



THE PRESIDENCY

ANNUAL REPORT

2016/2017



THE PRESIDENCY  
REPUBLIC OF SOUTH AFRICA



*Tuynhuys* – the Cape Town  
office of The Presidency of the  
Republic of South Africa.



## VOTE NO. I



**THE PRESIDENCY  
REPUBLIC OF SOUTH AFRICA**

### SUBMISSION OF THE ANNUAL REPORT TO THE EXECUTIVE AUTHORITY

To the President of the Republic of South Africa, His Excellency President Jacob Zuma,  
I have the honour of submitting to you, in terms of Section 40 of the Public Finance Management Act (PFMA),  
1999 (Act 1 of 1999), the Annual Report of The Presidency for the period 1 April 2016 to 31 March 2017.

Ms Lakela Kaunda  
Chief Operations Officer (COO)





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## FOREWORD BY THE MINISTER

The Honourable Jeffrey Radebe, MP  
Minister in The Presidency for  
Planning, Monitoring and Evaluation

It is with great pleasure and a sense of accomplishment that we submit the 2016/17 Annual Report of The Presidency.

The touchstone of where we are as a country today and where we must go into the future is spelt out in the National Development Plan Vision 2030 (NDP), which is the plan of the people by the people. Crafted by the best minds from society and from across the length and breadth of our beautiful land, the NDP has been enthusiastically embraced by government, which is steaming ahead with its implementation. While a more complete account of government's progress is available elsewhere, in this introduction I would like to highlight a few aspects of government's progress in terms of the plan.

Speaking of South Africa, OR Tambo once said that economic power, racial discrimination and the oppression and exploitation of black people were integrally connected. In doing so, OR Tambo was forewarning us of the hollowness of political freedom without economic freedom. He was reminding us that freedom was premised on the full enjoyment of the rights to decent employment, education, food, shelter, economic opportunities and human dignity, *inter alia*. Radical socio-economic transformation seeks to expedite the fundamental changes required for black people to attain true economic freedom. The NDP is nothing less than government's programme to advance radical socio-economic transformation.

In directing the NDP, government's specific interventions for growing and transforming the economy, creating jobs and attracting investment in the Nine Point Plan of its Programme of Action played a significant role in Gross Domestic Product (GDP) growth as reflected in the GDP figures released by Statistics South Africa, especially the growth chalked up in the trade, catering and accommodation industry and finance, real estate and business services.

To combat the phenomenon of the "working poor", a minimum wage agreement was agreed to by labour, government

and business under the auspices of the National Economic Development and Labour Council (NEDLAC) Committee of Principals. This achievement means that employees will be able to provide for the daily needs of their families, thus building a more resilient and inclusive society.

The United Nations Office on Drugs and Crimes has confirmed to us the corrosive effect of corruption on democratic institutions, and its undermining of economic growth and development. Given the pernicious effect of corruption on our country's economic sustainability and efficiency, and society in general, government has identified the fight against corruption as one of its key priorities. Informed by the NDP, government has committed itself to a whole-of-government and societal approach in the fight against corruption - in both the private and public sectors.

Accordingly, and in the light of the inherent potential for conflict of interest, government has banned public service employees from doing business with government departments and other organs of state. The first step was to ensure that public servants declared their business relationship with government institutions by 31 January 2017. The second step is to ensure that public servants who currently engage in business with the state choose between public service employment and conducting business with the state.

With regard to corruption in the state, as of 31 January 2017, 18 778 cases of corruption had been referred to government departments and feedback was received on 17 249 cases. Altogether, 3 600 officials were found guilty of misconduct and 90% of cases were processed and closed between 2004 and January 2017.

Integral to the NDP is the policy framework to develop young people so that the country does not miss out on the opportunity to tap into the demographic dividend of an increasingly young but potentially economically active population. A key aspect



## PART A: GENERAL INFORMATION

of this is government's recognition of the need to ensure that financially needy students access tertiary education. Government allocated R15 billion to the National Student Financial Aid Scheme (NSFAS), which has enabled it to provide funding to over 300 000 new and returning students to study at universities and Technical and Vocational Education and Training (TVET) colleges across the country in 2017. NSFAS expects to add a further 100 000 students in the current year.

The examples outlined demonstrate that government is confronting challenges and making progress in achieving the aims of the nation's developmental blueprint, the NDP.

This Annual Report reflects the activities undertaken by The Presidency during the past financial year in our continued effort to provide support to the President in the execution of his Constitutional responsibilities and electoral mandate, supported by the Deputy President.

I take this opportunity to thank the Director-General and Secretary to Cabinet in The Presidency, Dr Cassius Reginald Lubisi, the Chief Operations Officer, Ms Lakela Kaunda, and all staff of The Presidency for their contribution in moving The Presidency and the country forward.

I am pleased to present the 2016/17 Annual Report, which complies with all statutory reporting requirements, particularly Section 40(1) of the Public Finance Management Act (PFMA), 1999, and paragraph 18 of the National Treasury Regulations.

Mr Jeff Radebe  
Minister in The Presidency  
31 July 2017



## FOREWORD BY THE DIRECTOR-GENERAL

R Cassius Lubisi, PhD  
Director-General in The Presidency  
and Secretary of the Cabinet

The year 2016/2017 marks the fourth year since the adoption of the National Development Plan Vision 2030 (NDP). The NDP enables us, across the spectrum of society, and especially in the context of our history of oppression, exploitation and dispossession, to focus on the tasks of bringing about complex changes in the socio-economic structure of society in order to build a more just and equitable social order. The NDP outlines a compelling vision of a radically transformed society and maps out the actions we need to take over the next decade and a half or so to achieve its goals.

The NDP identified the lack of inclusivity in the economy as one of the main reasons for the slow pace of transformation. For this reason, government has emphasised Radical Socio-Economic Transformation to promote fundamental change in the structure, systems, institutions and patterns of ownership, management and control of the economy to include the previously excluded majority and in the overall interests of all South Africans.

In his most recent State of the Nation Address, President Jacob Zuma declared 2017 as the year of Oliver Reginald Tambo, who would have been 100 had he lived. The President officially launched the Mbizana Rural Enterprise Development (RED) Hub, which is an OR Tambo Centenary Project, at Dyifani village in Mbizana, in the Eastern Cape Province, run by the Eastern Cape provincial government. The RED Hub will service villages with a strong focus on value addition of grain, as well as primary production, mechanisation and establishment of a trading centre for farmers to assist cooperatives in growing the local rural economy to create jobs and sustainable livelihoods.

Pursuing South Africa's economic interests on the global stage, President Jacob Zuma attended the G20 Leaders' Summit where the interests of the South were advanced. The Summit was held under the theme, "Towards an Innovative, Invigorated, Interconnected and Inclusive World Economy". In bolstering innovation as a key driver of growth for individual countries and the global economy, the G20 endorsed the Blueprint on

Innovative Growth as a new agenda encompassing policies and measures in and across the areas of innovation, the fourth industrial revolution and the digital economy.

Further, the G20 New Industrial Revolution Action Plan seizes the opportunity that the fourth industrial revolution presents for industry, particularly manufacturing and related services. This includes support for industrialisation in developing countries, especially those in Africa and Least Developed Countries (LDCs). Also, the launch of the G20 Initiative on Supporting Industrialisation in Africa and LDCs strengthens inclusive growth and development potential through voluntary policy options.

During the year in question, The Presidency and government at large maintained momentum in pushing back the Human Immunodeficiency Virus (HIV) Infection, Acquired Immunodeficiency Syndrome (AIDS) and Tuberculosis (TB) as critical public health challenges.

The World AIDS Day commemoration on 1 December 2016, under the theme, "It is in our Hands to End HIV and TB", led by Deputy President Cyril Ramaphosa, was boosted by the launch of new clinical trials for the HIV and AIDS vaccine known as HVTN 702. Government continues in its partnership with all stakeholders – including the nationwide PHILA ("Be Healthy" campaign) and the South African National AIDS Council – to achieve an AIDS-free generation, stop all new HIV infections, end the TB epidemic and encourage all our citizens to make healthy, responsible choices. South Africa has achieved its targets for antiretroviral (ARV) treatment and we now have the largest ARV programme in the world, with 3.4 million people on treatment in 2015. The prevention of mother-to-child transmission target was reached, with a marked decline from more than 3.5% in 2010 to 1.8% in 2014. Sexual transmission of HIV among youth aged 15-24 years declined from 410 000 in 2011 to 330 000 in 2014. New TB infections and TB deaths declined, but the target to achieve a 50% reduction in TB deaths was not reached.



## PART A: GENERAL INFORMATION

To acknowledge the contribution of the South African National Defence Force (SANDF) to the consolidation of democracy and peace in our country, South Africans celebrated the fifth Armed Forces Day on 21 February 2017. In 2017, Armed Forces Day marked the centenary of the sinking of the SS Mendi in 1917. On 21 February 1917, the SS Mendi ship was chartered by the British government as a troop carrier to serve in World War I, carrying 823 members of the Fifth Battalion.

When Armed Forces Day was first adopted five years ago, the date of the sinking of the SS Mendi was chosen as an occasion on which the nation could reflect on the heroism of the Fifth Battalion and honour our present-day men and women who are prepared to lay down their lives if needs be, to protect the sovereignty and territorial integrity of the Republic and its people.

In keeping with South Africa's proud celebration and commemoration of major milestones in our history, 9 August 2016 marked the 60<sup>th</sup> Anniversary of the Women's March of 1956 when more than 20 000 brave women marched to the seat of government, the Union Buildings, "to register their rejection of white supremacy and institutionalised racism". This was said by President Jacob Zuma during the 60<sup>th</sup> Anniversary Celebration of Women's Day held under the theme, "Women United in Moving South Africa Forward". The event celebrated among others Rahima Moosa, Helen Joseph, Lilian Ngoyi, Sophie du Bruyn, Lilian Diedricks, Bertha Gxowa, Ruth Mompati and Frances Baard, the women who led the march to make it known to the apartheid regime, the country and the world that they totally rejected pass laws. The 60<sup>th</sup> Anniversary recognised women who contributed to building South Africa – the factory workers, domestic workers, farm workers and those who work on our roads and in every other sphere. Furthermore, it recognised many others who dared to defy the apartheid state in 1956 and marched to the Union Buildings, and also women in every part of the country who contributed in various ways to freedom.

On June 16, 2016, President Jacob Zuma delivered the national message during the commemoration of the 40<sup>th</sup> Anniversary of the June 16, 1976 uprising in Soweto, Johannesburg. Annually, Youth Day-June 16 recognises and celebrates the role of South African youth in the liberation struggle, while also commemorating the pain and the sacrifices that young people made so that we could all be free from the yoke of racist oppression. "Youth Day remains one of the important occasions in the South African calendar as the country reflects on the conscious sacrifices and resilience of our young people who displayed incredible courage and determination to

liberate themselves and the country from the callous system of apartheid. This is a day that was to significantly change the socio-political landscape of the country and the course of South African history as it drew the attention of the international community and paved the way to democracy," said President Zuma ahead of the historic commemoration.

I wish to express my gratitude to the Minister in The Presidency for Planning, Monitoring and Evaluation, the Chief Operations Officer and all staff of The Presidency for their hard work and accomplishments during the past year.

R Cassius Lubisi, PhD

Director-General in The Presidency and Secretary of the Cabinet

31 July 2017



## OVERVIEW BY THE ACCOUNTING OFFICER

Ms Lakela Kaunda  
Chief Operations Officer

The work and implementation of the Annual Performance Plan of The Presidency during the 2016/17 year comes against the backdrop of very tough economic conditions. South Africa entered into a technical recession in 2016/17, as a consequence of the sovereign credit rating downgrades received from the three major international credit ratings agencies, due mostly to the declined GDP growth performance of the South African economy and weakened business confidence.

The National Treasury took the view that the stance of government for the next three years would be fiscal consolidation in order to stabilise the ratio of government debt to GDP. This would inevitably mean further significant reductions in government spending, requiring all departments, inclusive of The Presidency, to reprioritise resources to high priority areas once more and to manage allocated budgets more effectively and efficiently.

It is in this context that the organisation executed its mandate, which is to:

- Act as a centre for strategic coordination in government by identifying and addressing major impediments to the effective implementation of government's programme of action, which is aimed at eliminating poverty, unemployment and inequality; and
- Support the President (and the Deputy President) in leading government's programme, aimed at advancing radical social and economic transformation to promote job creation and inclusive growth.

Budgetary constraints posed a number of challenges and opportunities for the organisation. Fortunately, The Presidency was already making inroads in terms of cost containment and efficiency programmes resulting from previous indications from Treasury and much had already changed in the manner in which The Presidency conducted its business. The organisation continued to advance organisational reforms and enhancements and focused on business improvements underpinned by the operating principles of results orientation, service excellence, cost-effectiveness, quality and high performance.

Notably, The Presidency achieved 78% of its key programme targets and spent 97% of its allocated funds for the reporting year.

In the year under review The Presidency budget was cut by R115 million over the Medium-Term Expenditure Framework (MTEF) period, with a further 1% budget reduction levied during 2016/17. The Presidency identified its cost drivers and implemented strategies to ensure cost reduction on targeted cost drivers. In this manner The Presidency was able to ensure significant cost savings on goods and services such as travel and accommodation, car rental, telephony and data, to name a few.

It must be mentioned that the participation of The Presidency in National Treasury's Transversal Term (RT) Contract for mobile communication services and the setting up of an enterprise bundle for the state was a major boon for The Presidency, resulting in significant savings. The RT Contracts are aimed at improving efficiency by strategically sourcing commonly used services and commodities used by government departments. The Presidency will in future explore other opportunities (transversal contracts) to benefit from cost savings and ensure value for money. Various budgetary items to be explored in this manner will include RT Contracts for the supply and delivery of motor vehicles, light and heavy commercial vehicles, buses and other motorised vehicles to the state; the supply, delivery, installation, commissioning and maintenance of office equipment and labour-saving devices to the state; and the provision of vehicle fleet management services.

I am therefore glad to report that in total an amount of R10 million of the Goods and Services and R9.9 million of the Compensation of Employees budgets were reduced in 2016/17 as a result of all these cost-effectiveness measures introduced. The additional saving of 3% at the end of 2016/17 indicates that the controls that were put in place to reduce expenditure during the course of the year were indeed effective and assisted The Presidency to spend within its appropriated budget ceiling, in spite of the budget cuts imposed in 2016/17. Despite these budget cuts, The Presidency did not compromise on the quality



## PART A: GENERAL INFORMATION

of support provided to the President and Deputy President in the fulfilment of their domestic and international commitments. The savings identified will be re-directed and utilised to finance underfunded mandates of the organisation, such as the project to upgrade the EMC data storage of The Presidency extensively.

In respect of the operational environment of the delivery system in The Presidency, further work was undertaken to enhance its operational efficiency and create an appropriate enabling environment. During 2016/17 a review of 56 operational policies and procedures was completed, aimed at enhancing the operational processes and management practices of the organisation. In order to enhance ICT governance and information security, improve reliability and exploit the productivity and efficiency benefits of digital innovation, The Presidency upgraded its firewalls and implemented high-speed fibre-optic lines. In the coming year, The Presidency will continue to ensure that it strengthens identified weak internal controls and improve compliance in regulatory areas, especially in Supply Chain and Contract management.

In the reporting year, The Presidency undertook an Ethics Culture Survey of its employees as part of its fraud prevention strategy. The results of the survey are encouraging because The Presidency compares very positively against the Public Sector Ethics Survey benchmark. The results of the survey will inform the development of the Ethics management strategy for the organisation for the next three years. In terms of the new Public Service Act and the Public Service Regulations, which came into effect in 2016, all public servants had up until 28 February 2017 either to relinquish their interests in companies doing business with the state or to resign from the public service. Public servants who failed to resign from companies doing business with the state would face disciplinary action. The Presidency has complied fully with this stipulation. The Presidency is determined to uphold a zero tolerance policy in terms of fraud and corruption and by building a highly ethical and values-driven organisational culture.

Being able to lead and coordinate fully and effectively and provide strategic leadership, policy formulation and implementation for the whole of government, especially in the context of building a developmental state, requires a strong central capacity to provide technical and policy support to the political principals in The Presidency. It has become manifest over the past few years that this capacity needs to be enhanced within The Presidency.

While being mindful of the limited resources available, a primary focus for the The Presidency in 2017/18 will be the strengthening of the policy coordination capability of The Presidency to ensure that it is well positioned to achieve its strategic priorities. To this end, a draft concept and re-positioning

strategy was developed in the past year and consultations have commenced to re-purpose The Presidency as a strategic centre and central driver of the developmental state.

This year has also seen improved and innovative essential support rendered to the principals, to enable them to provide optimal leadership to multi-stakeholder platforms and interfaces. The principals were, as a result, enabled to do valuable work and use our working relations with social partners to address the ongoing challenges resulting from inequality, unemployment, poverty and socio-economic deprivation.

In 2016/17, the President partnered with various stakeholders to address the rising and crippling problems of drug abuse and the violent killings of women and children. The President has called for urgent action and the review of strategic programmes that are aimed at addressing these types of crimes. This will require the effective framing of relevant, high-impact and precise solutions to address these social ills.

The CEO initiative was convened in 2016 by the President as a collaborative effort between the private sector and the government to support economic growth and transformation. This partnership aims to drive and re-ignite economic growth and improve investor confidence. In the financial year under review the CEO Initiative agreed to set up a Youth Employment Scheme (YES) to provide internships for unemployed youth, which will benefit approximately 1 million young people to gain work experience in the private sector, and thereby improve their job prospects. In October 2017 the CEO initiative also established a R1.5 billion SMME fund to provide capital to existing fund managers, who are already investing in small and medium-sized enterprises (SME), and thus stimulate entrepreneurship and boost small business development. Government has committed itself to stepping up funding for small business development to complement this initiative.

In his State of the Nation Address in June 2014 the President tasked the Deputy President to engage with social partners, to deliberate on how to address wage inequality, in particular South Africans living below the poverty line and the violent and protracted strikes that have a negative impact on the country's economic growth. In the past reporting cycle, business, the community sector and labour - all NEDLAC social partners - and government signed the agreements that firstly outlined important measures and mechanisms to ensure labour stability and strengthen collective bargaining. The agreement also introduced a first-of-its-kind pact, which outlined the various modalities to be implemented to bring into effect a national minimum wage.

## PART A: GENERAL INFORMATION

The South African National AIDS Council (SANAC), chaired by the Deputy President, also launched the National Strategic Plan on HIV, TB and STIs 2017-2022 on the 31<sup>st</sup> of March 2017 in Mangaung, Free State, as the national response to TB, HIV and Sexually Transmitted Infections (STIs). This strategy will see government and its partners take targeted action to address the challenges of the dual epidemics of HIV and TB, by intensifying the focus on the geographic areas and populations most affected. This work is further strengthened through innovative partnerships that have been forged between SANAC, the donor community and civil society sectors to mitigate the impact of these epidemics in their various forms.

I would like to take this opportunity to thank The Presidency Top Management and all staff for their endless commitment and remarkable performance achieved in the reporting year.



Ms Lakela Kaunda  
Chief Operations Officer  
The Presidency  
31 July 2017



## STRATEGIC OVERVIEW

### VISION

In support of our aim, the revised Presidency Strategic Plan reflects the vision of The Presidency as:

*Excellence in governance and in providing leadership to the state and society.*

### MISSION

In achieving the above vision, The Presidency describes its mission as follows:

*To provide support to the President in the execution of his Constitutional responsibilities and the electoral mandate, supported by the Deputy President.*

### VALUES

The values and principles that underpin The Presidency's pursuit of its vision and mission are predicated on the principles of Batho-Pele and are aligned to the values and principles presented in Section 195 of the Constitution, as follows:

PRESIDENCY VALUE	WHAT IT MEANS IN PRACTICE
<b>Dedication</b>	Living this value means that The Presidency will seek to: <ul style="list-style-type: none"> <li>- Demonstrate commitment;</li> <li>- Do what is needed to get the work done; and</li> <li>- Be selfless, resolute, purposeful and steadfast.</li> </ul>
<b>Discipline</b>	Living this value means that The Presidency will seek to: <ul style="list-style-type: none"> <li>- Exercise self-control and work with decorum;</li> <li>- Display punctuality, reliability, dependability and a commitment to meet deadlines;</li> <li>- Work with courtesy and respect; and</li> <li>- Seek to make all stakeholders feel valued.</li> </ul>
<b>Integrity</b>	Living this value means that The Presidency will seek to: <ul style="list-style-type: none"> <li>- Value openness, honesty, consistency and fairness;</li> <li>- Act in good faith in all day-to-day activities and display humility;</li> <li>- Have a commitment to ethics, and focus on justice and fairness; and</li> <li>- Exercise care not to disclose confidential information.</li> </ul>
<b>Accountability</b>	Living this value means that The Presidency will seek to: <ul style="list-style-type: none"> <li>- Take responsibility and act in a transparent manner; and</li> <li>- Create communication channels for stakeholder engagement.</li> </ul>

PRESIDENCY VALUE	WHAT IT MEANS IN PRACTICE
<b>Service Excellence</b>	Living this value means that The Presidency will seek to: <ul style="list-style-type: none"> <li>- Be results-oriented and cost-effective in its work;</li> <li>- Understand customer needs, respond timeously, efficiently and effectively to customer queries and requests; and</li> <li>- Strive for quality and high performance.</li> </ul>

### LEGISLATIVE AND OTHER MANDATES

The following are the specific constitutional and legislative mandates and policy directives that define the parameters within which The Presidency operates and from which the institution derives its mandate:

#### CONSTITUTIONAL MANDATES

- The Constitution of the Republic of South Africa, Act 108 of 1996, as amended, is the supreme law of the Republic. Along with the Bill of Rights, the Constitution forms the legal foundation of a democratic South Africa, sets out the rights and duties of its citizens and defines the structure of the government. The Presidency houses the President and the Deputy President of the Republic, and is therefore a unique institution in the public service. It is in this constitutional context that the broad parameters of the role and responsibilities of The Presidency are defined.
- The Presidency exists to serve the President in the execution of his constitutional responsibilities and duties, supported by the Deputy President, as articulated in Chapter 5 of the Constitution. Chapter 5 of the Constitution defines the President as the Head of State and Head of the National Executive. The President's primary responsibility is to uphold, defend and respect the Constitution as the supreme law of the Republic, as well as to promote the unity of the nation and that which will advance it.
- Section 85 of the Constitution confers the executive authority of the Republic on the President. The Presidency's strategic posture should as a result reflect these functions of the President and the National Executive he leads.
- The reconfiguration of the Macro-Structure of National Government, in line with the President's directive enacted under Proclamation No. 44, 2009 in terms of section 97 of the Constitution, has an impact on the mandate of The Presidency, as it has brought about change in the configuration of The Presidency and the service delivery model of the organisation.

## PART A: GENERAL INFORMATION

The National Macro-organisation Project changed the macro-organisation of government in order to give administrative effect to the President's new Cabinet portfolios and to ensure alignment between the new portfolios and the administrative structures in support of Ministers responsible for these portfolios.

The impact of the new Cabinet portfolios on The Presidency resulted in key legislation previously administered by The Presidency being administered by the new Department of Planning, Monitoring and Evaluation (DPME). Certain functions and concomitant resources were also transferred, with effect from 1 October 2014, from The Presidency to the DPME, including the:

- National Planning Secretariat; and
- Directorate: Youth Desk and the National Youth Development Agency.

### LEGISLATIVE MANDATES

A number of acts further expand the specific roles and functions of The Presidency and inform its approach to the implementation of its Constitutional mandate, namely:

#### Acts administered by The Presidency

- Independent Commission for the Remuneration of Public Office Bearers Act, 1997 (Act 92 of 1997).
- The Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998, as amended), which provides a framework for determining the salaries, benefits and allowances of public office bearers. The secretariat to the Independent Commission is located within The Presidency.
- Executive Members Ethics Act, 1998 (Act 82 of 1998), including the Executive Ethics Code.

#### Acts administered by others, but with a direct bearing on the work of The Presidency

- The Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005) – the "IGR Act", establishes a framework for the national government, provincial governments and local governments to promote and facilitate intergovernmental relations and to provide for mechanisms and procedures to facilitate the settlement of intergovernmental disputes.
- The "IGR Act" further seeks to promote corporative governance as espoused by Chapter 3 of the Constitution of South Africa and has informed the formation of the President's Coordinating Council (PCC), The Cabinet

- Cluster System, the Forum of South African Directors-General (FOSAD) and the formation of Inter-Ministerial Committees (IMCs), which are specifically aimed at enhancing coordination and integration across government.
- The legislation that governs the formation and work of the Statutory Bodies, e.g. Infrastructure Development Act (Presidential Infrastructure Coordinating Commission - PICC), the BBBEE Act as amended (BBBEE Advisory Council), etc.

### Good Governance Legislation, Regulations and Policy

The Presidency is informed and guided by the good governance framework and all applicable regulatory and legislative prescripts.

In addition, it is noted that most, if not all, Acts of Parliament reference Executive Acts required for their fulfilment. As a result, The Presidency plays a transversal and cross-cutting role in supporting the President and the Deputy President in dealing with legislation emanating from Parliament.

### POLICY MANDATES

#### The National Development Plan, Vision 2030

The National Development Plan (NDP), Vision 2030, adopted by Cabinet in 2012, is the visionary blueprint of government, with business and society as collaborative partners. Seeking to eliminate poverty and sharply reduce inequality by 2030, the five key elements of the NDP are:

- 1) Inclusive social and economic development;
- 2) Sustainable investment and growth;
- 3) Decent jobs and sustainable livelihoods;
- 4) A capable development state; and
- 5) Expanding opportunities.

This long-term plan for the country, which cuts across all sectors of society, identifies the critical trade-offs and challenges to be addressed by the country over the period to 2030. The NDP aims to integrate planning and ensure greater policy coherence in government, thus building a common vision of what South Africa could look like in 2030.

Designed as a broad set of programmatic interventions, the NDP proposes a "virtuous cycle" of growth and development, while reducing poverty and inequality. The enablers are strong leadership throughout society, national consensus, social cohesion and a capable state. As the apex department of government and as custodian of the NDP, The Presidency



## STRATEGIC OVERVIEW

plays a critical leadership and supervision role in galvanising the whole of government and indeed society towards the attainment of the vision of the NDP, Vision 2030.

Giving effect to the longer range planning period of the NDP is a series of five-year Medium-Term Strategic Frameworks (MTSFs); the MTSF 2014-2019 being the first of three such Frameworks following the adoption of the NDP in 2012 and towards the 2030 vision.

### **Medium-Term Strategic Framework 2014 – 2019 and the 14 Government Outcomes**

Aligned to the 15 chapters of the NDP, the MTSF 2014-2019 seeks to ensure that the medium-term and short-term planning of government is aligned to the NDP. The MTSF identifies the critical steps to be taken from 2014 to 2019 to put the country on a positive trajectory towards the achievement of the 2030 vision. It further identifies indicators and targets to be achieved in this period. Departmental strategic plans must then contain and unpack relevant MTSF commitments, but will also contain additional commitments not specifically detailed in the MTSF.

The role of The Presidency in relation to the MTSF is twofold, namely:

1) To lead the alignment and coordination of the implementation of the strategic agenda of government - all 14 Outcomes - through mechanisms such as:

- Formal coordination mechanisms – which should be used sparingly;
- Playing a mediating role where other coordination mechanisms break down;
- The provision of enhanced technical support to clusters;
- Implementing the outcomes of the evaluation of coordinating structures; and
- Assessments of the performance of Ministers in delivering on their MTSF-aligned performance delivery agreements.

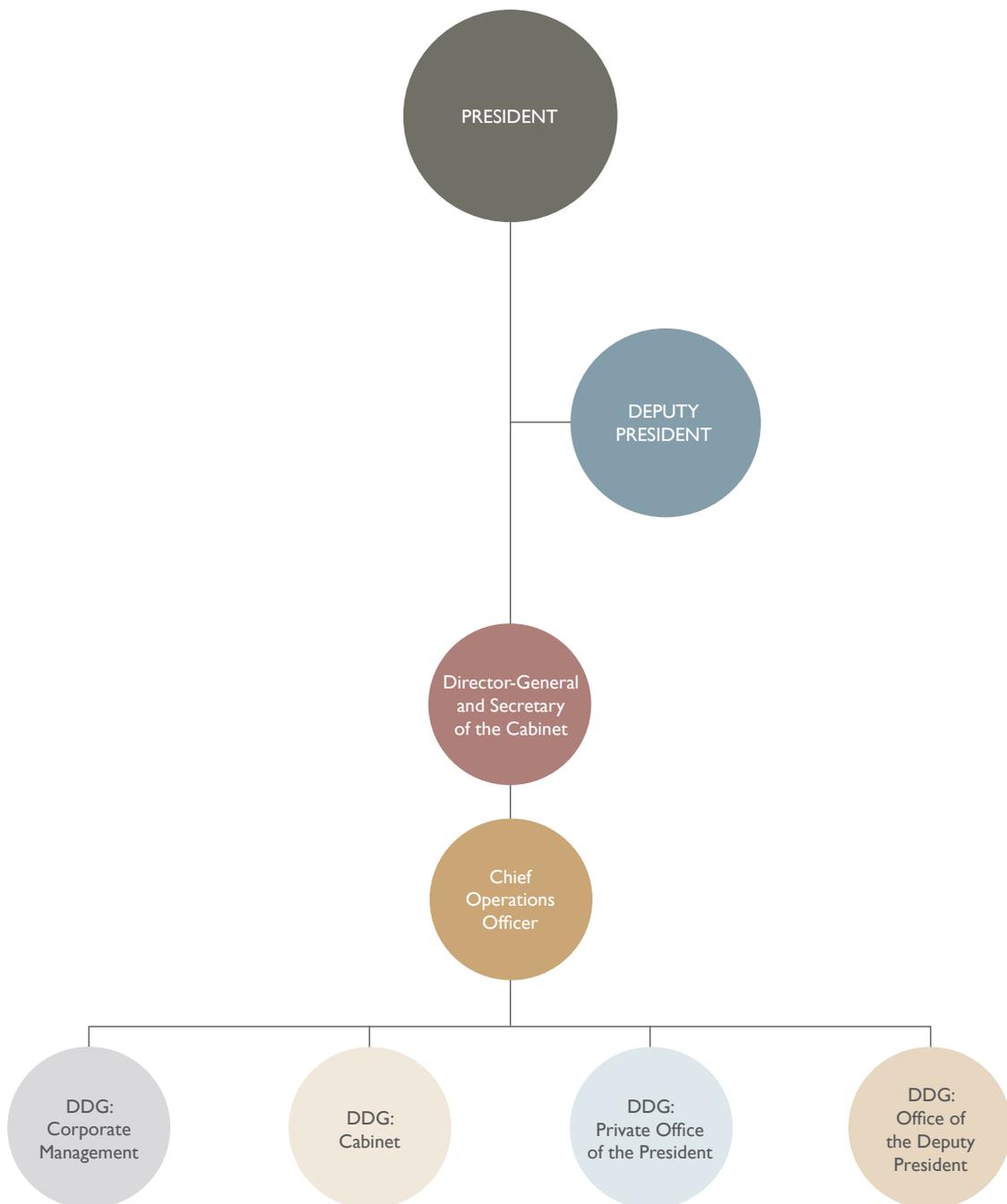
2) In addition to its oversight function, The Presidency contributes to the following MTSF Outcomes directly:

- Outcome 12: An efficient, effective and development-orientated public service; and
- Outcome 14: Nation building and social cohesion.

The Presidency also contributes to the following MTSF outcomes indirectly:

- Outcome 2: A long and healthy life for all South Africans;
- Outcome 4: Decent employment through inclusive economic growth;
- Outcome 5: A skilled and capable workforce to support an inclusive growth path;
- Outcome 6: An efficient, competitive and responsive economic infrastructure network;
- Outcome 11: Create a better South Africa and contribute to a better and safer Africa and World.

## ORGANISATIONAL STRUCTURE





## 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 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 2017.

Yours faithfully



Ms Lakela Kaunda  
Chief Operations Officer  
The Presidency  
28 August 2017







## PART B: PERFORMANCE INFORMATION

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

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

Refer to page 55 of the Report of the Auditor-General, published as Part C: Governance.

### OVERVIEW OF DEPARTMENTAL PERFORMANCE

#### Service Delivery Environment

This section of the annual report provides an overview of performance in terms of its two delivery programmes and outlines the identifiable changes and tangible results of the special projects led by the President and Deputy President:

In 2014, the President launched Operation Phakisa Big Fast Results Methodology, aimed at ensuring faster implementation. Labour, business, government, academia and other sectors came together to develop implementation plans for government programmes. This methodology was applied to the ocean economy, health through producing ideal clinics, information and communication technologies in schools, as well as agriculture and land reform, with very good results.

The PCC worked on many projects during the period under review, including monitoring the implementation of the Back to Basics programme on the revitalisation of municipalities and the management of migration and service delivery interventions through the Presidential Hotline. The PICC also brought together the leadership of the three spheres of government to discuss the seamless delivery of infrastructure programmes across the country.

The Black Economic Empowerment Advisory Council (BEEAC) advises The President and government on B-BBEE interventions. Through the B-BBEE Commission, progress is being made in fighting fronting, as such practices reverse the gains of transformation. The application and implementation of BEE codes in all sectors and transformation charters and plans for sectors will be finalised and gazetted. The private sector, which has larger procurement muscle, was encouraged to embrace

B-BBEE by actively buying from black-owned companies and supporting SMMEs.

The Presidency also interacted with constitutional bodies such as the National House of Traditional Leaders and Chapter 9 Institutions to discuss matters affecting their portfolios and to provide support. Various stakeholders were engaged through Presidential Working Groups, including business, youth formations, women's groups, religious leaders, black professionals and non-governmental organisations.

The Deputy President leads government's efforts in the fight against HIV and AIDS as chairperson of SANAC. Deputy President Ramaphosa launched the new National Strategic Plan on HIV/TB and STIs 2017-2022. This was drawn from the insights, experience, learning and concerns of dozens of different partners, organisations and individuals.

The Presidency continues to provide support to state-owned companies, addressing governance and financial challenges. Support is being provided to the SAA, SAPO and Eskom and other affected entities.

The social partners at NEDLAC reached a historic agreement on labour stability and the introduction of a national minimum wage. Following two years of intensive engagement between government, labour, business and the community sector, an agreement was reached. Although each of the social partners at times advanced vastly different positions, they all remained committed to an outcome that would best serve the interests of South Africa and its people. They all remained committed to an outcome that would increase the wages of the working poor, that would contribute to reducing inequality and that would support efforts to create more jobs.

Over the course of 2016, more than 700 000 South Africans were engaged in a number of Public Employment Programmes, where they provided essential public services while receiving a stipend income, gaining work experience and acquiring skills. These programmes are made possible by the collaboration between communities, civil society and the state. These public employment programmes are responsible for touching and improving the lives of millions of our people.

South Africa will continue, on behalf of the Southern African Development Community (SADC), to facilitate the achievement of peace and stability in the Kingdom of Lesotho.



### Service Delivery Improvement Plan

The 2016/17 financial year was used to review the Service Delivery Improvement Plan (SDIP) for The Presidency for the coming three years, to bring it into alignment with the expectations discussed with the Department of Public Service and Administration (DPSA) and the Department of Planning, Monitoring and Evaluations (DPME) regarding the strategic posture of the plan. The plan is currently in the process of being approved by Top Management and will be submitted to DPSA upon finalisation.

Heeding the directive from the DPSA to enhance the implementation of Project Khaedu, a programme aimed at ensuring that all members of the Senior Management Service (SMS) of government visit service delivery points each financial year in order to make a contribution to improving the services provided to the public; The Presidency developed a deployment plan for the 2016/17 financial year as part of its public participation programme of "Taking The Presidency to the People", with the focus on ensuring speedy interventions to alleviate the difficulties and hardships suffered by members of the public in accessing basic services and facilitating speedy resolution of service delivery complaints by citizens.

This major service delivery initiative in 2016 took two forms: Senior managers were given the option to conduct unannounced visits to various service delivery points across the country, to

assess service delivery systems and make recommendations in that regard, or the option to visit selected service delivery sites previously visited by the President under his Izimbizo and Siyahlolela programmes, and the Deputy President at various Youth Expo events, as well as visits aligned to his work on Public Employment Programmes, to assess progress made in implementing the commitments made by the President and Deputy President in these programme areas.

The deployments commenced in September 2016 and the final visits and reports were concluded in April 2017. Twelve service delivery site visits undertaken in this project in 2016/17 to follow up on the commitments made by the President and Deputy President.

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Footnote: Twelve service delivery sites visited included: Mbabalane Primary School, Lilopde district; John's, Eastern Cape; Ngobi Village, North West; Muyexe Village, Limpopo; Mbizana, Eastern Cape; Mqanduli, Elliotdale, Eastern Cape; Ndwedwe, KwaZulu-Natal; Gasegosyana Local Municipality (DR PW District); Joe Morolong Local Municipality (Mentu Village access road), Kuruman, Northern Cape; Orange Farm Skills Centre; Itsoeng, Ditsobotla Local Municipality, North West; SAPS, Tshwane East Cluster; Home Affairs, Marabastad; and Manguzi, Mhlabayalingana Local Municipality, KwaZulu-Natal.

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## PART B: PERFORMANCE INFORMATION

### Organisational Environment

The 2017 MTEF baseline received from National Treasury indicated that funds reprioritised from The Presidency's Budget Vote amounted to R5,104 million for 2017/2018, R5,144 million for 2018/2019 and R5,744 million for 2019/2020. These baseline reductions applied to both Compensation of Employees and Goods and Services on the department's budget.

The Office of the Chief Operations Officer, together with Human Resource Management and the Chief Financial Officer, analysed the challenges identified in relation to these budget cuts (specifically the Compensation Budget). The Presidency then implemented various strategies to deal with the shortfall expected in the Compensation Budget in the MTEF:

- Forty-three vacant posts on the fixed establishment of The Presidency were abolished/unfunded on 25 October 2016.
- Branch Heads identified excess capacity or staff members not fully utilised and explored their possible redeployment within the Department.
- Early retirement was offered to certain staff members approaching retirement age.
- A moratorium was placed on the filling of all posts that became vacant from 1 October 2016 up to 31 December 2016.
- During the period of the moratorium on the filling of vacancies, managers reconfigured organisational structures and negotiated matching and placement of excess or underutilised staff members.
- The Department communicated to staff the availability of the government-wide Employee-Initiated Severance Packages (EISP). While 16 formal requests to be discharged were received, The Presidency supported 11 EISP applications for submission to the Minister for the Public Service and Administration for consideration.

The post of Deputy Director-General: Corporate Management was filled in an acting capacity for the full year of reporting. The grading of the Chief Director: Legal and Executive Services was completed towards the end of 2016 and approval to advertise this post was granted at the end of the 2016/2017 financial year.

Two employment trends discerned are: employees who left The Presidency after receiving offers of employment from other departments resigned rather than pursuing transfers, for the apparent reason of accessing pension funds, and employees gave short notice on resignation, rather than working the full notice period.

The three-year Integrated Risk Management Strategy for the period 2015-2018 was approved by the Accounting Officer on 10 December 2015 and was therefore applicable during the period under review. As part of the strategy implementation, the following was executed:

- Approval to appoint a service provider to assess the risk maturity of the organisation. This was intended to ensure that top management would be able to put in place a plan of action to improve The Presidency's risk management maturity.
- Appointment of an external chairperson to the Risk Management Committee (RMC) to ensure that the RMC was structured and co-ordinated in a way that provided a complete perspective of The Presidency's risk exposure and opportunities.

As part of implementing the three-year Fraud Prevention Strategy, a service provider was appointed to undertake an ethics culture assessment, which was undertaken during February 2017, resulting in a report that will be used by the Ethics Committee to facilitate the development of an ethics strategy to improve the ethics culture across The Presidency.

During the year under review, The Presidency developed and adopted the Standard Operating Procedures (SOP) on Marches to the Union Buildings. The SOP will serve as parameter setting for all marches to the Union Buildings. It provides the guidelines to be followed by state institutions involved in considering applications for the use of the Union Buildings' southern lawns for all cultural or entertainment events, gatherings, demonstrations, pickets and petitions.

### Key policy developments and legislative changes

There were no major changes to policies and legislation that may have affected the operations of The Presidency during the period under review.

### STRATEGIC OUTCOME ORIENTED GOALS

1. Integrated planning and policy coherence in government is supported, contributing to the realisation of Vision 2030.
2. Government's national unity and social cohesion programmes are promoted.
3. South Africa's role in the regional, continental and international arena is advanced.

## PART B: PERFORMANCE INFORMATION

### PROGRAMME OF ACTION IMPLEMENTATION TABLES

#### CABINET AND CABINET COMMITTEE MEETINGS IN 2016/17

TYPE	NUMBER
Justice, Crime Prevention and Security	14
Governance and Administration	15
Economic Sectors and Employment and Infrastructure Development	18
Social Protection, Community and Human Development	14
International Cooperation, Trade and Security	16
Joint meeting of all Cabinet committees	5
Cabinet (including extended planning meetings: Makgotla)	23
Special Cabinet Meetings	4
Treasury Committee meetings	1
<b>TOTAL</b>	<b>110</b>

#### FOSAD CLUSTER AND MANAGEMENT COMMITTEE MEETINGS IN 2016/17

TYPE	NUMBER
Justice, Crime Prevention and Security	11
Governance and Administration	8
Economic Sectors and Employment and Infrastructure Development	12
Social Protection, Community and Human Development	9
International Cooperation, Trade and Security	11
FOSAD Management Committee (Manco)	8
FOSAD planning workshops:	2
<b>TOTAL</b>	<b>61</b>

#### EXECUTIVE ACTS OF THE PRESIDENT 01 APRIL 2016 – 31 MARCH 2017

##### PRESIDENTIAL ACTS PROCESSED IN 2016/17

TYPE	NUMBER
Foreign visits by Ministers	324
Leave of absence by Ministers	34
Foreign visits by Deputy Ministers	178
Leave of absence by Deputy Ministers	39
Assent of Acts of Parliament	20
<b>TOTAL</b>	<b>595</b>

##### PRESIDENTIAL MINUTES PROCESSED IN 2016/17

TYPE	NUMBER
Proclamations	39
Pardons processed	43
International agreements	98
Appointments of ambassadors, judges and others	166
Employment of members of the South African National Defence Force	3
<b>TOTAL</b>	<b>349</b>

##### BILLS INTRODUCED IN 2016/2017

NAME OF MINISTRY	NAME OF THE BILL	DATE OF SUBMISSION OF BILL TO CABINET
Agriculture, Forestry and Fisheries	Plant Health (Phytosanitary) Bill, 2016	17 February 2016
	Liquor Products Amendment Bill, 2016	17 February 2016
	National Forests Amendment Bill, 2015	26 April 2016
	National Veld and Forestry Fire Amendment Bill, 2016	6 July 2016
Finance	Division of Revenue Amendment Bill, 2016	29 September 2016
	The Finance Bill, 2016	29 September 2016



NAME OF MINISTRY	NAME OF THE BILL	DATE OF SUBMISSION OF BILL TO CABINET
Justice and Correctional Services	Courts of Law Amendment Bill	17 February 2016
	Judicial Matters Amendment Bill	31 August 2016
	Traditional Courts Bill	7 December 2016
	Cyber-crimes and Cyber Security Bill	7 December 2016
	Prevention and Combating of Hate Crimes and Hate Speech Bill, 2016	19 October 2016
	Implementation of the Rome Statute of the International Criminal Court (ICC) Act Repeal Bill, 2016	2 November 2016
	International Arbitration Bill, 2016	13 April 2016
	Criminal Procedures Amendment Bill, 2016	7 December 2016
	Jurisdiction of Courts and Cooperation relating to International Crime Bill, 2016	7 December 2016
	National Critical Infrastructure Protection Bill, 2016	13 April 2016
Police	Communal Property Associations Amendment Bill	13 April 2016
	Deeds Registration Amendment Bill, 2016	31 August 2016
Social Development	Deeds Registration Amendment Bill, 2016	17 February 2016
	Social Assistance Amendment Bill, 2016	28 September 2016
Trade and Industry	Copyright Amendment Bill	8 June 2016
	Performers' Protection Amendment Bill, 2016	8 June 2016
	National Gambling Amendment Bill	14 September 2016
	National Liquor Amendment Bill	14 September 2016
Transport	National Land Transport Amendment Bill, 2015	2 March 2016
	Road Accident Fund Bill, 2016	2 November 2016





## PART B: PERFORMANCE INFORMATION

### ADVISORY SUPPORT SERVICES

#### ADVISORS TO THE PRESIDENT

NAME	DESIGNATION
Adv Bonisiwe Makhene	Legal Advisor
Mr Vuso Shabalala	Political Advisor
Mr Silas Zimu	Energy Advisor
Mr Michael Hulley	Legal Advisor (Part-time)
Dr Bhekuyise Mfeka	Economic Advisor

#### ADVISORS TO THE DEPUTY PRESIDENT

NAME	DESIGNATION
Mr Steyn Speed	Political Advisor
Dr Princess Nothemba Simelela	Social Policy Advisor
Adv Nokukhanya Jele	Legal Advisor
Dr Gerhardus Willem Koornhof	Parliamentary Counsellor

### INCOMING AND OUTGOING INTERNATIONAL PRESIDENTIAL VISITS (1 APRIL 2016 – 31 MARCH 2017)

#### VISITS INVOLVING THE PRESIDENT (1 APRIL 2016 – 31 MARCH 2017)

DATE	PLACE	TYPE OF VISIT
<b>APRIL 2016</b>		
18 April 2016	Gaborone, Republic of Botswana	Outgoing Official Working Visit to the Republic of Botswana
19 April 2016	Windhoek, Republic of Namibia	Outgoing Official Working Visit to the Republic of Namibia
21 April 2016	Mbabane, Kingdom of Swaziland	Outgoing Official Working Visit to the Kingdom of Swaziland
23-24 April 2016	Tehran, Islamic Republic of Iran	State Visit to the Islamic Republic of Iran
<b>MAY 2016</b>		
12 May 2016	Kampala, Republic of Uganda	Outgoing International Visit to the Republic of Uganda
14 May 2016	Kigali, Republic of Rwanda	WEF Africa, Republic of Rwanda
19 May 2016	Doha, State of Qatar	Outgoing International visit to the State of Qatar
25 May 2016	Union Buildings, Pretoria, Republic of South Africa	Incoming International Visit - State of Palestine
<b>JUNE 2016</b>		
14 June 2016	Luanda, Republic of Angola	Official Outgoing Visit to the Republic of Angola
23 June 2016	Maseru, Kingdom of Lesotho	Outgoing Working Visit to the Kingdom of Lesotho
28 June 2016	Gaborone, Republic of Botswana	Outgoing Official Working Visit to the Republic of Botswana
<b>JULY 2016</b>		
8 July 2016	Union Buildings, Pretoria, Republic of South Africa	Incoming Official Visit by the Prime Minister of the Republic of India
11 July 2017	Paris, French Republic	Outgoing State Visit to the French Republic and Centenary Commemoration of the Battle of Delville Wood
18 July 2016	Kigali, Republic of Rwanda	27 <sup>th</sup> African Union Summit
<b>AUGUST 2016</b>		
7 August 2016	Mahlamba Ndlopfu, Pretoria, Republic of South Africa	President's Meeting with the Special Envoy from the People's Democratic Republic of Algeria
28 August 2016	Nairobi, Republic of Kenya	1 <sup>st</sup> Tokyo International Conference on African Development in Africa
31 August 2016	Lozitha, Kingdom of Swaziland	36 <sup>th</sup> Ordinary SADC Summit of Head of States and Government
<b>SEPTEMBER 2016</b>		
5 September 2016	Hangzhou, People's Republic of China	G20 Summit
7 September 2016	Guangdong, People's Republic of China	Working Visit to the People's Republic of China
18 September 2016	Margarita Island, Bolivarian Republic of Venezuela	XVII Non-Aligned Movement (NAM) Summit
23 September 2016	New York, United States of America	71 <sup>st</sup> United Nations General Assembly (UNGA)
<b>OCTOBER 2016</b>		
7 October 2016	Sefako Makgatho Presidential Guest House, Pretoria, Republic of South Africa	Republic of South Africa and the Republic of Namibia Bi-National Commission (BNC)
12 October 2016	Nairobi, Republic of Kenya	Outgoing State Visit to the Republic of Kenya
16 October 2016	Goa, Republic of India	8 <sup>th</sup> BRICS Summit
20 October 2016	DIRCO, Pretoria, Republic of South Africa	Heads of Mission Conference, Republic of South Africa
27 October 2016	Union Buildings, Pretoria, Republic of South Africa	Republic of South Africa-Democratic Republic of Congo BNC

## PART B: PERFORMANCE INFORMATION

DATE	PLACE	TYPE OF VISIT
<b>NOVEMBER 2016</b>		
3 November 2016	Harare, Republic of Zimbabwe	Republic of Zimbabwe-Republic of South Africa BNC
9 November 2016	Addis Ababa, Federal Democratic Republic of Ethiopia	African Union Heads of State/Government Meeting on the State of Libya
11 November 2016	SM Presidential Guest House, Pretoria, Republic of South Africa	Republic of South Africa-Republic of Botswana BNC
16 November 2016	Tuynhuys, Cape Town, Republic of South Africa	Briefing on the Incoming Visits Republic of South Africa-People's Republic of China BNC and Islamic Republic of Iran Working Visit
28 November 2016	Mahlamba Ndlopfu, Pretoria, Republic of South Africa	Consultative Meeting with President Yoweri Museveni of Republic of Uganda
29 November 2016	Union Buildings, Pretoria, Republic of South Africa	Islamic Republic of Iran Incoming Working Visit
<b>DECEMBER 2016</b>		
2 December 2016	SM Presidential Guest House, Pretoria	Consultation with Five Regional Heads of State
6 December 2016	Sandton, Johannesburg, Republic of South Africa	Launch of the BRICS New Development Bank
8 December 2016	Union Buildings, Pretoria, Republic of South Africa	Republic of Zambia Incoming Official Working Visit
9 December 2016	Mahlamba Ndlopfu, Pretoria, Republic of South Africa	Courtesy Call by the Deputy President of the Republic of Kenya Hon. William Ruto
14 December 2016	Brazzaville, Republic of Congo.	Outgoing Working Visit to the Republic of Congo
16 December 2016	Harare, Republic of Zimbabwe	Outgoing Working Visit to the Republic of Zimbabwe
<b>JANUARY 2017</b>		
6 January 2017	Mahlamba Ndlopfu, Pretoria, Republic of South Africa	Incoming Working Visit by the Sahrawi Arab Democratic Republic
20 January 2016	Davos, Switzerland	World Economic Forum
27 January 2017	Brazzaville, Republic of Congo	Outgoing Working Visit to the Republic of Congo
29 January 2017	Addis Ababa, Federal Democratic Republic of Ethiopia	28 <sup>th</sup> Ordinary Session of the African Union Assembly
<b>FEBRUARY 2017</b>		
18 February 2017	Mahlamba Ndlopfu, Pretoria, Republic of South Africa	Courtesy Call by the President of the Confederation of African Football (CAF)
28 February 2017	Union Buildings, Pretoria, Republic of South Africa	Incoming Republic of Liberia State Visit
<b>MARCH 2017</b>		
08 March 2017	Jakarta, Republic of Indonesia	1 <sup>st</sup> Indian Ocean Rim Association (IORA)
14 March 2017	Tuynhuys, Cape Town, Republic of South Africa	Incoming Islamic Republic of Iran State Visit
20 March 2017	Mbabane, Kingdom of Swaziland	Extraordinary SADC Summit
22 March 2017	Inkosi Albert Luthuli International Convention Centre, KwaZulu-Natal, Republic of South Africa	UN-World Water Day Celebrations

### VISITS INVOLVING THE DEPUTY PRESIDENT (1 APRIL 2016 – 31 MARCH 2017)

DATE	PLACE	TYPE OF VISIT
<b>APRIL 2016</b>		
6 April 2017	Tuynhuys, Cape Town, Republic of South Africa	Courtesy Call by the Vice-President of Liberia, Mr Joseph Boakai
<b>MAY 2016</b>		
9 May 2016	Union Buildings, Pretoria, Republic of South Africa	Working Visit by the Vice-President of Venezuela
16 May 2016	Juba, Republic of South Sudan	Outgoing Working Visit to South Sudan
<b>JUNE 2016</b>		
9 June 2016	Maseru, Kingdom of Lesotho	Outgoing Working Visit to the Kingdom of Lesotho
<b>JULY 2016</b>		
8 July 2016	Union Buildings, Pretoria, Republic of South Africa	Courtesy Call to the Prime Minister of India
<b>AUGUST 2016</b>		
11 August 2016	OR Tambo House, Pretoria, Republic of South Africa	Deputy President's Meeting with Former Lesotho Prime Minister
19 August 2016	Maseru, Kingdom of Lesotho	Deputy President's Working Visit to the Kingdom of Lesotho as SADC Facilitator on Lesotho
31 August 2016	Ezulwini, Kingdom of Swaziland	Outgoing Working Visit by Deputy President to the Kingdom of Swaziland
<b>SEPTEMBER 2016</b>		
	-	-
<b>OCTOBER 2016</b>		
2 October 2016	OR Tambo House, Pretoria, Republic of South Africa	Courtesy call by HE Salvador Valdes Mesa, Vice-pPresident of the Council of State of the Republic of Cuba
3 October 2016	Ho Chi Minh City, Socialist Republic of Vietnam	DP's Outgoing Visit to Vietnam
7 October 2016	Republic of Singapore	DP's Outgoing Visit to the Republic of Singapore
15 October 2016	Maseru, Kingdom of Lesotho	Outgoing Working Visit to the Kingdom of Lesotho (DP)



DATE	PLACE	TYPE OF VISIT
<b>NOVEMBER 2016</b>		
18 November 2016	Maseru, Kingdom of Lesotho	Outgoing Working Visit to the Kingdom of Lesotho
22 November	Tuynhuys, Cape Town, Republic of South Africa	SA-China BNC
<b>DECEMBER 2016</b>		
14 December 2016	United Republic of Tanzania	South Sudan Consultations
<b>JANUARY 2017</b>		
13 January 2017	OR Tambo House, Pretoria, Republic of South Africa	Meeting on South Sudan
<b>FEBRUARY 2017</b>		
2 February 2017	OR Tambo House, Pretoria, Republic of South Africa	Incoming Working Visit by the Vice- President of Cuba
10 February 2017	Maseru, Kingdom of Lesotho	Outgoing Working Visit to Lesotho

#### LETTERS OF CREDENCE/COMMISSION PRESENTED (APRIL 2016 - MARCH 2017)

COUNTRY	NAME OF HEAD OF MISSION
<b>13 MAY 2016</b>	
Ambassador of the Republic of Tajikistan	HE Mr Kushrav Noziri
High Commissioner of the Independent State of Papua New Guinea	HE Ms Winnie Anna Kiap
Ambassador of the Republic of Montenegro	HE Mr Milorad Šćepanović
High Commissioner of Brunei Darussalam	HE Mr Saifulbahri Mansor
High Commissioner of the Republic of Sierra Leone	HE Mr Osman Keh Kamara
Ambassador of the Republic of Iceland	HE Mr Thorir Ibsen
High Commissioner of the Commonwealth of the Bahamas	HE Mr Eldred Edison Bethel
Ambassador of the Republic of Gabon	HE Mr André William Anguilé
Ambassador of the Italian Republic	HE Mr Pietro Giovanni Donnici
High Commissioner of the Republic of Namibia	HE Mr Veiccoh Kahwadi Nghiwete
Ambassador of the Republic of Iraq	HE Dr Saad A W Jawad Kindell
Ambassador of the Republic of Haiti	HE Mr Jacques Junior Baril
Ambassador of the Kingdom of Thailand	HE Dr Pornchai Danvivathana
Ambassador of Chad	HE Mr Ahmat Awad Sakine
Ambassador of the Apostolic Nunciature of the Holy See	HE Archbishop Peter Bryan Wells
Ambassador of Slovak Republic	HE Ms Monika Tomašovičová



Mr Virgil Seatfield  
General Director General Library



## PART B: PERFORMANCE INFORMATION

COUNTRY	NAME OF HEAD OF MISSION
<b>4 OCTOBER 2016</b>	
Ambassador of the Federative Republic of Brazil	HE Mr Nedilson Ricardo Jorge
Ambassador of the Democratic People's Republic of Korea	HE Mr Chang Ryop Kim
Ambassador of the Republic of Colombia	HE Ms Maria Eugenia Correa Olarte
High Commissioner of the Republic of Trinidad and Tobago	HE Mr Roger Gopaul
Ambassador of Argentine Republic	HE Mr Javier Esteban Figueroa
Ambassador of the Islamic Republic of Iran	HE Mr Mohsen Movahhedi Ghomi
High Commissioner of the Co-operative Republic of Guyana	HE Dr Cyril Kenrick Hunte
Ambassador of the Kingdom of Sweden	HE Mrs Cecilia Julin
Ambassador of the Republic of Finland	HE Mr Kari Alanko
Ambassador of Mongolia	HE Mr Chuluun Bayarmunkh
Ambassador of the Republic of Fiji	HE Brigadier General Mosese Tikoitoga
Ambassador of Kyrgyz Republic	HE Mr Abdilatif Jumabaev
<b>19 JANUARY 2017</b>	
Ambassador of the Republic of the Union of Myanmar	HE Mr U Myint Swe
Ambassador of the Arab Republic of Egypt	HE Mr Sherif Mahmoud Said Issa
Ambassador of the Republic of El Salvador	HE Mr Werner Matias Romero Guerra
Ambassador of the Republic Tunisia	HE Ms Narjes Dridi
Ambassador of Romania	HE Mr Marius Borănescu
Ambassador of the Socialist Republic of Vietnam	HE Mr Vu Van Dzung
High Commissioner of the Republic of Mauritius	HE Prakarmajith Vijaye Lutchmun
Ambassador of the Republic Bulgaria	HE Mr Krassimir Dimitrov Stefanov
Ambassador of the Saharawi Arab Democratic Republic	HE Mr Rahdi Sghaiar Bachir
High Commissioner of the Republic Seychelles	HE Mrs Marie Antonette Rose-Quarte
Ambassador of the Republic of Senegal	HE Ms Safiatou Ndiaye
High Commissioner of New Zealand	HE Mr Mike Burrell
Ambassador of the State of Qatar	HE Mr Abdulla Hussain Aljaber
Ambassador of the Republic of France	HE Mr Christophe Farnaud
Ambassador of the Republic Djibouti	HE Mrs Mariam Ahmed Goumaneh

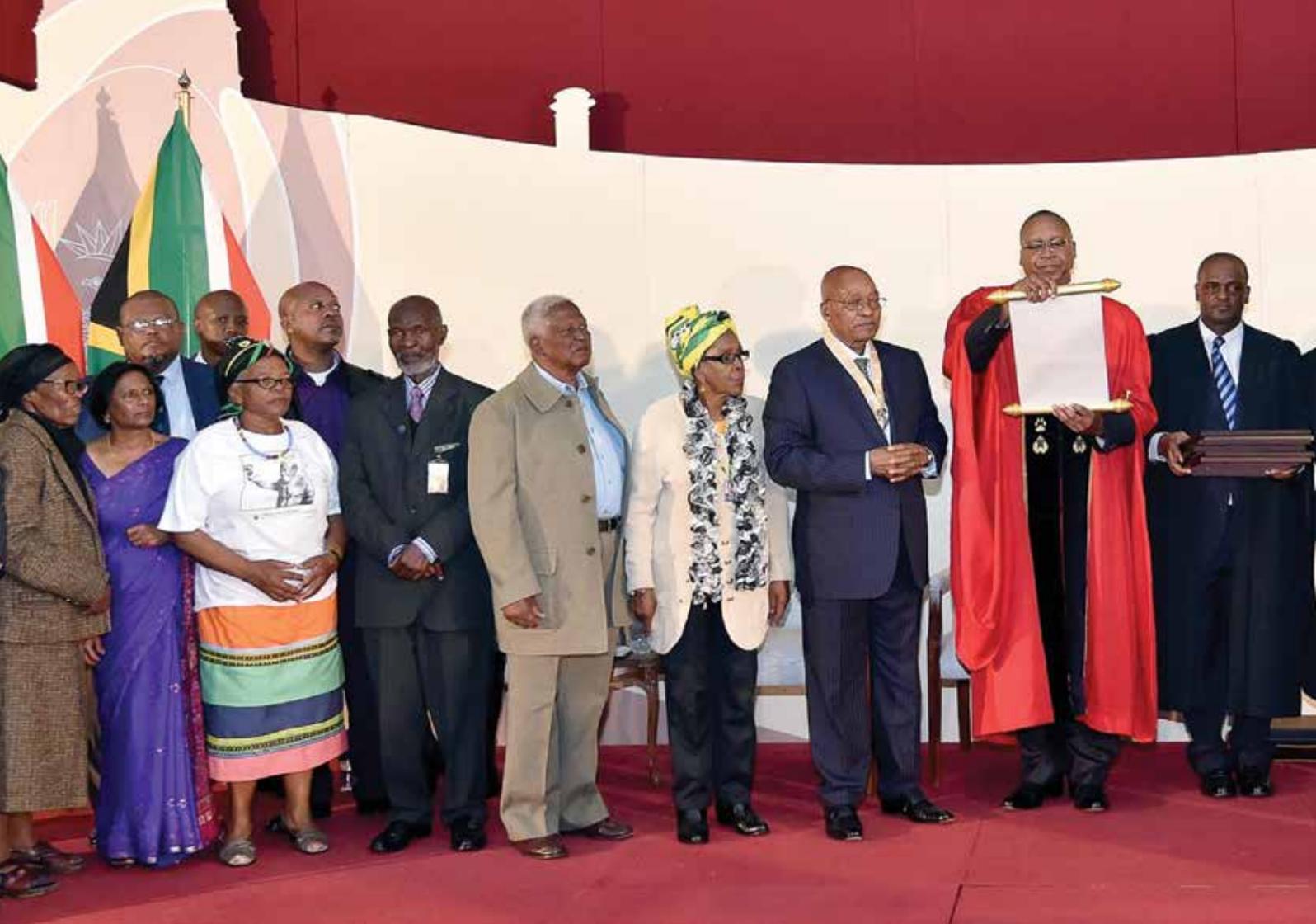
### CATEGORIES OF NATIONAL ORDERS

<b>The Order of Mendi for Bravery</b>	The Order of Mendi for Bravery is awarded to South African citizens who have distinguished themselves by displaying extraordinary acts of bravery in which their lives were endangered or lost, including by trying to save the life of another person or by saving property, in or outside the Republic of South Africa.
<b>The Order of Ikhamanga</b>	The Order of Ikhamanga is awarded to South African citizens who have excelled in the field of arts, culture, literature, music, journalism or sport.
<b>The Order of the Baobab</b>	The Order of the Baobab is awarded to South African citizens who have made exceptional and distinguished contributions in community service, business and the economy, science, medicine and technological innovation.
<b>The Order of Luthuli</b>	The Order of Luthuli is awarded to South African citizens in recognition of their outstanding contribution to the struggle for democracy, nation building, building democracy and human rights, justice and peace, and the resolution of conflict.
<b>The Order of Mapungubwe</b>	The Order of Mapungubwe is awarded to South African citizens who have accomplished excellence and exceptional achievements to the benefit of the Republic of South Africa and beyond.
<b>The Order of the Companions of OR Tambo</b>	The Order of the Companions of OR Tambo is awarded to eminent foreign nationals and those who have actively promoted the interests and aspirations of South Africa through excellent cooperation and active expression of solidarity and support.
<b>The Order of the Republic of South Africa</b>	The Order of the Republic of South Africa is awarded to foreign heads of state/government by the President of the Republic of South Africa as a reciprocal order.

## PART B: PERFORMANCE INFORMATION

### NATIONAL ORDERS AWARDED IN 2016/17

THE ORDER OF MENDI FOR BRAVERY
<b>The Order was bestowed in Silver on:</b>
<b>Mr Hermanus Gabriel Loots aka James Stuart (Posthumous):</b> For his gallant fight against the oppression of the majority of South Africans during the hard times of apartheid injustice. He spoke truth to power without fear or favour.
<b>Mr Maqashu Leonard Mdingi:</b> For his excellent contribution to the liberation struggle and steadfast belief in the equality of all who lived in South Africa. His conviction spurred him to distant lands to enlist with anti-apartheid organisations and push back against the tyranny of racism.
<b>Mr Ulysses Modise (Posthumous):</b> For his excellent contribution to the struggle for the liberation of the people of South Africa. He selflessly left his loved ones for exile where he devoted his military skills to fight the apartheid regime.
<b>Mr Peter Sello Motau aka Paul Dikeledi (Posthumous):</b> For his excellent contribution to the liberation struggle. His selfless sacrifice, bravery and thirst for freedom led to democracy at the ultimate cost of his own life.
<b>Mr Wilson Ndaliso Boy Ngcayiya aka Bogart Soze (Posthumous):</b> For his excellent contribution to the fight for the liberation of this country. He courageously placed his life in constant danger, inspired by a solid conviction that one day South Africa would be free from oppressive apartheid rule.
<b>Mr Joseph "Mpsi" Nduli (Posthumous):</b> For his excellent contribution to the fight for the liberation of the people of South Africa. His steadfast belief in the equality of all citizens inspired him to fight fearlessly until democracy was realised.
<b>Mr Sam Ntuli (Posthumous):</b> For his excellent contribution to peace-building during a particularly violent and delicate time in the history of the liberation struggle. He paid the ultimate price for his dedication to peace and freedom.
<b>Major General Jackie Refiloe Sedibe:</b> For her excellent contribution to the struggle for freedom and her courage in joining Umkhonto we Sizwe (MK). She fought for the liberation of our people and selflessly sacrificed her time to ensure that all South Africans live as equals.
<b>Dr Sizakele Sigxashe (Posthumous):</b> For his excellent contribution to the fight against the oppression of the people of South Africa. His bravery and courage of convictions saw him leave his home and loved ones for distant lands to fight for the freedom that is enjoyed today.
<b>Major General Peter Lesego Tshikare (Posthumous):</b> For his selfless contribution to the struggle for the liberation of the people of South Africa. He gallantly joined the armed struggle with the conviction that no one deserved to be treated with indignity.
THE ORDER OF IKHAMANGA
<b>The Order was bestowed in Bronze on:</b>
<b>Ms Laurika Rauch:</b> For her outstanding contribution to the field of music and raising awareness of political injustices through music. She bravely deployed her artistic talents to highlight the injustices and tyranny of apartheid rule.
<b>The Order was bestowed in Silver on:</b>
<b>Dr Thomas Hasani Chauke:</b> For his excellent contribution to the development and promotion of Xitsonga traditional music in the country. His prolific song-writing and performances put Xitsonga music in the forefront.
<b>Ms Sylvia "Magogo" Glasser:</b> For her excellent contribution to the field of dance and her transference of skills to young people from all racial backgrounds, fostering social cohesion during the difficult times of apartheid.
<b>Dr Marguerite Poland:</b> For her excellent contribution to the field of indigenous languages, literature and anthropology. Her literary works are taught widely in South African schools.
<b>The Order was bestowed in Gold on:</b>
<b>Dr Benedict Wallet Vilakazi (Posthumous):</b> For his exceptional contribution to the field of literature in indigenous languages and the preservation of isiZulu culture. A world-famous street in Soweto, where two Nobel Prize winners once resided, bears his name.
THE ORDER OF THE BAOBAB
<b>The Order was bestowed in Silver on:</b>
<b>Professor Rosina Mamokgethi Phakeng:</b> For her excellent contribution in the field of mathematics education and representing South Africa on the international stage through her outstanding research work.
<b>Professor Helen Rees:</b> For her excellent contribution to the field of medical science and research. Her work gives hope to communities who have been affected by the scourge of HIV and AIDS.
<b>The Order was bestowed in Gold on:</b>
<b>Mrs Marina Nompinti Maponya (Posthumous):</b> For her exceptional contribution to the field of entrepreneurship at a time when economic development for the majority was proscribed. Her selfless giving to poor communities remains her legacy.
THE ORDER OF LUTHULI
<b>The Order was bestowed in Bronze on:</b>
<b>Mr Suliman "Babla" Saloojee (Posthumous):</b> For his excellent contribution to the fight against apartheid. He paid the ultimate price for dedicating his life to fighting political injustice in South Africa.
<b>The Order was bestowed in Silver on:</b>
<b>Mr Brian Francis Bishop (Posthumous):</b> For his excellent contribution to the liberation struggle and fighting the tyranny of the oppressive apartheid state. He gave his life for the liberation of the people of South Africa.
<b>Mr Msizi Harrison Dube (Posthumous):</b> For his excellent contribution to the struggle for liberation, and his persistent pursuit of justice and better living conditions for his community in particular and the people of South Africa in general.
<b>Rev Dr Simon Gqubule:</b> For his excellent contribution to the liberation struggle and to the field of education and religion. His inherent belief in equality prompted him to join the United Democratic Front (UDF) and other mass organisations to provide prophetic witness in the fight against the evil and oppressive system of apartheid.



#### THE ORDER OF LUTHULI

The Order was bestowed in Bronze on:

**Mr Sathyandranath Ragunanan “Mac” Maharaj:** For his excellent contribution to the struggle for freedom in South Africa. Inspired by the courage of his convictions he bravely endured the fight against the racial autocracy of the apartheid regime over many years, and helped lay the foundations for a non-racial democracy.

**Ms Winnie Madikizela-Mandela:** For her excellent contribution to the fight for the liberation of the people of South Africa. She bravely withstood constant harassment by the apartheid police and challenged their brutality at every turn.

**Mrs Mary Thipe (Posthumous):** For her excellent contribution to the liberation struggle and the fight for social justice. Her bravery and bold stance against the brutality of the security branch remains legendary in the Chesterville area in Durban.

**Ms Amy Rietstein Thornton:** For her excellent contribution and unflinching commitment to the struggle for liberation and equality for all South Africans. Her bravery in the face of an oppressive regime is commendable.

**Mr John Zikhali (Posthumous):** For his excellent contribution to fighting for justice, challenging unjust labour laws through progressive unionism and galvanising workers.

The Order was bestowed in Gold on:

**Mr Cleopas Madoda Nsibande (Posthumous):** For his exceptional contribution to the fight for equality and democracy for all South Africans, especially the workers who had to deal with a myriad of indignities. He steadfastly challenged unjust labour laws through efficiently organising and galvanising workers to take a stand for their rights.

#### THE ORDER OF MAPUNGUBWE

The Order was bestowed in Gold on:

**Mr Zwelakhe Sisulu (Posthumous):** For his exceptional contribution to quality journalism and as a reporter exposing the cruelties of apartheid and encouraging unity among the people of different political persuasions to fight for liberation. He was a pioneer of broadcasting in post-apartheid South Africa.

#### THE ORDER OF THE COMPANIONS OF OR TAMBO

The Order was bestowed in Silver on:

**Amb. Noureddine Djoudi (Algeria):** For his steadfast support of the South African liberation movement during the hard times of oppression. He stood in firm solidarity with the stalwarts of the liberation struggle and sacrificed much to support the realisation of democracy.

**Ms Maria Petronella Adriana Kint (The Netherlands):** For her excellent contribution to the liberation movement and her courage to challenge policies that violated human rights. Her tireless commitment to the liberation struggle contributed to the democracy we enjoy today.

The Order was bestowed in Gold on:

**Her Excellency President Michelle Bachelet Jeria (Chile):** For her exceptional contribution to the fight for democracy on the global stage. She is a friend of South Africa who has strengthened the fraternal bond between South Africa and Chile. A pioneering first woman to be president of Chile, she has championed the cause of women's rights at home and in the world.





## PART B: PERFORMANCE INFORMATION

### OFFICIAL FUNERALS IN 2016/17

The Presidency oversees the implementation of the policy on state funerals, which authorises the President to declare a state funeral in any one of various categories. The people listed below were accorded official funerals.

NAME	DATE	PROVINCE	CATEGORY
Mr Ahmed Kathrada	28 March 2017	Gauteng	Special Official Funeral
Dr Petros Molemela	27 March 2017	Free State	Special Provincial Official Funeral
Mr Collen Monde Mkunqwana	28 February 2017	Eastern Cape	Special Provincial Official Funeral
Mr Joost van der Westhuizen	10 February 2017	Gauteng	Special Official Funeral
Mr Riot Mkhwanazi	8 December 2016	KwaZulu-Natal	Special Provincial Official Funeral
Mrs Bongzi Maria Ntuli	26 October 2016	Mpumalanga	Special Official Funeral
Mr William Mlamli Ondala	22 October 2016	Eastern Cape	Special Provincial Official Funeral
Mr Mewallal Ramgobin	21 October 2016	KwaZulu-Natal	Special Provincial Official Funeral
Rev Prof Bonganjalo Claude Goba	4 October 2016	KwaZulu-Natal	Special Provincial Official Funeral
Rev Makhenkesi Stofile	16 August 2016	Eastern Cape	Special Official Funeral
Mr Dumisani Mafu	14 July 2016	Eastern Cape	Special Provincial Official Funeral
Ms Kgakgamatso Nkewu, MEC for Social Development	8 July 2016	North West	Provincial Official Funeral
Ms Joy Matshoge, MEC for Agriculture and Rural Development	1 July 2016	Limpopo	Provincial Official Funeral
Dr Simon Gqubule	30 May 2016	Eastern Cape	Special Provincial Official Funeral



**Dr Bongani Ngqulunga**  
Deputy Director-General:  
Private Office of the President



**Busani Ngcaweni**  
Deputy Director-General:  
Office of the Deputy President



**Lusanda Mxenge**  
Deputy Director-General:  
Cabinet Office



**Mandla Feni**  
Acting Deputy Director-General:  
Corporate Management

## PERFORMANCE INFORMATION BY PROGRAMME

### PROGRAMME 1: ADMINISTRATION

#### Purpose of the programme

To provide essential strategic, technical and operational support to the President and the Deputy President to lead and oversee the implementation of the government programme/electoral mandate and ensure enhanced service delivery to the people of South Africa.

#### Sub-programmes

1. **Support Services to the President** – To provide effective and efficient strategic, executive and personal support services to the President in the execution of his Constitutional responsibilities and to lead the work of government.
2. **Support Services to the Deputy President** – To provide support to the Deputy President in the execution of his delegated responsibilities towards the attainment of the electoral mandate and The Presidency's mission.

3. **Management** – To provide leadership, strategic management and administrative support within The Presidency, in fulfilment of its mandate and mission.

#### Strategic objectives

**Strategic Objective 1.1:** The President is supported to lead integrated planning and policy coherence in government, towards the realisation of Vision 2030.

**Strategic Objective 1.2:** The Deputy President is supported to execute functions of government as delegated by the President and Cabinet, contributing to the realisation of Vision 2030.

**Strategic Objective 2.1:** The President is supported to exercise his constitutional responsibilities to promote national unity and social cohesion.

**Strategic Objective 2.2:** The Deputy President is supported to champion delegated national unity and social cohesion programmes.



**Strategic Objective 3.1:** The President is supported to advance the interests of South Africa in the region and the international arena.

**Strategic Objective 3.2:** The Deputy President is supported to advance the interests of South Africa in the region, continent and international arena

**Strategic Objectives, Performance Indicators, Planned Targets and Actual Achievements**

PROGRAMME/SUB-PROGRAMME: ADMINISTRATION							
PERFORMANCE INDICATOR	Actual achievement 2013/14	Actual achievement 2014/15	Actual achievement 2015/16	Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement 2016/17	Comment on deviations
Percentage of essential support rendered to the President in his leadership of Cabinet responsibilities, achieved within agreed timeframe	New indicator	New indicator	96%	80%	75%	The annual target was underachieved by 5%	The target was not achieved due to the absence of evidence regarding the briefing notes for some Cabinet meetings.
Percentage of essential support rendered to the President in his Parliamentary responsibilities, achieved within agreed timeframe	New indicator	New indicator	37%	80%	100%	The annual target was overachieved by 20%	The Department rendered all essential support within the required timeframes.
Percentage of essential support rendered to the President in his activities for leading Operation Phakisa, achieved within agreed timeframe	New indicator	New indicator	75%	80%	100%	The annual target was overachieved by 20%	The Department rendered all essential support within the required timeframes.





## PART B: PERFORMANCE INFORMATION

PROGRAMME/SUB-PROGRAMME: ADMINISTRATION							
PERFORMANCE INDICATOR	Actual achievement 2013/14	Actual achievement 2014/15	Actual achievement 2015/16	Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement 2016/17	Comment on deviations
Percentage of essential support rendered to the President in his activities for leading the Presidential Working Groups, achieved within agreed timeframe	New indicator	New indicator	91%	80%	100%	The annual target was overachieved by 20%	The Department rendered all essential support within the required timeframes.
Percentage of essential support rendered to the President in his activities for leading the Statutory Bodies, achieved within agreed timeframe (Includes: NHTL, PICC, PCC, BEEAC.)	New indicator	New indicator	100%	80%	75%	The annual target was underachieved by 5%	The target was not achieved due to the absence of evidence regarding the media advisories and briefing notes for some of the Statutory Bodies' engagements
Percentage of essential support rendered to the President in his activities for oversight of service delivery through the Siyahlola Programme, achieved within agreed timeframe	New indicator	New indicator	100%	80%	100%	The annual target was overachieved by 20%	The Department rendered all essential support within the required timeframes.
Percentage of essential support rendered to the President in his activities for oversight of service delivery through the Izimbizo programme, achieved within agreed timeframe	New indicator	New indicator	75%	80%	100%	The annual target was overachieved by 20%	The Department rendered all essential support within the required timeframes.
Percentage of essential support rendered to the President in his activities for oversight of service delivery through the Performance Dialogues with the Executive, achieved within agreed timeframe	New indicator	New indicator	100%	80%	50%	The annual target was underachieved by 30%	The target was not achieved due to the absence of briefing notes for the performance dialogue with the Minister.
Percentage of essential support rendered to the DP with regard to his duties as member of Parliament, achieved within agreed timeframe	New indicator	New indicator	48%	75%	100%	The annual target was overachieved by 25%	The Department rendered all essential support within the required timeframes.
Percentage of essential support rendered to the DP in his LOGB responsibilities, achieved within agreed timeframe	New indicator	New indicator	48%	75%	89%	The annual target was overachieved by 14%	The Department rendered most essential support within the required timeframes.
Percentage of essential support rendered to the DP in his leadership of multi-stakeholder councils and interfaces, achieved within agreed timeframe (Includes: HRD, SANAC, NEDLAC and Labour, Anti-Poverty and Social Partners)	New indicator	New indicator	48%	75%	84%	The annual target was overachieved by 9%	The Department rendered most essential support within the required timeframes.

## PART B: PERFORMANCE INFORMATION

PROGRAMME/SUB-PROGRAMME: ADMINISTRATION							
PERFORMANCE INDICATOR	Actual achievement 2013/14	Actual achievement 2014/15	Actual achievement 2015/16	Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement 2016/17	Comment on deviations
Percentage of essential support rendered to the President in his activities to promote Nation Building and Social Cohesion, achieved within agreed timeframe (Includes: National Days, National Orders and special events)	New indicator	New indicator	67%	80%	100%	The annual target was overachieved by 20%	The Department rendered all essential support within the required timeframes.
Percentage of essential support rendered to the DP in his social cohesion special projects, achieved within agreed timeframe (Includes: MRM, CRL, National Days and those for which the Deputy President is patron)	New indicator	New indicator	56%	75%	100%	The annual target was overachieved by 25%	The Department rendered all essential support within the required timeframes.
Percentage of essential support rendered to the President in his International Relations activities, achieved within agreed timeframe	New indicator	New indicator	71%	80%	93%	The annual target was overachieved by 13%	The Department rendered most essential support within the required timeframes.
Percentage of essential support rendered to the DP in his International Relations responsibilities, achieved within agreed timeframe	New indicator	New indicator	48%	75%	70%	The annual target was underachieved by 5%	The target was not achieved due to the absence of evidence regarding the postponement of the Iran visit.

### Strategy to overcome areas of underperformance

The Presidency will ensure that all essential support is provided according to the agreed timeframes for all engagements to be undertaken.

### Changes to planned targets

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



## PROGRAMME 2: EXECUTIVE SUPPORT

### Purpose of the programme

To provide essential strategic and administrative support to enable the Cabinet to foster accountability and policy coherence through integrated planning, policy coordination and the implementation of the strategic agenda of government.

### Sub-programme

**I. Cabinet Services** – To provide strategic and administrative support to enable the Cabinet to foster accountability and policy coherence through integrated planning, policy coordination and the implementation of the strategic agenda of government.

### Strategic objectives

Strategic Objective 1.3 Essential support provided to the Cabinet and FOSAD structures to lead society and organs of state towards the realisation of Vision 2030.

### Strategic Objectives, Performance Indicators, Planned Targets and Actual Achievements

PROGRAMME/SUB-PROGRAMME: EXECUTIVE SUPPORT							
PERFORMANCE INDICATOR	Actual achievement 2013/14	Actual achievement 2014/15	Actual achievement 2015/16	Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement 2016/17	Comment on deviations
Percentage of defined essential support provided to Cabinet	New indicator	New indicator	New Indicator	75%	98%	The annual target was overachieved by 23%	The Department rendered most essential support within the required timeframes.





## PART B: PERFORMANCE INFORMATION

PROGRAMME/SUB-PROGRAMME: EXECUTIVE SUPPORT							
PERFORMANCE INDICATOR	Actual achievement 2013/14	Actual achievement 2014/15	Actual achievement 2015/16	Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement 2016/17	Comment on deviations
Percentage of defined essential support provided to FOSAD	New indicator	New indicator	New indicator	75%	80%	The annual target was overachieved by 5%	The Department rendered most essential support within the required timeframes.
Revision of Cluster System Improvement Plan with realistic timeframes and target dates based on feasibility, tabled to the FOSAD Management Committee (Manco) for approval, and implemented Annual report on progress in implementation of the Cluster System Improvement Plan produced in Q4	New indicator	New indicator	New indicator	Revised Improvement Plan with realistic timeframes and target dates based on feasibility, tabled to the FOSAD Management Committee (Manco) for approval	Approved Revised Improvement Plan	N/A	N/A
				Annual report on progress in implementation of the Cluster System Improvement Plan produced in Q4	Produced Annual report on progress in implementation of the Cluster System Improvement Plan		

### Strategy to overcome areas of underperformance

There were no areas of underperformance for the programme in the period under review.

### Changes to planned targets

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

## PART C: GOVERNANCE

### INTRODUCTION

The Presidency believes that good corporate governance will lead to better organisational performance and that it is essential for attaining strategic and operational efficiency and effectiveness. While recognising that corporate governance may be affected by many factors, The Presidency believes that the fundamental principles of accountability; transparency and fairness are paramount to good governance. In the observance of these fundamental principles, the Top Management sets the tone from the top to ensure that a culture of ethics, compliance and risk management pervades in all strategic and operational activities of The Presidency within and across all branches.

Top Management established several departmental committees to support it in the performance of its oversight role and to aid in good corporate governance. In order to strengthen and formalise the corporate decision-making process, significant issues were discussed in various management structures for consideration and collective decision-making.

The Chief Financial Officer provided independent, impartial and sound advice to Top Management on matters related to financial and management accounting, internal control, Supply Chain Management, asset management, contract management and ensuring compliance with the Public Finance Management Act, 1999 (PFMA), Treasury regulations and all other related directives and prescripts issued by National Treasury.

Internal audit is an important aspect of The Presidency governance framework, as it provides an independent and objective assurance service to the Accounting Officer. The Chief Audit Executive ensured that a systematic and disciplined approach to the evaluation of the adequacy and effectiveness of governance, financial and operational controls throughout the organisation was in place.

The Chief Risk Officer ensured that a sustainable process was created and maintained to identify, assess and manage risks that might threaten the achievement of organisational objectives. Information technology (IT) governance became a strategic focus and improvements in the ICT environment were noticeable.

### RISK MANAGEMENT

The three-year Integrated Risk Management Strategy, which commenced in the 2015/16 financial year, was in its third year of implementation. The strategy was intended to assist The Presidency in strengthening integrated risk management practices by providing guidance in the design, implementation,

conduct and continuous improvement of integrated risk management that will result in an improved risk culture, improved decision-making, better allocation of resources and ultimately a risk-informed approach to management throughout The Presidency, leading to better organisational performance.

The Presidency's risk management processes were implemented in a manner consistent with the Risk Management Policy, which was reviewed to ensure that it remained current and aligned to the Public Sector Risk Management Framework issued by National Treasury.

The strategic risk profile was reviewed to identify emerging risks and to re-evaluate the risks that were already on the strategic risk profile. Operational risk assessments were also undertaken to identify risks concerned with The Presidency's operations and to determine the effectiveness of the risk management strategy.

The risk management capacity in The Presidency was strengthened through the appointment of an external chairperson to the RMC. This ensured that the RMC was structured and coordinated in a way that provided a complete perspective of The Presidency's risk exposures and opportunities.

The RMC was functional and held four meetings as required in terms of its charter. In all instances, the committee was quorate and was therefore able to take decisions where required. As part of its core mandate, the committee evaluated the risk mitigation action plans provided by Risk Owners and Action Owners to determine the adequacy and effectiveness of internal controls in reducing the risk likelihood and further analysed to determine the effectiveness and adequacy of monitoring activities. Recommendations on improvements were made to the Accounting Officer where it was considered appropriate. The rigorous implementation of risk mitigation plans resulted in some improvements, although most of the risks remained high, mainly because of dependencies on third parties. These challenges will be addressed through collaboration with stakeholders and effective implementation of the service level agreements entered into during the current reporting period.

The Committee discharged its responsibilities as outlined in its charter. The RMC charter was revised twice during the reporting period. Firstly, it was revised in June 2016 as part of the mandatory review process and to amend certain provisions to reflect the membership of the independent chairperson, as well as his related responsibilities. The charter was also revised in November 2016 to be aligned with the requirements of the Public Service Regulation (PSR), 2016, which came into effect



on 1 August 2016. This entailed removing the responsibility of ethics and transferring these responsibilities to the newly constituted Ethics Committee as prescribed by the PSR, 2016. The committee was able to meet the targets that were outlined in its Annual Work Plan and advised management on the overall effectiveness of the system of risk management, especially the mitigation of unacceptable levels of risk.

The risk management report was a standing item on the agenda of every Audit Committee meeting and the committee advised the Department on risk management and independently monitored the effectiveness of the system of risk management. Quarterly risk mitigation progress reports were presented at the SMS Forum, Branch Heads Forum and Audit Committee meetings to ensure that management was able to intervene where risks approached or exceeded their agreed risk appetite levels.

The risk champions in various business units further supported and coordinated risk management initiatives within their various areas of responsibility. During the reporting period, the Accounting Officer appointed (Business Continuity Management (BCM) Champions and BCM Planning Team members to ensure that measures were put in place to enable The Presidency to respond to any event that might cause disruption to normal operations or damage its reputation.

A process was initiated to acquire a service provider to undertake a formal risk maturity assessment for The Presidency; however, because of the protracted vetting processes, the project could not commence during the current reporting period.

#### **FIGHT AGAINST FRAUD AND CORRUPTION**

Building an ethical organisational culture is crucial to the success of any anti-corruption strategy, since it is against this backdrop that all other departmental actions take place. As part of implementing the strategy, The Ethics Institute was appointed as an independent service provider to undertake an ethics culture assessment. It was found that the ethical organisational culture in The Presidency is significantly more positive than the general public sector benchmark. The Ethics Committee will use the findings to facilitate the development of an ethics strategy to improve the ethics culture across The Presidency in the 2017/18 financial year.

In ensuring compliance with the Protected Disclosure Act, The Presidency strives to create a culture that facilitates the disclosure of information by employees relating to criminal and other irregular conduct in the workplace in a responsible manner by providing clear guidelines for the disclosure of such information and protection against reprisals as a result of such disclosure. The Whistle- Blowing Policy is used as such a mechanism and has been communicated throughout the





## PART C: GOVERNANCE

reporting period. The policy provides various mechanisms for raising a concern/making a disclosure internally or externally. All reported cases were attended to in line with the provisions of the Whistle-Blowing Policy.

No cases were referred to The Presidency through the National Anti-corruption Hotline. The Fraud Prevention Plan was implemented and monitored by the RMC on a quarterly basis.

### MINIMISING CONFLICT OF INTEREST

The Conflict of Interest Policy was reviewed and approved during the reporting period. The policy provides a framework for the management of actual, perceived and potential conflicts of interests within The Presidency. The aim is to ensure that the possibility of conflicts arising between the private interests and public duties of employees are minimised and to provide for the resolution of those conflicts in the public interest, should they arise. The overall objective of putting these measures in place was to ensure that neither The Presidency's interests nor the private interests of its employees would be compromised in the course of government's daily operations by raising awareness of certain conduct and offering tools to assist employees and management to deal with conflicts of interest, should these arise. In all instances, members of governance structures, departmental committees, recruitment and selection panels, tender evaluation panels etc. are required to declare actual or potential conflict of interest at the beginning of each specific meeting.

The Presidency acquired software for managing ethics across the organisation. The software presents an innovative and cost-effective method of service delivery. This will enable The Presidency to implement and integrate all the requirements of the Public Service Integrity Management Framework into a single integrated ethics system, which will also result in an effective and efficient system of data collection and collating of all the paper-based, manual submissions, declarations and reporting. Top management will be able to generate a dashboard report on ethics to be able to interrogate and track information. The software will further accelerate otherwise time-consuming tasks in the ethics management process.

The Gift, Donation and Sponsorship Policy was reviewed and approved during the current reporting period to incorporate the requirements of PSR, 2016. As a general rule, employees are discouraged from accepting gifts. Employees were required to declare receipt or non-receipt of gifts on a monthly basis. This was done to ensure that gifts, donations and sponsorships occur in a controlled environment and to minimise risks and

conflicts of interests. The Gift Register was maintained to record the voluntary declaration of gifts, donations and sponsorships received by officials and those received or offered on behalf of The Presidency, be it in cash or in kind.

A Policy on Outside Remunerative Work was developed and approved to ensure a consistent approach to managing the performance of remunerated work outside The Presidency in line with the requirements of the Public Service Act. Applications for permission to do Remunerative Work outside The Presidency were processed by the Ethics Officer and submitted for consideration by the relevant delegated authority. A register was maintained and approvals were continuously captured on Persal. The Presidency also ensured that rigorous processes were implemented to monitor adherence to regulatory provisions dealing with outside remunerative work and to address conflicts of interests.

Financial disclosures in relation to the period 1 April 2015 to 31 March 2016 were completed successfully during the period 1 to 30 April 2016. The Department obtained 100% compliance, as the report was also submitted to the Public Service Commission by the Executive Authority within the required time frame of 31 May 2016.

The PSR, 2016 Regulation 13 (C) prohibits public servants from conducting business with an organ of state. In order to ensure adherence to the regulation, all employees were required to declare or give an indication as to whether they were conducting business with an organ of state or not. A report was submitted to DPSA as per the dictates of the circular issued by the Minister of Public Service and Administration.

To improve awareness, the Department of Public Service and Administration was requested to facilitate an awareness session to address the requirements of the PSR, 2016 as far as it deals with ethical conduct, other remunerative work, declarations of gifts and financial disclosures.

In all instances, where the interest could cause employees and stakeholders to reasonably form the view that members' conflict of interest was ongoing, unacceptable and might damage the reputation of The Presidency, the employees concerned were required to relinquish their private interest or resign from The Presidency.

## PART C: GOVERNANCE

### CODE OF CONDUCT

The Code of Conduct was reviewed in line with the PSR, 2016. The Code was communicated to all employees. Furthermore, all employees were required to acknowledge having read and understood the Code. The Code was also communicated during induction workshops and throughout the reporting period.

Any breaches of the Code of Conduct were dealt with in terms of the guidelines on labour relations and disciplinary procedures. Cases were investigated and a register of misconduct was maintained to track reported cases that were under investigation.

### HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The Presidency complies with the Occupational Health and Safety Act (Act 85 of 1993). The objectives of this Act are:

- To provide for the health and safety of persons at work;
- To provide for the health and safety of persons in connection with the use of plants and machinery;
- To ensure 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; and
- To establish an advisory council for occupational health and safety.

In order to be compliant with the above objectives, a health and safety programme exists, made up of the following:

- Section 16.2 appointment.
- Appointment of Health and Safety Representatives.
- Health and Safety policy addressing Safety Health Environment Risk & Quality (SHERQ) elements.
- Health and Safety Committee.
- Approved Health and Safety Charter.
- Approved emergency plans for the Union Buildings and Johannes Ramokhoase Offices and OR Tambo House.

The above programme affects the organisation in the following ways:

- Hazard identification and risk assessments are periodically conducted.
- Accidents at the workplace are dealt with according to the Compensation for Occupational Injuries and Diseases Act, 130 of 1993.
- The employer is able to provide and maintain a safe working environment through conducting inspections and engaging external stakeholders such as the Department of Public Works, Department of Labour and different divisions under the City of Tshwane Municipality.

### STANDING COMMITTEE ON PUBLIC ACCOUNTS RESOLUTIONS

No Standing Committee on Public Accounts resolutions were taken in the year under review.



## PART C: GOVERNANCE

### PRIOR MODIFICATIONS TO AUDIT REPORTS

NATURE OF QUALIFICATION, DISCLAIMER, ADVERSE OPINION AND MATTERS OF NON-COMPLIANCE: UNQUALIFIED AUDIT OPINION	FINANCIAL YEAR IN WHICH IT FIRST AROSE 2015-16	PROGRESS MADE IN CLEARING/RESOLVING THE MATTER
<b>Financial statements, performance and annual reports</b>		
The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1)(b) of the PFMA.	2015-16	Responsible officials are provided with a Treasury guide and Modified Cash Standards (MCS) to ensure inputs are prepared according to the guide. Checklists are introduced to ensure completeness and compliance with all applicable disclosures.  Information owners sign a declaration to ensure that their inputs comply with the requirement of the MCS. All inputs are signed by compilers, reviewers and approvers to ensure the accuracy and correctness of information provided.  A completed Excel template is submitted to information owners to confirm inputs have been transferred correctly to the template.  Changes and updates on MCS, Accounting Manual for Departments (AMD) and the template are communicated to the units before preparation of inputs.
Material misstatements of current assets and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.	2015-16	The Department introduced the AFS review team, which among other duties is now responsible for ensuring that all newly introduced disclosure requirements are implemented. Checklists are introduced to ensure completeness and compliance with all applicable disclosure requirements. Controls have been put in place to ensure that there is compliance with the pre-payments disclosure note.  Furthermore, the AFS review team verifies both the Excel and Word documents before the financial statements are signed off by the Accounting Officer to ensure that both sets of financial statements are consistent and accurate.
<b>Procurement and contract management</b>		
Invitations for competitive bidding were not always advertised for the minimum period required by Treasury Regulation 16A6.3 (c).	2015-16	That matter was corrected by ensuring that all bids were advertised in line with Treasury Regulation 16A6.3(c). The advertisement of bids for shorter periods was discouraged.
Thresholds for local content on designated sectors procurement were not properly applied in accordance with the requirements of preferential procurement regulation 9.	2015-16	SCM Practitioners underwent training; the requirement of local content was implemented in the procurement process. The population for 2015/16 and 2016/17 was reconsidered to rectify the non-applicability of local content.
<b>Expenditure management</b>		
Contractual obligations or money owed by the Department were not settled within 30 days as required by section 381(f) of the PFMA and Treasury Regulation 8.2.3	2015-16	Capacity has been increased in Finance with regard to payment approval to ensure that there are no bottlenecks. The Department continues to streamline payment processes to ensure that processes are effective and efficient. Service providers are requested to submit banking details upon approval of orders to ensure that the banking details are updated when the invoice is due for payment

### INTERNAL CONTROL UNIT

The Internal Control Unit's function is to provide reasonable assurance to the office of the Chief Financial Officer with regard to the reliability of reporting, the effectiveness and efficiency of operations and compliance with applicable financial laws and regulations.

The Internal Control Unit maintains a register for irregular, fruitless and wasteful expenditure. On identification of any irregular, fruitless and wasteful expenditure, the Internal Control Unit conducts an internal investigation to determine the root causes and extent of the irregular, fruitless and wasteful expenditure. A report is submitted to the Accounting Officer with recommendations for further action.

The unit is responsible for co-ordination, consolidation and monitoring of the action plans (Audit Matrix) to address audit findings on The Presidency management report by the Auditor-General of South Africa. The audit matrix is a standing agenda item at management forums to report monthly progress with the action plans.



## INTERNAL AUDIT AND AUDIT COMMITTEES

The Internal Audit Unit is independent and its work is managed in accordance with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing. The purpose of the internal auditing activity is to provide independent, objective assurance and consulting services designed to add value and improve operations in The Presidency. This function assists The Presidency to accomplish its objectives by introducing a systematic and disciplined approach to evaluating and improving the effectiveness of risk management, internal control and governance processes.

The Internal Audit Unit performed risk-based audits and reviews. During the reporting period, the Internal Audit Unit performed its activities in line with the approved Annual Audit Plan 2016/2017. With the approval of the Audit Committee, the Internal Audit Unit conducted ad hoc investigations in the year under review. It made recommendations to management on internal control, risk management and governance processes. Internal Audit conducted follow-up of the agreed-upon management corrective action, adhering to the implementation date set by management. In addition, Internal Audit provided management advisory services across all business units of The Presidency when requested by management, as and when necessary.

The Audit Committee plays an important role in ensuring that an entity functions according to good governance, accounting and auditing standards. It also monitors the adoption of appropriate risk management arrangements.

The Presidency established the Audit Committee in line with section 77 (c) of the PFMA of 1999. The Audit Committee provides oversight on the system of internal control, risk management and governance within The Presidency. The Presidency's Internal Audit Unit reports functionally to the Audit Committee and as such, functions under the control and direction of the Audit Committee as per the approved Audit Committee and Internal Audit Charters. The Audit Committee is evaluated annually through self-assessment, assessment by management and the Auditor-General. For the period under review, positive feedback was received.

Attendance of Audit Committee meetings by audit committee members:

Seven meetings were held in the financial year. See below in tabular form the attendance per member.

The table below discloses relevant information on the Audit Committee members:

NAME	QUALIFICATIONS	INTERNAL OR EXTERNAL	DATE APPOINTED	DATE RESIGNED	NO. OF MEETINGS ATTENDED
Cedric Boltman (Chairperson)	Master of Business Administration	External	1 January 2014 Re-appointed on: 1 January 2017	31 December 2016	7
Anton Bischof	Master of Business Administration Chartered Accountant (CA) SA	External	1 January 2014	31 December 2016	6
Nomalizo Langa-Royds	BA (Law) Bachelor of Law (LLB)	External	1 January 2014	31 December 2016	5
Tantaswa Fubu	Chartered Accountant (CA) SA	External	1 October 2015	1 July 2016	0
Nelson Miya	Master of Business Leadership	External	1 October 2015	N/A	7
Given Sibiya	Chartered Accountant (CA) SA Executive Leadership Development Programme	External	1 January 2017	N/A	1
Ansia Daniel	Master of Business Leadership (MBL) Certified Internal Auditor (CIA) BCompt Honours	External	1 February 2017	N/A	1
Leah Khumalo	BA (Law) Bachelor of Law (LLB)	External	1 March 2017	N/A	0





## AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2017.

### Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1)(a)(ii) of the PFMA 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.

### Effectiveness of Internal Control

During the year under review, deficiencies in the system of internal control and/or deviations were reported by the internal auditors and the Auditor-General of South Africa. The system of internal control was therefore not entirely effective for the year under review.

### Risk Management

Oversight of the risk management function in The Presidency has been strengthened through the appointment of an external chairperson to the Risk Management Committee. The Risk Management function is, however, experiencing capacity constraints due to the departure of key officials, limiting its effectiveness. The Audit Committee is not entirely satisfied with the available capacity in the Risk Management Unit.

### Internal audit

The Audit Committee is satisfied that the internal audit function is operating in terms of the International Standards for the Professional Practice of Internal Auditing and is applying a risk-based approach. The approved 2016/2017 internal audit operational plan, as well as ad hoc investigations, was successfully executed during the year under review.

### Investigations

The Audit Committee is extremely concerned about the lengthy disciplinary hearings arising from a previous investigation into the Supply Chain Management area. This matter has been continuing for at least three years and is affecting The Presidency's performance in that area. Additional investigations were conducted into the procurement of services and these also revealed matters of concern.

Concern is also expressed about the extent of issues raised in the area of irregular expenditure relating to non-adherence to supply chain management rules.

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

The Presidency has been reporting monthly and quarterly to National Treasury, as is required by the PFMA.

### Evaluation of Financial Statements

The Audit Committee has reviewed and recommended for approval the annual financial statements prepared by The Presidency.

### Auditor-General's Report

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

**Cedric Boltman**  
Chairperson of the Audit Committee  
Date: 31 July 2017

# REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 1: THE PRESIDENCY

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

1. I have audited the financial statements of The Presidency set out on pages 87 to 125 which comprise the appropriation statement, the statement of financial position as at 31 March 2017, and the statement of financial performance, statement of changes in net assets, and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of The Presidency as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standards and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

### Basis for opinion

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

### Emphasis of matters

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

### Restatement of corresponding figures

7. As disclosed in note 33 to the financial statements, the corresponding figures for 31 March 2016 financial year have been restated as a result of an error in the financial statements of the department at, and for the year ended, 31 March 2017.

### Uncertainty relating to the future outcome of exceptional litigation

8. With reference to note 20 to the financial statements, there are a number of cases that might give rise to possible obligations for The Presidency but the cases are yet not finalised. If the state is not successful, The Presidency could become responsible for paying the legal costs of the applicants. The amounts in question are determined by the taxing master and cannot be reliably estimated at this point in time.

### Irregular expenditure

9. As disclosed in note 26 to the financial statements, irregular expenditure to the amount of R16,913 million was incurred, as prescribed supply chain prescripts had not been followed.

### Other matter

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

### Unaudited supplementary schedules

11. The supplementary information set out on pages 126 to 136 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

### Responsibilities of the accounting officer for the financial statements

12. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with Modified Cash Standards and the requirements of the PFMA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



13. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless there is an intention either to liquidate the department or to cease operations, or there is no realistic alternative but to do so.

#### Auditor-General's responsibilities for the audit of the financial statements

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

#### REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

##### Introduction and scope

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

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

18. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2017:

PROGRAMMES	PAGES IN THE ANNUAL PERFORMANCE REPORT
Programme 1 – Administration	36 - 40
Programme 2 – Executive Support	41 - 43

19. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
20. I did not identify any material findings on the usefulness and reliability of the reported performance information for the selected programmes.

##### Other matter

21. I draw attention to the matter below.

##### Achievement of planned targets

22. Refer to the annual performance report on pages 36 to 43 for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a number of targets.

#### REPORT ON AUDIT OF COMPLIANCE WITH LEGISLATION

##### Introduction and scope

23. In accordance with the PAA and the general notice issued in terms thereof I have a responsibility to report material findings on the compliance of the department with

# REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 1: THE PRESIDENCY

specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

24. The material findings in respect of the compliance criteria for the applicable subject matters are as follows:

## Expenditure management

25. Effective steps were not taken to prevent irregular expenditure amounting to R16,913 million as disclosed in note 26 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and Treasury Regulation 9.1.1.
26. Contractual obligations and/or money owed by the department were not met and/or settled within 30 days, as required by section 38(1)(f) of the PFMA and Treasury Regulation 8.2.3.

## Procurement and contract management

27. Goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by Treasury Regulation 16A6.1.
28. Quotations were awarded to suppliers whose tax matters had not been declared by the South African Revenue Services to be in order as required by Treasury Regulations 16A9.1(d) and the Preferential Procurement Regulations.
29. Quotations were awarded to bidders based on preference points that were not allocated and/or calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act and its regulations.
30. Bid documentation for procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content as required by Preferential Procurement Regulation 9(1).

## OTHER INFORMATION

31. The department's accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report thereon and those selected programmes

presented in the annual performance report that have been specifically reported on in the auditor's report.

32. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
33. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

## INTERNAL CONTROL DEFICIENCIES

34. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
- Leadership, in some instances, did not exercise effective oversight with regards to compliance as well as related internal controls.
  - Leadership did not implement effective human resource management to ensure that adequate and sufficiently skilled resources are in place in the contract management unit.
  - Leadership was not effective in ensuring that established policies procedures are updated and communicated to enable and support the understanding and execution of internal control objectives, processes and responsibilities pertaining to supply chain management.
  - The review and monitoring of compliance with applicable laws and regulations were ineffective in certain instances.



## OTHER REPORTS

35. I draw attention to the following engagement that had, or could have, an impact on the matters reported in the department's financial statements, reported performance information, compliance with applicable legislation and other related matters. This report did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
36. Allegations relating to potential collusive bidding between prospective service providers were investigated. The report confirmed the collusive bidding as well as fraudulent behaviour. Based on the recommendations of the report management is in the process to extend the scope of the investigation prior to further actions being implemented. It should be noted that the officials implicated are no longer in the service of the department. The department has confirmed that they intend to report the confirmed instance of collusive bidding to both National Treasury and the Competition Commissioner.

*Auditor-General*

Pretoria  
31 July 2017



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## ANNEXURE

### AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the department's compliance with respect to the selected subject matters.

#### Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in the auditor's report, I also:
  - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control.
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
  - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the department's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor's report. However, future events or conditions may cause a department to cease to continue as a going concern.

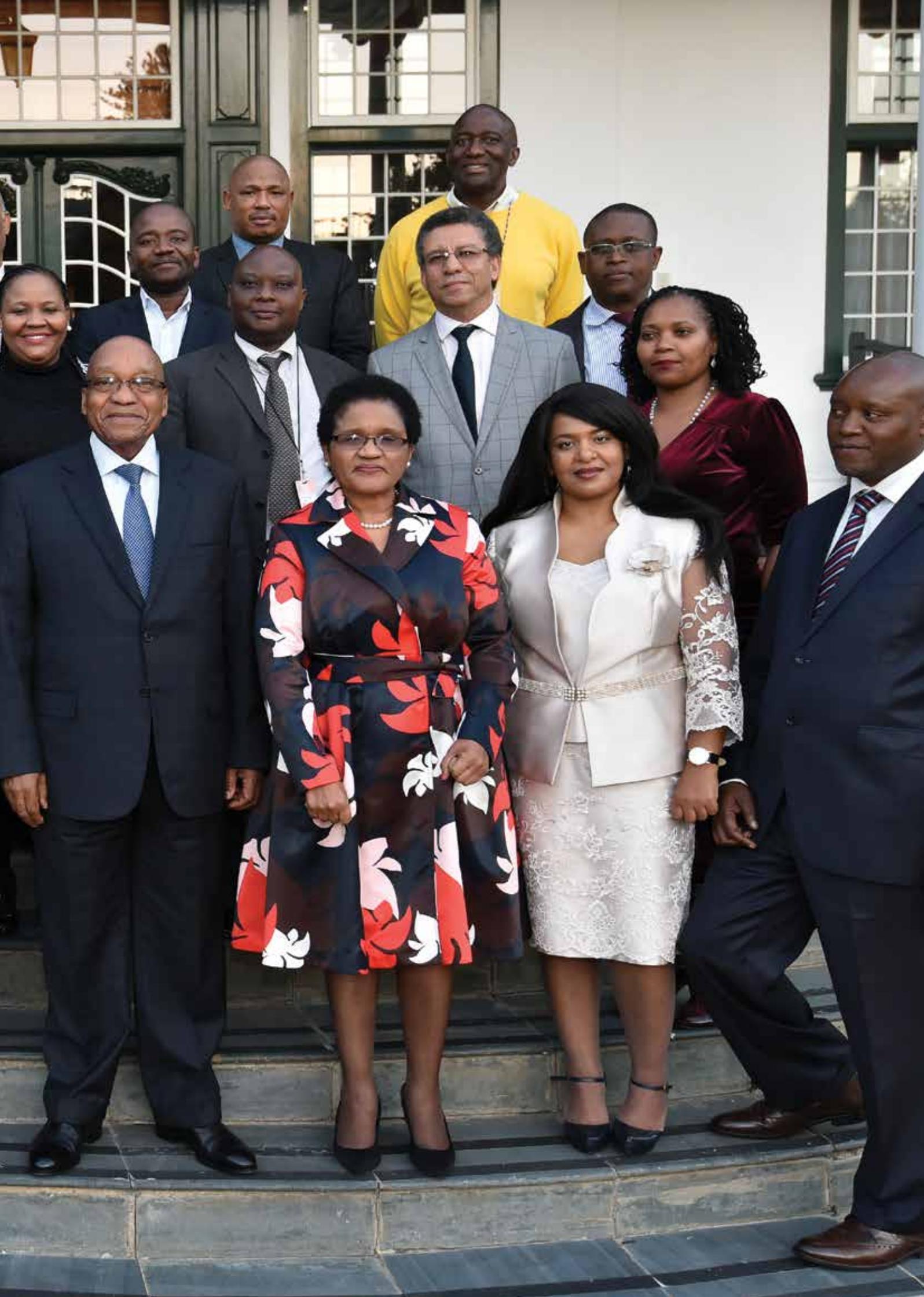
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

#### Communication with those charged with governance

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







## PART D: HUMAN RESOURCES MANAGEMENT

### OVERVIEW OF HUMAN RESOURCES

The number of posts on the establishment of The Presidency decreased in the 2016/2017 reporting year from 689 (2015/2016) to 632 in 2016/2017 (excluding the Principals), 616 of these were filled posts. The decrease is attributed to the implementation of the cost containment measures in that the department's compensation budget for the MTEF period has been cut twice as announced by National Treasury in December 2015 and June 2016.

Table 3.1.1 shows that the Department spent 98.2% of the total voted expenditure for compensation. The largest percentage of personnel cost relates to compensation of employees on salary levels 6 to 8 (Table 3.1.2).

As of 31 March 2017, The Presidency had a total of 73 posts additional to the establishment, of which 31 were Interns (included in the total of 616 employees). The vacancy rate decreased from 6.4% (2015/2016) to 2.5% in the reporting year (Table 3.2.1). If interns are excluded, the vacancy rate is reported as 2.7% (Table 3.2.2).

The Presidency's staff turnover rate decreased from 17.6% (2015/2016) to 8.9% in the reporting year (table 3.5.2). However, it must be noted that the percentage of 8.9% includes interns; the turnover rate is 8.1% if the interns are excluded; compared to the 11.6% for the 2015/16 cycle (Table 3.5.1). Staff retention strategies and interventions were not implemented to the extent that it was done in previous years, due to the limitations imposed by the amended Public Service Regulations, 2016 that was effected on 1 August 2016. The granting of higher salary offers to attract or retain employees in accordance with Public Service Regulations, 2016 is very limited compared to Public Service Regulations, 2001 (in terms of 1/V/C.3). Due to the cost containment measures The Presidency was required to place a moratorium on the filling of vacancies within the 2016/2017 financial year and various vacancies were abolished. The opportunities for internal "promotions" decreased significantly and only four (4) employees were appointed to higher posts, compared to the twenty two (22) staff members in the 2015/2016 reporting year. Of the total four (4) employees being successful for posts on higher salary levels within the Department during the reporting period, 50% were on salary levels 3-5 and 50% on salary levels 6-8 (Table 3.5.5). Mention should be made that most of the recruitment during the reporting period were in the Levels 6-8 category (Table 3.5.1), similar to the previous financial years.

Of the total of 100 terminations (Table 3.5.3) 53% of the terminations were due to resignations (including Internships),

15.5% were as a result of retirement and 12% were due to transfers to other government departments. The turnover of Library mail and related clerks (37.5%) and Human Resource Clerks (28.6%) were the most affected by the terminations.

For the period January 2016 to December 2016, a total of 4339 days were utilized for sick leave. The number of staff members that used sick leave came to 527 (Table 3.10.1) and reflects an average of 8 days sick leave per employee who used sick leave - compared to the average of 7 days sick leave per employee who used sick leave in the 2015/2016 reporting period.

It needs to be noted that 2016 is the first year of the three year sick leave cycle (2016-2018) and Table 3.10.2 reflects the number of employees who used incapacity leave as nine (9), using an average of 58 working days each.

During the 2016 leave cycle, a total of 13 639 working days annual leave were taken by 729 employees - with each employee averaging 19 days (Table 3.10.3), which is similar to the previous financial year (reporting 20 days on average per employee). There are 115 employees in the Department who have a total of 3,624 working days capped leave credits which is an average of 32 days per person. Capped leave refers to leave accrued prior to 1 July 2000, which employees can only utilize after exhausting their previous and current leave cycle's annual leave credits. Seven (7) employees' capped leave credits were paid out due to retirement and no employee's annual leave credits of the 2015 leave cycle was paid out due to not being able to use these credits as a result of operational requirements.

The four (4) disciplinary cases reported were dealt with in the reporting period, but have not been finalized due to various reasons (Table 3.12.2).

One hundred and twenty seven (127) employees in The Presidency received performance rewards for the performance cycle 2015/2016 compared to the 192 employees who received performance awards in the previous performance cycle. The breakdown of the performance rewards were awarded as follows: 25.6% of staff members on salary level 2; 16.1% of staff members on salary levels 3-5, 21.6% of staff members on salary level 6-8, 22.9% of staff members on salary level 9-12 and 15.6% of SMS members were granted a performance award (Tables 3.8.2 and 3.8.4).

There were 49 posts out of a total of 642 posts subjected to job evaluation during the period under review; the majority of these jobs (25%) were on salary level 2. A total of four (4) posts were downgraded due to the implementation of the Public Service Co-ordinating Bargaining Council (PSCBC) Resolution



3 of 2009 in respect of Assistant and Deputy Director jobs (Table 3.4.1). There were ten (10) posts upgraded in the reporting period, of which nine (9) were on salary levels 6-8 in the occupational class Information Technology and related staff and the other one (1) on Senior Management Services level.

Table 3.6.2 reflects that the staff profile of The Presidency is as follows: 56% Black Female, 41% Black Male, 2% White Female and 1% White Male. The representativity of females at Senior Management level (L.13-16) is 45.3%, compared to the 47.7% in the previous reporting period.

All SMS members in the Department signed their performance agreements by 31 May 2016 as reflected in Table 3.7.1.

One of the key challenges in the Human Resource environment remains the appointment of people with disabilities: the Department is at 1.78% with a deficit of 0.22% to reach the national target of 2%. This does reflect some progress, if compared to the 1.41%, with a deficit of 0.59% reported in the 2015/2016 financial year. Delays in the filling of vacancies were mostly due to the need to reprioritize the filling of vacancies in accordance with the compensation budget cuts announced by National Treasury, and therefore opportunities for appointing people with disabilities were limited.

The focus for the planned intake of the 2017/2018 Internship Program was placed on advertising the vacancies to reach as many people with disabilities through the printed media, as well as networking with academic institutions.

In equipping our staff with skills, a total of 435 staff members' training needs were identified (Table 3.13.1) and The Presidency provided training throughout the year to a total of 433 individuals (Table 3.13.2). Fifty six (56)% of this training was presented to females employed in the Department compared to 44% of male employees.

Table 3.15.1 reflects the amount of 52 consultants worked on 12 projects in the Department, with a decrease in contract value from R3,7 million (2015/2016) to R3,4 million (2016/2017).

In line with the guidelines for the MTEF received from National Treasury in June 2016, the Department embarked on a drive to establish if employees would be interested in applying for discharge in terms of the Employee-Initiated Severance Package (EISP) offered in the relevant Determination issued by the Minister for the Public Service and Administration (MPSA) in January 2006. As at 31 March 2017, a total of 16 employees applied to be discharged in accordance with the EISP provisions, after more than 50 employees requested the Human Resource component to calculate their benefits if they would be interested to apply for such discharge. The Department supported 11 of these employees' EISP applications, which were submitted to the MPSA for comments. By 31 March 2017, the MPSA had recommended the approval of one SMS member's application. Her exit from the Department would only be reflected in the next reporting period (2017/2018) – refer to table 3.16.1.

TABLE 3.1.1 - Personnel costs by Programme

PROGRAMME	Total Voted Expenditure (R'000)	Compensation of Employees Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Compensation of Employees as percent of Total Expenditure	Average Compensation of Employees Cost per Employee (R'000)	Employment as at 31 March 2017 (including additional appointments)
DTP:Administration	291 960	288 728	3 080	0	98.9	486	594
DTP:Executive Support	16 639	14 287	0	0	85.9	649	22
Z=Total as on Financial Systems (BAS)	308 599	303 015	3 080	0	98.2	492	616

**Note: Principals excluded**

## PART D: HUMAN RESOURCES MANAGEMENT

TABLE 3.1.2 - Personnel costs by Salary band

SALARY BANDS	Compensation of Employees Cost (R'000)	Percentage of Total Personnel Cost for Department	Average Compensation Cost per Employee (R'000)	Total Personnel Cost for Department including Goods and Transfers (R'000)	Number of Employees as at 31 March 2017
Interns	1 719	0.6	55	308 599	31
OSD	4 120	1.3	515	308 599	8
Lower skilled (Levels 1-2)	21 116	6.8	515	308 599	41
Skilled (Levels 3-5)	57 169	18.5	515	308 599	111
Highly skilled production (Levels 6-8)	104 037	33.7	515	308 599	202
Highly skilled supervision (Levels 9-12)	77 771	25.2	515	308 599	151
Senior management (Levels 13-16)	37 083	12	515	308 599	72
<b>TOTAL</b>	<b>303 015</b>	<b>98.2</b>	<b>518</b>	<b>308 599</b>	<b>616</b>

Note: Principals excluded

TABLE 3.1.3 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Programme

PROGRAMME	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Programme (R'000)
DPT:Administration	186 663	87.3	11 580	5.4	5 713	2.7	9 978	4.7	213 934
DPT:Executive Support	8 531	93.5	0	0	184	2	411	4.5	9 126
<b>TOTAL</b>	<b>195 194</b>	<b>87.5</b>	<b>11 580</b>	<b>5.2</b>	<b>5 897</b>	<b>2.6</b>	<b>10 389</b>	<b>4.7</b>	<b>223 060</b>

TABLE 3.1.4 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band

SALARY BANDS	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Salary Band (R'000)
Interns	1 719	100	0	0	0	0	0	0	1 719
OSD	2 646	95.1	0	0	0	0	136	4.9	2 781
Lower skilled (Levels 1-2)	13 560	86.4	1 084	6.9	483	3.1	570	3.6	15 697
Skilled (Levels 3-5)	36 711	83.9	3 137	7.2	1 805	4.1	2 089	4.8	43 741
Highly skilled production (Levels 6-8)	66 807	86.5	4 415	5.7	2 449	3.2	3 526	4.6	77 197
Highly skilled supervision (Levels 9-12)	49 940	87.9	2 943	5.2	1 160	2	2 767	4.9	56 810
Senior management (Levels 13-16)	23 812	94.8	0	0	0	0	1 302	5.2	25 114
<b>TOTAL</b>	<b>195 194</b>	<b>87.5</b>	<b>11 580</b>	<b>5.2</b>	<b>5 897</b>	<b>2.6</b>	<b>10 389</b>	<b>4.7</b>	<b>223 060</b>

TABLE 3.2.1 - Employment and Vacancies by Programme at end of period

PROGRAMME	Number of Posts as at 31 March 2017	Number of Posts filled as at 31 March 2017	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administration	609	594	2.5	71
Dtp: Executive Support	23	22	4.3	2
<b>TOTAL</b>	<b>632</b>	<b>616</b>	<b>2.5</b>	<b>73</b>

Note: Principals excluded



**TABLE 3.2.2 - Employment and Vacancies by Salary Band at end of period**

SALARY BAND	Number of Posts as at 31 March 2017	Number of Posts filled as at 31 March 2017	Vacancy Rate	Number of Posts Filled Additional to the Establishment
OSD	8	8	0	0
Lower skilled (Levels 1-2)	42	41	2.4	0
Skilled (Levels 3-5)	113	111	1.8	5
Highly skilled production (Levels 6-8)	206	202	1.9	12
Highly skilled supervision (Levels 9-12)	156	151	3.2	10
Senior management (Levels 13-16)	76	72	5.3	15
<b>TOTAL</b>	<b>601</b>	<b>585</b>	<b>2.7</b>	<b>42</b>
<b>Note: Principals and Interns excluded.</b>	33			

**TABLE 3.2.3 - Employment and Vacancies by Critical Occupation at end of period**

CRITICAL OCCUPATIONS	Number of Posts as at 31 March 2017	Number of Posts Filled as at 31 March 2017	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administrative related	115	110	4.3	13
Cleaners	38	38	0	1
Client information clerks (switchboard, receptionists, information clerks)	22	22	0	0
Communication and information related	21	21	0	2
Finance and economics related	2	2	0	0
Financial and related professionals	26	26	0	0
Financial clerks and credit controllers	9	9	0	0
Food services aids and waiters	36	35	2.8	0
Household food and laundry services related	62	62	0	6
Human resources and organisational development and related professionals	7	5	28.6	0
Human resources clerks	10	10	0	0
Human resources related	14	13	7.1	0
Information technology related	21	20	4.8	3
Interns	31	31	0	31
Legal related (OSD)	8	8	0	0
Librarians and related professionals	3	3	0	0
Library mail and related clerks	10	10	0	0
Logistical support personnel	27	27	0	0
Material-recording and transport clerks	3	3	0	0
Messengers	5	4	20	0
Motor vehicle drivers	23	23	0	1
Other occupations (Special Advisers)	8	8	0	8
Secretaries and other keyboard operating clerks	63	62	1.6	1
Senior managers	68	64	5.9	7
<b>TOTAL</b>	<b>632</b>	<b>616</b>	<b>2.5</b>	<b>73</b>
<b>Note: principals excluded</b>	2			

**TABLE 3.3.1 - SMS Posts information as on 31 March 2017**

SMS LEVEL	Total number of funded SMS posts per level	Total number of SMS posts filled per level	% of SMS posts filled per level	Total number of SMS posts vacant per level	% of SMS posts vacant per level
Director-General/Head of Department (HOD)	1	1	100%	0	0%
Salary level 16, but not HOD	1	1	100%	0	0%
Salary level 15	6	5	83%	1	17%
Salary level 14	20	18	90%	2	10%
Salary level 13	40	39	98%	1	3%
<b>TOTAL</b>	<b>68</b>	<b>64</b>	<b>94%</b>	<b>4</b>	<b>6%</b>
<b>Note: Excluding Principals and Special Advisers</b>					

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**TABLE 3.3.2 - SMS Posts information as on 30 September 2016**

SMS LEVEL	Total number of funded SMS posts per level	Total number of SMS posts filled per level	% of SMS posts filled per level	Total number of SMS posts vacant per level	% of SMS posts vacant per level
Director-General/HOD	1	1	100%	0	0%
Saaryl level 16, but not HOD	1	1	100%	0	0%
Salary level 15	7	5	71%	2	29%
Salary level 14	19	18	95%	1	5%
Salary level 13	42	40	95%	2	5%
<b>TOTAL</b>	<b>70</b>	<b>65</b>	<b>93%</b>	<b>5</b>	<b>7%</b>

Note: Excluding Principals and Special Advisers

**TABLE 3.3.3 - Advertising and Filling of SMS posts for the period 1 April 2016 and 31 March 2017**

SMS LEVEL	Advertising		Filling of posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months after becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months	
Director-General/HOD	0	0	0	0
Salary level 16, but not HOD	0	0	0	0
Salary level 15	0	0	0	0
Salary level 14	0	0	0	0
Salary level 13	1	1	1	1
<b>TOTAL</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

**TABLE 3.3.4 - Reasons for not having complied with the filling of funded vacant SMS - advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2016 and 31 March 2017**

**Reasons for vacancy not advertised within 6 months**

Due to cost containment measures, the department is in a process of reviewing the organisational structure, to ensure that all vacancies are funded for the MTEF prior to initiating recruitment.

**Reasons for vacancy not filled within 12 months**

Due to cost containment measures, the department is in a process of reviewing the organisational structure, to ensure that all vacancies are funded for the MTEF prior to initiating recruitment.

Note: In terms of the Public Service Regulations, 2016, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes.

**TABLE 3.3.5 - Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months**

None

**TABLE 3.4.1 - Job Evaluation**

SALARY BAND	Number of Posts as at 1 April 2016	Number of Posts Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Lower skilled (Levels 1-2)	49	12	24.5	0	0	0	0
Skilled (Levels 3-5)	122	7	5.7	0	0	0	0
Highly skilled production (Levels 6-8)	230	25	10.9	9	36	0	0
Highly skilled supervision (Levels 9-12)	170	4	2.4	0	0	4	100
Senior Management Service Band A	42	1	2.4	1	100	0	0
Senior Management Service Band B	20	0	0	0	0	0	0
Senior Management Service Band C	7	0	0	0	0	0	0
Senior Management Service Band D	2	0	0	0	0	0	0
<b>TOTAL</b>	<b>642</b>	<b>49</b>	<b>7.6</b>	<b>10</b>	<b>20.4</b>	<b>4</b>	<b>8.2</b>

Note: Principals, Special Advisers, OSD and Interns excluded

Note: the downgrades includes SL09 -12 Corporate Services jobs submitted to MPSA i.t.o. PSCBC Res. 3/2009 for grading purposes.



**TABLE 3.4.2 - Profile of employees whose positions were upgraded due to their posts being upgraded**

Beneficiaries	African	Asian	Coloured	White	TOTAL
Female	6	0	0	0	6
Male	3	0	0	0	3
Total	9	0	0	0	9
Employees with a Disability	0	0	0	0	0

Note: One (1) upgrade was in terms of DPSA benchmark for Cleaning Supervisor.

**TABLE 3.4.3 - Employees whose salary level exceed the grade determined by Job Evaluation [i.t.o PSR I.V.C.3]**

OCCUPATION	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation
None				

**TABLE 3.4.4 - Profile of employees whose salary level exceeded the grade determined by job evaluation [i.t.o PSR I.V.C.3]**

Beneficiaries	African	Asian	Coloured	White	TOTAL
Female	0	0	0	0	0
Male	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Employees with a Disability	0	0	0	0	0

**TABLE 3.5.1 - Annual Turnover Rates by Salary Band**

SALARY BAND	Employment at Beginning of Period (1 April 2016)	Appointments	Terminations	Turnover Rate
OSD	8	0	0	0
Lower skilled (Levels 1-2)	43	0	1	2.3
Skilled (Levels 3-5)	118	4	11	9.3
Highly skilled production (Levels 6-8)	218	9	23	10.6
Highly skilled supervision (Levels 9-12)	157	5	12	7.6
Senior Management Service Band A	39	4	3	7.7
Senior Management Service Band B	18	0	0	0
Senior Management Service Band C	7	0	0	0
Senior Management Service Band D	8	0	0	0
<b>TOTAL</b>	<b>616</b>	<b>22</b>	<b>50</b>	<b>8.1</b>

Note: Principals and Interns excluded

**TABLE 3.5.2 - Annual Turnover Rates by Critical Occupation**

OCCUPATION	Employment at Beginning of Period (1 April 2016)	Appointments	Terminations	Turnover Rate
Administrative related	119	11	10	8.4
Cleaners	40	0	1	2.5
Client information clerks (switchboard, receptionists, information clerks)	24	0	2	8.3
Communication and information related	20	0	0	0
Finance and economics related	2	0	0	0
Financial and related professionals	28	0	6	21.4
Financial clerks and credit controllers	12	0	2	16.7
Food services aids and waiters	38	0	4	10.5
Household food and laundry services related	62	1	2	3.2
Housekeepers laundry and related workers	1	0	0	0
Human resources and organisational development and related professionals	7	0	1	14.3
Human resources clerks	14	0	4	28.6
Human resources related	13	0	1	7.7
Information technology related	21	3	5	23.8
Interns	34	4	8	23.5
Legal related (OSD)	8	0	0	0
Librarians and related professionals	3	0	0	0
Library mail and related clerks	8	2	3	37.5

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**TABLE 3.5.2 - Annual Turnover Rates by Critical Occupation**

OCCUPATION	Employment at Beginning of Period (1 April 2016)	Appointments	Terminations	Turnover Rate
Logistical support personnel	28	0	3	10.7
Material-recording and transport clerks	3	0	0	0
Messengers	5	0	1	20
Motor vehicle drivers	24	1	1	4.2
Other occupations (Special Advisers)	8	0	0	0
Secretaries and other keyboard operating clerks	64	0	1	1.6
Senior managers	64	4	3	4.7
<b>TOTAL</b>	<b>650</b>	<b>26</b>	<b>58</b>	<b>8.9</b>
<b>Note: principals excluded (Interns included)</b>	2			

**TABLE 3.5.3 - Reasons why staff are leaving the department**

TERMINATION TYPE	Number	Percentage of Total	Percentage of Total Employment	Total	Total Employment as at 1 April 2016
Death	4	6.9	0.6	58	650
Resignation	31	53.4	4.8	58	650
Expiry of contract	6	10.3	0.9	58	650
Transfer out	7	12.1	1.1	58	650
Dismissal-misconduct	1	1.7	0.2	58	650
Retirement	9	15.5	1.4	58	650
<b>TOTAL</b>	<b>58</b>	<b>100</b>	<b>8.9</b>	<b>58</b>	<b>650</b>
<b>Resignations as % of Employment</b>					53.45%
<b>Total number of employees who left as a % of total employment</b>					8.92%

**TABLE 3.5.4 - Promotions by Critical Occupation**

OCCUPATION	Employment at Beginning of Period (1 April 2016)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Administrative related	119	0	0	62	52.1
Cleaners	40	0	0	19	47.5
Client information clerks (switchboard, receptionists, information clerks)	24	0	0	19	79.2
Communication and information related	20	0	0	15	75
Finance and economics related	2	0	0	2	100
Financial and related professionals	28	0	0	18	64.3
Financial clerks and credit controllers	12	1	8.3	8	66.7
Food services aids and waiters	37	0	0	20	54.1
Household food and laundry services related	62	0	0	45	72.6
Housekeepers laundry and related workers	1	0	0	0	0
Human resources and organisational development and related professionals	7	0	0	6	85.7
Human resources clerks	14	1	7.1	4	28.6
Human resources related	13	0	0	10	76.9
Information technology related	21	1	4.8	12	57.1
Legal related (OSD)	8	0	0	5	62.5
Librarians and related professionals	3	0	0	2	66.7
Library mail and related clerks	8	0	0	5	62.5
Logistical support personnel	28	0	0	24	85.7
Material-recording and transport clerks	3	0	0	2	66.7
Messengers	5	0	0	2	40
Motor vehicle drivers	24	1	4.2	18	75
Other Administrat and Related clerks and organisers	1	0	0	0	0
Secretaries and other keyboard operating clerks	64	0	0	35	54.7
Senior managers	64	0	0	38	59.4
<b>TOTAL</b>	<b>608</b>	<b>4</b>	<b>0.7</b>	<b>371</b>	<b>61</b>
<b>Note: Principals, Special Advisers and Interns excluded</b>					



TABLE 3.5.5 - Promotions by Salary Band

SALARY BAND	Employment at Beginning of Period (1 April 2016)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
OSD	8	0	0	5	62.5
Lower skilled (Levels 1-2)	43	0	0	15	34.9
Skilled (Levels 3-5)	118	2	1.7	83	70.3
Highly skilled production (Levels 6-8)	218	2	0.9	130	59.6
Highly skilled supervision (Levels 9-12)	157	0	0	100	63.7
Senior management (Levels 13-16)	64	0	0	38	59.4
<b>TOTAL</b>	<b>608</b>	<b>4</b>	<b>0.7</b>	<b>371</b>	<b>61</b>

Note: Principals, Special Advisers and Interns excluded

TABLE 3.6.1 - Total number of Employees (incl. Employees with disabilities) per Occupational Category (SASCO) on 31 March 2017

OCCUPATIONAL CATEGORIES	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, senior officials and managers (SMS)	33	6	0	39	1	22	4	2	28	4	72
Professionals (levels 11-12)	37	3	1	41	3	40	3	4	47	5	96
Technicians and associate professionals (levels 9-10)	19	2	1	22	0	31	0	0	31	2	55
Clerks (levels 6-8)	68	3	1	72	0	112	11	2	125	5	202
Service and sales workers (levels 3-5)	41	5	0	46	0	57	8	0	65	0	111
Elementary occupations (level 2)	13	0	0	13	0	25	3	0	28	0	41
OSD	4	0	0	4	0	3	1	0	4	0	8
Interns	17	0	0	17	0	14	0	0	14	0	31
<b>TOTAL</b>	<b>232</b>	<b>19</b>	<b>3</b>	<b>254</b>	<b>4</b>	<b>304</b>	<b>30</b>	<b>8</b>	<b>342</b>	<b>16</b>	<b>616</b>

Note: Principals excluded

	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	2	2	0	4	0	6	0	0	6	1	11

TABLE 3.6.2 - Total number of Employees (incl. Employees with disabilities) per Occupational Bands on 31 March 2017

OCCUPATIONAL BANDS	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management (levels 15-16)	6	2	0	8	1	5	1	0	6	0	15
Senior Management (levels 13-14)	27	4	0	31	0	17	3	2	22	4	57
Professionally qualified and experienced specialists and mid-management (levels 9-12)	56	5	2	63	3	71	3	4	78	7	151
Skilled technical and academically qualified workers, junior management, supervisors (levels 6-8)	68	3	1	72	0	112	11	2	125	5	202
Semi-skilled and discretionary decision making (levels 3-5)	41	5	0	46	0	57	8	0	65	0	111
Unskilled and defined decision making (level 2)	13	0	0	13	0	25	3	0	28	0	41
OSD	4	0	0	4	0	3	1	0	4	0	8
Interns	17	0	0	17	0	14	0	0	14	0	31
<b>TOTAL</b>	<b>232</b>	<b>19</b>	<b>3</b>	<b>254</b>	<b>4</b>	<b>304</b>	<b>30</b>	<b>8</b>	<b>342</b>	<b>16</b>	<b>616</b>

Note: Principals excluded

	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	2	2	0	4	0	6	0	0	6	1	11

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TABLE 3.6.3 - Recruitment

OCCUPATIONAL BANDS	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management (levels 15-16)	0	0	0	0	0	0	0	0	0	0	0
Senior Management (levels 13-14)	3	0	0	3	0	1	0	0	1	0	4
Professionally qualified and experienced specialists and mid-management (levels 9-12)	3	1	0	4	0	2	0	0	2	1	7
Skilled technical and academically qualified workers, junior management, supervisors (levels 6-8)	6	0	0	6	0	10	0	0	10	0	16
Semi-skilled and discretionary decision making (levels 3-5)	2	0	0	2	0	1	1	0	2	0	4
Unskilled and defined decision making (level 2)	0	0	0	0	0	0	0	0	0	0	0
OSD	0	0	0	0	0	0	0	0	0	0	0
Interns	23	0	0	23	0	15	0	0	15	0	38
<b>TOTAL</b>	<b>37</b>	<b>1</b>	<b>0</b>	<b>38</b>	<b>0</b>	<b>29</b>	<b>1</b>	<b>0</b>	<b>30</b>	<b>1</b>	<b>69</b>

Note: Principals excluded (includes 34 interns and 9 contract workers who assumed duty on 1 Apr 2016).

	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	1	0	0	1	0	3	0	0	3	0	4

TABLE 3.6.4 - Promotions

OCCUPATIONAL BANDS	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management (levels 15-16)	0	0	0	0	0	0	0	0	0	0	0
Senior Management (levels 13-14)	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management (levels 9-12)	0	0	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors (levels 6-8)	1	0	0	1	0	1	0	0	1	0	2
Semi-skilled and discretionary decision making (levels 3-5)	1	0	0	1	0	1	0	0	1	0	2
Unskilled and defined decision making (level 2)	0	0	0	0	0	0	0	0	0	0	0
OSD	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>4</b>

Note: Principals, Special Advisers and Interns excluded

	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	0	0	0	0	0	0	0	0	0	0	0



TABLE 3.6.5 - Terminations

OCCUPATIONAL BANDS	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management (levels 15-16)	0	0	0	0	0	0	0	0	0	0	0
Senior Management (levels 13-14)	0	0	0	0	1	3	0	0	3	0	4
Professionally qualified and experienced specialists and mid-management (levels 9-12)	5	0	0	5	0	9	0	0	9	0	14
Skilled technical and academically qualified workers, junior management, supervisors (levels 6-8)	14	0	0	14	0	17	0	0	17	0	31
Semi-skilled and discretionary decision making (levels 3-5)	7	0	0	7	0	3	1	0	4	0	11
Unskilled and defined decision making (level 2)	0	0	0	0	0	1	0	0	1	0	1
OSD	0	0	0	0	0	0	0	0	0	0	0
Interns	23	0	0	23	0	16	0	0	16	0	39
<b>TOTAL</b>	<b>49</b>	<b>0</b>	<b>0</b>	<b>49</b>	<b>1</b>	<b>49</b>	<b>1</b>	<b>0</b>	<b>50</b>	<b>0</b>	<b>100</b>

Note: Principals excluded (includes 31 interns and 9 contract workers whose contracts expire on 31 March 2017)

	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	1	0	0	1	0	3	0	0	3	0	4

TABLE 3.6.6 - Disciplinary Action

DISCIPLINARY ACTION	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
<b>TOTAL</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>4</b>

	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	0	0	0	0	0	0	0	0	0	0	0

TABLE 3.6.7 - Skills Development

OCCUPATIONAL CATEGORIES	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, Senior Officials and Managers (SMS)	31	3	0	34	0	17	1	2	20	3	57
Professionals (levels 11-12)	19	2	0	21	1	22	2	1	25	2	49
Technicians and Associate Professionals (levels 9-10)	15	1	1	17	0	21	1	0	22	1	40
Clerks (levels 6-8)	38	0	0	38	0	65	3	1	69	1	108
Service and Sales Workers (levels 3-5)	44	1	0	45	0	48	10	0	58	0	103
Elementary Occupations (level 2)	28	5	0	33	0	30	13	0	43	0	76
OSD	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>175</b>	<b>12</b>	<b>1</b>	<b>188</b>	<b>1</b>	<b>203</b>	<b>30</b>	<b>4</b>	<b>237</b>	<b>7</b>	<b>433</b>

Note: Principals, Special Advisers and Interns excluded

	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	0	0	0	0	0	1	0	0	1	0	1

## PART D: HUMAN RESOURCES MANAGEMENT

**TABLE 3.7.1 - Signing of Performance Agreements by SMS Members as on 31 May 2016**

SMS LEVEL	Total number of funded SMS posts per level	Total number of SMS members per level	Total number of signed performance agreements per level	Signed performance agreements as % of total number of SMS members per level
Director-General/HOD	1	1	1	100%
Salary level 16, but not HOD	1	1	1	100%
Salary level 15	7	5	5	100%
Salary level 14	20	18	18	100%
Salary level 13	42	39	39	100%
<b>TOTAL</b>	<b>71</b>	<b>64</b>	<b>64</b>	<b>100%</b>

Note: Principals and Special Advisers are Excluded in the above

**TABLE 3.7.2 - Reasons for not having concluded Performance Agreements for all SMS members as on 31 May 2016**

Not applicable

**TABLE 3.7.3 - Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 May 2016**

Not applicable

**TABLE 3.8.1 - Performance Rewards by Race, Gender and Disability**

DEMOGRAPHICS	Number of Beneficiaries	Total Employment as at 1 April 2016	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	59	306	19.28	1 848	31 322
African, Male	47	223	21.08	1 321	28 106
Asian, Female	3	8	37.50	135	45 000
Asian, Male	1	3	33.33	26	0
Coloured, Female	7	30	23.33	237	33 857
Coloured, Male	4	18	22.22	165	41 250
Total Blacks, Female	69	344	20.06	2 220	32 174
Total Blacks, Male	52	244	21.31	1 512	29 077
White, Female	5	16	31.25	243	48 600
White, Male	1	4	25.00	49	49 000
Employees with a disability	2	11	18.18	79	39 500
<b>TOTAL</b>	<b>127</b>	<b>608</b>	<b>20.89</b>	<b>4 024</b>	<b>31 685</b>

Note: Principals, Special Advisers and Interns excluded

**TABLE 3.8.2 - Performance Rewards by Salary Band for Personnel below Senior Management Service**

SALARY BAND	Number of Beneficiaries	Total Employment as at 1 April 2016	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
OSD	4	8	50	175	43 750
Lower skilled (Levels 1-2)	11	43	25.6	102	9 273
Skilled (Levels 3-5)	19	118	16.1	241	12 684
Highly skilled production (Levels 6-8)	47	218	21.6	993	21 128
Highly skilled supervision (Levels 9-12)	36	157	22.9	1 695	47 083
<b>TOTAL</b>	<b>117</b>	<b>544</b>	<b>21.5</b>	<b>3 206</b>	<b>27 402</b>

**TABLE 3.8.3 - Performance Rewards by Critical Occupation**

CRITICAL OCCUPATIONS	Number of Beneficiaries	Total Employment as at 1 April 2016	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Administrative related	31	119	26.1	1 329	42 871
Cleaners	11	40	27.5	106	9 636
Client information clerks (switchboard, receptionists, information clerks)	4	24	16.7	82	20 500
Communication and information related	6	20	30	205	34 167
Finance and economics related	0	2	0	0	0
Financial and related professionals	4	28	14.3	190	47 500
Financial clerks and credit controllers	1	12	8.3	22	22 000
Food services aids and waiters	8	37	21.6	100	12 500
Household food and laundry services related	9	62	14.5	170	18 889
Housekeepers laundry and related workers	0	1	0	0	0



**TABLE 3.8.3 - Performance Rewards by Critical Occupation**

CRITICAL OCCUPATIONS	Number of Beneficiaries	Total Employment as at 1 April 2016	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Human resources and organisational development and related professionals	0	7	0	0	0
Human resources clerks	3	14	21.4	76	25 333
Human resources related	4	13	30.8	129	32 250
Information technology related	5	21	23.8	119	23 800
Legal related (OSD)	4	8	50	175	43 750
Librarians and related professionals	1	3	33.3	57	57 000
Library mail and related clerks	3	8	37.5	47	15 667
Logistical support personnel	1	28	3.6	26	26 000
Material-recording and transport clerks	2	3	66.7	45	22 500
Messengers	1	5	20	9	9 000
Motor vehicle drivers	3	24	12.5	38	12 667
Other Administrative and Related Clerks and Organisers	0	1	0	0	0
Secretaries and other keyboard operating clerks	16	64	25	280	17 500
Senior managers	10	64	15.6	819	81 900
<b>TOTAL</b>	<b>127</b>	<b>608</b>	<b>20.9</b>	<b>4024</b>	<b>31 685</b>

Note: Principals, Special Advisers and Interns excluded

**TABLE 3.8.4 - Performance Related Rewards (Cash Bonus) by Salary Band for Senior Management Service**

SMS BAND	Number of Beneficiaries	Total Employment as at 1 April 2016	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)	% of SMS Wage Bill	Personnel Cost SMS (R'000)
Band A	7	39	17.9	487	69 571	1.4	33 821
Band B	1	18	5.6	84	84 000	0.4	19 121
Band C	1	5	20	110	110 000	1.5	7 157
Band D	1	2	50	138	138 000	0.8	16 332
<b>TOTAL</b>	<b>10</b>	<b>64</b>	<b>15.6</b>	<b>819</b>	<b>81 900</b>	<b>1.1</b>	<b>76 431</b>

Note: Principals and Special Advisers excluded

**TABLE 3.9.1 - Foreign Workers by Salary Band**

SALARY BAND	Employment at Beginning Period (1 April 2016)	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period (1 April 2016)	Total Employment at End of Period (31 March 2017)	Total Change in Employment
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**TABLE 3.9.2 - Foreign Workers by Major Occupation**

MAJOR OCCUPATION	Employment at Beginning Period (1 April 2016)	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period (1 April 2016)	Total Employment at End of Period (31 March 2017)	Total Change in Employment
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**TABLE 3.10.1 - Sick Leave for Jan 2016 to Dec 2016**

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)	Total number of Employees using Sick Leave	Total number of days with medical certification
Interns	64	43.8	24	4.6	3	18.5	527	28
Lower skilled (Level 2)	460	88.7	37	7	12	229	527	408
Skilled (Levels 3-5)	917	84.7	103	19.5	9	628.5	527	777
Highly skilled production (Levels 6-8)	1 579	76.4	195	37	8	1 865	527	1 207
Highly skilled supervision (Levels 9-12)	1 096	80	126	23.9	9	2 626	527	877
Senior management (Levels 13-16)	223	77.6	42	8	5	913.7	527	173
<b>TOTAL</b>	<b>4 339</b>	<b>80</b>	<b>527</b>	<b>100</b>	<b>8</b>	<b>6 280.7</b>	<b>527</b>	<b>3 470</b>

## PART D: HUMAN RESOURCES MANAGEMENT

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)	Total number of days with medical certification	Total number of Employees using Disability Leave
Interns	0	0	0	0	0	0	0	9
Lower skilled (Level 2)	36	100	1	11.1	36	13	36	9
Skilled (Levels 3-5)	156	100	2	22.2	78	61	156	9
Highly skilled production (Levels 6-8)	31	100	2	22.2	16	33	31	9
Highly skilled supervision (Levels 9-12)	295	100	4	44.4	74	693	295	9
Senior management (Levels 13-16)	0	0	0	0	0	0	0	9
<b>TOTAL</b>	<b>518</b>	<b>100</b>	<b>9</b>	<b>100</b>	<b>58</b>	<b>800</b>	<b>518</b>	<b>9</b>

SALARY BAND	Total Days Taken	Average days per Employee	Number of Employees who took leave
Interns	544	7	76
Lower skilled (Level 2)	931	21	44
Skilled (Levels 3-5)	2 518	20	123
Highly skilled production (Levels 6-8)	4 682	20	239
Highly skilled supervision (Levels 9-12)	3 501	20	174
Senior management (Levels 13-16)	1 463	20	73
<b>TOTAL</b>	<b>13 639</b>	<b>19</b>	<b>729</b>

SALARY BAND	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2016	Number of Employees who took Capped leave	Total number of capped leave available at 31 December 2016	Number of Employees as at 31 December 2016
Lower skilled (Levels 2)	0	0	7	0	19.83	3
Skilled (Levels 3-5)	0	0	49	0	1 515.92	31
Highly skilled production (Levels 6-8)	0	0	16	0	425.37	26
Highly skilled supervision (Levels 9-12)	8	8	34	1	1 167.04	34
Senior management (Levels 13-16)	0	0	24	0	495.83	21
<b>TOTAL</b>	<b>8</b>	<b>8</b>	<b>32</b>	<b>1</b>	<b>3 623.99</b>	<b>115</b>

REASON	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Leave payout due to non-utilisation of leave for the 2015 leave cycle	0	0	0
Capped leave payouts on termination of service for 2016/17	250	7	35 714
Current leave payout on termination of service for 2016/17	734	27	27 185
<b>TOTAL</b>	<b>984</b>	<b>34</b>	<b>28 941</b>

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



**TABLE 3.11.2 - Details of Health Promotion and HIV/AIDS Programmes [tick Yes/No and provide required information]**

Question	Yes (Detail required)	No	Detail
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter I of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Ms Mumsy Maake: Director: Labour Relations, Employee Health and Wellness
2. Does the department have a dedicated unit or have you designated specific staff members to promote health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		The total number of designated employees involved in health promotion program is Five (5) and the annual allocated budget for employee health and wellness is R830 000.00.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.	X		The Presidency has established a spritual support group, Aerobics and Fun Walk club, Athletics Club, Netball and Soccer clubs. Health screening and HIV/AIDS and TB campaigns are conducted on a quarterly basis. Chronic Disease management programme has also been introduced.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter I 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		1. M Maake - Chairperson, Members: 1. Mr R Nemalili; 2. Mr S Kgafela; 3. Ms Z Mvunge; 4. Ms M Smit; 5. Mr N Tshishonga; 6. Ms G Luthuli-member; 7. Ms M James Paul; 8. Ms B Maluleke; 9. Ms M Alexander; 10. Mr A Mbali; 11. Mr S Mbalu; 12. Mr M Mrwetyana; 13. Mr W Mdovu; 14. Mr R Mankanyi; 15. Mr J Manaiwa; 16. Mr J De Beer; 17. Mr A Mothwa; 18. Mr N Magudulela - EHW Specialist.
5. Has the department reviewed the employment policies and practices of your department to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		The following policies were reviewed to ensure HIV/AIDS, STI and TB mainstreaming: Departmental policy on official hours and overtime, sexual harassment, skills development, Dress Code, Wellness, Health and Productivity, HIV/AIDS, STI and TB management, Resettlement, Gender Mainstreaming, PMDS, Secondment, Information Security and Special leave policy.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		There are Departmental initiatives on management of Diversity. Counseling is also provided for employees who are HIV positive through the appointed external service provider.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		A total number of 255 employees (151 females and 104 males) tested for HIV.
8. Has the department developed measures/indicators to monitor and evaluate the impact of your health promotion programme? If so, list these measures/indicators.	X		The Department conduct an annual assessment to monitor and evaluate the health promotions through the System Monitoring Tool (SMT), which is used as the basis for planning and implementation of the health promotion programme for the subsequent financial year (See attached SMT).

### 3.12 LABOUR RELATIONS

**TABLE 3.12.1 - Collective Agreements**

Subject Matter	Date
Total number of collective agreements	None

**TABLE 3.12.2 - Misconduct and Discipline Hearings Finalised**

Outcomes of disciplinary hearings	Number
Total number of Disciplinary hearings finalised	None

**TABLE 3.12.3 - Types of Misconduct Addressed and Disciplinary Hearings**

Type of misconduct	Number	Percentage of Total
Insubordination	2	40
Dishonesty	1	20
Breach of security	1	20
Assault	1	20
<b>TOTAL</b>	<b>5</b>	<b>100</b>

## PART D: HUMAN RESOURCES MANAGEMENT

Grievances	Number	Percentage of Total
Number of grievances resolved	4	44
Number of grievances not resolved	5	56
<b>Number of grievances lodged</b>	<b>9</b>	<b>100</b>

Disputes	Number	% of total
Number of disputes pending	0	0
Number of disputes dismissed	0	0
Number of disputes upheld	0	0
Number of disputes unresolved	2	100
<b>Number of disputes lodged</b>	<b>2</b>	<b>100</b>

Strike Actions	
Total number of person working days lost	0
Total cost (R'000) of working days lost	0
Amount (R'000) recovered as a result of no work no pay	0

Precautionary Suspensions	
Number of people suspended	1
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	365
Cost (R'000) of suspensions	R 206

OCCUPATIONAL CATEGORIES	Gender	Employment as at 1 April 2016	Learnerships	Skills Programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers (SMS)	Female	32	0	34	0	34
	Male	32	0	33	0	33
Professionals (11-12)	Female	53	0	28	0	28
	Male	44	0	21	0	21
Technicians and associate professionals (9-10)	Female	37	0	23	0	23
	Male	23	0	16	1	17
Clerks (6-8)	Female	140	0	115	1	116
	Male	78	0	70	2	72
Service and sales workers (3-5)	Female	66	0	29	0	29
	Male	52	0	26	0	26
Elementary occupations (Level 2)	Female	29	0	20	0	20
	Male	14	0	8	0	8
OSD	Female	4	0	6	0	6
	Male	4	0	2	0	2
Gender sub totals	Female	361	0	255	1	256
	Male	247	0	176	3	179
<b>TOTAL</b>		<b>608</b>	<b>0</b>	<b>431</b>	<b>4</b>	<b>435</b>

**Note: Principals, Special Advisors and Interns excluded**



**TABLE 3.13.2 - Training Provided**

OCCUPATIONAL CATEGORIES	Gender	Employment as at 1 April 2016	Learnerships	Skills Programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers (SMS)	Female	32	0	21	2	23
	Male	32	0	30	4	34
Professionals (11-12)	Female	53	0	22	5	27
	Male	44	0	22	0	22
Technicians and associate professionals (9-10)	Female	37	0	23	0	23
	Male	23	0	15	2	17
Clerks (6-8)	Female	140	0	70	0	70
	Male	78	0	37	1	38
Service and sales workers (3-5)	Female	66	0	58	0	58
	Male	52	0	45	0	45
Elementary occupations (L 2)	Female	29	0	43	0	43
	Male	14	0	33	0	33
OSD	Female	4	0	0	0	0
	Male	4	0	0	0	0
Gender sub totals	Female	361	0	237	7	244
	Male	247	0	182	7	189
<b>TOTAL</b>		<b>608</b>	<b>0</b>	<b>419</b>	<b>14</b>	<b>433</b>

Note: Principals, Special Advisors and Interns excluded

**TABLE 3.14.1 - Injury on Duty**

Nature of injury on duty	Number	% of total
Required basic medical attention only	1	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
<b>TOTAL</b>	<b>1</b>	

**TABLE 3.15.1 - Report on consultant appointments using appropriated funds**

PROJECT TITLE	Total number of consultant who worked on project	Duration: Work days	Contract value in Rand
Audit Committee	7	37	264 833
Translation services	4	19	128 489
Financial Management Services	19	98	620 160
Public Office Bearers Commissioners	8	174	617 942
Review of Remuneration of Local Government Public Office Bearers	1*	304	708 683
Professional affiliation: Bureau Economic Research	1*		71 259
BarnOwl Handholding Service	2	2	27 360
National Orders Advisory Council	9	2	50 112
Ethics Culture Survey		30	147 177
Risk and Audit Committee Meetings (Chairperson)	1	365	65 183
Facilitation and Development of The Presidency APP for a period of three years (2017/18 to 2019/20) - Phase 1, 2 and 3	2	26	483 987
Support and Facilitation of 2016/17 Strategic Planning Processes			211 698
<b>Total number of projects</b>	<b>Total individual Consultants</b>	<b>Total Duration: Work days</b>	<b>Total Contract Value in Rands</b>
12	52	1 057	3 396 883

\*Note that this is the number of companies/institutions, not specific individuals

## PART D: HUMAN RESOURCES MANAGEMENT

**TABLE 3.15.2 - Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs)**

PROJECT TITLE	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Audit Committee Meetings	71%	71%	5
Translation services			
Financial Management Services	76%	100%	19
Public Office Bearers Commissioners	75%	75%	6
Review of Remuneration of Local Government Public Office Bearers			
Professional affiliation: Bureau Economic Research			
BarnOwl Handholding Service			1
National Orders Advisory Council	83%	83%	9
Ethics Culture Survey			
Risk and Audit Committee Meetings (Chairperson)	100%	100%	1
Facilitation and Development of The Presidency APP for a period of three years (2017/18 to 2019/20) - Phase I, 2 and 3			1
Support and Facilitation of 2016/17 Strategic Planning Processes			1

**TABLE 3.15.3 - Report on consultant appointments using Donor funds**

PROJECT TITLE	Total number of consultants that worked on the project	Duration: Work days	Donor and Contract value in Rand
None			
<b>Total number of projects</b>	<b>Total individual consultants</b>	<b>Total duration: Work days</b>	<b>Total contract value in Rand</b>
None			

**TABLE 3.15.4 - Analysis of consultant appointments using Donor funds, i.t.o. HDIs**

PROJECT TITLE	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
None			

**TABLE 3.16.1 - Granting of Employee Initiated Severance Packages**

CATEGORY	No of applications received	No of applications referred to the MPSA	No of applications supported by MPSA	No of Packages approved by department
OSD	0	0	0	0
Lower Skilled (Salary Level 2)	3	2	0	0
Skilled (Salary Level 3-5)	4	3	0	0
Highly Skilled Production (Salary Level 6-8)	3	1	0	0
Highly Skilled Production (Salary Level 9-12)	3	3	0	0
Senior Management (Salary Level 13 - 16)	3	2	1	1
<b>TOTAL</b>	<b>16</b>	<b>11</b>	<b>1</b>	<b>1</b>



## REPORT OF THE ACCOUNTING OFFICER

In the period under review, The Presidency delivered optimal support to the President and Deputy President, to enable them to lead government programmes aimed at radical socio-economic transformation.

Viewed globally, The Presidency's role at the apex of government during 2016/17 served to maintain and deepen government's initiatives to transform South African society and the economy through improved and impactful coordination within government, and greater collaboration with civil society, including communities, business and labour.

Against the backdrop of persistent economic constraints, government forged ahead with creating an environment that is more conducive to domestic and inward investment. New and expanded investments were recorded in key industrial sectors, including automotive and mobile communication, among others.

The development of public infrastructure – to serve economic efficiency and the social needs of citizens – continued apace in sectors such as public transport, health, education and access to justice.

In the spirit of "Together We Move South Africa Forward", The Presidency reached out to a broad range of stakeholders to develop shared solutions in addressing economic challenges: issues affecting higher education, racism and reducing the burden of disease, notably HIV and TB.

The Presidency tabled a revised Strategic Plan for 2015-2020 in March 2016, aligned to the MTSF, and it is understood that this Strategic Plan remains relevant and continues to inform the strategic posture and intent of The Presidency.

The Strategic Plan outlines the role of The Presidency in supporting the President and the Deputy President in their efforts to lead and galvanise government and society towards a common vision of a non-racial, non-sexist and prosperous South Africa.

In anticipation of effective implementation of the revised Strategic Plan, the following are the highlights of progress made by The Presidency on the implementation of the key priorities for 2016/17:

### **Supporting the President and Deputy President to lead integrated planning and policy coherence in government**

Under the auspices of Operation Phakisa, The Presidency takes pride in the significance Information and Communications Technology (ICT) has assumed in education, particularly in the

way it has simplified learning. What is most pleasing is the way in which different government entities and the private sector have come together to invest in ICT in Education. The monitoring of the Operation Phakisa ICT in Education has indicated thus far that most provinces have provided their ICT sector plans and aligned them with the Operation Phakisa framework. Currently, the Department of Basic Education is able to track the progress of ICT implementation across the country.

Strides are also being made towards making ICT a primary tool of teaching and learning. From the inception of the Operation Phakisa laboratory process, 2 430 schools (100.2%) have been connected out of 2 425 that were to be connected by the end of September 2016. In total 54% of the targeted 24 000 public schools have been connected to date.

As the pinnacle of a democratic government, The Presidency is deeply committed to direct interaction with citizens and stakeholder constituencies, to assess the needs, interests and proposals of citizens and stakeholders, and to investigate first-hand reported instances of underperformance or lethargy on the part of government.

The Presidential Siyahlola Monitoring Programme enables the President to visit "hotspots" or experience the challenges faced by South Africans in various walks of life or contexts. The Imbizo platform remains an important means of reaching out to citizens and stakeholder groups in a setting of consultation and information sharing.

As part of the Presidential Siyahlola Monitoring Programme, The President visited among others KwaMhlanga Hospital, which had been affected by water shortages. He was pleased to be informed that the water supply to the hospital had been restored through measures taken by various government entities. The hospital is functioning well now and the patients are receiving the proper care they deserve.

The President also handed over houses to three families, who have lived in informal dwellings for many years. One of the families is headed by an 84-year-old grandmother who lives with her grandchildren. Another household is headed by a 29-year-old who is a single mother and lives with her two children. Members of the community also obtained the opportunity to raise their concerns during the community meeting presided over by President Zuma.

The Presidency also supported the President in respect of his Imbizo visit to Marhulana Primary School in Tembisa, Ekurhuleni, to hand over a donation of computers, following his visit to the school in July 2016 as part of Mandela Day commemorations.

## REPORT OF THE ACCOUNTING OFFICER

In this particular case, President Zuma interacted with both the learners and teachers of Marhulana Primary School, as education is an apex priority of Government.

President Jacob Zuma has undertaken a visit as part of the Izimbizo programme to combat crime in the kwaMhlabuyalingana local municipality in northern KwaZulu-Natal, which is causing tension between South Africans and Mozambicans.

### Cabinet

Work has been done on fast-tracking the operationalisation of e-Cabinet. A service level agreement has been signed and SITA has conducted a security assessment. The State Security Agency will in turn conduct its own assessment in the coming financial year. However, challenges still persist related to non-vetted Ministry staff.

The annual report on the implementation of the Cluster System Improvement Plan has been successfully developed; however, the initial Improvement Plan focused on deliverables that are out of the control of The Presidency and thus posed implementation challenges. The revised improvement plan tried to narrow down issues to those under the control of The Presidency.

### Commission of Inquiry into the Remuneration and Conditions of Service in the Public Service and Public Entities

The Commission listed in Schedule 3A and 3C of the PFMA in August 2013 was appointed by the President and has made some progress with its work. Some of its responsibilities are to investigate remuneration and conditions of service in the public service and public entities listed in Schedule 3A and 3C of the PFMA, with the remuneration of educators receiving priority attention.

According to the terms of reference, matters being probed include organisational development, job evaluation and grading, recruitment, appointment and promotion, human resource planning and performance management systems, policies and practices in the public service.

### Labour market stability and national minimum wage

Substantial progress is being made by NEDLAC social partners in the negotiations on Labour Relations, with particular reference to labour market stability and the National Minimum Wage process.

Government, labour, business and community have agreed on a National Minimum Wage set at R20 per hour or R3 500 per month for those who work a 40-hour week. Those who work a 45-hour week will have their minimum wage set at R3 900.

The National Minimum Wage sets a threshold for a minimum wage that will significantly improve the lives of millions of low-paid workers and begin to address the challenge of wage inequality.

At its introduction next year, South Africa will join several countries around the world that have implemented a national minimum wage as an instrument of economic as well as social development. The social partners have agreed to set the National Minimum Wage at a level that has a meaningful impact on the wages of the lowest paid workers, while minimising any negative impact on employment.

### Reform of state-owned entities

With South Africa aspiring to be a developmental state, the Presidential Review Committee (PRC) on State Owned Entities (SOE) has developed a framework for SOE reforms and optimal contribution to equitable growth, development, transformation and service delivery in South Africa. The framework takes into account international experience and encapsulates the 21 principles that enhance the SOE environment.

The PRC suggests that these principles should be endorsed by Government to guide SOE reforms. The SOE reform principles are designed to guide South Africa towards comprehensive reforms in the SOE environment to deal with current and future challenges facing the nation. SOEs are not regarded as a panacea for solving all challenges of South Africa, but are an added strategic and catalytic state instrument for transformation, growth, development, service delivery and employment creation. They can make a significant contribution to the attainment developmental state status.

### Combating HIV and Tuberculosis

South Africa hosted the 21<sup>st</sup> International AIDS Conference at the Durban International Convention Centre. Over 12 000 delegates from 180 countries around the world attended the Conference, with the theme, "Access Equity Rights – Now," under the banner of the International AIDS Society.

Deputy President Cyril Ramaphosa, in his capacity as the chairperson of the South African National AIDS Council (SANAC), led the South African government delegation to the global forum that provided South Africa with an opportunity to



highlight its globally acclaimed programme aimed at combating the HIV epidemic. South Africa also used the opportunity to share lessons with the international community on how it is currently implementing the largest ARV programme in the world, with 3,4 million people on treatment.

### Supporting the President and Deputy President to advance nation building and social cohesion

Key anniversaries and commemorative events were celebrated in 2016, which required planning, oversight and coordination by The Presidency in support of the President, namely:

- **60<sup>th</sup> Anniversary of the women's march to the Union Buildings:** The President delivered the national message at the 60<sup>th</sup> Anniversary of the women's march at the National Women's Day celebrations held at the Union Buildings in Pretoria on 9 September 2016 under the theme, "Women United in Moving South Africa Forward". The 2016 event marked 60 years since the iconic 1956 Women's March to the Union Buildings against discriminatory pass laws, which had restricted the movement of black people in the country. The President also unveiled the Women's Living Heritage Monument depicting leaders of the 1956 women's march at Lillian Ngoyi Square in the Pretoria central business district.
- **16 June 1976 student uprisings:** In 2016 National Youth Day was marked by commemorating the 40<sup>th</sup> anniversary of the 16 June 1976 student uprising. The country celebrated the heroism of students who stood up to the apartheid state as they fought for their rights and the liberation of their country from racial oppression and subjugation. The country is now reflecting on the achievements, challenges and opportunities facing the current generation of young people, under the theme, "Youth Moving South Africa Forward".
- **Centenary of Fort Hare University:** The country celebrated the historic Fort Hare centenary at the Fort Hare University, Alice Campus in the Eastern Cape. The celebration acknowledged the role that the university has played in educating Africans. It also celebrated the values and traditions that made the university to be Africa's most respected institution of higher learning. The event coincided with Africa Month to commemorate the founding of the Organisation of African Unity (OAU), at present known as the AU, under the theme, "Building a Better Africa and Better World".

- **Africa Month:** South Africa hosted the 2016 Africa Day celebration on 25 May at the Cape Town International Convention Centre, under the theme, "Building a Better Africa and a Better World". The country also used the day to reaffirm support for the AU's Agenda 2063 and commit the country to playing its role within the AU to ensure the successful implementation of the vision and plan to build a better Africa. South Africa re-joined the continent and the international community in 1994 following the dawn of freedom and democracy. Africa Day 2016 therefore marked the celebration of 22 years since the country's reintegration into the OAU/AU and the international community.

- **16 Days of Activism for no Violence against Women and Children:** The President launched the 16 Days of Activism for no Violence against Women and Children campaign at Lebowakgomo Civic Centre, Lepelle-Nkumpi Local Municipality in Limpopo Province. The event was held under the theme, "Count Me In: Together Moving a Non-Violent South Africa Forward". As part of the campaign, Government also convened a series of National Dialogue Sessions on Violence against Women and Children across the country in an effort to find collective solutions to end the abuse in communities.

### Supporting the President and Deputy President to advance South Africa's role in the regional, continental and international arena

The Presidency enabled the President and Deputy President to engage in multilateral and bilateral meetings, state visits, international obligations and South Africa's peace-making and peace-keeping role on the continent. In his International Relations activities and duties as Head of State, The President conducted 28 incoming and outgoing international state, working and official visits. Other visits were delegated to the Deputy President as part of his peace making and peace-keeping role on the continent.

### PLANNING FOR FURTHER IMPACT

The Presidency will continue its efforts over the next three years to implement the revised Strategic Plan for 2015-2020 with more emphasis on:

- Fast-tracking the implementation of the innovation, modernisation and digitisation of The Presidency processes. It is envisaged that this will include the roll-out of an extensive ICT infrastructure upgrade project, to support the operations of the organisation, improve efficiency and effect enhancements in all systems and increase the levels

## REPORT OF THE ACCOUNTING OFFICER

of information security. This project also involves continued progress and a move towards making the e-Cabinet system fully operational. The process commenced in 2015 with the aim to create a fully-fledged secured electronic document management system and a collaboration platform for Cabinet meetings.

- Continued support and prioritisation of government's measures to combat abuse and corruption in supply chain systems. This is intended to ensure greater value for money in public service delivery. The Presidency will also continue to utilise the e-Tender portal and Central Supplier Database as introduced by National Treasury for the strategic procurement of goods and services for government.
- Ensuring compliance with the governance code of the King IV report as adopted by National Treasury for implementation across government.
- Implementation of measures to improve cost-efficiency to ensure that The Presidency honours its promises within the allocated budget.

### Discontinued activities

The Presidency did not discontinue any of its activities during the 2016/17 financial year.

### New or proposed activities

The President has reconstituted the Inter-Ministerial Committee (IMC) on Information and Publicity. The IMC is responsible for championing and coordinating the work of government with regard to communicating government programmes. The IMC will now be called the IMC on Communications and will be chaired by the President assisted by the Minister of Communications who will be responsible for the overall coordination of the communication function as per her portfolio.

This completes the transitional period during which the Minister in The Presidency for Planning, Monitoring and Evaluation chaired the IMC. The location of the communication function in the Communication Ministry will centralise communication and should improve the management of the Government Communication and Information System (GCIS), which will now report to the Minister of Communications.

The President will now lead and chair the IMC on Comprehensive Social Security to ensure the Constitutional Court order concerning the payment of 17 million social grants is well executed.

Beyond the important directive from the Constitutional Court, the IMC will also focus on comprehensive social security reforms with a view to addressing the gaps and weaknesses identified and ensuring the provision of comprehensive social security for all. The labour movement has been calling for comprehensive reforms of our social security system over a period of time. The IMC will assist Cabinet in moving that process forward.

### Departmental receipts

DEPARTMENTAL RECEIPTS	2016/2017			2015/2016		
	Estimate	Actual Amount collected	(Over)/under collection	Estimate	Actual Amount collected	(Over)/under collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts	0	0	0	0	0	0
Casino taxes	0	0	0	0	0	0
Horse racing taxes	0	0	0	0	0	0
Liquor licences	0	0	0	0	0	0
Motor vehicle licences	0	0	0	0	0	0
Sale of goods and services other than capital assets	367	350	17	371	355	16
Transfers received	0	0	0	0	0	0



DEPARTMENTAL RECEIPTS	2016/2017			2015/2016		
	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
Fines, penalties and forfeits	0	0	0	0	0	0
Interest, dividends and rent on land	10	59	-49	106	107	-1
Sale of capital assets	0	107	-107	495	495	0
Financial transactions in assets and liabilities	75	849	-774	2 000	1 967	33
<b>TOTAL</b>	<b>452</b>	<b>1 365</b>	<b>-913</b>	<b>2 972</b>	<b>2 924</b>	<b>48</b>

The Presidency is not a revenue-generating department. The revenue collected in The Presidency includes bus fare, rental for accommodation in Cape Town, parking, commission on garnishee and insurance and fees received in terms of the Promotion of Access to Information Act. In addition to the above, the revenue report includes the Financial Transaction in Assets and Liabilities, which emanates from recovery of previous year expenditure.

The Presidency exceeded the estimated revenue collection target for the 2016/17 financial year by 202%. The increase in revenue collection is attributed to the recovery of previous year expenditure and the sales of capital assets (vehicle). The car was sold because of the expiry of the maintenance plan.

#### Determination of tariffs

Sales of goods and services other than capital assets

- Rental dwellings – The rental dwelling tariffs are determined by the Department of Public Works.
- Transport fee (bus) – The tariff is agreed upon by the employer (The Presidency) and the unions representing the bus users in The Presidency.
- Parking fee – The parking fee tariff is determined by the Department of Public Works.
- Access to Information Act – The tariffs are determined by The Presidency in line with the Promotion of Access to Information Act, 2000 (Act 2 of 2000).
- Commission insurance and garnishee – The tariff is determined by National Treasury.

#### Programme expenditure

PROGRAMME NAME	2016/2017			2015/2016		
	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	455 041	447 709	7 332	446 242	446 212	30
Executive Support	34 734	27 624	7 110	29 687	20 525	9 162
Sub-Total	489 775	475 333	14 442	475 929	466 737	9 192
Direct Charges	6 035	5 713	322	5 726	5 620	106
Sub- total	495 810	481 046	14 764	481 655	472 357	9 298
Unauthorised expenditure approved without funding	0	0	0	0	2 567	2 567
<b>TOTAL</b>	<b>495 810</b>	<b>481 046</b>	<b>14 764</b>	<b>481 655</b>	<b>474 924</b>	<b>6 731</b>

Underspending on Programme 1 was mainly on compensation of employees, due to posts that were vacated during the year and could not be filled as a result of anticipated funding constraints in future.

Underspending on programme 2 was mainly on goods and services, due to some e-Cabinet goods and services that were not received or rendered as planned.

## REPORT OF THE ACCOUNTING OFFICER

### Virements/roll-overs

A virement of R824 000 was processed from Programme 2: Executive Support to defray excess expenditure on Transfers and Subsidies of Programme 1: Administration. No roll-overs were requested.

### Unauthorised expenditure

No unauthorised expenditure was incurred in 2016/17.

### Irregular expenditure, fruitless and wasteful expenditure

The Presidency advertised an IT tender through SITA for 14 days instead of 21 days and an amount of R4.8 million was reported as irregular for the 2016/17 financial year. An amount of R5.986 million covering 2015/16 and 2016/17 has also been reported as irregular expenditure for designated sectors and training this year.

### Public- Private Partnerships

- The Presidency did not enter into any PPP contract in the year under review.

### Supply chain management

- No unsolicited bid proposals were concluded for the year under review.
- The Presidency has systems in place to prevent irregular expenditure; checklists have been implemented to ensure adherence to processes and procedures.

The following challenges affect the SCM environment:

- Frequent updates of the Central Suppliers' Database in relation to tax matters;
- Non-responsiveness of suppliers when requests for quotation are sent;
- Minimal suppliers' rotation in procurement of goods and services due to limitations of the Central Suppliers' Database; and
- Budgets cut in relation to compensation budgets.

Current interventions are:

- To review the history of tax compliance in the Central Suppliers' Database frequently;
- To build relationships with suppliers to ensure that they respond to requests for quotations; and
- To monitor the list of suppliers used and promote rotation and to appoint temporary employees.

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

The Presidency received the following gifts in kind:

- Free advertising for internship positions in Vukuzenzele received from GCIS on 17 November 2016 to the value of R64 038.12.
- Fifty school backpacks and water bottles for girl learners who were hosted during the 2016/17 "Take a Girl Child to Work Campaign" received from Cell C Foundation on 27 May 2016 to the value of R2 472.00.

In July 2016, The Presidency participated in the Nelson Mandela Campaign by offering food to the value of R10 000.00 to Tshwane Haven and Sunnyside Orphanage in heeding the call for participation in Mandela Day and to advance its objectives.

The Presidency offered the following contributions to the families of deceased employees as a gesture of goodwill:

Linda Manyane	R10 000.00
Yandisa Gubayo	R10 000.00
Keabetswe Dutch Mohale	R10 000.00
Maria Pila	R10 000.00

The Presidency also offered, as a gesture of goodwill, sanitary towels obtained in the form of donations by employees of The Presidency to the value of R3 000.00 to Soshanguve Pick 'n Pay in October 2016 as part of assisting the company to reach out to disadvantaged learners, as well as to ensure that learners did not miss out on attending classes because of lack of financial means to buy sanitary towels.

The Presidency also donated redundant office furniture and equipment to the following schools:

Bodubelo Primary School	R343 000.00
Bud-Mbele Primary School	R350 000.00
Bula-Dikgoro Primary School	R181 000.00
Ikageng Primary School	R453 000.00
Lesolang Primary School	R365 000.00
Meetse-a-Bohpelo Primary School	R261 000.00
Tsuene High school	R85 000.00
Rakale Primary School	R95 000.00
Sipamandla High School	R77 000.00

### Exemptions and deviations received from the National Treasury

In the year under review no exemptions were requested or granted by Treasury for The Presidency.



### Events after reporting date

Subsequent to the closure date of the 2016/2017 financial year, yet before the finalisation and publishing of the financial statements for the same period, the following events emerged as part of Contingent Liabilities:

The North Gauteng High Court ruled in respect of case 24396/2017 (Democratic Alliance (DA) v President of RSA) on 4 May 2017 that the President must provide the applicant with all necessary documents and records and pay the costs of the application. The President is appealing the decision of the North Gauteng High Court at the Supreme Court of Appeal. The issue related to assigning/allocating the associated legal costs to The Presidency or the President personally will only be settled once the appeal process has been finalised.

The Constitutional Court ruled in respect of case CCT 89/2017 (United Democratic Movement (UDM) v Speaker of National Assembly) on 22 June 2017 that the President and the Speaker of Parliament must pay the costs associated with the above-mentioned application, including the costs of two legal counsels. The Presidency is liable for 50% of the legal costs in the above-mentioned case. However, the amount in question is yet to be determined by the taxing master. Rule 45(2) of the Uniform Rules of the High Court provides that "No process of execution shall issue for levying and raising of any costs awarded by the court to any party, until they have been taxed by the taxing master or agreed to in writing by the party concerned in a fixed sum."

As part of the interim audit report tabled by the Auditor-General in February 2017, allegations of potential collusive bidding between prospective service providers were made. An investigation was subsequently conducted by forensic auditors to determine whether there was indeed sound evidence supporting the said allegations. The investigation was concluded on 12 June 2017, which is past the period set to conclude the Financial Statements for 2016/17. The recommendations of the investigation are in the process of being implemented and this matter will be disclosed as part of the 2017/18 financial records.

### Other

The accommodation at Johannes Ramokhoase in Arcadia, Pretoria and the building located on 8<sup>th</sup> Street, Houghton, Johannesburg are provided by Public Works at no cost to The Presidency.

### Acknowledgement/s or Appreciation

I would like to take this opportunity to thank the Director-General, Dr Cassius Reginald Lubisi, for his leadership and strategic direction in implementing the 2015-2020 Strategic Plan of The Presidency. I would also like to express my wholehearted gratitude to management and all staff for their invaluable support and contribution to our success during this reporting period.

Approval and sign-off.

**Ms Lakela Kaunda**  
**Chief Operations Officer**  
**The Presidency**  
**31 July 2017**

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# ANNUAL FINANCIAL STATEMENTS

## APPROPRIATION STATEMENT

for the year ended 31 March 2017

APPROPRIATION PER PROGRAMME									
Programme	2016/17						2015/16		
	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. Administration	454 217	-	824	455 041	447 709	7 332	98.4%	446 242	446 212
2. Executive Support	35 558	-	(824)	34 734	27 624	7 110	79.5%	29 687	20 525
<b>Subtotal</b>	<b>489 775</b>	<b>-</b>	<b>-</b>	<b>489 775</b>	<b>475 333</b>	<b>14 442</b>	<b>97.1%</b>	<b>475 929</b>	<b>466 737</b>
<b>Statutory Appropriation</b>	<b>6 035</b>	<b>-</b>	<b>-</b>	<b>6 035</b>	<b>5 713</b>	<b>322</b>	<b>94.7%</b>	<b>5 726</b>	<b>5 620</b>
President and Deputy President salary	6 035	-	-	6 035	5 713	322	94.7%	5 726	5 620
<b>TOTAL</b>	<b>495 810</b>	<b>-</b>	<b>-</b>	<b>495 810</b>	<b>481 046</b>	<b>14 764</b>	<b>97.0%</b>	<b>481 655</b>	<b>472 357</b>

	2016/17		2015/16	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
<b>TOTAL (brought forward)</b>	<b>495 810</b>	<b>481 046</b>	<b>481 655</b>	<b>472 357</b>
Reconciliation with statement of financial performance				
<b>ADD</b>				
Departmental receipts	1 365		2 924	
Aid assistance	-		981	
<b>Actual amounts per statement of financial performance (total revenue)</b>	<b>497 175</b>		<b>485 560</b>	
<b>ADD</b>				
Aid assistance			-	981
Prior year unauthorised expenditure approved without funding				2 567
<b>Actual amounts per statement of financial performance (total expenditure)</b>		<b>481 046</b>		<b>475 905</b>

# ANNUAL FINANCIAL STATEMENTS

## APPROPRIATION STATEMENT

for the year ended 31 March 2017

APPROPRIATION PER ECONOMIC CLASSIFICATION									
	2016/17						2015/16		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>479 412</b>	<b>(1 009)</b>	<b>(824)</b>	<b>477 579</b>	<b>464 765</b>	<b>12 814</b>	<b>97.3%</b>	<b>440 350</b>	<b>431 372</b>
Compensation of employees	314 634	(12)	(824)	313 798	308 728	5 070	98.4%	296 579	295 098
Salaries and wages	278 887	1 225	(824)	279 288	275 461	3 827	98.6%	264 487	263 006
Social contributions	35 747	(1 237)	-	34 510	33 267	1 243	96.4%	32 092	32 092
Goods and services	164 778	(1 043)	-	163 735	155 991	7 744	95.3%	143 771	136 274
Administrative fees	930	2 122	-	3 052	3 052	-	100.0%	2 767	2 767
Advertising	1 217	(671)	-	546	447	99	81.9%	1 063	1 063
Minor assets	4 660	(3 495)	-	1 165	776	389	66.6%	934	934
Audit costs: External	5 482	(864)	-	4 618	4 618	-	100.0%	4 432	4 432
Bursaries: Employees	1 724	(303)	-	1 421	1 421	-	100.0%	1 094	1 094
Catering: Departmental activities	3 462	(592)	-	2 870	2 724	146	94.9%	2 399	2 399
Communication	16 253	(4 575)	-	11 678	11 170	508	95.6%	17 220	17 220
Computer services	34 589	(7 366)	-	27 223	23 833	3 390	87.5%	10 734	5 946
Consultants: Business and advisory services	7 546	(4000)	-	3 546	3 397	149	95.8%	3 779	3 779
Legal services	3 782	8 477	-	12 259	12 259	-	100.0%	9 110	9 110
Contractors	4 761	(540)	-	4 221	4 012	209	95.0%	1 268	1 207
Agency and support/outsourced services	7 268	(3 091)	-	4 177	3 489	688	83.5%	2 517	2 517
Entertainment	149	(65)	-	84	1	83	1.2%	13	7
Fleet services	898	2 029	-	2 927	2 926	1	100.0%	2 558	2 558
Consumable supplies	5 241	(1 160)	-	4 081	3 928	153	96.3%	3 548	3 538
Consumable: Stationery, printing and office supplies	4 729	582	-	5 311	5 079	232	95.6%	4 468	4 355
Operating leases	1 990	3 539	-	5 529	5 529	-	100.0%	4 966	4 966
Property payments	86	737	-	823	823	0	100.0%	434	434
Travel and subsistence	51 919	7 968	-	59 887	59 232	655	98.9%	62 710	60 838
Training and development	3 041	460	-	3 501	3 501	-	100.0%	2 568	2 507
Operating payments	2 756	(128)	-	2 628	2 224	404	84.6%	2 483	2 319
Venues and facilities	1 923	(309)	-	1 614	1 236	378	76.6%	1 225	859
Rental and hiring	372	202	-	574	314	260	54.7%	1 481	1 425
Interest and rent on land	-	46	-	46	46	-	100.0%	-	-
Interest	-	46	-	46	46	-	100.0%	-	-
<b>Transfers and subsidies</b>	<b>2 396</b>	<b>23</b>	<b>824</b>	<b>3 243</b>	<b>3 243</b>	<b>-</b>	<b>100.0%</b>	<b>1 085</b>	<b>1 056</b>
Provinces and municipalities	-	3	-	3	3	-	100.0%	4	4
Municipalities	-	3	-	3	3	-	100.0%	4	4
Municipal bank accounts	-	3	-	3	3	-	100.0%	4	4
Departmental agencies and accounts	34	(34)	-	-	-	-	-	32	3
Departmental agencies	34	(34)	-	-	-	-	-	32	3
Public corporations and private enterprises	-	42	-	42	42	-	100.0%	-	-
Private enterprises	-	42	-	42	42	-	100.0%	-	-
Other transfers to private enterprises	-	42	-	42	42	-	100.0%	-	-
Households	2 362	12	824	3 198	3 198	-	100.0%	1 049	1 049
Social benefits	2 362	12	620	2 994	2 994	-	100.0%	799	799
Other transfers to households	-	-	204	204	204	-	100.0%	250	250
<b>Payments for capital assets</b>	<b>14 002</b>	<b>-</b>	<b>-</b>	<b>14 002</b>	<b>12 052</b>	<b>1 950</b>	<b>86.1%</b>	<b>39 084</b>	<b>38 793</b>



APPROPRIATION PER ECONOMIC CLASSIFICATION									
	2016/17						2015/16		
	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
Machinery and equipment	14 002	-	-	14 002	12 052	1 950	86.1%	39 084	38 793
Transport equipment	1 120	-	-	1 120	821	299	73.3%	696	696
Other machinery and equipment	12 882	-	-	12 882	11 231	1 651	87.2%	38 388	38 097
Payments for financial assets	-	986	-	986	986	-	100.0%	1 136	1 136
<b>TOTAL</b>	<b>495 810</b>	<b>-</b>	<b>-</b>	<b>495 810</b>	<b>481 046</b>	<b>14 764</b>	<b>97.0%</b>	<b>481 655</b>	<b>472 357</b>

STATUTORY APPROPRIATION PER ECONOMIC CLASSIFICATION									
	2016/17						2015/16		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
Current payments	6 035	-	-	6 035	5 713	322	94.7%	5 726	5 620
Compensation of employees	6 035	-	-	6 035	5 713	322	94.7%	5 726	5 620
<b>TOTAL</b>	<b>6 035</b>	<b>-</b>	<b>-</b>	<b>6 035</b>	<b>5 713</b>	<b>322</b>	<b>94.7%</b>	<b>5 726</b>	<b>5 620</b>

# ANNUAL FINANCIAL STATEMENTS

## APPROPRIATION STATEMENT

for the year ended 31 March 2017

PROGRAMME I: ADMINISTRATION									
	2016/17						2015/16		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
1. Management	338 937	1 319	661	340 917	336 752	4 165	98.8%	331 276	331 246
2. Support Services to President	64 092	601	43	64 736	62 986	1 750	97.3%	65 944	65 944
3. Support Services to Deputy President	51 188	(1 920)	120	49 388	47 971	1 417	97.1%	49 022	49 022
<b>Total for sub programmes</b>	<b>454 217</b>	<b>-</b>	<b>824</b>	<b>455 041</b>	<b>447 709</b>	<b>7 332</b>	<b>98.4%</b>	<b>446 242</b>	<b>446 212</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>439 534</b>	<b>(992)</b>	<b>-</b>	<b>438 542</b>	<b>432 431</b>	<b>6 111</b>	<b>98.6%</b>	<b>406 041</b>	<b>406 040</b>
Compensation of employees	291 960	-	-	291 960	288 728	3 232	98.9%	273 797	273 796
Salaries and wages	258 098	1 237	-	259 335	257 349	1 986	99.2%	243 379	243 378
Social contributions	33 862	(1 237)	-	32 625	31 379	1 246	96.2%	30 418	30 418
Goods and services	147 574	(1 038)	-	146 536	143 657	2 879	98.0%	132 244	132 244
Administrative fees	930	2 041	-	2 971	2 971	-	100.0%	2 693	2 693
Advertising	1 217	(671)	-	546	447	99	81.9%	1 063	1 063
Minor assets	4 642	(3 495)	-	1 147	767	380	66.9%	848	848
Audit costs: External	5 482	(864)	-	4 618	4 618	-	100.0%	4 432	4 432
Bursaries: Employees	1 724	(303)	-	1 421	1 421	-	100.0%	1 094	1 094
Catering: Departmental activities	2 217	(819)	-	1 398	1 252	146	89.6%	1 018	1 018
Communication	16 114	(4 575)	-	11 539	11 092	447	96.1%	17 036	17 036
Computer services	22 239	(6 894)	-	15 345	15 345	-	100.0%	5 890	5 890
Consultants: Business and advisory services	7 546	(4 000)	-	3 546	3 397	149	95.8%	3 779	3 779
Legal services	3 782	8 477	-	12 259	12 259	-	100.0%	9 110	9 110
Contractors	4 696	(540)	-	4 156	3 986	170	95.9%	1 206	1 206
Agency and support/ outsourced services	7 268	(3 091)	-	4 177	3 489	688	83.5%	2 517	2 517
Entertainment	139	(65)	-	74	1	73	1.4%	4	4
Fleet services	885	2 002	-	2 887	2 886	1	100.0%	2 517	2 517
Consumable supplies	5 212	(1 160)	-	4 052	3 920	132	96.7%	3 519	3 519
Consumable: Stationery, printing and office supplies	4 552	582	-	5 134	4 957	177	96.6%	4 263	4 263
Operating leases	1 990	3 407	-	5 397	5 397	-	100.0%	4 860	4 860
Property payments	86	737	-	823	823	-	100.0%	434	434
Travel and subsistence	49 677	7 968	-	57 645	57 645	-	100.0%	59 309	59 309
Training and development	3 041	460	-	3 501	3 501	-	100.0%	2 507	2 507
Operating payments	2 352	(384)	-	1 968	1 968	-	100.0%	1 934	1 934
Venues and facilities	1 475	(53)	-	1 422	1 236	186	86.9%	792	792
Rental and hiring	308	202	-	510	279	231	54.7%	1 419	1 419
Interest and rent on land	-	46	-	46	46	-	100.0%	-	-
Interest	-	46	-	46	46	-	100.0%	-	-
<b>Transfers and subsidies</b>	<b>1 817</b>	<b>11</b>	<b>824</b>	<b>2 652</b>	<b>2 652</b>	<b>-</b>	<b>100.0%</b>	<b>1 085</b>	<b>1 056</b>
Provinces and municipalities	-	3	-	3	3	-	100.0%	4	4
Municipalities	-	3	-	3	3	-	100.0%	4	4
Municipal bank accounts	-	3	-	3	3	-	100.0%	4	4
Departmental agencies and accounts	34	(34)	-	-	-	-	-	32	3
Departmental agencies	34	(34)	-	-	-	-	-	32	3



PROGRAMME I: ADMINISTRATION									
	2016/17						2015/16		
	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
Public corporations and private enterprises	-	42	-	42	42	-	100%	-	-
Private enterprises	-	42	-	42	42	-	100%	-	-
Other transfers to private enterprises	-	42	-	42	42	-	100%	-	-
Households	1 783	-	824	2 607	2 607	-	100.0%	1 049	1 049
Social benefits	1 783	-	620	2 403	2 403	-	100.0%	799	799
Other transfers to households	-	-	204	204	204	-	100.0%	250	250
<b>Payments for capital assets</b>	<b>12 866</b>	<b>-</b>	<b>-</b>	<b>12 866</b>	<b>11 645</b>	<b>1 221</b>	<b>90.5%</b>	<b>37 983</b>	<b>37 983</b>
Machinery and equipment	12 866	-	-	12 866	11 645	1 221	90.5%	37 983	37 983
Transport equipment	1 120	-	-	1 120	821	299	73.3%	696	696
Other machinery and equipment	11 746	-	-	11 746	10 824	922	92.2%	37 287	37 287
<b>Payments for financial assets</b>	<b>-</b>	<b>981</b>	<b>-</b>	<b>981</b>	<b>981</b>	<b>-</b>	<b>100%</b>	<b>1 133</b>	<b>1 133</b>
<b>TOTAL</b>	<b>454 217</b>	<b>-</b>	<b>824</b>	<b>455 041</b>	<b>447 709</b>	<b>7 332</b>	<b>98.4%</b>	<b>446 242</b>	<b>446 212</b>

I.1 MANAGEMENT									
	2016/17						2015/16		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>326 000</b>	<b>509</b>	<b>-</b>	<b>326 509</b>	<b>323 277</b>	<b>3 232</b>	<b>99.0%</b>	<b>293 053</b>	<b>293 052</b>
Compensation of employees	214 404	(1 297)	-	213 107	209 875	3 232	98.5%	197 361	197 360
Goods and services	111 596	1 760	-	113 356	113 356	-	100.0%	95 692	95 692
Interest and rent on land	-	46	-	46	46	-	100.0%	-	-
<b>Transfers and subsidies</b>	<b>1 817</b>	<b>11</b>	<b>661</b>	<b>2 489</b>	<b>2 489</b>	<b>-</b>	<b>100.0%</b>	<b>783</b>	<b>754</b>
Provinces and municipalities	-	3	-	3	3	-	100.0%	4	4
Departmental agencies and accounts	34	(34)	-	-	-	-	-	32	3
Public corporations and private enterprises	-	42	-	42	42	-	100.0%	-	-
Households	1 783	-	661	2 444	2 444	-	100.0%	747	747
<b>Payments for capital assets</b>	<b>11 120</b>	<b>-</b>	<b>-</b>	<b>11 120</b>	<b>10 187</b>	<b>933</b>	<b>91.6%</b>	<b>36 371</b>	<b>36 371</b>
Machinery and equipment	11 120	-	-	11 120	10 187	933	91.6%	36 371	36 371
<b>Payments for financial assets</b>	<b>-</b>	<b>799</b>	<b>-</b>	<b>799</b>	<b>799</b>	<b>-</b>	<b>100.0%</b>	<b>1 069</b>	<b>1 069</b>
<b>TOTAL</b>	<b>338 937</b>	<b>1 319</b>	<b>661</b>	<b>340 917</b>	<b>336 752</b>	<b>4 165</b>	<b>98.8%</b>	<b>331 276</b>	<b>331 246</b>

## ANNUAL FINANCIAL STATEMENTS

### APPROPRIATION STATEMENT

for the year ended 31 March 2017

I.2 SUPPORT SERVICES TO PRESIDENT									
	2016/17					2015/16			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>63 142</b>	<b>455</b>	<b>-</b>	<b>63 597</b>	<b>61 922</b>	<b>1 675</b>	<b>97.4%</b>	<b>64 735</b>	<b>64 735</b>
Compensation of employees	42 027	601	-	42 628	42 628	-	100.0%	42 591	42 591
Goods and services	21 115	(146)	-	20 969	19 294	1 675	92.0%	22 144	22 144
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>43</b>	<b>43</b>	<b>43</b>	<b>-</b>	<b>100.0%</b>	<b>295</b>	<b>295</b>
Households	-	-	43	43	43	-	100.0%	295	295
<b>Payments for capital assets</b>	<b>950</b>	<b>-</b>	<b>-</b>	<b>950</b>	<b>875</b>	<b>75</b>	<b>92.1%</b>	<b>889</b>	<b>889</b>
Machinery and equipment	950	-	-	950	875	75	92.1%	889	889
<b>Payments for financial assets</b>	<b>-</b>	<b>146</b>	<b>-</b>	<b>146</b>	<b>146</b>	<b>-</b>	<b>100%</b>	<b>25</b>	<b>25</b>
<b>TOTAL</b>	<b>64 092</b>	<b>601</b>	<b>43</b>	<b>64 736</b>	<b>62 986</b>	<b>1 750</b>	<b>97.3%</b>	<b>65 944</b>	<b>65 944</b>

I.3 SUPPORT SERVICES TO DEPUTY PRESIDENT									
	2016/17					2015/16			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>50 392</b>	<b>(1 956)</b>	<b>-</b>	<b>48 436</b>	<b>47 232</b>	<b>1 204</b>	<b>97.5%</b>	<b>48 253</b>	<b>48 253</b>
Compensation of employees	35 529	696	-	36 225	36 225	-	100.0%	33 845	33 845
Goods and services	14 863	(2 652)	-	12 211	11 007	1 204	90.1%	14 408	14 408
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>120</b>	<b>120</b>	<b>120</b>	<b>-</b>	<b>100.0%</b>	<b>7</b>	<b>7</b>
Households	-	-	120	120	120	-	100.0%	7	7
<b>Payments for capital assets</b>	<b>796</b>	<b>-</b>	<b>-</b>	<b>796</b>	<b>583</b>	<b>213</b>	<b>73.2%</b>	<b>723</b>	<b>723</b>
Machinery and equipment	796	-	-	796	583	213	73.2%	723	723
<b>Payments for financial assets</b>	<b>-</b>	<b>36</b>	<b>-</b>	<b>36</b>	<b>36</b>	<b>-</b>	<b>100%</b>	<b>39</b>	<b>39</b>
<b>TOTAL</b>	<b>51 188</b>	<b>(1 920)</b>	<b>120</b>	<b>49 388</b>	<b>47 971</b>	<b>1 417</b>	<b>97.1%</b>	<b>49 022</b>	<b>49 022</b>



PROGRAMME 2: EXECUTIVE SUPPORT									
	2016/17						2015/16		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
I. Cabinet Services	35 558	-	(824)	34 734	27 624	7 110	79.5%	29 687	20 525
<b>Total for sub programmes</b>	<b>35 558</b>	<b>-</b>	<b>(824)</b>	<b>34 734</b>	<b>27 624</b>	<b>7 110</b>	<b>79.5%</b>	<b>29 687</b>	<b>20 525</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>33 843</b>	<b>(17)</b>	<b>(824)</b>	<b>33 002</b>	<b>26 621</b>	<b>6 381</b>	<b>80.7%</b>	<b>28 583</b>	<b>19 712</b>
Compensation of employees	16 639	(12)	(824)	15 803	14 287	1 516	90.4%	17 056	15 682
Salaries and wages	14 754	(12)	(824)	13 918	12 766	1 152	91.7%	15 382	14 008
Social contributions	1 885	-	-	1 885	1 521	364	80.7%	1 674	1 674
Goods and services	17 204	(5)	-	17 199	12 334	4 865	71.7%	11 527	4 030
Administrative fees	-	81	-	81	81	-	100%	74	74
Minor assets	18	-	-	18	9	9	50.0%	86	86
Catering: Departmental activities	1 245	227	-	1 472	1 472	-	100%	1 381	1 381
Communication	139	-	-	139	78	61	56.1%	184	184
Computer services	12 350	(472)	-	11 878	8 488	3 390	71.5%	4 844	56
Contractors	65	-	-	65	26	39	40.0%	62	1
Entertainment	10	-	-	10	-	10	-	9	3
Fleet services	13	27	-	40	40	-	100%	41	41
Consumable supplies	29	-	-	29	8	21	27.6%	29	19
Consumable: Stationery, printing and office supplies	177	-	-	177	122	55	68.9%	205	92
Operating leases	-	132	-	132	132	-	100%	106	106
Travel and subsistence	2 242	-	-	2 242	1 587	655	70.8%	3 401	1 529
Training and development	-	-	-	-	-	-	-	61	-
Operating payments	404	256	-	660	256	404	38.8%	549	385
Venues and facilities	448	(256)	-	192	-	192	-	433	67
Rental and hiring	64	-	-	64	35	29	54.7%	62	6
<b>Transfers and subsidies</b>	<b>579</b>	<b>12</b>	<b>-</b>	<b>591</b>	<b>591</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>
Households	579	12	-	591	591	-	100.0%	-	-
Social benefits	579	12	-	591	591	-	100.0%	-	-
<b>Payments for capital assets</b>	<b>1 136</b>	<b>-</b>	<b>-</b>	<b>1 136</b>	<b>407</b>	<b>729</b>	<b>35.8%</b>	<b>1 101</b>	<b>810</b>
Machinery and equipment	1 136	-	-	1 136	407	729	35.8%	1 101	810
Other machinery and equipment	1 136	-	-	1 136	407	729	35.8%	1 101	810
<b>Payments for financial assets</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>5</b>	<b>5</b>	<b>-</b>	<b>100.0%</b>	<b>3</b>	<b>3</b>
<b>TOTAL</b>	<b>35 558</b>	<b>-</b>	<b>(824)</b>	<b>34 734</b>	<b>27 624</b>	<b>7 110</b>	<b>79.5%</b>	<b>29 687</b>	<b>20 525</b>

## ANNUAL FINANCIAL STATEMENTS

### APPROPRIATION STATEMENT

for the year ended 31 March 2017

2.1 CABINET SERVICES									
	2016/17						2015/16		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>33 843</b>	<b>(17)</b>	<b>(824)</b>	<b>33 002</b>	<b>26 621</b>	<b>6 381</b>	<b>80.7%</b>	<b>28 583</b>	<b>19 712</b>
Compensation of employees	16 639	(12)	(824)	15 803	14 287	1 516	90.4%	17 056	15 682
Goods and services	17 204	(5)	-	17 199	12 334	4 865	71.7%	11 527	4 030
<b>Transfers and subsidies</b>	<b>579</b>	<b>12</b>	<b>-</b>	<b>591</b>	<b>591</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>
Households	579	12	-	591	591	-	100.0%	-	-
<b>Payments for capital assets</b>	<b>1 136</b>	<b>-</b>	<b>-</b>	<b>1 136</b>	<b>407</b>	<b>729</b>	<b>35.8%</b>	<b>1 101</b>	<b>810</b>
Machinery and equipment	1 136	-	-	1 136	407	729	35.8%	1 101	810
<b>Payments for financial assets</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>5</b>	<b>5</b>	<b>-</b>	<b>100.0%</b>	<b>3</b>	<b>3</b>
<b>TOTAL</b>	<b>35 558</b>	<b>-</b>	<b>(824)</b>	<b>34 734</b>	<b>27 624</b>	<b>7 110</b>	<b>79.5%</b>	<b>29 687</b>	<b>20 525</b>



# ANNUAL FINANCIAL STATEMENTS

## NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2017

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

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure I (B-D) 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 I (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	455 041	447 709	7 332	1.61%
Executive Support	34 734	27 624	7 110	20.47%
Statutory Appropriation	6 035	5 713	322	5.34%

Underspending on Programme 1: Administration is mainly on compensation of employees, due to vacant posts that could not be filled as a result of anticipated future funding constraints.

Underspending on Programme 2: Executive Support is mainly on goods and services as a result of some e-Cabinet goods and services that were not received or rendered as planned.

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
<b>Current payments</b>	<b>477 579</b>	<b>464 765</b>	<b>12 814</b>	<b>2.68%</b>
Compensation of employees	313 798	308 728	5 070	1.62%
Goods and services	163 735	155 991	7 744	4.73%
Interest and rent on land	46	46	-	0.00%
<b>Transfers and subsidies</b>	<b>3 243</b>	<b>3 243</b>	<b>-</b>	<b>0.00%</b>
Provinces and municipalities	3	3	-	0.00%
Public corporations and private enterprises	42	42	-	0.00%
Households	3 198	3 198	-	0.00%
<b>Payments for capital assets</b>	<b>14 002</b>	<b>12 052</b>	<b>1 950</b>	<b>13.93%</b>
Machinery and equipment	14 002	12 052	1 950	13.93%
<b>Payments for financial assets</b>	<b>986</b>	<b>986</b>	<b>-</b>	<b>0.00%</b>

Underspending on compensation of employees is mainly due to vacant posts that could not be filled as a result of anticipated future funding constraints.

Underspending on goods and services is mainly due to some e-Cabinet goods and services that were not received or rendered as planned. The underspending on payment for capital assets was due to data storage/hardware that could not be procured as a result of National Treasury circular no. 10 and the delay in the relocation of staff from Johannes Ramokhoase building to the Union Buildings also had an impact in the procurement of office furniture.

## ANNUAL FINANCIAL STATEMENTS

### STATEMENT ON FINANCIAL PERFORMANCE

for the year ended 31 March 2017

PERFORMANCE			
	Note	2016/17	2015/16
		R'000	R'000
<b>REVENUE</b>			
Annual appropriation	1	489 775	475 929
Statutory appropriation	2	6 035	5 726
Departmental revenue	3	1 365	2 924
Aid assistance	4	-	981
<b>TOTAL REVENUE</b>		<b>497 175</b>	<b>485 560</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	5	308 728	295 098
Goods and services	6	155 992	136 274
Interest and rent on land	7	46	-
Aid assistance	4	-	979
<b>Total current expenditure</b>		<b>464 766</b>	<b>432 351</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	9	3 242	1 056
<b>Total transfers and subsidies</b>		<b>3 242</b>	<b>1 056</b>
<b>Expenditure for capital assets</b>			
Tangible assets	10	12 051	38 795
<b>Total expenditure for capital assets</b>		<b>12 051</b>	<b>38 795</b>
Unauthorised expenditure approved without funding	11	-	2 567
Payments for financial assets	8	987	1 136
<b>TOTAL EXPENDITURE</b>		<b>481 046</b>	<b>475 905</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>16 129</b>	<b>9 655</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted funds	15	14 764	6 731
Annual appropriation		14 764	6 731
Departmental revenue and NRF Receipts	16	1 365	2 924
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>16 129</b>	<b>9 655</b>



# ANNUAL FINANCIAL STATEMENTS

## STATEMENT ON FINANCIAL POSITION

for the year ended 31 March 2017

POSITION			
	Note	2016/17	2015/16
		R'000	R'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	<u>12</u>	11 012	1 570
Prepayments and advances	<u>13</u>	1 561	1 118
Receivables	<u>14</u>	2 706	5 342
<b>Non-current assets</b>			
Receivables	<u>14</u>	242	5
<b>TOTAL ASSETS</b>		<b>15 521</b>	<b>8 035</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Voted funds to be surrendered to the Revenue Fund	<u>15</u>	14 764	6 731
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>16</u>	153	119
Payables	<u>17</u>	162	848
<b>TOTAL LIABILITIES</b>		<b>15 079</b>	<b>7 698</b>
<b>NET ASSETS</b>		<b>442</b>	<b>337</b>
<b>Represented by:</b>			
Recoverable revenue		442	337
<b>TOTAL</b>		<b>442</b>	<b>337</b>

## ANNUAL FINANCIAL STATEMENTS

### STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2017

NET ASSETS			
	Note	2016/17	2015/16
		R'000	R'000
<b>RECOVERABLE REVENUE</b>			
Opening balance		337	163
Transfers:		<b>105</b>	<b>174</b>
Debts raised		105	174
Closing balance		<u>442</u>	<u>337</u>
<b>TOTAL</b>		<u><b>442</b></u>	<u><b>337</b></u>



# ANNUAL FINANCIAL STATEMENTS

## CASH FLOW STATEMENT

for the year ended 31 March 2017

CASH FLOW			
	Note	2016/17	2015/16
		R'000	R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		<b>497 068</b>	<b>485 065</b>
Annual appropriated funds received	<u>1.1</u>	489 775	475 929
Statutory appropriated funds received	<u>2</u>	6 035	5 726
Departmental revenue received	<u>3</u>	1 199	2 322
Interest received	<u>3.2</u>	59	107
Aid assistance received		-	981
Net (increase)/decrease in working capital		1 270	46 949
Surrendered to Revenue Fund		(8 062)	(35 604)
Surrendered to RDP Fund/Donor		-	(17 578)
Current payments		(464 720)	(434 918)
Interest paid	Z	(46)	-
Payments for financial assets		(987)	(1 136)
Transfers and subsidies paid		(3 242)	(1 056)
<b>Net cash flow available from operating activities</b>	<u>1.8</u>	<b>21 281</b>	<b>41 722</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	<u>10</u>	(12 051)	(38 795)
Proceeds from sale of capital assets	<u>3.3</u>	107	495
<b>Net cash flows from investing activities</b>		<b>(11 944)</b>	<b>(38 300)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		105	174
<b>Net cash flows from financing activities</b>		<b>105</b>	<b>174</b>
Net increase/(decrease) in cash and cash equivalents		9 442	3 596
Cash and cash equivalents at beginning of period		1 570	(2 026)
Unrealised gains and losses within cash and cash equivalents		-	-
<b>Cash and cash equivalents at end of period</b>	<u>1.9</u>	<b>11 012</b>	<b>1 570</b>

# ANNUAL FINANCIAL STATEMENTS

## ACCOUNTING POLICIES

for the year ended 31 March 2017

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### Summary of significant accounting policies

The financial statements have been prepared in accordance with the policies mentioned below, 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.

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#### 1 Basis of preparation

The financial statements have been prepared in accordance with the Modified Cash Standard.

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#### 2 Going concern

The financial statements have been prepared on a going concern basis.

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#### 3 Presentation currency

Amounts have been presented in the currency of the South African rand (R), which is the functional currency of the Department.

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#### 4 Rounding

Unless otherwise stated, financial figures have been rounded to the nearest one thousand rand (R'000).

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#### 5 Foreign currency translation

Cash flows arising from foreign currency transactions are translated into South African rands using the spot exchange rates prevailing on the date of payment/receipt.

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#### 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.

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#### 7 Revenue

##### 7.1 Appropriated funds

Appropriated funds comprise 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 on the reporting date is recognised as a payable/receivable in the statement of financial position.

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##### 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.

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### 7.3 Accrued departmental revenue

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the Department; and
- the amount of revenue can be measured reliably.

The accrued revenue is measured at the fair value of the consideration receivable.

Accrued tax revenue (and related interest and/or penalties) is measured at amounts receivable from collecting agents.

Write-offs are made according to the Department's debt write-off policy

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## 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.

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#### 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.

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### 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.

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### 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 these are rendered to the Department or in the case of transfers and subsidies when these are due and payable.

Accrued expenditure payable is measured at cost.

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### 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.

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#### 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.
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# ANNUAL FINANCIAL STATEMENTS

## ACCOUNTING POLICIES

for the year ended 31 March 2017

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<b>9</b>	<b>Aid assistance</b>
<b>9.1</b>	<b>Aid assistance received</b>
	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.
<b>9.2</b>	<b>Aid assistance paid</b>
	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.
<b>10</b>	<b>Cash and cash equivalents</b>
	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.
<b>11</b>	<b>Prepayments and advances</b>
	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.
<b>12</b>	<b>Loans and receivables</b>
	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.
<b>13</b>	<b>Investments</b>
	Investments are recognised in the statement of financial position at cost.
<b>14</b>	<b>Financial assets</b>
<b>14.1</b>	<b>Financial assets (not covered elsewhere)</b>
	A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. On 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.
<b>14.2</b>	<b>Impairment of financial assets</b>
	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.
<b>15</b>	<b>Payables</b>
	Loans and payables are recognised in the statement of financial position at cost.
<b>16</b>	<b>Capital assets</b>
<b>16.1</b>	<b>Immovable capital assets</b>
	Immovable capital assets are initially recorded in the notes to the financial statements at cost. Immovable capital assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Where the cost of immovable capital assets cannot be determined reliably, the immovable capital assets are measured at fair value for recording in the asset register. Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department, in which case the completed project costs are transferred to that department.

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## 16.2 Movable capital assets

Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined, the movable assets are measured at R.I.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R.I.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Biological assets are subsequently carried at fair value.

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.

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## 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 R.I.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R.I.

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.

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## 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 on the reporting date.

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### 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, 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.

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### 17.3 Contingent assets

Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, 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.

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### 17.4 Commitments

Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the Department will discharge its responsibilities, thereby incurring future expenditure that will result in the outflow of cash.

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# ANNUAL FINANCIAL STATEMENTS

## ACCOUNTING POLICIES

for the year ended 31 March 2017

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### 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.

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### 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.

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### 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 for it are provided in the note.

Irregular expenditure is removed from the note when it is 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.

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### 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.

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### 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.

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### 23 Departures from the MCS requirements

Management has concluded that the financial statements present fairly the Department's primary and secondary information; that the Department complied with the standard.

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### 24 Capitalisation reserve

The capitalisation reserve comprises financial assets and/or liabilities originating in a prior reporting period, but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/ Provincial Revenue Fund when the underlying asset is disposed of and the related funds are received.

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**25 Recoverable revenue**

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written off.

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**26 Related party transactions**

A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the Minister/MEC'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 who have the authority and responsibility for planning, directing and controlling the activities of the Department. The number of individuals and their full compensation are recorded in the notes to the financial statements.

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**27 Inventories (*Effective from date determined in a Treasury Instruction*)**

On the date of acquisition, inventories are recorded at cost price in the statement of performance.

Where inventories are acquired as part of a non-exchange transaction, the cost of inventory is its fair value on the date of acquisition.

Inventories are subsequently measured at the lower of cost and net realisable value or the lower of cost and current replacement value.

Subsequent measurement of the cost of inventory is determined on the weighted average basis.

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**28 Public-Private Partnerships**

Public Private Partnerships (PPP) 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.

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**29 Employee benefits**

The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the employee benefits note.

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# ANNUAL FINANCIAL STATEMENTS

## NOTES ON THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

### I. ANNUAL APPROPRIATION

#### I.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted funds) and Provincial Departments:

	2016/17			2015/16	
	Final Appropriation	Actual Funds Received	Funds not requested/not received	Final Appropriation	Appropriation received
	R'000	R'000	R'000	R'000	R'000
Administration	455 041	455 041	-	446 242	446 242
Executive Support	34 734	34 734	-	29 687	29 687
<b>TOTAL</b>	<b>489 775</b>	<b>489 775</b>	<b>-</b>	<b>475 929</b>	<b>475 929</b>

### 2. STATUTORY APPROPRIATION

	2016/17	2015/16
	R'000	R'000
President and Deputy President salaries	6 035	5 726
<b>TOTAL</b>	<b>6 035</b>	<b>5 726</b>
Actual Statutory Appropriation received	6 035	5 726

### 3. DEPARTMENTAL REVENUE

	Note	2016/17	2015/16
		R'000	R'000
Sales of goods and services other than capital assets	3.1	350	355
Interest, dividends and rent on land	3.2	59	107
Sales of capital assets	3.3	107	495
Transactions in financial assets and liabilities	3.4	849	1 967
Total revenue collected		<b>1 365</b>	<b>2 924</b>
Departmental revenue collected		<b>1 365</b>	<b>2 924</b>

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

	Note	2016/17	2015/16
	3	R'000	R'000
Sales of goods and services produced by the department		350	355
Sales by market establishment		176	179
Other sales		174	176
<b>TOTAL</b>		<b>350</b>	<b>355</b>

#### 3.2 Interest, dividends and rent on land

	Note	2016/17	2015/16
	3	R'000	R'000
Interest		59	107
<b>TOTAL</b>		<b>59</b>	<b>107</b>



### 3.3 Sale of capital assets

	Note	2016/17	2015/16
	3	R'000	R'000
<b>Tangible assets</b>		<b>107</b>	<b>495</b>
Machinery and equipment	30	107	495
<b>TOTAL</b>		<b>107</b>	<b>495</b>

The amount of R107 000 relates to proceeds from the disposal of 1 motor vehicle through auction.

### 3.4 Transactions in financial assets and liabilities

	Note	2016/17	2015/16
	3	R'000	R'000
Other Receipts including Recoverable Revenue		849	1 967
<b>TOTAL</b>		<b>849</b>	<b>1 967</b>

## 4. AID ASSISTANCE

	Note	2016/17	2015/16
		R'000	R'000
Opening Balance			17 578
Prior period error		-	-
As restated		-	17 578
Paid during the year		-	(17 578)
<b>Closing Balance</b>		<b>-</b>	<b>-</b>

## 5. COMPENSATION OF EMPLOYEES

### 5.1 Salaries and Wages

	Note	2016/17	2015/16
		R'000	R'000
Basic salary		198 622	189 495
Performance award		4 226	4 172
Service Based		237	146
Compensative/circumstantial		21 270	20 763
Other non-pensionable allowances		51 107	48 060
<b>TOTAL</b>		<b>275 462</b>	<b>262 636</b>

### 5.2 Social contributions

	Note	2016/17	2015/16
		R'000	R'000
<b>Employer contributions</b>			
Pension		22 833	22 012
Medical		10 389	10 407
Bargaining council		44	43
<b>TOTAL</b>		<b>33 266</b>	<b>32 462</b>
<b>Total compensation of employees</b>		<b>308 728</b>	<b>295 098</b>
Average number of employees		637	651

## ANNUAL FINANCIAL STATEMENTS

### NOTES ON THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

#### 6. GOODS AND SERVICES

	Note	2016/17	2015/16
		R'000	R'000
Administrative fees		3 052	2 767
Advertising		447	1 063
Minor assets	6.1	775	934
Bursaries (employees)		1 421	1 094
Catering		2 725	2 399
Communication		11 170	17 220
Computer services	6.2	23 833	5 946
Consultants: Business and advisory services		3 397	3 779
Legal services		12 259	9 110
Contractors		4 012	1 207
Agency and support/outsourced services		3 489	2 517
Entertainment		1	7
Audit cost – external	6.3	4 618	4 432
Fleet services		2 926	2 558
Consumables	6.4	9 007	7 893
Operating leases		5 529	4 966
Property payments	6.5	823	434
Rental and hiring		315	1 425
Travel and subsistence	6.6	59 232	60 838
Venues and facilities		1 236	859
Training and development		3 501	2 507
Other operating expenditure	6.7	2 224	2 319
<b>TOTAL</b>		<b>155 992</b>	<b>136 274</b>

#### 6.1 Minor assets

	Note	2016/17	2015/16
	6	R'000	R'000
<b>Tangible assets</b>		<b>775</b>	<b>934</b>
Heritage Asset		-	11
Machinery and equipment		775	923
<b>TOTAL</b>		<b>775</b>	<b>934</b>

#### 6.2 Computer services

	Note	2016/17	2015/16
	6	R'000	R'000
SITA computer services		14 914	2 384
External computer service providers		8 919	3 562
<b>TOTAL</b>		<b>23 833</b>	<b>5 946</b>

*E-Cabinet project's phase was implemented in the 2016/17 financial year as there were delays in the 2015/16 and the payment of the Microsoft licence that was made in the 2016/17.*

#### 6.3 Audit cost – External

	Note	2016/17	2015/16
	6	R'000	R'000
Regularity audits		4 618	4 432
<b>TOTAL</b>		<b>4 618</b>	<b>4 432</b>



#### 6.4 Consumables

	Note	2016/17	2015/16
	6	R'000	R'000
Consumable supplies		3 928	3 538
Uniform and clothing		1 179	682
Household supplies		2 575	2 710
Building material and supplies		-	16
Communication accessories		25	21
IT consumables		47	87
Other consumables		102	22
Stationery, printing and office supplies		5 079	4 355
<b>TOTAL</b>		<b>9 007</b>	<b>7 893</b>

#### 6.5 Property payments

	Note	2016/17	2015/16
	6	R'000	R'000
Other		823	434
<b>TOTAL</b>		<b>823</b>	<b>434</b>

#### 6.6 Travel and subsistence

	Note	2016/17	2015/16
	6	R'000	R'000
Local		34 222	29 043
Foreign		25 010	31 795
<b>TOTAL</b>		<b>59 232</b>	<b>60 838</b>

#### 6.7 Other operating expenditure

	Note	2016/17	2015/16
	6	R'000	R'000
Professional bodies, membership and subscription fees		352	369
Resettlement costs		236	314
Other		1 636	1 636
<b>TOTAL</b>		<b>2 224</b>	<b>2 319</b>

#### 7. INTEREST AND RENT ON LAND

	Note	2016/17	2015/16
		R'000	R'000
Interest paid		46	-
<b>TOTAL</b>		<b>46</b>	<b>-</b>

#### 8. PAYMENTS FOR FINANCIAL ASSETS

	Note	2016/17	2015/16
		R'000	R'000
Other material losses written off	8.1	786	761
Debts written off	8.2	198	368
Forex losses	8.3	3	7
<b>TOTAL</b>		<b>987</b>	<b>1 136</b>

## ANNUAL FINANCIAL STATEMENTS

### NOTES ON THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

#### 8.1 Other material losses written off

	Note	2016/17	2015/16
	8	R'000	R'000
<b>Nature of losses</b>			
Damage and losses		786	211
Diners account		-	550
<b>TOTAL</b>		<b>786</b>	<b>761</b>

#### 8.2 Debts written off

	Note	2016/17	2015/16
	8	R'000	R'000
<b>Nature of debts written off</b>			
Debts written off		198	368
<b>TOTAL</b>		<b>198</b>	<b>368</b>
<b>Total debt written off</b>		<b>198</b>	<b>368</b>

#### 8.3 Forex losses

	Note	2016/17	2015/16
	8	R'000	R'000
<b>Nature of losses</b>			
Exchange rate		3	7
<b>TOTAL</b>		<b>3</b>	<b>7</b>

#### 9. TRANSFERS AND SUBSIDIES

	Note	2016/17	2015/16
		R'000	R'000
<b>Nature of losses</b>			
Provinces and municipalities	33 & Annex 1A	3	4
Departmental agencies and accounts	Annex 1B	-	3
Public corporations and private enterprises	Annex 1C	42	-
Households	Annex 1D	3 197	1 049
<b>TOTAL</b>		<b>3 242</b>	<b>1 056</b>

#### 10. EXPENDITURE FOR CAPITAL ASSETS

	Note	2016/17	2015/16
		R'000	R'000
<b>Tangible assets</b>			
Machinery and equipment	30	12 051	38 795
<b>TOTAL</b>		<b>12 051</b>	<b>38 795</b>

Expenditure in 2016/17 is less than the prior year due to data storage/hardware that could not be procured as a result of National Treasury circular no.10, and the upgrading of a CISCO equipment and firewall that was done in 2015/16.

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

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
<b>Tangible assets</b>	<b>12 051</b>	<b>-</b>	<b>12 051</b>
Machinery and equipment	12 051	-	12 051
<b>TOTAL</b>	<b>12 051</b>	<b>-</b>	<b>12 051</b>

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



	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
<b>Tangible assets</b>	<b>38 793</b>	<b>2</b>	<b>38 795</b>
Machinery and equipment	38 793	2	38 795
<b>TOTAL</b>	<b>38 793</b>	<b>2</b>	<b>38 795</b>

**10.3 Finance lease expenditure included in Expenditure for capital assets**

	Note	2016/17	2015/16
		R'000	R'000
<b>Tangible assets</b>	29	<b>5 842</b>	<b>5 770</b>
Machinery and equipment		5 842	5 770
<b>TOTAL</b>		<b>5 842</b>	<b>5 770</b>

**11. UNAUTHORISED EXPENDITURE**

**11.1 Reconciliation of unauthorised expenditure**

	Note	2016/17	2015/16
		R'000	R'000
Opening balance	11	-	45 506
Prior period error		-	-
As restated		-	45 506
Less: Amounts approved by Parliament/Legislature with funding		-	(42 939)
Less: Amounts approved by Parliament/Legislature without funding		-	(2 567)
Current		-	(2 567)
<b>Closing balance</b>		<b>-</b>	<b>-</b>

**12. CASH AND CASH EQUIVALENTS**

	Note	2016/17	2015/16
		R'000	R'000
Consolidated Paymaster General Account		10 908	1 471
Cash on hand		104	99
<b>TOTAL</b>		<b>11 012</b>	<b>1 570</b>

**13. PREPAYMENTS AND ADVANCES**

	Note	2016/17	2015/16
		R'000	R'000
Travel and subsistence		21	78
Prepayments (Not expensed)	13.2	1 420	642
Advances paid (Not expensed)	13.1	120	398
<b>TOTAL</b>		<b>1 561</b>	<b>1 118</b>

**13.1 Advances paid (Not expensed)**

	Note	2016/17	2015/16
		R'000	R'000
National departments	6A	120	398
<b>TOTAL</b>		<b>120</b>	<b>398</b>

**13.2 Prepayments (Not expensed)**

	Note	2016/17	2015/16
		R'000	R'000
Goods and services	13	1 420	642
<b>TOTAL</b>		<b>1 420</b>	<b>642</b>

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#### 13.3 Prepayments (Expensed)

	Note	2016/17	2015/16
	13	R'000	R'000
Goods and services		-	2 721
Transfers and subsidies		-	4
<b>TOTAL</b>		<b>-</b>	<b>2 725</b>

#### 14. RECEIVABLES

	Note	2016/17			2015/16		
		Current R'000	Non-current R'000	Total R'000	Current R'000	Non-current R'000	Total R'000
Claims recoverable	14.1	939	-	939	2 995	-	2 995
Recoverable expenditure	14.2	-	-	-	8	-	8
Staff debt	14.3	406	242	648	589	5	594
Fruitless and wasteful expenditure	14.5	2	-	2	-	-	-
Other debtors	14.4	1 359	-	1 359	1 750	-	1 750
<b>TOTAL</b>		<b>2 706</b>	<b>242</b>	<b>2 948</b>	<b>5 342</b>	<b>5</b>	<b>5 347</b>

#### 14.1 Claims recoverable

	Note	2016/17	2015/16
	14	R'000	R'000
National departments		900	2 995
Private enterprises		39	-
<b>TOTAL</b>		<b>939</b>	<b>2 995</b>

Material decrease is due to lesser claims.

#### 14.2 Recoverable expenditure (disallowance accounts)

	Note	2016/17	2015/16
	14	R'000	R'000
Disallowance Miscellaneous		-	8
<b>TOTAL</b>		<b>-</b>	<b>8</b>

#### 14.3 Staff debt

	Note	2016/17	2015/16
	14	R'000	R'000
Medical Aid		2	-
Salary Tax debt Account		-	1
Debt Account		646	593
<b>TOTAL</b>		<b>648</b>	<b>594</b>

#### 14.4 Other debtors

	Note	2016/17	2015/16
	14	R'000	R'000
Theft and Losses		1 359	1 750
<b>TOTAL</b>		<b>1 359</b>	<b>1 750</b>



14.5 Fruitless and wasteful expenditure

	Note	2016/17	2015/16
	14	R'000	R'000
Transfers from note 27 Fruitless and wasteful expenditure		2	-
<b>TOTAL</b>		<b>2</b>	<b>-</b>

14.6 Impairment of receivables

	Note	2016/17	2015/16
	14	R'000	R'000
Estimate of impairment of receivables		500	1 068
<b>TOTAL</b>		<b>500</b>	<b>1 068</b>

15. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND

	Note	2016/17	2015/16
		R'000	R'000
Opening balance		6 731	32 358
Prior period error		-	-
As restated		6 731	32 358
Transfer from statement of financial performance (as restated)		14 764	6 731
Paid during the year		(6 731)	(32 358)
<b>Closing balance</b>		<b>14 764</b>	<b>6 731</b>

16. DEPARTMENTAL REVENUE AND NRF RECEIPTS TO BE SURRENDERED TO THE REVENUE FUND

	Note	2016/17	2015/16
		R'000	R'000
Opening balance		119	441
Prior period error		-	-
As restated		119	441
Transfer from Statement of Financial Performance (as restated)		1 365	2 924
Paid during the year		(1 331)	(3 246)
<b>Closing balance</b>		<b>153</b>	<b>119</b>

17. PAYABLES – CURRENT

	Note	2016/17	2015/16
		R'000	R'000
Clearing accounts	17.1	160	848
Other payables	17.2	2	-
<b>TOTAL</b>		<b>162</b>	<b>848</b>

17.1 Clearing accounts

	Note	2016/17	2015/16
		R'000	R'000
Salary deduction	17	160	792
Various creditors	17	-	56
<b>TOTAL</b>		<b>160</b>	<b>848</b>

17.2 Other payables

	Note	2016/17	2015/16
		R'000	R'000
Amount payable to previous employee	17	2	-
<b>TOTAL</b>		<b>2</b>	<b>-</b>

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### 18. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES

	Note	2016/17	2015/16
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		16 129	9 655
Add back non cash/cash movements not deemed operating activities		5 152	32 067
(Increase)/decrease in receivables – current		2 399	2 001
(Increase)/decrease in prepayments and advances		(443)	(851)
(Increase)/decrease in other current assets		-	45 506
Increase/(decrease) in payables – current		(686)	293
Proceeds from sale of capital assets		(107)	(495)
Expenditure on capital assets		12 051	38 795
Surrenders to Revenue Fund		(8 062)	(35 604)
Surrenders to RDP Fund/Donor		-	(17 578)
<b>Net cash flow generated by operating activities</b>		<b>21 281</b>	<b>41 722</b>

### 19. RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES

	Note	2016/17	2015/16
		R'000	R'000
Consolidated Paymaster General account		10 908	1 471
Cash on hand		104	99
<b>TOTAL</b>		<b>11 012</b>	<b>1 570</b>

### 20. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

#### 20.1 Contingent liabilities

	Note	2016/17	2015/16
		R'000	R'000
<b>Liable to</b>			
<b>Nature</b>			
Claims against the department	Annex 2A	263	-
Intergovernmental payables (unconfirmed balances)	Annex 4	1 493	7 637
Other	Annex 2A	4 690	3 340
<b>TOTAL</b>		<b>6 446</b>	<b>10 977</b>

There are a number of cases that are possible obligations for The Presidency but the cases are not finalised. If the state is not successful, The Presidency could bear the cost of the other side. The amounts in question are yet to be determined by the taxing master. Rule 45(2) of the Uniform Rules of the High Court provides that "No process of execution shall issue for levying and raising of any costs awarded by the court to any party, until they have been taxed by the taxing master or agreed to in writing by the party concerned in a fixed sum."

The amount of R200 000 was erroneously included in the closing balance of claims against the state (annexure). The case was finalised in 2015/16, hence the restatement of prior year figure. Disputed invoices have been reclassified from claims against the state to other contingent liabilities and prior year figures restated accordingly.

### 21. COMMITMENTS

	Note	2016/17	2015/16
		R'000	R'000
<b>Current expenditure</b>			
Approved and contracted		71 061	7 393
Approved but not yet contracted		1 584	16 506
		<b>72 645</b>	<b>23 899</b>
<b>Capital expenditure</b>			
Approved and contracted		191	1 112
		<b>191</b>	<b>1 112</b>
<b>Total Commitments</b>		<b>72 836</b>	<b>25 011</b>

Seventeen contracts are longer than 1 year.

Commitments have increased compared to the prior year due to E- Cabinet Contract.



## 22. ACCRUALS AND PAYABLES NOT RECOGNISED

### 22.1 Accruals

	2016/17			2015/16
	R'000			R'000
<b>Listed by economic classification</b>				
	30 Days	30+ Days	Total	Total
Goods and services	5 286	531	5 817	12 039
Capital assets	254	193	447	-
<b>TOTAL</b>	<b>5 540</b>	<b>724</b>	<b>6 264</b>	<b>12 039</b>

	Note	2016/17	2015/16
		R'000	R'000
<b>Listed by programme level</b>			
Administration		6 198	11 904
Executive support		66	135
<b>TOTAL</b>		<b>6 264</b>	<b>12 039</b>

Accruals and payables, there is a huge decline from the prior year, as invoices were received and paid within the 30 days period.

### 22.2 Payables not recognised

	2016/17			2015/16
	R'000			R'000
<b>Listed by economic classification</b>				
	30 Days	30+ Days	TOTAL	TOTAL
Goods and services	2 181	249	2 430	17 080
Capital assets	84	37	121	1 319
<b>TOTAL</b>	<b>2 265</b>	<b>286</b>	<b>2 551</b>	<b>18 399</b>

	Note	2016/17	2015/16
		R'000	R'000
<b>Listed by programme level</b>			
Administration		2 511	17 080
Executive Support		40	1 319
<b>TOTAL</b>		<b>2 551</b>	<b>18 399</b>

Comparative figures are restated to split accruals and payables not recognised to enhance comparability.

	Note	2016/17	2015/16
		R'000	R'000
<b>Included in the above totals are the following:</b>			
Confirmed balances with other departments	Annex 4	3 749	3 026
<b>TOTAL</b>		<b>3 749</b>	<b>3 026</b>

## 23. EMPLOYEE BENEFITS

	Note	2016/17	2015/16
		R'000	R'000
Leave entitlement		12 946	10 861
Service bonus (Thirteenth cheque)		6 339	6 471
Performance awards		4 629	4 442
Capped leave commitments		5 007	4 597
Long service awards		228	130
<b>TOTAL</b>		<b>29 149</b>	<b>26 501</b>

Negative pro-rata leave credits: 109.74 in current leave cycle. Rand value is R146 262.22

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### 24. LEASE COMMITMENTS

#### 24.1 Operating leases expenditure

2016/17	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	TOTAL
Not later than 1 year	-	-	-	3 723	3 723
Later than 1 year and not later than 5 years	-	-	-	4 466	4 466
<b>Total lease commitments</b>	-	-	-	<b>8 189</b>	<b>8 189</b>

There are no material lease arrangements on operating lease, except for that the department has a normal lease contracts relating to photocopy machines under operating lease terms, month to month cell phone, photocopiers and G-fleet vehicles.

Operating Lease commitments have increased from the prior year, due to the department entering into new Photo copier contracts under R-T3 contracts and additional G-Fleet pool vehicles leased from Government Garage.

2015/16	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	TOTAL
Not later than 1 year	-	-	-	626	626
Later than five years	-	-	-	381	381
<b>Total lease commitments</b>	-	-	-	<b>1 007</b>	<b>1 007</b>

There are no material lease arrangements on operating lease, except for that the department has a normal lease contracts relating to photocopy machines under operating lease terms, month to month cell phone, photocopiers and G-fleet vehicles.

#### 24.2 Finance leases expenditure

2016/17	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	TOTAL
Not later than 1 year	-	-	-	2 268	2 268
Later than 1 year and not later than 5 years	-	-	-	1 726	1 726
<b>Total lease commitments</b>	-	-	-	<b>3 994</b>	<b>3 994</b>

2015/16	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	TOTAL
Not later than 1 year	-	-	-	5 135	5 135
Later than five years	-	-	-	2 240	2 240
<b>Total lease commitments</b>	-	-	-	<b>7 375</b>	<b>7 375</b>

There are no material lease arrangements on Finance lease contracts, except for that the department has normal finance lease contracts relating to cell phone lines.

Finance Lease commitments have decreased from the prior year, as the department has saved from the new Tele-communication contract awarded to Vodacom.

### 25. ACCRUED DEPARTMENTAL REVENUE

	Note	2016/17 R'000	2015/16 R'000
Tax revenue		-	-
Sales of goods and services other than capital assets		-	-
Fines, penalties and forfeits		-	-
Interest, dividends and rent on land		-	-
Sales of capital assets		-	-
Transactions in financial assets and liabilities		-	-
Transfers received		-	-
Other		-	-
<b>TOTAL</b>		<b>-</b>	<b>-</b>



## 25.1 Analysis of accrued departmental revenue

	Note	2016/17 R'000	2015/16 R'000
Opening balance		-	356
Less: amounts received		-	(356)
Add: amounts recognised		-	-
Less: amounts written-off/reversed as irrecoverable		-	-
<b>Closing balance</b>		<b>-</b>	<b>-</b>

## 26 IRREGULAR EXPENDITURE

### 26.1 Reconciliation of irregular expenditure

	Note	2016/17 R'000	2015/16 R'000
Opening balance		13 873	13 554
Prior period error		-	-
As restated		13 873	13 554
Add: Irregular expenditure – relating to prior year		8 396	-
Add: Irregular expenditure – relating to current year		8 517	4 061
Less: Prior year amounts condoned		(1 386)	-
Less: Amounts not condoned and not recoverable		(10 039)	(3 742)
<b>Closing balance</b>		<b>19 361</b>	<b>13 873</b>

#### Analysis of awaiting condonation per age classification

Current year	8 517	4 061
Prior years	10 844	9 812
<b>TOTAL</b>	<b>19 361</b>	<b>13 873</b>

Prior year irregular expenditure was understated by R8, 396 million due to the fact that R6, 436 million was not included in the main note for 2015/16. An amount of R1, 960 million for local content and training discovered after revisiting the population of 2015/16. Amount of R200 000 was not condoned but de-recognised and approved for write off by Loss Control Committee and an amount of R9, 839 million was not condoned by the National Treasury is not recoverable therefore it is an adjusting subsequent event as communication from National Treasury was received after 31 March.

### 26.2 Details of irregular expenditure – added current year (relating to current and prior years)

Incident	Disciplinary steps taken/criminal proceedings	2016/17 R'000
Training three quotations not obtained	To requested condonement from NT	1 857
Local Content not adhered to	To requested condonement from NT	2 169
Tender not awarded in time	To requested condonement from NT	950
Contract not awarded in time	To requested condonement from NT	154
Deviation from SCM processes	To requested condonement from NT	516
Collusive Bidding	To requested condonement from NT	470
Invalid BBB-EE Certificate	To requested condonement from NT	250
Non-compliant tax certificates	To requested condonement from NT	687
Other-non-compliance to SCM processes	To requested condonement from NT	361
Other three quotation matters	To requested condonement from NT	1 103
<b>TOTAL</b>		<b>8 517</b>

### 26.3 Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	2016/17 R'000
S&T authorised without delegation	Accounting Officer	1 073
Petty cash transaction exceeding an amount of R2 000.00. (Subsequent event)	Condoned by National Treasury	26
Contracts with a transaction value above R500 000 not procured through competitive bidding process. (Subsequent event)	Condoned by National Treasury	287
<b>TOTAL</b>		<b>1 386</b>

Amount of R1,073 million condoned by Accounting Officer and R313 000 was condoned by National Treasury.

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#### 26.4 Details of irregular expenditure not recoverable (not condoned)

Incident	Not condoned by (condoning authority)	2016/17 R'000
Non Compliance to cost containment measures	De-recognised/approved for write off by Loss control committee	200
SCM deviations: provision of upgrade checkpoint firewall- Subsequent event	Not condoned by National Treasury	4 813
Contracts with a transaction value above R500 000 not procured through competitive bidding process - Subsequent event	Not condoned by National Treasury	3 198
Contracts with a transaction value above R500 000 not procured through competitive bidding process - Subsequent event	Not condoned by National Treasury	1 109
Contracts with a transaction value above R500 000 not procured through competitive bidding process - Subsequent event	Not condoned by National Treasury	719
<b>TOTAL</b>		<b>10 039</b>

Amount of R200 000 was not condoned but de-recognised and approved for write off by LCC. An amount of R9, 839 million was not condoned by National Treasury and is not recoverable.

#### 26.5 Details of the non-compliance where an institution was not represented in a bid committee for contracts arranged by other institutions

Incident	2016/17 R'000
SITA on behalf of The Presidency: Tender advertised for a reduced period	4 813
<b>TOTAL</b>	<b>4 813</b>

Presidency tender was advertised by SITA for a reduced period of 14 days instead of 21 days as required by National Treasury practice note 5 of 2009/10.

#### 26.6 Details of irregular expenditures under investigation (not included in the main note)

Incident	2016/17 R'000
Approval to increase contract amount under investigation	39
<b>TOTAL</b>	<b>39</b>

Appropriate approval for increase in contract amount not obtained.

### 27. FRUITLESS AND WASTEFUL EXPENDITURE

#### 27.1 Reconciliation of fruitless and wasteful expenditure

	Note	2016/17 R'000	2015/16 R'000
Opening balance		1 115	1 143
Prior period error		-	(4)
As restated		1 115	1 139
Fruitless and wasteful expenditure – relating to prior year		-	-
Fruitless and wasteful expenditure – relating to current year		92	20
Less: Amounts resolved		(103)	(44)
Less: Amounts transferred to receivables for recovery		(2)	-
<b>Closing balance</b>		<b>1 102</b>	<b>1 115</b>

#### 27.2 Analysis pending resolution per economic classification

	Note	2016/17 R'000	2015/16 R'000
Current		1 102	1 115
<b>TOTAL</b>		<b>1 102</b>	<b>1 115</b>



## 27.3 Analysis of current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2016/17 R'000
Lack of planning	Amount approved for write off by LCC	34
Cancelled trip	Amount approved for write off by LCC	2
Interest charged on overdue telephone account	Amount approved for write off by LCC	45
Erraneous payment (subsequent event)	Under investigation	9
SCM deviation(subsequent event)	Under investigation	1
Interest charged on overdue	Under investigation	1
<b>TOTAL</b>		<b>92</b>

## 27.4 Prior period error

	Note	2015/16 R'000
<b>Nature of prior period error</b>		(4)
Relating to 2015/16 [affecting the opening balance]		
Cancellation of training overstated. The amount was erroneously disclosed as R8 000 while in actual fact it was R4 000		(4)
<b>Total prior period errors</b>		<b>(4)</b>

The amount was erroneously disclosed as R8 000 while in actual fact it was R4 000

## 28. KEY MANAGEMENT PERSONNEL

	No. of Individuals	2016/17 R'000	2015/16 R'000
Political office bearers (provide detail below)	2	5 713	5 604
<b>Officials:</b>			
Level 15 to 16	19	30 414	29 221
Level 14 (incl. CFO if at a lower level)	18	21 940	20 859
Family members of key management personnel		-	-
<b>TOTAL</b>		<b>58 067</b>	<b>55 684</b>

Claims for remuneration amounting to R1 13 245.19 and for performance bonus amounting to R101 915.10 were received after financial year end closure.

## 29. PROVISIONS

	Note	2016/17 R'000	2015/16 R'000
DA v President of RSA and EFF v President of RSA and others		3 200	328
<b>TOTAL</b>		<b>3 200</b>	<b>328</b>

### 29.1 Reconciliation of movement in provisions – 2016/17

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Total provisions R'000
Opening balance	286	42	-	328
Increase in provision	56	-	3 200	3 256
Settlement of provision	(174)	(42)	-	(216)
Change in provision due to change in estimation of inputs	(168)	-	-	(168)
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>3 200</b>	<b>3 200</b>

Provision 1: Case was finalised and all employees were paid.

Provision 2: Case was finalised and amount of R41 667 was transferred to accruals

Provision 3: Provision 3 is the case of DA v President of RSA and EFF v President of RSA.

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### Reconciliation of movement in provisions – 2015/16

	Provision 1	Provision 2	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	530	200	-	730
Increase in provision	-	-	42	42
Settlement of provision	(244)	(200)	-	(444)
<b>Closing balance</b>	<b>286</b>	<b>-</b>	<b>42</b>	<b>328</b>

2016/17 Provision 1 is for the payment of performance bonus for 2009/10 for the former Presidency employees as a result of the finalisation of a court case between The Presidency and PSA. All employees affected were paid. Provision 2 is for the case with the service provider. The department was ordered to pay an amount of R41 667 and the provision was moved to accruals. Provision 3 is the case of DA v President of RSA and EFF v President of RSA and others. The amount of R200 000 was erroneously included in the closing balance of claims against the state (annexure). The case was finalised in 2015/16, hence the restatement of prior year figure. Disputed invoices have been reclassified from claims against the state to other contingent liabilities and prior year figures restated accordingly.

### 30. NON-ADJUSTING EVENTS AFTER REPORTING DATE

	2016/17
	R'000
<b>Nature of event</b>	
Include an estimate of the financial effect of the subsequent non-adjusting events or a statement that such an estimate cannot be made.	-
<b>TOTAL</b>	<b>-</b>

Subsequent to the reporting period for the 2016/2017 FY, but before the financial statements for the 2016/2017 FY have been issued, the following events arose as Contingent Liabilities:

1. The North Gauteng High Court ordered on 04 May 2017 in respect of case 24396/2017 (Democratic Alliance (DA) v President of RSA) that the President provide the applicant with all necessary documents and records and that the President needs to pay the costs of the application. The President is appealing the decision of the North Gauteng High Court to the Supreme Court of Appeal. The issue of costs will only be settled once the appeal process has been finalised.
2. The Constitutional Court ordered on 22 June 2017 in respect of case CCT 89/2017 (United Democratic Movement (UDM) v Speaker of National Assembly) that the President and the Speaker of Parliament must pay the costs of the applications including the costs of two counsels. The Presidency is liable for one half of the legal costs. The amount in question is yet to be determined by the taxing master. Rule 45(2) of the Uniform Rules of the High Court provides that "No process of execution shall issue for levying and raising of any costs awarded by the court to any party, until they have been taxed by the taxing master or agreed to in writing by the party concerned in a fixed sum."

### 31. MOVABLE TANGIBLE CAPITAL ASSETS

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017					
	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>HERITAGE ASSETS</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16</b>
Heritage assets	16	-	-	-	16
<b>MACHINERY AND EQUIPMENT</b>	<b>62 467</b>	<b>-</b>	<b>34 143</b>	<b>7 555</b>	<b>89 055</b>
Transport assets	3 496	-	821	223	4 094
Computer equipment	35 729	-	30 438	5 839	60 328
Furniture and office equipment	17 638	-	2 698	1 132	19 204
Other machinery and equipment	5 604	-	186	361	5 429
<b>Capital Work-in-progress (Effective 1 April 2016)</b>	<b>29 227</b>	<b>-</b>	<b>1 148</b>	<b>30 375</b>	<b>-</b>
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>91 710</b>	<b>-</b>	<b>35 291</b>	<b>37 930</b>	<b>89 071</b>

Additions comprises of two major projects that were completed in the current financial year valued at R30,375 million. The amount of R30,375 million is disclosed under disposals as there is no provision on the template for completed assets. Included in the amount is the amount of R1,148 million relating to the current year expenditure for work in progress.

MOVABLE TANGIBLE CAPITAL ASSETS UNDER INVESTIGATION		
	Number	Value
		R'000
Machinery and equipment	280	3 772

The above assets are those that could not be verified as at 31 March 2017, there is an on-going investigation taking place to resolve the matter.



### 31.1 Additions

#### ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	TOTAL
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>12 051</b>	<b>30 375</b>	<b>(6 990)</b>	<b>(1 293)</b>	<b>34 143</b>
Transport assets	821	-	-	-	821
Computer equipment	2 631	29 519	(1 148)	(564)	30 438
Furniture and office equipment	2 415	856	-	(573)	2 698
Other machinery and equipment	6 184	-	(5 842)	(156)	186
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>12 051</b>	<b>30 375</b>	<b>(6 990)</b>	<b>(1 293)</b>	<b>34 143</b>

### 31.2 Disposals

#### DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>223</b>	<b>7 332</b>	<b>7 555</b>	<b>107</b>
Transport assets	223	-	223	107
Computer equipment	-	5 839	5 839	-
Furniture and office equipment	-	1 132	1 132	-
Other machinery and equipment	-	361	361	-
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>223</b>	<b>7 332</b>	<b>7 555</b>	<b>107</b>

### 31.3 Movement for 2015/16

#### MOVEMENT IN TANGIBLE 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
<b>HERITAGE ASSETS</b>	<b>-</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>16</b>
Heritage assets	-	16	-	-	16
<b>MACHINERY AND EQUIPMENT</b>	<b>63 005</b>	<b>(174)</b>	<b>6 666</b>	<b>(7 030)</b>	<b>62 467</b>
Transport assets	5 528	-	696	(2 728)	3 496
Computer equipment	35 944	(77)	2 876	(3 014)	35 729
Furniture and office equipment	16 259	(154)	2 603	(1 070)	17 638
Other machinery and equipment	5 274	57	491	(218)	5 604
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>63 005</b>	<b>(158)</b>	<b>6 666</b>	<b>(7 030)</b>	<b>62 483</b>

#### 31.3.1 Prior period error

	Note	2015/16 R'000
<b>Nature of prior period error</b>		
Net effect		(158)
Assets cost adjustment and re-allocation of assets between categories		87
Assets combined and duplicated assets removed		(314)
Additional of prior year omitted		69
<b>TOTAL PRIOR PERIOD ERRORS</b>		<b>(158)</b>

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## NOTES ON THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

### 31.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2017						
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	TOTAL
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	18 910	-	18 910
Additions	-	-	-	715	-	715
Disposals	-	-	-	(2 285)	-	(2 285)
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17 340</b>	<b>-</b>	<b>17 340</b>

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	TOTAL
Number of RI minor assets	-	-	-	345	-	345
Number of minor assets at cost	-	-	-	13 022	-	13 022
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13 367</b>	<b>-</b>	<b>13 367</b>

MINOR CAPITAL ASSETS UNDER INVESTIGATION		
	Number	Value
		R'000

Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	1 052	1 117

The above assets are those that could not be verified as at 31 March 2017, there is an on-going investigations

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2016						
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	TOTAL
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	19 188	-	19 188
Prior period error	-	-	-	(102)	-	(102)
Additions	-	-	-	1 079	-	1 079
Disposals	-	-	-	(1 255)	-	(1 255)
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18 910</b>	<b>-</b>	<b>18 910</b>

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	TOTAL
Number of RI minor assets	-	-	-	346	-	346
Number of minor assets at cost	-	-	-	14 848	-	14 848
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15 194</b>	<b>-</b>	<b>15 194</b>

#### 31.4.1 Prior period error

	Note	2015/16
		R'000
Nature of prior period error		(102)
Duplicated Assets written off		23
Department of Public Works Assets removed		(97)
Air conditioners re-allocated from office equipment to other machinery		(28)
<b>TOTAL PRIOR PERIOD ERRORS</b>		<b>(102)</b>



31.5 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2017						
	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	-	-	-	9 618	-	9 618
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9 618</b>	<b>-</b>	<b>9 618</b>

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2016						
	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	-	-	-	653	-	653
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>653</b>	<b>-</b>	<b>653</b>

31.6 S42 Movable capital assets

MAJOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA -31 MARCH 2016						
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
No. of Assets	-	-	-	155	-	155
Value of the assets (R'000)	-	-	-	4 771	-	4 771

MINOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2016						
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
No. of Assets	-	-	-	592	-	592
Value of the assets (R'000)	-	-	-	779	-	779

32 INTANGIBLE CAPITAL ASSETS

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017					
	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Software	837	-	-	-	837
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>837</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>837</b>

32.1 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	837	-	-	-	837
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>837</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>837</b>

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#### 33. PRIOR PERIOD ERRORS

##### 33.1 Correction of prior period errors

	Note	2016/17
		R'000
<b>Assets: (e.g. receivables, investments, accrued departmental revenue, movable tangible capital assets, etc.)</b>		
Capital Work in Progress: Reclassification of CPWIP from Furniture and office equipment		97
Capital Work in Progress: Reclassification of CWIP to computer equipment		(97)
Major Assets: assets cost adjustment and re-allocation between categories		87
Major Assets: Assets combined and duplicated assets removed		(314)
Major Assets: Addition of assets omitted in the prior year		69
Assets combined and asset re-allocation of assets between categories		23
Duplicated assets and assets belonging to DPW and other entities removed		(125)
<b>Net effect</b>		<b>(260)</b>

	Note	2016/17
		R'000
<b>Liabilities: (e.g. payables current, voted funds to be surrendered, commitments, provisions, etc.)</b>		
Leave entitlement overstated		(547)
Long service award understated		(9)
Amount reallocated from claims against department to other contingencies		(3 340)
<i>Amount reallocated from claims against the department</i>		3 340
Amount erroneously included in 2015/16 closing balance for claims against the department: Annexure 3B		(200)
Reclassification of accruals to payables not recognised		(18 398)
Reclassification of payables not recognised from accruals		18 398
<b>Net effect</b>		<b>(756)</b>

	2016/17
	R'000
<b>Other: (e.g. irregular expenditure, fruitless and wasteful expenditure, etc.)</b>	
Fruitless and wasteful expenditure: cancellation of training overstated.	(4)
<b>Net effect</b>	<b>(4)</b>



	2015/16
	R'000
<b>Nature of prior period error</b>	
Revenue and expenditure	
Aid assistance rounding	1
Surplus for the year: Aid assistance	(1)
<b>Net Effect</b>	<b>(0)</b>
Irregular expenditure	
Irregular expenditure	(607)
<b>Net Effect</b>	<b>(607)</b>
<b>Assets</b>	
Receivables: Current	1 655
Receivables: Non-current	(1 655)
<b>Net Effect</b>	<b>(0)</b>
<b>Expenditure</b>	
Aid Assistance	1
<b>Net Effect</b>	<b>1</b>
<b>Liabilities</b>	
Bank Overdraft	1
Paymaster General Account	(1)
<b>Net Effect</b>	<b>(0)</b>
<b>Minor Assets</b>	
Correction of asset register	(15)
<b>Net Effect</b>	<b>(15)</b>
Correction of asset register (number of assets)	(11)
<b>Net Effect</b>	<b>(11)</b>
<b>Major Assets</b>	
Correction of asset register	(426)
<b>Net Effect</b>	<b>(426)</b>

#### 34. STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		Re-allocations by National Treasury or National Department
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	
	R'000	R'000	R'000		R'000	R'000	
City of Tshwane	-	-	3	3	3	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>-</b>	<b>-</b>

National Departments are reminded of the DORA requirements to indicate any re-allocations by the National Treasury or the transferring department, certify that all transfers in terms of this Act were deposited into the primary bank account of a province or, where appropriate, into the CPD account of a province as well as indicate the funds utilised for the administration of the receiving officer.

Departments are required to include a summary of expenditure per conditional grant to aid in the identification of under- / over spending of such funds and to allow the department to provide an explanation for the variance

# ANNUAL FINANCIAL STATEMENTS

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### ANNEXURE IA

#### STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT			2015/16	
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
	R'000	R'000	R'000		R'000	R'000	%	R'000	R'000	%	R'000
City of Tshwane	-	-	3	3	3	-	-	-	-	-	4
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4</b>

National Departments are reminded of the DORA requirements to indicate any re-allocations by the National Treasury or the transferring department, certify that all transfers in terms of this Act were deposited into the primary bank account of a province or, where appropriate, into the CPD account of a province as well as indicate the funds utilised for the administration of the receiving officer.

Departments are required to include a summary of expenditure per conditional grant to aid in the identification of under- / over spending of such funds and to allow the department to provide an explanation for the variance



**ANNEXURE IB**

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2015/16	
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act	
	R'000	R'000	R'000	R'000	R'000	%	R'000	
SABC (TV licence)	34	-	(34)	-	-	-	3	
<b>TOTAL</b>	<b>34</b>	<b>-</b>	<b>(34)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	

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#### ANNEXURE IC

#### STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE			2015/16	
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
<b>Private Enterprises</b>									
Claims against the state									
Private Enterprises	-	-	42	42	42	100.0%	-	-	-
Transfers	-	-	42	42	42	100.0%	-	-	-
<b>Total</b>	-	-	<b>42</b>	<b>42</b>	<b>42</b>	<b>100.0%</b>	-	-	-
<b>TOTAL</b>	-	-	<b>42</b>	<b>42</b>	<b>42</b>	<b>100.0%</b>	-	-	-



ANNEXURE ID  
STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2015/16	
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act	
	R'000	R'000	R'000	R'000	R'000	%	R'000	
<b>Transfers</b>								
Leave Gratuity	936	-	606	1 542	1 541	100%	799	
Claims Against the state	-	-	205	205	205	100%	240	
Social Security	-	-	-	-	-	-	10	
Severance package	1 426	-	25	1 451	1 451	100%	-	
	<b>2 362</b>	<b>-</b>	<b>836</b>	<b>3 198</b>	<b>3 197</b>		<b>1 049</b>	
<b>TOTAL</b>	<b>2 362</b>	<b>-</b>	<b>836</b>	<b>3 198</b>	<b>3 197</b>		<b>1 049</b>	

## ANNUAL FINANCIAL STATEMENTS

### ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

#### ANNEXURE IE STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2016/17	2015/16
		R'000	R'000
<b>Received in kind</b>			
South Africa-China People's Friendship Association	SA-China Dinner	-	418
Pick n Pay- Soshanguwe	Food parcels	10	-
Cell C Foundation	50 School back packs/water bottles	2	-
PSM and Vukuzenzele	Free advertising for internship	64	-
<b>Subtotal</b>		<b>76</b>	<b>418</b>
<b>TOTAL</b>		<b>76</b>	<b>418</b>



**ANNEXURE IF**

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

NATURE OF GIFT, DONATION OR SPONSORSHIP	2016/17	2015/16
	R'000	R'000
<b>Made in kind</b>		
Ms D Ranthako – Employee	-	1
Mr R Nemalili – Employee	-	1
Ms S Mudau – Employee	-	1
Youth for survival	-	27
North Gauteng Mental Health	-	19
Heaven's Defence Force Ministry	-	151
Onderstenning straat	-	47
Phadima-Gape Organisation	-	119
Hope of life	-	26
Child Welfare Tshwane	-	12
Children on the Move	-	49
Akashoza	-	44
Contribution toward employee funeral	-	10
<b>Cash contribution towards employees funeral</b>		
Linda Manyane (employee 1)	10	-
Yandisa Gubayo (employee 2)	10	-
Keabetswe Dutch Mohale (employee 3)	10	-
Maria Pila in respect of Ephraim Pila (employee 4)	10	-
<b>Redundant office furniture &amp; equipment donated to school</b>		
Bodubelo Primary school	343	-
Bud-Mbele Primary school	350	-
Bula-Dikgoro Primary school	181	-
Ikageng Primary School	453	-
Lesolang Primary school	365	-
Meetse a Bophelo	261	-
Tsuene High School	85	-
Rakale Primary school	95	-
Sipamandla High school	77	-
Pick n Pay- Soshanguwe (Donation of sanitary towels for school girls)	3	-
<b>TOTAL</b>	<b>2 253</b>	<b>507</b>

## ANNUAL FINANCIAL STATEMENTS

### ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

#### ANNEXURE 2A STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2017

NATURE OF LIABILITY	Opening Balance	Liabilities incurred during the year	Liabilities paid/cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance
	1 April 2016				31 March 2017
	R'000	R'000	R'000	R'000	R'000
<b>Claims against the department</b>					
New cases: Employee vs The Presidency	-	263	-	-	263
New case: EFF vs President and DA vs President	-	3 200	3 200	-	-
<b>Subtotal</b>	<b>-</b>	<b>3 463</b>	<b>3 200</b>	<b>-</b>	<b>263</b>
<b>Other</b>					
New case: South African Revenue Service	-	1 270	-	-	1 270
New case: Disputed invoice	-	368	-	-	368
Pending cases: Disputed invoices	595	14	418	-	191
Pending cases: Disputed invoices	43	-	43	-	-
Pending cases: Disputed invoices	386	290	-	-	676
Pending cases: Disputed invoices	2 316	699	830	-	2 185
<b>Subtotal</b>	<b>3 340</b>	<b>2 641</b>	<b>1 291</b>	<b>-</b>	<b>4 690</b>
<b>TOTAL</b>	<b>3 340</b>	<b>6 104</b>	<b>4 491</b>	<b>-</b>	<b>4 953</b>

The case of EFF vs President and DA vs President has been moved to provisions.

*There are a number of cases that are possible obligations for The Presidency but the cases are not finalised. If the state is not successful, The Presidency could bear the cost of the other side. The amounts in question are yet to be determined by the taxing master. Rule 45(2) of the Uniform Rules of the High Court provides that "No process of execution shall issue for levying and raising of any costs awarded by the court to any party, until they have been taxed by the taxing master or agreed to in writing by the party concerned in a fixed sum."*



**ANNEXURE 3**  
**CLAIMS RECOVERABLE**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2016/17*	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>Department</b>								
International Relations and Cooperation (DIRCO)	-	-	214	2 335	214	2 335		
Planning, Monitoring and Evaluation	75	-	8	640	83	640	03/04/2017	75
Home Affairs	7	-	-	20	7	20		
Trade and Industry	240	-	4	-	244	-	07/04/2017	240
Government Communication and Information System	108	-	-	-	108	-	03/04/2017	108
Water and Sanitation	138	-	106	-	244	-	03/04/2017	112
	<b>568</b>	<b>-</b>	<b>332</b>	<b>2 995</b>	<b>900</b>	<b>2 995</b>		<b>535</b>
<b>TOTAL</b>	<b>568</b>	<b>-</b>	<b>332</b>	<b>2 995</b>	<b>900</b>	<b>2 995</b>		

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### ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

#### ANNEXURE 4 INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2016/17*	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016	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
<b>Departments</b>								
<b>Current</b>								
Higher Education and Training	17	-	-	5	17	5		
Planning, Monitoring and Evaluation	-	-	-	19	-	19		
Home Affairs	-	-	113	109	113	109		
Justice and Constitutional Development	3 732	2 938	1 380	1 275	5 112	4 213		
International Relations	-	-	-	6 229	-	6 229		
Science and Technology	-	88	-	-	-	88		
<b>Subtotal</b>	<b>3 749</b>	<b>3 026</b>	<b>1 493</b>	<b>7 637</b>	<b>5 242</b>	<b>10 663</b>		
<b>TOTAL</b>	<b>3 749</b>	<b>3 026</b>	<b>1 493</b>	<b>7 637</b>	<b>5 242</b>	<b>10 663</b>		



**ANNEXURE 5**  
MOVEMENT IN CAPITAL WORK IN PROGRESS

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2017				
	Opening balance	Current Year Capital WIP	Completed Assets	Closing balance
	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>29 227</b>	<b>1 148</b>	<b>(30 375)</b>	<b>-</b>
Computer equipment	28 274	1 148	(29 519)	(97)
Furniture and office equipment	953	-	(856)	97
<b>TOTAL</b>	<b>29 227</b>	<b>1 148</b>	<b>(30 375)</b>	<b>-</b>

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2016					
	Opening balance	Prior period error	Current Year Capital WIP	Completed Assets	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>1 396</b>	<b>-</b>	<b>27 831</b>	<b>-</b>	<b>29 227</b>
Computer equipment	818	97	27 456	-	28 371
Furniture and office equipment	578	(97)	375	-	856
<b>TOTAL</b>	<b>1 396</b>	<b>-</b>	<b>27 831</b>	<b>-</b>	<b>29 227</b>

## ANNUAL FINANCIAL STATEMENTS

### ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

#### ANNEXURE 6A

INTER-ENTITY ADVANCES PAID (Note 13)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016
	R'000	R'000	R'000	R'000	R'000	R'000
<b>National departments</b>						
DIRCO	120	398	-	-	120	398
<b>Subtotal</b>	<b>120</b>	<b>398</b>	<b>-</b>	<b>-</b>	<b>120</b>	<b>398</b>
<b>TOTAL</b>	<b>120</b>	<b>398</b>	<b>-</b>	<b>-</b>	<b>120</b>	<b>398</b>



## LIST OF ABBREVIATIONS/ACRONYMS

AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
AIDS	Acquired Immune Deficiency Syndrome
AU	African Union
B-BBEE	Broad-based Black Economic Empowerment
BCM	Business continuity Management
BEE	Black Economic Empowerment
BEEAC	Black Economic Empowerment Advisory Council
BNC	Bi-National Commission
BRICS	Brazil, Russia, India, China and South Africa
CA	Chartered Accountant
CAF	Confederation of African Football
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIA	Certificate of Auditor
COO	Chief Operations Officer
DG	Director-General
DIRCO	Department of International Relations and Cooperation
DPME	Department of Planning, Monitoring and Evaluation
DPSA	Department of Public Service and Administration
EISP	Employee-Initiated Severance Packages
FMPPI	Framework for Managing Programme Performance
FOSAD	Forum of South African Directors-General
G20	Group of 20
GCIS	Government Communication and Information System
GDP	Gross Domestic Product
HIV	Human Immunodeficiency Virus
HOD	Head of Department
HRDC	Human Resource Development Council
HVTN	HIV Vaccine Trials Network
ICC	International Criminal Court
ICT	Information and Communication Technology
IMC	Inter-Ministerial Committee
IORA	Indian Ocean Rim Association
IT	Information Technology
LDCs	Least Developed Countries
LLB	Bachelor of Laws
LOGB	Leader of Government Business
MBL	Masters of Business Leadership
MCS	Modified Cash Standards
MEC	Member of Executive Committee
MPAT	Management Performance Assessment Tool
MPSA	Ministry of Public Service and Administration
MRM	Moral Regeneration Movement
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework

## LIST OF ABBREVIATIONS/ACRONYMS

NAM	Non Aligned Movement
NDP	National Development Plan
NEDLAC	National Economic Development and Labour Council
NHTL	National House of Traditional Leaders
NPC	National Planning Commission
NSFAS	National Student Financial Aid Scheme
NT	National Treasury
NYDA	National Youth Development Agency
OAU	Organisation of African Unity
OSD	Occupation Specific Dispensation
PAIA	Promotion of Access to Information Act
PCC	President's Coordinating Council
PFMA	Public Finance Management Act
PICC	Presidential Infrastructure Coordinating Commission
PoA	Programme of Action
PPP	Public-Private Partnership
PSCBC	Public Service Co-ordinating Bargaining Council
PSR	Public Sector Regulations
RDP	Reconstruction and Development Programme
RED	Rural Enterprise Development
RMC	Risk Management Committee
RSA	Republic of South Africa
SAA	South African Airways
SABC	South African Broadcasting Corporation
SADC	Southern African Development Community
SALGA	South African Local Government Association
SANAC	South African National AIDS Council
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SDIP	Service Delivery Improvement Plan
SITA	State Information Technology Agency
SME	Small and Medium Enterprises
SMME	Small, Medium and Micro Enterprises
SMS	Senior Management Service
SOEs	State-owned Enterprises
SONA	State of the Nation Address
SOP	Standard Operating Procedure
STIs	Sexually Transmitted Infections
TB	Tuberculosis
TVET	Technical Vocational and Education Training
UDF	United Democratic Front
UN	United Nations
UNGA	United Nations General Assembly



## DEPARTMENT: GENERAL INFORMATION

**PHYSICAL ADDRESS:**

Union Buildings  
Government Avenue  
Pretoria

**POSTAL ADDRESS:**

Private Bag X1000  
Pretoria  
0001

**TELEPHONE NUMBER/S:**

+27 (0)12 300 5200

**FAX NUMBER:**

+27 (0)12 323 8246

**EMAIL ADDRESS:**

[COO@presidency.gov.za](mailto:COO@presidency.gov.za)

**WEBSITE ADDRESS :**

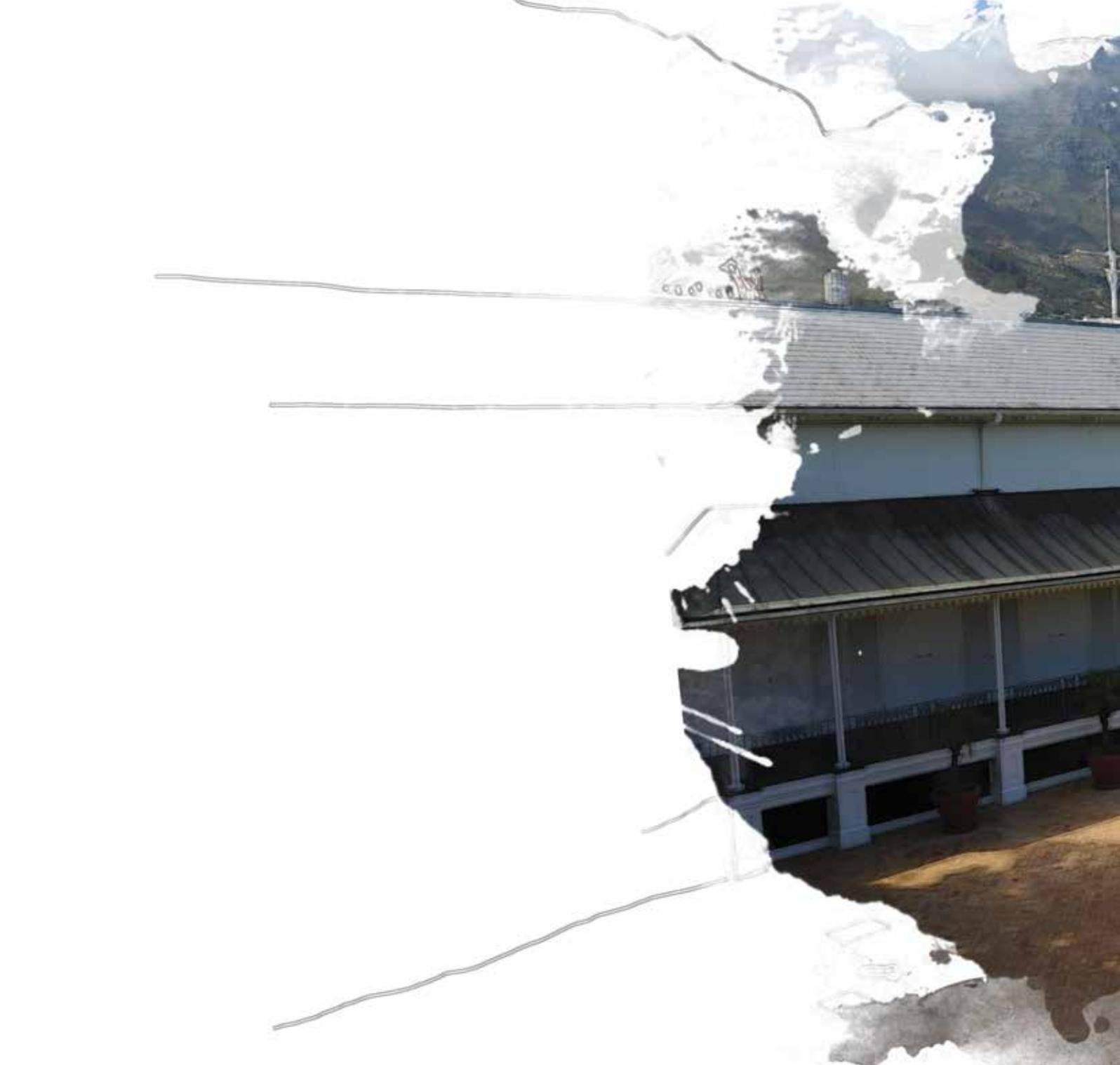
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