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VOTE 8

NORTHERN CAPE PROVINCIAL TREASURY

ANNUAL REPORT 2015 / 2016

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NORTHERN CAPE PROVINCIAL TREASURY

ANNUAL REPORT 2016

Contents

PART A: GENERAL INFORMATION 4

1. DEPARTMENT GENERAL INFORMATION 5
2. LIST OF ABBREVIATIONS/ACRONYMS 5
3. FOREWORD BY THE MEC 6
4. REPORT OF THE ACCOUNTING OFFICER 7
5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT 11
6. STRATEGIC OVERVIEW 12
   - 6.1 Vision 12
   - 6.2 Mission 12
   - 6.3 Values 12
7. LEGISLATIVE AND OTHER MANDATES 12
8. ORGANISATIONAL STRUCTURE 15

PART B: PERFORMANCE INFORMATION 15

1. OVERVIEW OF DEPARTMENTAL PERFORMANCE 17
   - 1.1 Service Delivery Environment 17
   - 1.2 Service Delivery Improvement Plan 17
   - 1.3 Organisational environment 23
   - 1.4 Key policy developments and legislative changes 23
2. STRATEGIC OUTCOME ORIENTED GOALS 23
3. PERFORMANCE INFORMATION BY PROGRAMME 25
   - 3.1 Programme 1: Administration 25
   - 3.2 Programme 2: Sustainable Resource Management 29
   - 3.3 Programme 3: Assets and Liabilities Management 33
   - 3.4 Financial Governance 38
   - 3.5 Provincial Internal Audit 41
5. TRANSFER PAYMENTS TO ALL ORGANISATIONS OTHER THAN PUBLIC ENTITIES 46
6. PUBLIC ENTITIES 46
7. CONDITIONAL GRANTS 46
8. DONOR FUNDS 46
9. CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN 46

PART C: GOVERNANCE 47

1. INTRODUCTION 48
2. RISK MANAGEMENT 48
3. FRAUD AND CORRUPTION 48
4. MINIMISING CONFLICT OF INTEREST 48

5. CODE OF CONDUCT 49
6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES 49
7. PORTFOLIO COMMITTEES 49
8. SCOPA RESOLUTIONS 49
9. PRIOR MODIFICATIONS TO AUDIT REPORTS 50
10. INTERNAL CONTROL UNIT 50
11. INTERNAL AUDIT AND AUDIT COMMITTEES 50
12. AUDIT COMMITTEE REPORT 52

PART D: HUMAN RESOURCE MANAGEMENT 54

1. INTRODUCTION 55
2. OVERVIEW OF HUMAN RESOURCES 55
3. HUMAN RESOURCES OVERSIGHT STATISTICS 55

PART E: FINANCIAL INFORMATION 82

PART A: GENERAL INFORMATION

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

Provincial Treasury plays a critical role in supporting provincial government to deliver on its priorities, thus it is essential that Provincial Treasury be the ideal model of public service. Our goal in becoming the ideal model is evidence by the clean audit report issued by the Office of the Auditor General for the financial year 2015/16. We have not only demonstrated this through sound financial management but also through our approach in developing policy guidelines, delivering services and advice provided to our clients and stakeholders.

Provincial Treasury is responsible for a range of varied and complex functions and our focus has been to harness these complexities and use them as a platform for positive change. We will continue to play a vital role of providing fiscal advice to provincial government especially during this pivotal time, where there is close examination of the way in which government delivers services to its citizens. The department has maintained a central focus on the setting of budgetary allocations which support provincial government policy priorities and have ensured effective implementation of the allocated resources.

The consistent effort employed by Provincial Treasury and Departments in attaining good governance has resulted in an improvement in the audit outcomes for the financial year 2015/16. The provincial audit outcome has improved drastically with 12 unqualified audit opinions. Great effort will continue to be employed to ensure that all departments have unqualified audit opinions.

Much focus was also placed on the achievement of Outcome 9 of the service delivery agreements, which require us to assist and support local governments to become responsive, accountable, effective and efficient. To this effect, the Municipal Support Strategy implemented has resulted in hands-on support being provided to municipalities.

As we align and adapt to this tight financial constraints, which present a leaner spending environment, it is more important than ever that we work collaboratively and ensure that all our efforts are directed at delivering on government's key priorities. While this environment has inherent challenges, it presents opportunities to innovate and take a fresh approach that delivers better, smarter front-line public services funded primarily from within the department's existing base-lines. Operating cohesively and through working together has significantly contributed to the achievements of our strategic objectives and this was evidenced by the innovative and sound solution employed in assisting and supporting departments and municipalities.

I wish to thank all staff for their ongoing support and hard work throughout the year.

I hereby table the annual report for the year ended 31 March 2016

MN JACK
MEC of Provincial Treasury

4. REPORT OF THE ACCOUNTING OFFICER

Overview of the operations of the Department:

The year under review was marked with the implementation of various support programmes in pursuant of the achievement of the Service Delivery priorities highlighted in Outcomes 9 and 12.

Provincial Treasury continues to pursue its strategic objectives of effectively managing the provincial government finances. Managing the cashflows with the most up to date and accurate information benefits the province by enabling Provincial Treasury to maximise investment earnings and minimise borrowing costs within certain established policy objectives. Provincial Treasury accomplished this by closely monitoring the receipts and payments, and accurately forecasting the provincial government's current and future daily cash requirement.

In addition to the above the following programmes and interventions were undertaken during the year:

The Municipal Support Programme was implemented during the current financial year in order to improve the audit outcomes of municipalities. Eleven (11) municipalities that attained disclaimers in the 2014/15 financial year were assisted with implementing corrective actions to ensure improvement of audit outcomes. An intensive hands-on support was specifically provided to Dikgatlong and Renosterberg municipalities in strengthening their capacity to produce reliable Generally Recognised Accounting Practices (GRAP) Compliant Asset Registers and Annual Financial Statements. Furthermore municipalities were trained on Supply Chain Management Implementation and Compliance.

Assisting municipalities with revenue collection and enhancement also featured prominently in the year under review. We assisted in strengthening the inter-governmental relations between all spheres of government in addressing disputes on debts raised. This was done through the establishment of the Municipal Debt Forum. This extensive interaction between these spheres of government will assist Provincial Treasury in taking appropriate steps in enforcing departments to settle their debts to municipalities.

To ensure that the implementation of mSCOA is successful, we have heightened awareness within the province through the establishment of the Provincial Integrated Consultative Forum. During the past year municipalities were guided on how to compile project implementation plan and perform a self-assessment that will enable the municipality to evaluate its current status.

With regards to improvement of financial governance within departments and municipalities the following was performed:
In-house training and mentorship on SCM prescripts were provided to departments and municipalities on a need basis;

Facilitated the roll out of the Financial Management Capability Maturity Model(FMCMM) self- assessment tool to all municipalities that can be utilised as a base for Provincial Treasury support to municipalities;

Training was provided on GRAP, Risk Management and Unauthorised, Irregular, Fruitless and Wasteful expenditure; and

Internal Audit conducted all the approved audits which resulted in an overachievement.

The details of the above initiatives have been outlined hereunder in the performance information section.

1.1 Departmental Receipts

Revenue collected is primarily generated from interest on the consolidated bank account, parking fees, service commission and sale of capital assets.

Departmental receipts	2015/16			2014/15		
	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	120	163	(43)	114	107	7
Interest, dividends and rent on land	690	46,341	(45,651)	654	36,777	(36,123)
Sale of capital assets	75	154	(79)	70	6	64
Financial transactions in assets and liabilities	10	410	(400)	10	-	10
Total	**895**	**47,068**	**(46,173)**	**848**	**36,890**	**(36,042)**

1.2 Programme Expenditure

Programme Name	2015/16			2014/15		
	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	82,124	81,851	273	73,900	70,523	3,377
Sustainable Resource Management	39,493	36,839	2,654	36,532	33,727	2,805
Assets & Liabilities	53,813	51,720	2,093	54,294	47,127	7,167
Financial Governance	21,537	20,994	543	21,487	19,693	1,794
Provincial Internal Audit	27,403	27,162	241	23,849	22,029	1,820
Total	**224,370**	**218,566**	**5,804**	**210,062**	**193,099**	**16,963**

The above under-spending of R5, 804 million relates to the following:

- Delays in filling some of the vacant funded posts;
- Delays in the implementation of the Health Intervention project; and
- Delays in the sourcing and delivery of capital equipment.

1.3 Virement and Rollovers

At the end of 2015/16 financial year, Sustainable Resource Management and Asset and Liabilities Management realised a savings of R2.599 million and R1.227 million respectively which can be utilised to towards the defrayment of over-expenditure on Administration and Internal Audit

Furthermore in the above-mentioned under-spending there is an amount of R3.254 million requested for rollover. An amount of R2.285 million relates to the earmarked funding of the Health Intervention Strategy, the project will continue in 2016/17 financial year. R0.969 million, relates to purchases for capital equipment that were not delivered yet at year end.

1.4 Unauthorised, Irregular and Wasteful Expenditure

The Department didn't incur any unauthorised expenditure. There was an incident of irregular expenditure amounting to R31 000 that occurred due to incorrect calculation of preference points. With regards to irregular expenditure relating to prior years, a request for condonment was forwarded to National Treasury, however only R4 241 was condoned. Thus as permitted by the Irregular Expenditure Guide, R469 844 was approved to be written off by the Accounting Officer.

There was increase in fruitless and wasteful expenditure. The amount for the current financial year amounts to R131 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 R33 000 and recovered R3 000 of prior year's fruitless and wasteful expenditure.

1.5 Future plans of the department

The strategic direction of the department is derived from the PFMA section 18 and will still remain the same for the new financial year. However, more focus will be provided with regards to oversight and support provided to the municipalities.

The focus of the department in the 2016/17 financial year will be to intensify the programmes that were implemented during the current year, namely:

- Municipal Support Programme – acceleration and extension of the programme to all municipalities.
- Strengthening the shared services in the district municipalities in areas of internal audit and financial governance. This will enable district municipalities to effectively assist their local municipalities.
- Assisting municipalities in improving revenue management and collection.
- Continue to monitor and support departments on non-compliance matters such as 30 day payment, unauthorized, irregular and fruitless & wasteful expenditure.

1.6 Public Private Partnerships

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

1.7 Discontinued activities/ New proposed activities

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

1.8 Supply Chain Management

No significant challenges were experienced in the operations of supply chain management. The Department concluded all advertised bids and no unsolicited bids were issued. The department continued with the implementation of sound internal controls to detect and prevent irregular, wasteful and fruitless expenditure.

1.9 Gifts and Donations received in kind from non-related parties

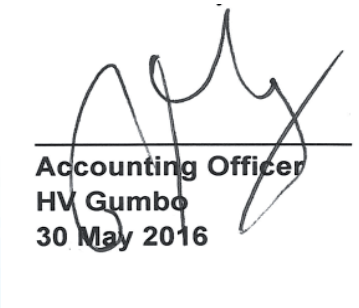
No gifts and donations were received in kind from non-related parties. The Department as part of Provincial Government contributed goods to recipients identified during EXCO Outreaches.

1.10 Exemptions and deviations received from the National Treasury

No exemptions or deviations have been granted from National Treasury for the year under review.

1.11 Events after the reporting date

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



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.

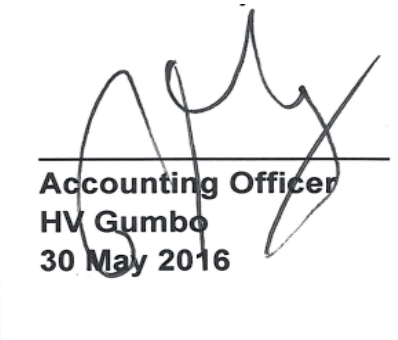
The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

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 2016.

Yours faithfully



6. STRATEGIC OVERVIEW

6.1 Vision

To be the heartbeat of sound financial management that supports 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.

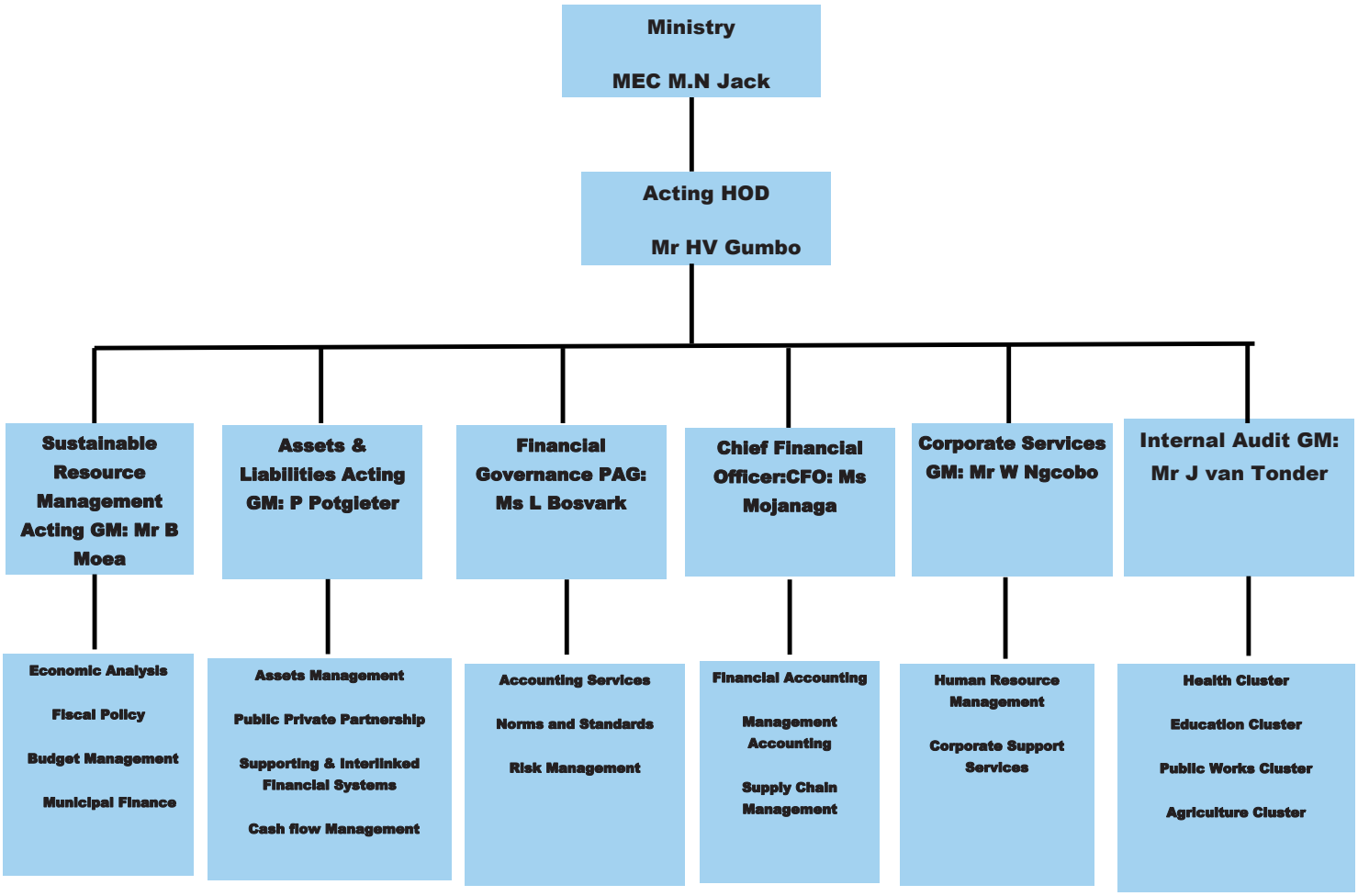
LEGISLATION	PURPOSE
Employment Equity Act, 1998 (Act 55 of 1998)	To regulate the process and procedures in achieving a diverse and competent workforce broadly representative of demographics of the country and eliminating unfair discrimination in employment towards implementing equity.
Labour Relations 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 provides 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 imposing 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 learnership 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
Northern Cape Provincial Growth and Development Strategy (NCPGDS)	Given the limitations of funding from the equitable share and provincial own revenue, the department has a responsibility to find alternative mechanisms to leverage additional funding for promoting growth and development in the province
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	• Promote credible and reliable financial reporting by enforcing; • The implementation of control activities in all financial management functional areas; • Build financial management capacity in municipalities in a holistic approach by addressing individual institutional and organisation gaps; • Enhance control environment in municipalities to improve oversight and accountability; • Municipal financial viability through sustainable operations that will enable service delivery.

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



8.1 ENTITIES REPORTING TO THE MEC

The Executive Authority provides political and strategic direction over Department of Economic Development and Tourism and Provincial Treasury, thus Department of Economic Development and Tourism is listed as a related party.

PART B: PERFORMANCE INFORMATION

1. OVERVIEW OF DEPARTMENTAL PERFORMANCE

1.1 Service Delivery Environment

Good governance and financial management within the public is essential in ensure that services are delivered effectively and efficiently. However in fulfilling our responsibilities we have noted that lack of accountability (consequences for non-compliance) is hampering the achievement of good financial governance which leads to clean financial administration; characterised by compliance, control maturity level and unqualified audit reports within the province.

Insufficient financial management and accounting knowledge skills and competency at an individual and institutional level results in inaccurate financial reporting thus impacting the achievement of unqualified audit opinion.

Service delivery is largely dependent on the available financial resource, thus in order for the province to respond to the socio economic needs of it should ensure that resource allocation processes are effective and efficient in achieving economic growth and development. Over the past two decade lack of proper and sustainable budgeting, planning, and inadequate revenue collection in provincial departments and municipalities has inhibited government's ability to deliver services.

1.2 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.

1.2.1 Preparation, support and monitoring of provincial budgets;

Key Service	Service Beneficiary	Current Standard		Desired Standard	
				2015 - 2016	Progress – 31 March 2016
Render budgetary support and assistance to ensure credibility of budgets	Departments and municipalities	Quantity:	13 Departments	13 Departments	Analysis reports of revenue performance against municipal budgets and status of government debt reports were compiled. Compiled analysis reports for provincial own revenue performance against revenue budget.
		Quality	Ensure that departments spend in line with budget, there is no over/under spending.	Improve analytical ability to ensure value for money	
		Legal/Professional Standard	Comply with PFMA	Enforce PFMA	
		Consultation	Consult with departments during budget process. Hold budget forums, PMTEcs, MEC bilaterals	Consultation on budget issues thorough: quarterly budge forums, Budget guidelin workshops PMTEcs, MEC bilaterals	Budget benchmark visits were held with municipalities. Revenue forums were held with departments Budget guideline workshop, PMTEC and Budget lekgotla were held. Issued assessment reports to departments on the IYM analysis reports for provincial own revenue performance against revenue budget.

Key Service	Service Beneficiary	Current Standard		Desired Standard	
				2015 - 2016	Progress – 31 March 2016
		Openness & Transparency	The budget process should be transparent to all stakeholders	Issue assessment reports on department's budget and IYM submissions Issue budget guidelines	Analysis reports of revenue performance against municipal budgets and status of government debt reports were compiled. Compiled IYM analysis reports for provincial own revenue performance against revenue budget were sent to departments. EXCO Memos / Analysis reports were compiled on the IYM's submitted by the department
		Access		Designated budget analyst that will conduct regular visits to departments and attend to request for support	Support provided by budget analysts to departments in relation to the compilation of the adjustment and main budgets. Requests on support for revenue enhancement and internal controls received from clients were addressed.
		Courtesy		Written Acknowledgement on all request for advise or approval. Provide feedback on all assessment within 5 days of receipt	Responses provided to departments on all requests e.g. Increase in Transfers Feedback provided to municipality and departments in acknowledgement of request received for assistance. Feedback reports on assistance with municipal revenue related policies
		Information		Publish the budget statements, guidelines and any relevant communication on the departmental website. Disseminate all budgetary policy information to affected department.	Budget statement compiled and accessible to the public, distributed to libraries and municipalities in the province. Provided inputs on the budget statements to be published.
		Redress		Allocate a designated budget analyst to attend to departmental compliant and communicate the resolution to	Support provided by budget analysts to departments in relation to the compilation of the adjustment and main budgets.

Key Service	Service Beneficiary	Current Standard		Desired Standard	
				2015 - 2016	Progress – 31 March 2016
				the compliant timeously	
		Value for money	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	Monitored expenditure of provincial departments Monitored the revenue and municipal budgets and provided reports.
			Ensure that budgets are tabled within the prescribed timeframes as stipulated by law	Ensure that budgets are tabled within the prescribed timeframes as stipulated by law	Main and adjustment budgets tabled within the prescribed timeframe in terms of the PFMA Inputs on budget statements were provided in order to feed in the timeous tabling.
			R7.618 millon	R11.250 million	R8.112 million
		Human Resources	9 staff members	9 staff members	7 staff members
Promote sustainable municipal budgets	Municipalities				
		Quantity:	31 municipalities	31 municipalities	31 Municipalities
		Quality:	Ensure credibility of municipal budgets	Ensure credibility of municipal budgets	Analysis reports of revenue performance against municipal budgets and status of government debt reports were compiled. Reports issued to municipalities on budgets and also discussed during engagements. A total of 8 budgets were funded, 5 were funded with risk and 16 were not funded. More than half of the municipalities' budgets were not sustainable.
		Legal/Professional Standard	Comply with MFMA	Comply with MFMA	29 Municipalities tabled budgets within timeframes, 13 of the budgets were funded and 16 did not comply with the funding requirements of the MFMA.
		Consultation	Consult with municipalities ' during budget	Consult with municipalities' during budget process. Hold	Provincial and district debtors revenue forums were conducted with municipalities to strengthen inter-

Key Service	Service Beneficiary	Current Standard		Desired Standard	
				2015 - 2016	Progress – 31 March 2016
			process. Hold cfo forums, municipal visits	cfo forums, municipal visits. .	governmental relations and ultimately reduce government debt. Budget benchmark visits during adjustment budget. Municipal visits were undertaken to all municipalities.
		Transparency	The processes should be transparent to all stakeholders	The processes should be transparent to all stakeholders	Analysis reports of revenue performance against municipal budgets and status of government debt reports were compiled. All municipalities reported to have held consultation meetings with their communities and made their budgets available at their municipal offices.
			R14.401 millior	R17.329 million	R16.933 million
			Ensure that budgets are tabled within the prescribed timeframes as stipulated by law	Ensure that budgets are tabled within the prescribed timeframes as stipulated by law	Only 29 municipalities tabled within timeframes
		Human Resources	27 staff members	33 staff members	33 staff members

1.2.2 Internal Audit and Audit Committee

Key Service	Service Beneficiary	Current Standard		Desired Standard	
				2015-2016	Progress – 31 March 2016
Audit committee (AC) oversight,	Provincial departments	Quantity:	3 ACs; 2 servicing 3 departments and one servicing 4 departments	4 ACs servicing 3 departments each meeting cumulatively 54 times per year	4 ACs in place, each serving 3 departments. 61 were held, the additional meetings were held in September for the AC to review the audit action plans of some departments.
		Quality:	Oversight in line with PFMA and KING III requirements Quorum at AC meetings	Oversight in line with PFMA and KING III requirements Quorum at AC meetings	Oversight was provided in line with the PFMA and King III requirements. The AC charter assessment was conducted which confirmed full compliance to all the oversight requirements. All AC meetings were quorate.
		Legal/Professional Standard	PFMA and KING III best practice guides	PFMA and KING III best practice guides	PFMA and King III standards and best practice guides applied and fully implemented.
		Batho Pele Principles			
		Consultation	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	Consultation took place at the quarterly AC meetings. AC engagement took place with IA, HOD and AG. AC reports were issued quarterly to the MEC. AC meeting terms of reference letters were issued before every AC meeting and preparatory meetings held between IA and departments.
		Access	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.	Meetings were held at Provincial Treasury Templar building boardroom. When meetings took place at the same time, boardrooms at other provincial departments were used. AC has open access to all departmental officials and held in-committee meetings with some HODs and departmental officials.
		Courtesy	Client satisfaction questionnaires Engagement	Client satisfaction questionnaires Engagement with HOD and relevant	Client satisfaction questionnaires were completed by all 12 provincial departments.

Key Service	Service Beneficiary	Current Standard		Desired Standard	
				2015-2016	Progress – 31 March 2016
			with HOD and relevant stakeholders.	stakeholders.	Engagements took place with all HODs and relevant stakeholders at AC meetings as well as in-committee meetings.
		Open & Transparency	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 Treasury.	AC packs were issued prior to AC meetings to all stakeholders, in both hardcopy and softcopy format.
		Redress	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	No complaints received. However quarterly AC meetings still took place together with Joint AC meetings to reflect on any complaints. Client satisfaction surveys issued February 2016 AC meetings. Reflection on it to take place in the next AC meeting, scheduled for May 2016. AC completed the assessment of IA during the February 2016 AC meetings. Reflection on it to take place in the next AC meeting, scheduled for May 2016.
		Information	Quarterly AC packs. Annual AC report for inclusion in annual report.	Information on services provided can be accessed through the Promotion of Information Act	AC packs were compiled for every AC meeting. AC compiled a feedback report after every AC and issued it to the MEC. AC will compile annual AC report for inclusion in each departmental annual report. Draft report scheduled for May 2016 and final report July 2016.
		Value for Money	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 are tracked at every AC meeting, through the minutes of the previous meeting as well as a matters arising list. IA reports at every AC meeting on progress with the audits. This includes implementation of IA recommendations and IA does separate follow-up audits of implementation of

Key Service	Service Beneficiary	Current Standard		Desired Standard	
				2015-2016	Progress – 31 March 2016
					recommendations.
		Time	Quarterly AC meetings per AC charter	Quarterly	Quarterly AC meetings were held as well as additional meetings in September.
		Cost	R3.550 million	R4.584 million	**R4.376 million**
		Human Resources	3 external AC members and 2 internal AC members per AC charter	3 external AC members and 2 internal AC members per AC charter	All 4 ACs consisted of 3 external members and 2 internal members. During the year, one internal member in cluster 4 resigned. All meetings were still quorate.

1.3 Organisational environment

The organisational environment of the department has been significantly stable over the financial year. There has not been significant labour disputes that caused instability in the department.

In order to respond adequately to the challenges facing us, especially in relation to our support to the municipalities, the organisational structure was reviewed with the intention to strengthen those directorates that are operating in the coalface of service delivery. The amendments that were proposed will indeed allow us to be more effective in the manner in which we approach our mandate.

1.4 Key policy developments and legislative changes

In the year under review, there have not been any significant changes to policies or legislation that might severely affect the operations of the department. National Treasury has published circulars that deal with new Supply Chain Management reforms and Cost containments.

2. 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, 90% 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

Strategic Goal 2:	Management and use of fiscal resources
Goal statement :	To ensure effective and efficient management and utilization of fiscal resources at 32 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 advise and direct departments on effective utilisation of financial resources. Assistance has been provided in optimising revenue collection and improving financial planning

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 are 12: An efficient, effective and development-oriented public service
Progress Made	Financial governance improved leading to improved financial administration at a provincial level. The financial management maturity level has 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	Assurance was provided to all 12 provincial departments by the unit on various fields as outlined by the approved audit plans. Four Audit Committees provided oversight over the 12 departments. The unit operates through annual internal audit plans that are risk-based and approved by the audit committee. The unit has also implemented combined assurance plans that enhance controls, assurance and oversight between the various assurance stakeholders

3. PERFORMANCE INFORMATION BY PROGRAMME

3.1 Programme 1: Administration

Programme Purpose:

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

Programme Overview:

The programme objective is to ensure that the department has effective strategic leadership, administration and management, and to ensure that it complies with all relevant legislative prescripts. The programme is currently made up of the following sub-programmes:

- Office of the MEC
- Management Service
- Corporate Service
- Financial Management
- Security and Records Management

Strategic objectives:

	Programme: Administration					
	Strategic objectives	**Actual Achievement 2014/2015**	**Planned Target 2015/2016**	**Actual Achievement 2015/2016**	**Deviation from planned target to Actual Achievement for 2015/2016**	**Comment on deviations**
1.	Number of performance targets as indicated in the Strategic plan.	89% Achievement of Provincial Treasury targets as indicated in the Strategic plan.	Achievement of all Provincial Treasury targets as indicated in the Strategic plan	84% of achievement of provincial treasury target.	16%	Non submission of information and non-co-operative stakeholders.
2.	Compliance to HRM and cooperate support services regulations and prescripts.	99% Compliance to HRM regulations and prescripts.	No matter of emphasis reported in the Audit report.	No matter of emphasis reported in the Audit report	-	-
3.	Implementation of sound financial management within the department evidenced by annual clean audit outcomes.	Unqualified audit report	Clean audit Report	Clean Audit Report	-	-

Provide reasons for all deviations

Provincial Treasury as an oversight department requires departments and municipalities to submit regulatory information. Therefore if clients are not submitting information timeously it results in non-achievement of targets set.

Sub-Programme 1.1: Office of the MEC

The Executive Authority provides Strategic and Political Leadership, to ensure effective and efficient utilization of provincial resources in line with all prescripts and the effective administration of the department; this is evidenced by the achievement of strategic objectives set out below in each programme.

1.	Sub-programme: Management Services					
	Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
1.1	Reports on the province's financial performance and compliance	4 quarterly budget performance reports to EXCO	4 quarterly budget performance reports to MEC	4	-	-
1.2	Quarterly Departmental performance reports reviewed and approved	4 Quarterly reports	4 Quarterly reports	4	-	-
1.3	Departmental risk assessment conducted	New Indicator	1 reports	1	-	-

2.	Sub-programme: Corporate Services					
	Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
2.1	Number of reports issued on departmental compliance with organisational development and PMDS	4	4	4	-	-
2.2	Number of HR related plans and reports approved timeously and implemented.	1	1	1	-	-
2.3	Ensure compliance with the corporate governance of ICT framework(GCICT)	80%	100%	93%	7%	Still in the process of completing the business continuity plan and the implementation
2.4	Percentage of vetting files received and internally processed and finalised within 30 days and sent to the SSA for further investigation	100%	100%	100%	-	-
2.5	Percentage of misconduct cases received and	100%	100%	100%	-	-

2.	Sub-programme: Corporate Services					
	Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
	finalised within 90 days					
2.6	Number of reports on security risk	New indicator	4	4	-	-
2.7	Number of progress report on the implementation of ICT Governance Framework	New indicator	4	4	-	-

3	Programme / Sub-programme: Financial Management					
	Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
3.1	Number of APPs and Estimate of Provincial Expenditure submitted timeously	1 APP 2 EPRE	1 APP 2 EPRE	1 APP 2 EPRE	-	-
3.2	Number of compliant financial statements and annual reports submitted timeously	4 IFS 1 AFS 1 AR	4 IFS 1 AFS 1 AR	3 IFS 1 AFS 1 AR	1 IFS - -	Accounting Service Instruction stated that there is no need for Departments to submit March 2016 IFS, therefore only 3 IFS were submitted
3.3	Number of compliance reports submitted	11 Monthly SCM, 11 Monthly Salary and 12 Financial Accounting Report	12 Monthly SCM, 12 Monthly Salary and 12 Financial Accounting Report	12 Monthly SCM, 12 Monthly Salary and 12 Financial Accounting Report	-	-

Strategy to overcome areas of under performance

The business continuity plan to be finalised within the first quarter of the new financial year.

Changes to planned targets

No indicators were amended during the financial year.

Sub-programme expenditure

Administration	2015/2016			2014/2015		
	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	9,485	9,485	-	10,159	9,891	268
Management Service	2,264	2,264	-	3,348	3,284	64
Corporate Services	22,447	22,187	260	18,383	17,131	1,252
Financial Management	21,500	21,487	13	19,446	19,252	194
Security and Records Management	26,428	26,428	-	22,564	20,965	1,599
Total	**82,124**	**81,851**	**273**	**73,900**	**70,523**	**3,377**

3.2 Programme 2: Sustainable Resource Management

Programme Purpose:

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

Programme Overview:

The programme's objective is to:

- To provide provincial economic & social research and analysis that informs fiscal policy development.
- To monitor and evaluate the impact of the fiscal policy on service delivery.
- To assist in the optimisation of provincial and municipal revenue.
- Promote effective optimal financial resource allocation.
- To promote sound and sustainable budgets of the municipalities.

The programme is currently made up of the following sub-programmes:

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

Strategic objectives:

	Programme Name: Sustainable Resource Management					
	Strategic objectives	**Actual Achievement 2014/2015**	**Planned Target 2015/2016**	**Actual Achievement 2015/2016**	**Deviation from planned target to Actual Achievement for 2015/2016**	**Comment on deviations**
1.	Provincial economic & social research and analysis published	Provincial, District and Local Socio-economic review document produced	Annual Provincial Socio-economic review tabled and published	Annual Provincial Socio-economic review tabled and published	-	-
2.	Revenue Collection Strategies developed and implemented for optimisation of revenue	2 strategies	2 strategies developed and implemented for optimisation of revenue collection in the province	2 strategies developed	-	-
3.	Promote effective optimal financial resource allocation	Timeously tabled 3 provincial budgets	2 Annual provincial budgets tabled	Tabled 3 provincial budgets	1	Tabled a Second Adjustment budget for the Departments of economic Development & Tourism as well COGHSTA
4.	Municipalities supported to promote sustainable budgets of the municipalities	31 Municipalities assisted in achieving sustainable budget	31 Municipalities assisted in achieving sustainable budget	31 Municipalities assisted in achieving sustainable budget	-	-

Performance indicators

1	Sub-programme: Economic Analysis					
	Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
1.1	Number of Provincial Policy Briefs published	5	4	5	1 more policy brief was published.	Additional Researchable topic on socio economic review on municipalities is important
1.2	Number of MTBPS published and tabled	1	1	1	-	-
1.3	Number of municipal comparative reports	New indicator	1	1	-	-
1.4	Socio Economic overview for the EPRE	1	1	1	-	-

2	Sub-programme: Fiscal Policy					
	Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
2.1	Number of provincial fiscal framework updates	3	3	3	-	-
2.2	Number of EXCO memorandum produced	4	4	4	-	-
2.3	Number of assessments reports for the departments and municipalities on implementation of revenue enhancement strategies.	New indicator	4	4	-	-
2.4	Number of consolidated municipal revenue analysis reports	4	4	4	-	-
2.5	Number of reports on the status of government debts	4	4	4	-	-
2.6	Number of reports on municipal own investments	2	2	2	-	-
2.7	Number of own revenue database consolidated	1	1	1	-	-
2.8	Number of revenue policy analysed and feedback provided	1	1	1	-	-

3	Sub-programme: Budget Management					
	Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
3.1	Number of budgets tabled.	3	2	3	1	Second adjustment budget tabled for COGHSTA and Economic Development
3.2	Provincial In Year Monitoring reports.	14	14	14	-	-
3.3	Quarterly performance reports for provincial departments.	4	4	4	-	-

4	Sub-programme: Municipal Finance					
	Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
4.1	Number of gazettes produced on transfers to municipalities	1	1	2	1	Additional gazette issued due additional allocation to municipalities
4.2	Number of consolidated assessments reports on municipal budgets	3	3	3	-	-
4.3	Number of budget benchmark exercises conducted	5	5	5	-	-
4.4	Number of consolidated IYM reports	12	12	12	-	-
4.5	Number of quarterly consolidated municipal performance reports tabled	4	4	4	-	-
4.6	Number of gazettes produced on quarterly outcomes of municipal performance	4	4	2	-2	Gazette will be finalised and signed off in the first quarter of the new year
4.7	Number of mid-year budget and performance engagement conducted	5	5	5	-	-

Strategy to overcome areas of under performance

The processes have been streamlined to ensure that the targets will be dealt with promptly, by producing the gazette and only verify the information after the municipalities have signed off their figures to ensure that the reports are accurate. Furthermore the department is now responsible to submit the information for the printing of the Gazette to the printers. This should ensure that the targets are achieved as planned.

Changes to planned targets

No changes to planned targets

Sub-programme expenditure

		2015/2016			2014/2015	
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	2,123	2,104	19	2,015	1,894	121
Economic Analysis	5,326	4,800	526	4,801	4,686	115
Fiscal Policy	4,889	4,889	-	5,513	5,128	385
Budget Management	10,147	8,112	2,035	7,998	7,618	380
Municipal Finance	17,008	16,933	75	16,205	14,401	1,804
Total	**39,493**	**36,838**	**2,655**	**36,532**	**33,727**	**2,805**

3.3 Programme 3: Assets and Liabilities Management

Programme Purpose:

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

Programme Overview:

The programme objective is:

- Promote compliance with supply chain and Asset Management regulations/guidelines to improve financial maturity capability to level 3 in the province.
- Oversight and management of Supporting and Interlinked Financial Systems.
- Strengthening the effectiveness and improving the efficiency of sustainable infrastructure delivery in accordance with national and provincial strategies and priorities.
- Promote effective and efficient banking services and cash flow management for the provincial Revenue Fund.

The programme is currently made up of the following sub-programmes:

- Asset Management
- Supporting and Interlinked Financial Systems.
- Infrastructure Management and Public Private Partnership.
- Banking and Cash Flow Management

Strategic Objectives

	Programme Name: Asset and Liabilities					
	Strategic objectives	**Actual Achievement 2014/2015**	**Planned Target 2015/2016**	**Actual Achievement 2015/2016**	**Deviation from planned target to Actual Achievement for 2015/2016**	**Comment on deviations**
1	Level of financial maturity capability on Asset and Supply Chain Management	Dept. 2.87 Mun. 2.31	Financial Capability to level 3 for 12 departments. 5 listed public entities.	Dept. 2.88 Mun. 2.55	-0.12 -0.45	Five departments did not participate in the FMCMM assessment for 2015/16. Their exclusion in the consolidated score has an effect.
2.	Number of municipalities assisted in improving compliance with Asset and Supply Chain Management Prescripts	20 Municipalities were assisted	16 targeted municipalities per annum	16	-	-
3.	Percentage of users provided valid access to transversal system	100 % of provincial calls resolved within 24hours after being logged	100% of users provided access within 24 hours after being logged	100 % of provincial calls resolved within 24hours after being logged	-	-
4	Departments and Municipalities assessed and supported to ensure compliance with Infrastructure Management	7 Infrastructure Departments compliant with the Infrastructure Delivery Management	7 Infrastructure Departments compliant with the Infrastructure Delivery Management Framework (IDMS)	7	-	-

	Programme Name: Asset and Liabilities					
	Strategic objectives	**Actual Achievement 2014/2015**	**Planned Target 2015/2016**	**Actual Achievement 2015/2016**	**Deviation from planned target to Actual Achievement for 2015/2016**	**Comment on deviations**
		Framework (IDMS)				
		-	10 Municipalities Review and Municipal Infrastructure Framework Developed	-	10	All Municipalities were visited to ascertain the status quo on infrastructure delivery. However no model or framework was developed. Review of NCIDMS to be done in the 16/17 financial year
5	Audit outcome for the Provincial Revenue Fund reflecting the effectiveness and efficiency of banking services and cash flow management	Clean Audit Report	Clean Audit Report on the Provincial Revenue Fund	Clean Audit Report on the Provincial Revenue Fund (2014/15)	-	-

1	Sub-programme: Asset Management					
	Performance Indicator	**Actual Achievement 2014/2015**	**Planned Target 2015/2016**	**Actual Achievement 2015/2016**	**Deviation from planned target to Actual Achievement for 2015/2016**	**Comment on deviations**
1.1	Assessment reports on Supply Chain Management Compliance	144	12 statically reports per department for 12 departments	144	-	-
		298	12 statically reports per municipality for 32 municipalities	384	-	-
1.2	Demand research report published and procurement guidelines published	2	2	2	-	-
1.3	Assessments reports and support plans developed for municipalities assisted to ensure full compliance with Asset and SCM minimum norms and standards within capacity constraints.	20	16	16	-	-
1.4	Capacity building initiatives within departments and municipalities to enhance compliance and effectiveness of supply chain management	1 accredited course	1 accredited course	1	-	-

2	Sub-programme: Support and Interlinked Financial					
	Performance Indicator	**Actual Achievement 2014/2015**	**Planned Target 2015/2016**	**Actual Achievement 2015/2016**	**Deviation from planned target to Actual Achievement for 2015/2016**	**Comment on deviations**
2.1	Management and provision of Technical and functional support, calls solved after being logged and escalating of national calls to LOGIK where required.(Includes BAS, PERSAL, LOGIS, BACS and Department IT)	100% of calls resolved within 24 Hours after being logged	100% of calls resolved within 24 hours after being logged	98% of calls resolved within 24 hours after being logged	2%	Due to escalation to National on calls logged
2.2	Capacity building in Provincial Departments to enhance effective utilisation of transversal systems and sub-systems	519 users trained 4 x Vulindlela sessions 21 forums	340 users trained 8 x Vulindlela sessions 12 User forums	430 users trained 5 x Vulindlela sessions 23 User forums	90 -3 11	Additional Training conducted No nominations for second session Additional forums conducted
2.3	Reports to enhance monitoring compliance and enforcement of prescribed legislation, policies and mechanisms such as MPAT and MCMM	12 Reports	12 Reports	12	-	-
2.4	Site prepared and activated for implementing of LOGIS	3 Sites	12 Sites prepared and activated	8	-4	Department of Health reduced the number of sites to be activated and implemented on LOGIS
2.5	Provide support and monitor the Biometric headcount system to ensure PERSAL integrity	13	Support and monitor 13 departments head count system	13	-	-
2.6	BAS System Controller services provided on behalf of provincial departments	13 Departments	13 Departments	13	-	-

3	Sub-programme: Infrastructure Management and Public Private Partnership					
	Performance Indicator	**Actual Achievement 2014/2015**	**Planned Target 2015/2016**	**Actual Achievement 2015/2016**	**Deviation from planned target to Actual Achievement for 2015/2016**	**Comment on deviations**
3.1	Conducting research and identification of PPP projects	4 Research documents developed 2 Projects developed	4 Research documents developed 2 PPP Projects registered	1 Research document 0	-3 -2	Due to 4th quarter engagement on MIG No new PPP projects registered due to the lower appetite for PPP's in the province
3.2	Municipalities and provincial departments assessed, evaluated and supported in terms of PPP	5 District municipalities and 4 Provincial Departments	5 District municipalities and 4 Provincial Departments	Awareness campaigns held in 5 district municipalities 2 Municipalities provided with technical advisory services on registers PPP 6 for departments	- 2 municipalities 2 departments	- Local municipalities assisted on registered PPP There were additional request from departments than initially planned
3.3	Infrastructure Management workshops held to facilitate skills development	2 Workshops conducted	2 Workshops conducted	2	-	-
3.4	Conduct assessments to determine maturity levels of Municipalities and Departments to manage infrastructure and identify remedial steps	7 Departments assessed	7 Departments assessed 10 Municipalities Assessed	7 -	- -10	- The Infrastructure Reporting Model (IRM) was the tool used to measure the respective departments' maturity levels.
3.5	Infrastructure assessments conducted in terms of expenditure trends against allocated budget.	4 Quarterly expenditure outcomes report produced and 5 site visits conducted	4 Quarterly expenditure outcomes report produced and 5 site visits conducted	4 expenditure outcome 4 site visits	- -1	- No site visits were conducted during the 3rd quarter for Infrastructure Departments due to the unit prioritising the Municipal Infrastructure visits for the Budget and performance assessments with Municipalities.

4	Sub-programme: Banking and Cash Flow Management					
	Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
4.1	No of Compliance certificates for Exchequer Account	12	12	12	-	-
4.2	Review banking contract and service level agreement (SLA) – Number of reviews of banking contract and service level agreement – banking service evaluation report	2	2	2	-	-
4.3	Audited Provincial Revenue annual financial statements produced	1	1	1	-	-
4.4	Number of cash flow reports produced	6	6	6	-	-
4.5	Review and maintain cash management framework	1	1	1	-	-

Strategy to overcome areas of under performance

Continue to engage municipalities on submission of information.

Changes to planned targets

Included in the targets for support interlinked financial system was an indicator duplicated regarding the compliance with the ICT framework. The indicator was already included in Programme 1: Administration.

Sub-programme expenditure

Sub- Programme Name	2015/2016			2014/2015		
	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	1,778	1,490	288	1,782	1,341	441
Asset Management	18,139	18,139	-	7,391	5,303	2,088
Supporting and Interlinked Financial Systems	22,961	22,145	816	34,246	31,042	3,204
Public Private Partnership	6,023	6,023	-	6,344	6,061	283
Banking and Cash Flow Management	4,912	3,923	989	4,531	3,380	1,151
Total	**53,813**	**51,720**	**2,093**	**54,294**	**47,127**	**7,167**

3.4 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.

Programme Overview:

The programme objective is:

- To provide support on accounting practices that will promote financial reporting to a level 3 financial reporting to a level 3 financial management capability maturity (FMCM).
- To monitor, promote and support the implementation of developed norms and standards that will improve financial management capability maturity within the province.
- Monitor, oversee and evaluate implementation of risk management practices within the province.

The programme is currently made up of the following sub-programmes

- Accounting Services
- Norms and Standards
- Risk Management

Strategic Objectives

	Programme Name: Financial Governance					
	Strategic objectives	**Actual Achievement 2014/2015**	**Planned Target 2015/2016**	**Actual Achievement 2015/2016**	**Deviation from planned target to Actual Achievement for 2015/2016**	**Comment on deviations**
1.	Improved financial management capability maturity (FMCM) to level 3 on financial reporting.	2.89	FMCM level 3 reporting	2.97	-0.03	Five departments did not participate in the FMCMM assessment for 2015/16. Their exclusion in the consolidated score has an effect.
2.	Improved financial management capability maturity to level 3 on compliance, institutional arrangements, accountability and transparency within the Province.	2.87 -	FMC level 3 by departments FMC level 2 by municipalities	2.88 2.48	-0.12 0.48	Five departments did not participate in the FMCMM assessment for 2015/16. Their exclusion in the consolidated score has an effect.
3.	Improved financial management capability maturity to level 3 on risk management practices by departments.	Departments: Average is 2.83	Improved risk management maturity level of 4+ for 12 Departments	2.85	-0.15	Five departments did not participate in the FMCMM assessment for 2015/16. Their exclusion in the consolidated score has an effect.
	Improved financial management capability maturity to level 3 on risk management practices by municipalities.	Municipalities: Average is 2.84	Improved risk management maturity level 3+ for 31 Municipalities	2.11	-0.89	As per the results of the survey

1	Sub-programme: Accounting Services					
	Performance Indicator	**Actual Achievement 2014/2015**	**Planned Target 2015/2016**	**Actual Achievement 2015/2016**	**Deviation from planned target to Actual Achievement for 2015/2016**	**Comment on deviations**
1.1	Number of assessments reports on compliance certificates received from departments	48 Quarterly Assessments reports	48 Quarterly Assessments reports	48	-	-
1.2	Number of assessment reports on monitoring tool for municipalities	55	124	42	-82	Non sub-mission and no co-operation from stakeholders.
1.3	Number of capacity building programmes implemented	4 workshops	4 workshops	13	9	Due to new reforms being issued and additional needs for training identified additional capacity building programmes had to be arranged
		3 CFO forums	4 CFO forums	7	3	There was a need for additional forums
1.4	Number of assessment reports on Audit action plans received	65	43	73	30	More plans were reviewed to assist institutions to wrap up for their respective financial years and to prepare for year-end
1.5	Consolidated Annual Financial Information tabled by 31 October	1	1	1(tabled 7 November 2016)	-	-

2	Sub-programme: Norms and Standards					
	Performance Indicator	**Actual Achievement 2014/2015**	**Planned Target 2015/2016**	**Actual Achievement 2015/2016**	**Deviation from planned target to Actual Achievement for 2015/2016**	**Comment on deviations**
2.1	Number of FMC assessments reports compiled to determine the level of maturity on institutional arrangements, accountability and transparency.	12 – Departments 20 - Municipalities	12 Departments 31 Municipalities	7 Departments 31 Municipalities	-5 -	Departments did not complete the 2015/16 FCMMM assessments
2.2	Number of compliance review reports presented to departments and municipalities on institutional arrangements, accountability transparency and corporate governance	7 reports	10 reports	10	-	-

2	Sub-programme: Norms and Standards					
	Performance Indicator	**Actual Achievement 2014/2015**	**Planned Target 2015/2016**	**Actual Achievement 2015/2016**	**Deviation from planned target to Actual Achievement for 2015/2016**	**Comment on deviations**
	areas to improve alignments with norms and standards					
2.3	Number of support programmes initiated and implemented to promote the implementation of Norms and Standards	5	4	5	1	The support on Financial Misconduct Regulations was not planned and had to be implemented as National Treasury's directive
2.4	Number of accredited/formal training programmes initiated and implemented for capacity development in departments and municipalities	1	1	1	-	-
2.5	Number of officials received competency based accredited training in financial management to improve technical skills	10	70	68	-2	2 Officials did not meet the selection criteria for the University of Pretoria

3	Sub-programme: Risk Management					
	Performance Indicator	**Actual Achievement 2014/2015**	**Planned Target 2015/2016**	**Actual Achievement 2015/2016**	**Deviation from planned target to Actual Achievement for 2015/2016**	**Comment on deviations**
3.1	Assessment and feedback report compiled to monitor risk management implementation within the province	91	106 Assessment and feedback reports	62	-44	Decision was taken during the financial year with National Treasury that as a result of the introduction of FCMMM in Local Government, the Risk management assessment tool for municipalities must be discontinued
3.2	Institutions (depts./municipalities) supported on the development of Risk assessment reports, policies and strategies within the province.	17	18 Institutions	19	1	An additional institution was a request that was not planned for
3.3	Risk Management status of the province reported to EXCO, AC and other relevant stakeholders	3	4 RM reports	5	1	An additional report was compiled for Local Government Chief Audit Executive Forum
		2	2 Consolidated risk registers per cluster.	1	-1	Services interrupted due to other commitments

3	Sub-programme: Risk Management					
	Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
3.4	Number of capacity building programmes implemented within the province	4	4 RM forums	5	1	An additional forum was held for Municipal Internal Auditors
		3	2 Provincial RMG workshops	2	-	-

Strategy to overcome areas of under performance

- Improve capacity within the Norms and Standards in order to reach all departments and report non-cooperation of municipalities to the Executive Council.
- Areas of underperformance for Performance indicator 3.1 will be addressed by improved communications and planning between National and Provincial Treasuries.

Changes to planned targets

No changes were made to set targets.

Sub-programme expenditure

Sub-Programme Name	2015/2016			2014/2015		
	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	1,860	1,609	251	1,618	1,467	151
Accounting Services	8,358	8,358	-	8,514	7,436	1,078
Norms and Standards	5,788	5,759	29	6,235	5,963	272
Risk Management	5,531	5,268	263	5,120	4,827	293
Total	**21,537**	**20,994**	**543**	**21,487**	**19,693**	**1,794**

3.4 Programme 5: Provincial Internal Audit

Programme Purpose

To render an independent, objective assurance and consulting activity designed to add value and improve the NC Provincial Government's operations.

Programme Overview:

The programme objective is to render an independent, objective assurance and consulting activity designed to add value and improve the NC Provincial Government's operations.

The programme is currently made up of the following sub-programmes:

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

Strategic Objectives

	Programme Name: Provincial Internal Audit					
	Strategic objectives	**Actual Achievement 2014/2015**	**Planned Target 2015/2016**	**Actual Achievement 2015/2016**	**Deviation from planned target to Actual Achievement for 2015/2016**	**Comment on deviations**
1.1	Convene Audit Committee meetings, 4 per year for each of the 12 departments and quarterly joint Audit Committee meetings	54	52	61	9	Additional meetings were held in September for some departments to review the audit action plans
1.2	Execution of the approved annual audit plans.	200 Audit reports	100% of audit reports as per approved audit plans	122%(241 reports) of audit report as per approved audit plans	20%	More audits concluded

	Sub-programme: Programme Support					
	Performance indicator	**Actual Achievement 2014/2015**	**Planned Target 2015/2016**	**Actual Achievement 2015/2016**	**Deviation from planned target to Actual Achievement for 2015/2016**	**Comment on deviations**
1.	Convene Audit Committee meetings, 4 per year for each of the 12 departments plus 2 additional meetings for Department of Health and 4 quarterly Joint Audit Committee meetings	54	52	61	9	Additional meetings were held in September for some departments to review the audit action plans
2.	Compliance with the Audit Committee Charter	New indicator	Assessment of 3 out of 5	4	1	Improved compliance rate

	Sub-programme: Education Cluster					
	Performance Indicator	**Actual Achievement 2014/2015**	**Planned Target 2015/2016**	**Actual Achievement 2015/2016**	**Deviation from planned target to Actual Achievement for 2015/2016**	**Comment on deviations**
1.1	Risk based plans approved by AC	3	3	3	-	-
1.2	% risk based audit coverage (number of audits completed vs. number of risk based audits identified/approved plan)	118%	100% of audit reports as per 3 approved departmental audit plans	152%	52%	Many ad-hoc assignments were also completed as per requests of the Audit Committees and departments. Some big assignments were split into smaller assignments as per request of the client.
1.3	Rating as assessed by clients on a scale of 1 to 5.	3	3	4	1	Clients were very satisfied that Internal Audit added value to the departments
1.4	Rating as assessed by the audit committee on a scale of from 1 to 5(annually)	4	3	4	1	The Audit Committee was very satisfied with the Internal Audit function
1.5	Internal and/or external review of compliance to IIA standards. (DNA= Do Not Comply), PC=Partial compliance, GC=General compliance)	GC	PC	GC	-	Achieved a higher quality rating as evidenced by the peer reviews.

2	Sub-programme: Health Cluster					
	Performance Indicator	**Actual Achievement 2014/2015**	**Planned Target 2015/2016**	**Actual Achievement 2015/2016**	**Deviation from planned target to Actual Achievement for 2015/2016**	**Comment on deviations**
2.1	Risk based plans approved by AC	3	3	3	-	-
2.2	% risk based audit coverage (number of audits completed vs. number of risk based audits identified/approved plan)	106%	100% of audit reports as per 3 approved departmental audit plans	100%	-	Assignments completed as per the amended IA plans
2.3	Rating as assessed by departments on a scale of 1 to 5	3	3	4	1	Clients were very satisfied that Internal Audit added value to the departments
2.4	Rating as assessed by the audit committee on a scale of from 1 to 5(annually)	5	3	4	1	The Audit Committee was very satisfied with the Internal Audit function
2.5	Internal and/or external review of compliance to IIA	GC	PC	GC	-	Achieved a higher quality rating as evidenced by the peer reviews.

2	Sub-programme: Health Cluster					
	Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
	standards. (DNA= Do Not Comply), PC=Partial compliance, GC=General compliance)					

3	Programme / Sub-programme: Agriculture Cluster					
	Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
3.1	Risk based plans approved by AC	3	3	3	-	-
3.2	% risk based audit coverage (number of audits completed vs. number of risk based audits identified/approved plan)	102%	100% of audit reports as per 3 approved departmental audit plans	126%	26%	More work was done in the 1st and 2nd quarters
3.3	Rating as assessed by departments on a scale of 1 to 5	4	3	4	1	Clients were very satisfied that Internal Audit added value to the departments
3.4	Rating as assessed by the audit committee on a scale of from 1 to 5(annually)	4	3	4	1	The Audit Committee was very satisfied with the Internal Audit function
3.5	Internal and/or external review of compliance to IIA standards. (DNA= Do Not Comply), PC=Partial compliance, GC=General compliance)	GC	PC	GC	-	Achieved a higher quality rating as evidenced by the peer reviews.

4.	Sub-programme: Public Works Cluster					
	Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
4.1	Risk based plans approved by AC	4	3	4	1	
4.2	% risk based audit coverage (number of audits completed vs. number of risk based audits identified/approved plan)	97%	100% of audit reports as per 3 approved departmental audit plans	114%	14%	Additional audits on performance information for ENC and the entity was done
4.3	Rating as assessed by clients on a scale of 1 to 5	3	3	4	1	Clients were very satisfied that Internal Audit added value to the departments
4.4	Rating as assessed by the audit committee on a scale of from 1 to 5(annually)	4	3	4	1	The Audit Committee was very satisfied with the Internal Audit function
4.5	Internal and/or external review of compliance to IIA standards. (DNA= Do Not Comply), PC=Partial compliance, GC=General compliance)	GC	PC	GC	-	Achieved a higher quality rating as evidenced by the peer reviews.

Strategy to overcome areas of under performance

No areas of significant under-performance.

Changes to planned targets

No changes to planned targets took place.

Sub-programme expenditure

Sub-Programme Name	2015/2016			2014/2015		
	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	4,755	4,538	217	3,568	3,550	18
Internal Audit (Education)	5,670	5,670	-	4,969	4,543	426
Internal Audit (Health)	6,051	6,028	23	5,244	4,746	498
Internal Audit (Agriculture)	5,223	5,223	-	4,518	4,181	337
Internal Audit (DPW)	5,704	5,704	-	5,550	5,009	541
Total	**27,403**	**27,163**	**240**	**23,849**	**22,029**	**1,820**

5. TRANSFER PAYMENTS TO ALL ORGANISATIONS OTHER THAN PUBLIC ENTITIES

Transfer payment effected was to municipalities, departmental agencies, households and non-profitable organisation. Transfers to household relate significantly to payments for leave gratuity made to officials who have resigned from the department and donations made from the MEC's discretionary fund. Transfer payments to non-profitable were donations made in terms of the departmental corporate social responsibility. Transfers to municipalities relate to support provided to municipalities in ensuring that GRAP compliant financial statements and asset registers are compiled.

6. Public Entities

The Department does not have any public entities reporting to executing authority.

7. Conditional grants

The Department is not a recipient of conditional grant.

8. Donor Funds

No donor assistance was received by the Department.

9. Capital investment, maintenance and asset management plan

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 equipment and related capital items.

PART C: GOVERNANCE

1. INTRODUCTION

Commitment by the department to maintain the highest standards of governance is fundamental to the management of public finances and resources. It is on this basis that our focus for the financial year was again directed towards the following among others: An improvement in the audit outcomes; ensuring transparent and fair supply chain management practices; monitor spending by departments through effective in-year monitoring of expenditure and sound cash management; maintaining the present healthy provincial cash position; and strengthening the assistance to municipalities and public entities to ensure prudence in financial management.

2. RISK MANAGEMENT

The Department has an approved Risk Management Framework, which consists of the Policy, Strategy and Implementation Plan. Risk identification and assessments are conducted annually and reviewed on a quarterly basis. Emerging risks should be reported as and when they occur. The Risk Management Committee was appointed by the HOD/AO and meets quarterly to track progress on implementation of the Risk Implementation Plan. The Chairperson reports to the AO and the AC on a quarterly basis concerning the activities of that are conducted by the CRO. The CRO is a standing invitee to all AC meetings and reports on Strategic Risks where inputs for improvement are given. Progress is evident in trying to institutionalise risk management processes which in turn have a direct impact on the improvement and strengthening of controls to try and mitigate risks from materialising.

3. FRAUD AND CORRUPTION

The implementation of the MACC is monitored on a quarterly basis and reported to the relevant stakeholders. Mechanisms for the reporting of fraud and corruption are outlined in the Fraud Prevention Strategy as well as the Whistle blowing policy that was approved by the AO. The measures include:

- Preventative
- Detective
- Investigations
- Resolutions

Fraud awareness workshops were held in October 2015 for the entire NCPT to raise awareness about the policies and strategies that are in place and to encourage reporting of all corrupt activities. In the event that fraud and corruption must occur, reporting lines are stipulated in the Whistle blowing policy and the steps of action are also detailed in the policy.

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. New committee members were appointed and trained.

7. PORTFOLIO COMMITTEES

Portfolio Committee called the Department to two meetings, namely, tabling of First Quarter Report and the 2014/15 Annual Report. The Committee urged Treasury to work towards receiving a clean audit outcome in the next audit

8. SCOPA RESOLUTIONS

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
1.	Support to departments and municipalities	Enforce the financial oversight over departments and municipalities to ensure compliance with laws and regulations	The Provincial Treasury is exercised oversight over the implementation of budget, financial reporting and compliance with financial management prescript.	Yes
2.	Human Resource Management	Ensure that the verification of qualification process for new employees is implemented prior to appointments.	Verification of qualifications is done prior to appointments.	Yes
3.	Support to departments	Exercise the oversight function to eradicate irregular expenditure in all departments.	Provide extensive support and guidance to departments and municipalities on all areas, especially on SCM aspects and prevention of corruption. Training was provided on Unauthorised, Fruitless and Wasteful expenditure	Yes

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

The Department obtained an unqualified audit opinion with 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
Matters of emphasis: Verification of qualifications was done subsequent to appointments	2014/15	Verification of qualifications is done prior to appointments.

10. INTERNAL CONTROL UNIT

Internal control unit is located in Financial Management subprogramme. Currently the unit only has one official responsible for compliance checks on all relevant areas within financial management.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

The Internal Audit Unit is a shared function based in the Northern Cape Provincial Treasury. The unit reported to the Accounting Officer administratively and functionally to the Audit Committee.

The Unit follows a risk-based internal audit approach. The three-year and annual internal audit plans were based on an assessment of the identified risks of the Department. The Audit Plan for the year under review 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. According to the 2015/16 Annual Performance Plan, the Unit targeted nineteen audit assignments and twenty-three were conducted.

The Audit Committee comprises of independent nonexecutive members, who operate 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 corporate reporting process in relation to both financial and performance reporting.

The Auditor-General South Africa, Provincial Accountant General and Provincial Risk Management Unit were invited to the Audit Committee meetings.

Audit Committee Members' Profiles and Attendance

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		01 October 2011, Contract renewed 01 December 2014	N/A	05
Mr. AL Kimmie	B.Compt (hons);RGA;SAIPA;MBA; Reg. Public Service Financial Officer	External		01 December 2014	N/A	04
Mr. V Makaleni	Bachelor of Commerce (Accounting) (UFS), Management Advancement Programme (WITS), Advanced Management Development Programme (UP), Certificate in Risk Management (UJ)	External		01 December 2014	N/A	03
Ms. OJ Gill	B Com, B Com (hons) in Business Management, Cert. in Executive Development Program	Internal	Chief Director Department of Public Works	01 October 2011, Contract renewed 01 December 2014	N/A	02
Ms. E Botes	ND: Police Administration, Bachelor's degree in Police Science, Certificate in Executive Development Program	Internal	Deputy Director General Office of the Premier	01 October 2011, Contract renewed 01 December 2014	N/A	00

12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2016.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The Effectiveness of Internal Control

The Audit Committee has observed the overall control environment during the year under review. There were some deficiencies in the systems of internal controls which were discussed in the audit committee meetings and were addressed by management.

There is significant progress made by the department in on ICT internal control. The Audit Committee is partially satisfied with the progress made with the implementation of the Disaster Recovery and the Business Continuity Plan. This continues to be a high risk for the Department.

The Audit Committee reviewed the progress made by management in addressing the prior year audit findings raised by the Internal Audit and Auditor General as these issues had impact on the reliability of the systems of internal controls, governance process and risk management within the department

During the 2015-16 year, the Audit Committee issued written quarterly reports to the Executive Authority on the progress made by the department with issues relating to governance, risk management and internal control environment.

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. Corrective action have been agreed upon by management and implementation plan thereof will be monitored on a quarterly basis by the Audit Committee.

The following were areas of concern:

- Unauthorized movement of assets
- Invoices not paid within 30 days

In-Year Management and Monthly/Quarterly Report

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

- Monitor the integrity, accuracy and reliability of performance information
- Review the disclosure of the financial reports of the department and the context in which the statements of the financial health of the department are made
- Review all material information presented together with the management accounts.

The reports were discussed with the Departmental officials. Progress has been made in the development and quality of these management reports and the department has been reporting monthly and quarterly to treasury.

Internal Audit

In line with the PFMA and King Report III on Corporate Governance requirement, Internal Audit provides the Audit Committee and Management with reasonable assurance that the internal controls are adequate and effective. This is achieved though the implementation of a risk based Internal Audit plan. The Audit Committee considered internal audit reports issued after assessing the adequacy and effectiveness of controls designed to mitigate the risk associated with operational and strategic activities of the department,

as well as the appropriateness of the corrective actions provided by the management to improve the control environment.

Internal Audit was effective during the period under review and no unjustified restrictions or limitations reported to the Audit Committee. The Audit Committee will in the forthcoming year, monitor progress to ensure that internal audit continues to add value to the department and achieve its optimal performance. The Audit Committee also monitored the implementation of internal audit recommendations by the Department.

Risk management

The Audit Committee commend the department for its efforts towards improvement of risk management within the department for the year under review. Management had shown support to the Chief Risk Officer and had taken a full responsibility for the risk management processes.

The Audit Committee is satisfied that the actual management of the risk is receiving attention, although there are areas that still require improvement**.**

This had been evident with the quarterly reporting of risk management to the Audit Committee. The function was enhanced to ensure its effectiveness which had positively impacted on the implementation of the discipline.

Evaluation of Financial Statements

The audit committee has

- Reviewed and discussed the audited annual financial statements prepared by the department to be included in the annual report;
- Reviewed the Auditor's Report of GSA;
- Reviewed the AGSA Management Report and Management Responses thereto;
- Reviewed the interim financial statement as presented by the department for six months ending 30 September 2015.
- Reviewed the Departments compliance with legal and regulatory provisions

Auditor-General's Report

The Audit Committee reviewed the Departmental implementation plan for audit issues raised in the previous year and were satisfied that the matters have been addressed as report by the AGSA.

The Audit Committee has met with the AGSA and the Department to ensure that there are no unresolved issues emanating from the regulatory audit.

The Audit Committee concurs with and accept the AGSA's conclusion on the Annual Financial Statements and is of the opinion that audited Annual Financial Statements be accepted and read together with the report of the AGSA.

Appreciation

The Audit Committee wishes to express its appreciation to the management of the Department, The AGSA and Internal Audit Unit for the cooperation and information they have provided to fulfil its mandate and to enable the committee to compile this report.

Chairperson of the Audit Committee
Department of Education
Dated: 31 July 2016

PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

The employer strives to create a conducive working environment for its employees and has enabled it to address the interest of employees. The department continues to run a successful and innovative health and wellness programme, effective bursary scheme, transparent and fair employee performance management and development system, recruitment and selection policy is also fully implemented.

2. OVERVIEW OF HUMAN RESOURCES

The following are the human resource priorities for the year under review and their respective impacts:

- **Accelerate the filling of all funded and vacant posts;**
  Once the post is vacated, the relevant manager is consulted and recruitment processes are commenced with immediate effect so as to speed up the appointment.
- **Achieve 50/50 gender equity at SMS level;**
  As highlighted in the HR plan, all vacant and funded posts at SMS level will be filled with qualifying women so as to achieve the 50/50 gender equity at SMS level; the department will also be addressing the requirements of MPAT.
- **Review organisational structure;**
  The departmental structure has been reviewed with consultation with the MPSA, so that concurrence letter can be obtained; this will be addressing the requirements of MPAT also. Evaluate all new and vacant posts on the organisational structure.
- **Employee wellness programmes**
  The Employee Health and Wellness Strategic Framework, a policy directive for all departments, Provides guidance on the implementation of Part Six of the Public Service Regulations, 2001,amongst other legislative pieces.

HUMAN RESOURCES OVERSIGHT STATISTICS

3.1. Personnel related expenditure

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2015 and 31 March 2016

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	82	43	566	-	52.5%	128
Sustainable Resource Management	37	33	-	-	89.2%	99
Assets and Liabilities	52	31	144	-	60.6%	98
Financial Governance	21	16	1,041	-	77.2%	49
Provincial Internal Audit	27	24	302	-	88.9%	73
Total	**219**	**147**	**2,053**	**-**	**67.5%**	**447**

Table 3.1.2 Personnel costs by salary band for the period 1 April 2015 and 31 March 2016

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)	-	-	-	-
Skilled (level 3-5)	7	4.4	37	179
Highly skilled production (levels 6-8)	31	20.5	99	313
Highly skilled supervision (levels 9-12)	75	49.7	139	542
Senior and Top management (levels 13-16)	25	16.5	24	1 043
Contract (Levels 1-2)	-	0.3	8	55
Contract (Levels 3-5)	2	1.3	12	167
Contract (Levels 6-8)	2	1.4	5	411
Contract (Levels 9-12)	1	0.8	3	384
Contract (Levels 13-16)	2	1.4	3	706
Periodical Remuneration	2	1.2	12	153
Total	**147**	**97.4**	**342**	**431**

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2015 and 31 March 2016

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	32	74.3	13	-	1	2.6	1	2.9
Sustainable Resource Man	26	76.8	-	-	1	1.7	1	2.8
Asset and liabilities	27	78.4	-	-	1	1.5	1	2.4
Financial Governance	13	75.9	-	-	-	1.3	1	3
Departmental Accounting	8	78.8	-	-	-	3.1	-	3.3
Provincial Internal Audit	9	72.5	-	-	-	2.2	-	2.2
Total	**115**	**76.1**	**13**	**-**	**3**	**2**	**4**	**2.8**

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2015 and 31 March 2016

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)	-	-	-	-	-	-	-	-
Skilled (level 3-5)	5	71.4	-	-	-	7.2	-	6
Highly skilled production (levels 6-8)	23	74.2	-	-	1	4	1	4.6
Highly skilled supervision (levels 9-12	60	77.6	13	-	1	1.5	2	2.6
Senior management (level 13-16)	20	78.3	-	-	-	0.6	-	1.2
Contract (Levels 1-2)	-	96.9	-	-	-	-	-	-
Contract (Levels 3-5)	2	92.3	-	-	-	-	-	-
Contract (Levels 6-8)	2	89	-	-	-	1.3	-	2.1
Contract (Levels 9-12)	1	79.8	-	-	-	-	-	-
Contract (Levels 13-16)	2	72.7	-	-	-	-	-	-
Periodical Remuneration	-	-	-	-	-	-	-	-
Total	**115**	**76.1**	**13**	**-**	**3**	**2**	**4**	**2.8**

3.2. Employment and Vacancies

Table 3.2.1 Employment and vacancies by programme as on 31 March 2016

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	126	109	13.5%	3
Sustainable Resource Management	73	64	12.3%	-
Assets and Liabilities	84	74	11.9%	-
Financial Governance	31	27	12.9%	-
Internal Audit	58	35	40.7%	20
Total	**372**	**309**	**17.2%**	**23**

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2016

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)	5	5	-	-
Skilled(3-5)	55	49	10.9%	2
Highly skilled production (6-8)	115	92	20.7%	12
Highly skilled supervision (9-12)	168	137	18.5%	9
Senior management (13-16)	29	26	10.3%	-
Contract (Levels 1-2), Permanent	8	8	-	-
Contract (Levels 3-5), Permanent	12	12	-	-
Contract (Levels 6-8), Permanent	5	5	-	-
Contract (Levels 9-12), Permanent	3	3	-	-
Contract (Levels 13-16), Permanent	3	3	-	-
Total	**372**	**309**	**17.2%**	**23**

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2016

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative Related	64	57	10.9%	1
Client Inform Clerks (Switchboard Reception Inform Clerks)	2	2	-	-
Communication and Information Related	4	4	-	-
Finance and Economics Related	71	60	15.5%	-
Financial and Related Professionals	85	79	8.1%	20
Financial Clerks and Credit Controllers	22	18	18.2%	2
Food Services Aids and Waiters	9	8	11.1%	-
Human Resources & Organisational Development & Related Professionals	2	1	50%	-
Human Resources Clerks	16	16	-	-
Human Resources Related	12	9	25%	-
Information Technology Related	12	12	-	-
Library Mail and Related Clerks	8	8	-	-
Light Vehicle Drivers	3	3	-	-
Messengers, Porters and Deliverers	3	3	-	-
Other Occupations	1	1	-	-
Risk Management and Security Services	4	3	25%	-
Secretaries & other Keyboard Operating Clerks	23	23	-	-
Senior Managers	29	25	13.8%	-
Total	**372**	**332**	**11%**	**23**

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 2016

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	-	-	-	-	-
Salary Level 16	1	1	100%	-	-
Salary Level 15	1	-	-	1	100%
Salary Level 14	7	6	85.7%	1	14.3%
Salary Level 13	20	20	100%	-	-
Total	**29**	**27**	**93.1%**	**2**	**6.9%**

Table 3.3.2 SMS post information as on 30 September 2015

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	6	85.7%	1	14.3%
Salary Level 13	20	20	100%	-	0%
Total	**29**	**27**	**93.1%**	**2**	**6.9%**

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2015 and 31 March 2016

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	-	-	-	-	-
Salary Level 16	1	1	100%	-	0%
Salary Level 15	1	-	-	1	0%
Salary Level 14	7	6	85.7%	1	14.3%
Salary Level 13	20	20	100%	-	100%
Total	**29**	**27**	**93.1%**	**2**	**6.9%**

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 2015 and 31 March 2016

Reasons for vacancies not advertised within six months
The post was advertised on the 8th June 2015 with the closing date of 19th June 2015. Three shortlisted candidates declined the interview and Panel Members agreed to re-advertise the post on 01st February 2016. Short-listing was held on the 05th April 2016.

Reasons for vacancies not filled within six months
Post had to be re-advertised, shortlisting held on 05 April 2016.,

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 2015 and 31 March 2016

Reasons for vacancies not advertised within six months
No disciplinary steps necessary.

Reasons for vacancies not filled within six months
Re-advertisement.

3.4. Job Evaluation

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 2015 and 31 March 2016

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 (Levels1-2)	5	-	-	-	-	-	-
Contract (Levels 1-2)	5	-	-	-	-	-	-
Contract (Levels 3-5)	12	-	-	-	-	-	-
Contract (Levels 6-8)	5	-	-	-	-	-	-
Contract (Levels 9-12)	3	-	-	-	-	-	-
Contract (Band A)	3	-	-	-	-	-	-
Skilled (Levels 3-5)	55	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	116	-	-	-	-	-	-
Highly skilled supervision (Levels 9-12)	168	-	-	6	-	-	-
Senior Management Service Band A	20	-	-	-	-	-	-
Senior Management Service Band B	7	-	-	-	-	-	-
Senior Management Service Band C	1	-	-	-	-	-	-
Senior Management Service Band D	1	-	-	-	-	-	-
Total	**373**	**-**	**-**	**6**	**-**	**-**	**-**

The following table provides a summary of the number of employees whose positions were upgraded due to their post being upgraded.

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2015 and 31 March 2016

Gender	African	Asian	Coloured	White	Total
Female	2	-	-	-	2
Male	3	-	-	-	3
Total	**5**	**-**	**-**	**-**	**5**

Employees with a disability	-

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 2015 and 31 March 2016

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 2015 and 31 March 2016

Gender	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	-	-	-	-	-
Total	-	-	-	-	-
Employees with a disability	-	-	-	-	-

Total number of Employees whose salaries exceeded the grades determine by job evaluation	None

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

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2015 and 31 March 2016

Salary band	Number of employees at beginning of period-1 April 2016	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	3	3	-	-
Skilled (Levels3-5)	50	8	2	4%
Highly skilled production (Levels 6-8)	108	19	13	12%
Highly skilled supervision (Levels 9-12)	147	25	15	10.2%
Senior Management Service Bands A Permanent	19	1	1	5.3%
Senior Management Service Bands B Permanent	6	1	1	16.7%
Senior Management Service Band B, Temporary	1	0	1	100
Senior Management Service Bands C	-	-	-	-
Senior Management Service Bands D Permanent	1	-	1	100
Contract (Levels 1-2), Permanent	11	1	2	18.2
Contract (Levels 3-5), Permanent	-	15	2	-
Contract (Levels 6-8), Permanent	3	8	4	133.3
Contract (Levels 9-12), Permanent	1	1	-	-
Contract (Band A), Permanent	2	-	-	-
Total	**334**	**57**	**32**	**9.6%**

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2015 and 31 March 2016

Critical occupation	Number of employees at beginning of period-April 2016	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative Related	57	6	2	3.5%
Client Inform Clerks (Switchboard Reception Inform Clerks)	2	3	-	-
Communication and Information Related	4	1	1	25%
Finance and Economics Related	65	10	6	9.2%
Financial and Related Professionals	78	13	7	9%
Financial Clerks and Credit Controllers	20	3	1	5%
Food Services Aids and Waiters	9	1	1	11.1%
Human Resources & Organisational Development & Related Professionals	1	-	1	100%
Human Resources Clerks	11	3	3	27.3%
Human Resources Related	10	3	3	30%
Information Technology Related	12	2	1	8.3%
Library Mail and Related Clerks	8	3	2	25%
Light Vehicle Drivers	2	-	-	-
Messengers, Porters and Deliverers	3	2	2	66.7%
Other Occupations	1	-	-	-
Risk Management and Security Services	4	1	1	25%
Secretaries & other Keyboard Operating Clerks	23	4	-	-
Senior Managers	24	2	1	4.2%
TOTAL	**334**	**57**	**32**	**9.6%**

Table 3.5.3 Reasons why staff left the department for the period 1 April 2015 and 31 March 2016

Termination Type	Number	% of Total Resignations
Death	1	3.1%
Resignation	8	25%
Expiry of contract: Permanent	1	3.1%
Expiry of contract; Temporary	1	4.8
Dismissal – operational changes	-	-
Dismissal – misconduct	-	-
Dismissal – inefficiency	-	-
Discharged due to ill-health	1	3.1%
Retirement	3	9.4%
Transfer to other Public Service Departments	19	59.4%
Other	-	-
Total	**33**	
Total number of employees who left as a % of total employment		

Table 3.5.4 Promotions by critical occupation for the period 1 April 2015 and 31 March 2016

Occupation	Employees 1 April 2016	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
Administrative Related	57	1	1.8%	19	33.3%
Client Inform Clerks (Switchboard Reception Inform Clerks)	2	-	-	-	-
Communication and Information Related	4	-	-	-	-
Finance and Economics Related	65	5	7.7%	26	40%
Financial and Related Professionals	78	3	3.8%	16	20.5%
Financial Clerks and Credit Controllers	20	1	5%	10	50%
Food Services Aids and Waiters	9	-	-	7	77.8%
Human Resources & Organisational Development & Related Professionals	1	-	-	1	100%
Human Resources Clerks	11	-	-	2	18.2%
Human Resources Related	10	-	-	7	70%
Information Technology Related	12	-	-	4	33.3%
Library Mail and Related Clerks	8	-	-	3	37.5%
Light Vehicle Drivers	3	-	-	3	100%
Messengers, Porters and Deliverers	3	-	-	-	-
Other Occupations	1	-	-	-	-
Risk Management and Security Services	4	-	-	2	50%
Secretaries & other Keyboard Operating Clerks	23	-	-	14	60.9%
Senior Managers	24	2	8.3	16	66.7%
TOTAL	**334**	**12**	**3.6**	**130**	**38.9%**

Table 3.5.5 Promotions by salary band for the period 1 April 2015 and 31 March 2016

Salary Band	Employees 1 April 2016	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)	3	-	-	-	-
Skilled (Levels3-5)	50	-	-	22	44%
Highly skilled production (Levels 6-8)	108	4	3.7%	28	25.9%
Highly skilled supervision (Levels 9-12)	147	6	4.1%	64	43.5%
Senior Management (Level 13-16)	29	2	6.9%	16	55.2%
Total	**334**	**12**	**3.6%**	**130**	**38.9%**

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 2016

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	10	2	-	4	8	1	-	1	26
Professionals	56	13	1	1	45	20	1	5	142
Technicians and associate professionals	22	9	-	-	48	21	-	3	103
Clerks	7	2	-	-	21	7	-	1	38
Service and sales workers	-	-	-	-	-	-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	10	1	-	-	21	7	-	1	23
Total	**105**	**27**	**1**	**5**	**122**	**49**	**1**	**10**	**332**
Employees with disabilities	**2**	**2**	-	-	**3**	**1**	-	-	**8**

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2016

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	-	-	-	-	-	-	-	**1**
Senior Management	9	2	-	4	8	1	-	1	**25**
Professionally qualified and experienced specialists and mid-management	56	13	1	1	45	20	1	5	142
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	22	9	-	-	48	21	-	3	**103**
Semi-skilled and discretionary decision making	7	2	-	-	21	7	-	1	**38**
Unskilled and defined decision making	10	1	-	-	12	-	-	-	**23**
Total	**105**	**27**	**1**	**5**	**134**	**49**	**1**	**10**	**332**

Table 3.6.3 Recruitment for the period 1 April 2015 to 31 March 2016

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	-	-	-	-	-	-	-	1
Senior Management	2	1	-	-	1	-	-	1	5
Professionally qualified and experienced specialists and mid-management	12	4	-	-	11	5	-	1	33
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	8	-	-	-	12	1	-	-	21
Semi-skilled and discretionary decision making	2	1	-	-	2	1	-	-	6
Unskilled and defined decision making									
Total	25	6	-	-	26	7	-	2	66
Employees with disabilities	-	-	-	-	1	-	-	-	1

Table 3.6.4 Promotions for the period 1 April 2015 to 31 March 2016

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	2	1	-	-	-	-	-	1	4
Professionally qualified and experienced specialists and mid-management	5	1	-	-	2	3	-	-	11
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	6	-	-	-	7	1	-	-	14
Semi-skilled and discretionary decision making	-	-	-	-	-	-	-	-	-
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
Total	13	2	-	-	9	4	-	1	29
Employees with disabilities	-	-	-	-	-	-	-	-	-

Table 3.6.5 Terminations for the period 1 April 2015 to 31 March 2016

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	-	-	-	-	-	-	-	1	1
Professionally qualified and experienced specialists and mid-management	1	2	-	-	2	1	-	-	6
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	1	-	-	1	1	-	-	4
Semi-skilled and discretionary decision making	1	-	-	-	1	-	-	-	2
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
Total	3	3	-	-	4	2	-	1	13
Employees with Disabilities	-	-	-	-	-	-	-	-	-

Table 3.6.6 Disciplinary action for the period 1 April 2015 to 31 March 2016

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Written warning	3	1	-	-	-	2	-	-	**6**
Final Written warning	2	3	-	-	4	1	-	-	**10**

Table 3.6.7 Skills development for the period 1 April 2015 to 31 March 2016

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	-	-	-	-	-	-	-	-	-
Professionals	10	3	-	-	8	2	-	-	23
Technicians and associate professionals	17	3	-	-	28	4	-	-	52
Clerks	1	-	-	-	8	3	-	-	12
Service and sales workers	-	-	-	-	-	-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	-	-	-	-	-	-	-	-	-
Total	**28**	**6**	**-**	**-**	**44**	**9**	**-**	**-**	**87**
Employees with disabilities									

3.6. 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 2015

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	1	-	-	-
Salary Level 15	1	-	-	-
Salary Level 14	7	7	5	
Salary Level 13	20	20	18	90%
Total	**29**	**25**	**23**	**90%**

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2016

Reasons
Non-compliance by SMS members

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 2016

Reasons
None

3.7. 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.

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2015 to 31 March 2016

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	40	105	38.1	454	11
Female	45	134	33.6	284	6
Asian					
Male	1	1	100	5	5
Female	-	1	-	-	-
Coloured					
Male	8	27	29.6	54	7
Female	28	49	57.1	173	6
White					
Male	4	5	80.0	106	26
Female	4	10	40.0	32	8
Total	**130**	**332**	**39.2**	**1 108**	**9**

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2015 to 31 March 2016

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)	-	5	-	-	-	
Skilled (level 3-5)	22	49	44.9	50	2	0.03
Highly skilled production (level 6-8)	28	107	26.2	116	4	0.08
Highly skilled supervision (level 9-12)	64	144	44.4	503	8	0.34
Total	**114**	**305**	**37.4**	**669**	**5 868.86**	**0.45**

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

Critical occupation	Beneficiary Profile		Cost		
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee (R'000)
Administrative Related	19	57	33.3%	107	6
Client inform clerks (switchboard reception inform clerks)	-	2	-	-	-
Communication and information related	-	4	-	-	-
Finance and Economics Related	26	60	43.3%	212	8
Financial and Related Professionals	16	79	20.3%	143	9
Financial clerks and credit controllers	10	18	55.6%	35	3
Food services aid and waiters	7	8	87.5%	15	2
Human Resources and Organisational Development and related professionals	1	1	100%	9	9
Human resources clerks	2	16	12.5%	8	4
Human resources related	7	9	77.8%	43	6
Information Technology related	4	12	33.3%	22	5
Library mail and related clerks	3	8	37.5%	6	2
Light vehicle drivers	3	3	100%	8	2
Messengers, porters and deliverers	-	3	-	-	-
Other occupations	-	1	-	-	-
Risk management and security services	2	3	66.7%	7	4
Secretaries & other keyboard operating clerks	14	23	60.9%	52	4
Senior managers	16	25	64%	439	27

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2015 to 31 March 2016

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	1	21	4.76	41	41	0.003
Band B	-	5	-	-	-	-
Band C	-	-	-	-	-	-
Band D	-	-	-	-	-	-
Total	**1**	**26**	**4.76**	**41**	**41**	**0.003**

3.8. 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 2015 and 31 March 2016

Salary band	01 April 2015		31 March 2016		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)	-	-	-	-	-	-
Contract (level 13-16)	-	-	-	-	-	-
Total	-	-	-	-	-	-

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2015 and 31 March 2016

Major occupation	01 April 2015		31 March 2016		Change	
	Number	% of total	Number	% of total	Number	% Change
-	-	-	-	-	-	-

3.9. 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 2015 to 31 December 2015

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)	37	27.0	03	1.26	3.67	8
Skilled (levels 3-5)	247	28.7	28	11.72	7.68	170
Highly skilled production (levels 6-8)	641	24.6	77	32.22	7.43	764
Highly skilled supervision (levels 9 -12)	862	23.2	119	49.79	7.03	2 737
Top and Senior management (levels 13-16)	74	20.3	12	5.02	5.25	267
Total	**1861**	**24.4**	**239**	**100**	**7.1**	**3 946**

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2015 to 31 December 2015

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)	11	100	1	4.8	11	001
Skilled (Levels 3-5)	39	100	1	4.8	39	039
Highly skilled production (Levels 6-8)	199	100	12	57.1	16.6	236
Highly skilled supervision (Levels 9-12)	133	100	5	23.8	26.6	480
Senior management (Levels 13-16)	93	100	2	9.5	46.5	341
Total	**475**	**100**	**21**	**100**	**22.6**	**1 097**

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 2015 to 31 December 2015

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	49	3	16
Skilled Levels 3-5)	861	47	18
Highly skilled production (Levels 6-8)	2 408	105	23
Highly skilled supervision(Levels 9-12)	3 374	143	24
Senior management (Levels 13-16)	479	20	24
Total	**7 171**	**318**	**23**

Table 3.10.4 Capped leave for the period 1 January 2015 to 31 December 2015

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 2016
Lower skilled (Levels 1-2)	-	-	-	-
Skilled Levels 3-5)	-	-	-	-
Highly skilled production (Levels 6-8)	-	-	-	-
Highly skilled supervision(Levels 9-12)	-	-	-	-
Senior management (Levels 13-16)	-	-	-	-
Total	-	-	-	-

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 2015 and 31 March 2016

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave pay-out for 2015/16 due to non-utilisation of leave for the previous cycle	-	-	-
Capped leave pay-out on termination of service for 2015/16	394	3	131 385.16
Current leave pay-out on termination of service for 2015/16	154	13	11 815 .95
Total	**R 484 656.01**	**15**	**R 32 310.40**

3.10. 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	N/A

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 his/her name and position.	x		ML Mooki: Senior Manager Human Resources management
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	x		Employees: 1 x Manager 1 x Assistant Director 1 x Admin Officer
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.	x		RTCHS with the following service package: Programme design 24 hours telephonic counselling services The rapeutic/Face to face counselling services. Monitoring and Evaluation Advise where necessary with regard to any implications relating to preventative measure where concerns arise Health Education workshops Health screening including HCT in partnership with GEMS and Department of Health Constant distribution of condoms at designated points of the buildings
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	x		Employee Health and wellness Committee approved by the Head of Department, consisting of the following members : P. Seleoane, P. Raadt, G. Corns, B. Seekoei, N. Mothlaping, C. January, C.K. Pharasi, N. Bosch, W. Jones, P. Mathetsa, L Stolk, L. Van Neel & MD Cloete
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	x		Workplace policy on HIV / AIDS and TB management
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.			Workplace policy on HIV and AIDS Constant workshops on stigma and discrimination HCT sessions
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.			HCT (HIV Counselling and Testing) done in partnership with GEMS and DOH. Promotion of HCT through dissemination of pamphlets, posters, educational talks and workshops Officials are testing and statistics are kept
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.			Outsourced programme Number of officials – HCT Number of officials doing the health screenings

3.11. Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2015 and 31 March 2016

Subject matter	
Total number of Collective agreements	

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 2015 and 31 March 2016

Outcomes of disciplinary hearings	Number	% of total
Total number of Disciplinary hearings finalised	**None**	**-**

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2015 and 31 March 2016

Outcomes of disciplinary hearings	Number	% of total
Bringing the name of the department into disrepute, absent without authorisation, prejudiced the administration, discipline and efficiency of the department.	1	100%

Table 3.12.4 Grievances logged for the period 1 April 2015 and 31 March 2016

Grievances	Number	% of Total
Number of grievances resolved	20	56%
Number of grievances not resolved	16	44%
Total number of grievances lodged	**36**	**100%**

Table 3.12.5 Disputes logged with Councils for the period 1 April 2015 and 31 March 2016

Disputes	Number	% of Total
Number of disputes upheld	-	-
Number of disputes dismissed	2	40
Total number of disputes lodged	**5**	**100**

Table 3.12.6 Strike actions for the period 1 April 2015 and 31 March 2016

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 2015 and 31 March 2016

Number of people suspended	1
Number of people who's suspension exceeded 30 days	1
Average number of days suspended	90
Cost of suspension(R'000)	-

3.12. 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 2015 and 31 March 2016

Occupational category	Gender	Number of employees as at 1 April 2015	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	11		EMDP	-	11
	Male	11		EMDP	-	11
Professionals	Female	20	IAA Learnership	CIP, Report writing, Advance Excel, Dashboard, CPMD, HR Practices, MCSE,	-	20
	Male	20	IAA Learnership	CIP, Report writing, Advance Excel, Dashboard, CPMD, HR Practices, MCSE	-	20
Technicians and associate professionals	Female	40	IAA Learnership	CIP, Report writing, Advance Excel, Dashboard, CPMD, HR Practices, MCSE	-	40
	Male	30	IAA Learnership	CIP, Report Writing, Advanced Excel	-	30
Clerks	Female	8		CIP, Report Writing, Advanced Excel	-	8
	Male	1	-	CIP	-	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	6	Internship Program	-	-	-
	Male	6	Internship Program	-	-	-
Sub Total	Female	85	-	-	-	-
	Male	68	-	-	-	-
Total		**153**	**-**	**-**	**-**	**141**

Table 3.13.2 Training provided for the period 1 April 2015 and 31 March 2016

Occupational category	Gender	Number of employees as at 31 March 2016	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	-	-	EMDP	-	-
	Male	-	-	EMDP	-	-
Professionals	Female	10	IAA Learnership	CIP, Report writing,	-	10
	Male	13	IAA Learnership	CIP, Report writing	-	13
Technicians and associate professionals	Female	32	IAA Learnership	CIP, Report Writing.	-	32
	Male	20	IAA Learnership	CIP, Report Writing, Skills Development Facilitation	-	20
Clerks	Female	11	-	CIP, Report Writing	-	11
	Male	1	-	CIP	-	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	Internship Program	-	-	5
	Male	6	Internship Program	-	-	6
Sub Total	Female	58	-	-	-	58
	Male	40	-	-	-	40
Total		**98**	**-**	**-**	**-**	**98**

3.13. Injury on duty

There were no cases of injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2015 and 31 March 2016

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

3.14. Utilisation of Consultants

The following tables relate 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 2015 and 31 March 2016

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Supply, Install and Commissioning of an Information Service Management System for the Department.	Not disclosed	3 Months	R863 651.00
Employee Wellness	10	12 Months	R166 247.00

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2015 and 31 March 2016

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Supply, Install and Commissioning of an Information Service Management System for the Department.	Not disclosed	B-BBEE Contributor: Level Four	Not disclosed
Employee Wellness	87%	88%	3

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2015 and 31 March 2016

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
-	-	-	-

3.15 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2015 and 31 March 2016

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (Levels 1-2)	-	-	-	-
Skilled Levels 3-5)	-	-	-	-
Highly skilled production (Levels 6-8)	-	-	-	-
Highly skilled supervision(Levels 9-12)	-	-	-	-
Senior management (Levels 13-16)	-	-	-	-
Total	-	-	-	-

PART E: FINANCIAL INFORMATION

Report of the auditor-general to the Northern Cape Provincial Legislature on Vote no. 8: Provincial Treasury

Report on the financial statements

Introduction

1. I have audited the financial statements of the Northern Cape Provincial Treasury set out on pages 87 to 148, which comprise the appropriation statement, the statement of financial position as at 31 March 2016, 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, comprising a summary of significant accounting policies and other explanatory information.

Accounting Officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the Modified Cash Standard prescribed by National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (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.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. 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 2016 and its financial performance and cash flows for the year then ended, in accordance with the Modified Cash Standard prescribed by National Treasury and the requirements of the PFMA.

Additional matter

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

Unaudited supplementary schedules

8. The supplementary information set out on pages 149 to 156 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.

Report on other legal and regulatory requirements

9. 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 findings on the reported performance information against predetermined objectives of selected programmes presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

10. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information of the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2016:
    - Programme 2: Sustainable Resource Management on pages 29 to 32
    - Programme 3: Asset and Liability Management on pages 33 to 38
    - Programme 4: Financial Governance on pages 38 to 42

11. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information* (FMPPI).

12. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

13. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following programmes:
    - Programme 2: Sustainable Resource Management
    - Programme 3: Asset and Liability Management
    - Programme 4: Financial Governance

Additional matters

14. I draw attention to the following matters:

Achievement of planned targets

15. Refer to the annual performance report on pages 25 to 46, for information on the achievement of the planned targets for the year.

Adjustment of material misstatements

16. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of Programme 3: Assets and Liabilities Management. As management subsequently corrected the misstatements, I did not identify any material findings on the usefulness and reliability of the reported performance information.

Compliance with legislation

17. I performed procedures to obtain evidence that the department had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Internal control

18. I considered internal control relevant to my audit of the financial statements, the annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report included in this report.

Performance management

19. Management did not sufficiently prepare accurate and complete performance reports that were supported and evidenced by reliable information.

Auditor General

Auditor-General

Kimberley

29 July 2016

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNUAL FINANCIAL STATEMENTS FOR NORTHERN CAPE PROVINCIAL TREASURY

For the year ended

31 March 2016

NORTHERN CAPE PROVINCIAL TREASURY
VOTE 8

APPROPRIATION STATEMENT
for the year ended 31 March 2016

Appropriation per programme

	2015/16							2014/15	
	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	**78 982**	-	3 142	82 124	81 851	273	99.7%	73 900	70 523
2. Sustainable Resource Management	**42 092**	-	(2 599)	39 493	36 839	2 654	93.3%	36 532	33 727
3. Assets and Liabilities Management	**55 040**	-	(1 227)	53 813	51 720	2 093	96.1%	54 294	47 127
4. Financial Governance	**21 537**	-	-	21 537	20 994	543	97.5%	21 487	19 693
5. Provincial Internal Audit	**26 719**	-	684	27 403	27 162	241	99.1%	23 849	22 029
Subtotal	**224 370**	-	-	**224 370**	**218 566**	**5 804**	**97.4%**	**210 062**	**193 099**
TOTAL	**224 370**	**-**	**-**	**224 370**	**218 566**	**5 804**	**97.4%**	**210 062**	**193 099**
Reconciliation with statement of financial performance									
ADD									
Departmental receipts				**46 173**				**36 043**	
NRF Receipts									
Actual amounts per statement of financial performance (total revenue)				**270 543**				**246 105**	
Actual amounts per statement of financial performance (total expenditure)					**218 566**				**193 099**

APPROPRIATION STATEMENT
for the year ended 31 March 2016

Appropriation per economic classification

	2015/16							2014/15	
	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	**213 110**	**(1 933)**	**(206)**	**210 971**	**206 364**	**4 607**	**97.8%**	**201 151**	**186 430**
Compensation of employees	**156 572**	**(3 320)**	**(3 162)**	**150 090**	**147 582**	**2 508**	**98.3%**	**134 059**	**129 156**
Salaries and wages	137 908	(3 897)	(2 651)	131 360	129 069	2 291	98.3%	116 597	112 849
Social contributions	18 664	577	(511)	18 730	18 513	217	98.8%	17 462	16 307
Goods and services	**56523**	**3 387**	**2 956**	**60 866**	**58 775**	**2 091**	**96.6%**	**67 080**	**57 262**
Administrative fees	527	163	-	690	685	5	99.3%	510	451
Advertising	1 179	288	-	1 467	1 378	89	93.9%	870	870
Minor assets	817	219	22	1 051	863	188	82.1%	396	305
Audit costs: External	2 966	95	-	3 061	3 061	0	100%	3 360	3 280
Bursaries: Employees	267	133	-	400	400	0	100%	508	508
Catering: Departmental activities	1 142	(259)	-	883	696	187	78.8%	1 100	859
Communication	1 967	920	-	2 887	2 853	34	98.8%	3 357	2 410
Computer services	2 852	100	82	3 034	2 980	54	98.2%	3 468	3 250
Consultants: Business and advisory services	9 519	(1 196)	-	8 323	8 323	0	0	22 435	18 325
Legal services	140	(16)	-	124	124	0	100.0%	120	120
Contractors	131	34	-	165	165	0	100.0%	101	40
Agency and support / outsourced services	-	-	-	-	-	-	-	3	3
Entertainment	154	(115)	-	39	16	23	41.0%	32	14
Fleet services	633	206	-	839	839	0	100.0%	865	617
Inventory: Food and food supplies	2	(2)	-	-	-	-	-	-	-

APPROPRIATION STATEMENT
for the year ended 31 March 2016

Appropriation per economic classification

	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumable supplies	3 591	(1 486)	(368)	1 737	1 390	347	80.0%	537	436
Consumable: Stationery printing and office supplies	1 789	(237)	-	1 552	1 297	255	83,6%	1 749	1 491
Operating leases	5 815	2 668	3 142	11 625	11 610	15	99,9%	7 861	8 693
Property payments	5 132	256	-	5 388	5 388	-	100%	3 574	3 492
Travel and subsistence	12 510	(917)	(77)	11 516	10 976	540	95,3%	9 625	8 004
Training and development	1 713	350	31	2 094	2 054	40	98,1%	2 496	1 758
Operating payments	2 800	227	124	3 151	2 920	231	92,7%	2 601	1 856
Venues and facilities	877	(37)	-	840	757	83	90,1%	640	478
Rental and hiring	-	-	-	-	-	-	-	2	2
Interest and rent on land	**15**	**-**	**-**	**15**	**7**	**8**	**46,7%**	**12**	**12**
Interest	15	-	-	15	7	8	46,7%	12	12
Transfers and subsidies	**5 807**	**350**	**7**	**6 164**	**6 022**	**142**	**97.7%**	**1 070**	**819**
Provinces and municipalities	**4 789**	**-**	**-**	**4 789**	**4 709**	**80**	**98,3%**	**-**	**-**
Municipalities									
Municipal bank accounts	4 789	-	-	4 789	4 709	80	98,3%	-	-
Departmental agencies and accounts	**19**	**(11)**	**-**	**8**	**8**	**-**	**99.7%**	**8**	**8**
Departmental agencies and accounts	19	(11)	-	8	8	-	100,0%	8	8
Higher education institutions	396	(334)	-	62	-	62	-	234	-
Non-profit institutions	153	(153)	-	-	-	-	-	70	57
Households	**450**	**848**	**7**	**1 305**	**1 305**	**-**	**100%**	**758**	**754**
Social benefits	250	847	7	1 104	1 104	-	100%	584	581
Other transfers to households	200	1	-	201	201	-	100%	174	173
Payments for capital assets	**5 453**	**1 579**	**199**	**7 231**	**6 176**	**1 055**	**85,4%**	**7 606**	**5 615**
Machinery and equipment	5 163	1 423	199	6 785	5 787	998	85,3%	7 303	5 364

APPROPRIATION STATEMENT
for the year ended 31 March 2016

Appropriation per economic classification

	2015/16							2014/15	
	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
Transport equipment	-	-	-	-	-	-	-	1 199	1 065
Other machinery and equipment	5 163	1 423	199	6 785	5 787	998	85,3%	6 104	4 299
Intangible assets	290	156	-	446	389	57	87,2%	303	251
Payments for financial assets	-	4	-	4	4	-	100%	235	235
Total	**224 370**	**-**	**-**	**224 370**	**218 566**	**5 804**	**97,4%**	**210 062**	**193 099**

APPROPRIATION STATEMENT
for the year ended 31 March 2016

Programme 1: ADMINISTRATION									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Sub programme	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
1. Office of MEC	10 037	(552)	-	9 485	9 485	-	**100,0%**	10 159	9 891
2. Management Services	3 404	(1 140)	-	2 264	2 264	**-**	**100,0%**	3 348	3 284
3. Corporate services	24 269	(1 822)	-	22 447	22 187	**260**	**98,8%**	18 383	17 131
4. Financial Management	21 808	(308)	-	21 500	21 487	**13**	**99,9%**	19 446	19 252
5. Security and Records Man	19 464	3 822	3 142	26 428	26 428	**-**	**100,0%**	22 564	20 965
Total for sub programmes	**78 982**	**-**	**3 142**	**82 124**	**81 851**	**273**	**99,7%**	**73 900**	**70 523**
Economic classification									
Current payments	**75 655**	**(695)**	**3 142**	**78 102**	**78 080**	**22**	**99,9%**	**69 931**	**67 553**
Compensation of employees	**45 740**	**(2 726)**	**-**	**43 014**	**43 001**	**13**	**99,9%**	**40 594**	**39 812**
Salaries and wages	40 066	(2 751)	-	37 315	37 302	13	99,9%	35 349	34 584
Social contributions	5 674	25	-	5 699	5 699	-	100,0%	5 245	5 228
Goods and services	**29 915**	**2 031**	**3 142**	**35 088**	**35 079**	**9**	**100,0%**	**29 337**	**27 741**
Administrative fees	156	18	-	174	174	-	100,0%	176	176
Advertising	1 027	278	-	1 305	1 305	-	100,0%	713	713
Minor assets	318	148	-	466	457	9	98,1%	87	25
Audit costs: External	2 451	126	-	2 577	2 577	-	100,0%	2 556	2 556
Bursaries: Employees	267	133	-	400	400	-	100,0%	508	508
Catering: Departmental activities	477	(219)	-	258	258	-	100,0%	375	320
Communication	1 647	1 041	-	2 688	2 688	-	100,0%	3 050	2 242
Computer services	2 191	213	-	2 404	2 404	-	100,0%	2 849	2 849

APPROPRIATION STATEMENT
for the year ended 31 March 2016

Programme 1: ADMINISTRATION									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Sub programme	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Consultants: Business and advisory services	469	(208)	-	261	261	-	100,0%	134	134
Legal services	140	(16)	-	124	124	-	100,0%	120	120
Contractors	131	25	-	156	156	-	100,0%	99	38
Agency and support / outsourced services	-	-	-	-	-	-	-	3	3
Entertainment	107	(102)	-	5	5	-	100,0%	8	8
Fleet services	633	22	-	655	655	-	100,0%	864	616
Consumable supplies	2 057	(1 068)	-	989	989	-	100,0%	236	191
Consumable: Stationery, printing and office supplies	601	(108)	-	493	493	-	100,0%	427	337
Operating leases	5 800	2 668	3 142	11 610	11 610	-	100,0%	8 731	8 693
Property payments	5 132	256	-	5 388	5 388	-	100,0%	3 574	3 492
Travel and subsistence	4 033	(1 393)	-	2 640	2 640	-	100,0%	2 910	2 826
Training and development	576	(9)	-	567	567	-	100,0%	447	433
Operating payments	1 389	312	-	1 701	1 701	-	100,0%	1 303	1 303
Venues and facilities	313	(86)	-	227	227	-	100,0%	167	158
Transfers and subsidies	**1 018**	**-**	**-**	**1 018**	**956**	**62**	**93,9%**	**875**	**626**
Departmental agencies and accounts	**19**	**(11)**	**-**	**8**	**8**	**-**	**100,0%**	**8**	**8**
Departmental agencies	19	(11)	-	8	8	-	100,0%	8	8
Higher education institutions	396	(334)	-	62	-	62	-	234	-
Non-profit institutions	153	(153)	-	-	-	-	-	70	57
Households	**450**	**498**	**-**	**948**	**948**	**-**	**100,0%**	**563**	**561**
Social benefits	250	497	-	747	747	-	100,0%	389	388
Other transfers to households	200	1	-	201	201	-	100,0%	174	173
Payments for capital assets	**2 309**	**691**	**-**	**3 000**	**2 811**	**189**	**93,7%**	**3 075**	**2 325**
Machinery and equipment	**2 039**	**904**	**-**	**2 943**	**2 811**	**132**	**95,5%**	**3 069**	**2 325**
Transport equipment	-	-	-	-	-	-	-	1 199	1 065
Other machinery and equipment	2 039	904	-	2 943	2 811	132	95,5%	1 870	1 260

APPROPRIATION STATEMENT
for the year ended 31 March 2016

Programme 1: ADMINISTRATION									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Sub programme	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Intangible assets	270	(213)	-	57	-	57	-	6	-
Payments for financial assets	-	4	-	4	4	-	100,0%	**19**	**19**
Total	**78 982**	**-**	**3 142**	**82 124**	**81 851**	**273**	**99,7%**	**73 900**	**70 523**

SUB PROGRAMME 1.1 Office of the MEC									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**9 593**	**(1 114)**	**-**	**8 479**	**8 479**	**-**	**100,0%**	**8 464**	**8 337**
Compensation of employees	6 832	(515)	-	6 317	6 317	-	100,0%	5 978	5 967
Goods and services	2 761	(599)	-	2 162	2 162	-	100,0%	2 486	2 370
Transfers and subsidies	**219**	**369**	**-**	**588**	**588**	**-**	**100,0%**	**276**	**275**
Departmental agencies and accounts	19	(11)	-	8	8	-	100,0%	8	8
Non-profit institutions	-	-	-	-	-	-	-	44	44
Households	200	380	-	580	580	-	100,0%	224	223
Payments for capital assets	**225**	**193**	**-**	**418**	**418**	**-**	**100,0%**	**1 413**	**1 279**
Machinery and equipment	214	204	-	418	418	-	100,0%	1 413	1 279
Intangible assets	11	(11)	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	**6**	-
Total	**10 037**	**(552)**	**-**	**9 485**	**9 485**	**-**	**100,0%**	**10 159**	**9 891**

APPROPRIATION STATEMENT
for the year ended 31 March 2016

SUB PROGRAMME 1.2 MANAGEMENT SERVICES

2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**3 235**	**(1 180)**	**-**	**2 055**	**2 055**	**-**	**100.0%**	**3 012**	**2 992**
Compensation of employees	1 879	(253)	-	1 626	1 626	-	100,0%	2 458	2 458
Goods and services	1 356	(927)	-	429	429	-	100,0%	554	534
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	**205**	**205**
Households	-	-	-	-	-	-	-	205	205
Payments for capital assets	**169**	**40**	**-**	**209**	**209**	**-**	**100,0%**	**131**	**87**
Machinery and equipment	169	40	-	209	209	-	100,0%	131	87
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	**3 404**	**(1 140)**	**-**	**2 264**	**2 264**	**-**	**100,0%**	**3 348**	**3 284**

APPROPRIATION STATEMENT
for the year ended 31 March 2016

SUB PROGRAMME 1.3 CORPORATE SERVICES									
2015/16								**2014/15**	
	Adjusted Appropriation	**Shifting of Funds**	**Virement**	**Final Appropriation**	**Actual Expenditure**	**Variance**	**Expenditure as % of final appropriation**	**Final Appropriation**	**Actual expenditure**
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**22 328**	**(1 130)**	**-**	**21 198**	**21 189**	**9**	**100,0%**	**17 348**	**16 737**
Compensation of employees	16 661	(950)	-	15 711	15 711	-	100,0%	13 180	12 636
Goods and services	5 667	(180)	-	5 487	5 478	9	99,8%	4 168	4 101
Transfers and subsidies	**599**	**(365)**	**-**	**234**	**172**	**62**	**73,5%**	**375**	**128**
Higher education institutions	396	(334)	-	62	-	62	-	234	-
Non-profit institutions	153	(153)	-	-	-	-	-	26	13
Households	50	122	-	172	172	-	100,0%	115	115
Payments for capital assets	**1 342**	**(331)**	**-**	**1 011**	**822**	**189**	**81,3%**	**660**	**266**
Machinery and equipment	1 083	(129)	-	954	822	132	86,2%	660	266
Intangible assets	259	(202)	-	57	-	57	-	-	-
Payments for financial assets	-	4	-	4	4	-	100,0%	-	-
Total	**24 269**	**(1 822)**	**-**	**22 447**	**22 187**	**260**	**98,8%**	**18 383**	**17 131**

APPROPRIATION STATEMENT
for the year ended 31 March 2016

SUB PROGRAMME 1.4 FINANCIAL MANAGEMENT (CFO)									
2015/16								**2014/15**	
	Adjusted Appropriation	**Shifting of Funds**	**Virement**	**Final Appropriation**	**Actual Expenditure**	**Variance**	**Expenditure as % of final appropriation**	**Final Appropriation**	**Actual expenditure**
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**21 266**	**(800)**	**-**	**20 466**	**20 453**	**13**	**99,9%**	**19 117**	**19 095**
Compensation of employees	15 406	(978)	-	14 428	14 415	13	99,9%	13 302	13 280
Goods and services	5 860	178	-	6 038	6 038	-	100,0%	5 815	5 815
Transfers and subsidies	-	-	-	-	-	-	-	**13**	**12**
Households	-	-	-	-	-	-	-	13	12
Payments for capital assets	**542**	**492**	**-**	**1 034**	**1 034**	**-**	**100,0%**	**297**	**126**
Machinery and equipment	542	492	-	1 034	1 034	-	100,0%	297	126
Payments for financial assets	-	-	-	-	-	-	-	**19**	**19**
Total	**21 808**	**(308)**	**-**	**21 500**	**21 487**	**13**	**99,9%**	**19 446**	**19 252**

APPROPRIATION STATEMENT
for the year ended 31 March 2016

SUB PROGRAMME 1.5 SECURITY AND RECORDS									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**19 233**	**3 529**	**3 142**	**25 904**	**25 904**	**-**	**100,0%**	**21 990**	**20 392**
Compensation of employees	4 962	(30)	-	4 932	4 932	-	100,0%	5 676	5 471
Goods and services	14 271	3 559	3 142	20 972	20 972	-	100,0%	16 314	14 921
Transfers and subsidies	**200**	**(4)**	**-**	**196**	**196**	**-**	**100,0%**	**6**	**6**
Households	200	(4)	-	196	196	-	100,0%	6	6
Payments for capital assets	**31**	**297**	**-**	**328**	**328**	**-**	**100,0%**	**568**	**567**
Machinery and equipment	31	297	-	328	328	-	100,0%	568	567
Total	**19 464**	**3 822**	**3 142**	**26 428**	**26 428**	**-**	**100,0%**	**22 564**	**20 965**

APPROPRIATION STATEMENT
for the year ended 31 March 2016

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT									
	2015/16							2014/15	
Sub programme	**Adjusted Appropriation**	**Shifting of Funds**	**Virement**	**Final Appropriation**	**Actual Expenditure**	**Variance**	**Expenditure as % of final appropriation**	**Final Appropriation**	**Actual expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
1.Programme Support	2 526	11	(403)	2 134	2 103	31	98,5%	2 015	1 894
2. Economic Analysis	5 382	(571)	(8)	4 803	4 803	-	100,0%	4 801	4 686
3. Fiscal Policy	5 605	48	(764)	4 889	4 889	-	100,0%	5 513	5 128
4.Budget Management	11 250	512	(1 103)	10 659	8 111	2 548	76,1%	7 998	7 618
5.Municipal Finance	17 329	-	(321)	17 008	16 933	75	99,6%	16 205	14 401
Total for sub programmes	**42 092**	**-**	**(2 599)**	**39 493**	**36 839**	**2 654**	**93,3%**	**36 532**	**33 727**
Economic classification									
Current payments	**40 740**	**(194)**	**(2 599)**	**37 947**	**35 878**	**2 069**	**94,5%**	**35 353**	**33 049**
Compensation of employees	**34 941**	**808**	**(2 119)**	**33 630**	**32 847**	**783**	**97,7%**	**30 536**	**29 977**
Salaries and wages	29 942	957	(1 608)	29 291	28 677	614	97,9%	26 528	26 210
Social contributions	4 999	(149)	(511)	4 339	4 170	169	96,1%	4 008	3 767
Goods and services	**5 799**	**(1 002)**	**(480)**	**4 317**	**3 031**	**1 286**	**70,2%**	**4 817**	**3 072**
Administrative fees	50	55	-	105	100	5	95,2%	66	46
Advertising	80	-	-	80	-	80	-	48	48
Minor assets	218	26	-	244	107	137	43,9%	46	41
Catering: Departmental activities	171	(62)	-	109	41	68	37,6%	229	130
Communication	53	105	-	158	158	-	100,0%	128	107
Computer services	136	11	-	147	147	-	100,0%	-	-
Contractors	-	4	-	4	4	-	100,0%	-	-

APPROPRIATION STATEMENT
for the year ended 31 March 2016

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT									
	2015/16							2014/15	
Sub programme	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
Entertainment	9	1	-	10	10	-	100,0%	7	2
Fleet services	-	-	-	-	-	-	-	1	1
Consumable supplies	1 042	(282)	(368)	392	64	328	16,3%	63	43
Consumable: Stationery, printing and office supplies	279	(38)	-	241	93	148	38,6%	586	631
Travel and subsistence	2 575	(520)	(112)	1 943	1 656	287	85,2%	2 483	1 586
Training and development	41	(41)	-	-	-	-	-	50	-
Operating payments	978	(267)	-	711	517	194	72,7%	906	243
Venues and facilities	167	6	-	173	134	39	77,5%	204	194
Transfers and subsidies	**-**	**10**	**-**	**10**	**10**	**-**	**100,0%**	**111**	**111**
Households	-	10	-	10	10	-	100,0%	111	111
Social benefits	-	10	-	10	10	-	100,0%	111	111
Payments for capital assets	**1 352**	**184**	**-**	**1 536**	**951**	**585**	**61,9%**	**990**	**489**
Machinery and equipment	1 352	184	-	1 536	951	585	61,9%	**974**	**473**
Other machinery and equipment	1 352	184	-	1 536	951	585	61,9%	974	473
Intangible assets	-	-	-	-	-	-	-	16	16
Payments for financial assets	-	-	-	-	-	-	-	**78**	**78**
Total	**42 092**	**-**	**(2 599)**	**39 493**	**36 839**	**2 654**	**93,3%**	**36 532**	**33 727**

APPROPRIATION STATEMENT
for the year ended 31 March 2016

SUB PROGRAMME 2.1 PROGRAMME SUPPORT									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**2 449**	**11**	**(403)**	**2 057**	**2 057**	**-**	**100,0%**	**1 961**	**1 876**
Compensation of employees	2 265	35	(403)	1 897	1 897	-	100,0%	1 669	1 669
Goods and services	184	(24)	-	160	160	-	100,0%	292	207
Payments for capital assets	**77**	**-**	**-**	**77**	**46**	**31**	**59,7%**	**54**	**18**
Machinery and equipment	77	-	-	77	46	31	59,7%	54	18
Total	**2 526**	**11**	**(403)**	**2 134**	**2 103**	**31**	**98,5%**	**2 015**	**1 894**

SUB PROGRAMME 2.2 ECONOMIC ANALYSIS									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**5 357**	**(594)**	**(8)**	**4 755**	**4 755**	**-**	**100,0%**	**4 730**	**4 640**
Compensation of employees	4 425	(12)	(8)	4 405	4 405	-	100,0%	4 253	4 253
Goods and services	932	(582)	-	350	350	-	100,0%	477	387
Payments for capital assets	**25**	**23**	**-**	**48**	**48**	**-**	**100,0%**	**71**	**46**
Machinery and equipment	25	23	-	48	48	-	100,0%	55	30
Intangible assets	-	-	-	-	-	-	-	16	16
Total	**5 382**	**(571)**	**(8)**	**4 803**	**4 803**	**-**	**100,0%**	**4 801**	**4 686**

SUB PROGRAMME 2.3 FISCAL POLICY									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	**5 508**	**(113)**	**(764)**	**4 631**	**4 631**	**-**	**100,0%**	**5 412**	**5 099**
Compensation of employees	4 590	-	(284)	4 306	4 306	-	100,0%	4 853	4 853
Goods and services	918	(113)	(480)	325	325	-	100,0%	559	246
Payments for capital assets	97	161	-	258	258	-	100,0%	**101**	**29**
Machinery and equipment	97	161	-	258	258	-	100,0%	101	29
Intangible assets									
Total	**5 605**	**48**	**(764)**	**4 889**	**4 889**	**-**	**100,0%**	**5 513**	**5 128**

SUB PROGRAMME 2.4 BUDGET MANAGEMENT									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	**10 650**	**512**	**(1 103)**	**10 059**	**8 039**	**2 020**	**79,9%**	**7 834**	**7 525**
Compensation of employees	8 126	785	(1 103)	7 808	7 025	783	90,0%	6 472	6 472
Goods and services	2 524	(273)	-	2 251	1 014	1 237	45,0%	1 362	1 053
Payments for capital assets	**600**	**-**	**-**	**600**	**72**	**528**	**12,0%**	**164**	**93**
Machinery and equipment	600	-	-	600	72	528	12,0%	164	93
Total	**11 250**	**512**	**(1 103)**	**10 659**	**8 111**	**2 548**	**76,1%**	**7 998**	**7 618**

APPROPRIATION STATEMENT
for the year ended 31 March 2016

SUB PROGRAMME 2.5 MUNICIPAL FINANCE									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**16 776**	**(10)**	**(321)**	**16 445**	**16 396**	**49**	**99,7%**	**15 416**	**13 909**
Compensation of employees	15 535	-	(321)	15 214	15 214	-	100,0%	13 289	12 730
Goods and services	1 241	(10)	-	1 231	1 182	49	96,0%	2 127	1 179
Transfers and subsidies	**-**	**10**	**-**	**10**	**10**	**-**	**100,0%**	**111**	**111**
Households	-	10	-	10	10	-	100,0%	111	111
Payments for capital assets	**553**	**-**	**-**	**553**	**527**	**26**	**95,3%**	**600**	**303**
Machinery and equipment	553	-	-	553	527	26	95,3%	600	303
Payments for financial assets	-	-	-	-	-	-	-	**78**	**78**
Total	**17 329**	**-**	**(321)**	**17 008**	**16 933**	**75**	**99,6%**	**16 205**	**14 401**

APPROPRIATION STATEMENT
for the year ended 31 March 2016

PROGRAMME 3: ASSET AND LIABILITIES MANAGEMENT									
2015/16								**2014/15**	
Sub programme	**Adjusted Appropriation**	**Shifting of Funds**	**Virement**	**Final Appropriation**	**Actual Expenditure**	**Variance**	**Expenditure as % of final appropriation**	**Final Appropriation**	**Actual expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
1.Programme Support	1 778	(81)	-	1 697	1 490	207	87,8%	1 782	1 341
2. Asset Management	17 858	362	-	18 220	18 140	80	99,6%	7 391	5 303
3. Support and Interlinked Financial System	24 675	(487)	(1 227)	22 961	22 144	817	96,4%	34 246	31 042
4. Public Private Partnership	5 817	206	-	6 023	6 023	-	100,0%	6 344	6 061
5.Banking and Cashflow Management	4 912	-	-	4 912	3 923	989	79,9%	4 531	3 380
Total for sub programmes	**55 040**	**-**	**(1 227)**	**53 813**	**51 720**	**2 093**	**96,1%**	**54 294**	**47 127**
Economic classification									
Current payments	**49 019**	**(789)**	**(1 227)**	**47 003**	**45 068**	**1 935**	**95,9%**	**52 578**	**45 825**
Compensation of employees	**35 077**	**(989)**	**(1 227)**	**32 861**	**31 370**	**1 491**	**95,5%**	**30 812**	**27 598**
Salaries and wages	31 598	(1 154)	(1 227)	29 217	27 774	1 443	95,1%	26 774	24 110
Social contributions	3 479	165	-	3 644	3 596	48	98,7%	4 038	3 488
Goods and services	**13 927**	**200**	**-**	**14 127**	**13 691**	**436**	**96,9%**	**21 754**	**18 215**
Administrative fees	118	118	-	236	236	-	100,0%	135	135
Advertising	72	10	-	82	73	9	89,0%	109	109
Minor assets	121	46	-	167	147	20	88,0%	131	128
Catering: Departmental activities	114	(6)	-	108	48	60	44,4%	116	91
Communication	59	(31)	-	28	6	22	21,4%	40	31
Computer services	434	(58)	-	376	345	31	91,8%	185	-

APPROPRIATION STATEMENT
for the year ended 31 March 2016

PROGRAMME 3: ASSET AND LIABILITIES MANAGEMENT									
2015/16								2014/15	
Sub programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consultants: Business and advisory services	9 050	(988)	-	8 062	8 062	-	100,0%	18 423	15 612
Contractors	-	5	-	5	5	-	100,0%	-	-
Entertainment	25	(6)	-	19	1	18	5,3%	13	-
Fleet services	-	184	-	184	184	-	100,0%	-	-
Consumable supplies	268	(43)	-	225	206	19	91,6%	117	109
Consumable: Stationery, printing and office supplies	492	(123)	-	369	323	46	87,5%	246	214
Travel and subsistence	2 566	1 127	-	3 693	3 534	159	95,7%	1 580	1 400
Training and development	375	(266)	-	149	144	5	96,6%	453	233
Operating payments	147	218	-	365	328	37	89,9%	127	103
Venues and facilities	86	(27)	-	59	49	10	83,1%	77	48
Rental and hiring	-	-	-	-	-	-	-	2	2
Interest and rent on land	**15**	**-**	**-**	**15**	**7**	**8**	**46,7%**	**12**	**12**
Interest	15	-	-	15	7	8	46,7%	12	12
Transfers and subsidies	**4 789**	**334**	**-**	**5 123**	**5 043**	**80**	**98,4%**	**33**	**33**
Provinces and municipalities	4 789	-	-	4 789	4 709	80	98,3%	-	-
Municipalities									
Municipal agencies and funds	4 789	-	-	4 789	4 709	80	98,3%	-	-
Households	**-**	**334**	**-**	**334**	**334**	**-**	**100,0%**	**33**	**33**
Social benefits	-	334	-	334	334	-	100,0%	33	33
Payments for capital assets	**1 232**	**455**	**-**	**1 687**	**1 609**	**78**	**95,4%**	**1 632**	**1 218**
Machinery and equipment	1 232	85	-	1 317	1 239	78	94,1%	1 351	983
Other machinery and equipment	1 232	85	-	1 317	1 239	78	94,1%	1 351	983
Intangible assets	-	370	-	370	370	-	100,0%	281	235
Payments for financial assets	-	-	-	-	-	-	-	**51**	**51**
Total	**55 040**	**-**	**(1 227)**	**53 813**	**51 720**	**2 093**	**96,1%**	**54 294**	**47 127**

APPROPRIATION STATEMENT
for the year ended 31 March 2016

SUB PROGRAMME 3.1 PROGRAMME SUPPORT									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**1 706**	**(81)**	**-**	**1 625**	**1 471**	**154**	**90,5%**	**1 725**	**1 325**
Compensation of employees	1 351	(80)	-	1 271	1 188	83	93,5%	1 353	1 252
Goods and services	355	(1)	-	354	283	71	79,9%	372	73
Payments for capital assets	**72**	**-**	**-**	**72**	**19**	**53**	**26,4%**	**57**	**16**
Machinery and equipment	72	-	-	72	19	53	26,4%	57	16
Total	**1 778**	**(81)**	**-**	**1 697**	**1 490**	**207**	**87,8%**	**1 782**	**1 341**

SUB PROGRAMME 3.2 ASSET MANAGEMENT									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**12 472**	**267**	**-**	**12 739**	**12 739**	**-**	**100,0%**	**7 260**	**5 201**
Compensation of employees	10 371	(489)	-	9 882	9 882	-	100,0%	6 432	4 616
Goods and services	2 101	756	-	2 857	2 857	-	100,0%	828	585
Transfers and subsidies	4 789	289	-	5 078	4 998	80	98,4%	**-**	**-**
Provinces and municipalities	4 789	-	-	4 789	4 709	80	98,4%	-	-
Households	-	289	-	289	289	-	100,0%	-	-
Payments for capital assets	**597**	**(194)**	**-**	**403**	**403**	**-**	**100,0%**	**131**	**102**
Machinery and equipment	597	(194)	-	403	403	-	100,0%	131	102
Total	**17 858**	**362**	**-**	**18 220**	**18 140**	**80**	**99,6%**	**7 391**	**5 303**

APPROPRIATION STATEMENT
for the year ended 31 March 2016

SUB PROGRAMME 3.3 SUPPORT AND INTERLINKED FINANCIAL SYSTEMS									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**24 465**	**(991)**	**(1 227)**	**22 247**	**21 430**	**817**	**96,3%**	**33 040**	**29 989**
Compensation of employees	14 047	(206)	(1 227)	12 614	11 965	649	94,9%	14 276	14 221
Goods and services	10 418	(785)	-	9 633	9 465	168	98,3%	18 764	15 768
Transfers and subsidies	**-**	**45**	**-**	**45**	**45**	**-**	**100,0%**	**-**	**-**
Households	-	45	-	45	45	-	100,0%	-	-
Payments for capital assets	**210**	**459**	**-**	**669**	**669**	**-**	**100,0%**	**1 155**	**1 002**
Machinery and equipment	210	89	-	299	299	-	100,0%	874	767
Intangible assets	-	370	-	370	370	-	100,0%	281	235
Payments for financial assets	-	-	-	-	-	-	-	**51**	**51**
Total	**24 675**	**(487)**	**(1 227)**	**22 961**	**22 144**	**817**	**96,4%**	**34 246**	**31 042**

SUB PROGRAMME 3.4 PUBLIC PRIVATE PARTNERSHIP									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**5 801**	**16**	**-**	**5 817**	**5 817**	**-**	**100,0%**	**6 304**	**6 046**
Compensation of employees	5 235	(214)	-	5 021	5 021	-	100,0%	4 757	4 500
Goods and services	566	230	-	796	796	-	100,0%	1 547	1 546
Payments for capital assets	**16**	**190**	**-**	**206**	**206**	**-**	**100,0%**	**40**	**15**
Machinery and equipment	16	190	-	206	206	-	100,0%	40	15
Total	**5 817**	**206**	**-**	**6 023**	**6 023**	**-**	**100,0%**	**6 344**	**6 061**

APPROPRIATION STATEMENT
for the year ended 31 March 2016

SUB PROGRAMME 3.5 BANKING AND CASHFLOW MANAGEMENT									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**4 575**	**-**	**-**	**4 575**	**3 611**	**964**	**78,9%**	**4 249**	**3 264**
Compensation of employees	4 073	-	-	4 073	3 314	759	81,4%	3 994	3 009
Goods and services	487	-	-	487	290	197	59,5%	243	243
Interest and rent on land	15	-	-	15	7	8	46,7%	12	12
Transfers and subsidies	-	-	-	-	-	-	-	**33**	**33**
Households	-	-	-	-	-	-	-	33	33
Payments for capital assets	**337**	**-**	**-**	**337**	**312**	**25**	**92,6%**	**249**	**83**
Machinery and equipment	337	-	-	337	312	25	92,6%	249	83
Total	**4 912**	**-**	**-**	**4 912**	**3 923**	**989**	**79,9%**	**4 531**	**3 380**

APPROPRIATION STATEMENT
for the year ended 31 March 2016

PROGRAMME 4: FINANCIAL GOVERNANCE									
	2015/16							2014/15	
Sub programme	**Adjusted Appropriation**	**Shifting of Funds**	**Virement**	**Final Appropriation**	**Actual Expenditure**	**Variance**	**Expenditure as % of final appropriation**	**Final Appropriation**	**Actual expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
1.Programme Support	1 860	-	-	1 860	1 609	251	86,5%	1 618	1 467
2. Accounting Services	8 225	133	-	8 358	8 358	-	100,0%	8 514	7 436
3. Norms and standards	5 788	-	-	5 788	5 759	29	99,5%	6 235	5 963
4.Risk Management	5 664	(133)	-	5 531	5 268	263	95,2%	5 120	4 827
Total for sub programmes	**21 537**	**-**	**-**	**21 537**	**20 994**	**543**	**97,5%**	**21 487**	**19 693**
Economic classification									
Current payments	**21 232**	**(296)**	**-**	**20 936**	**20 397**	**539**	**97,4%**	**20 683**	**19 013**
Compensation of employees	16 844	(413)	-	16 431	16 210	221	98,7%	15 441	15 299
Salaries and wages	51 012	(692)	-	14 320	14 099	221	98,5%	13 406	13 405
Social contributions	1 832	279	-	2 111	2 111	-	100,0%	2 035	1 894
Goods and services	**4 388**	**117**	**-**	**4 505**	**4 187**	**318**	**92,9%**	**5 242**	**3 714**
Administrative fees	88	(6)	-	82	82	-	100,0%	90	51
Minor assets	116	(40)	-	76	54	22	71,1%	44	23
Audit costs: External	515	(31)	-	484	484	-	100,0%	804	724
Catering: Departmental activities	261	(12)	-	249	190	59	76,3%	287	240
Communication	112	(100)	-	12	-	12	-	118	18
Consultants: Business and advisory services	-	-	-	-	-	-	-	105	-
Contractors	-	-	-	-	-	-	-	2	2
Entertainment	12	(7)	-	5	-	5	-	-	-

APPROPRIATION STATEMENT
for the year ended 31 March 2016

PROGRAMME 4: FINANCIAL GOVERNANCE									
	2015/16							2014/15	
Sub programme	**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**
Inventory: Food and food supplies	2	(2)	-	-	-	-	-	-	-
Consumable supplies	52	1	-	53	53	-	100,0%	69	41
Consumable: Stationery, printing and office supplies	214	55	-	269	227	42	84,4%	340	194
Operating leases	15	-	-	15	-	15	-	-	-
Travel and subsistence	2 083	(305)	-	1 778	1 684	94	94,7%	1 727	1 308
Training and development	503	573	-	1 076	1 041	35	96,7%	1 406	990
Operating payments	148	(62)	-	86	86	-	100,0%	62	45
Venues and facilities	267	53	-	320	286	34	89,4%	188	78
Transfers and subsidies	**-**	**6**	**-**	**6**	**6**	**-**	**100,0%**	**6**	**6**
Households	-	6	-	6	6	-	100,0%	6	6
Social benefits	-	6	-	6	6	-	100,0%	6	6
Payments for capital assets	**305**	**290**	**-**	**595**	**591**	**4**	**99,3%**	**711**	**587**
Machinery and equipment	305	290	-	595	591	4	99,3%	711	587
Other machinery and equipment	305	290	-	595	591	4	99,3%	711	587
Payments for financial assets	-	-	-	-	-	-	-	**87**	**87**
Total	**21 537**	**-**	**-**	**21 537**	**20 994**	**543**	**97,5%**	**21 487**	**19 693**

APPROPRIATION STATEMENT
for the year ended 31 March 2016

SUB PROGRAMME 4.1 PROGRAMME SUPPORT

	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**1 840**	**-**	**-**	**1 840**	**1 593**	**247**	**86,6%**	**1 600**	**1 450**
Compensation of employees	1 392	69	-	1 461	1 461	-	100,0%	1 304	1 303
Goods and services	448	(69)	-	379	132	247	34,8%	296	147
Payments for capital assets	**20**	**-**	**-**	**20**	**16**	**4**	**80,0%**	**18**	**17**
Machinery and equipment	20	-	-	20	16	4	80,0%	18	17
Total	**1 860**	**-**	**-**	**1 860**	**1 609**	**251**	**86,5%**	**1 618**	**1 467**

SUB PROGRAMME 4.2 ACCOUNTING SERVICES

	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**8 172**	**87**	**-**	**8 259**	**8 259**	**-**	**100,0%**	**8 182**	**7 106**
Compensation of employees	6 061	(177)	-	5 884	5 884	-	100,0%	5 639	5 574
Goods and services	2 111	264	-	2 375	2 375	-	100,0%	2 543	1 532
Transfers and subsidies	**-**	**6**	**-**	**6**	**6**	**-**	**100,0%**	**6**	**6**
Households	-	6	-	6	6	-	100,0%	6	6
Payments for capital assets	**53**	**40**	**-**	**93**	**93**	**-**	**100,0%**	**291**	**289**
Machinery and equipment	53	40	-	93	93	-	100,0%	291	289
Payments for financial assets	-	-	-	-	-	-	-	**35**	**35**
Total	**8 225**	**133**	**-**	**8 358**	**8 358**	**-**	**100,0%**	**8 514**	**7 436**

SUB PROGRAMME 4.3 NORMS AND STANDARDS									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**5 718**	**(164)**	**-**	**5 554**	**5 525**	**29**	**99,5%**	**5 921**	**5 675**
Compensation of employees	4 820	(305)	-	4 515	4 515	-	100,0%	4 406	4 330
Goods and services	898	141	-	1 039	1 010	29	97,2%	1 515	1 345
Payments for capital assets	**70**	**164**	**-**	**234**	**234**	**-**	**100,0%**	**288**	**262**
Machinery and equipment	70	164	-	234	234	-	100,0%	288	262
Payments for financial assets	-	-	-	-	-	-	-	**26**	**26**
Total	**5 788**	**-**	**-**	**5 788**	**5 759**	**29**	**99,5%**	**6 235**	**5 963**

SUB PROGRAMME 4.4 RISK MANAGEMENT									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**5 502**	**(219)**	**-**	**5 283**	**5 020**	**263**	**95,0%**	**4 980**	**4 782**
Compensation of employees	4 571	-	-	4 571	4 350	221	95,2%	4 092	4 092
Goods and services	931	(219)	-	712	670	42	94,1%	888	690
Payments for capital assets	**162**	**86**	**-**	**248**	**248**	**-**	**100,0%**	**114**	**19**
Machinery and equipment	162	86	-	248	248	-	100,0%	114	19
Payments for financial assets	-	-	-	-	-	-	-	**26**	**26**
Total	**5 664**	**(133)**	**-**	**5 531**	**5 268**	**263**	**95,2%**	**5 120**	**4 827**

APPROPRIATION STATEMENT
for the year ended 31 March 2016

PROGRAMME 5: PROVINCIAL INTERNAL AUDIT									
	2015/16							2014/15	
Sub programme	**Adjusted Appropriation**	**Shifting of Funds**	**Virement**	**Final Appropriation**	**Actual Expenditure**	**Variance**	**Expenditure as % of final appropriation**	**Final Appropriation**	**Actual expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
1.Programme Support	4 584	(322)	493	4 755	4 537	218	95,4%	3 568	3 550
2. Internal Audit (Education)	5 830	(160)	-	5 670	5 670	-	100,0%	4 969	4 543
3. Internal Audit (Health)	5 892	-	159	6 051	6 028	23	99,6%	5 244	4 746
4. Internal Audit (Agri Departments)	4 887	304	32	5 223	5 223	-	100,0%	4 518	4 181
5.Internal Audit (DPW)	5 526	178	-	5 704	5 704	-	100,0%	5 009	5 009
Total for sub programmes	**26 719**	**-**	**684**	**27 403**	**27 162**	**241**	**99,1%**	**23 849**	**22 029**
Economic classification									
Current payments	**26 464**	**41**	**478**	**26 983**	**26 941**	**42**	**99,8%**	**22 606**	**20 990**
Compensation of employees	**23 970**	**-**	**184**	**24 154**	**24 154**	**-**	**100,0%**	**16 676**	**16 470**
Salaries and wages	21 290	(257)	184	21 217	21 217	-	100,0%	14 540	14 540
Social contributions	2 680	257	-	2 937	2 937	-	100,0%	2 136	1 930
Goods and services	**2 494**	**41**	**294**	**2 829**	**2 787**	**42**	**98,5%**	**5 930**	**4 520**
Administrative fees	115	(22)	-	93	93	-	100,0%	43	43
Minor assets	44	32	22	98	98	-	100,0%	88	88
Catering: Departmental activities	119	40	-	159	159	-	100,0%	93	78
Communication	96	(95)	-	1	1	-	100,0%	21	12
Computer services	91	(66)	82	107	84	23	78,5%	434	401
Consultants: Business and advisory services	-	-	-	-	-	-	-	3 773	2 579
Entertainment	1	(1)	-	-	-	-	-	4	4

APPROPRIATION STATEMENT
for the year ended 31 March 2016

PROGRAMME 5: PROVINCIAL INTERNAL AUDIT									
	2015/16							2014/15	
Sub programme	**Adjusted Appropriation**	**Shifting of Funds**	**Virement**	**Final Appropriation**	**Actual Expenditure**	**Variance**	**Expenditure as % of final appropriation**	**Final Appropriation**	**Actual expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Consumable supplies	172	(94)	-	78	78	-	100,0%	52	52
Consumable: Stationery, printing and office supplies	203	(23)	-	180	161	19	89,4%	150	115
Travel and subsistence	1 253	174	35	1 462	1 462	-	100,0%	925	884
Training and development	218	53	31	302	302	-	100,0%	140	102
Operating payments	138	26	124	288	288	-	100,0%	203	162
Venues and facilities	44	17	-	61	61	-	100,0%	4	-
Transfers and subsidies	**-**	**-**	**7**	**7**	**7**	**-**	**100,0%**	**45**	**43**
Households	-	-	7	7	7	-	100,0%	45	43
Social benefits	-	-	7	7	7	-	100,0%	45	43
Payments for capital assets	**255**	**(41)**	**199**	**413**	**214**	**199**	**51,8%**	**1 198**	**996**
Machinery and equipment	235	(40)	199	394	195	199	49,5%	1 198	996
Other machinery and equipment	235	(40)	199	394	195	199	49,5%	1 198	996
Intangible assets	20	(1)	-	19	19	-	100,0%	-	-
Total	**26 719**	**-**	**684**	**27 403**	**27 162**	**241**	**99,1%**	**23 849**	**22 029**

APPROPRIATION STATEMENT
for the year ended 31 March 2016

SUB PROGRAMME 5.1 PROGRAMME SUPPORT

	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**4 506**	**(340)**	**294**	**4 460**	**4 441**	**19**	**99,6%**	**3 518**	**3 518**
Compensation of employees	3 610	(362)	-	3 248	3 248	-	100,0%	2 302	2 302
Goods and services	896	22	294	1 212	1 193	19	98,4%	1 216	1 216
Payments for capital assets	**78**	**18**	**199**	**295**	**96**	**199**	**32,5%**	**50**	**32**
Machinery and equipment	78	18	199	295	96	199	32,5%	50	32
Total	**4 584**	**(322)**	**493**	**4 755**	**4 537**	**218**	**95,4%**	**3 568**	**3 550**

SUB PROGRAMME 5.2 INTERNAL AUDIT (EDUCATION)

	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**5 798**	**(150)**	**-**	**5 648**	**5 648**	**-**	**100,0%**	**4 852**	**4 457**
Compensation of employees	5 449	(218)	-	5 231	5 231	-	100,0%	3 753	3 744
Goods and services	349	68	-	417	417	-	100,0%	1 099	713
Transfers and subsidies	-	-	-	-	-	-	-	**17**	**16**
Households	-	-	-	-	-	-	-	17	16
Payments for capital assets	**32**	**(10)**	**-**	**22**	**22**	**-**	**100,0%**	**100**	**70**
Machinery and equipment	32	(10)	-	22	22	-	100,0%	100	70
Total	**5 830**	**(160)**	**-**	**5 670**	**5 670**	**-**	**100,0%**	**4 969**	**4 543**

APPROPRIATION STATEMENT
for the year ended 31 March 2016

SUB PROGRAMME 5.3 INTERNAL AUDIT (HEALTH)

	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**5 831**	**19**	**152**	**6 002**	**5 979**	**23**	**99,6%**	**4 700**	**4 228**
Compensation of employees	5 482	-	152	5 634	5 634	-	100,0%	3 965	3 965
Goods and services	349	19	-	368	345	23	93,8%	735	263
Transfers and subsidies	**-**	**-**	**7**	**7**	**7**	**-**	**100,0%**	**6**	**6**
Households	-	-	7	7	7	-	100,0%	6	6
Payments for capital assets	**61**	**(19)**	**-**	**42**	**42**	**-**	**100,0%**	**538**	**512**
Machinery and equipment	41	(18)	-	23	23	-	100,0%	538	512
Intangible assets	20	(1)	-	19	19	-	100,0%	-	-
Total	**5 892**	**-**	**159**	**6 051**	**6 028**	**23**	**99,6%**	**5 244**	**4 746**

SUB PROGRAMME 5.4 INTERNAL AUDIT (SECTOR DEPARTMENTS)

	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**4 855**	**317**	**32**	**5 204**	**5 204**	**-**	**100,0%**	**4 242**	**3 985**
Compensation of employees	4 505	400	32	4 937	4 937	-	100,0%	2 960	2 705
Goods and services	350	(83)	-	267	267	-	100,0%	1 282	1 280
Transfers and subsidies	-	-	-	-	-	-	-	**16**	**15**
Households	-	-	-	-	-	-	-	16	15
Payments for capital assets	**32**	**(13)**	**-**	**19**	**19**	**-**	**100,0%**	**260**	**181**
Machinery and equipment	32	(13)	-	19	19	-	100,0%	260	181
Total	**4 887**	**304**	**32**	**5 223**	**5 223**	**-**	**100,0%**	**4 518**	**5 181**

APPROPRIATION STATEMENT
for the year ended 31 March 2016

SUB PROGRAMME 5.5 INTERNAL AUDIT (DPW)									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**5 474**	**195**	**-**	**5 669**	**5 669**	**-**	**100,0%**	**5 294**	**4 802**
Compensation of employees	4 924	180	-	5 104	5 104	-	100,0%	3 696	3 754
Goods and services	550	15	-	565	565	-	100,0%	1 598	1 048
Transfers and subsidies	-	-	-	-	-	-	-	**6**	**6**
Households	-	-	-	-	-	-	-	6	6
Payments for capital assets	**52**	**(17)**	**-**	**35**	**35**	**-**	**100,0%**	**250**	**201**
Machinery and equipment	52	(17)	-	35	35	-	100,0%	250	201
Total	**5 526**	**178**	**-**	**5 704**	**5 704**	**-**	**100,0%**	**5 550**	**5 009**

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2016

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

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

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

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

3. Detail on payments for financial assets

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

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

4.1 Per programme	**Final Appropriation**	**Actual Expenditure**	**Variance R'000**	**Variance as a % of Final Appropriation**
Administration	82 124	81 851	273	0%
Sustainable Resource Management	39 493	36 839	2 654	7%
Asset and Liabilities Management	53 813	51 720	2 093	4%
Financial Governance	21 537	20 994	543	3%
Provincial Internal Audit	27 403	27 162	241	1%

Explanations of Variances:

- **Administration**

  Due to capital equipment procured but not yet delivered at year end.

- **Sustainable Resource Management**

  Due to the delays in the implementation of the Health Intervention.

- **Asset and Liabilities Management**

  Delays in filling vacant funded posts in the Asset Management and SIFS sub- programmes.

- **Financial Governance**

  Delays in filling vacant funded posts and capital equipment procured but not yet delivered at year end

- **Provincial Internal Audit**

  Due to capital equipment procured but not yet delivered at year end.

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2016

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments				
Compensation of employees	150 090	147 582	2 508	2%
Goods and services	60 866	58 775	2 091	3%
Interest and rent on land	15	7	8	53%
Transfers and subsidies				
Provinces and municipalities	4 789	4 709	80	2%
Departmental agencies and accounts	8	8	-	-
Higher education institutions	62	-	62	100,0%
Households	1 305	1 305	-	-
Payments for capital assets				
Machinery and equipment	6 785	5 787	998	15%
Intangible assets	446	389	57	13%
Payments for financial assets	4	4	-	-

Due to delays in the implementation of Health Intervention Project, filling of vacant funded posts and equipment procured but not yet delivered at year end.

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
REVENUE			
Annual appropriation	1	224 370	210 062
Departmental revenue	2	46 173	36 043
TOTAL REVENUE		**270 543**	**246 105**
EXPENDITURE			
Current expenditure			
Compensation of employees	3	147 582	129 156
Goods and services	4	58 775	57 262
Interest and rent on land	5	7	12
Total current expenditure		**206 364**	**186 430**
Transfers and subsidies			
Transfers and subsidies	7	6 022	819
Total transfers and subsidies		**6 022**	**819**
Expenditure for capital assets			
Tangible assets	8	5 787	5 363
Intangible assets		389	252
Total expenditure for capital assets		**6 176**	**5 615**
Payments for financial assets	6	4	235
TOTAL EXPENDITURE		**218 566**	**193 099**
SURPLUS/(DEFICIT) FOR THE YEAR		**51 977**	**53 006**

Reconciliation of Net Surplus/(Deficit) for the year

Voted funds	**5 804**	**16 963**
Annual appropriation	5 804	16 963
Departmental revenue and NRF Receipts	46 173	36 043
SURPLUS/(DEFICIT) FOR THE YEAR	**51 977**	**53 006**

NORTHERN CAPE PROVINCIAL TREASURY
VOTE 8

STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
ASSETS			
Current assets		**10 010**	**17 016**
Unauthorised expenditure		-	-
Cash and cash equivalents	9	9 011	16 333
Prepayments and advances	10	7	9
Receivables	11	992	674
Non-current assets		**392**	**199**
Receivables	11	392	199
TOTAL ASSETS		**10 402**	**17 215**
LIABILITIES			
Current liabilities		**10 400**	**17 215**
Voted funds to be surrendered to the Revenue Fund	12	5 804	16 963
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	13	4 593	11
Payables	14	3	241
Non-current liabilities			
Payables	15	2	-
TOTAL LIABILITIES		**10 402**	**17 215**

NORTHERN CAPE PROVINCIAL TREASURY
VOTE 8

CASH FLOW STATEMENT
for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		**271 284**	**246 953**
Annual appropriated funds received	1.1	224 370	210 062
Departmental revenue received	2	573	114
Interest received	2.3	46 341	36 777
Net (increase)/decrease in working capital		(747)	(971)
Surrendered to Revenue Fund		(59 449)	(81 044)
Current payments		(206 357)	(186 418)
Interest paid	5	(7)	(12)
Payments for financial assets		(4)	(235)
Transfers and subsidies paid		(6 022)	(819)
Net cash flow available from operating activities	16	**(1 302)**	**(22 546)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(6 176)	(5 615)
Proceeds from sale of capital assets		154	-
Net cash flows from investing activities		**(6 022)**	**(5 615)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in non-current payables		2	-
Net cash flows from financing activities		**2**	**-**
Net increase/(decrease) in cash and cash equivalents		(7 322)	(28 161)
Cash and cash equivalents at beginning of period		16 333	44 494
Cash and cash equivalents at end of period	17	**9 011**	**16 333**

Summary of significant accounting policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

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

	is recognised as a payable / receivable in the statement of financial position.
7.2	**Departmental revenue** Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.
7.3	**Accrued departmental revenue** Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when: it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and the amount of revenue can be measured reliably. The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.
8	**Expenditure**
8.1	**Compensation of employees**
8.1.1	**Salaries and wages** Salaries and wages are recognised in the statement of financial performance on the date of payment.
8.1.2	**Social contributions** Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.
8.2	**Other expenditure** Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.
8.3	**Accrued expenditure payable** Accrued expenditure payable is recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department or in the case of transfers and subsidies when they are due and payable. Accrued expenditure payable is measured at cost.
8.4	**Leases**
8.4.1	**Operating leases** Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. The operating lease commitments are recorded in the notes to the financial statements.
8.4.2	**Finance leases** Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of: cost, being the fair value of the asset; or the sum of the minimum lease payments made, including any payments made to acquire ownership at

	the end of the lease term, excluding interest.
9	**Aid Assistance**
9.1	**Aid assistance received** Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value. Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.
9.2	**Aid assistance paid** Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.
10	**Cash and cash equivalents** Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.
11	**Prepayments and advances** Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost. At current prepayments are only expensed in relation to Travel and subsistence advances.
12	**Loans and receivables** Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.
13	**Investments** Investments are recognised in the statement of financial position at cost.
14	**Financial assets**
14.1	**Financial assets (not covered elsewhere)** A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial. At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.
14.2	**Impairment of financial assets** Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.

15	**Payables** Loans and payables are recognised in the statement of financial position at cost.
16	**Capital Assets**
16.1	**Immovable capital assets** Immovable capital assets are initially recorded in the notes to the financial statements at cost. Immovable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of immovable capital assets cannot be determined reliably, the immovable capital assets are measured at R1 unless the fair value of the asset has been reliably estimated, in which case the fair value is used. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department in which case the completed project costs are transferred to that department.
16.2	**Movable capital assets** Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.
16.3	**Intangible assets** Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.
17	**Provisions and Contingents**

17.1	**Provisions** Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.
17.2	**Contingent liabilities** Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.
17.3	**Contingent assets** Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.
17.4	**Commitments** Commitments 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.
18	**Unauthorised expenditure** Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either: approved by Parliament or the Provincial Legislature with funding and the related funds are received; or approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or transferred to receivables for recovery. Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.
19	**Fruitless and wasteful expenditure** Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred. Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery. Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.
20	**Irregular expenditure** Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note. Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable. Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.
21	**Changes in accounting policies, accounting estimates and errors** Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which

	retrospective restatement is practicable. Changes in accounting estimates are applied prospectively in accordance with MCS requirements. Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.
22	**Events after the reporting date** Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.
23	**Principal-Agent arrangements** The department is not party to any principal-agent arrangement. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.
24	**Departures from the MCS requirements** Management concluded that the financial statements present fairly the department's primary and secondary information. The department complied with the Standards in all applicable respects in order to achieve fair presentation.
25	**Capitalisation reserve** The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.
26	**Recoverable revenue** Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.
27	**Related party transactions** A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the Minister's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.
28	**Inventories** ***(Effective from 1 April 2017)*** The department does not maintain inventory, however where applicable inventories will be recorded at cost price in the notes to the financial statements.
29	**Public-Private Partnerships** 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. 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.

1. Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act and the Adjustments Appropriation Act:

	2015/16			2014/15	
	Final Appropriation R'000	**Actual Funds Received R'000**	**Funds not requested/not received R'000**	**Final Appropriation R'000**	**Appropriation received R'000**
Administration	78 982	78 982	-	73 900	73 900
Sustainable Resource Man	42 092	42 092	-	36 532	36 532
Assets and liabilities Man	55 040	55 040	-	54 294	54 294
Financial Governance	21 537	21 537	-	21 487	21 487
Provincial Internal Audit	26 719	26 719	-	23 849	23 849
Total	**224 370**	**224 370**	**-**	**210 062**	**210 062**

2. Departmental revenue

	Note	**2015/16 R'000**	**2014/15 R'000**
Sales of goods and services other than capital assets	*2.1*	163	114
Interest, dividends and rent on land	*2.2*	46 341	36 777
Sales of capital assets	*2.3*	154	-
Transactions in financial assets and liabilities	*2.4*	410	-
Total revenue collected		**47 068**	**36 891**
Less: Own revenue included in appropriation	*13*	895	848
Departmental revenue collected		**46 173**	**36 043**

2.1 Sales of goods and services other than capital assets

	Note 2	**2015/16 R'000**	**2014/15 R'000**
Sales of goods and services produced by the department		115	108
Sales by market establishment		27	25
Other sales		88	83
Sales of scrap, waste and other used current goods		48	6
Total		**163**	**114**

2.2 Interest, dividends and rent on land

	Note 2	**2015/16 R'000**	**2014/15 R'000**
Interest		46 341	36 777
Total		**46 341**	**36 777**

2.3 Sale of capital assets

	Note 2	2015/16 R'000	2014/15 R'000
Tangible assets			
Machinery and equipment	28	154	-
Total		**154**	**-**

2.4 Transactions in financial assets and liabilities

	Note 2	2015/16 R'000	2014/15 R'000
Other Receipts including Recoverable Revenue		410	-
Total		**410**	**-**

3. Compensation of employees

3.1 Salaries and Wages

	Note	2015/16 R'000	2014/15 R'000
Basic salary		105 598	93 463
Performance award		105	319
Service Based		92	8
Compensative/circumstantial		1 046	958
Periodic payments		1 861	991
Other non-pensionable allowances		20 366	17 111
Total		**129 068**	**112 850**

Increase in Periodic payments is as a result of the four Audit committees that convened all planned meetings.

3.2 Social contributions

	Note	2015/16 R'000	2014/15 R'000
Employer contributions			
Pension		13 335	12 207
Medical		5 156	4 080
Bargaining council		23	19
Total		**18 514**	**16 306**
Total compensation of employees		**147 582**	**129 156**
Average number of employees		344	313

4. Goods and services

	Note	2015/16 R'000	2014/15 R'000
Administrative fees		685	450
Advertising		1 379	871
Minor assets	4.1	864	305
Bursaries (employees)		400	508
Catering		695	858
Communication		2 852	2 412
Computer services	4.2	2 980	3 251
Consultants: Business and advisory services		8 323	18 324
Legal services		124	120
Contractors		165	39
Agency and support / outsourced services		-	3
Entertainment		17	14
Audit cost – external	4.3	3 060	3 280
Fleet services		837	617
Consumables	4.4	2 686	1 926
Operating leases		11 611	8 706
Property payments	4.5	5 387	3 480
Rental and hiring		-	2
Travel and subsistence	4.6	10 979	8 003
Venues and facilities		756	478
Training and development		2 053	1 760
Other operating expenditure	4.7	2 922	1 855
Total		**58 775**	**57 262**

4.1 Minor assets

	Note 4	2015/16 R'000	2014/15 R'000
Tangible assets			
Machinery and equipment		864	274
Intangible assets			
Software		-	31
Total		**864**	**305**

4.2 Computer services

	Note 4	2015/16 R'000	2014/15 R'000
SITA computer services		2 404	2 849
External computer service providers		576	402
Total		**2 980**	**3 251**

4.3 Audit cost – External

	Note 4	2015/16 R'000	2014/15 R'000
Regularity audits		3 060	3 280
Total		**3 060**	**3 280**

4.4 Consumables

	Note 4	2015/16 R'000	2014/15 R'000
Consumable supplies		**1 389**	**436**
Household supplies		294	186
Building material and supplies		-	8
IT consumables		886	102
Other consumables		209	140
Stationery, printing and office supplies		1 297	1 490
Total		**2 686**	**1 926**

4.5 Property payments

	Note 4	2015/16 R'000	2014/15 R'000
Municipal services		2 814	1 863
Other		2 573	1 617
Total		**5 387**	**3 480**

4.6 Travel and subsistence

	Note 4	2015/16 R'000	2014/15 R'000
Local		10 979	8 003
Total		**10 979**	**8 003**

4.7 Other operating expenditure

	Note 4	2015/16 R'000	2014/15 R'000
Professional bodies, membership and subscription fees		89	44
Resettlement costs		1 346	1 141
Other		1 487	670
Total		**2 922**	**1 855**

5. Interest and rent on land

	Note 5	2015/16 R'000	2014/15 R'000
Interest paid		7	12
Total		**7**	**12**

6. Payments for financial assets

	Note	2015/16	2014/15
		R'000	R'000
Material losses through criminal conduct		4	235
Other material losses	6.1	4	235
Total		**4**	**235**

6.1 Other material losses

		Note 6	2015/16 R'000	2014/15 R'000
Nature of other material losses				
(Group major categories, but list material items)				
Incident	**Disciplinary Steps taken/ Criminal proceedings**			
Laptop Theft	These were written off after assessment was conducted		-	235
Camera Theft	This was written off after assessment was conducted		4	-
Total			**4**	**235**

7. Transfers and subsidies

	Note	2015/16 R'000	2014/15 R'000
Provinces and municipalities	48, 49	4 709	-
Departmental agencies and accounts	Annex 1B	8	8
Non-profit institutions	Annex 1F	-	57
Households	Annex 1G	1 305	754
Total		**6 022**	**819**

8. Expenditure for capital assets

	2015/16 R'000	2014/15 R'000
Tangible assets	5 787	5 363
Machinery and equipment	5 787	5 363
Intangible assets	389	252
Software	389	252
Total	**6 176**	**5 615**

8.1 Analysis of funds utilised to acquire capital assets – 2015/16

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	**5 787**		**5 787**
Machinery and equipment	5 787	-	5 787
Intangible assets	**389**		**389**
Software	389	-	389
Total	**6 176**	**-**	**6 176**

8.2 Analysis of funds utilised to acquire capital assets – 2014/15

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	**5 363**	**-**	**5 363**
Machinery and equipment	5 363	-	5 363
Intangible assets	**252**	**-**	**252**
Software	252	-	252
Total	**5 615**	**-**	**5 615**

8.3 Finance lease expenditure included in Expenditure for capital assets

	2015/16 R'000	2014/15 R'000
Tangible assets		
Machinery and equipment	1 747	1 413
Total	**1 747**	**1 413**

9. Cash and cash equivalents

	Note	2015/16 R'000	2014/15 R'000
Consolidated Paymaster General Account		9 004	16 330
Disbursements		4	-
Cash on hand		3	3
Total		**9 011**	**16 333**

10. Prepayments and advances

	Note	2015/16 R'000	2014/15 R'000
Staff advances		7	9
Total		**7**	**9**

11. Receivables

	Note	2015/16 Current R'000	2015/16 Non-current R'000	2015/16 Total R'000	2014/15 Current R'000	2014/15 Non-current R'000	2014/15 Total R'000
Claims recoverable	*11.1*	81	201	282	225	17	242
Recoverable expenditure	*11.2*	-	-	-	184	-	184
Staff debt	*11.3*	57	55	111	13	46	59
Fruitless and Wasteful expenditure	*11.5*	3	-	3			
Other debtors	*11.4*	851	136	988	252	136	388
Total		**992**	**392**	**1 384**	**674**	**199**	**873**

11.1 Claims recoverable

	Note 11 and Annex 4	2015/16 R'000	2014/15 R'000
Provincial departments		282	242
Total		**282**	**242**

11.2 Recoverable expenditure (disallowance accounts)

	Note 11	2015/16 R'000	2014/15 R'000
Sal: Reversal Control		-	184
Total		**-**	**184**

11.3 Staff debt

	Note 11	2015/16 R'000	2014/15 R'000
Salary over-payment		56	54
Sal: Tax Debt		11	5
Sal: Income Tax		44	-
Total		**111**	**59**

11.4 Other debtors

	Note 11	2015/16 R'000	2014/15 R'000
Lefatshe		136	136
Unpaid SARS		-	31
Sal: Pension Fund		-	27
Burgerspark Hotel		-	5
Maubane – fuel claim		-	3
Datacentrix		-	152
Liebenhof		-	34
Eris Property Group		610	-
Bidvest Facilities Management		241	-
Conversion		1	-
Total		**988**	**388**

11.5 Fruitless and Wasteful expenditure

	Note 11	2015/16 R'000	2014/15 R'000
Opening balance		-	-
Less amounts recovered		-	-
Less amounts written off		-	-
Transfer from note 32 Fruitless and Wasteful expenditure		3	-
Interest		-	-
Total		**3**	**-**

12. Voted funds to be surrendered to the Revenue Fund

	Note	2015/16 R'000	2014/15 R'000
Opening balance		16 963	44 155
Prior period error		-	-
As restated		16 963	44 155
Transfer from statement of financial performance (as restated)		5 804	16 963
Paid during the year		(16 963)	(44 155)
Closing balance		**5 804**	**16 963**

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

	Note	2015/16 R'000	2014/15 R'000
Opening balance		11	9
Prior period error		-	-
As restated		11	9
Transfer from Statement of Financial Performance (as restated)		46 173	36 043
Own revenue included in appropriation		895	848
Paid during the year		(42 486)	(36 889)
Closing balance		**4 593**	**11**

14. Payables – current

	Note	2015/16 R'000	2014/15 R'000
Other payables	14.1	3	241
Total		**3**	**241**

14.1 Other payables

	Note 14	2015/16 R'000	2014/15 R'000
Sasawu		-	4
Sal: Income Tax		-	230
Sal: Tax debt		-	7
S&T Advances		3	-
Total		**3**	**241**

15. Payables – non-current

		2015/16				2014/15
		R'000	R'000	R'000	R'000	R'000
	Note	One to two years	Two to three years	More than three years	Total	Total
Other payables	15.1		2	-	2	-
Total		**-**	**2**	**-**	**2**	**-**

15.1 Other payables

	Note 15	2015/16 R'000	2014/15 R'000
Sasawu		2	-
Total		**2**	**-**

16. Net cash flow available from operating activities

	Note	2015/16 R'000	2014/15 R'000
Net surplus/(deficit) as per Statement of Financial Performance		51 977	53 006
Add back non cash/cash movements not deemed operating activities		(52 279)	(75 552)
(Increase)/decrease in receivables – current		(511)	(410)
(Increase)/decrease in prepayments and advances		2	(9)
Increase/(decrease) in payables – current		(238)	(552)
Proceeds from sale of capital assets		(154)	-
Expenditure on capital assets		6 176	5 615
Surrenders to Revenue Fund		(59 449)	(81 044)
Own revenue included in appropriation		895	848
Net cash flow generated by operating activities		**(1 302)**	**(22 546)**

17. Reconciliation of cash and cash equivalents for cash flow purposes

	Note	2015/16 R'000	2014/15 R'000
Consolidated Paymaster General account		9 004	16 330
Disbursements		4	-
Cash on hand		3	3
Total		**9 011**	**16 333**

18. Contingent liabilities and contingent assets

18.1 Contingent liabilities

Liable to	Nature	Note	2015/16 R'000	2014/15 R'000
Claims against the department		*Annex 3B*	672	1 377
Intergovernmental payables (unconfirmed balances)		*Annex 5*	76	141
Total			**748**	**1 518**

Decrease in Contingent liabilities is as a result of cases resolved at no cost to the department.

18.2 Contingent assets

Nature of contingent asset	Note	2015/16 R'000	2014/15 R'000
Legal fees and other relate costs: Karoo Hoog land		272	-
Total		**272**	-

19. Commitments

	Note	2015/16 R'000	2014/15 R'000
Current expenditure			
Approved and contracted		21 566	18 129
Approved but not yet contracted		2 430	-
		23 996	18 129
Capital expenditure			
Approved and contracted		829	1 067
Total Commitments		**24 825**	**19 196**

Commitments include contract that are longer than one year and these include the SITA, Security and Cleaning contracts that were finalised in the current year.

20. Accruals and payables not recognised

20.1 Accruals

			2015/16 R'000	2014/15 R'000
Listed by economic classification				
	30 Days	**30+ Days**	**Total**	**Total**
Goods and services	2 195	-	2 195	2 095
Capital assets	171	-	171	38
Other	-	-	-	-
Total	**2 366**	**-**	**2 366**	**2 133**

	Note	2015/16 R'000	2014/15 R'000
Listed by programme level			
Administration		1 423	1 204
Sustainable Resource Management		75	46
Assets and Liabilities Management		645	675
Financial Governance		112	26
Provincial Internal Audit		111	182
Total		**2 366**	**2 133**

20.2 Payables not recognised

			2015/16 R'000	2014/15 R'000
Listed by economic classification				
	30 Days	**30+ Days**	**Total**	**Total**
Goods and services	119	9	128	-
Capital assets	29	3	32	-
Other	-	-	-	-
Total	**148**	**12**	**160**	**-**

	Note	2015/16 R'000	2014/15 R'000
Listed by programme level			
Administration		112	-
Sustainable Resource Management		9	-
Assets and Liabilities Management		33	-
Financial Governance		1	-
Provincial Internal Audit		5	-
Total		**160**	**-**

Due to changes in the Modified cash standards Accruals and Payables have been disclosed separately in the current year in the prior year they were combined.

***Included** in the above totals are the following:*

	Note	2015/16	2014/15
		R'000	R'000
Confirmed balances with other departments	Annexure 5	219	338
Total		**219**	**338**

21. Employee benefits

	Note	2015/16	2014/15
		R'000	R'000
Leave entitlement		3 823	3 663
Service bonus (Thirteenth cheque)		4 001	3 565
Performance awards		1 718	862
Capped leave commitments		1 761	2 000
Other		102	300
Total		**11 405**	**10 390**

The standards require the disclosure of short and long term portion of Long service awards. At this stage the department is not able to reliably measure the Long-term portion of the long service awards. Furthermore included in leave entitlement are amounts amounting to R157 584.54 for negative leave balances, as a result of leave captured for the December closure. Prior year figures have been reclassified from Provisions.

22. Lease commitments

22.1 Operating leases expenditure

2015/16	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	7 306	8	7 314
Later than 1 year and not later than 5 years	-	-	12 006	-	12 006
Total lease commitments	-	-	**19 312**	**8**	**19 320**

2014/15	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	2 843	5	2 848
Later than 1 year and not later than 5 years	-	-	1 820	-	1 820
Total lease commitments	**-**	**-**	**4 663**	**5**	**4 668**

22.2 Finance leases expenditure

2015/16	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	1 306	1 306
Later than 1 year and not later than 5 years	-	-	-	1 069	1 069
Total lease commitments	**-**	**-**	**-**	**2 375**	**2 375**

The above Finance leases include leases on photocopier machines, cell phones and departmental Fleet vehicles.

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2014/15					
Not later than 1 year				1 483	1 483
Later than 1 year and not later than 5 years				1 136	1 136
Total lease commitments				**2 619**	**2 619**

23. Accrued departmental revenue

	Note	2015/16 R'000	2014/15 R'000
Interest, dividends and rent on land		4 078	3 373
Total		**4 078**	**3 373**

23.1 Analysis of accrued departmental revenue

	Note	2015/16 R'000	2014/15 R'000
Opening balance		3 373	4 099
Less: amounts received		3 373	4 099
Add: amounts recognised		4 078	3 373
Less: amounts written-off/reversed as irrecoverable		-	-
Closing balance		**4 078**	**3 373**

24. Irregular expenditure

2015/16 **2014/15**

24.1 Reconciliation of irregular expenditure

	Note	**2015/16 R'000**	**2014/15 R'000**
Opening balance		891	1 042
Prior period error			-
As restated		891	1 042
Add: Irregular expenditure – relating to prior year			-
Add: Irregular expenditure – relating to current year		31	73
Less: Prior year amounts condoned		(470)	(224)
Less: Current year amounts condoned			-
Irregular expenditure awaiting condonation		**452**	**891**
Analysis of awaiting condonation per age classification			
Current year		31	73
Prior years		421	818
Total		**452**	**891**

24.2 Details of irregular expenditure – current year

Incident	**Disciplinary steps taken/criminal proceedings**	**2015/16 R'000**
SCM: Incorrect point allocation	Under investigation	31
Total		**31**

24.3 Details of irregular expenditure condoned

Incident	**Condoned by (condoning authority)**	**2015/16 R'000**
Non-compliance to Cost containment and SCM regulations	Accounting Officer	470
Total		**470**

25. Fruitless and wasteful expenditure

25.1 Reconciliation of fruitless and wasteful expenditure

	Note	**2015/16 R'000**	**2014/15 R'000**
Opening balance		40	-
Prior period error			
As restated		40	-
Fruitless and wasteful expenditure – relating to prior year		-	-
Fruitless and wasteful expenditure – relating to current year		131	40
Less: Amounts resolved		(33)	-
Less: Amounts transferred to receivables for recovery		(3)	-
Closing balance		**135**	**40**

25.2 Analysis of awaiting resolution per economic classification

	2015/16 R'000	2014/15 R'000
Current	135	40
Total	**135**	**40**

25.3 Analysis of Current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2015/16 R'000
No show Accommodation	Committee for evaluation	59
No show Flights	Committee for evaluation	29
No show Car Rental	Committee for evaluation	1
No show Catering	Committee for evaluation	4
Quality of publication - Magazine	Still under investigation	38
Total		**131**

26. Related party transactions

Payments made	*Note*	2015/16 R'000	2014/15 R'000
Goods and services		2 333	917
Total		**2 333**	**917**

The above relates to payments made to the Fleet Entity relating Fleet Management Services

List related party relationships

13 Provincial departments
31 Municipalities

27. Key management personnel

	No. of Individuals	2015//16 R'000	2014/15 R'000
Political office bearers (provide detail below)			
Officials:	1	1 310	1 822
Level 15 to 16		-	796
Level 14 (incl. CFO if at a lower level)	9	9 252	20 503
Family members of key management personnel		-	-
Total		**10 562**	**23 121**

The significant decrease is as a result of the fact that the current year note does not include Level 13 as in the previous year.

28. Provisions

	Note	2015/16 R'000	2014/15 R'000
Microsoft server licences		339	-
Total		**339**	**-**

28.1 Reconciliation of movement in provisions – 2015/16

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

29. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance R'000	Value adjustmets R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERYAND EQUIPMENT	**20 136**	**-**	**4 040**	**1 902**	**22 274**
Transport assets	2 871	-	-	810	2 061
Computer equipment	11 240	(26)	2 514	754	12 974
Furniture and office equipment	5 615	(325)	1 199	121	6 368
Other machinery and equipment	410	351	327	217	871
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**20 136**	**-**	**4 040**	**1 902**	**22 274**

29.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Cash* R'000	Non-cash** R'000	(Capital Work in Progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
MACHINERY AND EQUIPMENT	**5 787**	**-**	**(1 747)**		**4 040**
Transport assets	-	-	-	-	
Computer equipment	2 514	-	-	-	2 514
Furniture and office equipment	1 199	-	-	-	1 199
Other machinery and equipment	2 074	-	(1 747)	-	327
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	**5 787**	**-**	**(1 747)**	**-**	**4 040**

29.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash Received Actual R'000
MACHINERYAND EQUIPMENT	**1 425**	**477**	**1 902**	**162**
Transport assets	810	-	810	139
Computer equipment	548	206	754	22
Furniture and office equipment	67	54	121	1
Other machinery and equipment	-	217	217	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	**1 425**	**477**	**1 902**	**162**

29.3 Movement for 2014/15

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERYAND EQUIPMENT	**17 647**		**4 184**	**1 695**	**20 136**
Transport assets	1 807	-	1 064	-	2 871
Computer equipment	9 829	-	2 993	1 582	11 240
Furniture and office equipment	5 682	-	15	82	5 615
Other machinery and equipment	329	-	112	31	410
TOTALMOVABLE TANGIBLE CAPITAL ASSETS	**17 647**	**-**	**4 184**	**1 695**	**20 136**

29.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2016

	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	-	6 703	-	6 769
Value adjustments	-	-	-	-	-	
Additions	-	-	-	864	-	864
Disposals	-	-	-	327	-	327
TOTAL MINOR ASSETS	**-**	**66**	**-**	**7 240**	**-**	**7 306**

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	1 390	-	1 390
Number of minor assets at cost	-	-	-	7 305	-	7 305
TOTAL NUMBER OF MINOR ASSETS	**-**	**-**	**-**	**8 695**	**-**	**8 695**

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2015

	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	-	40	-	7 707	-	7 747
Prior period error	-		-		-	
Additions	-	31	-	275	-	306
Disposals	-	5	-	1 279	-	1 284
TOTAL MINOR ASSETS	**-**	**66**	**-**	**6 703**	**-**	**6 769**

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	1 595	-	1 595
Number of minor assets at cost	-	28	-	4 109	-	4 137
TOTAL NUMBER OF MINOR ASSETS	**-**	**28**	**-**	**5 704**	**-**	**5 732**

29.5 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2015

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	310	-	310
TOTAL MOVABLE ASSETS WRITTEN OFF	**-**	**-**	**-**	**310**	**-**	**310**

30. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	3 915	-	389	-	4 304
TOTAL INTANGIBLE CAPITAL ASSETS	**3 915**	**-**	**389**	**-**	**4 304**

30.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Cash	Non-Cash	(Develop-ment work in progress – current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	389	-	-	-	389
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	**389**	**-**	**-**	**-**	**389**

Movement for 2015/16

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	3 663	-	252	-	3 915
TOTAL INTANGIBLE CAPITAL ASSETS	**3 663**	**-**	**252**	**-**	**3 915**

49 STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department
	R'000	R'000	R'000		R'000	R'000	%
Renosterberg	-		2 916	2 916	2 718	-	-
Dikgathong	-		1 873	1 873	1 991	-	-
TOTAL	**-**	**-**	**4 789**	**4 789**	**4 709**	**-**	**-**

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

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT			2014/15
	Division of Revenue Act	Roll Overs	Adjust-ments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Depart-ment	Amount received by munici-pality	Amount spent by municipality	% of available funds spent by munici-pality	Division of Revenue Act
	R'000	R'000	R'000		R'000	R'000	%	R'000	R'000	%	R'000
Renosterberg	-	-	2 916	2 916	2 718	-	-	2 718	-	-	-
Dikgathong	-	-	1 873	1 873	1 991	-	-	1 991	-	-	-
TOTAL	**-**	**-**	**4 789**	**4 789**	**4 709**	**-**	**-**	**4 709**	**-**	**-**	**-**

ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2014/15
	Adjusted Appro-priation	Roll Overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds Transferred	Appro-priation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
License TV	19	-	(11)	8	8	-	8
TOTAL	**19**	**-**	**(11)**	**8**	**8**	**-**	**8**

ANNEXURE 1C
STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS

NAME OF HIGHER EDUCATION INSTITUTION	TRANSFER ALLOCATION				TRANSFER			2014/15
	Adjusted Appropriation	Roll Overs	Adjust-ments	Total Available	Actual Transfer	Amount not transferred	% of Available funds Transferred	Appro-priation Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Higher Education Institutions	396	-	(334)	62	-	62	-	234
TOTAL	**396**	**-**	**(334)**	**62**	**-**	**62**	**-**	**234**

ANNEXURE 1F
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	TRANSFER ALLOCATION				EXPENDITURE		2014/15
NON-PROFIT INSTITUTIONS	Adjusted Appro-priation Act	Roll overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds transferred	Appro-priation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Donations	153	-	(153)	-	-	-	70
TOTAL	**153**	**-**	**(153)**	**-**	**-**	**-**	**70**

ANNEXURE 1G
STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2014/15
HOUSEHOLDS	Adjusted Appro-priation Act	Roll Overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds Transferred	Appro-priation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Employee Social Benefit	250	-	854	1 104	1 104	0%	581
Discretionary Fund donations to Households	200	-	1	201	201	0%	173
TOTAL	**450**	**-**	**855**	**1 305**	**1 305**	**-**	**754**

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	2015/16 R'000	2014/15 R'000
Made in kind		
Non-Profit organisation	-	57
Departmental Gifts: consumables	66	57
Cash donations: Discretionary Funds	201	173
TOTAL	**267**	**287**

ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2016

Nature of Liability	Opening Balance 1 April 2015 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancelled/reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31 March 2016 R'000
Claims against the department					
Legal cases against the Department by previous employees	1 126	-	742	-	384
Fleet contingent: Pemberley	75	37	-	-	113
Fleet contingent: NC Fleet Entity	175	-	-	-	175
TOTAL	**1 377**	**37**	**742**	**-**	**672**

ANNEXURE 4
CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2015/16 *	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	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	13	17	21	-	34	17	-	-
Roads and Public Works	-	-	154	154	154	154	-	-
Legislature	-	-	92	57	92	57	-	-
Transport, Safety and Liaison	-	13	-	-	-	13	-	-
Correctional Services	2	-	-	-	2	-		
Total	**15**	**30**	**267**	**211**	**282**	**241**	**-**	**-**

ANNEXURE 5
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2015/16*	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	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								
Premiers Office	219	254			219	254	-	-
Transport, Safety and Liaison		28	76	76	76	104	-	-
Health		56				56	-	-
SAPS: Overtime for protectors				33		33	-	-
Government Printing Works				32		32	-	-
Total	**219**	**338**	**76**	**141**	**295**	**479**	**-**	**-**

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NORTHERN CAPE PROVINCIAL TREASURY
ANNUAL REPORT 2016 / 2017

PR 324/2016
ISBN: 978-0-621-44940-2

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Printed by Proprint