

# 25 YEARS *of* DEMOCRACY

THE PRESIDENCY ANNUAL REPORT 2018/2019



THE PRESIDENCY  
REPUBLIC OF SOUTH AFRICA

## VOTE NO. 1



**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 Cyril Ramaphosa, 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 2018 to 31 March 2019.

A handwritten signature in black ink, appearing to read 'L Mxenge'.

Ms Lusanda Mxenge  
Acting Chief Operations Officer



President Cyril Ramaphosa delivering his State of the Nation Address in a joint sitting of the opening of Parliament.

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President Cyril Ramaphosa and Deputy President David Mabuza.

## 1. DEPARTMENT GENERAL INFORMATION

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## 2. LIST OF ABBREVIATIONS/ACRONYMS

<b>AFS</b>	Annual Financial Statements
<b>AGSA</b>	Auditor-General South Africa
<b>APP</b>	Annual Performance Plan
<b>APRM</b>	African Peer Review Mechanism
<b>ARC</b>	African Regional Centre
<b>AU</b>	African Union
<b>B-BBEE</b>	Broad-based Black Economic Empowerment
<b>BEEAC</b>	Black Economic Empowerment Advisory Council
<b>BES</b>	Biodiversity Economy Strategy
<b>BNC</b>	Bi-National Commission
<b>BRICS</b>	Brazil, Russia, India, China and South Africa
<b>CIPC</b>	Companies and Intellectual property Commission
<b>CFO</b>	Chief Financial Officer
<b>COGTA</b>	Cooperative Governance and Traditional Affairs
<b>COO</b>	Chief Operations Officer
<b>CRL</b>	Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities
<b>CSD</b>	Central Supplier Database
<b>DEA</b>	Department of Environmental Affairs
<b>DG</b>	Director-General
<b>DDG</b>	Deputy Director-General
<b>DPME</b>	Department of Planning, Monitoring and Evaluation
<b>DPSA</b>	Department of Public Service and Administration
<b>DIRCO</b>	Department of International Relations and Cooperation
<b>DSBD</b>	Department of Small Business Development
<b>EU</b>	European Union
<b>FOSAD</b>	Forum of South African Directors-General
<b>4IR</b>	Fourth Industrial Revolution
<b>G20</b>	Group of 20
<b>GCIS</b>	Government Communication and Information System
<b>GDP</b>	Gross Domestic Product
<b>HOD</b>	Head of Department
<b>HRDC</b>	Human Resource Development Council
<b>ICT</b>	Information and Communications Technology
<b>IGAD</b>	Intergovernmental Authority on Development
<b>IMC</b>	Inter-Ministerial Committee
<b>LOGB</b>	Leader of Government Business
<b>MEC</b>	Member of the Executive Council
<b>MPAT</b>	Management Performance Assessment Tool
<b>MPSA</b>	Ministry of Public Service and Administration
<b>MRM</b>	Moral Regeneration Movement
<b>MTEF</b>	Medium-Term Expenditure Framework
<b>MTSF</b>	Medium-Term Strategic Framework
<b>NDP</b>	National Development Plan
<b>NEDLAC</b>	National Economic Development and Labour Council
<b>NGO</b>	Non-Governmental Organisation
<b>NHI</b>	National Health Insurance
<b>NHTL</b>	National House of Traditional Leaders
<b>NMOG</b>	National Macro Organisational of Government
<b>NPA</b>	National Prosecuting Authority
<b>NPC</b>	National Planning Commission
<b>NSG</b>	National School of Governance
<b>NYDA</b>	National Youth Development Agency
<b>OAU</b>	Organisation of African Unity
<b>OSD</b>	Occupation Specific Dispensation
<b>PAIA</b>	Promotion of Access to Information Act, 2000
<b>PCC</b>	President's Coordinating Council
<b>PCAS</b>	Policy Coordination and Advisory Services

<b>PEP</b>	Public Employment Programme
<b>PFMA</b>	Public Finance Management Act
<b>PIC</b>	Public Investment Corporation
<b>PICC</b>	Presidential Infrastructure Coordinating Commission
<b>POA</b>	Programme of Action
<b>PRASA</b>	Passenger Rail Agency of South Africa
<b>PRS</b>	Policy and Research Services
<b>PSCBC</b>	Public Service Coordinating Bargaining Council
<b>PSR</b>	Public Service Regulations
<b>RMC</b>	Risk Management Committees
<b>SACU</b>	South African Customs Union
<b>SADC</b>	Southern African Development Community
<b>SALGA</b>	South African Local Government Association
<b>SANAC</b>	South African National AIDS Council
<b>SAPS:</b>	South African Police Service
<b>SARS:</b>	South African Revenue Service
<b>SAS</b>	Special Audit Services
<b>SCM</b>	Supply Chain Management
<b>SDG</b>	Sustainable Development Goals
<b>SMS</b>	Senior Management Service
<b>SOEs</b>	State-Owned Enterprises
<b>SOP</b>	Standard Operating Procedure
<b>SONA</b>	State of the Nation Address
<b>SSA</b>	State Security Agency
<b>STI</b>	Sexually Transmitted Infection
<b>TB</b>	Tuberculosis
<b>TVET</b>	Technical Vocational and Education Training
<b>UAE</b>	United Arab Emirates
<b>UN</b>	United Nations
<b>UNGA</b>	United Nations General Assembly
<b>UPF</b>	Universal Peace Federation
<b>WEF</b>	World Economic Forum
<b>YES</b>	Youth Employment Services
<b>ZCC</b>	Zion Christian Church



Jackson Mthembu  
Minister in The Presidency

### 3. INTRODUCTION BY THE MINISTER

During the past year our citizenry, under the guidance of government, devoted themselves to the realisation of the vision of a democratic, just and equitable society. In our glorious diversity, and despite our many differences, our people have answered the call of *Thuma Mina*.

During the year under review, government began to rebuild a durable social compact with key stakeholders towards fundamental social and economic transformation. Through various forms of dialogue and engagement with social partners, government has aimed to restore the bonds of trust, dialogue and cooperation by reaching out to parts of our society that ostensibly have become disaffected, disinterested or marginalised.

Working together with our partners in organised labour, business, civil society, and in communities, government focused its efforts on reigniting growth and creating jobs while removing the constraints to inclusive growth and greater levels of investment. A Presidential Jobs Summit was successfully held that agreed on far-reaching measures that addressed concerns about policy uncertainty and inconsistency, and approved tangible agreements between government and the partners which is, when fully implemented, expected to nearly double the number of jobs being created in the economy each year.

During the year under review, government has had to confront a technical recession in the economy. Government responded with an economic recovery plan through economic stimulus by means of re-directing public funding to areas with the

greatest potential for growth and job creation. Government introduced a range of measures to ignite economic activity, restore investor confidence, support employment and address the urgent challenges that affect the lives of vulnerable members of our society.

The President launched the Youth Employment Service in which unemployed youth are recruited into paid internships in companies across the economy. Government also did away with the requirement for work experience at entry-level in state institutions in order to give young people opportunities to start in the world of work with one less impediment.

Government responded to the dire situation at several State-Owned Enterprise (SOE), where mismanagement and corruption had severely undermined their effectiveness, with decisive measures to improve governance, strengthen leadership and restore stability.

The President has addressed concerns about the effects of state capture on public institutions which are vital to a healthy national life, especially the law enforcement agencies, whose integrity and ability to fulfil their mandate were eroded in recent years. Action was taken to stabilise and restore the credibility of the South African Revenue Service (SARS), the State Security Agency (SSA), the South African Police Service (SAPS) and the National Prosecuting Authority (NPA). Of significance was the appointment of a new National Director of Public Prosecutions, Adv Shamila Batohi, to lead the revival of the NPA and to strengthen the fight against crime and corruption.

The first Presidential Health Summit convened in 2018, which brought together key stakeholders from a wide range of constituencies in the health sector, dissected the crisis in the health system and proposed immediate, short term and medium term solutions to improve the effectiveness of the health system.

The inaugural South Africa Investment Conference in October 2018 provided great impetus to the drive to mobilise R1.2 trillion in investment over five years. The Investment Conference attracted around R300 billion in investment pledges from South African and international companies. In the year under review, indications show a phenomenal increase in foreign direct investment.

In order to ensure the role of State-Owned Enterprises (SOEs) as catalysts of economic growth and development, the President established the Presidential State-Owned Enterprises (SOEs) Council to provide political oversight and strategic management in order to reform, reposition and revitalise the SOEs. It is the view of government that SOEs must be fully self-sufficient and be empowered to fulfil their development and economic role.

The President convened government's Summit on Gender-Based Violence and Femicide to address the scourge of violence and abuse perpetrated against women and children. This challenge, it is recognised, has reached epidemic proportions in our society and required a more serious and coordinated national response. The summit brought together women from all walks of life, with government and civil society to outline a road map to end gender-based violence, improve coordination of planning, and establish a commitment to resourcing and accountability. Work is currently underway to implement the decisions of the Summit, including the preparation of a National Strategic Plan on Gender-Based Violence. Work will continue with partners in civil society to implement the decisions of the summit.

The President established four commissions of inquiry to investigate, variously, governance, corruption, the abuse of state resources, integrity and probity of key state institutions.

These are the inquiries into the Public Investment Corporation (PIC), SARS, the NPA and the inquiry into allegations of "state capture". All of which are currently in process and doing their work to uncover the truth, often under challenging circumstances, and to great public commendation. It is government's view that these commissions need to be able to do their work without any hindrance, and given that it may take some time before the commissions make findings and recommendations, the

criminal justice system must evaluate evidence of criminal activity as it emerges.

I am pleased to present the 2018/19 Annual Report, which complies with all statutory requirements, particularly Section 40(1) of the Public Finance Management Act (PFMA), 1999, and paragraph 18 of the National Treasury Regulations.



**Mr Jackson Mthembu**  
**Minister in The Presidency**



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

## 4. FOREWORD BY THE DIRECTOR-GENERAL

The work of The Presidency in the year under review was bracketed by two significant events, first the swearing in of a new President resulting from the political transition of February 2018, and then, the Inauguration of the President following the National Election of April 2019. The first event arose out of the departure of former President Jacob Zuma. This happened less than a year and a half before the end of the formal second term of President Zuma. The second event followed the elections just over a year later, which established the 6<sup>th</sup> Administration led by President Ramaphosa. Between these two significant events, the edifice of The Presidency continued to function efficiently and without intermission.

As is required, The Presidency has had to adjust to the unfolding political environment without skipping a beat. Throughout this time, work continued on the implementation of the set deliverables for the 2018/19 financial year. The Presidency continued to work hard to ensure that the targets elucidated in The Presidency's Annual Performance Plan (APP) were achieved. During the 2018/19 financial year, the Cabinet Office of The Presidency coordinated 25 Cabinet meetings, two special Cabinet meetings and 76 Cabinet Committee meetings. The Forum of South African Directors-General (FOSAD) convened two FOSAD planning Workshops, nine FOSAD management committee (Manco) meetings and 66 FOSAD Cluster meetings. (i.e groups of DG's of government departments). The Cabinet Office approved and introduced into the process a total of 38 bills. Significant progress was made with The Presidency's contribution to addressing social cohesion, poverty, unemployment and inequality in the country through the implementation of a broad range of programmes.

In line with the constitution, the National Development Plan (NDP), the Medium Term Strategic Framework (MTSF) and Outcome 14 (sub-outcome 3) of the Government Programme of Action (POA) - which are concerned with the promotion of social cohesion across society - South Africa, under the guidance and leadership of The Presidency, celebrated the centenary of the birth of two great Africans. Former President Nelson Rolihlahla Mandela was celebrated under the theme "Be the legacy" while Mama Albertina Nontsikelelo Sisulu was celebrated under the theme "A Woman of fortitude". Their incredible story formed a major part in the nation's journey to freedom and liberation. Activities were organised across the country to celebrate the legacy of these two icons and to popularise their lived principles and values, to galvanise the spirit of ubuntu, emphasise the things that unite rather than divide us as a people, and to restore national pride. Indeed the celebrations have had a significant impact on the national mood. On behalf of government, The Presidency would like to thank all those who participated in the centenary events.

The President has responded to national concerns and calls by many South Africans to lead a coordinated national response to gender-based violence by convening a Summit on Gender-Based Violence and Femicide. The Summit was conducted in a manner that permitted women from all walks of life to come together with government and civil society to outline a road map to end gender-based violence, improve coordinated planning, and establish a commitment to resourcing and accountability.

The Presidential Health Summit convened in October 2018 has assisted government to chart a course to effectively address

the serious challenges in the sector. Realising the magnitude of the challenges in health care, the President established a National Health Insurance (NHI) and quality improvement War Room in The Presidency, consisting of various key departments to address the crisis in the public health system while preparing for the implementation of the NHI. There is also a funded national quality health improvement plan to improve every clinic and hospital that will be contracted by the NHI. Through the introduction of the NHI and the multi-pronged quality improvement programme for public health facilities, government is working towards a considerable change in the health care experience of South Africans.

President Cyril Ramaphosa has hailed the success of the inaugural South Africa Investment Conference which has heralded investment of R290 billion, as the beginning of a new narrative on investment in South Africa. The conference heard investment announcements from companies in mining, forestry, manufacturing, telecommunications, transport, energy, agro-processing, consumer goods, pharmaceuticals, infrastructure, financial services, energy, Information and Communications Technology (ICT) and water. Prominent among these were the themes of value addition, beneficiation, innovation and entrepreneurship. The investments announced during the conference have originated from South African enterprises and entities or multinationals based in the country. This reflected renewed investor confidence in and commitment to South Africa after a period of uncertainty and a slowdown in investment. The Inter-Ministerial Committee which hosted the South Africa Investment Conference on behalf of the President also commended the conference for setting South Africa on a path of economic renewal and inclusive growth.

The Presidential Jobs Summit conducted in 2018, resulted in concrete agreements between organised labour, business, community and government. These agreements, which are now being implemented together with social partners, aim to create 275 000 additional direct jobs every year. Other actions of the government meant to draw young people in far greater numbers into productive economic activity are initiatives like the Employment Tax Incentive and the Youth Employment Service (launched in 2018) which places unemployed youth into paid internships in companies across the economy.

South Africa successfully hosted under the banner of Operation Phakisa, the 25<sup>th</sup> annual Investing in Africa Mining Indaba which is the world's largest gathering of mining stakeholders and decision-makers. In pursuit of attracting investment in mining, this year's Indaba was held under the theme "*Championing Africa's Sustainable Economic Development*". The Government has identified mineral beneficiation as an area that presents an

abundance of opportunities for investors but which also has a huge potential to transform the industry, grow the economy, while creating jobs and combatting poverty.

South Africa has been elected to take over from Egypt, as chair of the African Union for the year 2020 at the 32<sup>nd</sup> Ordinary Session of the Assembly of African Union Heads of State. The chairship is decided annually on a rotational basis among the five regions. The theme of the 32<sup>nd</sup> Ordinary Session was "*The Year of Refugees, Returnees and International Displaced Persons towards Durable Solutions to Forced Displacement in Africa*". Besides reflecting on and addressing the root causes of forced displacement on the continent, the Summit also deliberated on a number of important issues, including: the institutional reform and financing of the continental body; peace and security on the continent; developments related to the African Continental Free Trade Area; and negotiations for a new cooperation agreement between the African, Caribbean and Pacific developing countries and the European Union Post-2020. South Africa submitted its Instrument of Ratification for the Agreement on the African Continental Free Trade Area during the Summit.

The 10<sup>th</sup> BRICS Summit was successfully hosted in South Africa in July 2018 under the theme "*BRICS in Africa: collaboration for inclusive growth and shared prosperity in the Fourth Industrial Revolution*". The BRICS Summit took place during the centenary of the birth of a Nelson Mandela and Albertina Sisulu, and the values they represented served as an inspiration for discussion on key issues affecting the international community, as well as the rich discussion with outreach partners. The agenda of the BRICS Summit included issues of mutual concern aimed at achieving development, economic growth and prosperity, as well as peace and security. South Africa remains committed to building responsive, inclusive and collective solutions to the world's economic challenges, including poverty, inequality and unemployment.

In the year under review The Presidency was seized with the overall task of preparing for the transition from the 5<sup>th</sup> to the 6<sup>th</sup> Administration. Considerable work was done by The Presidency to spearhead the planning and leadership of a conceptually different Presidential inauguration ceremony. The Presidential Inauguration was successfully hosted on a shoe-string budget at Loftus Versveld Stadium to great acclaim in May 2019.

During the period under review, the President appointed a new National Director of Public Prosecutions (NDPP), Advocate Shamila Batohi, to lead the revival of the NPA and to strengthen the fight against crime and corruption and established an investigating directorate dealing with serious corruption and

## 4. FOREWORD BY THE DIRECTOR-GENERAL cont.

associated offences in the office of the NDPP. In broad terms, the directorate established in accordance with section 7 of the NPA Act, will focus on the evidence that has emerged from the Zondo Commission of Inquiry into State Capture, other commissions and disciplinary inquiries. It will identify priority cases to investigate and prosecute and will recover assets identified to be the proceeds of corruption. The Directorate will bring together a range of investigatory and prosecutorial capacity from within government and in the private sector under an investigating director reporting to the NDPP.

The reassuring presence of The Presidency, which is the apex of the national governance apparatus, has had to keep operations of government going, manage the political transition and prepare for the Presidential Inauguration post-elections, while being mindful of the need to buoy up the national mood. During this period, it was a case of not so much avoiding distraction of circumstance and environment as just focusing on doing what needed to be done. This is nothing less than what was expected of us by the citizenry.

Yet the shift in the political landscape, commencing in February 2018, has created grounds for rethinking The Presidency to align with the new strategic direction of the President. To ensure relevant and appropriate support to the new political principals and their focus and agenda, there has been a need specifically, to reconsider the strategic posture of The Presidency and the structural design that underpins these. This is an ongoing project which will impact on the organisational structure and functioning of The Presidency and should reach fruition in the coming months.

I would like to thank the former Minister in The Presidency for Planning, Monitoring and Evaluation, Dr Nkosazana Dlamini Zuma, for her continued support and guidance from which The Presidency has benefited immensely. Let me also wholeheartedly thank the men and women of The Presidency whose dedication and commitment I depend on to take this organisation to its highest level of competency. My call for collective leadership extended to each and every one of them and they have not faltered during this trying year of change.



R. Cassius Lubisi, PhD  
Director-General and Secretariat of the Cabinet



Lusanda Mxenge  
Acting Chief Operations Officer

## 5. OVERVIEW BY THE COO

This Annual Report provides a strategic, operational and financial overview of the activities of The Presidency for the period 1 April 2018 to 31 March 2019.

I assumed the position of the Chief Operations Officer in March 2018, in an interim capacity. This therefore makes this the second Annual Report since my acting appointment and the first that outlines the embryonic stages of progress made in implementing the new vision and strategic direction set out by, President Cyril Ramaphosa in the latter part of the previous year- themed the *“renewal and transition towards an ‘outcome focused’ and ‘fit- for-purpose’ Presidency.”*

Needless to say, it has been a year of change in the approach of The Presidency to support the President and Deputy President. The change in the political landscape in February 2018 was occasion for significant reform to also take place within The Presidency. In September 2018, the President and the Deputy President held a strategic conversation with the management team of The Presidency. The purpose of the meeting was to discuss the evolving role and the re-positioning strategy of The Presidency. Whereas the former direction was focussed on providing efficient support to the Principals to deliver on their obligations, one that positioned The Presidency as essentially a reactive institution, the new direction was towards reclaiming for The Presidency, a leadership role and thus for it to transition to the implementation of a fuller mandate encompassing a posture of an *“activist Presidency”*, that is, as a strategic centre of leadership within government.

Prior to 2009, The Policy Coordination and Advisory Services (PCAS), had the core mandate to facilitate policy coordination across government, and provide advice to the President, Deputy President and Minister on significant policy gaps that existed and to mediate and advise on areas where there were policy conflicts.

To the extent that The Presidency previously had the capacity and capability for thought leadership to deliver a more outward looking approach - in the main expressed in the functions and personnel of the PCAS - the de-coupling from The Presidency with the transfer of the PCAS in 2009, to the Department of Planning, Monitoring and Evaluation resulted in a different orientation.

The focus in the past year has been to ensure a Presidency that is well able and capable of supporting the strategic focus of the new President which are specifically orientated towards leading and supervising the whole of Government to:

- 1) Accelerate inclusive growth and job creation;
- 2) Improve the education system and develop skills that we need now and into the future;
- 3) Improve the conditions of life for all South Africans, especially the poor;
- 4) Fight corruptions and state capture; and
- 5) Strengthen the capacity of the State to address the needs of the people.

## 5. OVERVIEW BY THE COO cont.

In implementing the resolution taken towards a strengthened Presidency, indeed we commenced the process of working on re-establishing a policy and research capacity and function in The Presidency. In the year under review, The Presidency has sought and secured funding for re-establishing a Policy and Research Services unit in The Presidency. To this end an organisational structure was approved and various expert policy analysts posts were created and job-evaluated with the view to filling these posts in the immediate future.

In the coming year, The Presidency will prioritise the most critical expert policy analysts to be appointed within that function, to address specific policy capability and capacity gaps, using a combined recruitment strategy of contract appointments and secondments of experienced experts of senior-level from the public service for specific projects and policy areas.

The institutional re-alignment process is not complete and will continue in the New Year. There is an identified need to review and re-conceptualise other key areas of the organisational structure of The Presidency so as to ensure that the corporate machinery is able to deliver against its core purpose, its new strategy and operating model to support The Presidency's new strategic objectives and ensure that the organisation is indeed fit-for-purpose. The changes to the structure will also need to take on board all the implications of the 2019 National Macro Organisational of Government (NMOG) that may impact The Presidency, as well as deal with redeployment of staff to priority areas.

This Annual Report provides an account of the implementation of the Annual Performance Plan that was in place in the year prior to the national and provincial elections in 2019.

In the interests of the professionalising of work and working arrangements, and clean financial management, in the year under the review, I introduced measures to fix basic administrative processes identified as posing operational challenges. Measures introduced included: improving time management; improving the governance structures and their arrangements; paying special attention to improving lead times for projects and to efficiency and promptness in the processing of work; addressing organisational culture issues; improving the quality of managerial submissions; and, introducing consequence management.

My special thanks go to the Director-General for his unremitting support over the course of the year. I also wish to thank the management and staff of The Presidency for their dedication, professionalism and tireless commitment. The next year brings with it significant projects for The Presidency and I am confident that our dedicated and expert staff will continue to

demonstrate their exemplary effort as we lead and supervise the rest of government.



**Ms Lusanda Mxenge**  
Acting Chief Operations Officer



President Ramaphosa greeting crowds at the Freedom Day Celebrations event at the Dr Rantlhai Petrus Molemela Stadium in Bloemfontein, Free State province.



Deputy President David Mabuza responding to oral questions in the National Assembly, Parliament

## PART A: GENERAL INFORMATION

### 6. REPORT OF THE ACCOUNTING OFFICER

In this Annual Report we report on what we achieved in terms of what we had set out to do in the 2018/19 Annual Performance Plan (APP).

The Presidency worked consistently in the period under review to ensure that all its critical operational priority areas were addressed, and especially in respect of the organisation's stated priority to lead efforts to support investment, economic growth and job creation in the interests of addressing poverty, unemployment and inequality in the country. To this end a broad range of programmes were overseen and appropriately managed within the government-approved plans to reduce spending.

The political transition the country experienced in 2018 underscored a key aspect of The Presidency's constitutional mandate, which is to manage political transition. For The Presidency, it was an absolute requirement that it maintains the engine of government, no matter what the political environment. To its credit The Presidency carried out the constitutional mandate admirably. While it was to be expected that new political leadership would review government priorities and agenda, The Presidency has to be mindful at all times of the context of its planning and work. Needless to say, in President Cyril Ramaphosa's first State of the Nation Address (SONA 2018) after his election as President on 15 February 2018, the President directed The Presidency to immediately implement a theme of *"renewal and transition towards an 'outcome focused' and 'fit for purpose' Presidency"*.

Within the context of political transition, in the penultimate year of the Strategic Plan for the period 2015/16–2019/20, in a year prior to national/provincial elections with the inevitable new electoral mandate and the to-be-developed new strategic plan for 2020–2025, The Presidency provides this brief overview of significant developments and achievements undertaken during the financial year.

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

##### **Service Delivery Monitoring Programmes**

In the President's State of the Nation Address he committed to visiting government departments and key state institutions as part of ensuring alignment in the work of government as well as promoting good governance and professionalism in the public sector. To this end, the President visited the Department of Cooperative Governance and Traditional Affairs (COGTA), the Department of Defence and Military Veterans and the State Security Agency (SSA) in Pretoria as part of the

Presidential Siyahlola Monitoring Programme. During the visits the President emphasised the building of a developmental state that puts people first, that has dedicated public servants who work diligently to improve the lives of the people. The President acknowledged and commended the many public servants who are committed and dedicated professionals, and who perform their tasks faithfully. The President also noted that there are public servants whose indifference to the needs and concerns of citizens has led to a deterioration in the quality of services and assistance rendered. The President called on public servants to serve the nation with commitment, diligence, humility, respect and honesty and make sure that they are effective agents of transformation.

The President launched Gibela, a new, multi-billion rand train-manufacturing factory at Dunnottar Park in Nigel, Gauteng, as part of government's 20-year Modernisation Programme. After an hiatus of 30 years, the Department of Transport through the Passenger Rail Agency of South Africa (PRASA) is investing significantly in the acquisition of new trains and the modernisation of the commuter railway network. The Modernisation Programme aims at revitalising the rail industry through local manufacturing of parts, maintenance, and training facilities. The Programme aims to achieve 65 percent local content, and provide training and skills development for PRASA employees and young people interested in the rail industry. As of June 2018, Gibela has employed a total of 692 employees across various categories, for both manufacturing and maintenance activities.

The President officially opened the Kokstad Home Affairs office and handed over 443 title deeds to beneficiaries of the Franklin Housing Project. Under the theme of *"Taking Public Service to the People"* the opening of the office forms part of government's programme to expand the footprint of Home Affairs service delivery points and meet citizens' demand for Smart ID Cards and other enabling documents. The handing over of title deeds forms part of the restoration programme that aims to ensure that the beneficiaries of government's housing programme realise the full benefits of owning a house and are brought into the formal market.

In his State of the Nation Address, the President said that land reform and restitution would be pursued constitutionally and sustainably. As part of government's programme of land reform and restitution, the President handed over full ownership of land to the KwaMkwanazi community who had been forcibly removed from their land in three phases following the enactment of the 1913 Land Act. The community's successful claim saw 1 656 claimants regain ownership of their ancestral land.

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**Community Outreach Programme**

More than 300 participants from a range of organisations and institutions gathered on 24 August 2018 to discuss and work towards strengthening quality health care for all through the implementation of National Health Insurance (NHI) as part of the Presidential Izimbizo Programme. President Cyril Ramaphosa, who delivered the keynote address, noted that progress had been made in expanding access to health services since the demise of apartheid but acknowledged that major challenges exist. The Department of Health will implement the NHI as part of a number of implementation departments led by The Presidency. The establishment of the NHI requires the involvement of departments other than Health to deal with aspects such as the registration of citizens, fraud and corruption management and mitigation, inter-governmental relations, and finance.

**Investment Initiatives and employment opportunities**

The South African government successfully hosted the three-day South Africa Investment Conference 2018 which took place under the theme “*Accelerating Growth by Building Partnerships*”, following a commitment to this effect made by President Ramaphosa in the SONA 2018. The investment conference was a partner initiative to the economic stimulus package and recovery plan recently unveiled by the President to ignite economic activity, restore investor confidence, prevent further job losses and create jobs. In leading the investment drive, the President appointed four Special Envoys on Investment who have, over the past six months, engaged in over 150 dialogues that have helped to facilitate open communication on the investment climate and on the opportunities for investment that could be unlocked through partnership. The conference is a key milestone in the country’s bold ambition to raise at least \$100 billion in new domestic and international investment over the next five years. The South Africa Investment Conference came in the slipstream of the Presidential Job Summit which took place in the year under review, where labour, business, government and the community constituency adopted a ground breaking Framework Agreement to prevent further job losses, create jobs and support companies in distress.

As part of the effort to reach the 5-year investment target - which is critical to job creation and industrialisation, President Ramaphosa has engaged extensively with business leadership in the country and abroad. These engagements were platforms for the President to outline government’s economic stimulus and recovery plan which entails implementing and enhancing economic reforms, reviewing public spending to support job creation, establishing an infrastructure fund, prioritising urgent

matters in education and health, and investing in municipal social infrastructure improvement.

The Vedanta Zinc International’s Gamsberg Mine in the Northern Cape was officially opened by the President. Vedanta is a globally diversified natural resources company, the largest in India and 6<sup>th</sup> largest in the world and will exploit one of the largest known, undeveloped zinc ore bodies in the world. The mine – which will eventually amount to an investment of \$1.6bn (R21.8bn), will comprise an open pit mine and a dedicated processing plant, employing between 800 – 850 people permanently and more than 3 000 people during construction. Vedanta’s investment has triggered a new wave of industrial and economic development in the Northern Cape and will constitute the basis for an economic node that will stimulate further economic development by prioritising local procurement, thereby creating positive spinoffs for small and medium enterprises in the area. Already the company has invested over R44 million on skills development, education, health and enterprise development and municipal infrastructure support projects in the area.

The Presidency convened the Presidential Jobs Summit in October 2018 to align the efforts of all economic sectors and stakeholders behind the imperative of job creation. The Summit brought together all National Economic Development and Labour Council (NEDLAC) constituencies, comprising government, organised labour, organised business and organised community, to focus on collaborative and high-impact interventions to drive job creation, job retention and economic growth. It scrutinised what needed to be done to ensure that the economy grows and becomes more productive, that companies invest on a far greater scale, that workers are better equipped, and that economic infrastructure is expanded. This Presidential Jobs Summit was the start of a process of engagement and collaboration that will intensify in the future. Indeed it is seen as the first phase of an extensive process in which all social partners will work closely together. The Framework Agreement makes provision for monitoring mechanisms including a Presidential Jobs Committee to ensure effective implementation of the measures to which it has been agreed upon in the Summit.

As part of the Operation Phakisa initiative, the President addressed the Biodiversity Economy Innovation and People and Parks conferences in Thohoyandou, Venda in the Limpopo Province under the theme “*Innovating and Accelerating - with the people, for the people*”. The conference was aimed at ensuring that the biodiversity economy produces healthy returns on investment. The scope of innovation in the biodiversity economy include bioprospecting and bio-trade products

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(such as cosmetics and pharmaceuticals) as well as wildlife and ecotourism products. The Biodiversity Economy Innovation conference brought together stakeholders from the wildlife industry, academia, traditional leadership and government. The stakeholders deliberated on innovative ideas that promote sustainable utilisation and conservation of the country's biological resources.

In 2015, government adopted a Biodiversity Economy Strategy (BES) which seeks to increase the contribution of the biodiversity economy to the country's Gross Domestic Product while conserving the country's ecosystems. The Strategy was designed to sustainably grow the wildlife and bioprospecting sectors of the economy and secure sustainable livelihoods specifically for rural communities as part of meeting the targets of the National Development Plan.

The People and Parks conference takes place biennially, providing a platform for stocktaking on progress being made in addressing land claims around protected areas, and in facilitating the contribution of protected areas to the improvement of rural livelihoods.

While in Thohoyandou, President Ramaphosa visited the Matsila community development environmental management projects that form part of the Integrated Rural Development Model and which employ approximately 300 local people. Projects include farming (crop and livestock), agro-processing facilities such as an abattoir for poultry and red meat, a milling plant, tourism and wood crafting facilities. These projects are funded and supported by the Department of Environmental Affairs (DEA) and the Department of Small Business Development (DSBD).

Following the launch of the Youth Employment Service (YES) in March 2018, Government departments have been putting together administrative and regulatory mechanisms to ensure the success of the YES initiative. The YES initiative was established as a partnership between government, the private sector and other social partners to help provide work experience for young people on a scale that will be significant and lasting enough to have an impact on employment.

President Ramaphosa announced the names of his 10-person Advisory Panel on Land Reform on 21 September 2018. The panel is expected to provide perspectives on land policy in the context of persisting land inequality, unsatisfactory land and agrarian reform and uneven urban land development. The panel is mandated to review, research and suggest models for government to implement a fair and equitable land reform process that redresses the injustices of the past,

increases agricultural output, promotes economic growth and protects food security.

On 9 April 2019, the President appointed members of the Presidential Commission on the Fourth Industrial Revolution (4IR) to assist government to implement policies to take advantage of the opportunities presented by the digital industrial revolution. The task of the Commission, which will be chaired by the President, is to identify relevant policies, strategies and action plans that will position South Africa as a competitive global player.

**Statutory Bodies**

At a meeting of the President's Coordinating Council (PCC) on 18 September 2018 co-chaired by President Cyril Ramaphosa and Deputy President David Mabuza, government at the national and provincial level prioritised a set of interventions to improve education, health and the provision of social infrastructure, supported by measures to enhance human resource and financial management. The PCC brings together members of the National Executive, Premiers and provincial Members of Executive Councils (MECs) for Health and Education, MECs for Local Government and the leadership of the South African Local Government Association. The Council undertook to engage further on how the Department of Basic Education and the South African Police Service can collaborate to secure schools where learners and teachers are threatened by violence and other crimes. In the area of social infrastructure, the Council noted that significant progress had been made in combating poverty and expanding the social wage in the form of education, health, social grants, public transport and basic services. However, these gains, it was noted, have been affected by persistently high levels of poverty, unemployment and inequality, and poor economic growth.

The National House of Traditional Leaders (NHTL) was officially opened for 2019 business by President Cyril Ramaphosa on the 19<sup>th</sup> February 2019. The annual event allowed members of the house to engage and agree on the new Programme of Action that will emanate from the debate of the President's address. The address by the President constituted an important milestone and spoke to the significance of this constitutional institution.

Deputy President David Mabuza, as the chairperson of The Human Resource Development Council of South Africa (HRDC) addressed the 3<sup>rd</sup> Human Resource Development Council of South Africa Summit, which met under the theme "*Partnerships revitalising work and learning*" on 8 and 9 May 2018. The two day Summit brought together key industry leaders, labour experts

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and academics to deliberate on issues including proposals to deal with youth unemployment and advance empowerment, and the Fourth Industrial Revolution amongst others. The Summit was essentially about a search for solutions to restore the dignity of South Africans by empowering South Africans through education and skills, thereby affording opportunities to make a decent living. The Summit also aimed at developing new networks, strengthening existing partnerships, and sharing the latest lessons on how - through education and skills transfer - South Africa can create a more humane and equitable world where each individual can realise his or her full development potential, and enjoy access to available opportunities for self-advancement.

### Fighting fraud and corruption

On 9 January 2018, former President Zuma appointed Deputy Chief Justice Raymond Mnyamezeli Mlungisi Zondo to lead the Judicial Commission of Inquiry into Allegations of State Capture, Corruption and Fraud in the Public Sector including Organs of State. This followed the investigation and remedial action as contemplated in the Public Protector's The State of Capture report, as well as the orders issued by the North Gauteng High Court in its judgment of 14 December 2017. The commission aims to, *inter alia*, investigate all alleged attempts to corrupt members of the National Executive, employees of state institutions, organs of state or State-Owned Enterprises (SOEs). To date the commission has made significant progress in its work which have been executed in public and widely reported in the media. On 23 July 2018, the Gauteng Division of the High Court (Judge Rabie) granted an order to extend the reporting period of 180 days (as per the original terms of reference) for a further 24 months calculated from 1 March 2018.

The Commission of inquiry into allegations of impropriety regarding the Public Investment Corporation was appointed by the President of the Republic of South Africa on 17 October 2018. The Commission was mandated to look into whether any director or employee of the Public Investment Corporation misused their position for personal gain, whether legislation or policies regarding the protection of whistle blowers reporting corrupt activities were complied with, and whether discriminatory practices were followed with regard to the remuneration and performance awards of PIC employees. The commission has the mandate to examine and make recommendations on governance, structure of the PIC and any other matter that warrants attention.

On 3 May 2018, President Cyril Ramaphosa appointed a commission of Inquiry into Tax Administration and Governance

by the South African Revenue Service (Nugent Commission). This follows the President's announcement in SONA 2018 that he would take steps to stabilise SARS, restore the credibility of SARS and strengthen its capacity to meet revenue targets. President Cyril Ramaphosa received the final report of the Nugent Commission on 14 December 2018. The President is studying the report and will apply his mind to its detailed recommendations. The report can be viewed at [www.thepresidency.gov.za](http://www.thepresidency.gov.za).

### Cabinet

Significant progress has been made on the implementation of e-Cabinet system which is a secure document management system for cabinet. The e-Cabinet implementation plan for 2018/19 was revised and the draft 2019/20 e-Cabinet Implementation Plan is being implemented. Due to the forthcoming elections and likely staff re-arrangements, the full roll-out of the system has been delayed.

The Cabinet and Cabinet Committee Programme was successfully implemented even though some of the meetings were cancelled due to preparations for the 2019 National and Provincial elections.

### Labour market stability and National Minimum Wage

President Cyril Ramaphosa signed into law the National Minimum Wage Bill which sets an historic precedent in the protection of low-earning workers and provides a platform for reducing inequality in society and decreasing huge disparities in income in the national labour market. The Act in terms of which, an announcement was made that the National Minimum Wage would come into effect on 1 January 2019, set a minimum of R20 per hour (the equivalent to R3 500 per month, depending on the number of hours worked) for the majority of the country's workers, which will raise the earnings of an estimated six million South Africans – more than half of the labour force - who earned below this level. The National Minimum Wage Act creates a phase-in period for farm workers, forestry workers, domestic workers, the welfare sector and care workers, due to their vulnerability to disemployment. It is a great achievement for the labour movement, which has placed this fundamental demand at the centre of its struggle for better conditions for workers who strive to overcome a legacy of poverty and severe inequality.

### Combating HIV and Tuberculosis

Deputy President David Mabuza delivered the opening address to the 5<sup>th</sup> South African TB Conference on 12 June 2018.

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The conference aimed to evaluate advances made in relation to the fight against the Tuberculosis (TB) disease in South Africa and to discuss new extensive programmes that will help address the identified challenges. The conference, which is held under the theme “*Step Up: Let’s embrace all to end TB*”, deliberated on challenges faced with a particular emphasis on finding the missing cases, drug availability, service delivery, the social and biological determinants impacting on the TB cascade, and the effective integration of systems that ensure the pandemic is properly managed. The conference assembled together about 2 000 participants including scientists, specialists and other clinicians dealing with TB patients and their families, social scientists and representatives from the public sector, patients and people affected by TB, traditional healers, non-governmental organisation (NGO) and faith-based sectors and the corporate sector.

Deputy President David Mabuza, in his capacity as Chairperson of the South African National Aids Council (SANAC), delivered the keynote address to the National Men’s Summit in Durban on 24 August 2018, which was organised under the banner, “*Takwani Riime*” (a Tshivenda expression meaning “*let us stand up together*”). The Summit comprised a consortium of organisations working with men and boys to tackle various social challenges such as gender-based violence. In line with other national programmes developed by government, the two day Summit - which brought together men and boys from all walks of life - aimed to encourage support for initiatives that address the role of men and boys in combating the spread of HIV, TB and STIs as well as mitigating the impact of the diseases in communities. Furthermore, the Summit looked at developing lasting solutions to deal with gender-based violence, toxic masculinity, discrimination and femicide, as well as empowering and educating men on human rights.

Under the auspices of SANAC, World AIDS Day on 1 December 2018 (its 30<sup>th</sup> anniversary as a global event) was commemorated under the theme “*Cheka Impilo - Know Your Status*”. The theme was part of the Department of Health’s National Wellness Campaign called *Check Impilo*, which is a call for action to all South Africans to take responsibility for their health and wellness. As part of the commemoration activities, Deputy President Mabuza engaged in a dialogue with the young people on “The role of the youth in efforts to accelerate testing and screening services together with treatment for HIV, TB and Non-Communicable Diseases such as Diabetes and Hypertension” in order to live a long and healthy life.

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

Key anniversaries and commemorative events were celebrated in 2018/19 financial year, which required planning, oversight and coordination by The Presidency in support of the President and Deputy President. These were:

- ***Celebration of the centenary of the birth of former President Nelson Mandela:*** The year 2018 marked the centenary of the birth of Former President Nelson Mandela who would have turned 100 on 18 July 2018. For most of his life, Mandela fought for democracy and equality. His presidency was defined by his efforts to solidify nascent South African democracy, and by his lessons on the politics of bridge-building over the politics of division. President Cyril Ramaphosa participated in the centenary celebrations of the father of the nation, icon of the South African struggle and the first black President of the Republic of South Africa at Mvezo in the Eastern Cape Province.
- The centenary was organised by the Royal House of Mandela (RHoM) in partnership with the Universal Peace Federation (UPF) and the Eastern Cape Provincial Government. It aimed to bring together people from all walks of life, current and former heads of government and state, traditional and faith-based leaders, surrounding communities, non-governmental organisations and members of civil society, to honour the legacy of former President Nelson Mandela.
- Government, in partnership with various stakeholders including the Nelson Mandela Foundation, continued to host various celebrations to mark the centenary of this great icon of the liberation struggle. The address by President Ramaphosa at the centenary celebrations in Mvezo was preceded by various activities led by The Royal House of Mandela which included the handing over of blankets to elderly citizens, handing over of bicycles to learners, the official opening of a clinic, the unveiling of a sanitary towel project and a tree-planting ceremony.
- The Nelson Mandela Annual Lecture is one of the Nelson Mandela Foundation’s flagship programmes to honour its founder, Nelson Mandela. The 2018 Nelson Mandela Annual Lecture took place a day before Nelson Mandela International Day and about 15 000 people attended. Every year since 2003, global leaders have used the lecture to raise topical issues affecting South Africa, Africa and the rest of the world. To honour the centenary of Madiba’s birth, the 2018 lecture’s theme was “*Renewing the Mandela*”.

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*Legacy and Promoting Active Citizenship in a Changing World*". The lecture focused on creating conditions for bridging divides, working across ideological lines, and resisting oppression and inequality. The Nelson Mandela Annual Lecture was a unique platform to drive debate on critical social issues in South Africa and around the world.

- **Celebration of the centenary of the birth of Ms Albertina Sisulu:** The year 2018 in South Africa also marked the centenary of the life of Ms Albertina Sisulu, a fearless champion of democracy and human rights. The centenary celebrations ran for the entire year and was marked by a series of commemorative events. MaSisulu's life was characterised by service with high levels of integrity and dignity. She was a health worker who never wavered from her values as a caring, professional nurse and midwife. She led with humility, as she fought for the human rights of others, never tiring in her pursuit for equality and justice for all.
- In commemorating MaSisulu's Centenary, all spheres of governments including the private sector hosted several events across the country. Government also dedicated the 2018 Women's Month to the life and legacy of MaSisulu and celebrated it under the theme "*100 years of Albertina Sisulu: Women United in Moving South Africa Forward*".

During the financial year, South Africa was saddened by the passing away of Ms Winnie Madikizela-Mandela. Her dedication to the plight of her people gained her the love and the respect of the nation. President Ramaphosa declared that the struggle veteran would be accorded a national official memorial and a national official funeral category I, which took place on 11 and 14 April 2018 respectively. Ma'am Madikizela-Mandela's funeral at the Orlando Stadium was attended by tens of thousands of people and hundreds of international and local dignitaries.

In promoting nation building and social cohesion, President Cyril Ramaphosa furthermore, attended the 2018 National Day of Prayer for all South Africans on 25 November 2018 at the FNB Stadium. The gathering was hosted by the Motsepe Foundation in collaboration with 33 religious and faith based organisations and attracted tens of thousands of worshippers. The day of prayer was attended by traditional leaders, government, business, organised labour and civil society.

The gathering worshippers prayed for divine guidance, leadership and blessings for a bright future for all South Africans; for the creation of jobs, equality of opportunity and the provision of quality education and skills; for an end to poverty, corruption and crime, particularly crimes against women and children, and for unity among South Africans of all races and languages.

The Day of Reconciliation was successfully celebrated in the country with the aim of promoting national unity, social cohesion, constitutional democracy, human rights and equality by highlighting and advancing the constitutional values and principles that bind together all South Africans. The day also marked the 24<sup>th</sup> anniversary of this national day and was celebrated under the theme "*The year of Nelson Mandela and Albertina Sisulu: Liberators for reconciliation*". The 2018 commemoration of the Day of Reconciliation was a highlight of a year-long celebration of the centenary of the birth of Founding President Nelson Mandela and struggle stalwart Mama Albertina Sisulu, who for most of their lives fought to advance human rights, unity and racial and gender equality in South Africa.

The President addressed the Presidential Summit on Gender-Based Violence and Femicide on 1 November 2018 with the aim of developing a national plan of action against gender-based violence. During the Summit, the President made a call to all South Africans to become champions against gender-based violence and to see this as the beginning of the journey to resolving this problem. The year under review saw an increase in awareness around harassment, assault, coercive and abusive behaviour against women and girls, and sparked a new cultural awakening around the world with women driving the resistance against misogyny, patriarchy and sexism.

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

In the year under review, The Presidency provided effective but economical essential support to the President in respect of his international relations activities and duties as Head of State. In essence this entailed supporting the President as the political champion of the AU Presidential Infrastructure Initiatives, supporting the President in his commitment to the United Nations General Assembly (UNGA), and supporting the President as the chair of the Southern African Development Community (SADC). The President was supported in a total of 50 incoming and outgoing international state, working and official visits. Some of the international engagements were unavoidably unplanned.

The Deputy President was supported with regard to his delegated international relations and special envoy responsibilities focusing on strengthening South Africa's political and economic relations internationally, creating opportunities for South African exporters and importers, providing educational opportunities for young South Africans to be exposed to global practices and gain experience, and

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facilitating opportunities for South Africa's public and private sectors to exchange insights and resources on projects to advance South Africa's development objectives.

One of the major events undertaken by South Africa in the year under review was the hosting of the 10<sup>th</sup> BRICS Summit in July 2018. This was the first occasion which took place under the leadership of President Cyril Ramaphosa, following his election as South African President in February 2018. The Summit focused on the need to strengthen the relationship between BRICS and Africa. The BRICS leaders also interacted with African leaders on how best to bring about inclusive growth and shared prosperity through heightened collaboration. The leaders of the Republics of Namibia, Gabon, Angola, Senegal, Uganda, Togo and Rwanda participated in the BRICS-Africa Outreach session.

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

#### Departmental receipts

Departmental receipts	2018/2019			2017/2018		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	275	288	(13)	326	301	25
Transfers received	-	653	(653)	-	-	-
Interest, dividends and rent on land	20	30	(10)	25	28	(3)
Sale of capital assets	650	-	650	100	-	100
Financial transactions in assets and liabilities	315	403	(88)	595	569	26
<b>TOTAL</b>	<b>1 260</b>	<b>1 374</b>	<b>(114)</b>	<b>1 046</b>	<b>898</b>	<b>148</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 the garnishee, and insurance and fees received in terms of the Promotion of Access to Information Act (PAIA). In addition to the above, the revenue report includes the Financial Transaction in Assets and Liabilities, which emanates from the recovery of previous year expenditure. The Presidency exceeded the target by 9%. The increase in revenue collection is attributed to the pay out from an insurance company for a vehicle written off.

#### Programme expenditure

Programme Name	2018/2019			2017/2018		
	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	460 801	439 249	21 552	454 324	440 124	14 200
Executive Support	44 779	20 056	24 723	46 845	41 401	5 444
Sub-total	505 580	459 305	46 275	501 169	481 525	19 644
Direct charges	6 742	5 681	1 061	6 373	5 712	661
<b>TOTAL</b>	<b>512 322</b>	<b>464 986</b>	<b>47 337</b>	<b>507 542</b>	<b>487 237</b>	<b>20 305</b>

Under-spending in Programme 1 was mainly in compensation of employees due to vacant posts, posts vacated and filled in the middle of the year, and secondments out of the department for which The Presidency claims back expenditure incurred from affected departments, hence the savings under compensation of employees.

Under-spending in Programme 2 was mainly due to a post that was vacant during the year and the secondment out of the department for which The Presidency claims back from the affected department which resulted in savings under compensation of employees. In goods and services, the under-spending was due to:

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- Halting of payments relating to e-Cabinet system emanating from the 2017/18 audit which necessitated that the department implements corrective measures before continuing to process payments.

#### Virements/roll overs

- A virement of R3 657 000 was processed from Programme 2: Executive Support goods and services and payment for capital expenditure to Programme 1: Administration to defray excess expenditure in goods and services, transfers and subsidies and payment for financial assets.
- There were no roll-overs for the 2018/19 financial year.

#### A description of the reasons for unauthorised expenditure

No unauthorised expenditure incurred in the 2018/19 financial year

#### Irregular, fruitless and wasteful expenditure

The amount of R10,2 million for prior years relating to the following categories: local content not promoted, SCM deviation for services not rendered within reasonable time and three quotations not obtained for training services was not condoned by Treasury. The accounting officer de-recognised R9,2 million.

The amount of R1,1 million for prior years relating to SCM deviation for services not rendered within reasonable time was condoned by Treasury.

R4,3 million was incurred as irregular expenditure in 2018/19 due to expenditure that exceeded the R500 000 threshold for catering; agency fees; approval by non-delegated officials and invalid contracts.

The fruitless and wasteful expenditure amount of R27 million which was paid to State Information Technology Agency (SITA) for system development was claimed back and transferred to receivables because the Department was prematurely billed prior the sign off of the system

#### Future plans of the department

The Presidency will continue to support the focus of the President on:

- Building social cohesion, national unity and accelerating social transformation;

- Enhancing governance, state capacity and service delivery;
- Investment, economic growth and job creation;
- Measures to improve public safety and protection, and
- Advancing South Africa's interests through economic diplomacy and building a better Africa and a better world.

#### Public Private Partnerships

There were no Public Private Partnerships entered into during the year under review.

#### Discontinued activities

The Presidency did not discontinue any of its activities during the 2018/19.

#### New or proposed activities

The Presidency will continue to support the key commitments of the President as outlined in his 2018 and 2019 State of the Nation Addresses, as follows:

- Accelerate inclusive economic growth and create jobs;
- Improve the education system and develop the skills that we need now and into the future;
- Improve the conditions of life for all South Africans, especially the poor;
- Step up the fight against corruption and state capture, and
- Strengthen the capacity of the state to address the needs of the people.

#### Supply chain management

There were no unsolicited bid proposals concluded for the year under review.

The developed SCM checklist has been enhanced to prevent irregular expenditure. Officials were trained on the utilisation of the new system put in place. An irregular expenditure champion has been appointed within the unit to ensure compliance with legislation prior to the conclusion of SCM process. Training of users of the system was conducted to improve compliance from the initial point of procurement.

Contract managers are informed timeously on the procurement process through a Contract Tracking tool to avoid lapsing of the contract. The Presidency has made a vast improvement on local content compliance.

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A SCM skills gap and shortage of staff remain challenges and as a result affect the turnaround time on procurement of goods and services. The Presidency is in a process of appointing supply chain officers to address the challenges. A SCM Training Plan has been developed to address the gaps identified during the skills audit conducted by the National School of Government (NSG).

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

- In the 2018/19 financial year, The Presidency did not receive any gifts in kind. The Presidency, however, offered financial contribution to the family of a deceased employee in line with the Presidency Funeral and Bereavement Policy.
- The Presidency donated blankets to two old age homes during the Nelson Mandela Day celebrations in Cape Town and Pretoria as a gesture of goodwill.
- The Presidency also donated office furniture to nine schools in the Gauteng Province; the list of schools was sourced from the Department of Education.

The list of donations is catalogued below:

#### Gesture of goodwill: Funeral donation

Nandipha Tania Mrubata	R 10 000
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#### Gesture of goodwill: Nelson Mandela Day Celebrations

Saint Jon Baptist Old Age Home (Pretoria) and Ekuphumleni Old Age Home (Cape Town)	R 30 000
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#### \*Office Furniture

Recipient/School	Value
Aurora Girls High School	R 75 000
Emaweni Primary School	R 196 000
Esithebeni Primary School	R 25 000
Indyebo Combined School	R 61 000
Isipho Primary School	R 84 000
Kgatelopele Secondary School	R 25 000
Lavela Secondary School	R 39 000
Lawley Primary School	R 247 000
Merafe Primary School	R 196 000

\*The office furniture is recorded at cost value of the assets and does not include current depreciation value.

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

No exemptions and deviations were received from Treasury.

#### Events after the reporting date

- There were three unfavourable subsequent events, two of which could see us being liable for adverse costs and where no reliable estimates are available at this time. The other matter is a Summons against Government and the President of the Republic of South Africa for alleged damages suffered. We will however still need to liaise with the State Attorney and Counsel on a reliable estimate.
- Apart from the above three subsequent events, the department received condonation of irregular expenditure to the value of R1, 1 million for prior years relating to SCM deviation for services not rendered within reasonable time.



**Ms Lusanda Mxenge**  
Acting Chief Operations Officer

PART A: GENERAL INFORMATION

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

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

All information and amounts disclosed throughout the Annual Report are consistent.

The Annual Report is complete, accurate and is free from any omissions.

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

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

The Accounting Officer is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.

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

The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

In my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2019.

Yours faithfully,



Accounting Officer  
Ms Lusanda Mxenge



President Ramaphosa officially opening the Vedanta Zinc International's Gamsberg Mine near Aggenys in the Northern Cape.



Deputy President David Mabuza in his capacity as Chairperson of the Inter-Ministerial Committee (IMC) on Land Reform, officiates at the Presidential Handover ceremony on settled and finalised Gamopedi and Seeding land claims.

PART A: GENERAL INFORMATION

## 8. STRATEGIC OVERVIEW

### 8.1 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**

### 8.2 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.**

### 8.3 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 aligned to the values and principals 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>
<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>

### 8.4. 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 and 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 service the President and the Deputy President in the execution of their constitutional responsibilities and duties, 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. His 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.
- The 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, impacts on the mandate of The Presidency, as it has brought about the change in the configuration of The Presidency and the service delivery model of the organisation.

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.

PART A: GENERAL INFORMATION

8. STRATEGIC OVERVIEW cont.

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:

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

**LEGISLATIVE MANDATES**

A number of Acts then 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) provides a framework for determining the salaries, benefits and allowances of public office bearers, and 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 Director-Generals (FOSAD) and the formation of Inter-Ministerial Committees (IMCs) are also specifically aimed at enhancing coordination and integration across government.
- The legislation that governs formation and work of the Statutory Bodies, (e.g. Infrastructure Development Act 23 of 2014 (PICC), the BBBEE Act 53 Of 2003 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 coming from Parliament.

**POLICY MANDATES**

**The National Development Plan, Vision 2030 (NDP)**

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 plays a critical leadership and supervisory 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 5-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.

PART A: GENERAL INFORMATION

8. STRATEGIC OVERVIEW cont.

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

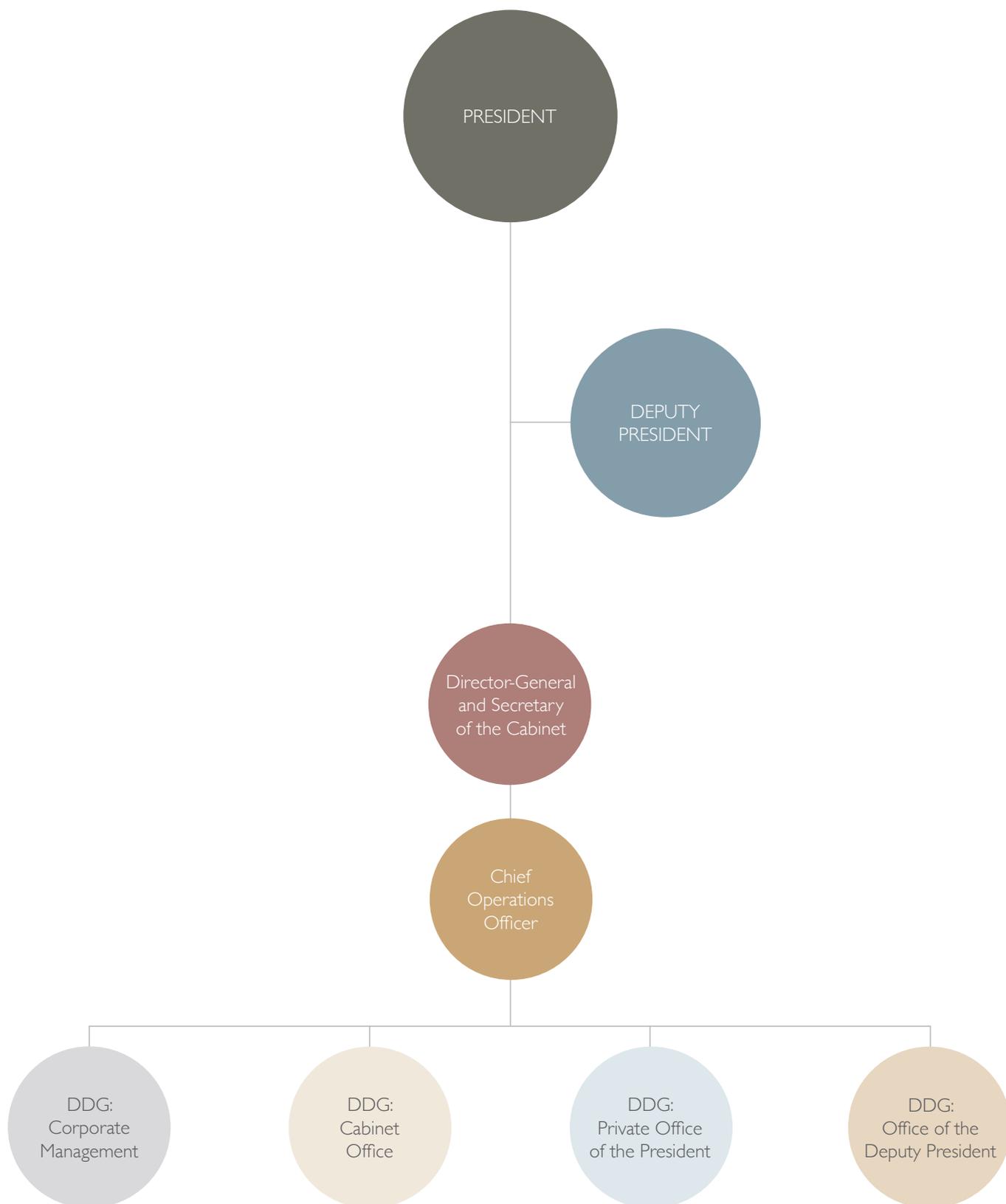
Aligned to the 15 chapters of the NDP, the MTSF 2014 – 2019 seeks to ensure that the medium-term and short-term planning of government is aligned to the NDP. The MTSF identifies the critical actions to be undertaken during 2014 – 2019 to put the country on a positive trajectory towards the achievement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

PART A: GENERAL INFORMATION

9. ORGANISATIONAL STRUCTURE





President Cyril Ramaphosa addressing the first day of the two-day Jobs Summit at the Gallagher Convention Centre in Midrand.



Deputy President David Mabuza in his capacity as Special Envoy to South Sudan arriving in the Republic of Kenya.

PART B:  
**PERFORMANCE INFORMATION**

**1. AUDITOR-GENERAL SOUTH AFRICA'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 87 of the Report of the AGSA published as Part E: Financial Information.

**2. OVERVIEW OF DEPARTMENTAL PERFORMANCE**

**2.1 Service Delivery Environment**

The Presidency approved a Service Delivery Improvement Plan in November 2017 for the period 2017-2020. The Plan elaborated on a number of improvements planned for the said period. These were mainly aimed at reviewing the policy coordination imperative, addressing identified gaps in this area and prioritising key actions to ensure policy coherence towards the achievement of the NDP.

Following the decision taken to strengthen of the policy coordination capability of The Presidency by re-establishing the "Policy and Research Services" (PRS) function so as to better positioned it to achieve its strategic priorities, The Presidency secured funding for the unit and commenced the process to create and job evaluate the PRS posts.

In the coming year, The Presidency will prioritise the most critical expert policy analysts to be appointed within that function, to address specific policy capability and capacity gaps, using a recruitment strategy comprising contract appointments and secondments of experienced experts for specific policy sector areas.

It is envisaged that the Unit will begin to implement its mandate to facilitate integrated strategic policy coordination across government from 1 April 2019.

In addition, the Deputy President chaired two SANAC Inter-Ministerial Committee meetings in May and November 2018 to assess the implementation of the National Strategic Plan on HIV and AIDS. Furthermore, the Deputy President convened an Extended SANAC Plenary in June 2018 which serves as a

platform for all Premiers and Health MECs to attend and report on their provincial responses, thereby strengthening the inter-governmental approach to the fight against these epidemics. A special plenary session was also called in September 2019 to consult SANAC stakeholders with respect to the draft political declaration ahead of the first ever United Nations High-Level Meeting on Ending TB which took place on 26 September 2018 at the United Nations General Assembly in New York. As Patron of the Moral Regeneration Movement, the Deputy President spearheaded efforts of nation-building and Social Cohesion through, amongst others, promotion of the values which former President Nelson Mandela bequeathed to the nation. These values talk to equality, respect for human rights, upholding human dignity, compassion and care for the elderly and the vulnerable members of society in the spirit of nation-building and reconciliation. True to these values the Deputy President Mabuza during the Mandela Day (which is a global call to action that celebrates the idea that each individual has the capacity to transform the world and ability to make an impact), the Deputy President responded to the call by providing decent shelter for the most vulnerable in our society, in Mkhondo, Mpumalanga Province. His nationwide programme included addresses to the AmaNdebele King Silamba 39<sup>th</sup> Annual Commemoration ceremony, the St Engena's Zion Christian Church (ZCC), the Nelson Mandela centenary celebrations, the Inter-Faith National Prayer Day for Moral Regeneration, South Africa's National Heritage Day celebrations as well as the Conferment of an Honorary Doctorate to King Goodwill Zwelithini kaBhekuzulu.

The Deputy President furthermore led the Government's 39<sup>th</sup> Commemoration of the late Solomon Kalushi Mahlangu which took place at the Kgoši Mampuru II Correctional Facility in Pretoria. The year 2018 marked the 39<sup>th</sup> anniversary of the execution by hanging of Solomon Mahlangu. He was hanged by the apartheid regime at the Pretoria Central Prison on 6 April 1979. The commemoration was marked with the Deputy President hosting the Mahlangu Scholarship Fund Dinner in Freedom Park in honouring the legacy of Solomon Mahlangu.

In these various events, the Deputy President conveyed key messages centred on nation-building and unity across all political and religious lines, compassion, peace, prosperity and mutual respect. The overriding objective of these messages was to encourage active citizenship where members of society across all formations can be agents of change to heal the brokenness of our society, to end gender-based violence, protect women and children as well as vulnerable groups and to promote moral regeneration of society.

PART B:  
**PERFORMANCE INFORMATION cont.**

Deputy President Mabuza successfully held various political consultations with Signatories to the Revitalised Peace Agreement in South Sudan and Heads of State and Government of the Intergovernmental Authority on Development (IGAD) on the implementation of the Revitalised Peace Agreement. In this regard, the Special Envoy met with the Chairperson of IGAD and Prime Minister of the Federal Democratic Republic of Ethiopia, Dr Abiy Ahmed Ali, President Yoweri Museveni of the Republic of Uganda, President Uhuru Kenyatta of the Republic of Kenya, President Salva Kiir Mayardit of the Republic of South Sudan and the then President Omar Al Bashir of the Republic of the Sudan, to mobilise for the full implementation of the Revitalised Peace Agreement on South Sudan.

**2.2 Service Delivery Improvement Plan**

The tables below highlight the achievements to date of the service delivery improvement plan adopted by the department in November 2017 for the period 2017-2020.

**Main services and standards**

Main services	Beneficiaries	Current/ actual standard of service	Desired standard of service	Actual achievement
<b>Policy coordination and advisory services</b>	President, Deputy President, the Executive (all three tiers of government, DGs, Parliament, social partners – business, organised labour and stakeholder for a, working groups.	Policy Unit not fully operational.	Fully functional policy unit with operational plan.	Approved Branch operational plan for Policy Unit.  Secured finding.  Awaiting approval for the Policy Unit.

**Batho Pele arrangements with beneficiaries (Consultation access etc.)**

Current/actual arrangements	Desired arrangements	Actual achievements
Function not fully operational yet.		

**Service delivery information tool**

Current/actual information tools	Desired information tools	Actual achievements
Function not fully operational.		

**Complaints mechanism**

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Function not fully operational		

**2.3 Organisational environment**

As a result of the budget cuts in the compensation as well as goods and services budget, The Presidency was compelled to curtail the filling of some of the senior posts in the Establishment. Posts were only filled on 12 months contracts and not permanently, more so in the context of the forthcoming transition from the 5<sup>th</sup> to 6<sup>th</sup> Administration. One exception was, the post of Deputy Director-General: Corporate Management which was filled on contract till March 2020. The posts of Chief Director: Legal and Executive Services and Chief Director: Protocol and Ceremonial Services remain vacant. It is expected that a decision on the filling of the posts will be taken by the 6<sup>th</sup> Administration.

The Presidency has started with proceedings to implement the Early Retirement initiatives spearheaded by the National Treasury and Department of Public Service and Administration (DPSA), with the aim of reducing the wage bill in the public service. The outcomes of these initiatives will only become evident in the 2019/2020 financial year.

The change in the Administration in 2018 provided challenges for the Department as it had to deal with issues pertaining to the movement of human resources, which included transferring and seconding personnel, internally and outside of the Department. The Department was able to re-assign personnel to other areas, but the challenge still remains in that a number of staff are still to be re-assigned permanently to areas where they can be gainfully employed. Top Management has set dates and targets to deal with all such matters in the beginning of the 6<sup>th</sup> Administration.

Work has started to re-establish the Policy Research Services Unit in The Presidency. Consultations with DPSA and National Treasury were successfully concluded around October 2018 and made funds available for the re-establishment of the Unit. The necessary organisational development processes of configuring the structure have begun in earnest, aiming to ensure that processes are completed by June 2019, which is also the beginning of the term of the 6<sup>th</sup> Administration.

Employees' training needs were addressed through the National School of Government (NSG) during the period

PART B:  
**PERFORMANCE INFORMATION cont.**

under review. A challenge though was the failure to identify reputable training providers through the National Treasury Central Database System.

The Presidency led by example in ensuring that the employment equity national targets in respect of women at SMS level and disability by surpassing the national targets. In order to maintain or exceed the number of women above 50% at SMS level, The Presidency enlisted the services of the University of Pretoria to train female middle and senior managers in a Women in Leadership Programme. The Programme will commence in the 2019/20 financial year.

**2.4 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.

**3. STRATEGIC OUTCOME ORIENTED GOALS**

- 3.1. Integrated planning and policy coherence in government is supported, contributing to the realisation of Vision 2030.
- 3.2. Government’s national unity and social cohesion programmes are promoted.
- 3.3. South Africa’s role in the regional, continental and international arena is advanced.

**PROGRAMME OF ACTION IMPLEMENTATION TABLES**

**CABINET AND CABINET COMMITTEE MEETINGS IN 2018/19**

TYPE	NUMBER
Justice Crime Prevention and Security	13
Governance and Administration	10
Economic Sectors and Employment and for Infrastructure Development	20
Social Protection, Community and Human Development	16
International Cooperation, Trade and Security	17
Joint meeting of all Cabinet committees	5
Cabinet (including extended planning meetings: Makgotla)	25
Special Cabinet meetings	2
Treasury Committee meetings	1
<b>TOTAL</b>	<b>109</b>

**FOSAD CLUSTER AND MANAGEMENT COMMITTEE MEETINGS IN 2018/19**

TYPE	NUMBER
Justice Crime Prevention and Security	14
Governance and Administration	7
Economic Sectors and Employment and for Infrastructure Development	19
Social Protection and Community Development	9
International Cooperation, Trade and Security	17
FOSAD Manco	9
FOSAD planning workshops	2
<b>TOTAL</b>	<b>77</b>

**EXECUTIVE ACTS OF THE PRESIDENT | APRIL 2018 – 31 MARCH 2019**

**PRESIDENTIAL ACTS PROCESSED IN 2018/19**

TYPE	NUMBER
Foreign visits by Ministers	325
Leave of absence by Ministers	32
Foreign visits by Deputy Ministers	203
Leave of absence by Deputy Ministers	26
Acts of Parliament assented to	14
<b>TOTAL</b>	<b>600</b>

PART B:  
**PERFORMANCE INFORMATION cont.**

**PRESIDENTIAL MINUTES PROCESSED IN 2018/19**

TYPE	NUMBER
Proclamations	58
Pardons	59
International agreements	68
Appointments	200
Employment of members of the Defence Force	14
<b>TOTAL</b>	<b>399</b>

**BILLS INTRODUCED (1 APRIL 2018 - 31 MARCH 2019)**

NAME OF MINISTRY	NAME OF THE BILL	DATE OF SUBMISSION OF BILL TO CABINET
Agriculture, Forestry and Fisheries	Aqua Culture Bill, 2018	9 May 2018
Arts and Culture	South African Public Library and Information Services Bill, 2019	27 February 2019
Cooperative Governance and Traditional Affairs	Municipal Systems Amendment Bill, 2018	5 December 2018
Economic Development	Competition Amendment Bill, 2018	4 July 2018
	Military Discipline Bill, 2018	22 August 2018
Environmental Affairs	Draft National Climate Change Bill, 2018	23 May 2018
Finance	Financial Matters Amendment Bill, 2018	5 December 2018
	Conduct of Financial Institutions Bill, 2018	5 December 2018
	Financial Matters Amendment Bill, 2018	22 August 2018
	Division of Revenue Bill, 2018	30 January 2019
	Appropriation Bill, 2018	30 January 2019
	Public Procurement Bill, 2019	27 February 2019
	Financial Sector Laws Amendment Bill, 2018	19 September 2018
	Public Audit Excess Fee Bill, 2018	21 November 2018
Health	Medical Schemes Amendment Bill, 2017	23 May 2018
	The National Health Insurance (NHI) Bill, 2018	30 January 2019
Higher Education and Training	Central Application Service Bill, 2019	27 February 2019
Home Affairs	Electoral Laws Amendment Bill, 2018	22 August 2018
Justice and Correctional Services	State Liability Amendment Bill, 2018	23 May 2018
	Criminal Procedure Amendment Bill, 2018	23 May 2018
	Child Justice Amendment Bill, 2018	5 September 2018
Labour	Compensation for Occupational Injuries and Disease Rehabilitation and Reintegration Bill, 2018	5 September 2018
	Employment Equity Amendment Bill, 2018	19 September 2018
Planning, Monitoring and Evaluation	Integrated Planning Framework Bill, 2018	25 April 2018
Public Works	Revised Expropriation Bill, 2018	5 December 2018
Science and Technology	Science and Technology Law Amendment Bill, 2018	6 June 2018
Social Development	Draft Children's Amendment Bill, 2019	13 February 2019
Sports and Recreation	National Sports and Recreation Bill, 2018	4 July 2018
Telecommunications and Postal Services	Electronic Communications Amendment (ECA) Bill, 2018	22 August 2018
	Postal Services Amendment Bill, 2018	24 October 2018
Tourism	Tourism Amendment Bill, 2019	27 February 2019
Trade and Industry	Companies Amendment Bill, 2018	22 August 2018
	National Gambling Amendment Bill, 2018	4 July 2018
	Control of Tobacco Products and Electronic Delivery Systems Bill, 2017	25 April 2018
	Competition Amendment Bill, 2018	4 July 2018
Transport	Civil Aviation Amendment Bill, 2018	5 September 2018



President Cyril Ramaphoda receives President Nana Addo Dankwa Akufo-Addo of the Republic of Ghana during his State Visit to the South Africa

## ADVISORY SUPPORT SERVICES (1 APRIL 2018 - 31 MARCH 2019)

### ADVISORS TO THE PRESIDENT

NAME	DESIGNATION
Dr Olive Shisana	Social Policy Advisor
Ms Nokukhanya Jele	Legal Advisor
Mr Steyn Speed	Political Advisor
Dr Gerhard Koornhof	Parliamentary Counsellor
Ms Trudi Makhaya	Economic Advisor
Dr Khulu Mbatha	International Relations Advisor
Mr Charles Nqakula	State Security Advisor
Ms Donne Nicol	Special Projects Advisor
Dr Bejani Chauke	Political Advisor

### ADVISORS TO THE DEPUTY PRESIDENT

NAME	DESIGNATION
Mr Jabulani Maduma	Special Advisor
General Mulangi Mphogo	Special Advisor

## INCOMING AND OUTGOING INTERNATIONAL PRESIDENTIAL VISITS

### VISITS INVOLVING THE PRESIDENT (1 APRIL 2018 - 31 MARCH 2019)

DATE OF THE EVENT	PLACE/COUNTRY	TYPE OF VISIT
17 April 2018	Guildhall, London, United Kingdom	Keynote Address to the Commonwealth Business Forum Banquet, Guildhall, London, United Kingdom.
15 - 16 May 2018	Geneva, Switzerland	Attend the International Labour Organisation (ILO) Global Commission Meeting.
25 May 2018	Union Buildings, Pretoria	Incoming Working Visit of President Brahim Ghali of the Saharawi Arab Democratic Republic.
5 June 2018	Pretoria, Union Buildings	Incoming State Visit by the President Brahim Ghali of the Saharawi Arab Democratic Republic.



President Cyril Ramaphosa attending the closing ceremony of the 38<sup>th</sup> Ordinary SADC Heads of State and Government in Windhoek, Namibia.

PART B:  
PERFORMANCE INFORMATION cont.

DATE OF THE EVENT	PLACE/COUNTRY	TYPE OF VISIT
8 June 2018	Toronto, Canada	Address to the South Africa-Canada Investor Engagement in Toronto, Canada.
29 June 2018	Botswana, Gaborone	Attended the 6 <sup>th</sup> Southern African Customs Union (SACU) Summit.
2 July 2018	Nouakchott, capital city of the Islamic Republic of Mauritania	Attended the 31 <sup>st</sup> Ordinary Session of the Assembly of African Union (AU) Heads of State and Government.
5 July 2018	Union Buildings, Pretoria	Incoming State Visit by President Nana Addo Dankwa Akufo-Addo of the Republic of Ghana.
11 July 2018	Abuja, Nigeria	Working Visit to the Federal Republic of Nigeria for a bilateral meeting with His Excellency, President Muhammadu Buhari and attended the African Export-Import Bank's (Afreximbank) 25 <sup>th</sup> anniversary Celebration.
12 July 2018	Saudi Arabia, Jeddah	Outgoing State Visit to the Kingdom of Saudi Arabia.
13 July 2018	United Arab Emirates (UAE), Abu Dhabi	State Visit to Abu Dhabi, United Arab Emirates (UAE).
20 July 2018	Pretoria	Meeting with the Kingdom of Lesotho South African Development Community (SADC) Mediation Facilitation team.
24 July 2018	Pretoria	Incoming State Visit by President Xi Jinping.
25 - 27 July 2018	Sandton, Johannesburg	Incoming - 10 <sup>th</sup> BRICS Summit (BRICS Dinner at Monte Casino).
4 August 2018	Uganda outgoing visit	Courtesy call to SADC member state, Uganda.
9 August 2018	Zambia outgoing visit	Courtesy call to SADC member state, Zambia.
10 August 2018	The Democratic Republic of Congo	Courtesy call to SADC member state, DRC.
16 - 18 August 2018	Windhoek, Namibia	Attended the 38 <sup>th</sup> Ordinary SADC Summit.
26 July 2018	Zimbabwe	Attended the Inauguration of Emmerson Mnangagwa as President of the Republic of Zimbabwe.
23 August 2018	Cape Town	Meeting with Ethiopia Special Envo.
28 August 2018	Tuynhuys, Cape Town	Incoming Working Visit by Prime Minister Theresa May of the United Kingdom of Great Britain and Northern Ireland.
2 - 4 September 2018	China	Outgoing State Visit to the People's Republic of China and attended the FOCAC Summit in Beijing.
23 - 27 September	New York	United Nations General Assembly.
23 October 2018	Department of International Relations and Cooperation (DIRCO), Pretoria	President Cyril Ramaphosa, addressed the 2018 Heads of Mission Conference (HOM).
25 - 27 October 2018	Sandton Convention Centre	International Investment Summit Conference and business dinner on the 26 <sup>th</sup> .
30 October	Berlin, Germany	G20 Africa Conference in Germany.
15 - 16 November 2018	(EU) - Brussels, France and Belgium	European Union (EU) - Brussels, France and Belgium (Address the European Parliament).
15 - 16 November 2018	Geneva	ILO Global Commission Meeting.
17 - 18 November 2018	Addis Ababa	Extraordinary Session of the Assembly of the Union on the AU Institutional Reform.
20 November 2018	Cape Town	Incoming State Visit by German President, Dr Steinmeier.
30 November 2018	G20 Summit in Argentina	Buenos Aires, Argentina.
1 December 2018	BRICS Leaders' Meeting	Alvear Palace Hotel, Buenos Aires, Argentina.
14 January 2019	Maputo in the Republic of Mozambique	Working Visit to Maputo in the Republic of Mozambique.
17 January 2019	Addis Ababa in the Federal Democratic Republic of Ethiopia	President Cyril Ramaphosa to undertake a Working Visit to Addis Ababa in the Federal Democratic Republic of Ethiopia to attend a Southern African Development Community (SADC) Double Troika Summit.
22 January 2019	Geneva, Switzerland	Launch of the ILO Report of the Global Commission on the Future of Work.
23 - 24 January 2019	Davos, Switzerland	49 <sup>th</sup> World Economic Forum (WEF) Annual Meeting.
25 - 26 January 2019	New Delhi, India	State Visit to India. India's 70 <sup>th</sup> Republic Day Celebrations & Business Roundtable.
10 - 11 February 2019	Addis Ababa, Ethiopia	32 <sup>nd</sup> Ordinary Session of the Assembly of the African Union (Meetings of Heads of State/Government on. Orientation Committee of AUDA/NEPAD & 28 <sup>th</sup> Summit of the African peer Review Mechanism Forum (APRM).
3 March 2019	Swaziland	Working Visit to the Kingdom of Eswatini - Swaziland..
12 March 2019	Harare	3 <sup>rd</sup> Session of the SA-Zimbabwe Binational Commission (BNC).
26 March 2019	DIRCO (SA)	Southern African Development Community (SADC) Solidarity Conference with the Saharawi Arab Democratic Republic (SADR)

PART B:  
PERFORMANCE INFORMATION cont.

VISITS INVOLVING THE DEPUTY PRESIDENT (1 APRIL 2018 – 31 MARCH 2019)

DATE OF THE EVENT	PLACE/COUNTRY	TYPE OF VISIT
<b>JANUARY</b>		
14 January 2019	Ethiopia	Outgoing Working Visit in his capacity as President Ramaphosa's Special Envoy to South Sudan, to meet Prime Minister Dr. Abiy Ahmed Ali to discuss progress on the implementation of the Revitalised Peace Agreement on South Sudan.
<b>MAY</b>		
15 May 2018	Russia	Outgoing Working Visit.
31 May - 2 June 2018	Kenya	Outgoing Working Visit to attend Madaraka Day Celebrations.
<b>OCTOBER</b>		
12 October 2018	Equatorial Guinea	Outgoing Working Visit and to attend the 50 <sup>th</sup> anniversary of the Independence of the Republic of Equatorial Guinea as delegated by the President.
14 - 18 October 2018	South Sudan, Sudan, Kenya and Uganda	Outgoing Working Visit in his capacity as President Ramaphosa's Special Envoy to South Sudan.
<b>NOVEMBER</b>		
30 November 2018	Union Buildings, Pretoria	Incoming courtesy call by the Deputy Secretary General of the United Nations, Ms Amina J Mohammed.
<b>DECEMBER</b>		
6 - 8 December 2018	Republics of Kenya, Uganda and the Sudan	Outgoing Working Visits to the three countries in his capacity as President Ramaphosa's Special Envoy to South Sudan.
12 December 2018	Johnny Makhathini Diplomatic Guesthouse, Pretoria	Incoming Working Visit in his capacity as President Ramaphosa's Special Envoy to South Sudan.

LETTERS OF CREDENCE/COMMISSION PRESENTED (APRIL 2018 - MARCH 2019)

COUNTRY	NAME OF HEAD OF MISSION
<b>3 JULY 2018</b>	
Ambassador of the Republic of Congo	HE Mr Jean Marie Adoua
Ambassador of the Republic of Korea	HE Dr Jong-Dae Park
Ambassador of the Republic of Austria	HE Mr Johann Brieger
High Commissioner of Malaysia	HE Mr Mohamad Nizan Bin Mohamad
Ambassador of the Republic of Angola	HE Ms Filomena Delgado
Ambassador of the Oriental Republic of Uruguay	HE Dr César Rodrigues Zavalla
Ambassador of the United Mexican States	HE Ms Ana Luisa Fajer
Ambassador of the Republic of Zimbabwe	HE Mr David Douglas Hamadziripi
High Commissioner of Jamaica	HE Ms Angella Veronica Comfort
Ambassador of the Republic of Indonesia	HE Mr Salman Al Farisi
Ambassador of Burkino Faso	HE Mr Oumarou Maiga
Ambassador of the Republic of Liberia	HE Mrs Ethel Davis
<b>11 DECEMBER 2018</b>	
Ambassador of the Kingdom of the Netherlands	HE Mr Johannes Petrus Maria Peters
Ambassador of the Kingdom of Denmark	HE Mr Tobias Elling Rehfeld
Ambassador of the Kingdom of Norway	HE Ms Astrid Emilie Helle
Ambassador of the Kingdom of Belgium	HE Mr Didier Vanderhasselt
Ambassador of the Kingdom of Thailand	HE Mr Komate Kamalanavin
High Commissioner of the Democratic Socialist Republic of Sri Lanka	HE Mr Anuruddha Kumara Mallimaratchi
Ambassador of the Republic of Peru	HE Mr Jorge Félix Rubio Correa
Ambassador of the State of Kuwait	HE Mr Ayman Mohammad Youssef Al-Adsani



President Cyril Ramaphosa and Prime Minister of the United Kingdom of Great Britain and Northern Ireland Theresa May participating at the Investment Roundtable Session.

## CATEGORIES OF NATIONAL ORDERS

The Order of Mendi for Bravery	The Order of Mendi for Bravery is awarded to South African citizens who have distinguished themselves by displaying extraordinary acts of 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.
The Order of Ikhamanga	The Order of Ikhamanga is awarded to South African citizens who have excelled in the field of arts, culture, literature, music, journalism or sport.
The Order of the Baobab	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.
The Order of Luthuli	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.
The Order of Mapungubwe	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.
The Order of the Companions of OR Tambo	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.
The Order of the Republic of South Africa	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.

### THE ORDER OF IKHAMANGA

The order was bestowed in Silver on:

**Mr Hashim Mohammed Amla:** For his contribution to the sport of cricket. He has brought pride to our country with his many batting firsts in the international cricket arena and remains one of the leading batsmen of our time.

**Mr Omar Badsha:** For his commitment to the preservation of our country's history through ground-breaking and well-balanced research and collection of profiles and events of the struggle for liberation

**Mr Eric Risimati Baloyi:** For his contribution to youth development through training young boxers who have gone on to make South Africa proud in global competitions

**Mr Johan Botha (posthumous):** For his excellent contribution to opera music and putting South Africa on the world stage. He courageously entertained multitudes and sang for good causes even at a time when his health was weakening.

**Ms Lillian Dube:** For her contribution to the performing arts and raising awareness in women's health issues through storytelling. Her creative ways of dealing with serious subjects through humour has been healing to the nation.



President Ramaphosa presenting the Order of Ikhamanga in Silver to Ms Lilian Dube.

## PART B: PERFORMANCE INFORMATION cont.

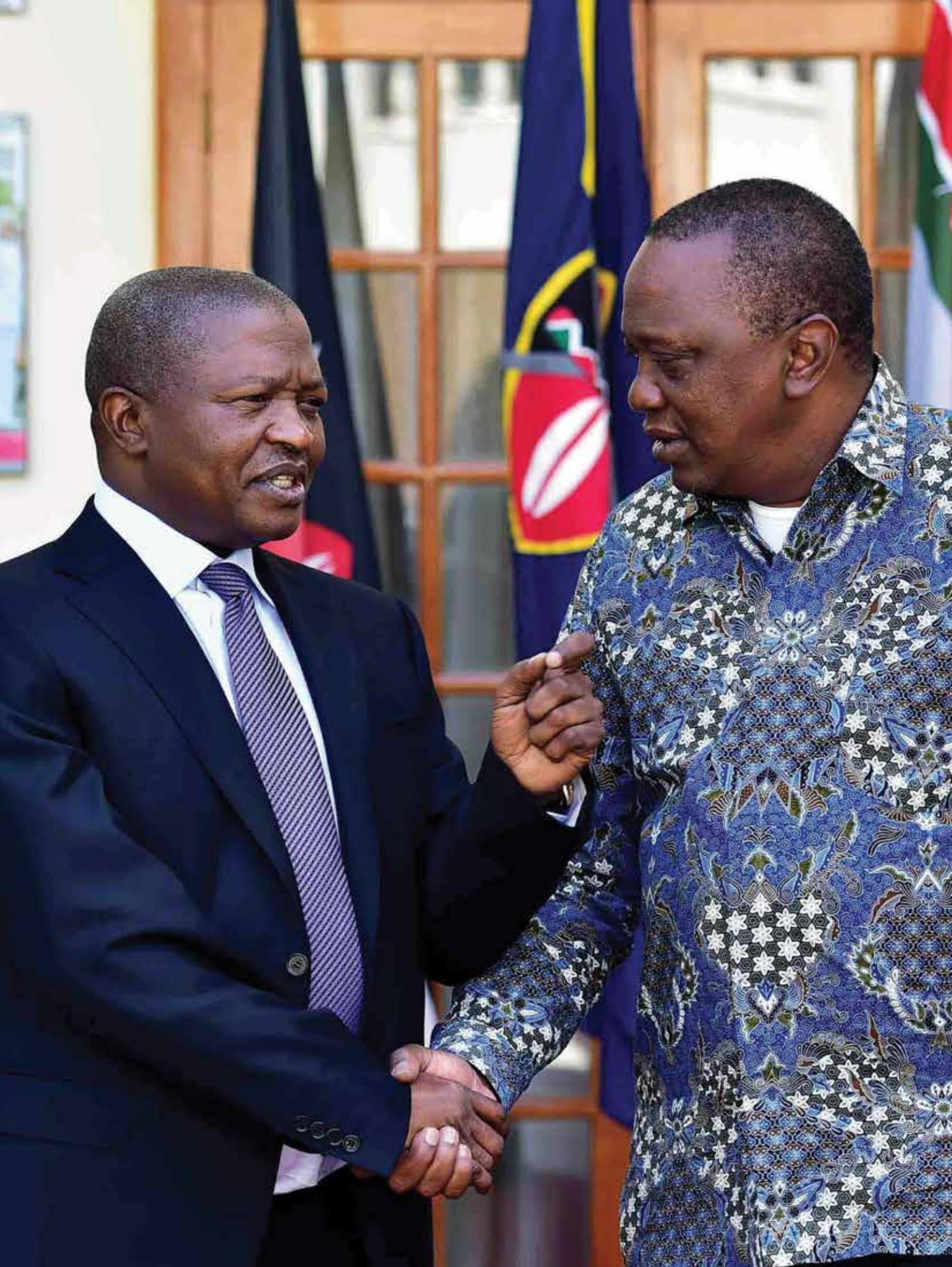
THE ORDER OF IKHAMANGA cont.
<b>The order was bestowed in Silver on:</b>
<b>Mr Siphoc Cecil Peter “Hotstix” Mabuse:</b> For his contribution to the field of music and social cohesion. His spellbinding music has consistently captured the imagination of the nation.
<b>Ms Elana Meyer:</b> For her contribution to track and field athletics. Her commitment to her sport and her glittering performances put South Africa on the world stage a multiple times.
<b>Mr John Koenakeefe Motlhankana (posthumous):</b> For his contribution to the field of art. His works remain an inspiration to many budding and established artists.
<b>Mr Thami Mnye (posthumous):</b> For his excellent use of art and cultural activism to confront injustice. His creative works remain a living legacy and witness that oppression does not diminish one’s talent.
<b>Advocate Nakedi Ribane:</b> For her contribution to the performing arts and literature. She has been a consistent advocate for equity and justice in the arts.
<b>Mr John William Smit:</b> For his contribution and leadership in the sport of rugby. As 50 <sup>th</sup> captain of the national rugby team he led the team to win the 2007 Rugby World Cup.
<b>Mr Neil Robert Tovey:</b> For his excellent contribution to South African football; his passion for the sport put South Africa on the world map when he captained the national team which won the Africa Cup of Nations in 1996.
<b>The order was bestowed in Bronze on:</b>
<b>Ms Traci Mackie:</b> For her contribution to the field of journalism and exposing the evils of apartheid. She broke the story of the security police’s involvement in the killing of Steve Biko.
<b>Ms Elsa Meyer:</b> For her excellent contribution to the field of senior athletics and encouraging the elderly to remain fit in their matured years.
THE ORDER OF THE BAOBAB
<b>The order was bestowed in Silver on:</b>
<b>Mr Maduke Lot Ndlovu (posthumous):</b> For his excellent contribution to transformation in South Africa. He contributed immensely to the development of black commerce in the country.
<b>Mr Nkosinathi Freddy Ndlovu:</b> For his excellent contribution to the fight for the recognition of the rights of the people with disabilities. His courageous work continues to shine the light on the plight of the most vulnerable in society.
<b>Ms Violet Jacobeth Seboni (posthumous):</b> For her excellent contribution to the struggle for the rights of workers and equality for women. She bravely took on the proverbial Goliath corporations and industries to fight for workers’ rights.
THE ORDER OF LUTHULI
<b>The order was bestowed in Gold on:</b>
<b>Inkosi Mhlabunzima Joseph Maphumulo (posthumous):</b> For his selfless contribution to conflict resolution and to resistance against injustice and oppression. He paid the ultimate price for our freedom and democracy.
<b>Justice Dikgang Ernest Moseneke:</b> For his outstanding contribution to the field of law and the administration of justice in South Africa. Through his leadership our fledgling democracy has continually administered justice without fear, favour or prejudice.
<b>Mama Dora Tamana (posthumous):</b> For her sustained and brave fight against unjust laws and promoting the rights of workers. She consistently pushed back against the injustices meted out to the disenfranchised.
<b>The order was bestowed in Silver on:</b>
<b>Mr Godfrey Kenneth Beck (posthumous):</b> For his contribution to the fight for liberation and equal rights for all South Africans. He bravely pushed back against the system that promoted inequality.
<b>Ms Lillian Lily Diedericks:</b> For her contribution to the fight for the liberation of all South Africans and women in particular. She is one of the brave women who led the 1956 march to the Union Buildings to protest against the pass laws.
<b>Ms Mary Fitzgerald (posthumous):</b> For her gallant fight against injustice and inequalities enforced through racist laws. She was ahead of her time and her legacy continues to live on in downtown Johannesburg.
<b>Professor Farid Esack:</b> For his brilliant contribution to academic research and to the fight against race, gender, class and religious oppression. His body of work continues to enlighten generations of fledgling and established academics.
<b>Mr Swaminathan (Swami) Karuppa Gounden:</b> For his life-long and courageous fight against apartheid oppression. He continues to live by the courage of his convictions in his pursuit of equality for all.
<b>Reverend Charles Hooper (posthumous):</b> For his bravery and contribution to the struggle for democracy when the apartheid regime was at its most brutal. He left everything and fled to a far-away land to fight the racist system.
<b>Ms Sibongile Mkhabela:</b> For her contribution to the well-being of children and young people and her gallant fight against injustice. She was part of the legendary group of 1976 youth that distinguished themselves with their bravery against apartheid.
<b>Major General Keith Mokoape:</b> For his contribution to the liberation movement. His service to the country from exile to democracy has been invaluable and remains his legacy.
<b>Ms Rahima Moosa (posthumous):</b> For her selfless contribution to the fight for freedom and gender equality in South Africa and gallantly facing down the oppressive government of the time. She left behind a rich legacy as a champion of women’s rights.
<b>General Maomela Moreti Motau:</b> For his contribution to the liberation movement and conflict resolution on the African continent. He distinguished himself with his invaluable work in the redevelopment of countries torn by civil wars.
<b>Mrs Zondeni Veronica Sobukwe:</b> For her tenacious fight for freedom and her steadfast support of incarcerated freedom fighters. She challenged the injustices meted out to the majority of South Africans.

## PART B: PERFORMANCE INFORMATION cont.

THE ORDER OF LUTHULI
<b>The order was bestowed in Bronze on:</b>
<b>Mr Ronald Bernickow (posthumously):</b> For his life-long contribution to the fight for social justice and persistence in challenging the system that oppressed the people of South Africa.
<b>Ms Sylvia Motlagomang “Mamza” Benjamin (posthumous):</b> For her contribution to workers' rights and her gallant fight against injustice. She bravely embraced the cause of disenfranchised workers and women.
THE ORDER OF THE COMPANIONS OF OR TAMBO
<b>The order was bestowed in Gold on:</b>
<b>His Excellency Mr Joaquim Alberto Chissano:</b> For his outstanding contribution to the liberation struggle in Southern Africa. As the second President of liberated Mozambique, he was instrumental in transforming Mozambique into a thriving democracy.
<b>His Excellency Sir Quett Ketumile Joni Masire (posthumous):</b> For his exceptional contribution to the struggle for peace and liberation in South Africa, Mozambique, Rwanda and the Southern African region. He worked tirelessly in ensuring that Africans are liberated from oppression and colonial rule.
<b>His Excellency Dr Samuel Daniel Sam Nujoma:</b> For his opposition to the then Government of Apartheid South Africa. He led forces that fought alongside South African freedom fighters and posed a formidable challenge to the oppressive regimes in the Southern African region. The founding father of a free Namibia continues to be a great source of inspiration.
<b>Her Excellency President Ellen Johnson Sirleaf:</b> For her exceptional contribution to women's leadership in the African continent. She tenaciously contained conflicts in a volatile region while ensuring recovery and development of newly founded democracies in Africa.
<b>The order was bestowed in Silver on:</b>
<b>Ambassador Alexander Sergeevich Dsasokhov:</b> For his contribution to the fight for the liberation of the people of South Africa and the Southern African region. His efforts assisted many young South African exiles both in Africa and the former USSR.
<b>Mr Vyacheslav Tetekin:</b> For his contribution to the fight for the liberation of the people of South Africa and the Southern African region. His efforts assisted many young South African exiles both in Africa and the former USSR.
<b>The order was bestowed in Bronze on:</b>
<b>Miss Rosita Johnson:</b> For her contribution to the well-being of young South African exiles by enabling them to pursue their education, and for raising awareness, in the United States, of the plight of South Africans under apartheid.

## OFFICIAL FUNERALS

NAME	DATE	PROVINCE	CATEGORY
Mr Joe Tshayingwe Ngalo	7 March 2019	Eastern Cape	Special Provincial Official Funeral
Mr Bonisile Philemon Norushe	31 January 2019	Eastern Cape	Special Provincial Official Funeral
Amb. Dumisani Kumalo	20 January 2019	Gauteng	Special Official Funeral
Mr Philemon Masinga	13 January 2019	North West	Special Provincial Official Funeral
Mr Khabisi Mosunkutu	24 December 2018	Gauteng	Special Provincial Official Funeral
Mr Mendi Msimang	3 December 2018	Gauteng	Special Official Funeral
Mr Solomon Mosala Andy Sefothelo	1 November 2018	Free State	Special Provincial Official Funeral
Ms Agness Msimang	19 October 2018	Gauteng	Special Official Funeral
Mr Moses Chikane	17 October 2018	Gauteng	Special Provincial Official Funeral
Mr Eric Mtshali	12 October 2018	KwaZulu-Natal	Special Official Funeral
MEC Mandla Makhuphula	8 October 2018	Eastern Cape	Provincial Official Funeral
Min. Edna Molewa	22 September 2018	Gauteng	Official Funeral
Mama-Zondeni Veronica Sobukwe	15 August 2018	Eastern Cape	Special Official Funeral
Mr Winston Ntshona	2 August 2018	Eastern Cape	Special Provincial Official Funeral
Prof. Bongani Mayosi	27 July 2018	Western Cape	Special Provincial Official Funeral
Mr Stephen Pandula Gawe	18 July 2018	Eastern Cape	Special Provincial Official Funeral
Mr Edward Plam	5 July 2018	Eastern Cape	Special Provincial Official Funeral
Queen Mother Fikelephi Bongolwethu Ndamase	7 June 2018	Eastern Cape	Special Provincial Official Funeral
Mr Sam Nzima	12 May 2018	Mpumalanga	Special Provincial Official Funeral
Dr Zola Skweyiya	11 April 2018	Gauteng	Special Official Funeral
Amb. George Siphon Nene	6 April 2018	Gauteng	Special Provincial Official Funeral
Mama-Winnie Madikizela-Mandela	2 April 2018	Gauteng	Special Official Funeral



Deputy President David Mabuza, held a consultative meeting with President Uhuru Kenyatta of Kenya



President Cyril Ramaphosa presenting the ten recommendations of the ILO's Future of Work Report at the national launch of the Global Commission on the Future of Work Report at the Zimbali Hotel Fairmont Conference Centre in KwaZulu-Natal province.

PART B:  
PERFORMANCE INFORMATION cont.



Roshene Singh  
Deputy Director-General:  
Private Office of the President  
(Busani Ngcaweni - February 2018 to July 2018)



Busani Ngcaweni  
Deputy Director-General:  
Assigned to establish Policy and Research Services  
(May 2018 to date)



Thulani Mdakane  
Deputy Director-General:  
Office of the Deputy President



Lusanda Mxenge  
Deputy Director-General:  
Cabinet Office



Matsietsi Mokholo  
Deputy Director-General:  
Corporate Management  
(Mandla Feni - May 2018 to August 2018)

4. PERFORMANCE INFORMATION  
BY PROGRAMME

4.1 Programme I: Administration

**Purpose of the programme**

The programme is responsible for the provision of essential strategic, technical and operational support to the President and the Deputy President to lead and oversee the implementation of the government programme and electoral mandate and to ensure enhanced service delivery to the people of South Africa.

**Sub-programmes**

1. Support Services to the President
2. Support services to the Deputy President
3. Management of The Presidency.

**Strategic objectives**

- 1.1 The President is supported to lead integrated planning and policy coherence in government, towards the realisation of Vision 2030

- 1.2 The Deputy President is supported to execute functions of government as delegated by the President, contributing to the realisation of Vision 2030.
- 2.1 The President is supported to exercise his constitutional responsibilities to promote national unity and social cohesion.
- 2.2 The Deputy President is supported to champion delegated national unity and social cohesion programmes.
- 3.1 The President is supported to advance the interests of South Africa in the region and the international arena.
- 3.2 The Deputy President is supported to advance the interests of South Africa in the region, continent and international arena.

PART B:  
PERFORMANCE INFORMATION cont.

Strategic objectives

PROGRAMME NAME:ADMINISTRATION						
STRATEGIC OBJECTIVES	Actual Achievement 2016/2017	Actual Achievement 2017/18	Planned Target 2018/19	Actual Achievement 2018/19	Deviation from planned target to Actual Achievement for 2018/19	Comment on deviations
The President is supported to lead Integrated planning and policy coherence In government, towards the realisation of Vision 2030	-	Approved 2018/19 Annual Domestic Programme by COO, by end of Q4 of 2017/18 financial year	Annual Domestic Programme of support for the President, signed off by COO, by Q4 for following financial year.	Approved 2019/20 Annual Domestic Programme by COO, by end of Q4 of 2018/19 financial year	None.Target met	None.Target met
	-	Annual Report on implementation of the President's Annual Domestic Programme developed	Annual Report on implementation of the Annual Domestic Programme, Submitted to the COO in Q4.	Annual Report on implementation of the 2018/19 President's Annual Domestic Programme developed	None.Target met	None.Target met
The Deputy President is supported to execute functions of Government as delegated by the President, contributing to the realisation of Vision 2030	-	2018/19 Annual Domestic Programme not approved by the COO	Annual Domestic Programme of support for the Deputy President, signed off by COO by Q4 for following financial year.	2019/20 Annual Domestic Programme not approved by the COO	2019/20 Annual Domestic Programme not approved by the COO	2019/20 Annual Domestic Programme was not developed due to other dependencies
	-	Annual Report on the implementation of the 2017/18 Annual Domestic Programme developed	Annual Report on Implementation of the Deputy President's Annual Domestic Programme developed by Q4	Annual Report on the implementation of the Deputy President's 2018/19 Annual Domestic Programme developed	None.Target met	None.Target met
The President is supported to exercise his constitutional responsibilities to promote national unity and social cohesion		Approved 2018/19 Annual Domestic Programme by COO, by end of Q4 of 2017/18 financial year	Annual social cohesion and nation Building activities of the President included in the Annual Domestic Programme for the following financial year.	Annual social cohesion and nation Building activities of the President included in the Annual Domestic Programme for 2019/20	None.Target met	None.Target met
The Deputy President is supported to champion delegated national unity and social cohesion programmes		I	At least one targeted effort per quarter	Seven targeted efforts took place for the 2018/19 financial year	The annual target was overachieved by three engagements	Three more engagements took place to promote National Unity and Social Cohesion Programmes
The President is supported to advance the interests of South Africa in the region and the international arena		Approved 2018/19 Annual International Relations Programme	Annual International Relations Programme of support for the President, signed off by COO by Q4 for following financial year.	Approved 2019/20 Annual International Relations Programme for the President	None.Target met	None.Target met

# SOUTH AFRICA INVESTMENT CONFERENCE 2018

Accelerating Economic Growth by Building Partnerships



President Cyril Ramaphosa delivering the keynote address at the South Africa Investment Conference 2018.

PROGRAMME NAME:ADMINISTRATION

STRATEGIC OBJECTIVES	Actual Achievement 2016/2017	Actual Achievement 2017/18	Planned Target 2018/19	Actual Achievement 2018/19	Deviation from planned target to Actual Achievement for 2018/19	Comment on deviations
		Annual Report on the International Relations Programme developed	Annual Report on implementation of the President's Annual International Relations Programme developed by Q4	Annual Report on the implementation of the President's 2018/19 Annual International Relations Programme developed	None. Target met	None. Target met
The Deputy President is supported to advance the interests of South Africa in the region, continent and international arena		2018/19 Annual International Programme not approved by the COO	Annual International Relations Programme of support for the Deputy President, signed off by COO by Q4 for following financial year	2019/20 Annual International Programme for the Deputy President not approved by the COO	2019/20 Annual International Programme not approved by the COO	2019/20 Annual International Relations Programme was not developed due to other dependencies
		Annual Report not developed by the due date.	Annual Report on Implementation of the Deputy President's Annual International Relations Programme developed by Q4	Annual Report on the implementation of the Deputy President's 2018/19 Annual International Relations Programme developed.	None. Target met	None. Target met



Deputy President David Mabuza replies to oral questions in the National Council of Provinces (NCOOP) in Parliament, Cape Town.

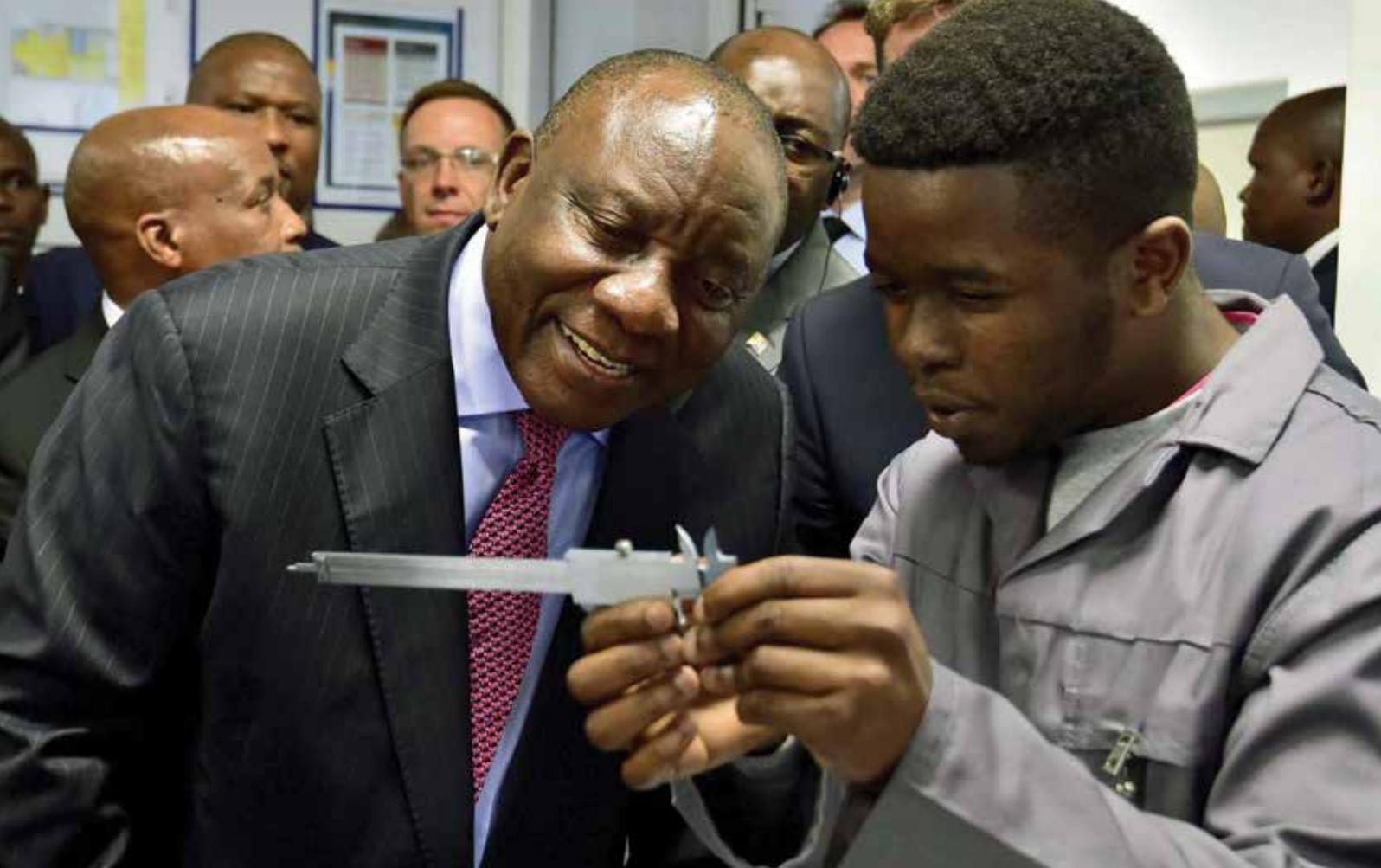
PART B:  
PERFORMANCE INFORMATION cont.

Performance indicators

PROGRAMME/SUB-PROGRAMME: ADMINISTRATION							
PERFORMANCE INDICATOR	Actual Achievement 2015/16	Actual Achievement 2016/17	Actual Achievement 2017/18	Planned Target 2018/19	Actual Achievement 2018/19	Deviation from planned target to Actual Achievement 2018/19	Comment on deviations
Annual Domestic Programme of the President developed and approved.	New indicator	New indicator	Approved 2018/19 Annual Domestic Programme by COO, by end of Q4 of 2017/18 financial year	2019/20 Annual Domestic Programme signed off by COO, by end of Q4.	Approved 2019/20 Annual Domestic Programme by COO, by end of Q4 of 2018/19 financial year	None. Target met	None. Target met.
Annual Report on the implementation of the Annual Domestic Programme of the President developed.	New indicator	New indicator	Annual Report on implementation of the 2017/18 President's Annual Domestic Programme developed	Annual Report on the implementation of the 2018/19 Annual Domestic Programme of the President developed	Annual Report on the implementation of the 2018/19 Annual Domestic Programme of the President developed	None. Target met	None. Target met
Percentage of defined essential support rendered to the President in his Parliamentary responsibilities, achieved within agreed timeframe.	37%	100%	100%	100%	100%	None. Target met	None. Target met
Percentage of defined essential support rendered to the President in his activities for leading Operation Phakisa, achieved within agreed timeframe.	75%	100%	100%	100%	100%	None. Target met	None. Target met
Percentage of defined essential support rendered to the President in his activities for leading the Presidential Working Groups, achieved within agreed timeframe.	91%	100%	50%	100%	100%	None. Target met	None. Target met
Percentage of defined essential support rendered to the President in his activities for leading the Statutory Bodies, achieved within agreed timeframe (Includes: NHTL, PICC, PCC, BEEAC.).	100%	75%	79%	100%	100%	None. Target met	None. Target met
Percentage of defined essential support rendered to the President in his activities for oversight of service delivery through the Siyahlola Programme, achieved within agreed timeframe.	100%	100%	100%	100%	100%	None. Target met	None. Target met
Percentage of essential support rendered to the President in his activities for oversight of service delivery through the Izimbizo programme, achieved within agreed timeframe.	75%	100%	100%	100%	100%	None. Target met	None. Target met

PART B:  
PERFORMANCE INFORMATION cont.

PROGRAMME/SUB-PROGRAMME: ADMINISTRATION							
PERFORMANCE INDICATOR	Actual Achievement 2015/16	Actual Achievement 2016/17	Actual Achievement 2017/18	Planned Target 2018/19	Actual Achievement 2018/19	Deviation from planned target to Actual Achievement 2018/19	Comment on deviations
Percentage of defined essential support rendered to the President in his capacity to lead Radical Economic Transformation, achieved within the stipulated timeframe.	New indicator	New indicator	New indicator	100%	100%	None. Target met	None. Target met
Annual Domestic Programme of the Deputy President developed and approved.	New indicator	New indicator	2018/19 Annual Domestic Programme not approved by the COO	2019/20 Annual Domestic Programme signed off by COO by Q4 of 2018/19 financial year.	2019/20 Annual Domestic Programme for the Deputy President not approved by the COO	2019/20 Annual Domestic Programme not approved by the COO	2019/20 Annual Domestic Programme was not developed due to other dependencies
Annual Report on the implementation of the Annual Domestic Programme of the Deputy President developed.	New indicator	New indicator	Annual Report on the implementation of the 2017/18 Annual Domestic Programme developed	Annual Report on the implementation of the 2018/19 Annual Domestic Programme of the Deputy President developed in Q4 of 2018/19 financial year	Annual Report on the implementation of the Deputy President's 2018/19 Annual Domestic Programme developed	None. Target met	None. Target met
Percentage of defined essential support rendered to the Deputy President with regards to his duties as Member of Parliament, achieved within agreed timeframe.	New indicator	100%	100%	100%	100%	None. Target met	None. Target met
Percentage of defined essential support rendered to the Deputy President in his LOGB responsibilities, achieved within agreed timeframe.	New indicator	89%	82%	100%	86%	The target was under-achieved by 14%	The target was not achieved as a result of LOGB reports not submitted according to the standards for Cabinet meetings of 30 January and 27 March 2019.
Percentage of defined essential support rendered to the Deputy President in his leadership of multi-stakeholder councils and interfaces, achieved within agreed timeframe (Includes: HRD, SANAC, NEDLAC and social partners, Anti-Poverty Programme) (Excludes: IMCs).	New indicator	84%	95%	100%	63%	The target was under-achieved by 37%	Three Anti-Poverty Programme and one HRDC engagement did not take place as per the Approved 2018/19 Domestic Programme.



President Ramaphosa touring the Mercedes-Benz Learning Academy in East London.

PROGRAMME/SUB-PROGRAMME:ADMINISTRATION

PERFORMANCE INDICATOR	Actual Achievement 2015/16	Actual Achievement 2016/17	Actual Achievement 2017/18	Planned Target 2018/19	Actual Achievement 2018/19	Deviation from planned target to Actual Achievement 2018/19	Comment on deviations
Percentage of defined support rendered to the Deputy President in his activities to promote Radical Economic Transformation, achieved within the stipulated timeframe	New indicator	New indicator	New indicator	100%	100%	None.Target met	None.Target met
Percentage of defined essential support rendered to the President's in his activities to promote Nation Building and Social Cohesion, achieved within agreed timeframe (Includes: National Days, National Orders and special events).	67% (National Order) 96% (National and Special days)	100%	94%	100%	90%	The annual target was under-achieved by 10%	The target was not achieved as a result of speeches not submitted according to standards for Africa Day, Nelson Mandela International Day and National Orders.
Percentage of defined essential support rendered to the President's in his activities arising from his role as President of the Republic.	New indicator	New indicator	New indicator	100%	96%	The annual target was under-achieved by 4%	Media release not issued according to standards for the President's meeting with Labour ministry regarding the minimum wage and the total shut down March.



Deputy President David Mabuza symbolically opened a few boreholes and handed over title deeds certificates to residents of Magogoe in Mahikeng as part of his service delivery monitoring visit to the North West Province.

PART B:  
PERFORMANCE INFORMATION cont.

PROGRAMME/SUB-PROGRAMME:ADMINISTRATION							
PERFORMANCE INDICATOR	Actual Achievement 2015/16	Actual Achievement 2016/17	Actual Achievement 2017/18	Planned Target 2018/19	Actual Achievement 2018/19	Deviation from planned target to Actual Achievement 2018/19	Comment on deviations
Percentage of essential support rendered to the Deputy President in his social cohesion special projects, achieved within agreed timeframe (Includes: MRM, CRL, National Days and those for which the Deputy President is patron).	56%	100%	100%	100%	64%	The annual target was under-achieved by 36%	Two targeted efforts on Nation Building and Social Cohesion did not take place as per the approved 2018/19 Domestic Programme.
Percentage of defined essential support rendered to the Deputy President in his activities arising from his role as Deputy President of the Republic.	New indicator	New indicator	New indicator	100%	100%	None.Target met	None.Target met
Annual International Relations Programme of the President developed and approved.	New indicator	New indicator	Approved 2018/19 Annual International Relations Programme	2019/20 Annual International Relations Programme signed off by COO by the end of Q4 of 2018/19 financial year	Approved 2019/20 Annual International Relations Programme for the President	None.Target met	None.Target met
Annual Report on the implementation of the Annual International Relations Programme of the President developed.	New indicator	New indicator	Annual Report on the International Relations Programme developed	Annual Report on the implementation of the President's 2018/19 Annual International Relations Programme developed by the end of Q4 of the 2018/19 financial year	Annual Report on the implementation of the President's 2018/19 Annual International Relations Programme developed	None.Target met	None.Target met
Percentage of defined essential support rendered to the President in his International Relations activities, achieved within agreed timeframe.	71%	93%	96%	100%	93%	The annual target was under-achieved by 7%	The target was not achieved as a result of media release not issued according to standards for International engagements held on 13/04/2018, 25/07/2018, 19/12/2018 and 23/12/2018.
Annual International Relations Programme of the Deputy President developed and approved.	New indicator	New indicator	2018/19 Annual International Programme not approved by the COO	2019/20 Annual International Relations Programme signed off by COO by the end of Q4 of 2018/19 financial year	2019/20 Annual International Programme not approved by the COO for the Deputy President	2019/20 Annual International Programme not approved by the COO	2019/20 Annual International Relations Programme was not developed due to other dependencies.

PART B:  
PERFORMANCE INFORMATION cont.

PROGRAMME/SUB-PROGRAMME: ADMINISTRATION							
PERFORMANCE INDICATOR	Actual Achievement 2015/16	Actual Achievement 2016/17	Actual Achievement 2017/18	Planned Target 2018/19	Actual Achievement 2018/19	Deviation from planned target to Actual Achievement 2018/19	Comment on deviations
Annual Report on the implementation of the Annual International Relations Programme of the Deputy President developed.	New indicator	New indicator	Annual Report not developed by the due date.	Annual Report on the implementation of the Deputy President's 2018/19 Annual International Relations Programme developed by the end of Q4	Annual Report on the implementation of the Deputy President's 2018/19 Annual International Programme developed.	None. Target met	None. Target met
Percentage of defined essential support rendered to the Deputy President in his International Relations responsibilities, achieved within agreed timeframe.	48%	70%	42%	100%	38%	62%	The target was not achieved due to the absence of evidence regarding the postponement or cancellation for Ethiopia, Uganda, Kenya, Tanzania, South Sudan and Russia. Media release not issued according to standard for the Deputy President meeting with Deputy Secretary General of the UN.

**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.



President Cyril Ramaphosa joined by Minister Rob Davies of Trade and Industry conducted on a guided tour of the GRI Towers factory.

## 4.2 Programme 2: Executive Support

### Purpose of the programme

The programme is responsible for the provision of 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-programmes

1. Cabinet Services

### Strategic objectives

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

PART B:  
PERFORMANCE INFORMATION cont.

Strategic Objectives

PROGRAMME NAME: EXECUTIVE SUPPORT						
STRATEGIC OBJECTIVES	Actual Achievement 2016/2017	Actual Achievement 2017/18	Planned Target 2018/19	Actual Achievement 2018/19	Deviation from planned target to Actual Achievement for 2018/19	Comment on deviations
Essential support provided to the Cabinet and FOSAD structures to lead society and organs of state towards the realisation of Vision 2030.		Approved 2018 Annual Cabinet and FOSAD Programme	2019 Annual Cabinet and FOSAD Programme approved by Cabinet and FOSAD Workshop respectively (evidenced by signature of Director-General (DG) as the Secretary of Cabinet and Chairperson of FOSAD), by Q3 of 2018/19 financial year	Approved 2019 Annual Cabinet and FOSAD Programme	None.Target met	None.Target met
		Annual Report on the implementation of the 2017 Annual Cabinet and FOSAD programme developed	Annual Report on the implementation of the 2018 Annual Cabinet and FOSAD Programme, developed in Q3 of 2018/19 financial year	Annual Report on the implementation of the 2018 Annual Cabinet and FOSAD programme developed	None.Target met	None.Target met

Performance Indicators

PROGRAMME/SUB-PROGRAMME: EXECUTIVE SUPPORT							
PERFORMANCE INDICATOR	Actual Achievement 2015/16	Actual Achievement 2016/17	Actual Achievement 2017/18	Planned Target 2018/19	Actual Achievement 2018/19	Deviation from planned target to Actual Achievement 2018/19	Comment on deviations
Annual Cabinet and FOSAD Programme of support tabled for approval by Cabinet and FOSAD Workshop respectively, by Q3 for the following calendar year.	New indicator	New indicator	Approved 2018 Annual Cabinet and FOSAD Programme	2019 Annual Cabinet and FOSAD Programme approved by Cabinet and FOSAD Workshop respectively (evidenced by signature of DG as the secretary of Cabinet and Chairperson of FOSAD) by Q3 of 2018/19 financial year.	Approved 2019 Annual Cabinet and FOSAD Programme	None.Target met	None.Target met

PART B:  
PERFORMANCE INFORMATION cont.

PROGRAMME/SUB-PROGRAMME: EXECUTIVE SUPPORT							
PERFORMANCE INDICATOR	Actual Achievement 2015/16	Actual Achievement 2016/17	Actual Achievement 2017/18	Planned Target 2018/19	Actual Achievement 2018/19	Deviation from planned target to Actual Achievement 2018/19	Comment on deviations
Annual Report on the implementation of the Annual Cabinet and FOSAD Programme developed.	New indicator	New indicator	Annual Report on the implementation of the 2017 Annual Cabinet and FOSAD programme developed	Annual Report on the implementation of the 2018 Annual Cabinet and FOSAD Programme, developed in Q3 of 2018/19 financial year	Annual Report on the implementation of the 2018 Annual Cabinet and FOSAD programme developed	None. Target met	None. Target met
Percentage of defined essential support provided to Cabinet, achieved within agreed timeframe.	New indicator	98%	91%	100%	100%	None. Target met	None. Target met
Percentage of defined essential support provided to Cabinet Committee, achieved within agreed timeframe.	New indicator	New indicator	100%	100%	100%	None. Target met	None. Target met
Percentage of defined essential support provided to the Chairperson of FOSAD, achieved within agreed timeframes.	New indicator	80%	85%	100%	88%	The annual target was under-achieved by 12%	The target was not achieved as a result of some of the decision matrices and briefing notes not being distributed according to standards. There was also no proof of cancellation or postponement for two FOSAD MANCO meetings.

**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.

PART B:  
**PERFORMANCE INFORMATION cont.**

5. **TRANSFER PAYMENTS**

5.1. **Transfer payments to public entities**

The Presidency does not have entities.

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

None.

6. **CONDITIONAL GRANTS**

6.1. **Conditional grants and earmarked funds paid**

The Presidency does not have conditional grants.

6.2. **Conditional grants and earmarked funds received**

None.

7. **DONOR FUNDS**

The Presidency does not have donor funds.

7.1. **Donor Funds Received**

None.

8. **CAPITAL INVESTMENT**

The Presidency does not have capital investment.

8.1. **Capital investment, maintenance and asset management plan**

None.



President Cyril Ramaphosa arriving at the European Council's Europa Building, Brussels, Belgium and is received by His Excellency Donald Tusk, President of the European Council ahead of the 7<sup>th</sup> European Union-South Africa (EU-SA) Summit.



Deputy President David Mabuza held a consultative meeting with President Salva Kiir Mayardit of the Republic of South Sudan at the Johnny Makhathini Diplomatic Guesthouse in Pretoria.

## PART C: GOVERNANCE

### 1. INTRODUCTION

Commitment by the department to maintain the highest standards of governance is fundamental to the management of public finances and resources. Citizens want assurance that the department has good governance structures in place to effectively, efficiently and economically utilise the state resources, which is funded by the tax payer.

### 2. RISK MANAGEMENT

During the period under review The Presidency's risk management processes were implemented in a manner consistent with the Risk Management Policy. The Risk Management Committee (RMC) continued to play an oversight role in the execution of the Risk Management function. The Committee has been established by The Presidency to assist the Accounting Officer to fulfil her risk management and internal control responsibilities in accordance with prescribed legislation and corporate governance principles.

In previous financial years the RMC comprised risk owners as members of the Committee. This was found to pose possible conflict of interest in the Committee's oversight function. In the 2018/19 financial year, Chief Directors representative of all the Branches in The Presidency were appointed to serve as members of the RMC. This is was intended to elevate the RMC from a Management Structure to a governance structure, exercising oversight and providing support to the Accounting Officer in ensuring that an effective, efficient and transparent system of risk management is maintained in The Presidency.

In reviewing the strategic risk profile of The Presidency, three out of seven strategic objectives were risk-rated as high, requiring management intervention to mitigate the identified risks. Management intervention in the form of mitigation plans were reviewed and presented quarterly at the RMC for monitoring. A few risks identified as of low risk in the review, required regular monitoring but no management intervention.

The RMC held four meetings as required in terms of its charter. In all instances, the committee was able to quorate and was therefore able to take decisions where required. Apart from the strategic risk register, the RMC also monitored progress regarding workshops held during the financial year to conduct Operational Risk Assessments.

The risk management report was a standing item on the agenda of the Audit Committee meetings and the committee advised the department on risk management and independently monitored the effectiveness of the system of risk management.

A Policy Review Plan for 2018/19 financial year was developed and implemented. Progress on the implementation of the plan was monitored regularly and reported to the SMS and Branch Heads Forum meetings on a monthly basis. Policy custodians were supported during the review process to ensure that they are able to meet timelines.

A total of 55 documents inclusive of policies, frameworks, guidelines, procedures, charters were due for review during the reporting period. 28 of the documents were reviewed and approved during the financial year. Documents not finalised during the financial year have been carried over to the 2019/20 financial year.

### 3. FRAUD AND CORRUPTION

The Presidency Ethics Committee continued to implement the Fraud Prevention and Ethics Management Strategy, through the Risk Management Directorate. The key pillars of the Fraud Prevention and Ethics Management Strategy focus on prevention, response and detection. On *prevention*, the focus is on the Code of Conduct acknowledgements, the implementation of the Anti-Fraud and Anti-Corruption Policy as an administrative control and the Gifts, Donations and Sponsorships Policy as well as the Conflict of Interest Policy, amongst others. On *detection*, the focus is on financial disclosures, whistle-blowing activities, administering and monitoring of the Outside Remunerative Work Policy for employees who seek to conduct remunerative work outside the public service. This also entailed monitoring of any violations of section 30 of the Public Service Act as well as potential conflict of interest on employees who have registered business entities on the Companies and Intellectual Property Commission's (CIPC) database without seeking authorisation from the Accounting Officer. The Central Supplier Database (CSD) was also utilised to detect any employees who have registered their business entities on the CSD, thus, conducting business with an organ of state, this is a contravention of the Public Administration Management Act and the Public Service Regulations. On *response*, focus is on staff education and awareness, external reporting and taking corrective action.

A fraud prevention mechanism in the form of the Ethics and Anti-Fraud Implementation Plan, monitored through quarterly progress reports was presented to the Committee and submitted to the Accounting Officer for approval. The Plan focuses on Fraud Mitigation Plans emanating from the Fraud Risk Register; Monitoring and Implementation of Audit findings on areas pertaining to fraud and corruption, monitoring of segregation of responsibilities as applied by the Supply Chain Management Directorate, and monitoring of the analysis of monthly expenditure reports and identification of misallocations.

## PART C: GOVERNANCE cont.

The Whistle Blowing Policy was revised to be in line with the amended Protected Disclosure Act and an internal online awareness campaign was launched to promote ethical awareness and anti-fraud and anti-corruption practices. The Ethics Committee also reviewed quarterly the Fraud Log Register in monitoring any cases of fraud reported through Whistle-Blowing, Internal and External Audit process, reporting by Supervisors (the first line of defense), and the internal verification process (pertaining to qualifications, specimen signatures to detect ghost workers). The Committee continued to monitor the Whistle-Blowing Incident Reporting System which was developed in the previous year, where all cases could be registered and followed-up for completeness.

There were no cases referred to The Presidency through the National Anti-Corruption Hotline during the period under review.

### 4. MINIMISING CONFLICT OF INTEREST

The Conflict of Interest Policy was implemented during the period under review. In line with the policy, officials serving in governance structures, 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. Conflict of Interest was also monitored when reviewing applications for remunerative work outside the public service as well as applications to retain gifts, donations and sponsorships received or donated by officials. The Gifts, Donations and Sponsorships Policy was the key instrument utilised to monitor any conflict of interest emanating from the acceptance or offering of gifts by Presidency officials.

In terms of the policy, 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.

Financial disclosures in relation to the period 1 April 2017 to 31 March 2018 were completed successfully during the financial disclosure period. The department obtained 100% compliance and the report was submitted to Office of the Public Service Commission by the Executive Authority within the required time frame of 31 May 2018.

### 5. CODE OF CONDUCT

The Code of Conduct was communicated to all employees in the beginning of the calendar year via a software tool where all employees are compelled to read and acknowledge the code. The Code of Conduct was also discussed during the Induction Workshop.

Any breaches of the Code of Conduct were dealt with in terms of the guidelines on labour relations and disciplinary procedures. A register of misconduct for employees who have breached the code is maintained to track reported cases that were under investigation. Some of the cases have been referred to the South African Police Service for further law enforcement action.

### 6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Presidency complies with the Occupational Health and Safety 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;
- The protection of persons other than persons at work against hazards to health and safety arising out of or in connection with the activities of persons at work;
- To establish an advisory council for occupational health and safety.

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 SHERQ elements;
- Health and Safety Committee;
- Approved Health and Safety Charter;
- Approved emergency plan;
- Emergency evacuation drills; and,
- On-going refresher training.

The above programme impacts on the organisation in the following ways:

- Hazard Identification and Risk Assessments are periodically conducted;
- Accidents at the work place are dealt with according to the Compensation for Occupational Injuries and Diseases Act, 130 of 1993; and,

PART C:  
GOVERNANCE cont.

- 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..

7. PRIOR MODIFICATIONS TO AUDIT REPORTS

NATURE OF QUALIFICATION, DISCLAIMER, ADVERSE OPINION AND MATTERS OF NON-COMPLIANCE	FINANCIAL YEAR IN WHICH IT FIRST AROSE	PROGRESS MADE IN CLEARING/RESOLVING THE MATTER
<b>Expenditure management</b>		
Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R33 581 562, as disclosed in note 23 to the Annual Financial Statements, as required by section 38(1)(c) (ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure was caused by non-adherence to treasury instruction no. 02 of 2017/2018 pertaining to implementation of national travel policy framework.	2017/2018	Subsequent to the finding a transport service provider was appointed for the term of three years. Furthermore a Contract Tracking tool was implemented to ensure timely contract renewal prior to expiry date. Treasury instruction no. 02 of 2017/2018 pertaining to implementation of national travel policy framework is implemented; the relevant authority approves any deviation on the framework.
Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R27 869 789 as disclosed in note 24 to the Annual Financial Statements, as required by section 38(1) (c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the fruitless and wasteful expenditure disclosed in the financial statements was due to inadequate implementation of Cabinet decisions pertaining to e-Cabinet.	2017/2018	The system was signed off by SSA which was one of the prerequisites that was outstanding for the system to be recognised as being fully effective.
Some payments were not made within 30 days or agreed period after receipt of an invoice as required by treasury regulation 8.2.3.	2017/2018	A centralised system of receiving invoices was implemented in the previous year. The effectiveness of the system has been confirmed through reduction of number of payments that are not paid within 30 days.
<b>Procurement and contract management</b>		
Some of the goods and services of a transaction value above R500 000 were procured without inviting competitive bids and deviations were approved by the accounting officer but it was practical to invite competitive bids, as required by treasury regulation 19A6.1 and 16A6.4.	2017/2018	A Demand Plan was developed to ensure correct sourcing strategies. A Procurement plan is in place and monitored regularly to ensure compliance with Treasury Regulations. Transactions above R500 000 procured without inviting competitive bidding were disclosed as Irregular.
Some of the bid documentation for procurement of commodities designated for local content and production did not meet the stipulated minimum threshold for local production and content as required by the 2017 preferential procurement regulation 8(2). Similar non-compliance was also reported in the prior year.	2017/2018	The Department of Trade and Industry trained officials on local content. The Presidency is compliant on local content requirement and briefing sessions are conducted with service providers where local content is concern.
<b>Consequence management</b>		
Auditors were unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 38(1)(h)(ii) of the PFMA. This was due to proper and complete records that were not maintained as evidence to support the investigations into irregular expenditure.	2017/2018	Irregular expenditure emanates from various areas, each matter is investigated individually. Where there is an officials identified for disciplinary action, disciplinary action is taken. It is to be noted that prior to taking disciplinary steps the Department needs to ensure that (i) there are Standard Operating Procedure (SOP) in place, and, (ii) Ensure that officials are trained on the SOP. It is imperative to conduct sufficient training on the areas of weaknesses prior to taking punitive actions. The AGSA has not been able to obtain sufficient evidence because the Department had to embark on these initial processes. SOPs were developed and training pertaining thereto was conducted. The Department will now be able to implement disciplinary measures without taking a risk of incurring legal disputes.
Auditors were unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred fruitless and wasteful expenditure as required by section 38(1)(h)(iii) of the PFMA. This was due to proper and complete records that were not maintained as evidence to support the investigations into fruitless and wasteful expenditure.	2017/2018	Fruitless and Wasteful Expenditure emanates from various areas, each matter is investigated individually. The Auditor General has not been able to witness consequence management because on the current fruitless expenditure register there are processes that still need to be followed. The department needs to first consider the circumstances of the transgression, the extent of the expenditure involved and the nature and seriousness of the transgression. The Department has a relevant function in place to conduct the determination on these cases, the Loss Control Committee which is currently in the process dealing with each case. The cases that have been concluded, where the Loss Control Committee found the official to be at fault, the transactions will be found in the debtor's book of the Department. Where the officials were not found to have transgressed the outcomes would be included in the write offs.

PART C:  
**GOVERNANCE cont.**

**8. INTERNAL CONTROL UNIT**

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

Internal Control unit maintains a register for irregular, fruitless and wasteful expenditure. With the introduction of the new irregular expenditure framework, National Treasury Instruction No. 1 of 2018/2019, on identification of any irregular, fruitless and wasteful expenditure, Internal Control submits the list of irregular transactions to the Loss Control Committee for investigation and to determine the root causes and confirmation of the irregular, fruitless and wasteful expenditure. A report is provided to the Accounting Officer with recommendation regarding action to be taken. Internal Control ensured that the new framework was communicated throughout the organisation and that senior management was empowered through presentations by stakeholders.

The unit is responsible for co-ordination, consolidation and monitoring the action plans that are designed to address audit findings provided by the office of the Auditor-General South Africa on The Presidency management report. The Audit Matrix is a standing agenda item at management forums, to ensure monthly progress monitoring on the audit findings action plans. The audit outcomes implementation plans were submitted as requested by treasury and feedback regarding the effectiveness of the action plans was received from treasury and communicated to the responsible managers.

**9. INTERNAL AUDIT AND AUDIT COMMITTEES**

The Presidency has an Internal Audit Unit which functions under the control and direction of an Audit Committee

The Internal Audit Unit is independent and its work is managed in accordance with the Institute of Internal Auditor's International Standards for the Professional Practice of Internal Auditing (Standards).

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 2018/2019 Annual Audit Plan. With the approval of the Audit Committee, Internal Audit conducted *ad hoc* investigation in the year under review. Internal Audit provides recommendations to management with regards to internal control, risk management and governance processes. In addition, Internal Audit provides management advisory services across all business units of The Presidency when requested by management; and as and when necessary.

The Presidency has established an 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 Audit Committee comprises of independent members who collectively have sufficient qualifications and experience to fulfil their duties. The Audit Committee comprises of the members listed hereunder. A total of five (5) meetings were held in the financial year. See below in tabular form the attendance per member:

NAME	QUALIFICATIONS	INTERNAL OR EXTERNAL	DATE APPOINTED	DATE RESIGNED	NO. OF MEETINGS ATTENDED
Cedric Boltman (Chairperson)	Master of Business Administration	External	Re-appointed on: 1 January 2017	N/A	5
Nelson Miya	Masters of Business Leadership	External	1 October 2015	30 September 2018	3
Given Sibiyi	Chartered Accountant (CA)SA Executive Leadership Development Programme	External	1 January 2017	N/A	5
Ansia Daniel	Master of Business Leadership (MBL) Certified Internal Auditor (CIA) BCompt Honours	External	1 February 2017	N/A	3
Leah Khumalo	BA (Law) Bachelor of Law (LLB)	External	1 February 2017	N/A	5

PART C:  
**GOVERNANCE cont.**

**10. AUDIT COMMITTEE REPORT**

We are pleased to present our report for the financial year ended 31 March 2019.

**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 an appropriate Audit Committee Charter, which is reviewed annually. It regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

**The Effectiveness of Internal Control**

The system of internal control was not entirely effective for the year under review. Deficiencies in the system of internal control and/or deviations were reported by the internal auditors and the Auditor-General South Africa. In certain instances, the matters reported previously have not been fully and satisfactorily addressed. Management in some cases did not timeously and effectively address findings reported by internal audit and the Auditor-General South Africa. If internal control is to become more effective, the findings of the Auditor-General South Africa and internal audit require to be more rigorously addressed and the necessary consequence management instituted.

**Risk Management**

Risk Management capacity constraints remain a concern. In the previous year management planned to augment Risk Management capacity by outsourcing certain of the components and functions of the Risk Management Unit, however in the 2018/19 financial year it did not materialise due to procurement challenges.

The overall quality of the management of risks by risk owners needs improvement since some of the residual risks remain high despite a number of years on the strategic risk register.

**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 applying a risk based approach based on the approved risk register.

The approved 2018/2019 internal audit operational plan as well as ad-hoc investigation was completed during the year under review. At the request of management certain additional projects were carried out, none of which was regarded as impairing their independence.

**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 discussed the Annual Financial Statements on 28 May 2019 to be submitted to the Auditor-General South Africa, with the Auditor-General South Africa and the Accounting Officer;
- not identified any changes in accounting policies and practices;
- reviewed information on predetermined objectives to be included in the Annual Report;
- reviewed the Auditor-General South Africa's management reports, which was submitted on 29 July 2019.

**Auditor-General South Africa's Report**

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



**Cedric Boltman**  
**Chairperson of the Audit Committee**  
**Date: 31 July 2019**



President Cyril Ramaphosa interacting with Avela Tshali at the Cell C take a girl child to work after responding to the debate on his Presidency Budget Vote speech delivered in the National Assembly, Parliament in Cape Town

## PART D: HUMAN RESOURCE MANAGEMENT

### 1. OVERVIEW

The number of posts on the establishment of The Presidency increased in the 2018/2019 reporting year from 614 (2017/2018) to 629 in 2018/2019 (excluding the Principals), 543 of these were filled posts. The vacancy rate is unfortunately over the 10% threshold, having increased from 10.7% (2018/2019) to 13.7% in the reporting year (Table 3.2.1).

There were 51 posts out of a total of 501 posts subjected to job evaluation during the period under review; the majority of these jobs were evaluated due to the fact that they had exceeded the 60 months period stipulated in the Public Service Regulations, 2016. The 24 posts evaluated on salary levels 3-8 were previously not regarded as mandatory posts for job evaluation purposes unless if they were centrally coordinated by the Department of Public Service and Administration (Table 3.4.1). Four posts at salary levels 9-12 were downgraded; however, the incumbents continue to be paid at the higher salary levels, in line with the implementation of the Public Service Coordinating Bargaining Council (PSCBC) Resolution 3 of 2009 (Table 3.4.3).

The Presidency's staff turnover rate decreased from 24% (2018/2019) to 13% in the reporting year (Table 3.5.2). It should be noted that the turnover was largely due to the change in the administration that happened in February 2018. Of the total of 69 terminations 26.1% of the terminations were due to resignations, 55.1% were due to contract expiry, and 5.8% retired (Table 3.5.3).

The Presidency representivity of females at Senior Management Services (SMS) (SL13-16) is 51.67%, compared to the 50% in the previous reporting period. As a result of strategies adopted to increase awareness on the nature of different disabilities and to encourage voluntary disclosure by staff, The Presidency's disability rate is at 3.34%, exceeding the national target.

82% of SMS members concluded their performance agreement by 31 May 2018. Due to the change in Political leadership, some members were not yet correctly placed as on 31 May 2019 and could not conclude their performance agreements before the due date. A condonation request was submitted to the Minister for Public Service and Administration (MPSA) as per the Directive on Performance of Members of Senior Management for three SMS (one SL15 and two SL14) members and the MPSA granted a deviation. One SMS member at SL 15 resigned before 31 May 2019 whilst another SL 15 post was vacant. Two (2) SMS were appointed after the 31<sup>st</sup> May 2018. Submission for non-compliance for all other

SMS members who failed to comply with the due date was approved. Approval was granted to invoke section 16 (A) (2) (a) of the Public Service Act, 1994 to all SMS members who failed to comply with the directive and the due date of 31 May 2018 (Table 3.7.1).

187 employees received performance rewards for the performance cycle 2017/2018 of which 90.1% were employees on salary level 2 – 12 and OSD and 9% were SMS members. 3.7% of the beneficiaries were employees with disability. 59% of the rewards were received by females and 41% by males (Table 3.8.1).

83% (414 of 501 employees) of the total establishment as at 31 March 2018 benefited from pay progression (Table 3.5.4).

For the period January 2018 to December 2018, a total of 2 571 days were utilised for sick leave, compared to the 3 485 days utilised for sick leave in the 2017 calendar year. The number of staff members that used sick leave came to 376 (Table 3.10.1) and reflects an average of 7 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 2017/2018 reporting period.

It needs to be noted that 2018 is the third 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 twenty five (25), using an average of 6.2 working days each. Most of the employees using incapacity leave during the reporting period were in the salary levels 6 - 8 category (100%).

During the 2018 leave cycle, a total of 12,602 working days annual leave were taken by 609 employees - with each employee averaging 21 days (Table 3.10.3), which is less than in the previous financial year (reporting 20 days on average per employee). Four (4) employees' capped leave credits were paid out due to retirement.

The six (6) disciplinary cases reported were dealt with in the reporting period and four (4) were finalised during the reporting year (Tables 3.12.1 and 3.12.2).

The Presidency, in keeping with one of its key priorities of equipping its staff with skills, identified 679 staff members' training needs (Table 3.13.1) and provided training throughout the year to a total of 301 individuals (Table 3.6.7 read with Table 3.13.2). Sixty two percent (62.1%) of this training was presented to females employed in the Department and to thirty seven point nine percent (37.9%) to male employees.

PART D:  
**HUMAN RESOURCE MANAGEMENT cont.**

It is important to mention that most of this training was provided by the National School of Government. The Department is facing challenges with regards to finding reputable training providers from the Central Database hosted by the National Treasury.

Table 3.15.1 reflects that 23 consultants worked on 5 projects in the Department, with a contract value of R13,3 (2018/2019).

**2. HUMAN RESOURCES OVERSIGHT STATISTICS**

**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 2018 (including additional appointments)
Administration	439 249	281 859	2 500	-	64%	542	520
Executive Support	20 056	14 283	-	-	71%	714	20
Z=Total as on Financial Systems (BAS)	459 305	296 142	2 500	-	64%	548	540

Note: Principals excluded

**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 2018
Interns	1 641	0,55%	68	459 305	24
OSD	9 848	3,33%	1 094	459 305	9
Lower skilled (Levels 1-2)	6 533	2,21%	159	459 305	41
Skilled (Levels 3-5)	25 436	8,59%	265	459 305	96
Highly skilled production (Levels 6-8)	66 462	22,44%	396	459 305	168
Highly skilled supervision (Levels 9-12)	97 558	32,94%	734	459 305	133
Senior management (Levels 13-16)	88 664	29,94%	1 285	459 305	69
<b>TOTAL</b>	<b>296 142</b>	<b>100%</b>	<b>548</b>	<b>459 305</b>	<b>540</b>

Note: Principals excluded and for the total average compensation cost per employee, Interns were 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)
Administration	184 143	65%	7 345	2,48%	5 393	1,9%	9 744	3,3%	206 625
Executive Support	8 590	60%	-	-	180	1,3%	397	0,1%	9 167
<b>TOTAL</b>	<b>192 733</b>	<b>65%</b>	<b>7 345</b>	<b>2,48%</b>	<b>5 573</b>	<b>3,17%</b>	<b>10 141</b>	<b>3,4%</b>	<b>215 792</b>

PART D:  
HUMAN RESOURCE MANAGEMENT cont.

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	1 486	0,50%	-	-	-	-	-	-	1 486
OSD	4 421	1,49%	-	-	-	-	29	0,01%	4 450
Lower skilled (Levels 1-2)	15 795	5,33%	209	0,07%	576	0,19%	783	0,26%	17 363
Skilled (Levels 3-5)	44 528	15,04%	1 926	0,65%	1 675	0,57%	2 496	0,84%	50 625
Highly skilled production (Levels 6-8)	68 366	23,09%	3 834	1,29%	225	0,08%	3 893	1,31%	76 318
Highly skilled supervision (Levels 9-12)	36 452	12,31%	1 376	0,46%	2 541	0,86%	1 920	0,65%	42 289
Senior management (Levels 13-16)	21 685	7,32%	-	0,00%	556	0,19%	1 020	0,34%	23 261
<b>TOTAL</b>	<b>192 733</b>	<b>65%</b>	<b>7 345</b>	<b>2,48%</b>	<b>5 573</b>	<b>1,88%</b>	<b>10 141</b>	<b>3,42%</b>	<b>215 792</b>

TABLE 3.2.1 - Employment and Vacancies by Programme as on 31 March 2019

PROGRAMME	Number of Posts as at 31 March 2019	Number of Posts Filled as at 31 March 2019	Vacancy Rate (Includes Frozen Posts)	Number of Posts Filled Additional to the Establishment
Administration	608	523	14	53
Dtp: Executive support	21	20	4,8	2
<b>TOTAL</b>	<b>629</b>	<b>543</b>	<b>13,7</b>	<b>55</b>

Note: Principals Excluded 2

TABLE 3.2.2 - Employment and Vacancies by Salary Band as on 31 March 2019

SALARY BAND	Number of Posts as at 31 March 2019	Number of Posts Filled as at 31 March 2019	Vacancy Rate (Includes Frozen Posts)	Number of Posts Filled Additional to the Establishment
OSD	9	9	0,00%	0
Interns	25	25	0,00%	25
Lower Skilled (Levels 1-2)	43	41	4,7%	0
Skilled (Levels 3-5)	127	96	24,4%	1
Highly Skilled Production (Levels 6-8)	188	168	10,6%	5
Highly Skilled Supervision (Levels 9-12)	154	133	13,6%	5
Senior Management (Levels 13-16)	83	71	14,5%	19
<b>TOTAL</b>	<b>629</b>	<b>543</b>	<b>13,7%</b>	<b>55</b>

Note: Principals Excluded 2

PART D:  
HUMAN RESOURCE MANAGEMENT cont.

**TABLE 3.2.3 - Employment and Vacancies by Critical Occupation as on 31 March 2019**

CRITICAL OCCUPATIONS	Number of Posts as at 31 March 2019	Number of Posts Filled as at 31 March 2019	Vacancy Rate (Includes Frozen Posts)	Number of Posts Filled Additional to the Establishment
Administrative related	113	94	16,8	8
Cleaners in offices workshops hospitals	41	39	4,9	1
Client inform clerks (switchboard, receptionists, information clerks)	22	17	22,7	0
Communication and information related	18	16	11,1	0
Finance and economics related	2	2	0	0
Financial and related professionals	26	23	11,5	0
Financial clerks and credit controllers	9	8	11,1	0
Food services aids and waiters	33	28	15,2	0
Household food and laundry services related	56	47	16,1	0
Human resources & organisational development & related professionals	8	7	12,5	0
Human resources clerks	11	11	0	0
Human resources related	13	12	7,7	0
Information technology related	19	16	15,8	0
Interns	29	29	0	29
Legal related OSD	9	9	0	0
Librarians and related professionals	3	3	0	0
Library mail and related clerks	10	7	30	0
Logistical support personnel	31	26	16,1	0
Material-recording and transport clerks	3	3	0	0
Messengers porters and deliverers	5	4	20	0
Motor vehicle drivers	25	22	12	0
Other occupations	10	10	0	8
Secretaries & other keyboard operating clerks	62	51	17,7	0
Senior managers	71	59	16,9	9
<b>TOTAL</b>	<b>629</b>	<b>543</b>	<b>13,7</b>	<b>55</b>

Note: Principals Excluded 2

**TABLE 3.3.1 - SMS Posts information as on 31 March 2019**

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%
Salary level 16, but not HOD	1	1	100%	0	0%
Salary level 15	4	4	100%	0	0%
Salary level 14	23	20	87%	3	13%
Salary level 13	41	33	80%	8	20%
<b>TOTAL</b>	<b>70</b>	<b>59</b>	<b>84%</b>	<b>11</b>	<b>16%</b>

Note: Excluding Principals and Special Advisers

**TABLE 3.3.2 - SMS Posts information as on 30 September 2018**

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%
Salary level 16, but not HOD	1	1	100%	0	0%
Salary level 15	4	4	100%	0	0%
Salary level 14	21	17	81%	4	19%
Salary level 13	41	34	83%	7	17%
<b>TOTAL</b>	<b>68</b>	<b>57</b>	<b>84%</b>	<b>11</b>	<b>16%</b>

Note: Excluding Principals and Special Advisers

PART D:  
HUMAN RESOURCE MANAGEMENT cont.

TABLE 3.3.3 - Advertising and Filling of SMS posts for the period 1 April 2018 and 31 March 2019

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	0	0	1
<b>TOTAL</b>	<b>1</b>	<b>0</b>	<b>0</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 2018 and 31 March 2019

Reasons for vacancy not advertised within 6 months
Due to cost containment measures and migration to 6 <sup>th</sup> Administration
Reasons for vacancy not filled within 12 months
Due to cost containment measures and migration to 6 <sup>th</sup> Administration

TABLE 3.3.5 - Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2018 and 31 March 2019

None
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TABLE 3.4.1 - Job Evaluation by Salary band for the period 1 April 2018 and 31 March 2019

SALARY BAND	Number of Posts as at 31 March 2019	Number of Jobs 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)	41	0	0	0	0	0	0
Skilled (Levels 3-5)	96	14	14,6	0	0	0	0
Highly Skilled Production (Levels 6-8)	166	10	6	0	0	0	0
Highly Skilled Supervision (Levels 9-12)	126	17	13,5	0	0	4	3,17
Senior Management Service Band A	41	7	17,1	0	0	0	0
Senior Management Service Band B	23	2	8,7	0	0	0	0
Senior Management Service Band C	5	0	0	0	0	0	0
Senior Management Service Band D	3	1	33,3	0	0	0	0
<b>TOTAL</b>	<b>501</b>	<b>51</b>	<b>10,2</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>0,80</b>

Note: Principals, Special Advisers, OSD, Interns excluded

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

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 3.4.3 - Employees whose salary level exceed the grade determined by Job Evaluation occupation for the period 1 April 2018 and 31 March 2019

OCCUPATION	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation	No of Employees in Department
Highly skilled supervision (SI09-12)	2	11	12	Resolution 3/2009	2
Highly skilled supervision (SI09-12)	2	9	10	Resolution 3/2009	2
<b>TOTAL</b>	<b>4</b>				<b>4</b>
NB: MPSA final grading level outcomes i.t.o Res 3/2009					
Percentage of Total Employment	0				0,00

PART D:  
HUMAN RESOURCE MANAGEMENT cont.

**TABLE 3.4.4 - Profile of employees whose salary level exceeded the grade determined by job evaluation for the period 1 April 2018 and 31 March 2019**

BENEFICIARIES	African	Asian	Coloured	White	TOTAL
Female	2	0	0	0	2
Male	2	0	0	0	2
<b>TOTAL</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>
<i>NB: MPSA final grading level outcomes i.t.o Res 3/2009</i>					
Employees with a Disability	0	0	0	0	0

**TABLE 3.5.1 - Annual Turnover Rates by Salary Band for the period 1 April 2018 and 31 March 2019**

SALARY BAND	Employment at Beginning of Period 1 April 2018	Appointments	Terminations	Turnover Rate
OSD	8	0	0	0
Lower Skilled (Levels 1-2)	36	8	2	5,6
Skilled (Levels 3-5)	98	6	6	6,1
Highly Skilled Production (Levels 6-8)	172	5	13	7,6
Highly Skilled Supervision (Levels 9-12)	133	19	12	9
Senior Management Service Band A	34	7	5	14,7
Senior Management Service Band B	14	4	1	7,1
Senior Management Service Band C	5	2	1	20
Senior Management Service Band D	2	6	0	0
<b>TOTAL</b>	<b>502</b>	<b>57</b>	<b>40</b>	<b>8</b>
<i>Note: Principals and Interns excluded</i>				

**TABLE 3.5.2 - Annual Turnover Rates by Critical Occupation for the period 1 April 2018 and 31 March 2019**

OCCUPATION	Employment at Beginning of Period 1 April 2018	Appointments	Terminations	Turnover Rate
Administrative related	95	15	10	10,5
Cleaners in offices workshops hospitals etc.	35	5	1	2,9
Client inform clerks (switchboard, receptionists, information clerks)	18	0	0	0
Communication and information related	16	3	2	12,5
Finance and economics related	2	0	0	0
Financial and related professionals	23	0	0	0
Financial clerks and credit controllers	8	0	0	0
Food services aids and waiters	29	4	3	10,3
Household food and laundry services related	46	4	6	13
Human resources & organisational development & related professionals	7	0	0	0
Human resources clerks	11	0	1	9,1
Human resources related	12	1	0	0
Information technology related	17	0	4	23,5
Interns	29	29	29	100
Legal related	8	0	0	0
Librarians and related professionals	3	0	0	0
Library mail and related clerks	9	0	1	11,1
Logistical support personnel	27	0	1	3,7
Material-recording and transport clerks	3	0	0	0
Messengers porters and deliverers	4	1	0	0
Motor vehicle drivers	21	2	0	0
Other occupations	3	6	0	0
Secretaries & other keyboard operating clerks	51	3	4	7,8
Senior managers	55	13	7	12,7
<b>TOTAL</b>	<b>532</b>	<b>86</b>	<b>69</b>	<b>13</b>
<i>Note: Principals excluded</i>				

PART D:  
HUMAN RESOURCE MANAGEMENT cont.

TABLE 3.5.3 - Reasons why staff are leaving the department for the period 1 April 2018 and 31 March 2019

TERMINATION TYPE	Number	Percentage of Total Resignations	Percentage of Total Employment	TOTAL	Employment at Beginning of Period 1 April 2018
Death	1	1,4	0,2	69	532
Resignation	18	26,1	3,4	69	532
Expiry of contract	38	55,1	7,1	69	532
Transfers	6	8,7	1,1	69	532
Dismissal-misconduct	2	2,9	0,4	69	532
Retirement	4	5,8	0,8	69	532
<b>TOTAL</b>	<b>69</b>	<b>100,0</b>	<b>13,0</b>	<b>69</b>	<b>532</b>

*Excluding Interns*

TABLE 3.5.4 - Promotions by Critical Occupation for the period 1 April 2018 and 31 March 2019

OCCUPATION	Employment at Beginning of Period 1 April 2018	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	95	0	0	74	77,89
Cleaners in offices workshops hospitals etc.	35	1	2,9	24	68,57
Client inform clerks (switchboard, receptionists, information clerks)	18	0	0	16	88,89
Communication and information related	16	0	0	14	87,50
Finance and economics related	2	0	0	2	100,00
Financial and related professionals	23	0	0	21	91,30
Financial clerks and credit controllers	8	0	0	9	112,50
Food services aids and waiters	29	1	3,4	22	75,86
Household food and laundry services related	46	1	2,2	45	97,83
Human resources & organisational development & related professionals	7	0	0	7	100,00
Human resources clerks	11	0	0	11	100,00
Human resources related	12	0	0	11	91,67
Information technology related	17	0	0	13	76,47
Legal related OSD	8	0	0	4	50,00
Librarians and related professionals	3	0	0	2	66,67
Library mail and related clerks	9	0	0	7	77,78
Logistical support personnel	27	1	3,7	26	96,30
Material-recording and transport clerks	3	0	0	3	100,00
Messengers porters and deliverers	4	0	0	3	75,00
Motor vehicle drivers	21	0	0	19	90,48
Other occupations	1	0	0	0	0,00
Secretaries & other keyboard operating clerks	51	0	0	39	76,47
Senior managers	55	1	1,8	42	76,36
<b>TOTAL</b>	<b>501</b>	<b>5</b>	<b>1,0</b>	<b>414</b>	<b>82,63</b>

*Note: Principals, Special Advisers and Interns excluded*

TABLE 3.5.5 - Promotions by Salary Band for the period 1 April 2018 and 31 March 2019

SALARY BAND	Employment at Beginning of Period 1 April 2018	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	0,0	4	50,00
Lower Skilled (Levels 1-2)	36	1	2,8	18	50,00
Skilled (Levels 3-5)	98	1	1,0	92	93,88
Highly Skilled Production (Levels 6-8)	172	2	1,2	148	86,05
Highly Skilled Supervision (Levels 9-12)	133	0	0,0	110	82,71
Senior Management (Levels 13-16)	54	1	1,9	42	77,78
<b>TOTAL</b>	<b>501</b>	<b>5</b>	<b>1,0</b>	<b>414</b>	<b>82,63</b>

*Note: Principals, Special Advisers and Interns excluded*

PART D:  
HUMAN RESOURCE MANAGEMENT cont.

**TABLE 3.6.1 - Total number of Employees (incl. Employees with disabilities) per Occupational Category (SASCO)**

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
Senior officials and managers (SMS)	27	6	0	33	1	23	2	4	29	3	66
Professionals (Levels 11-12)	31	3	1	35	3	38	3	3	44	5	87
Technicians and associate professionals (Levels 9-10)	15	1	1	17	0	27	0	0	27	2	46
Clerks (Levels 6-8)	57	3	1	61	0	88	9	2	99	5	165
Service shop and market sales workers (Levels 3-5)	37	4	0	41	0	48	7	0	55	0	96
Elementary occupations (Level 2)	15	0	0	15	0	24	6	0	30	0	45
OSD	4	0	0	4	0	4	1	0	5	0	9
Interns	14	0	0	14	0	15	0	0	15	0	29
<b>TOTAL</b>	<b>200</b>	<b>17</b>	<b>3</b>	<b>220</b>	<b>4</b>	<b>267</b>	<b>28</b>	<b>9</b>	<b>304</b>	<b>15</b>	<b>543</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	4	2	0	6	1	9	0	1	10	1	18

**TABLE 3.6.2 - Total number of Employees (incl. Employees with disabilities) per Occupational Bands on 31 March 2019**

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)	7	0	0	3	0	3	0	1	4	0	7
Senior Management (Levels 13-14)	20	6	0	25	1	20	2	3	24	3	53
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	46	4	2	51	3	65	3	3	71	7	131
Skilled technical and academically qualified workers, junior management, supervisors, foremen (Levels 6-8)	57	3	1	61	0	88	9	2	99	5	165
Semi-skilled and discretionary decision making (Levels 3-5)	37	4	0	41	0	48	7	0	55	0	96
Unskilled and defined decision making (Level 2)	15	0	0	15	0	24	6	0	30	0	45
OSD	4	0	0	4	0	4	1	0	5	0	9
Interns	14	0	0	14	0	15	0	0	15	0	29
<b>TOTAL</b>	<b>200</b>	<b>17</b>	<b>3</b>	<b>220</b>	<b>4</b>	<b>267</b>	<b>28</b>	<b>9</b>	<b>304</b>	<b>15</b>	<b>543</b>

Note: Principals excluded

PART D:  
HUMAN RESOURCE MANAGEMENT cont.

TABLE 3.6.3 - Recruitment for the period 1 April 2018 and 31 March 2019

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)	2	0	0	2	1	3	0	1	4	1	8
Senior Management (Levels 13-14)	4	1	0	5	1	2	1	2	5	0	11
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	5	2	0	7	0	10	0	0	10	2	19
Skilled technical and academically qualified workers, junior management, supervisors, foremen (Levels 6-8)	1	0	0	1	0	4	0	0	4	0	5
Semi-skilled and discretionary decision making (Levels 3-5)	3	0	0	3	0	2	1	0	3	0	6
Unskilled and defined decision making (Level 2)	2	0	0	2	0	6	0	0	6	0	8
Interns	14	0	0	14	0	15	0	0	15	0	29
OSD	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>31</b>	<b>3</b>	<b>0</b>	<b>34</b>	<b>2</b>	<b>42</b>	<b>2</b>	<b>3</b>	<b>47</b>	<b>3</b>	<b>86</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	0	0	0	0	0	1	0	0	1	0	1

TABLE 3.6.4 - Promotions for the period 1 April 2018 and 31 March 2019

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	1	1
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, foremen (Levels 6-8)	1	0	0	1	0	1	0	0	1	0	2
Semi-skilled and discretionary decision making (Levels 3-5)	0	0	0	0	0	1	0	0	1	0	1
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
<b>TOTAL</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>1</b>	<b>5</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

PART D:  
HUMAN RESOURCE MANAGEMENT cont.

**TABLE 3.6.5 - Terminations for the period 1 April 2018 to 31 March 2019**

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
Senior Management (Levels 15-16)	1	0	0	1	0	0	0	0	0	0	1
Senior Management (Levels 13-14)	3	0	0	3	0	1	1	0	2	1	6
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	7	1	0	8	0	2	0	1	3	1	12
Skilled technical and academically qualified workers, junior management, supervisors, foremen (Levels 6-8)	2	0	0	2	0	9	2	0	11	0	13
Semi-skilled and discretionary decision making (Levels 3-5)	1	1	0	2	0	4	0	0	4	0	6
Unskilled and defined decision making (Level 2)	0	0	0	0	0	2	0	0	2	0	2
OSD	0	0	0	0	0	0	0	0	0	0	0
Interns	14	0	0	14	0	15	0	0	15	0	29
<b>TOTAL</b>	<b>28</b>	<b>2</b>	<b>0</b>	<b>30</b>	<b>0</b>	<b>33</b>	<b>3</b>	<b>1</b>	<b>37</b>	<b>2</b>	<b>69</b>

**TABLE 3.6.6 - Disciplinary Action for the period 1 April 2018 to 31 March 2019**

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>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>2</b>	<b>6</b>

**TABLE 3.6.7 - Skills Development for the period 1 April 2018 to 31 March 2019**

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)	8	0	0	8	0	7	0	1	8	2	18
Professionals (Levels 11-12)	16	2	0	18	0	23	0	1	22	2	42
Technicians and Associate Professionals (Levels 9-10)	13	1	0	14	0	16	0	0	16	0	30
Clerks (Levels 6-8)	25	0	0	25	0	56	1	0	57	0	82
Service and Sales Workers (Levels 3-5)	32	3	0	35	0	51	2	0	53	0	88
Elementary Occupations (Level 2)	14	0	0	14	0	26	1	0	27	0	41
Employees with disabilities	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>108</b>	<b>6</b>	<b>0</b>	<b>114</b>	<b>0</b>	<b>179</b>	<b>4</b>	<b>2</b>	<b>183</b>	<b>4</b>	<b>301</b>
Employees with disabilities	2	2	0	4	1	6	0	1	7	1	13

Note: Principals, Special Advisers and Interns excluded

PART D:  
HUMAN RESOURCE MANAGEMENT cont.

TABLE 3.7.1 - Signing of Performance Agreements by SMS Members as on 31 May 2018

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	4	5	1	20%
Salary level 14	21	15	13	87%
Salary level 13	41	34	30	88%
<b>TOTAL</b>	<b>68</b>	<b>56</b>	<b>46</b>	<b>82%</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 2018

The members failed to conclude their performance agreement on 31 May 2018 due to the change in Political leadership and the members were not yet correctly placed on 31 May 2019. A condonation request was submitted to MPSA as per the Directive and the MPSA granted deviation. Two (2) were appointed after the 31 May 2018. Submission for non-compliance were approved for all other employees who failed to comply with the due date.

TABLE 3.7.3 - Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 May 2018

EA approved that section 16 (A) (2) be invoked to all SMS members who failed to comply with the directive and the due date of 31 May 2018.

TABLE 3.8.1 - Performance Rewards by Race, Gender and Disability for the period 1 April 2018 to 31 March 2019

DEMOGRAPHICS	Number of Beneficiaries	Total Employment as at 1 April 2018	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	93	239	38,9	2 079	22 352
African, Male	71	195	36,4	1 862	26 228
Asian, Female	2	8	25	34	16 994
Asian, Male	1	3	33,3	22	22 402
Coloured, Female	6	25	24	130	21 674
Coloured, Male	3	14	21,4	117	39 001
Total Blacks, Female	101	272	37,1	2 243	22 205
Total Blacks, Male	75	212	35,4	2 002	26 688
White, Female	10	15	66,7	459	45 909
White, Male	1	2	50	43	42 601
Employees with a disability	7	0	0	217	31 012
<b>TOTAL</b>	<b>187</b>	<b>501</b>	<b>37,3</b>	<b>4 746</b>	<b>25 380</b>

Note: Principals, Special Advisers and Interns excluded

TABLE 3.8.2 - Performance Rewards by Salary Band for Personnel below Senior Management Service for the period 1 April 2018 to 31 March 2019

SALARY BAND	Number of Beneficiaries	Total Employment as at 1 April 2018	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
OSD	7	8	87,5%	169	24 105
Lower Skilled (Levels 1-2)	13	36	36,1%	169	12 980
Skilled (Levels 3-5)	38	98	38,8%	237	6 233
Highly Skilled Production (Levels 6-8)	76	172	44,2%	1 221	16 063
Highly Skilled Supervision (Levels 9-12)	36	133	27,1%	1 776	49 337
<b>TOTAL</b>	<b>170</b>	<b>447</b>	<b>38,0%</b>	<b>3 571</b>	<b>21 008</b>

PART D:  
HUMAN RESOURCE MANAGEMENT cont.

**TABLE 3.8.3 - Performance Rewards by Critical Occupation for the period 1 April 2017 to 31 March 2018**

CRITICAL OCCUPATIONS	Number of Beneficiaries	Total Employment as at 1 April 2018	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Financial clerks and credit controllers	6	8	75	86	14 311
Household food and laundry services related	15	46	32,6	234	15 580
Human resources clerks	6	11	54,5	85	14 097
Messengers porters and deliverers	4	4	100	26	6 551
Human resources & organisational development & related professionals	1	7	14,3	37	37 258
Logistical support personnel	14	27	51,9	322	22 966
Finance and economics related	1	2	50	45	45 491
Other occupations	0	1	0	-	-
Legal related OSD	7	8	87,5	347	49 577
Financial and related professionals	16	23	69,6	451	28 188
Administrative related	22	95	23,2	690	31 364
Communication and information related	5	16	31,3	193	38 662
Secretaries & other keyboard operating clerks	22	51	43,1	271	12 318
Cleaners in offices workshops hospitals etc.	6	35	17,1	45	7 537
Library mail and related clerks	6	9	66,7	64	10 613
Human resources related	7	12	58,3	202	28 857
Material-recording and transport clerks	2	3	66,7	38	19 008
Senior managers	17	55	30,9	1 175	69 118
Client inform clerks (switchboard, receptionists, information clerks)	5	18	27,8	85	16 985
Motor vehicle drivers	6	21	28,6	66	10 977
Food services aids and waiters	13	29	44,8	116	8 890
Information technology related	4	17	23,5	104	25 902
Librarians and related professionals	2	3	66,7	65	32 631
<b>TOTAL</b>	<b>187</b>	<b>501</b>	<b>37,3</b>	<b>4 746</b>	<b>25 380</b>

Note: Principals, Special Advisers and Interns excluded

**TABLE 3.8.4 - Performance Related Rewards (Cash Bonus) by Salary Band for Senior Management Service for the period 1 April 2018 to 31 March 2019**

SMS BAND	Number of Beneficiaries	Total Employment as at 1 April 2018	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)	% of SMS Wage Bill	Personnel Cost SMS (R'000)
Band A	12	34	35,3	648	54 000	1,7	37 933
Band B	2	14	14,3	204	102 000	1	20 286
Band C	2	4	50	188	94 000	1,5	12 685
Band D	1	2	50	135	135 000	0,9	15 157
<b>TOTAL</b>	<b>17</b>	<b>54</b>	<b>31,5</b>	<b>1 175</b>	<b>69 118</b>	<b>1,4</b>	<b>86 060</b>

Note: Principals and Special Advisers excluded

**TABLE 3.9.1 - Foreign Workers by Salary Band for the period 1 April 2018 and 31 March 2019**

SALARY BAND	Employment at Beginning of Period 1 April 2018	Percentage of Total at Beginning of Period	Employment at End of Period	Percentage of Total at End of Period	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	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 for the period 1 April 2018 and 31 March 2019**

MAJOR OCCUPATIONAL CLASS	Employment at Beginning of Period 1 April 2018	Percentage of Total at Beginning of Period	Employment at End of Period	Percentage of Total at End of Period	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	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>

PART D:  
HUMAN RESOURCE MANAGEMENT cont.

TABLE 3.10.1 - Sick Leave for January 2018 to December 2018

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	62	54,8	22	5,9	3	19	376	34
Lower skilled (Levels 1-2)	224	79,5	30	8,0	7	123	376	178
Skilled (Levels 3-5)	476	26,7	74	19,7	6	387	376	127
Highly skilled production (Levels 6-8)	913	69,6	128	34,0	7	1 216	376	635
Highly skilled supervision (Levels 9-12)	636	73,0	87	23,1	7	1 920	376	464
Senior management (Levels 13-16)	260	78,5	35	9,3	7	1 309	376	204
<b>TOTAL</b>	<b>2 571</b>	<b>63,9</b>	<b>376</b>	<b>100,0</b>	<b>7</b>	<b>4 974</b>	<b>376</b>	<b>1 642</b>

TABLE 3.10.2 - Disability Leave (Temporary and Permanent) for January 2018 to December 2018

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	0
Lower skilled (Levels 1-2)	156	2,6	4	100	39	9	156	4
Skilled (Levels 3-5)	77	7,8	6	100	13	64	77	6
Highly skilled production (Levels 6-8)	207	4,3	9	100	23	278	207	9
Highly skilled supervision (Levels 9-12)	297	2,0	6	100	50	936	297	6
Senior management (Levels 13-16)	0	0,0	0	0	0	0	0	0
<b>TOTAL</b>	<b>737</b>	<b>3,4%</b>	<b>25</b>	<b>100</b>	<b>20,83</b>	<b>1 287</b>	<b>737</b>	<b>25</b>

TABLE 3.10.3 - Annual Leave for January 2018 to December 2018

SALARY BAND	Total Days Taken	Average Days per Employee	Number of Employees who took leave
Interns	356	6	55
Lower skilled (Levels 1-2)	918	21	43
Skilled (Levels 3-5)	2 237	22	101
Highly skilled production (Levels 6-8)	4 396	23	188
Highly skilled supervision (Levels 9-12)	3 440	22	153
Senior management (Levels 13-16)	1 255	18	69
<b>TOTAL</b>	<b>12 602</b>	<b>21</b>	<b>609</b>

TABLE 3.10.4 - Capped Leave for January 2018 to December 2018

SALARY BAND	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at end of period	Number of Employees who took Capped leave	Total number of capped leave available at end of period	Number of Employees as at end of period
Interns	0	0	0	0	0	0
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

PART D:  
HUMAN RESOURCE MANAGEMENT cont.

REASON	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Leave payout due to non-utilisation of leave for the 2017 leave cycle	0	0	0
Capped leave payouts on termination of service for 2018/2019	376	4	94 000
Current leave payout on termination of service for 2018/2019	726	42	17 286
<b>TOTAL</b>	<b>1 102</b>	<b>46</b>	<b>23 957</b>

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
N/A	N/A

QUESTION	YES	NO	DETAILS, IF YES
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter I of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Ms Mumsy Maake: Director EHW&GM
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.	Yes		Four (4) employees with a total annual budget of R1 342 000
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.	Yes		There is an approved HIV/AIDS, STI & TB Management Policy
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.	Yes		1. Mumsy Maake, 2.Thifhelimbilu Rambau, 3. Nkele Ntuli, 4. Nosi Molepo, 5. Rabelani Nemalili, 6. Amanda Buwa, 7. Themani Chamane, 8. Moloko Mamabolo, 9. Zakade Folose, 10. Thapelo Tshabalala, 11. Masilo Semono, 12. Caroline Mahlangu, 13. Anna Seemola, 14. Norman Tshishonga, 15. Abram Mothwa, 16. Jan Manaiwa, 17. Maria James Paul, 18. Wendy Buthelezi, 19. Sello Kgafela, 20. Malinge Mrwetyana, 21. Maria Shiko, 22. Welcome Mdovu, 23. Avuyile Songca, 24. Asanda Mbali, 25. Rodney Mankayi, 26. Sifungo Mbalo, 27. Levert Solomons, 28. Marjorie Alexander, 29. Aabied Kriel, 30. Vhuhwavo Gavhi, 31. Tshepo Mahlobogoane
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.	Yes		There is an approved HIV/AIDS, STI & TB Management 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.	Yes		Providing Diversity Management Programme Provide counseling to HIV positive employees through an external Service Provide
7. Does the department encourage its employees to undergo Voluntary Counseling and Testing? If so, list the results that you have achieved.	Yes		A total number of 114 employees (91 females & 33 males) tested for HIV
8. Has the department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.	Yes		The Department conduct an annual assessment to monitor & 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

Total Collective Agreements	None
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	Number	Percentage of Total
Total number of Disciplinary hearings finalised	4	67
Total number of Disciplinary hearings not finalised	2	33
Total number of Misconduct and Disciplinary hearings	6	100

PART D:  
HUMAN RESOURCE MANAGEMENT cont.

TYPE OF MISCONDUCT	Number	Percentage of Total
Insurbordination	2	33
Insolence	1	17
Breach of Security	1	17
Absenteesm	1	17
Dereliction of duties	1	17
Total Number of Misconduct cases	6	100

	Number	Percentage of Total
Number of grievances resolved	12	80
Number of grievances not resolved	3	20
Total number of grievance logged	15	100

	Number	Percentage of Total
Number of disputes pending	2	100
Number of disputes dismissed	0	0
Number of disputes upheld	0	0
Number of disputes unresolved	0	0
Total number of disputes lodged	2	100

	Number
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

	Number
Number of people suspended	0
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	0
Cost (R'000) of suspensions	0

OCCUPATIONAL CATEGORIES	Gender	Employment as at 1 April 2018	Learnships	Skills Programmes & other short courses	Other forms of training	TOTAL
Legislators, senior officials and managers (SMS)	Female	28	0	49	0	49
	Male	28	0	57	0	57
Professionals (Levels 11-12)	Female	51	0	71	0	71
	Male	40	0	55	0	55
Technicians and associate professionals (Levels 9-10)	Female	26	0	45	0	45
	Male	17	0	27	0	27
Clerks (Levels 6-8)	Female	110	0	136	0	136
	Male	63	0	77	0	77
Service and sales workers (Levels 3-5)	Female	57	0	53	0	53
	Male	41	0	36	0	36
OSD	Female	4	0	4	0	4
	Male	4	0	2	0	2
Elementary occupations (Level 2)	Female	23	0	49	0	49
	Male	13	0	18	0	18
Gender sub totals	Female	299	0	407	0	407
	Male	206	0	272	0	272
<b>TOTAL</b>		<b>505</b>		<b>679</b>	<b>0</b>	<b>679</b>

Note: Principals, Special Advisors and Interns excluded

PART D:  
HUMAN RESOURCE MANAGEMENT cont.

**TABLE 3.13.2 - Training Provided for the period 1 April 2018 and 31 March 2019**

OCCUPATIONAL CATEGORIES	Gender	Employment as at 1 March 2019	Learnerships	Skills Programmes & other short courses	Other forms of training	TOTAL
Legislators, senior officials and managers (SMS)	Female	31	0	10	0	10
	Male	29	0	8	0	8
Professionals (Levels 11-12)	Female	49	0	24	0	24
	Male	38	0	18	0	18
Technicians and associate professionals (Levels 9-10)	Female	29	0	16	0	16
	Male	17	0	14	0	14
Clerks (Levels 6-8)	Female	104	0	57	0	57
	Male	62	0	25	0	25
Service and sales workers (Levels 3-5)	Female	55	0	53	0	53
	Male	41	0	35	0	35
OSD	Female	5	0	0	0	0
	Male	4	0	0	0	0
Elementary occupations (Level 2)	Female	26	0	27	0	27
	Male	15	0	14	0	14
Gender sub totals	Female	299	0	187	0	187
	Male	206	0	114	0	114
<b>TOTAL</b>		<b>505</b>	<b>0</b>	<b>301</b>	<b>0</b>	<b>301</b>

*Note: Principals, Special Advisors and Interns excluded*

**TABLE 3.14.1 - Injury on Duty for the period 1 April 2018 to March 2019**

NATURE OF INJURY ON DUTY	Number	% of Total
Required basic medical attention only	8	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
<b>TOTAL</b>	<b>8</b>	<b>100</b>

**TABLE 3.15.1 - Report on consultant appointments using appropriated funds 2018-19**

PROJECT TITLE	Total number of consultant who worked on project	Duration: work days	Contract value in Rand
Internal Audit Co-sourced Partner (NEXIA SAB&T)	8	335	7 122 071
Editing of Annual Report 2017/18	2	14	14 000
Facilitation and Development of The Presidency APP for the 2019/20 financial year - Phase 1, 2, 3	9	59,5	1 451 961
Facilitation and Development of revised Presidency Strategic Framework and Plan (2020-2025 with 2019/20 as baseline year)	3	26,5	216 488
Major Review for the remuneration of Public Office Bearers in the Executive & Legislative Sector	1		4 492 240
<b>TOTAL</b>	<b>23</b>	<b>435</b>	

PART D:  
HUMAN RESOURCE MANAGEMENT cont.

**TABLE 3.15.2 - Analysis of consultants appointed using appropriated funds, in terms of historically disadvantaged individual (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	80	80	4
Internal Audit Co-sourced Partner (NEXIA SAB&T)	63	63	5
Editing of Annual Report 2017/18	100%	100%	2
Facilitation and Development of The Presidency APP for the 2019/20 financial year - Phase I, 2, 3	Exempted Micro Enterprise (EME)		6
Facilitation and Development of revised Presidency Strategic Framework and Plan (2020-2025 with 2019/20 as baseline year)	Exempted Micro Enterprise (EME)		2
Public Office Bearers Commissioners			
Professional affiliation: Bureau Economic Research			
Major Review for the remuneration of POBs in the Executive & Legislative Sector			
Annual assets verification	51%	90%	12
Monthly Support and Maintenance by Tat I-chain 2018/19	51%	90%	2

**TABLE 3.16.1 - Granting of Employee Initiated Severance Packages for the period of 1 April 2018 and 31 March 2019**

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)	0	0	0	0
Skilled (Salary Level 3-5)	0	0	0	0
Highly Skilled Production (Salary Level 6-8)	0	0	0	0
Highly Skilled Production (Salary Level 9-12)	0	0	0	0
Senior Management (Salary Level 13-16)	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## PART E: FINANCIAL INFORMATION

### 1. REPORT OF THE AUDITOR-GENERAL SOUTH AFRICA

#### Opinion

1. I have audited the financial statements of The Presidency set out on pages 94 to 130, which comprise the appropriation statement, the statement of financial position as at 31 March 2019, 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 2019 and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standards (MCS) prescribed by National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

#### Basis for opinion

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

#### Emphasis of matter

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

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

7. With reference to note 17 to the financial statements, there are a number of cases that might give rise to possible obligations for The Presidency but the cases are not yet 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.

#### Restatement of corresponding figures

8. As disclosed in note 29 to the financial statements, the corresponding figures for 31 March 2018 were restated as a result of errors in the financial statements of the department at, and for the year ended, 31 March 2019.

#### Other matter

9. I draw attention to the matter below.

#### Unaudited supplementary schedules

10. The supplementary information set out on pages 131 to 139 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

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

11. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS prescribed by National Treasury and the requirements of the PFMA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
12. In preparing the financial statements, the accounting officer is responsible for assessing The Presidency's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

## PART E: FINANCIAL INFORMATION cont.

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

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

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

#### Introduction and scope

15. 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.
16. 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.
17. 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 2019:

Programmes	Pages in the annual performance report
Programme 1 - Administration	47 - 56
Programme 2 - Executive support	57 - 59

18. 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.
19. I did not raise any material findings on the usefulness and reliability of the reported performance information for these programmes:
- Programme 1 – Administration
  - Programme 2 – Executive support

#### Other matter

20. I draw attention to the matter below.

#### Achievement of planned targets

21. Refer to the annual performance report on pages 47 to 59 for information on the achievement of planned targets for the year and explanations provided for the under and over achievement of a number of targets.

### REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

#### Introduction and scope

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

## PART E: FINANCIAL INFORMATION *cont.*

### Annual Financial Statements

24. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1)(b) of the PFMA. Material misstatements of disclosure items identified by the auditors in the submitted financial statement were corrected, resulting in the financial statements receiving an unqualified opinion.

### Expenditure management

25. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R4 331 000,00 as disclosed in note 23 to the Annual Financial Statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure pertained to a competitive bidding process not being followed, while the remainder pertained to the approval of quotations not being done by the correct delegated officials.
26. Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R610 000,00 as disclosed in note 24 to the Annual Financial Statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the fruitless and wasteful expenditure disclosed in the financial statements was due to inadequate implementation of Cabinet decisions pertaining to e-Cabinet system as payments were made before the system was commissioned for use.

### Procurement and contract management

27. Some of the 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. Some of the goods and services with a transaction value above R500 000 were procured without inviting competitive bids and in some instances the deviations were approved by the accounting officer, but it was practical to invite competitive bids, as required by treasury regulations 16A6.1 and 16A6.4. Similar non-compliance was also reported in the prior year.

29. Sufficient appropriate audit evidence could not be obtained that quotations were awarded to suppliers based on preference points that were allocated and calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act and its regulations.
30. Some of the quotations were awarded to bidders based on functionality criteria that were not stipulated in the original invitation for quotations, as required by the 2017 preferential procurement regulation 5(6) and (7).
31. Quotations were awarded to bidders based on pre-qualification criteria that differed from those stipulated in the original invitation for quotations, in contravention of the 2017 preferential procurement regulation 4(1) and 4(2).

### Consequence management

32. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 38(1)(h)(iii) of the PFMA. This was due to proper and complete records that were not maintained as evidence to support the investigations into irregular expenditure.
33. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred fruitless and wasteful expenditure as required by section 38(1)(h)(iii) of the PFMA. This was due to proper and complete records that were not maintained as evidence to support the investigations into fruitless and wasteful expenditure.

### OTHER INFORMATION

34. The accounting officer is responsible for the other information. The other information comprises the information included in the Annual Report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
35. 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.

## PART E: FINANCIAL INFORMATION *cont.*

36. 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.
37. The other information I obtained prior to the date of this auditor's report is the accounting officer's report. The governance information as well as the human resource management reports are expected to be made available to us after 14 August 2019.
38. If, based on the work I have performed on the other information that I 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.
39. When I do receive and read the governance information as well as the human resource management reports, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.
42. Leadership did not implement effective human resource management to ensure that adequate and sufficiently skilled resources are in place in the supply chain management unit.
43. Leadership was not effective in ensuring that established policies and procedures are effectively implemented and monitored to enable and support the understanding and execution of internal control objectives, processes and responsibilities to improve the supply chain management control environment and to prevent material non-compliance.
44. Although leadership developed action plans to sufficiently address internal control deficiencies identified in prior years, the monitoring and the implementation thereof was ineffective to address internal control deficiencies.
45. The review and monitoring of compliance with applicable laws and regulations within supply chain management were ineffective resulting in irregular expenditure.
46. Management did not prepare regular, accurate and complete financial reports that are supported and evidenced by reliable information to ensure that financial statements submitted for audit was accurate and complete.

### INTERNAL CONTROL DEFICIENCIES

40. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
41. Leadership did not exercise effective oversight with regards to financial reporting and compliance as well as related internal controls as material non-compliance pertaining to supply chain management were reported, and it was not ensured that the lack of consequence management was addressed. Material adjustments also had to be made to the submitted financial statements.

*Auditor - General*

Pretoria

15 August 2019



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

PART E:  
**FINANCIAL INFORMATION cont.**

**2. ANNEXURE:  
AUDITOR-GENERAL SOUTH AFRICA'S  
RESPONSIBILITY FOR THE AUDIT**

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

**Financial statements**

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

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

**Communication with those charged with governance**

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



Deputy President David Mabuza embarks on a guided tour of different training workstations showcasing innovation, partnerships, entrepreneurship and transfer of skills to learners at the Orbit TVET College.



President Cyril Ramaphosa on a clean up campaign at the Highway Taxi rank in Mdantsane, Eastern Cape ahead of the official launch of the national Good Green Deeds programme at the Sisa Dukashe Stadium.

PART E: FINANCIAL INFORMATION  
ANNUAL FINANCIAL STATEMENTS

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PART E: FINANCIAL INFORMATION  
**ANNUAL FINANCIAL STATEMENTS**  
APPROPRIATION STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2019

APPROPRIATION PER PROGRAMME									
	2018/19						2017/18		
	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>Programme</b>									
1. Administration	457 144	-	3 657	460 801	439 249	21 552	95.3%	454 324	440 124
2. Executive Support	48 436	-	(3 657)	44 779	20 056	24 723	44.8%	46 845	41 401
Subtotal	505 580	-	-	505 580	459 305	46 275	90.8%	501 169	481 525
Statutory Appropriation	6 742	-	-	6 742	5 681	1 061	84.3%	6 373	5 712
President and Deputy President salary	6 742	-	-	6 742	5 681	1 061	84.3%	6 373	5 712
<b>TOTAL</b>	<b>512 322</b>	<b>-</b>	<b>-</b>	<b>512 322</b>	<b>464 986</b>	<b>47 337</b>	<b>90.8%</b>	<b>507 542</b>	<b>487 237</b>

TOTAL (brought forward)

Reconciliation with statement of financial performance

ADD

Departmental receipts

NRF Receipts

Actual amounts per statement of financial performance (total revenue)

Actual amounts per statement of financial performance (total expenditure)

	2018/19		2017/18	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)	512 322	464 986	507 542	487 237
Departmental receipts	1 374		898	
Actual amounts per statement of financial performance (total revenue)	<u>513 696</u>		<u>508 440</u>	
Actual amounts per statement of financial performance (total expenditure)		<u>464 986</u>		<u>487 237</u>

PART E: FINANCIAL INFORMATION  
**ANNUAL FINANCIAL STATEMENTS**  
APPROPRIATION STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2019

APPROPRIATION PER ECONOMIC CLASSIFICATION									
	2018/19						2017/18		
	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>498 547</b>	<b>(1 232)</b>	<b>(2 746)</b>	<b>494 569</b>	<b>447 233</b>	<b>47 337</b>	<b>90.4%</b>	<b>481 481</b>	<b>462 755</b>
Compensation of employees	327 385	-	-	327 385	301 823	25 563	92.2%	318 234	309 162
Salaries and wages	289 906	2 757	-	292 663	268 366	24 297	91.7%	284 653	275 814
Social contributions	37 479	(2 757)	-	34 722	33 457	1 266	96.4%	33 581	33 348
Goods and services	171 162	(1 232)	(2 746)	167 184	145 410	21 774	87.0%	163 247	153 593
Administrative fees	2 172	(152)	-	2 020	2 020	-	100.0%	3 275	3 275
Advertising	646	(37)	-	609	609	-	100.0%	532	422
Minor assets	1 854	(856)	-	998	998	-	100.0%	886	561
Audit costs: External	5 368	408	-	5 776	5 776	-	100.0%	5 606	5 606
Bursaries: Employees	1 203	501	-	1 704	1 704	-	100.0%	1 302	1 302
Catering: Departmental activities	3 242	2 061	-	5 303	5 303	-	100.0%	3 492	3 043
Communication	13 677	(9 106)	-	4 571	4 571	-	100.0%	8 609	7 435
Computer services	40 130	2 510	(2 154)	40 486	18 712	21 774	46.2%	33 674	33 033
Consultants: Business and advisory services	4 113	1 633	-	5 746	5 746	-	100.0%	2 775	2 648
Legal services	7 055	5 425	-	12 480	12 480	-	100.0%	18 914	18 914
Contractors	5 718	(416)	-	5 302	5 302	-	100.0%	3 356	3 171
Agency and support/outsourced services	5 179	(607)	-	4 572	4 572	-	100.0%	5 618	5 618
Entertainment	115	(115)	-	-	-	-	-	30	-
Fleet services	1 822	429	-	2 251	2 251	-	100.0%	2 733	2 721
Consumable supplies	4 883	(2 432)	-	2 451	2 451	-	100.0%	3 084	2 961
Consumable: Stationery, printing and office supplies	5 027	(2 885)	-	2 142	2 142	-	100.0%	4 320	3 925
Operating leases	2 511	4 166	-	6 677	6 677	-	100.0%	5 167	5 111
Property payments	214	(214)	-	-	-	-	-	389	389
Travel and subsistence	59 050	479	(592)	58 937	58 937	-	100.0%	54 893	49 796
Training and development	3 371	(871)	-	2 500	2 500	-	100.0%	1 036	1 036
Operating payments	2 442	(740)	-	1 702	1 702	-	100.0%	2 532	2 147
Venues and facilities	1 094	(219)	-	875	875	-	100.0%	778	336
Rental and hiring	276	(194)	-	82	82	-	100.0%	246	143
<b>Transfers and subsidies</b>	<b>1 588</b>	<b>-</b>	<b>126</b>	<b>1 714</b>	<b>1 714</b>	<b>-</b>	<b>100.0%</b>	<b>6 191</b>	<b>6 157</b>
Provinces and municipalities	-	-	6	6	6	-	100.0%	10	10
Municipalities	-	-	6	6	6	-	100.0%	10	10
Municipal bank accounts	-	-	6	6	6	-	100.0%	10	10
Departmental agencies and accounts	38	(38)	-	-	-	-	-	-	-
Departmental agencies and accounts	38	(38)	-	-	-	-	-	-	-
Households	1 550	38	120	1 708	1 708	-	100.0%	6 181	6 147
Social benefits	1 519	29	120	1 668	1 668	-	100.0%	6 141	6 107
Other transfers to households	31	9	-	40	40	-	100.0%	40	40
<b>Payments for capital assets</b>	<b>12 187</b>	<b>1 228</b>	<b>2 048</b>	<b>15 463</b>	<b>15 463</b>	<b>-</b>	<b>100.0%</b>	<b>18 698</b>	<b>17 153</b>
Machinery and equipment	12 187	963	2 048	15 198	15 198	-	100.0%	18 554	17 009
Transport equipment	1 254	(513)	-	741	741	-	100.0%	-	-
Other machinery and equipment	10 933	1 476	2 048	14 457	14 457	-	100.0%	18 554	17 009
Intangible assets	-	265	-	265	265	-	100.0%	144	144
<b>Payments for financial assets</b>	<b>-</b>	<b>4</b>	<b>572</b>	<b>576</b>	<b>576</b>	<b>-</b>	<b>100.0%</b>	<b>1 172</b>	<b>1 172</b>
<b>TOTAL</b>	<b>512 322</b>	<b>-</b>	<b>-</b>	<b>512 322</b>	<b>464 986</b>	<b>47 337</b>	<b>90.8%</b>	<b>507 542</b>	<b>487 237</b>

PART E: FINANCIAL INFORMATION  
**ANNUAL FINANCIAL STATEMENTS**  
APPROPRIATION STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2019

STATUTORY APPROPRIATION PER ECONOMIC CLASSIFICATION									
	2018/19						2017/18		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>6 742</b>	-	-	<b>6 742</b>	<b>5 681</b>	<b>1 061</b>	<b>84.3%</b>	<b>6 373</b>	<b>5 712</b>
Compensation of employees	6 742	-	-	6 742	5 681	1 061	84.3%	6 373	5 712
<b>TOTAL</b>	<b>6 742</b>	-	-	<b>6 742</b>	<b>5 681</b>	<b>1 061</b>	<b>84.3%</b>	<b>6 373</b>	<b>5 712</b>

PART E: FINANCIAL INFORMATION  
**ANNUAL FINANCIAL STATEMENTS**  
APPROPRIATION STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2019

PROGRAMME I: ADMINISTRATION	2018/19						2017/18			
	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	336 657	2 667	3 419	342 743	329 326	13 417	96.1%	342 055	336 581	
2. Support services to President	65 616	552	177	66 345	66 342	3	100.0%	59 535	57 068	
3. Support services to Deputy President	54 871	(3 219)	61	51 713	43 581	8 132	84.3%	52 734	46 475	
<b>Total for sub programmes</b>	<b>457 144</b>	<b>-</b>	<b>3 657</b>	<b>460 801</b>	<b>439 249</b>	<b>21 552</b>	<b>95.3%</b>	<b>454 324</b>	<b>440 124</b>	
<b>Economic classification</b>										
<b>Current payments</b>	<b>444 524</b>	<b>(1 228)</b>	<b>-</b>	<b>443 296</b>	<b>421 744</b>	<b>21 552</b>	<b>95.1%</b>	<b>430 988</b>	<b>417 353</b>	
Compensation of employees	303 411	-	-	303 411	281 859	21 552	92.9%	295 718	290 136	
Salaries and wages	268 006	2 757	-	270 763	250 267	20 496	92.4%	264 101	258 627	
Social contributions	35 405	(2 757)	-	32 648	31 592	1 056	96.8%	31 617	31 509	
Goods and services	141 113	(1 228)	-	139 885	139 885	-	100.0%	135 270	127 217	
Administrative fees	2 172	(240)	-	1 932	1 932	-	100.0%	3 167	3 167	
Advertising	646	(37)	-	609	609	-	100.0%	532	422	
Minor assets	1 844	(848)	-	996	996	-	100.0%	879	554	
Audit costs: External	5 368	408	-	5 776	5 776	-	100.0%	5 606	5 606	
Bursaries: Employees	1 203	501	-	1 704	1 704	-	100.0%	1 302	1 302	
Catering: Departmental activities	1 817	1 442	-	3 259	3 259	-	100.0%	1 519	1 070	
Communication	13 548	(8 994)	-	4 554	4 554	-	100.0%	8 484	7 410	
Computer services	16 173	2 514	-	18 687	18 687	-	100.0%	10 944	10 944	
Consultants: Business and advisory services	4 113	1 633	-	5 746	5 746	-	100.0%	2 775	2 648	
Legal services	7 055	5 425	-	12 480	12 480	-	100.0%	18 914	18 914	
Contractors	5 659	(374)	-	5 285	5 285	-	100.0%	3 343	3 169	
Agency and support/outsourced services	5 179	(607)	-	4 572	4 572	-	100.0%	5 618	5 618	
Entertainment	109	(109)	-	-	-	-	-	30	-	
Fleet services	1 822	415	-	2 237	2 237	-	100.0%	2 700	2 688	
Consumable supplies	4 855	(2 430)	-	2 425	2 425	-	100.0%	3 057	2 954	
Consumable: Stationery, printing and office supplies	4 872	(2 830)	-	2 042	2 042	-	100.0%	4 283	3 914	
Operating leases	2 509	3 321	-	5 830	5 830	-	100.0%	4 899	4 843	
Property payments	214	(214)	-	-	-	-	-	389	389	
Travel and subsistence	55 892	1 167	-	57 059	57 059	-	100.0%	52 886	48 271	
Training and development	3 371	(871)	-	2 500	2 500	-	100.0%	1 036	1 036	
Operating payments	1 848	(450)	-	1 398	1 398	-	100.0%	2 108	1 879	
Venues and facilities	633	124	-	757	757	-	100.0%	616	336	
Rental and hiring	211	(174)	-	37	37	-	100.0%	183	83	
<b>Transfers and subsidies</b>	<b>1 588</b>	<b>-</b>	<b>126</b>	<b>1 714</b>	<b>1 714</b>	<b>-</b>	<b>100.0%</b>	<b>4 865</b>	<b>4 831</b>	
Provinces and municipalities	-	-	6	6	6	-	100.0%	10	10	
Municipalities	-	-	6	6	6	-	100.0%	10	10	
Municipal bank accounts	-	-	6	6	6	-	100.0%	10	10	
Departmental agencies and accounts	38	(38)	-	-	-	-	-	-	-	
Departmental agencies	38	(38)	-	-	-	-	-	-	-	
Households	1 550	38	120	1 708	1 708	-	100.0%	4 855	4 821	
Social benefits	1 519	29	120	1 668	1 668	-	100.0%	4 815	4 781	
Other transfers to households	31	9	-	40	40	-	100.0%	40	40	
<b>Payments for capital assets</b>	<b>11 032</b>	<b>1 228</b>	<b>2 959</b>	<b>15 219</b>	<b>15 219</b>	<b>-</b>	<b>100.0%</b>	<b>17 581</b>	<b>17 050</b>	
Machinery and equipment	11 032	963	2 959	14 954	14 954	-	100.0%	17 437	16 906	
Transport equipment	1 254	(513)	-	741	741	-	100.0%	-	-	
Other machinery and equipment	9 778	1 476	2 959	14 213	14 213	-	100.0%	17 437	16 906	
Intangible assets	-	265	-	265	265	-	100.0%	144	144	
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>572</b>	<b>572</b>	<b>572</b>	<b>-</b>	<b>100.0%</b>	<b>890</b>	<b>890</b>	
<b>TOTAL</b>	<b>457 144</b>	<b>-</b>	<b>3 657</b>	<b>460 801</b>	<b>439 249</b>	<b>21 552</b>	<b>95.3%</b>	<b>454 324</b>	<b>440 124</b>	

PART E: FINANCIAL INFORMATION  
**ANNUAL FINANCIAL STATEMENTS**  
APPROPRIATION STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2019

I.1 MANAGEMENT									
	2018/19						2017/18		
	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>326 082</b>	<b>1 994</b>	<b>-</b>	<b>328 076</b>	<b>314 659</b>	<b>13 417</b>	<b>95.9%</b>	<b>321 582</b>	<b>316 108</b>
Compensation of employees	224 280	-	-	224 280	210 863	13 417	94.0%	219 469	213 995
Goods and services	101 802	1 994	-	103 796	103 796	-	100.0%	102 113	102 113
<b>Transfers and subsidies</b>	<b>881</b>	<b>23</b>	<b>126</b>	<b>1 030</b>	<b>1 030</b>	<b>-</b>	<b>100.0%</b>	<b>3 480</b>	<b>3 480</b>
Provinces and municipalities	-	-	6	6	6	-	100.0%	10	10
Departmental agencies and accounts	38	(38)	-	-	-	-	-	-	-
Households	843	61	120	1 024	1 024	-	100.0%	3 470	3 470
<b>Payments for capital assets</b>	<b>9 694</b>	<b>650</b>	<b>2 938</b>	<b>13 282</b>	<b>13 282</b>	<b>-</b>	<b>100.0%</b>	<b>16 210</b>	<b>16 210</b>
Machinery and equipment	9 694	385	2 938	13 017	13 017	-	100.0%	16 066	16 066
Intangible assets	-	265	-	265	265	-	100.0%	144	144
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>355</b>	<b>355</b>	<b>355</b>	<b>-</b>	<b>100.0%</b>	<b>783</b>	<b>783</b>
<b>TOTAL</b>	<b>336 657</b>	<b>2 667</b>	<b>3 419</b>	<b>342 743</b>	<b>329 326</b>	<b>13 417</b>	<b>96.1%</b>	<b>342 055</b>	<b>336 581</b>

I.2 SUPPORT SERVICE TO PRESIDENT									
	2018/19						2017/18		
	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>64 318</b>	<b>96</b>	<b>-</b>	<b>64 414</b>	<b>64 411</b>	<b>3</b>	<b>100.0%</b>	<b>58 649</b>	<b>56 182</b>
Compensation of employees	40 979	1 190	-	42 169	42 166	3	100.0%	40 112	40 112
Goods and services	23 339	(1 094)	-	22 245	22 245	-	100.0%	18 537	16 070
<b>Transfers and subsidies</b>	<b>609</b>	<b>7</b>	<b>-</b>	<b>616</b>	<b>616</b>	<b>-</b>	<b>100.0%</b>	<b>256</b>	<b>256</b>
Households	609	7	-	616	616	-	100.0%	256	256
<b>Payments for capital assets</b>	<b>689</b>	<b>449</b>	<b>-</b>	<b>1 138</b>	<b>1 138</b>	<b>-</b>	<b>100.0%</b>	<b>537</b>	<b>537</b>
Machinery and equipment	689	449	-	1 138	1 138	-	100.0%	537	537
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>177</b>	<b>177</b>	<b>177</b>	<b>-</b>	<b>100.0%</b>	<b>93</b>	<b>93</b>
<b>TOTAL</b>	<b>65 616</b>	<b>552</b>	<b>177</b>	<b>66 345</b>	<b>66 342</b>	<b>3</b>	<b>100.0%</b>	<b>59 535</b>	<b>57 068</b>

I.3 SUPPORT SERVICE TO DEPUTY PRESIDENT									
	2018/19						2017/18		
	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>54 124</b>	<b>(3 318)</b>	<b>-</b>	<b>50 806</b>	<b>42 674</b>	<b>8 132</b>	<b>84.0%</b>	<b>50 757</b>	<b>45 063</b>
Compensation of employees	38 152	(1 190)	-	36 962	28 830	8 132	78.0%	36 137	36 029
Goods and services	15 972	(2 128)	-	13 844	13 844	-	100.0%	14 620	9 034
<b>Transfers and subsidies</b>	<b>98</b>	<b>(30)</b>	<b>-</b>	<b>68</b>	<b>68</b>	<b>-</b>	<b>100.0%</b>	<b>1 129</b>	<b>1 095</b>
Households	98	(30)	-	68	68	-	100.0%	1 129	1 095
<b>Payments for capital assets</b>	<b>649</b>	<b>129</b>	<b>21</b>	<b>799</b>	<b>799</b>	<b>-</b>	<b>100.0%</b>	<b>834</b>	<b>303</b>
Machinery and equipment	649	129	21	799	799	-	100.0%	834	303
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>-</b>	<b>100.0%</b>	<b>14</b>	<b>14</b>
<b>TOTAL</b>	<b>54 871</b>	<b>(3 219)</b>	<b>61</b>	<b>51 713</b>	<b>43 581</b>	<b>8 132</b>	<b>84.3%</b>	<b>52 734</b>	<b>46 475</b>

PART E: FINANCIAL INFORMATION  
**ANNUAL FINANCIAL STATEMENTS**  
APPROPRIATION STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2019

PROGRAMME 2: EXECUTIVE SUPPORT									
	2018/19						2017/18		
	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	48 436	-	(3 657)	44 779	20 056	24 723	44.8%	46 845	41 401
<b>Total for sub programmes</b>	<b>48 436</b>	<b>-</b>	<b>(3 657)</b>	<b>44 779</b>	<b>20 056</b>	<b>24 723</b>	<b>44.8%</b>	<b>46 845</b>	<b>41 401</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>47 281</b>	<b>(4)</b>	<b>(2 746)</b>	<b>44 531</b>	<b>19 808</b>	<b>24 723</b>	<b>44.5%</b>	44 120	39 690
Compensation of employees	17 232	-	-	17 232	14 283	2 949	82.9%	16 143	13 314
Salaries and wages	15 158	-	-	15 158	12 768	2 390	84.2%	14 179	11 890
Social contributions	2 074	-	-	2 074	1 515	559	73.0%	1 964	1 424
Goods and services	30 049	(4)	(2 746)	27 299	5 525	21 774	20.2%	27 977	26 376
Administrative fees	-	88	-	88	88	-	100.0%	108	108
Minor assets	10	(8)	-	2	2	-	100.0%	7	7
Catering: Departmental activities	1 425	619	-	2 044	2 044	-	100.0%	1 973	1 973
Communication	129	(112)	-	17	17	-	100.0%	125	25
Computer services	23 957	(4)	(2 154)	21 799	25	21 774	0.1%	22 730	22 089
Contractors	59	(42)	-	17	17	-	100.0%	13	2
Entertainment	6	(6)	-	-	-	-	-	-	-
Fleet services	-	14	-	14	14	-	100.0%	33	33
Consumable supplies	28	(2)	-	26	26	-	100.0%	27	7
Consumable: Stationery, printing and office supplies	155	(55)	-	100	100	-	100.0%	37	11
Operating leases	2	845	-	847	847	-	100.0%	268	268
Travel and subsistence	3 158	(688)	(592)	1 878	1 878	-	100.0%	2 007	1 525
Operating payments	594	(290)	-	304	304	-	100.0%	424	268
Venues and facilities	461	(343)	-	118	118	-	100.0%	162	-
Rental and hiring	65	(20)	-	45	45	-	100.0%	63	60
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	1 326	1 326
Households	-	-	-	-	-	-	-	1 326	1 326
Social benefits	-	-	-	-	-	-	-	1 326	1 326
<b>Payments for capital assets</b>	<b>1 155</b>	<b>-</b>	<b>(911)</b>	<b>244</b>	<b>244</b>	<b>-</b>	<b>100.0%</b>	1 117	103
Machinery and equipment	1 155	-	(911)	244	244	-	100.0%	1 117	103
Other machinery and equipment	1 155	-	(911)	244	244	-	100.0%	1 117	103
<b>Payments for financial assets</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>4</b>	<b>4</b>	<b>-</b>	<b>100.0%</b>	<b>282</b>	<b>282</b>
<b>TOTAL</b>	<b>48 436</b>	<b>-</b>	<b>(3 657)</b>	<b>44 779</b>	<b>20 056</b>	<b>24 723</b>	<b>44.8%</b>	<b>46 845</b>	<b>41 401</b>

2.1 CABINET SERVICES									
	2018/19						2017/18		
	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>47 281</b>	<b>(4)</b>	<b>(2 746)</b>	<b>44 531</b>	<b>19 808</b>	<b>24 723</b>	<b>44.5%</b>	44 120	39 690
Compensation of employees	17 232	-	-	17 232	14 283	2 949	82.9%	16 143	13 314
Goods and services	30 049	(4)	(2 746)	27 299	5 525	21 774	20.2%	27 977	26 376
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	1 326	1 326
Households	-	-	-	-	-	-	-	1 326	1 326
<b>Payments for capital assets</b>	<b>1 155</b>	<b>-</b>	<b>(911)</b>	<b>244</b>	<b>244</b>	<b>-</b>	<b>100.0%</b>	1 117	103
Machinery and equipment	1 155	-	(911)	244	244	-	100.0%	1 117	103
<b>Payments for financial assets</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>4</b>	<b>4</b>	<b>-</b>	<b>100.0%</b>	<b>282</b>	<b>282</b>
<b>TOTAL</b>	<b>48 436</b>	<b>-</b>	<b>(3 657)</b>	<b>44 779</b>	<b>20 056</b>	<b>24 723</b>	<b>44.8%</b>	<b>46 845</b>	<b>41 401</b>

PART E: FINANCIAL INFORMATION  
**ANNUAL FINANCIAL STATEMENTS**  
NOTES TO THE APPROPRIATION STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2019

**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 (A-H) to the Annual Financial Statements.

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

Detail of these transactions can be viewed in note 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
	R'000	R'000	R'000	Final Appropriation
Administration	460 801	439 249	21 552	4.7%
Executive Support	44 779	20 056	24 723	55.2%
Statutory Appropriation	6 742	5 681	1 061	15.7%

*Under-spending in Programme 1 was mainly in compensation of employees due to vacant posts, posts vacated and filled in the middle of the year, and secondments out of the department for which The Presidency claims back expenditure incurred from affected departments. Some of the key vacant posts were deliberately not filled due to the anticipated reconfiguration of government.*

*Under-spending in Programme 2 was mainly due to a post that was vacant during the year and the secondment out of the department for which The Presidency claims back from the affected department which resulted in savings under compensation of employees. Some of the key vacant posts were deliberately not filled due to the anticipated reconfiguration of government.*

*In goods and services, the under-spending was due to halting of payments relating to e-Cabinet system emanating from the 2017/18 audit which necessitated that the department implements corrective measures before continuing to process payments.*

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of
	R'000	R'000	R'000	Final Appropriation
<b>Current payments</b>	<b>494 569</b>	<b>447 233</b>	<b>47 337</b>	<b>9.6%</b>
Compensation of employees	327 385	301 823	25 563	7.8%
Goods and services	167 184	145 410	21 774	13.0%
<b>Transfers and subsidies</b>	<b>1 714</b>	<b>1 714</b>	<b>-</b>	<b>0.0%</b>
Provinces and municipalities	6	6	-	0.0%
Households	1 708	1 708	-	0.0%
<b>Payments for capital assets</b>	<b>15 463</b>	<b>15 463</b>	<b>-</b>	<b>0.0%</b>
Machinery and equipment	15 198	15 198	-	0.0%
Intangible assets	265	265	-	0.0%
<b>Payments for financial assets</b>	<b>576</b>	<b>576</b>	<b>-</b>	<b>0.0%</b>

*Under-spending in Programme 1 was mainly in compensation of employees due to vacant posts, posts vacated and filled in the middle of the year, and secondments out of the department for which The Presidency claims back expenditure incurred from affected departments.*

*Under-spending in Programme 2 was mainly due to a post that was vacant during the year and the secondment out of the department for which The Presidency claims back from the affected department which resulted in savings under compensation of employees. Some of the key vacant posts were deliberately not filled due to the anticipated reconfiguration of government.*

*In goods and services, the under-spending was due to halting of payments relating to e-Cabinet system emanating from the 2017/18 audit which necessitated that the department implements corrective measures before continuing to process payments.*

PART E: FINANCIAL INFORMATION  
**ANNUAL FINANCIAL STATEMENTS**  
STATEMENT ON FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31 MARCH 2019

PERFORMANCE			
	Note	2018/19	2017/18
		R'000	R'000
<b>REVENUE</b>			
Annual appropriation	1	505 580	501 169
Statutory appropriation	2	6 742	6 373
Departmental revenue	3	1 374	898
<b>TOTAL REVENUE</b>		<b>513 696</b>	<b>508 440</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	4	301 823	309 162
Goods and services	5	145 409	153 593
<b>Total current expenditure</b>		<b>447 232</b>	<b>462 755</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	7	1 714	6 157
<b>Total transfers and subsidies</b>		<b>1 714</b>	<b>6 157</b>
<b>Expenditure for capital assets</b>			
Tangible assets	8	15 199	17 010
Intangible assets	8	265	144
<b>Total expenditure for capital assets</b>		<b>15 464</b>	<b>17 154</b>
Payments for financial assets	6	576	1 171
<b>TOTAL EXPENDITURE</b>		<b>464 986</b>	<b>487 237</b>
<b>SURPLUS FOR THE YEAR</b>		<b>48 710</b>	<b>21 203</b>
<b>Reconciliation of Net Surplus for the year</b>			
Voted funds		47 336	20 305
Annual appropriation		47 336	20 305
Departmental revenue and NRF Receipts		1 374	898
<b>SURPLUS FOR THE YEAR</b>		<b>48 710</b>	<b>21 203</b>

PART E: FINANCIAL INFORMATION  
**ANNUAL FINANCIAL STATEMENTS**  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2019

<b>POSITION</b>			
	<i>Note</i>	2018/19	2017/18
		R'000	R'000
<b>ASSETS</b>			
<b>Current assets</b>		<b>78 252</b>	<b>21 523</b>
Cash and cash equivalents	<i>9</i>	45 596	13 268
Prepayments and advances	<i>10</i>	333	5 709
Receivables	<i>11</i>	32 323	2 546
<b>Non-current assets</b>		<b>289</b>	<b>246</b>
Receivables	<i>11</i>	289	246
<b>TOTAL ASSETS</b>		<b>78 541</b>	<b>21 769</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>47 558</b>	<b>20 798</b>
Voted funds to be surrendered to the Revenue Fund	<i>12</i>	47 336	20 305
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<i>13</i>	32	265
Payables	<i>14</i>	190	228
<b>TOTAL LIABILITIES</b>		<b>47 558</b>	<b>20 798</b>
<b>NET ASSETS</b>		<b>30 983</b>	<b>971</b>
<b>Represented by:</b>			
Recoverable revenue		30 983	971
<b>TOTAL</b>		<b>30 983</b>	<b>971</b>

PART E: FINANCIAL INFORMATION  
**ANNUAL FINANCIAL STATEMENTS**  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED 31 MARCH 2019

NET ASSETS			
	Note	2018/19	2017/18
		R'000	R'000
<b>Recoverable revenue</b>			
Opening balance		971	442
Transfers:		30 012	529
Debts raised		30 012	529
Closing balance		<u>30 983</u>	<u>971</u>
<b>TOTAL</b>		<u><u>30 983</u></u>	<u><u>971</u></u>

PART E: FINANCIAL INFORMATION  
**ANNUAL FINANCIAL STATEMENTS**  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2019

CASH FLOW			
	Note	2018/19	2017/18
		R'000	R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		<b>513 696</b>	<b>508 440</b>
Annual appropriated funds received	<u>1.1</u>	505 580	501 169
Statutory appropriated funds received	<u>2</u>	6 742	6 373
Departmental revenue received	<u>3</u>	1 344	870
Interest received		30	28
Net (increase)/decrease in working capital		(24 482)	(3 926)
Surrendered to Revenue Fund		(21 912)	(15 554)
Current payments		(447 232)	(462 755)
Payments for financial assets		(576)	(1 171)
Transfers and subsidies paid		(1 714)	(6 157)
<b>Net cash flow available from operating activities</b>	<u>15</u>	<b>17 780</b>	<b>18 877</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	<u>8</u>	(15 464)	(17 154)
<b>Net cash flows from investing activities</b>		<b>(15 464)</b>	<b>(17 154)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		30 012	529
Increase/(decrease) in non-current payables		-	-
<b>Net cash flows from financing activities</b>		<b>30 012</b>	<b>529</b>
Net increase/(decrease) in cash and cash equivalents		32 328	2 252
Cash and cash equivalents at beginning of period		13 268	11 016
<b>Cash and cash equivalents at end of period</b>	<u>9</u>	<b>45 596</b>	<b>13 268</b>

PART E: FINANCIAL INFORMATION  
**ANNUAL FINANCIAL STATEMENTS**  
ACCOUNTING POLICIES  
FOR THE YEAR ENDED 31 MARCH 2019

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**Summary of significant accounting policies**

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

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

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

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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 also 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 at 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.

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**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 comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).

Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.

The net amount of any appropriated funds due to/from the relevant revenue fund at the reporting date is recognised as a payable/receivable in the statement of financial position.

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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 / 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 Accruals and payables not recognised**

Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.

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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.
- 

**9 Aid Assistance**

**9.1 Aid assistance received**

Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.

Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.

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**9.2 Aid assistance paid**

Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.

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**10 Cash and cash equivalents**

Cash and cash equivalents are stated at cost in the statement of financial position.

Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

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**11 Prepayments and advances**

Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.

Prepayments and advances are initially and subsequently measured at cost.

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**12 Loans and receivables**

Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.

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**13 Investments**

Investments are recognised in the statement of financial position at cost.

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**14 Financial assets**

**14.1 Financial assets (not covered elsewhere)**

A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

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**14.2 Impairment of financial assets**

Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.

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**15 Payables**

Payables recognised in the statement of financial position are recognised at cost.

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**16 Capital Assets**

**16.1 Movable capital assets**

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

Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

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

Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

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**16.2 Intangible assets**

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

Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.

Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

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

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

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**16.3 Project Costs: Work-in-progress**

Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.

Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.

Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.

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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 at 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, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

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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, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.

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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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**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 therefor are provided in the note.

Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

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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 Principal-Agent arrangements**

The department does not have any principal-agent arrangement.

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**24 Departures from the MCS requirements**

Management has concluded that the financial statements present fairly the department's primary and secondary information and that the department complied with the Standard.

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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 having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.

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**27 Employee benefits**

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

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**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:

	2018/19			2017/18	
	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	460 801	460 801	-	454 324	454 324
Executive Support	44 779	44 779	-	46 845	46 845
<b>TOTAL</b>	<b>505 580</b>	<b>505 580</b>	<b>-</b>	<b>501 169</b>	<b>501 169</b>

**2. STATUTORY APPROPRIATION**

	2018/19	2017/18
	R'000	R'000
President and Deputy President salaries	6 742	6 373
<b>TOTAL</b>	<b>6 742</b>	<b>6 373</b>
Actual Statutory Appropriation received	6 742	6 373

**3. DEPARTMENTAL REVENUE**

	Note	2018/19	2017/18
		R'000	R'000
Sales of goods and services other than capital assets	3.1	288	301
Interest, dividends and rent on land	3.2	30	28
Transactions in financial assets and liabilities	3.3	403	569
Transfer received	3.4	653	-
Total revenue collected		1 374	898
<b>Departmental revenue collected</b>		<b>1 374</b>	<b>898</b>

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

	Note	2018/19	2017/18
		R'000	R'000
Sales of goods and services produced by the department	3	288	301
Sales by market establishment		114	135
Other sales		174	166
<b>TOTAL</b>		<b>288</b>	<b>301</b>

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

	Note	2018/19	2017/18
		R'000	R'000
Interest		30	28
<b>TOTAL</b>		<b>30</b>	<b>28</b>

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**3.3 Transactions in financial assets and liabilities**

	Note	2018/19	2017/18
	3	R'000	R'000
Other Receipts including Recoverable Revenue		403	569
<b>TOTAL</b>		<b>403</b>	<b>569</b>

**3.4 Transfers received**

	Note	2018/19	2017/18
	3	R'000	R'000
Public corporations and private enterprises		653	-
<b>TOTAL</b>		<b>653</b>	<b>-</b>

**4. COMPENSATION OF EMPLOYEES**

**4.1 Salaries and Wages**

	Note	2018/19	2017/18
		R'000	R'000
Basic salary		196 157	197 923
Performance award		4 746	4 786
Service Based		506	384
Compensative/circumstantial		17 318	21 537
Other non-pensionable allowances		49 638	51 185
<b>TOTAL</b>		<b>268 365</b>	<b>275 815</b>

**4.2 Social contributions**

	Note	2018/19	2017/18
		R'000	R'000
<b>Employer contributions</b>			
Pension		23 254	23 063
Medical		10 141	10 239
Bargaining council		45	45
Insurance		18	-
<b>TOTAL</b>		<b>33 458</b>	<b>33 347</b>
<b>Total compensation of employees</b>		<b>301 823</b>	<b>309 162</b>
Average number of employees		537	582

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**5. GOODS AND SERVICES**

	Note	2018/19	2017/18
		R'000	R'000
Administrative fees		2 020	3 274
Advertising		609	422
Minor assets	5.1	998	563
Bursaries (employees)		1 704	1 302
Catering		5 302	3 042
Communication		4 572	7 435
Computer services	5.2	18 712	33 031
Consultants: Business and advisory services		5 746	2 648
Legal services		12 480	18 914
Contractors		5 302	3 171
Agency and support/outsourced services		4 572	5 618
Audit cost – external	5.3	5 776	5 606
Fleet services		2 251	2 719
Consumables	5.4	4 592	6 887
Operating leases		6 676	5 110
Property payments	5.5	-	389
Rental and hiring		83	143
Travel and subsistence	5.6	58 937	49 800
Venues and facilities		874	336
Training and development		2 500	1 036
Other operating expenditure	5.7	1 703	2 147
<b>TOTAL</b>		<b>145 409</b>	<b>153 593</b>

**5.1 Minor assets**

	Note	2018/19	2017/18
	5	R'000	R'000
<b>Tangible assets</b>		998	563
Machinery and equipment		998	563
<b>TOTAL</b>		<b>998</b>	<b>563</b>

**5.2 Computer services**

	Note	2018/19	2017/18
	5	R'000	R'000
SITA computer services		6 570	25 724
External computer service providers		12 142	7 307
<b>TOTAL</b>		<b>18 712</b>	<b>33 031</b>

**5.3 Audit cost – External**

	Note	2018/19	2017/18
	5	R'000	R'000
Regularity audits		5 776	5 606
<b>TOTAL</b>		<b>5 776</b>	<b>5 606</b>

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**5.4 Consumables**

	Note	2018/19	2017/18
	5	R'000	R'000
Consumable supplies		2 451	2 962
Uniform and clothing		644	574
Household supplies		1 659	2 184
Communication accessories		26	39
IT consumables		45	41
Other consumables		77	124
Stationery, printing and office supplies		2 141	3 925
<b>TOTAL</b>		<b>4 592</b>	<b>6 887</b>

**5.5 Property payments**

	Note	2018/19	2017/18
	5	R'000	R'000
Other		-	389
<b>TOTAL</b>		<b>-</b>	<b>389</b>

**5.6 Travel and subsistence**

	Note	2018/19	2017/18
	5	R'000	R'000
Local		31 597	25 883
Foreign		27 340	23 917
<b>TOTAL</b>		<b>58 937</b>	<b>49 800</b>

**5.7 Other operating expenditure**

	Note	2018/19	2017/18
	5	R'000	R'000
Professional bodies, membership and subscription fees		109	574
Resettlement costs		76	164
Other		1 518	1 409
<b>TOTAL</b>		<b>1 703</b>	<b>2 147</b>

**6. PAYMENTS FOR FINANCIAL ASSETS**

	Note	2018/19	2017/18
		R'000	R'000
Other material losses written off	6.1	544	837
Debts written off	6.2	31	332
Forex losses	6.3	1	2
<b>TOTAL</b>		<b>576</b>	<b>1 171</b>

**6.1 Other material losses written off**

	Note	2018/19	2017/18
	6	R'000	R'000
<b>Nature of losses</b> (Group major categories, but list material items)			
Damages and Losses		544	837
<b>TOTAL</b>		<b>544</b>	<b>837</b>

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**6.2 Debts written off**

	Note	2018/19	2017/18
	6	R'000	R'000
<b>Nature of debts written off</b>			
Debt Account		-	251
<b>TOTAL</b>		<b>-</b>	<b>251</b>
<b>Other debt written off</b>			
Staff Debt		31	81
<b>TOTAL</b>		<b>31</b>	<b>81</b>
<b>Total debt written off</b>		<b>31</b>	<b>332</b>

**6.3 Forex losses**

	Note	2018/19	2017/18
	6	R'000	R'000
<b>Nature of losses</b>			
Damages and Losses		1	2
<b>TOTAL</b>		<b>1</b>	<b>2</b>

**7. TRANSFERS AND SUBSIDIES**

		2018/19	2017/18
		R'000	R'000
	Note		
Provinces and municipalities	31	6	10
Households	Annex 1C	1 708	6 147
<b>TOTAL</b>		<b>1 714</b>	<b>6 157</b>

**8. EXPENDITURE FOR CAPITAL ASSETS**

	Note	2018/19	2017/18
		R'000	R'000
<b>Tangible assets</b>			
Machinery and equipment	28.1	15 199	17 010
<b>Intangible assets</b>			
Software	29	265	144
<b>TOTAL</b>		<b>15 464</b>	<b>17 154</b>

**8.1 Analysis of funds utilised to acquire capital assets – 2018/19**

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
<b>Tangible assets</b>			
Machinery and equipment	15 199	-	15 199
<b>Intangible assets</b>			
Software	265	-	265
<b>TOTAL</b>	<b>15 464</b>	<b>-</b>	<b>15 464</b>

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**8.2 Analysis of funds utilised to acquire capital assets – 2017/18**

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
<b>Tangible assets</b>	<b>17 010</b>	<b>-</b>	<b>17 010</b>
Machinery and equipment	17 010	-	17 010
<b>Intangible assets</b>	<b>144</b>	<b>-</b>	<b>144</b>
Software	144	-	144
<b>TOTAL</b>	<b>17 154</b>	<b>-</b>	<b>17 154</b>

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

	Note	2018/19	2017/18
		R'000	R'000
<b>Tangible assets</b>			
Machinery and equipment		10 482	4 224
<b>TOTAL</b>		<b>10 482</b>	<b>4 224</b>

**9. CASH AND CASH EQUIVALENTS**

	Note	2018/19	2017/18
		R'000	R'000
Consolidated Paymaster General Account		45 492	13 164
Cash on hand		104	104
<b>TOTAL</b>		<b>45 596</b>	<b>13 268</b>

**10. PREPAYMENTS AND ADVANCES**

	Note	2018/19	2017/18
		R'000	R'000
Travel and subsistence		87	21
Prepayments (Not expensed)	10.2	-	5 567
Advances paid (Not expensed)	10.1	246	121
<b>TOTAL</b>		<b>333</b>	<b>5 709</b>

The Microsoft software license for 2019/20 was budgeted, paid and expensed in the current year.

**10.1 Advances paid (Not expensed)**

	Note	Balance as at 1 April 2018	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advances	Balance as at 31 March 2019
		R'000	R'000	R'000	R'000	R'000
National departments		121	-	-	125	246
<b>TOTAL</b>		<b>121</b>	<b>-</b>	<b>-</b>	<b>125</b>	<b>246</b>

	Note	Balance as at 1 April 2017	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advances	Balance as at 31 March 2017
		R'000	R'000	R'000	R'000	R'000
National departments		120	-	-	1	121
<b>TOTAL</b>		<b>120</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>121</b>

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**10.2 Prepayments (Not expensed)**

	Note	Balance as at 1 April 2018	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year prepayments	Balance as at 31 March 2019
		R'000	R'000	R'000	R'000	R'000
Goods and services	10	5 566	(5 566)	-	-	-
Transfers and subsidies		1	(1)	-	-	-
<b>TOTAL</b>		<b>5 567</b>	<b>(5 567)</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Note	Balance as at 1 April 2017	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year prepayments	Balance as at 31 March 2018
		R'000	R'000	R'000	R'000	R'000
Goods and services	10	1 420	(1 399)	-	5 545	5 566
Transfers and subsidies		-	-	-	1	1
<b>TOTAL</b>		<b>1 420</b>	<b>(1 399)</b>	<b>-</b>	<b>5 546</b>	<b>5 567</b>

**10.3 Prepayments (Expensed)**

	Note	Amount as at 1 April 2018	Less: Received in the current year	Add or Less: Other	Add: Current Year prepayments	Amount as at 31 March 2019
		R'000	R'000	R'000	R'000	R'000
Goods and services		132	(132)	193	6 533	6 726
Transfers and subsidies		-	-	-	3	3
<b>TOTAL</b>		<b>132</b>	<b>(132)</b>	<b>193</b>	<b>6 536</b>	<b>6 729</b>

	Note	Amount as at 1 April 2017	Less: Received in the current year	Add or Less: Other	Add: Current Year prepayments	Amount as at 31 March 2018
		R'000	R'000	R'000	R'000	R'000
Goods and services		-	-	-	132	132
<b>TOTAL</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>132</b>	<b>132</b>

**10.4 Advances paid (Expensed)**

	Note	Amount as at 1 April 2018	Less: Received in the current year	Add or Less: Other	Add: Current Year advances	Amount as at 31 March 2019
		R'000	R'000	R'000	R'000	R'000
National departments		544	(544)	-	-	-
<b>TOTAL</b>		<b>544</b>	<b>(544)</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Note	Amount as at 1 April 2017	Less: Received in the current year	Add or Less: Other	Add: Current Year prepayments	Amount as at 31 March 2018
		R'000	R'000	R'000	R'000	R'000
National departments		-	544	-	-	544
<b>TOTAL</b>		<b>-</b>	<b>544</b>	<b>-</b>	<b>-</b>	<b>544</b>

**11. RECEIVABLES**

	Note	2018/19			2017/18		
		Current R'000	Non-current R'000	Total R'000	Current R'000	Non-current R'000	Total R'000
Claims recoverable	11.1	372	-	372	888	-	888
Staff debt	11.2	225	289	514	729	246	975
Fruitless and wasteful expenditure	11.4	27 780	-	27 780	183	-	183
Other debtors	11.3	3 946	-	3 946	746	-	746
<b>TOTAL</b>		<b>32 323</b>	<b>289</b>	<b>32 612</b>	<b>2 546</b>	<b>246</b>	<b>2 792</b>

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**11.1 Claims recoverable**

	Note	2018/19	2017/18
	11 and Annex 3	R'000	R'000
National departments		372	888
<b>TOTAL</b>		<b>372</b>	<b>888</b>

**11.2 Staff debt**

	Note	2018/19	2017/18
	11	R'000	R'000
(Group major categories, but list material items)			
Salary related		-	44
Debt Account		514	931
<b>TOTAL</b>		<b>514</b>	<b>975</b>

**11.3 Other debtors**

	Note	2018/19	2017/18
	11	R'000	R'000
(Group major categories, but list material items)			
Disallowance Damages and losses		587	746
Suppliers Debt		3 359	-
<b>TOTAL</b>		<b>3 946</b>	<b>746</b>

**11.4 Fruitless and wasteful expenditure**

	Note	2018/19	2017/18
	11	R'000	R'000
Opening balance		183	2
Less amounts recovered		(130)	(104)
Less amounts written off		-	(2)
Transfers from note 24 Fruitless and Wasteful Expenditure		27 480	284
Interest		247	3
<b>TOTAL</b>		<b>27 780</b>	<b>183</b>

The variance is due to the R27 million e-Cabinet Fruitless and Wasteful expenditure recoverable from State Information Technology (SITA)

**11.5 Impairment of receivables**

	Note	2018/19	2017/18
		R'000	R'000
Estimate of impairment of receivables		3 294	603
<b>TOTAL</b>		<b>3 294</b>	<b>603</b>

**12. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND**

	Note	2018/19	2017/18
		R'000	R'000
Opening balance		20 305	14 764
Prior period error		-	-
As restated		20 305	14 764
Transfer from statement of financial performance (as restated)		47 336	20 305
Paid during the year		(20 305)	(14 764)
<b>Closing balance</b>		<b>47 336</b>	<b>20 305</b>

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**13. DEPARTMENTAL REVENUE AND NRF RECEIPTS TO BE SURRENDERED TO THE REVENUE FUND**

	Note	2018/19	2017/18
		R'000	R'000
Opening balance		265	157
Prior period error		-	-
As restated		265	157
Transfer from Statement of Financial Performance (as restated)		1 374	898
Paid during the year		(1 607)	(790)
<b>Closing balance</b>		<b>32</b>	<b>265</b>

**14. PAYABLES – CURRENT**

	Note	2018/19	2017/18
		R'000	R'000
<b>Amounts owing to other entities</b>			
Clearing accounts	14.1	190	227
Other payables	14.2	-	1
<b>TOTAL</b>		<b>190</b>	<b>228</b>

**14.1 Clearing accounts**

	Note	2018/19	2017/18
		R'000	R'000
<b>Description</b>			
Salary Related		190	227
<b>TOTAL</b>		<b>190</b>	<b>227</b>

**14.2 Other payables**

	Note	2018/19	2017/18
		R'000	R'000
<b>Description</b>			
Other Payables		-	1
<b>TOTAL</b>		<b>-</b>	<b>1</b>

**15. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES**

	Note	2018/19	2017/18
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		48 710	21 203
Add back non cash/cash movements not deemed operating activities		(30 930)	(2 326)
(Increase)/decrease in receivables		(29 820)	156
(Increase)/decrease in prepayments and advances		5 376	(4 148)
Increase/(decrease) in payables – current		(38)	66
Expenditure on capital assets		15 464	17 154
Surrenders to Revenue Fund		(21 912)	(15 554)
<b>Net cash flow generated by operating activities</b>		<b>17 780</b>	<b>18 877</b>

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**16. RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES**

	Note	2018/19	2017/18
		R'000	R'000
Consolidated Paymaster General account		45 492	13 164
Cash on hand		104	104
<b>TOTAL</b>		<b>45 596</b>	<b>13 268</b>

**17. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

**17.1 Contingent liabilities**

	Note	2018/19	2017/18
		R'000	R'000
<b>Liable to</b>			
	<b>Nature</b>		
Intergovernmental payables (unconfirmed balances)	Annex 4	8 700	1 275
Other	Annex 2A	26 803	1 360
<b>TOTAL</b>		<b>35 503</b>	<b>2 635</b>

There are a number of cases that are possible obligations for The Presidency but the cases are either not yet finalised or costs still need to be taxed by the Taxing Master. In those cases where the matter is not yet finalised and the state is not successful, The Presidency could bear all or some of the adverse costs. In terms of the amounts that are yet to be determined by the taxing master, Rule 45(2) of the Uniform Rules of the High Court applies and 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 material variance in contingent liabilities is attributed to disputed e-Cabinet invoices for 2018/19 financial year.

**17.2 Contingent assets**

There are two cases that are possible assets for the State as costs were awarded in our favour. No reliable estimate is available as yet as they still need to be taxed by the Taxing Master. Rule 45(2) of the Uniform Rules of the High Court applies and 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."

**18. COMMITMENTS**

	Note	2018/19	2017/18
		R'000	R'000
<b>Current expenditure</b>			
Approved and contracted		58 732	62 331
Approved but not yet contracted		2 979	-
		<b>61 711</b>	<b>62 331</b>
<b>Capital expenditure</b>			
Approved and contracted		686	264
Approved but not yet contracted		-	-
		<b>686</b>	<b>264</b>
<b>Total Commitments</b>		<b>62 397</b>	<b>62 595</b>

The Department has 35 contracts of which 13 are longer than 1 year, 20 are not committed and are used as and when services are required, 2 are fully paid. Travel, catering and furniture contract do not have values, commitments for these services are on the basis of the order issued where services have not yet been rendered.

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**19. ACCRUALS AND PAYABLES NOT RECOGNISED**

**19.1 Accruals**

	2018/19			2017/18
	R'000			R'000
<b>Listed by economic classification</b>				
	30 Days	30+ Days	Total	Total
Goods and services	5 410	4 193	9 603	6 077
Capital assets	351	-	351	531
Other	353	339	692	504
<b>TOTAL</b>	<b>6 114</b>	<b>4 532</b>	<b>10 646</b>	<b>7 112</b>

	Note	2018/19	2017/18
		R'000	R'000
<b>Listed by programme level</b>			
Administration		10 606	5 620
Executive Support		40	1 492
<b>TOTAL</b>		<b>10 646</b>	<b>7 112</b>

The increased value of the Accruals in the current year is attributed to the process of the legal fees claims from The Department of Justice. The validation took longer due to the incorrect briefing letters attached to the claims.

**19.2 Payables not recognised**

	2018/19			2017/18
	R'000			R'000
<b>Listed by economic classification</b>				
	30 Days	30+ Days	Total	Total
Goods and services	4 825	3 976	8 801	2 624
Capital assets	24	134	158	14
Other	135	-	136	45
<b>TOTAL</b>	<b>4 984</b>	<b>4 110</b>	<b>9 094</b>	<b>2 683</b>

	Note	2018/19	2017/18
		R'000	R'000
<b>Listed by programme level</b>			
Administration		9 039	2 682
Executive Support		55	1
<b>TOTAL</b>		<b>9 094</b>	<b>2 683</b>

	Note	2018/19	2017/18
		R'000	R'000
<i>Included in the above totals are the following:</i>			
Confirmed balances with other departments	Annex 4	8 495	2 338
<b>TOTAL</b>		<b>8 495</b>	<b>2 338</b>

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**20. EMPLOYEE BENEFITS**

	Note	2018/19	2017/18
		R'000	R'000
Leave entitlement		14 351	11 451
Service bonus		6 492	6 327
Performance awards		4 810	4 678
Capped leave commitments		4 152	4 446
Other		125	198
<b>TOTAL</b>		<b>29 930</b>	<b>27 100</b>

Negative Leave Credit -138.43, Monetary Value -R233 396.66

Leave entitlement was overstated by R268 000 in 2017/18 financial year. Refer to note 29: prior period error

**21. LEASE COMMITMENTS**

**21.1 Operating leases**

2018/19	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	2 557	2 557
Later than 1 year and not later than 5 years	-	-	-	962	962
<b>Total lease commitments</b>	-	-	-	<b>3 519</b>	<b>3 519</b>

2017/18	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	3 764	3 764
Later than 1 year and not later than 5 years	-	-	-	2 133	2 133
<b>Total lease commitments</b>	-	-	-	<b>5 897</b>	<b>5 897</b>

The Operating Lease Commitments mainly comprises of G-Fleet vehicles, cell phones and Photocopier contracts that are on month to month basis. The department does not have any operating sub-leased assets.

**21.2 Finance leases \*\***

2018/19	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	7 312	7 312
Later than 1 year and not later than 5 years	-	-	-	7 002	7 002
<b>Total lease commitments</b>	-	-	-	<b>14 314</b>	<b>14 314</b>

2017/18	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	9 271	9 271
Later than 1 year and not later than 5 years	-	-	-	9 983	9 983
<b>Total lease commitments</b>	-	-	-	<b>19 254</b>	<b>19 254</b>

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

Finance lease commitments mainly comprise of contracts of PABX telephone equipment, cell phones and photocopiers.

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**22. ACCRUED DEPARTMENTAL REVENUE**

	Note	2018/19 R'000	2017/18 R'000
Sales of capital assets		97	-
<b>TOTAL</b>		<b>97</b>	<b>-</b>

**22.1 Analysis of accrued departmental revenue**

	Note	2018/19 R'000	2017/18 R'000
Add: amounts recorded		97	-
<b>Closing balance</b>		<b>97</b>	<b>-</b>

**23. IRREGULAR EXPENDITURE**

**23.1 Reconciliation of irregular expenditure**

	Note	2018/19 R'000	2017/18 R'000
Opening balance		39 242	19 361
Prior period error		-	-
As restated		39 242	19 361
Add: Irregular expenditure – relating to prior year		-	9 907
Add: Irregular expenditure – relating to current year		4 331	14 522
Less: Prior year amounts condoned		(1 085)	(248)
Less: Amounts not condoned and not recoverable		(9 247)	(4 300)
<b>Closing balance</b>		<b>33 241</b>	<b>39 242</b>
<b>Analysis of awaiting condonation per age classification</b>			
Current year		4 331	14 522
Prior years		28 910	24 720
<b>TOTAL</b>		<b>33 241</b>	<b>39 242</b>

Accounting Officer de-recognised prior year's amount of R9,247 million for local content not promoted and National Treasury condoned R1,085 million for service not rendered within reasonable time (Catering Service); SCM deviations: services not tendered within reasonable time and three quotations not obtained for training services. R4,331 million was incurred as irregular expenditure in 2018/19 due to expenditure exceeding R500 000 threshold for catering; recruitment agency fees and travel agency fees; approval without delegation and invalid contracts.

**23.2 Details of irregular expenditure – added current year (relating to current and prior years)**

Incident	Disciplinary steps taken/criminal proceedings	2018/19 R'000
Expenditure exceeds R500 000 threshold for quotations 2018/2019 FY	Still Under investigation	237
Expenditure exceeds R500 000 threshold for quotations 2018/2019 FY	Still Under investigation	73
Expenditure exceeds R500 000 threshold for quotations 2018/2019 FY	Still Under investigation	240
Expenditure exceeds R500 000 threshold for quotations 2018/2019 FY	Still Under investigation	232
Expenditure exceeds R500 000 threshold for quotations 2018/2019 FY	Still Under investigation	192
Expenditure exceeds R500 000 threshold for quotations 2018/2019 FY	Still Under investigation	38
Expenditure exceeds R500 000 threshold for quotations 2018/2019 FY	Still Under investigation	559
Travel agency fees paid for invalid contract	Still Under investigation	33
Car rental payments paid for invalid contract	Still Under investigation	256
SCM Deviations (Three quotation not obtained)	Still Under investigation	82
Expenditure exceeds R500 000 threshold for quotations 2018/2019 FY	Still Under investigation	1 817
Approval of quotations not done by the correct delegated official	Still Under investigation	572
<b>TOTAL</b>		<b>4 331</b>

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**23.3 Details of irregular expenditure condoned**

Incident	Condoned by (condoning authority)	2018/19 R'000
Services not rendered within reasonable time (catering service)	Condoned by National Treasury	1 085
<b>TOTAL</b>		<b>1 085</b>

**23.4 Details of irregular expenditure removed - not recoverable (not condoned)**

Incident	Not condoned by (condoning authority)	2018/19 R'000
SCM Deviations (Services not tendered for within reasonable time)	Amount De-recognised on 29 October 2018	538
Local content not promoted 2015/2016	Amount De-recognised on 29 October 2018	2 615
Local content not promoted 2015/2016	Amount De-recognised on 29 October 2018	250
SCM Deviation Three quotations not obtained for training services 2016/17	Amount De-recognised on 29 October 2018	1 857
SCM Deviations (Services not tendered for within reasonable time)	Amount De-recognised on 29 October 2018	
Irregular incurred for Ulwazi with effect from April 2016 - March 2017		154
SCM Deviation Three quotations not obtained for training services 2015/16	Amount De-recognised on 29 October 2018	1 664
Local content not promoted 2016/17	Amount De-recognised on 29 October 2018	1 958
Local content not promoted (subsequent event 2016/2017)	Amount De-recognised on 29 October 2018	211
<b>TOTAL</b>		<b>9 247</b>

**23.5 Details of irregular expenditures under determination or investigation (not included in the main note)**

Incident	2018/19 R'000
Approval delegations not obtained	10 486
Various SCM deviations	1 061
<b>TOTAL</b>	<b>11 547</b>

**23.6 Prior period error**

	Note	2018/19 R'000
<b>Nature of prior period error</b>		
Relating to 2017/18		(128)
Correcting prior year closing balance		(128)
<b>Total prior period errors</b>		<b>(128)</b>

**24. FRUITLESS AND WASTEFUL EXPENDITURE**

**24.1 Reconciliation of fruitless and wasteful expenditure**

	Note	2018/19 R'000	2017/18 R'000
Opening balance		27 013	1 102
Prior period error		-	-
As restated		27 013	1 102
Fruitless and wasteful expenditure – relating to prior year		-	7 354
Fruitless and wasteful expenditure – relating to current year		610	20 514
Less: Amounts resolved		(6)	(1 673)
Less: Amounts transferred to receivables for recovery	11.3	(27 480)	(284)
<b>Closing balance</b>		<b>137</b>	<b>27 013</b>

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**24.2 Analysis of awaiting resolution per economic classification**

	2018/19	2017/18
	R'000	R'000
Current	137	27 013
<b>TOTAL</b>	<b>137</b>	<b>27 013</b>

The decrease in Fruitless and wasteful expenditure is attributed to the prior year amount of R26 million paid to SITA for system development that was transferred to receivables in the current year

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

Incident	Disciplinary steps taken/criminal proceedings	2018/19 R'000
Computer services (current year)	Under investigation	569
Withdrawal from course	Under investigation	27
Withdrawal from course	Under investigation	8
Withdrawal from course	Under investigation	5
Duplicate Payment	Under investigation	1
<b>TOTAL</b>		<b>610</b>

**25. KEY MANAGEMENT PERSONNEL**

	No. of Individuals	2018/19 R'000	2017/18 R'000
Political office bearers	2	5 712	5 712
Officials:			
Salary level 15 to 16	23	28 842	30 330
Salary level 14	22	24 078	20 687
<b>TOTAL</b>		<b>58 632</b>	<b>56 729</b>

**26. PROVISIONS**

	Note	2018/19 R'000	2017/18 R'000
DA v President of RSA and EFF v President of RSA and Others		3 200	3 200
<b>TOTAL</b>		<b>3 200</b>	<b>3 200</b>

DA v President of RSA and EFF v President of RSA and Others

**26.1 Reconciliation of movement in provisions – 2018/19**

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Total provisions R'000
Opening balance	3 200	-	-	3 200
<b>Closing balance</b>	<b>3 200</b>	<b>-</b>	<b>-</b>	<b>3 200</b>

The matter has been finalised and the court awarded costs in favour of the Applicants. The costs issue is at the taxation stage and we await the ruling from the tax master. The State Attorneys provided the estimate.

**Reconciliation of movement in provisions – 2017/18**

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Total provisions R'000
Opening balance	3 200	-	-	3 200
<b>Closing balance</b>	<b>3 200</b>	<b>-</b>	<b>-</b>	<b>3 200</b>

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**27. MOVABLE TANGIBLE CAPITAL ASSETS**

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019					
	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>Heritage assets</b>	16	-	-	-	16
Heritage assets	16	-	-	-	16
<b>Machinery and equipment</b>	<b>91 382</b>	<b>-</b>	<b>12 791</b>	<b>(4 784)</b>	<b>99 389</b>
Transport assets	4 094	-	741	(1 142)	3 693
Computer equipment	59 850	-	10 328	(2 838)	67 340
Furniture and office equipment	22 152	-	1 501	(792)	22 861
Other machinery and equipment	5 286	-	221	(12)	5 495
<b>Total movable tangible capital assets</b>	<b>91 398</b>	<b>-</b>	<b>12 791</b>	<b>(4 784)</b>	<b>99 405</b>

MOVABLE TANGIBLE CAPITAL ASSETS UNDER INVESTIGATION	
	Value
	R'000

Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:

Heritage assets	-	-
Machinery and equipment	195	4 079

The assets are still under investigation, ongoing processes are taking place to resolve the matter.

**27.1 Additions**

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019					
	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>15 199</b>	<b>8 459</b>	<b>(10 863)</b>	<b>(4)</b>	<b>12 791</b>
Transport assets	741	-	-	-	741
Computer equipment	2 240	8 459	(381)	10	10 328
Furniture and office equipment	1 509	-	-	(8)	1 501
Other machinery and equipment	10 709	-	(10 482)	(6)	221
<b>Total additions to movable tangible capital assets</b>	<b>15 199</b>	<b>8 459</b>	<b>(10 863)</b>	<b>(4)</b>	<b>12 791</b>

The non-cash addition related to the EMC project completed in the current financial year under review.

**27.2 Disposals**

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019				
	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>(446)</b>	<b>(4 338)</b>	<b>(4 784)</b>	<b>-</b>
Transport assets	(446)	(696)	(1 142)	-
Computer equipment	-	(2 838)	(2 838)	-
Furniture and office equipment	-	(792)	(792)	-
Other machinery and equipment	-	(12)	(12)	-
<b>Total disposal of movable tangible capital assets</b>	<b>(446)</b>	<b>(4 338)</b>	<b>(4 784)</b>	<b>-</b>

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**27.3 Movement for 2017/18**

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018					
	Opening balance	Prior period error	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>88 894</b>	<b>21</b>	<b>6 711</b>	<b>(4 244)</b>	<b>91 382</b>
Transport assets	4 094	-	-	-	4 094
Computer equipment	60 137	(1)	2 073	(2 359)	59 850
Furniture and office equipment	19 200	22	4 557	(1 627)	22 152
Other machinery and equipment	5 463	-	81	(258)	5 286
<b>Total movable tangible capital assets</b>	<b>88 910</b>	<b>21</b>	<b>6 711</b>	<b>(4 244)</b>	<b>91 398</b>

**27.3.1 Prior period error**

	Note	2017/18
		R'000
<b>Nature of prior period error</b>		
Relating to 2016/17		21
Reallocation between Major and Minor asset category		27
Removal of bag that was erroneously recorded on FAR as computer equipment.		(6)
Relating to 2017/18		-
		-
Total prior period errors		<b>21</b>

Refer to note 29: prior period error

**27.4 Minor assets**

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2019						
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	16 098	-	16 098
Additions	-	-	-	1 003	-	1 003
Disposals	-	-	-	1 171	-	1 171
<b>Total minor assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15 930</b>	<b>-</b>	<b>15 930</b>

	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
Number of R1 minor assets	-	-	-	345	-	345
Number of minor assets at cost	-	-	-	11 876	-	11 876
<b>Total number of minor assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12 221</b>	<b>-</b>	<b>12 221</b>

MINOR CAPITAL ASSETS UNDER INVESTIGATION		
	Number	Value
		R'000
<b>Included in the above total of the minor capital assets per the asset register are assets that are under investigation:</b>		
Machinery and equipment	655	695

The assets are still under investigation, ongoing processes are taking place to resolve the matter.

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MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2018						
	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	-	-	-	17 349	-	17 349
Prior period error	-	-	-	(36)	-	(36)
Additions	-	-	-	1 702	-	1 702
Disposals	-	-	-	(2 917)	-	(2 917)
<b>Total minor assets</b>	-	-	-	<b>16 098</b>	-	<b>16 098</b>

	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
Number of RI minor assets	-	-	-	345	-	345
Number of minor assets at cost	-	-	-	12 450	-	12 450
<b>Total number of minor assets</b>	-	-	-	<b>12 795</b>	-	<b>12 795</b>

#### 27.4.1 Prior period error

	Note	2017/18
		R'000
<b>Nature of prior period error</b>		
Relating to 2016/17		(36)
Reallocation between major and minor assets		(27)
DPW and SSA assets removed		(5)
Duplicated assets removed and prior year transfer cost adjustment.		(4)
Relating to 2017/18		-
<b>Total prior period errors</b>		<b>(36)</b>

Refer to note 29: prior period error

#### 27.5 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2019						
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	5 954	-	5 954
<b>Total movable assets written off</b>	-	-	-	<b>5 954</b>	-	<b>5 954</b>

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2018						
	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	-	-	-	3 511	-	3 511
<b>Total movable assets written off</b>	-	-	-	<b>3 511</b>	-	<b>3 511</b>

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**28. INTANGIBLE CAPITAL ASSETS**

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019					
	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Software	1 239	-	265	-	1 504
<b>Total intangible capital assets</b>	<b>1 239</b>	<b>-</b>	<b>265</b>	<b>-</b>	<b>1 504</b>

**28.1 Additions**

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019					
	Cash	Non-Cash	(Development work in progress – current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
Software	265	-	-	-	265
<b>Total intangible capital assets</b>	<b>265</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>265</b>

**28.2 Movement for 2017/18**

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018					
	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Software	1 095	-	144	-	1 239
<b>Total intangible capital assets</b>	<b>1 095</b>	<b>-</b>	<b>144</b>	<b>-</b>	<b>1 239</b>

**29. PRIOR PERIOD ERRORS**

**29.1 Correction of prior period errors**

	Note	Amount before error correction	Prior period error	Restated Amount
		2017/18	2017/18	2017/18
		R'000	R'000	R'000
<b>Expenditure:</b>				
Assets less than R5 000		16 134	(36)	16 098
<b>Net effect</b>		<b>16 134</b>	<b>(36)</b>	<b>16 098</b>

The prior period error was due to an incorrect classification of assets. The adjustment was required for consistency in terms of classification of assets as per the department's policy in line with SCSOA. An amount of R27 000 was moved from Minor to Major asset category. Department of Public Works and State Security Agency assets were removed from the asset register as well as assets duplicated in the asset register.

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	Note	Amount before error correction	Prior period error	Restated Amount
		2017/18	2017/18	2017/18
		R'000	R'000	R'000
<b>Assets:</b>				
Staff Debt: Debt Account		2 229	(1 298)	931
Debt receivable income		2 254	(1 298)	956
Computer equipment		60 137	(1)	60 136
Furniture and other equipment		19 200	22	19 222
Staff Debt: Salary Related		582	(538)	44
<b>Net effect</b>		<b>84 402</b>	<b>(3 113)</b>	<b>81 289</b>

The prior period error of R1,298million (R1 691 179 - R393 426) is due to incorrect classification of receivables. These transactions were accounted for through POC Journals at year end, however the POC journals could not be processed as per National Treasury advice.

	Note	Amount before error correction	Prior period error	Restated Amount
		2017/18	2017/18	2017/18
		R'000	R'000	R'000
<b>Other</b>				
<b>Disposals:</b>				
Computer equipment		2 341	18	2 359
<b>Irregular Expenditure:</b>				
Correcting incorrect 2017/18 Annual Report for 2017/18 analysis of prior years' irregular expenditure awaiting condonation.		29 463	(4 743)	24 720
Correcting incorrect 2017/18 Annual Report for 2016/17 analysis of current year irregular expenditure awaiting condonation.		24 720	(16 203)	8 517
<b>Lease Commitment</b>				
Not later than 1 year		5 789	3 482	9 271
Later than 1 year but not later than 5 years		3 124	6 859	9 983
<b>Irregular Expenditure</b>				
Correcting overstated 2017/18 closing balance		39 370	(128)	39 242
Employee benefits: Leave entitlement overstated		11 719	(268)	11 451
Key Management personnel overstated in 2017/18		56 852	(123)	56 729
<b>Net effect</b>		<b>173 378</b>	<b>(11 106)</b>	<b>162 272</b>

The prior period error on disposals relates to adjustment of an asset amounting to R18 000.00 written off in the prior financial year 2017/18. On the 2017/18 Annual Report, prior years irregular expenditure analysis awaiting condonation for 2017/18 was incorrectly stated as R29,463 million instead of R24,720 million and 2016/17 current year irregular expenditure awaiting condonation was incorrectly stated as R24,720 million instead of R8,517 million. Further, irregular expenditure relating to prior year in 2017/18 financial statements was overstated by R127 643 resulting to the overstatement of irregular expenditure awaiting condonation in 2017/18. The correction on lease commitments was required as there were contracts that were omitted in the last financial year. Leave entitlement was overstated by R268 000 in 2017/18 financial year. Prior period error on Key Management personnel emanated from overstatement of salary level 15-16 in 2017/18 financial year.

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**30. STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			Re-allocations by National Treasury or National Department
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld		
	R'000	R'000	R'000	R'000	R'000	R'000	%	
City of Tshwane	-	-	6	6	6	-	-	
<b>TOTAL</b>	-	-	<b>6</b>	<b>6</b>	<b>6</b>	-	-	

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

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2017/18	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds With-held	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
City of Tshwane	-	-	6	6	6	-	-	6	-	-	0%	-	10
<b>TOTAL</b>	-	-	<b>6</b>	<b>6</b>	<b>6</b>	-	-	<b>6</b>	-	-	<b>0%</b>	-	<b>10</b>

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

DEPARTMENTAL AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2017/18
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
TV licences	38	-	(38)	-	-	-	-
<b>TOTAL</b>	<b>38</b>	<b>-</b>	<b>(38)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2017/18
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
Social benefits	1 519	-	149	1 668	1 668	100%	-
Leave gratuity	-	-	-	-	-	-	2 623
Severance/early retirement package	-	-	-	-	-	-	3 484
Other transfers	31	-	9	40	40	100%	40
<b>Transfers</b>	<b>1 550</b>	<b>-</b>	<b>158</b>	<b>1 708</b>	<b>1 708</b>	<b>100%</b>	<b>6 147</b>
<b>TOTAL</b>	<b>1 550</b>	<b>-</b>	<b>158</b>	<b>1 708</b>	<b>1 708</b>	<b>100%</b>	<b>6 147</b>

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**ANNEXURE ID**  
**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE**

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2018/19 R'000	2017/18 R'000
<b>Made in kind</b>		
<b>Cash contribution towards employees funerals</b>		
Employee 1: Eulice Zandile Maseko	-	10
Employee 2: Emily Mamoepa	-	10
Employee 3: Aluwani Tshifuro	-	10
Employee 4: Nelly Monama	-	10
<b>Redunant Office furniture &amp; equipment donated to schools</b>		
Children on the move	-	118
Ethafeni Primary School	-	9
Ihlumelo Secondary School	-	8
North Gauteng Mental Health	-	121
Phadima Gape Organisation	-	116
Rata Special Services	-	102
Shalom Primary School	-	115
Tshwane Child Welfare	-	106
Youth for Survival	-	83
Donations of blankets during Mandela day celebration-St John Baptist old age home (Pretoria) and Ekuphumleni old age home (Cape Town)	30	-
Donations made to the family of the late Ms Jeanette Ntombomzi Mrubata; provision of the funeral and bereavement policy	10	-
<b>Donation of office furniture to 9 schools</b>		
Aurora Girls High School	75	-
Emaweni Primary School	196	-
Esithebeni Primary School	25	-
Indyebo combined School	61	-
Isipho Primary School	84	-
Kgatelopele Secondary School	25	-
Lavela Secondary School	39	-
Lawley Primary School	247	-
Merafe Primary School	196	-
<b>TOTAL</b>	<b>988</b>	<b>818</b>

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**ANNEXURE 2A**  
**STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2019**

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 2018				31 March 2019
	R'000	R'000	R'000	R'000	R'000
<b>Other</b>					
Pending cases (Disputed invoices)	1 360	-	440	-	920
Disputed invoices	-	466	-	-	466
Disputed invoices	-	24 279	-	-	24 279
Disputed invoices	-	1 138	-	-	1 138
<b>TOTAL</b>	<b>1 360</b>	<b>25 883</b>	<b>440</b>	<b>-</b>	<b>26 803</b>

There are a number of cases that are possible obligations for The Presidency but the cases are either not yet finalised or costs still need to be taxed by the Taxing Master. In those cases where the matter is not yet finalised and the state is not successful, The Presidency could bear all or some of the adverse costs. In terms of the amounts that are yet to be determined by the taxing master, Rule 45(2) of the Uniform Rules of the High Court applies and 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".

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

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2018/19 *	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018	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>								
Department of International Relation and Cooperation	-	720	9	138	9	858		-
Department of Planning, Monitoring and Evaluation	-	30	-	-	-	30		-
Cooperative Governance and Traditional affairs	363	-	-	-	363	-	04/04/2019	363
<b>TOTAL</b>	<b>363</b>	<b>750</b>	<b>9</b>	<b>138</b>	<b>372</b>	<b>888</b>		<b>363</b>

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**ANNEXURE 4**  
**INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2018/19 *	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>Departments</b>								
<b>Current</b>								
Justice	4 835	1 789	1 646	463	6 481	2 252		
Government Communications	-	123	-	-	-	123	27/03/2019	132
Trade and Industry	-	45	-	-	-	45		
International Relation	2 766	381	7 054	812	9 820	1 193		
MP Premiers office	759	-	-	-	759	-		
State Security Agency	135	-	-	-	135	-		
<b>Subtotal</b>	<b>8 495</b>	<b>2 338</b>	<b>8 700</b>	<b>1 275</b>	<b>17 195</b>	<b>3 613</b>		<b>132</b>
<b>Non-current</b>	-	-	-	-	-	-	-	-
<b>Subtotal</b>	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>8 495</b>	<b>2 338</b>	<b>8 700</b>	<b>1 275</b>	<b>17 195</b>	<b>3 613</b>		<b>132</b>

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

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2019				
	Opening balance	Current Year Capital WIP	Ready for use (Asset register)/ Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
<b>Machinery and equipment</b>	8 077	381	(8 458)	-
Transport assets				
Computer equipment	8 077	381	(8 458)	-
<b>TOTAL</b>	<b>8 077</b>	<b>381</b>	<b>(8 458)</b>	

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2018					
	Opening balance	Prior period error	Current Year Capital WIP	Ready for use (Asset register)/ Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>Machinery and equipment</b>	-	-	8 077	-	8 077
Transport assets	-	-	-	-	-
Computer equipment	-	-	8 077	-	8 077
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>8 077</b>	<b>-</b>	<b>8 077</b>

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**ANNEXURE 6A**  
**INTER-ENTITY ADVANCES PAID (note 10)**

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	R'000	R'000	R'000	R'000	R'000	R'000
<b>National departments</b>						
International Relations	139	121	-	-	139	121
Government Communications	107	-	-	-	107	-
<b>Subtotal</b>	<b>246</b>	<b>121</b>	<b>-</b>	<b>-</b>	<b>246</b>	<b>121</b>
<b>TOTAL</b>	<b>246</b>	<b>121</b>	<b>-</b>	<b>-</b>	<b>246</b>	<b>121</b>





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