 710	2 710	2 220
Goods and services	6 945	174	-	7 119	5 815	1 304	81.7%	5 510	5 510	4 598
Administrative fees	178	9	-	187	154	33	82.4%	87	87	87
Minor assets	49	32	-	81	81	-	100.0%	159	159	22
Audit costs: External	591	208	-	799	799	-	100.0%	774	774	460



**APPROPRIATION STATEMENT**  
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Programme 4: FINANCIAL GOVERNANCE									
	2017/18					2016/17			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	328	(138)	-	190	134	56	70.5%	375	366
Communication	3	-	-	3	-	3	-	42	-
Consultants: Business and advisory services	-	200	-	200	200	-	100.0%	-	-
Contractors	-	1	-	1	1	-	100.0%	2	2
Entertainment	5	1	-	6	1	5	16.7%	5	-
Consumable supplies	51	2	-	53	34	19	64.2%	47	13
Consumable: Stationery, printing and office supplies	248	(45)	-	203	133	70	65.5%	238	224
Travel and subsistence	3 713	(66)	-	3 647	2 802	845	76.8%	2 072	1 811
Training and development	1 469	(141)	-	1 328	1 055	273	79.4%	1 026	1 026
Operating payments	142	59	-	201	201	-	100.0%	178	126
Venues and facilities	168	52	-	220	220	-	100.0%	503	459
Rental and hiring	-	-	-	-	-	-	-	2	2
Transfers and subsidies	1 166	-	-	1 166	1 165	1	99.9%	4 464	3 300
Municipalities	1 164	-	-	1 164	1 164	-	100.0%	4 464	3 300

Programme 4: FINANCIAL GOVERNANCE										
2017/18										2016/17
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Municipal agencies and funds	1 164	-	-	1 164	1 164	-	100.0%	4 464	3 300	
Households	2	-	-	2	1	1	50.0%	-	-	
Social benefits	2	-	-	2	1	1	50.0%	-	-	
Payments for capital assets	643	55	-	698	644	54	92.3%	816	512	
Machinery and equipment	643	55	-	698	644	54	92.3%	816	512	
Other machinery and equipment	643	55	-	698	644	54	92.3%	816	512	
Payments for financial assets	-	5	-	5	5	-	100%	-	-	
Total	31 951	-	-	31 951	30 058	1 893	94.1%	29 954	26 557	

Programme 5: PROVINCIAL INTERNAL AUDIT									
2017/18							2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme:									
1. Programme Support	10 423	(390)	-	10 033	7 359	2 674	73.3%	8 901	7 769
2. Internal Audit (Education)	6 330	337	-	6 667	6 489	178	97.3%	5 971	5 962
3. Internal Audit (Health)	6 573	-	-	6 573	6 186	387	94.1%	6 022	5 945
4. Internal Audit (Agriculture)	6 159	-	-	6 159	5 848	311	95.0%	5 915	5 915
5. Internal Audit (Dpw)	6 347	53	-	6 400	6 159	241	96.2%	5 872	5 872
Total for sub programmes	35 832	-	-	35 832	32 041	3 791	89.4%	32 681	31 463
Economic classification									
Current payments	33 273	-	-	33 273	31 335	1 938	94.2%	31 933	30 868
Compensation of employees	27 863	-	-	27 863	27 336	527	98.1%	26 704	26 704
Salaries and wages	24 468	(103)	-	24 365	23 951	414	98.3%	23 512	23 512
Social contributions	3 395	103	-	3 498	3 385	113	96.8%	3 192	3 192
Goods and services	5 410	-	-	5 410	3 999	1 411	73.9%	5 229	4 164
Administrative fees	95	6	-	101	76	25	75.2%	76	76
Advertising	-	5	-	5	5	-	100.0%	-	-

Programme 5: PROVINCIAL INTERNAL AUDIT									
	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Minor assets	140	38	-	178	128	50	71.9%	212	212
Catering: Departmental activities	266	21	-	287	281	6	97.9%	213	213
Communication	11	(2)	-	9	-	9	-	3	3
Computer services	150	(1)	-	149	149	-	100.0%	142	142
Consultants: Business and advisory services	1 357	104	-	1 461	1 461	-	100.0%	1 390	325
Contractors	-	1	-	1	1	-	100.0%	-	-
Entertainment	5	-	-	5	-	5	-	-	-
Fleet services	20	4	-	24	22	2	91.7%	4	4
Consumable supplies	83	3	-	86	79	7	91.9%	73	73
Consumable: Stationery, printing and office supplies	158	18	-	176	56	120	31.8%	161	161
Travel and subsistence	2 047	(179)	-	1 868	1 190	678	63.7%	1 182	1 182
Training and development	651	-	-	651	465	186	71.4%	1 654	1 654
Operating payments	427	(18)	-	409	86	323	21.0%	103	103
Venues and facilities	-	-	-	-	-	-	-	16	16

Programme 5: PROVINCIAL INTERNAL AUDIT										
2017/18								2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Transfers and subsidies	24	-	-	24	24	-	100.0%	-	-	-
Households	24	-	-	24	24	-	100.0%	-	-	-
Social benefits	24	-	-	24	24	-	100.0%	-	-	-
Payments for capital assets	2 535	-	-	2 535	682	1 853	26.9%	748	595	595
Machinery and equipment	2 535	-	-	2 535	682	1 853	26.9%	748	595	595
Transport equipment	180	(64)	-	116	-	116	-	-	-	-
Other machinery and equipment	2 355	64	-	2 419	682	1 737	28.2%	748	595	595
Payments for financial assets	-	-	-	-	-	-	-	-	-	-
Total	35 832	-	-	35 832	32 041	3 791	89.4%	32 681	31 463	31 463

## NOTES TO THE APPROPRIATION STATEMENT

Annual Report 2018

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

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

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

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

3. Detail on payments for financial assets

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

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

4.1 Per programme	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation
ADMINISTRATION	95 612	92 803	2 809	3%

The programme has spent 97% of its adjusted budget due to delay in filling of key vacancies, i.e Head of Department and other support services posts.

SUSTAINABLE RESOURCE MANAGEMENT	61 001	57 070	3 931	6%
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The variance of 6% significantly relates to earmarked funding for the Health Intervention Strategy which is continuing the new financial year amounting to R2,545 million and delays in filling of vacancies;

ASSETS AND LIABILITIES MANAGEMENT	93 789	80 724	13 065	14%
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The variance of 6% significantly relates to earmarked funding for the Municipal Support Programme amounting to R8,095 million, which supported municipalities on in compiling credible financial statements and GRAP compliant asset register, thus improving audit outcomes. The programme will be institutionalised into operations of the department in the new financial year. Interest on overdraft amounting to R3,454 million was not utilised due to efficient cash management process.

FINANCIAL GOVERNANCE	31 951	30 058	1 893	6%
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## NOTES TO THE APPROPRIATION STATEMENT

Annual Report 2018

4.1	Per programme	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation
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The variance of R1,893 million significantly relates to earmarked funding for the MSCOA which is continuing the new financial year amounting to R1,693 million.

PROVINCIAL INTERNAL AUDIT	35 832	32 041	3 791	11%
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The variance of 11% significantly relates to laptops and furniture procured prior to year end and delivered in April 2018, these amount to R1,737 million and delays in filling of vacancies

4.2	Per economic classification	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation R'000
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## Current payments

Compensation of employees	189 488	185 341	4 147	2%
Goods and services	89 415	80 107	9 308	10%
Interest and rent on land	3 469	20	3 449	99%

## Transfers and subsidies

Provinces and municipalities	25 479	20 590	4 889	19%
Departmental agencies and accounts	13	13	0	0%
Non-profit institutions	60	60	0	0%
Households	499	497	2	0%

## Payments for capital assets

Machinery and equipment	9 408	5 819	3 589	38%
Intangible assets	105	0	105	100%

Payments for financial assets	249	249	0	0%
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*Reason for variances same as above*

NORTHERN CAPE PROVINCIAL TREASURY VOTE 8

STATEMENT OF FINANCIAL PERFORMANCE  
Annual Report 2018

	Note	2017/18 R'000	2016/17 R'000
REVENUE			
Annual appropriation	1	318 185	281 848
Departmental revenue	2	44 459	38 391
TOTAL REVENUE		362 644	320 239
EXPENDITURE			
Current expenditure			
Compensation of employees	3	185 341	164 259
Goods and services	4	80 107	55 198
Interest and rent on land	5	20	17
Total current expenditure		265 468	219 474
Transfers and subsidies			
Transfers and subsidies	7	21 160	17 065
Total transfers and subsidies		21 160	17 065
Expenditure for capital assets			
Tangible assets	8	5 819	6 214
Intangible assets	8	-	170
Total expenditure for capital assets		5 824	6 384
Payments for financial assets	6	249	-
TOTAL EXPENDITURE		292 696	242 923
SURPLUS/(DEFICIT) FOR THE YEAR		69 948	77 316
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		25 489	38 925
Annual appropriation		25 489	38 925
Departmental revenue and NRF Receipts	12	44 459	38 391
SURPLUS/(DEFICIT) FOR THE YEAR		69 948	77 316



**NORTHERN CAPE PROVINCIAL TREASURY VOTE 8**

**STATEMENT OF FINANCIAL POSITION**  
**as at 31 March 2018**

	Note	2017/18 R'000	2016/17 R'000
<b>ASSETS</b>			
Current assets		31 073	41 488
Cash and cash equivalents	9	30 660	41 361
Prepayments and advances	10	140	-
Receivables	11	273	127
Non-current assets		199	866
Receivables	11	199	866
<b>TOTAL ASSETS</b>		<b>31 272</b>	<b>42 354</b>
<b>LIABILITIES</b>			
Current liabilities		31 272	42 354
Voted funds to be surrendered to the Revenue Fund	12	25 489	38 925
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	13	5 781	3 413
Payables	14	2	16
<b>TOTAL LIABILITIES</b>		<b>31 272</b>	<b>42 354</b>
<b>NET ASSETS</b>		<b>-</b>	<b>-</b>
<b>TOTAL</b>		<b>-</b>	<b>-</b>

NORTHERN CAPE PROVINCIAL TREASURY VOTE 8

**CASH FLOW STATEMENT**  
**for the year ended 31 March 2018**

	Note	2017/18 R'000	2016/17 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		363 653	321 191
Annual appropriated funds received	1.1	318 185	281 848
Departmental revenue received	2	218	121
Interest received	2.2	45 250	39 222
Net (increase)/decrease in working capital		367	411
Surrendered to Revenue Fund		(82 025)	(46 327)
Current payments		(265 448)	(219 457)
Interest paid	5	(20)	(17)
Payments for financial assets		(249)	-
Transfers and subsidies paid		(21 160)	(17 065)
Net cash flow available from operating activities	15	(4 882)	38 736
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	8	(5 819)	(6 384)
Net cash flows from investing activities		(5 819)	(6 384)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in non-current payables		-	(2)
Net cash flows from financing activities		-	(2)
Net increase/(decrease) in cash and cash equivalents		(10 701)	32 350
Cash and cash equivalents at beginning of period		41 361	9 011
Cash and cash equivalents at end of period	16	30 660	41 361

**ACCOUNTING POLICIES**  
for the year ended 31 March 2018

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

**ACCOUNTING POLICIES**  
for the year ended 31 March 2018

7.2	<p>Departmental revenue</p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>
7.3	<p>Accrued departmental revenue</p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> <li>• it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and</li> <li>• the amount of revenue can be measured reliably.</li> </ul> <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p> <p>Write-offs are made according to the department's debt write-off policy</p>
8	Expenditure
8.1	Compensation of employees
8.1.1	<p>Salaries and wages</p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
8.1.2	<p>Social contributions</p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p>
8.2	<p>Other expenditure</p> <p>Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p>
8.3	<p>Accruals and payables not recognised</p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.</p>
8.4	Leases
8.4.1	<p>Operating leases</p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>
8.4.2	<p>Finance leases</p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at</p>

**ACCOUNTING POLICIES**  
for the year ended 31 March 2018

	<p>the lower of:</p> <ul style="list-style-type: none"> <li>cost, being the fair value of the asset; or</li> <li>the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.</li> </ul>
9	Aid Assistance
9.1	<p>Aid assistance received</p> <p>Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.</p> <p>Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.</p>
9.2	<p>Aid assistance paid</p> <p>Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.</p>
10	<p>Cash and cash equivalents</p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.</p>
11	<p>Prepayments and advances</p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p>
12	<p>Loans and receivables</p> <p>Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.</p>
13	<p>Investments</p> <p>Investments are recognised in the statement of financial position at cost.</p>
14	Financial assets
14.1	<p>Financial assets (not covered elsewhere)</p> <p>A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.</p> <p>At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p>
14.2	<p>Impairment of financial assets</p> <p>Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes</p>

**ACCOUNTING POLICIES**  
for the year ended 31 March 2018

	to the financial statements.
15	<p>Payables</p> <p>Payables recognised in the statement of financial position are recognised at cost.</p>
16	Capital Assets
16.1	<p>Immovable capital assets</p> <p>Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p> <p>Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.</p>
16.2	<p>Movable capital assets</p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.</p>
16.3	<p>Intangible assets</p> <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p>
17	Provisions and Contingents
17.1	<p>Provisions</p> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past</p>

**ACCOUNTING POLICIES**  
for the year ended 31 March 2018

	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	<p>Contingent liabilities</p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.</p>
17.3	<p>Contingent assets</p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.</p>
17.4	<p>Commitments</p> <p>Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.</p>
18	<p>Unauthorised expenditure</p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> <li>• approved by Parliament or the Provincial Legislature with funding and the related funds are received; or</li> <li>• approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or</li> <li>• transferred to receivables for recovery.</li> </ul> <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
19	<p>Fruitless and wasteful expenditure</p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
20	<p>Irregular expenditure</p> <p>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 therefor are provided in the note.</p> <p>Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.</p>

**ACCOUNTING POLICIES**  
**for the year ended 31 March 2018**

	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	<p>Changes in accounting policies, accounting estimates and errors</p> <p>Changes in accounting policies that are effected by management have been applied retrospectively 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 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.</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p>
22	<p>Events after the reporting date</p> <p>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p>
23	<p>Departures from the MCS requirements</p> <p><i>Management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard except that it has departed from a particular requirement to achieve fair presentation; and the requirement from which the department has departed, the nature of the departure and the reason for departure.</i></p>
24	<p>Capitalisation reserve</p> <p>The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.</p>
25	<p>Recoverable revenue</p> <p>Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>
26	<p>Related party transactions</p> <p>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/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>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.</p>



**ACCOUNTING POLICIES  
for the year ended 31 March 2018**

27	<p><b>Public-Private Partnerships</b></p> <p>Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.</p> <p>A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.</p>
28	<p><b>Employee benefits</b></p> <p>The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.</p>

## 1. ANNUAL APPROPRIATION

## 1.1 Annual Appropriation

	2017/18			2016/17	
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Final Appropriation	Appropriation received
	R'000	R'000	R'000	R'000	R'000
Administration	95 612	95 612	-	89 571	89 571
Sustainable Resource	61 001	61 001	-	59 064	59 064
Assets And Liabilities	93 789	93 789	-	70 578	70 578
Management					
Financial Governance	31 951	31 951	-	29 954	29 954
Provincial Internal Audit	35 832	35 832	-	32 681	32 681
TOTAL	318 185	318 185	-	281 848	281 848

## 2. Departmental revenue

	Note	2017/18 R'000	2016/17 R'000
Sales of goods and services other than capital assets	2.1	134	119
Interest, dividends and rent on land	2.2	45 250	39 222
Transactions in financial assets and liabilities	2.3	84	2
Total revenue collected		45 468	39 343
Less: Own revenue included in appropriation	13	1 009	952
Departmental revenue collected		44 459	38 391

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

	Note	2017/18 R'000	2016/17 R'000
Sales of goods and services produced by the department	2	126	119
Sales by market establishment		19	22
Other sales		107	97
		8	-
Sales of scrap, waste and other used current goods			
Total		134	119

## 2.2 Interest, dividends and rent on land

	Note	2017/18	2016/17
	2	R'000	R'000
Interest		45 250	39 222
Total		45 250	39 222

## 2.3 Transactions in financial assets and liabilities

	Note	2017/18	2016/17
	2	R'000	R'000
Receivables		-	-
Other Receipts including Recoverable Revenue		84	2
Total		84	2

## 3. Compensation of employees

## 3.1 Salaries and Wages

	Note	2017/18	2016/17
		R'000	R'000
Basic salary		133 741	117 596
Performance award		670	566
Service Based		79	129
Compensative/circumstantial		1 178	1 240
Periodic payments		1 240	1 591
Other non-pensionable allowances		26 520	22 913
Total		163 428	144 035

The significant increase is as a result of contract appointment on the Health Intervention Project and MSCOA project

## 3.2 Social contributions

	Note	2017/18	2016/17
		R'000	R'000
Employer contributions			
Pension		16 355	14 944
Medical		5 529	5 255
Bargaining council		29	25
Total		<u>21 913</u>	<u>20 224</u>
Total compensation of employees		<u>185 341</u>	<u>164 259</u>
Average number of employees		<u>392</u>	<u>346</u>

## 4. Goods and services

	Note	2017/18	2016/17
		R'000	R'000
Administrative fees		1 435	839
Advertising		685	351
Minor assets	4.1	407	757
Bursaries (employees)		585	251
Catering		939	994
Communication		3 078	3 666
Computer services	4.2	8 565	2 524
Consultants: Business and advisory services		17 900	3 756
Legal services		-	117
Contractors		10	151
Entertainment		20	4
Audit cost – external	4.3	3 772	2 750
Fleet services		1 150	1 366
Consumables	4.4	2 125	2 097
Operating leases		13 347	12 716
Property payments	4.5	6 125	6 732
Rental and hiring		-	39
Travel and subsistence	4.6	13 783	10 363
Venues and facilities		876	853

**NORTHERN CAPE PROVINCIAL TREASURY VOTE 8**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2018**

	Note	2017/18	2016/17
		R'000	R'000
Training and development		2 894	3 436
Other operating expenditure	4.7	2 411	1 436
Total		<u>80 107</u>	<u>55 198</u>

The increase in consultants relate to the consultants appointed to assist municipalities in debt collection and compilation of GRAP compliant Financial Statements and Asset Registers.

**4.1 Minor assets**

	Note	2017/18	2017/18
	4	R'000	R'000
Tangible assets		407	735
Machinery and equipment		407	735
Intangible assets		-	22
Software		-	22
Total		<u>407</u>	<u>757</u>

**4.2 Computer services**

	Note	2017/18	2016/17
	4	R'000	R'000
SITA computer services		3 175	2 228
External computer service providers		5 390	296
Total		<u>8 565</u>	<u>2 524</u>

External computer service providers expenditure includes renewal of two year licenses on the BACS and Headcount system.

**4.3 Audit cost – External**

	Note	2017/18	2016/17
	4	R'000	R'000
Regularity audits		<u>3 772</u>	<u>2 750</u>
Total		<u>3 772</u>	<u>2 750</u>

## 4.4 Consumables

	Note 4	2017/18 R'000	2016/17 R'000
Consumable supplies		1 261	1 185
Uniform and clothing		311	134
Household supplies		257	405
Building material and supplies		336	-
Communication accessories		2	3
IT consumables		298	200
Other consumables		57	443
Stationery, printing and office supplies		864	912
Total		<u>2 125</u>	<u>2 097</u>

## 4.5 Property payments

	Note 4	2017/18 R'000	2016/17 R'000
Municipal services		2 795	3 225
Other		3 330	3 507
Total		<u>6 125</u>	<u>6 732</u>

## 4.6 Travel and subsistence

	Note 4	2017/18 R'000	2016/17 R'000
Local		13 589	10 363
Foreign		194	-
Total		<u>13 783</u>	<u>10 363</u>

## 4.7 Other operating expenditure

	Note 4	2017/18 R'000	2016/17 R'000
Professional bodies, membership and subscription fees		39	9
Resettlement costs		467	281
Other		1 905	1 146
Total		<u>2 411</u>	<u>1 436</u>

## 5. Interest and rent on land

	Note	2017/18 R'000	2016/17 R'000
Interest paid		20	17
Total		<u>20</u>	<u>17</u>

## 6. Payments for financial assets

	Note	2017/18 R'000	2016/17 R'000
Debts written off	6.1	244	-
Material Losses through criminal conduct	6.2	5	-
Total		<u>249</u>	<u>-</u>

## 6.1 Debts written off

	Note	2017/18 R'000	2016/17 R'000
Nature of debts written off	6		
Other debt written off			
Staff Debt, that have exceeded the prescription timeframe		244	-
Total		<u>244</u>	<u>-</u>
Total debt written off		<u>244</u>	<u>-</u>

## 6.2 Material Losses through criminal conduct

	Note	2017/18 R'000	2016/17 R'000
Incident      Disciplinary Steps taken/Criminal proceedings	6		
Theft:      Official disciplined due to negligence, other portion of loss regarded as debt		5	-
Total		<u>5</u>	<u>-</u>
Total debt written off		<u>5</u>	<u>-</u>

## 7. Transfers and subsidies

	Note	2017/18 R'000	2016/17 R'000
Provinces and municipalities	48, 49	20 590	16 528
Departmental agencies and accounts	Annex 1B	13	8
Non-profit institutions	Annex 1F	60	66
Households	Annex 1G	497	463
Total		<u>21 160</u>	<u>17 065</u>

Transfers were made to municipalities in line with the Municipal Support Grant, i.e to assist in the compilation of AFS and Asset registers

## 8. Expenditure for capital assets

	Note	2017/18 R'000	2016/17 R'000
Tangible assets		5 819	6 214
Machinery and equipment	27	<u>5 819</u>	<u>6 214</u>
Intangible assets		-	170
Software	28	<u>-</u>	<u>170</u>
Total		<u>5 819</u>	<u>6 384</u>

## 8.1 Analysis of funds utilised to acquire capital assets – 2017/18

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	5 819	-	5 819
Machinery and equipment	<u>5 819</u>		<u>5 819</u>
Intangible assets	-	-	-
Software	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>5 819</u>	<u>-</u>	<u>5 819</u>

## 8.2 Analysis of funds utilised to acquire capital assets – 2016/17

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	6 214	-	6 214
Machinery and equipment	<u>6 214</u>	<u>-</u>	<u>6 214</u>
Intangible assets	170	-	170
Software	<u>170</u>	<u>-</u>	<u>170</u>
Total	<u>6 384</u>	<u>-</u>	<u>6 384</u>



## 8.3 Finance lease expenditure included in Expenditure for capital assets

	Note	2017/18 R'000	2016/17 R'000
Tangible assets			
Machinery and equipment		2 395	2 341
Total		2 395	2 341

## 9. Cash and cash equivalents

	Note	2017/18 R'000	2016/17 R'000
Consolidated Paymaster General Account		30 691	41 360
Disbursements		(34)	(2)
Cash on hand		3	3
Total		30 660	41 361

## 10. Prepayments and advances

	Note	2017/18 R'000	2016/17 R'000
Travel and subsistence		140	-
Total		140	-

## 11. Receivables

		Current	2017/18 Non- current	Total	Current	2016/17 Non- current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	Note 11.1	147	160	307	-	432	432
Staff debt	11.2	51	33	84	114	56	170
Other debtors	11.3	66	4	70	12	376	388
Fruitless and wasteful expenditure	11.4	9	2	11	1	2	3
Total		273	199	472	127	866	993

## 11.1 Claims recoverable

	Note 11 and Annex 4	2017/18 R'000	2016/17 R'000
Provincial departments		307	432
Total		<u>307</u>	<u>432</u>

## 11.2 Staff debt

	Note 11	2017/18 R'000	2016/17 R'000
Salary overpayments		45	86
Sal: Tax Debt		39	37
Sal: Income Tax		-	47
Total		<u>84</u>	<u>170</u>

## 11.3 Other debtors

	Note 11	2017/18 R'000	2016/17 R'000
Lefatshe		-	136
Petty Cash Fraud		1	5
Sita		3	-
Pension Recoverable		7	6
Sal: GEHS Refund		56	-
NC Devtrans (PTY) LTD		3	-
Bidvest Facilities Management		-	241
Total		<u>70</u>	<u>388</u>

## 11.4 Fruitless and wasteful expenditure

	Note 11	2017/18 R'000	2016/17 R'000
Opening balance		3	3
Less amounts recovered		-	(1)
Transfers from note 32 Fruitless and Wasteful Expenditure		8	1
Total		<u>11</u>	<u>3</u>

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

	Note	2017/18 R'000	2016/17 R'000
Opening balance		38 925	5 804
Prior period error	12.2		
As restated		38 925	5 804
Transfer from statement of financial performance (as restated)		25 489	38 925
Paid during the year		(38 925)	(5 804)
Closing balance		25 489	38 925

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

	Note	2017/18 R'000	2016/17 R'000
Opening balance		3 413	4 593
Prior period error			
As restated		3 413	4 593
Transfer from Statement of Financial Performance (as restated)		44 459	38 391
Own revenue included in appropriation		1 009	952
Paid during the year		(43 100)	(40 523)
Closing balance		5 781	3 413

## 14. Payables – current

	Note	2017/18 R'000	2016/17 R'000
Other payables	14.1	2	16
Total		2	16

## 14.1 Other payables

Description	Note 14	2017/18 R'000	2016/17 R'000
ACB Credit		-	7
Santam		-	8
Sal: Income Tax		2	1
Total		2	16

## 15. Net cash flow available from operating activities

	Note	2017/18 R'000	2016/17 R'000
Net surplus/(deficit) as per Statement of Financial Performance		69 948	77 316
Add back non cash/cash movements not deemed operating activities		(74 830)	(38 580)
(Increase)/decrease in receivables – current		521	391
(Increase)/decrease in prepayments and advances		(140)	7
Increase/(decrease) in payables – current		(14)	13
Expenditure on capital assets		5 819	6 384
Surrenders to Revenue Fund		(82 025)	(46 327)
Own revenue included in appropriation		1 009	952
Net cash flow generated by operating activities		<u>(4 882)</u>	<u>38 736</u>

## 16. Reconciliation of cash and cash equivalents for cash flow purposes

	Note	2017/18 R'000	2016/17 R'000
Consolidated Paymaster General account		30 691	41 360
Disbursements		(34)	(2)
Cash on hand		3	3
Total		<u>30 660</u>	<u>41 361</u>

## 17. Contingent liabilities and contingent assets

## 17.1 Contingent liabilities

	Note	2017/18 R'000	2016/17 R'000
Liable to Nature			
Claims against the department	Annex 3B	847	756
Intergovernmental payables (unconfirmed balances)	Annex 5	-	193
Total		<u>847</u>	<u>949</u>

Claims against the state include claims made by ex-officials and suppliers. Details contained in Annexure 3B
As indicated by the state attorney there is a 50% likelihood of payment on these claims

## 17.2 Contingent assets

	Note	2017/18 R'000	2016/17 R'000
Nature of contingent asset			
Legal fees and other related costs: Karoo Hoog Land		379	379
Total		<u>379</u>	<u>379</u>

## 18. Commitments

	Note	2017/18 R'000	2016/17 R'000
Current expenditure			
Approved and contracted		22 482	18 671
Approved but not yet contracted		-	117 159
		<u>22 482</u>	<u>135 830</u>
Capital expenditure			
Approved and contracted		1 878	986
Approved but not yet contracted		-	-
		<u>1 878</u>	<u>986</u>
Total Commitments		<u>24 360</u>	<u>136 816</u>

Included in the above balance is SITA and BACs contracts that are longer than 1 year.

## 19. Accruals and payables not recognised

## 19.1 Accruals

			2017/18 R'000	2016/17 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	4 047	562	4 609	1 970
Capital assets	514	68	582	95
Total	<u>4 561</u>	<u>630</u>	<u>5 191</u>	<u>2 065</u>
	Note		2017/18 R'000	2016/17 R'000
Listed by programme level				
Administration			1 810	1 459
Sustainable Resource Management			802	166
Assets and Liabilities Management			1 308	315
Financial Governance			1 033	111
Provincial Internal Audit			238	14
Total			<u>5 191</u>	<u>2 065</u>

Accruals are amounts for services and goods received but have not been invoiced as at year-end.

## 19.2 Payables not recognised

		2017/18 R'000	2016/17 R'000
Listed by economic classification			
	30 Days	30+ Days	Total
Goods and services	89	-	89
Capital assets	7	-	7
Total	96	-	96
	Note	2017/18 R'000	2016/17 R'000
Listed by programme level			
Administration		7	10
Sustainable Resource Management		-	-
Assets and Liabilities Management		79	-
Financial Governance		10	86
Provincial Internal Audit		-	-
Total		96	96
Included in the above totals are the following:	Note	2017/18 R'000	2016/17 R'000
Confirmed balances with other departments	Annex 5	88	-
Total		88	-

Payables are amounts for services received and invoiced but have not been paid yet at year-end.

## 20. Employee benefits

	Note	2017/18 R'000	2016/17 R'000
Leave entitlement		6 175	5 741
Service bonus (Thirteenth cheque)		4 922	4 648
Performance awards		543	702
Capped leave commitments		1 865	1 929
Other		209	389
Total		13 714	13 409

At this stage the department is not able to reliably measure the long term portion of the long service awards.

## 21. Lease commitments

## 21.1 Operating leases

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2017/18					
Not later than 1 year	-	-	3 408	11	3 419
Later than 1 year and not later than 5 years	-	-	590		590
Later than five years	-	-	-	-	-
Total lease commitments	-	-	3 998	11	4 009
2016/17					
Not later than 1 year	-	-	8 133	15	8 148
Later than 1 year and not later than 5 years	-	-	4 107		4 107
Later than five years	-	-	-	-	-
Total lease commitments	-	-	12 240	15	12 255

The operating leases include leases on office buildings. Significant number of leases are expiring in the new financial year.

## 21.2 Finance leases \*\*

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2017/18					
Not later than 1 year	-	-	-	1 562	1 562
Later than 1 year and not later than 5 years	-	-	-	1 338	1 338
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	2 900	2 900
2016/17					
Not later than 1 year	-	-	-	1 887	1 887
Later than 1 year and not later than 5 years	-	-	-	1 564	1 564
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	3 451	3 451

\*\*This note excludes leases relating to public private partnership as they are separately disclosed in note no. 35.

## 22. Accrued departmental revenue

	Note	2017/18 R'000	2016/17 R'000
Interest, dividends and rent on land		4 429	2 971
Total		<u>4 429</u>	<u>2 971</u>

## 22.1 Analysis of accrued departmental revenue

	Note	2017/18 R'000	2016/17 R'000
Opening balance		2 971	4 078
Less: amounts received		2 971	4 078
Add: amounts recorded		4 429	2 971
Less: amounts written-off/reversed as irrecoverable			-
Closing balance		<u>4 429</u>	<u>2 971</u>

## 23. Irregular expenditure

## 23.1 Reconciliation of irregular expenditure

	Note	2017/18 R'000	2016/17 R'000
Opening balance		448	448
Prior period error			-
As restated		448	448
Less: Prior year amounts condoned		(31)	-
Closing balance		<u>417</u>	<u>448</u>

## Analysis of awaiting condonation per age classification

Prior years	417	448
Total	<u>417</u>	<u>448</u>

## 23.2 Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	2017/18 R'000
SCM Incorrect point allocation	National Treasury: SCM Governance, Monitoring and Compliance	31
Total		<u>31</u>



2017/18

23.3	Details of irregular expenditure under investigation (not included in the main note)	R'000
	Incident	
	Operating Lease expenditure incurred without a signed	7 559
	Total	<u>7 559</u>

## 24. Fruitless and wasteful expenditure

## 24.1 Reconciliation of fruitless and wasteful expenditure

	Note	2017/18 R'000	2016/17 R'000
Opening balance		125	130
Prior period error		<u>(18)</u>	<u>(18)</u>
As restated		125	112
Fruitless and wasteful expenditure – relating to current year		83	91
Less: Amounts resolved		(58)	(76)
Less: Amounts transferred to receivables for recovery	15.6	-	(2)
Closing balance		<u>150</u>	<u>125</u>

## 24.2 Analysis of awaiting resolution per economic classification

	2017/18 R'000	2016/17 R'000
Current	150	125
Total	<u>150</u>	<u>125</u>

## 24.3 Analysis of Current year's (relating to current and prior years) fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2017/18 R'000
No show car rental	Committee for evaluation	7
No show accommodation	Committee for evaluation	50
No show flights	Committee for evaluation	17
Car Accident Repairs	Committee for evaluation	9
Total		<u>83</u>

## 24.4 Prior period error

	Note	2016/17 R'000
Nature of prior period error		(18)
Relating to 2016/17 affecting the opening balance		(18)
Total prior period errors		(18)

## 25. Key management personnel

	No. of Individuals	2017/18 R'000	2016/17 R'000
Political office bearers (provide detail below)	1	1 960	1 902
Officials:			-
Level 15 to 16	1	440	102
Level 14 (incl. CFO if at a lower level)	8	9 333	9 398
Total		11 733	11 402

## 26. Provisions

	Note	2017/18 R'000	2016/17 R'000
MicroSoft		339	339
Total		339	339

## 26.1 Reconciliation of movement in provisions – 2017/18

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Total provisions R'000
Opening balance	339			339
Increase in provision	-			-
Closing balance	339	-	-	339

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018

Reconciliation of movement in provisions – 2016/17

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Total provisions R'000
Opening balance	339	-	-	339
Closing balance	339	-	-	339

27. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	26 067	-	3 422	28	29 461
Transport assets	3 086	-	1 006	-	4 092
Computer equipment	14 906	-	1 820	8	16 718
Furniture and office equipment	7 116	-	461	6	7 571
Other machinery and equipment	959	-	135	14	1 080
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>26 067</b>	<b>-</b>	<b>2 422</b>	<b>28</b>	<b>29 461</b>

27.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	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	5 817	-	(2 395)	-	3 422
Transport assets	1 006	-	-	-	1 006
Computer equipment	1 820	-	-	-	1 820
Furniture and office equipment	461	-	-	-	461
Other machinery and equipment	2 530	-	(2 395)	-	135
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>5 817</b>	<b>-</b>	<b>(2 395)</b>	<b>-</b>	<b>3 422</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2018

## 27.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	-	28	28	-
Transport assets	-	-	-	-
Computer equipment	-	8	8	-
Furniture and office equipment	-	6	6	-
Other machinery and equipment	-	14	14	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	28	28	-

## 27.3 Movement for 2016/17

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	22 314	-	3 874	121	26 067
Transport assets	2 083	-	1 003	-	3 086
Computer equipment	12 974	-	2 033	101	14 906
Furniture and office equipment	6 445	-	683	12	7 116
Other machinery and equipment	812	-	155	8	959
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	22 314	-	3 874	121	26 067

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2018*

## 27.4 Minor assets

## MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2018

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	88	-	7 964	-	8 052
Value adjustments	-	-	-	(5)	-	(5)
Additions	-	-	-	407	-	407
Disposals	-	-	-	87	-	87
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>88</b>	<b>-</b>	<b>8 279</b>	<b>-</b>	<b>8 367</b>

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	1 321	-	1 321
Number of minor assets at cost	-	35	-	6 173	-	6 208
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>-</b>	<b>35</b>	<b>-</b>	<b>7 494</b>	<b>-</b>	<b>7 529</b>

## MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2017

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	66	-	7 279	-	7 345
Additions	-	22	-	734	-	756
Disposals	-	-	-	49	-	49
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>88</b>	<b>-</b>	<b>7 964</b>	<b>-</b>	<b>8 052</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2018

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	39	-	39
Number of minor assets at cost	-	33	-	5 842	-	5 875
TOTAL NUMBER OF MINOR ASSETS	-	33	-	5 881	-	5 914

## 28. Intangible Capital Assets

### MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	4 474	-	-	492	3 982
TOTAL INTANGIBLE CAPITAL ASSETS	4 474	-	-	492	3 982

#### 28.1 Disposals

##### DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash Received Actual R'000
SOFTWARE	-	492	492	-
TOTAL DISPOSALS OF INTANGIBLE CAPITAL ASSETS	-	492	492	-

#### 28.2 Movement for 2016/17

##### MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	4 304	-	170	-	4 474
TOTAL INTANGIBLE CAPITAL ASSETS	4 304	-	170	-	4 474

**NORTHERN CAPE PROVINCIAL TREASURY VOTE 8**  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2018*

**ANNEXURE 1A**  
**STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION 2017/18				TRANSFER			SPENT				2016/17
	DoRA and other transfers	Roll Overs	Adjust-ments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Depart-ment	Amount received by municipi- pality	Amount spent by municipality	Unspent funds	% of available funds spent by municipi-pality	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000
Renosterberg	3 356	-	986	4 342	4 342	-	-	4 342	-	-	0%	3 841
Dikgathong	1 949	-	501	2 450	2 473	-	-	2 473	-	-	0%	1 944
Pxley Ka Seme	-	1 164	-	1 164	1 164	-	-	1 164	-	-	0%	3 300
Magareng	-	3 500	752	4 252	2 900	-	-	2 900	-	-	0%	1 500
Karoo Hoogland	-	-	3 250	3 250	-	-	-	-	-	-	0%	-
Richtersvelt	3 715	-	(3 715)	-	-	-	-	-	-	-	0%	-
Kamiesberg	810	-	(810)	-	-	-	-	-	-	-	0%	-
Phokwane	616	300	(316)	600	300	-	-	300	-	-	0%	943
Nama Khoi	3 750	-	(3 750)	-	-	-	-	-	-	-	0%	-
Hantam	3 282	-	(31)	3 251	3 249	-	-	3 249	-	-	0%	-
Ubuntu Local Municipality	-	-	3 100	3 100	3 092	-	-	3 092	-	-	0%	5 000
Siyathemba	3 282	-	(212)	3 070	3 070	-	-	3 070	-	-	0%	-
<b>TOTAL</b>	<b>20 760</b>	<b>4 964</b>	<b>(245)</b>	<b>25 479</b>	<b>20 590</b>	<b>-</b>	<b>-</b>	<b>20 590</b>	<b>-</b>	<b>-</b>	<b>0%</b>	<b>16 528</b>

**NORTHERN CAPE PROVINCIAL TREASURY VOTE 8**  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2018*

ANNEXURE 1B  
**STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2016/17
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	R'000
License TV	9	-	-	9	13	144%	8
<b>TOTAL</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>13</b>		<b>8</b>



ANNEXURE 1F  
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	TRANSFER ALLOCATION				EXPENDITURE		2016/17
	Adjusted Appropriation Act R'000	Roll overs R'000	Adjust-ments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds transferred %	
NON-PROFIT INSTITUTIONS							
Transfers	91	-	-	91	60	66%	66
Donations	91	-	-	91	60	66%	66
TOTAL							

**NORTHERN CAPE PROVINCIAL TREASURY VOTE 8**  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2018*

**ANNEXURE 1G**  
**STATEMENT OF TRANSFERS TO HOUSEHOLDS**

	TRANSFER ALLOCATION				EXPENDITURE		2016/17
	Adjusted Appropriation Act	Roll Overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds Transferred	
HOUSEHOLDS	R'000	R'000	R'000	R'000	R'000	%	Final Appropriation
Transfers							R'000
Employee Social Benefit	180	-	161	341	339	99%	198
Discretionary Fund Donations	200	-	(96)	104	103	100%	216
Claims Against the State	6	-	48	54	55	99%	49
<b>TOTAL</b>	<b>386</b>	<b>-</b>	<b>113</b>	<b>499</b>	<b>497</b>		<b>463</b>

**NORTHERN CAPE PROVINCIAL TREASURY VOTE 8**  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2018*

ANNEXURE 1J  
**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE**

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2017/18	2016/17
	R'000	R'000
Made in kind		
Departmental Gifts: consumables	31	11
Cash donations: Discretionary Funds	103	217
<b>TOTAL</b>	<b>134</b>	<b>228</b>

ANNEXURE 3B  
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2018

Nature of Liability	Opening Balance 1 April 2017 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancelled/red uced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31 March 2018 R'000
Claims against the department					
Legal cases against the Department by previous employees	484	-	-	-	484
Fleet contingent: Pemberley	150	-	76	-	74
Fleet contingent: NC Fleet Entity	260	29	-	-	289
TOTAL	894	29	76	-	847

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018

## ANNEXURE 4: CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2017/18 *	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
Health	-	-	1	17	1	17		-
Roads & Public Works	-	-	154	154	154	154		-
Legislature	-	-	-	3	-	3		-
NC: Dept of Sport, Arts & Culture	-	-	-	265	-	265		-
NC Dept of Transport	-	-	-	83	-	83		-
NC Dept of Environment	-	-	-	30	-	30		-
NC Dept of Economic Dev	146	-	-	-	146	-		-
Office of the Premier	510	-	32	-	542	-		-
TOTAL	656	-	187	552	843	552		-

NORTHERN CAPE PROVINCIAL TREASURY  
VOTE 8

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018

ANNEXURE 5  
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2017/18	
	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017	31/03/2018	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
Transport, Safety and Liaison	-	-	76	-	76	-		-
Office of the Premier	-	88	117	-	117	88		-
TOTAL	-	88	193	-	193	88		-

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## NOTES

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# **Northern Cape Provincial Treasury**

PR432/2018  
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