

ANNUAL REPORT 2017 / 2018

Department of Military Veterans



military veterans

Department:
Military Veterans
REPUBLIC OF SOUTH AFRICA





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Vote no. 19

Annual Report

2017/18 Financial Year

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Military Veterans
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF MILITARY VETERAN`S ANNUAL REPORT FOR THE 2017/18 FINANCIAL YEAR

Ms N.N. Mapisa-Nqakula, MP, Minister of Defence and Military Veterans

Dear Honourable Minister

I have the honour of submitting to you, in accordance with the Public Finance Management Act 1 of 1999 (as amended) (PFMA), the Department of Military Annual Report for the reporting period 01 April 2017 to 31 March 2018.

In terms of Section 40(1)(d) of the PFMA, read together with Treasury Regulation 18.3, I hereby submit to the Executive Authority, the Annual Report 2017/18 financial year as a statutory requirement to Parliament.

Kindly submit this performance report for the financial year ending 31 March 2018 to the National Assembly in compliance with Section 40(1) (e) of the PFMA.

DM Mgwebi Lt Gen (rtd)

Accounting Officer: Department of Military Veterans

Date 07/09/2018

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Part A: GENERAL INFORMATION



PART A: GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ ACRONYMS

AFS	Annual Financial Statement
AGSA	Auditor-General of South Africa
AR	Annual Report
APP	Annual Performance Plan
AO	Accounting Officer
DHS	Department of Human Settlement
DMV	Department of Military Veterans
DoD	Department of Defence
DPW	Department of Public Works
ESM	Empowerment and Stakeholder Management
FY	Financial Year
HR	Human Resource
ICT	Information Communication Technology
KPA	Key Performance Areas
LRA	Labour Relations Act
LOGIS	Logistical Information System
MoU	Memorandum of Understanding
MPAT	Management Performance Assessment Tool
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
NSFAS	National Student Finance Assistance Scheme
PCD&MV	Portfolio Committee on Defence and Military Veterans
PFMA	Public Finance Management Act
PLO	Public Liaison Officer
PPI	Programme Performance Indicator
SANMVA	South African National Military Veterans Association
SAMHS	South African Military Health Services
SCM	Supply Chain Management
SDM	Service Delivery Model
SDIP	Service Delivery Improvement Plan
SES	Socio Economic Support
SITA	State Information Technology Agency
SMS	Senior Management Services
SRD	Social Relief of Distress
TR	Treasury Regulations

3. FOREWORD BY THE MINISTER OF DEFENCE AND MILITARY VETERANS:



Ms NN Mapisa-Nqakula

I am pleased to present the 2017/18 Annual Report for the Department of Military Veterans which outlines the considerable progress we have made in improving the service delivery model to Military Veterans and their dependents which is also aimed at leading to an effective, efficient, modern and service-oriented Department.

What is even more exciting is that we present this AR against the backdrop of one of the great milestones in the annals/archives of the country's history. In 2017 the country and the world celebrated the centenary of one of the finest sons and leaders of our soil, an international icon, a military veteran who was the longest serving Commander in Chief of Umkhonto we Sizwe and President of the African National Congress, the late Oliver Reginald "OR" Tambo.

Furthermore, this AR is also tabled as the world and the nation celebrate 2018 as the centenaries of yet other luminaries and colossal giants of the struggle for liberation, justice, freedom, peace, democracy and champions of the struggle for equality and the emancipation of women, Nelson Rolihlahla Mandela and Mama Albertina Sisulu.

It is therefore befitting that we dedicate one of the most significant achievements of the DMV in the 2017/18 financial year as compared to the previous years, the expenditure of 97% of its allocated budget. Even more importantly, this expenditure was mostly on critical and much needed benefits such as education and health.

The 2017/18 Financial Year increase in expenditure is a good sign that the DMV is indeed maturing in its ability to effectively and efficiently deliver on its mandate to Military Veterans albeit working in tough conditions of inadequate systems and processes as well as human resource constraints.

One of the major constraints was that the DMV has had a number of vacant senior positions that negatively affected its capacity to delivery in some areas of Military Veterans' benefits in the financial year under review, which is now being addressed as a matter of urgency and priority.

DMV Strategic Objectives: 2018/19 financial year

During the 2018/19 financial year, the department will focus on:

- Ensuring a smooth and seamless transition of Military Veterans from active military service to civilian life;

"It is therefore befitting that we dedicate one of the most significant achievements of the DMV in the 2017/18 financial year as compared to the previous years, the expenditure of 97% of its allocated budget. "

- Ensuring that Military Veterans function as a resource to enhance reconciliation, social cohesion and nation building;
- Recognising and honouring Military Veterans in life and memorialising them in death for their sacrifices on behalf of the nation;
- Improving the quality of life for Military Veterans and that of their dependants;
- Providing a comprehensive and integrated delivery system of benefits and services for Military Veterans;
- Further building the capacity of the Department to deliver benefits and services better and smarter to Military Veterans and their dependents by amongst others developing and implementing policies, strengthening structures, systems, processes and procedures.

Database

The creation of a reliable, credible and secure national database of Military Veterans still proves to be elusive. To deal with this challenge more decisively and bring it to finality, the department has started the process of accelerating the creation of an electronic benefit database management system. That system will enable Military Veterans to verify their status, check progress of their applications for benefits much easily and faster and thus access benefits in a seamless manner. On the other hand, the system will also enable the Department to check the bona fide status of Military Veterans and their dependents and thus ensure that possible corruption is uprooted and prevented and that benefits are accessed by bona fide and deserving military veterans.

Education support

The provision of education support has been one of the most significant progress made in the provision of benefits albeit amidst serious resource constraints. It has become one of the most accessed benefit since its inception in 2012/13 financial year.

I am therefore delighted to report that the DMV managed to achieve some great results in 2017/18 financial year. During the year under review, one of the most distinct features of the Military Veterans' landscape was an exponential increase in the number of education support beneficiaries to Military Veterans and their dependents. The Department currently provides this critical support to 7 702 beneficiaries. This exponential increase has brought about unanticipated consequences which have had a negative impact on the resources and budget available. Consequently I will be engaging with the Ministers of Finance, Higher Education and Training and Basic Education to find a lasting solution so that all qualifying Military Veterans and their dependants are provided with education support.

Education support has seen many Military Veterans as well as their dependants receive basic and higher education qualifications which in turn has begun to change the future of those households. This has started to prepare them towards being self-reliant and thus be able to take their destinies into their own hands.

It gives me pleasure to announce that 74 military veterans and their dependents have graduated in the financial year under review which included a Medical Doctor. I take this opportunity to congratulate them and wish them success in their future endeavours. I would like urge those who are still studying to follow their example and emulate them. As the late struggle stalwart, Moses Kotane counselled, "the future and destiny of your country is in your hands". Take advantage of this opportunity and use it to the fullest.

Social Relief of Distress (SRD)

Noting the abject conditions of poverty and unemployment under which many Military Veterans were living, mostly those who are former liberation war veterans, the Department introduced the SRD in 2016, in order

to alleviate their conditions. This is a special programme not included in the eleven benefits stipulated in Section 5 of the Military Veterans Act 18 of 2011 (MVA) and has made a huge impact in assisting poverty stricken military veteran families. However, due to budget constraints the Department has only been able to provide it for no more than a year and is currently reviewing this programme and exploring alternative and sustainable means to deal with abject poverty afflicting the Military Veteran's community.

Honouring, memorialisation and burial support

The Department continues to honour military veterans in a number of areas. In the year under review, the Department has participated in the various activities including the centenary of former Commander in Chief of Umkhonto we Sizwe OR Tambo, the launch of several books on stories of Military Veterans including that of the late Azanian People Liberation Army Military Veterans Association (APLAMVA) leader Mr Phillip Kgosana. The Department also ensured that on his passing on he is given a funeral of his immense contribution in bringing about the freedom and democracy that the country now enjoys. The DMV also participated in numerous activities undertaken under the aegis of the Resistance and Liberation Heritage Route programme working in partnership with the Department of Arts and Culture.

Working in partnership with the Department of Justice and Constitutional Development, the Department supported the exhumations and reburials of many struggle liberation veterans who were either killed in combat or executed during the apartheid regime.

The burial support programme was able to assist in ensuring that 272 Military Veterans were be buried with dignity.

Provincial Offices and stakeholder management

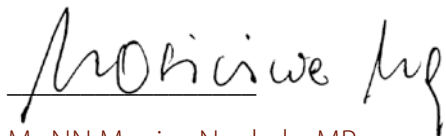
The Department has in the year under review strengthened its intergovernmental relations engagements with provinces and municipalities in a bid to accelerate increased access to services and benefits by military veterans and their dependents. These engagements will further assist with empowerment of military veterans and their dependents within their respective provinces and municipalities. The Department has engaged the provincial governments of Mpumalanga, Eastern Cape and Gauteng. Plans are also advanced to engage the North West provincial government.

Appreciation

The DMV management and staff led by the Accounting Officer Mr. Max Ozinsky were key in the improvement of the Department's service delivery and I applaud the energy they applied, the commitment and dedication they showed each and every day of the year under very trying conditions.

The Advisory Council, the Appeal Board and SANMVA have been instrumental in providing good advice and constructive criticism which is helping to steer the Department to the right direction.

Working together in concert with our Military Veterans, all three spheres of government and State Owned Entities as well as all other stakeholders, we will continue to ensure acceleration of service delivery for a better life for them and their dependants.



Ms NN Mapisa-Nqakula, MP

Minister of Defence and Military Veterans

Date: 14 SEPTEMBER, 2018

4. STATEMENT BY DEPUTY MINISTER OF DEFENCE AND MILITARY VETERANS:



Mr ERK Maphatsoe

I am elated to state to the Military Veterans community, the people of South Africa and the world that the Department of Military Veterans has achieved a lot during the financial year under review, 2017/18. The great strides made by this relatively young Department give me much pride.

With limited resources both human and financial, and often working under very trying times and conditions, the Department made significant progress across some critical functions and programmes relating to delivering on its mandate of providing much needed benefits and services to Military Veterans and their dependants as stipulated in Section 5 of the Military Veterans Act 18 of 2011.

The promise I made earlier in my assumption of duty of the Department was to take services closer to the people. It is slowly being realised through intergovernmental relations with a number of organs of state. In the year under review, Memoranda and Protocol of Understanding as well as Service Level Agreements with the provinces have been and will continue to be signed with the provinces such as the Eastern Cape and related Departments. Engagements with the Gauteng Government and Mpumalanga and the North West are also at an advanced stage in the regard.

All these are meant to ensure a seamless and accelerated provision and access to a basket of services for Military Veterans and their dependents that include amongst others; support to business ventures of Military Veterans and their dependents; creation and provision of job opportunities; skills development and training; provision of decent houses; health care and education support as well as memorialisation and honouring of Military Veterans.

Although progress has been significant in the provision of some benefits, such as education, health, the SRD, as well as memorialisation and honouring, there is a lot of work that still needs to be done with respect to some benefits wherein minimal progress has taken place.

What is even heartening is the fact that even under serious budget and resource constraints, the Department has been able to provide education support for both Basic and Higher Education to 7 702 beneficiaries in the year under review.

“With limited resources both human and financial, and often working under very trying times and conditions, the Department made significant progress across some critical functions “

What a way for DMV to celebrating the centenaries of OR Tambo in 2017 and that of, Nelson Rolihlahla Mandela and Albertina Sisulu in 2018, all of whom understood the importance of education in any nation's development.

Nelson Rolihlahla Mandela once said "No nation can really develop unless its citizens are educated. He further went on to instruct that "Education is the most powerful weapon which you can use to change society."

The Department's focus on education support is a concrete testament of its commitment to give real meaning to the words of Madiba. This is real empowerment. Through this benefit the Department has assisted in changing the lives for Military Veterans' families the better and prides itself with 74 newly graduated military veterans and their dependents from tertiary institutions around the country. This includes a medical doctor interning at Ngwelezane Hospital north of Kwa-Zulu Natal.

The Department's interdependencies has inhibited its full and efficient delivery of housing to Military Veterans as stipulated in its Annual Performance Plan (APP). Notwithstanding the inherent systemic challenges and dependencies in the delivery of houses, the DMV has been able to put 270 families under the roof during the year under review, working in partnership with the Department of Human settlements. Plans and systems have been put in place tby both Departments to address these challenges with a sense of urgency and accelerate the delivery of houses according to plan. The Department also rescued 104 bonded houses in distress.

Military Veterans' access to health care has drastically increased phenomenally. Out of the set target of 17000 outlined in the APP 2017/18 financial year to have military veterans having access to health care during the year under review, more than 16 000 Military Veterans were given medical authorisation to access health services through the South African Military Health Services (SAMHS).

Social Relief of Distress has been another major programme in alleviating the poorest, the most vulnerable and unemployed Military Veterans from extreme poverty. Though this assistance is only 12 months, it has impacted positively on the lives of a number of military veterans. More than 2 800 military veterans and their dependents have received social relief of distress assistance.

The Department continues to assist Military Veteran's families with burial support. In the year under review the Department piloted a headstone programme which accompanied the burial support. It has been received well by families of Military Veterans as it brought much needed dignity for their loved ones.

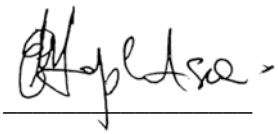
The Department continues to assist with the empowerment of businesses of Military Veterans. The Department helped more than 100 businesses in the year under review.

Acknowledgements/Appreciation

The 2017/18 financial year has not been easy for all employees of DMV who sometimes had to face the anger and wrath from Military Veterans who are affected by adverse social and economic conditions and frustrations. My deep and humble appreciation for their resilience and tireless commitment to duty goes to them. These employees have made sure that notwithstanding the challenges, they soldier and continue to constantly deliver to Military Veterans and their dependents.

My appreciation also goes to the Minister for her leadership stewardship and guidance; the Acting Director General and the senior management of the DMV, the Advisory Council, Appeal Board, the SANMVA, the military veterans Associations and community for their sterling support.

We also take this opportunity to thank all the various stakeholders who have and continue to walk this noble journey of improving the lives of Military Veteran`s community for the better. It has not been easy leading and creating an environment conducive for service delivery but over the years we have proved that working together we will definitely succeed

A handwritten signature in black ink, appearing to read 'ERK Maphatsoe', is written above a horizontal line.

Mr ERK Maphatsoe, MP

Deputy Minister of Defence and Military Veterans

Date: 13 September 2018

5. REPORT OF THE ACCOUNTING OFFICER FOR THE PERIOD 01 APRIL 2017 TO 31 MARCH 2018



DM Mgwebi Lt Gen (rtd)

5.1 Overview of the operations of the department:

The DMV derives its mandate from the Military Veterans Act, No 18 of 2011, wherein it is mandated to provide benefits to Military Veterans and their dependants.

The year under review has seen an increase in the challenges facing the department in the delivery of benefits and services to Military Veterans and their dependants.

The Department had to explore and invoke new ways of overcoming challenges in the operating environment. Among others, the Department has further developed its partnerships with Department of Human Settlement (DHS), Department of Defence (SAMHS) and the National Student Financial Aid Scheme (NSFAS) and State Information Technology Agency (SITA). DMV has also engaged the Mpumalanga and Eastern Cape Provincial Governments and is finalizing agreements with them in order to bring in services to Military Veterans and their dependants that will help intensify the department's programme on service delivery.

"The year under review has seen an increase in the challenges facing the department in the delivery of benefits and services to military veterans and their dependants."

5.1.1 General Overview on Performance

Most of the budget allocated to the DMV is spent on benefits listed in Section 5 of the Military Veterans Act 18 of 2011.

The following services were delivered in line with this mandate:

- To date 16 673 Military Veterans have access to healthcare services;
- 270 houses were provided to deserving Military Veterans as follows: Eastern Cape – 41 houses; Western Cape – 43 houses; Gauteng Province – 83 houses; Northern Cape – 7 houses; Mpumalanga - 85 houses; and Limpopo – 11 houses. Assisted 101 military veterans whose mortgage loans were in distress;
- 7 702 Military Veterans and their dependants were provided with education support. This include 4 958 in basic education and 2 744 at tertiary education. To date 148 beneficiaries of the education support benefit have graduated from universities, 74 of whom graduated in 2017 academic year;

- 952 Military Veterans and their dependants were provided with approved funding for skills development programmes; and
- 154 Military Veterans were provided with access to business empowerment opportunities.

5.2 Overview of the financial results of the department:

5.2.1 Departmental Budget Allocation

The allocation for Vote 19 for the Department of Military Veterans in the Estimates of National Expenditure (ENE) for 2017/18 financial year, was R622.1 million.

The overall DMV spent was R601.5 million which constituted 97% against of the total an allocation of R622.1 million with an underspending of R20.6 million or 3% of the total budget. This was indeed a remarkable and unprecedented achievement since the DMV was established 1st April 2010.

5.2.2 Departmental receipts

Table 1: Departmental receipts

Departmental receipts	2016/17			2017/18		
	Estimate R'000	Actual Amount Collected R'000	(Over)/Under Collection R'000	Estimate R'000	Actual Amount Collected R'000	(Over)/Under Collection R'000
Tax Receipts	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-
Liquor licenses	-	-	-	-	-	-
Motor vehicle licenses	-	-	-	-	-	-
Sale of goods and services other than capital assets	-	28	-	-	32	-
Transfers received	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-
Interest, dividends and rent on land	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	302	-	-	2 726	-
Total	-	330	-	-	2 758	-

5.2.3 Programme Expenditure

Table 2: Programme Expenditure

Programme Name	2016/17			2017/18		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme 1: Administration	159 332	158 056	1 276	148 642	140 520	8 122
Programme 2: Socio-Economic Support	313 541	243 472	70 069	357 502	356 437	1 065
Programme 3: Empowerment and Stakeholder Management	124 734	103 093	21 641	115 967	104 543	11 424
Total	597 607	504 621	92 986	622 111	601 500	20 611

5.3 Virements/roll overs

During the year under review, the Department received an approval from National Treasury to lift the cost of employment ceiling by R4 million to avoid over-expenditure that would have been incurred which emanated from the need to employ contract workers additional to the approved staff establishment. The employment of those contract workers had to be undertaken in order to enhance service delivery.

The Department also received approval to shift R132 million from under-performing programmes towards education support in order to cover the huge increase in demand for this benefit by military veterans and their dependents.

The Department was not granted permission by National Treasury to roll over un-spent funds during the 2016/17 financial year.

5.4 Reasons for unauthorised, fruitless and wasteful expenditure and the amounts involved as well as steps taken to address and prevent a recurrence.

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

A total amount of R21.3 million was incurred as irregular expenditure. Of the R21.3 million, R15.6 million related to contract management that was carried over from previous years and only R5.7 million related to the year under review. The Department is working on rectifying these contracts.

An amount of R3 million was incurred as fruitless and wasteful expenditure which mainly related to payment for SITA expenses.

During the year under review, the Department undertook continuous improvement of the Supply Chain Management processes in order to improve the controls. This process is still continuing and will indeed go a long way in assisting the reduction and final elimination of irregular fruitless and wasteful expenditure.

5.5 Future plans of the department

In the 2018/19 financial year the Department will launch a Service Delivery Model (SDM) which will include service centres around the country. These service centres will bring the delivery of benefits closer to Military Veterans. These will help Military Veterans in remote areas to be assisted in their provinces. This will result in Military Veterans being prioritised in the delivery of services like access to education, housing and healthcare.

The Department will implement a computerised Database and Benefit Management System together with SITA. This will largely eliminate paper based applications and processing of benefits and allow effective management in the processing of these applications. It will also ensure a secure database system as contemplated in 6(c) and 6(d) of the MVA 18 of 2011.

The Department will finalise a new structure after consultation with Department of Public Service and Administration (DPSA) and National Treasury, which will prioritise the creation of new capacity in the service delivery branches.

The Department will continue to engage with Provincial Governments to conclude agreements to ensure the prioritisation of Military Veterans in the delivery of houses, education and healthcare.

The SANMVA is required in terms of its constitution to hold a National Conference in the coming year.

5.6 Public Private Partnerships

No Public Private Partnership were reported in the previous as well as the current financial year.

5.7 Discontinued activities/activities to be discontinued

During the 2017/18 financial year, no activities were reported and listed as discontinued or to be discontinued.

5.8 New or proposed activities

The Department is revising its organizational structure in order to enhance the service delivery to the Military Veterans and their dependants.

5.9 Supply Chain Management

The Department did not conclude any bid during the year under review.

Systems and processes are being implemented to prevent irregular expenditure. These include:

- Supply Chain Management (SCM) standard operating procedures are in place and get reviewed regularly.
- Checklists have been implemented to enforce the use of correct processes.
- Continuous disclosure of any conflict of interest by officials is encouraged and monitored.
- Segregation of duties and SCM delegations are adhered to.
- Deviations are reported and approved by the Accounting Officer.
- Review of prior contracts is under way.

Below are some of the challenges experienced with applicable mitigating factors:

Table 3: Challenges and mitigation on supply chain management activities

Challenges	Mitigation
Emergency procurements	<ul style="list-style-type: none"> • End user to communicate the need to SCM timeously. • Clear specification to be submitted to avoid unnecessary delays. • Market analysis for better procurement.
Late submission of requests for procurement.	Communication is sent to users to alert them of time constraints whilst the request is executed.
Limitation number of service providers for special services.	<ul style="list-style-type: none"> • Service Providers encouraged to register on Central Supplier Database. • Training of SCM Practitioners on utilisation of Central Supplier Database.
Non-compliance to Procurement and Demand Management plans.	Request not considered without Demand Plan.
Use of manual system for procurement of goods and services instead of LOGIS.	<ul style="list-style-type: none"> • LOGIS Training provided to SCM practitioners. • LOGIS Implementation plan in place.
Assets that could not be verified or reported as missing.	<ul style="list-style-type: none"> • Annual verification of assets conducted. • On-going investigation on missing assets. • Asset Management verifications project in progress.

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

The Department did not receive any goods nor services in kind from parties other than related parties.

5.11 Exemptions and deviations received from the National Treasury

There were no exemptions reported from the PFMA, Treasury Regulations (TR) or deviation from the financial reporting requirements received for the current and/or previous financial year.

5.12 Events after the reporting date

There were no events (adjusting and non-adjusting), favourable and unfavourable that occurred after the reporting date and even the date of approval of the Annual Financial Statements (AFS).

5.13 Acknowledgements/Appreciation

I would like to acknowledge the commitment, zeal and passion displayed by the senior management staff of the Department. I would also like to thank the key stakeholders of the DMV, the Military Veterans and their Associations, SANMVA, the Appeal Board and Advisory Council for their constructive engagements with the Department. These positive and robust engagements have assisted a lot in the improvement of service delivery.

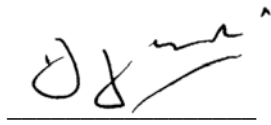
The leadership provided by the Minister and the Deputy Minister of Defence and Military Veterans respectively has continued to prove to be invaluable and is acknowledged and much appreciated.

5.14 Conclusion

I wish to express my gratitude to the staff of DMV and senior personnel for their hard work, dedication and selfless commitment to deal with the various challenges that were faced in the 2017/18 financial year. Without their resilience and diligence all the achievements reported would not have been realized.

5.15 Approval and sign off

The Annual Financial Statements set out on pages 83 to 166 have been approved by the Accounting Officer of the Department of Military Veterans.



DM Mgwebi Lt Gen (rtd)

Acting Director General Military Veterans

Date: 07/09/2018

6. STRATEGIC OVERVIEW

6.1 Vision

A dignified, unified, empowered and self-sufficient military veterans' community.

6.2 Mission

To facilitate delivery and co-ordinate all activities that recognise and entrench the restoration of dignity and appreciation of the contribution of military veterans to our freedom and nation building.

6.3 Values

Service Charter that Underpins the Delivery of Services to Military Veterans

As a Department, we pledge to manage and administer the affairs of military veterans with dignity and compassion and to ensure that the unique needs of all military veterans are provided for. This will be achieved through overall coordination and facilitation of the activities of Government and that of the private sector to ensure the provision of coherent assistance to all Military Veterans.

Our service delivery ethos is rooted in a value system characterised by the following:

- **Service Standards:** Service standards are based on clear direction and strong leadership. Our priority is to maximise the benefits and our contribution to the health and socio-economic support services to the military veterans of the Republic of South Africa. We will maintain high standards of excellence and professionalism in everything we do and will strive to:
 - Acknowledge receipt of a query by a military veteran within 24 hours and provide responses
 - to queries lodged by no later than ten working days from the date of registration of the query.
 - Ensure that all telephones are answered without undue delay and that telephonic queries are responded to immediately.
 - Respond to all ministerial enquiries within the timeframes prescribed.
 - Endeavour to finalise payments to service providers for services rendered within the 30-day period prescribed in the Public Finance Management Act No. 1 of 1999 (PFMA) and applicable delegated legislation and Practice Notes promulgated from time to time.
 - Discharge our responsibilities in accordance with the Batho Pele principles.
- **Teamwork:** The Department is one team that embraces one purpose. In debating all issues comprehensively, each team member will represent his or her individual responsibilities rigorously with the overriding aim of reaching conclusions that will be best for the Department and the community of military veterans as a whole and act on them.
- **Discipline:** We will consistently strive towards upholding a high level of discipline. Individually and collectively, we will rebuild the profile and image of the Department establishment, as the best disciplined profession. We will promote mutual respect for military veterans at all times.
- **Excellence:** We will build on what we do well and actively foster a climate of success. We will invest in our people and encourage innovation. We will provide the right incentives and recognise individual and team contributions. We will provide services to military veterans with empathy and compassion at all times.

- *Ethics*: We will adopt and encourage reasonable working practices. We will not be deflected by the demands of vested interests. We will foster fairness and trustworthiness in all that we do. We will not avoid difficult issues. Our dealings with our stakeholders will be underscored by professionalism in service delivery to military veterans.
- *Openness and Transparency*: We will communicate with clarity to ensure better understanding of our priorities. We will ensure that our messages are understood. We will listen to the concerns of clients and ensure we understand their needs. We will aim to create a climate of trust and transparency in our decision making. We will further display the telephone numbers of the senior managers of the regions on the website of the Department and communicate them to the general public and the top management of the Department.
- *Consultation Rooted in Effective and Efficient Partnerships and Collaboration*: We will encourage and improve links with other government departments and other relevant organs of state. We will strengthen partnerships with industry, allies and the community at large. We will promote collaboration in the Department, harmonise activities and systems and where sensible, share knowledge. We will regularly consult the national umbrella body for military veterans and other entities, as well as individual military veterans.
- *Encourage Innovation and Reward Excellence*: We will create a learning organisation in which all employees seek and share knowledge and information while committing themselves to personal growth. We will lead by example and influence others to follow these principles. We will be sensible of the demands we make on people, recognising the unique commitment they make.
- *Redress*: We will seek to address the wrongs of the past in relation to military veterans and we will strive for equity in this sector
- *Value for Money*: We will seek to ensure maximum returns on investment in programme implementation and manage finances accordingly

7. LEGISLATIVE AND OTHER MANDATES

Since the Presidential Proclamation in 2009 for the establishment of the Department on the 30 April 2010, a number of policies have been implemented and legislation promulgated to create a framework for transformation in DMV's mandate. A summary of key policies and legislation follows below:

7.1 Constitutional mandate

Table 4: Constitutional Mandate

Constitutional mandate	Responsibilities
The Constitution of South Africa, 1996 (Act 108 of 1996)	<ul style="list-style-type: none"> According to Chapter 2: Bill of Rights Sec 7 (1) it enshrines the rights of all people in our country and affirms the democratic values of human dignity, quality and freedom. The Constitution states categorically that everyone is equal before the law and must enjoy all rights in accordance with the values of human dignity, equality, human rights and freedom, non-racism and non-sexism, etc.

7.2 Legislative mandate

Table 5: Legislative Mandate

Act	Brief description
Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA)	The PFMA regulates financial management in the national and provincial governments and ensures that government resources are managed efficiently and effectively.
Public Service Act, 1994 (Act 103 of 1994), as amended	This act provides for the organisation and administration of the public service as well as the regulation of the conditions of employment, terms of office, discipline, retirement and discharge of members of the public service.
Labour Relations Act, 1995 (Act 66 of 1995) (LRA)	The LRA aims to promote economic development, social justice, labour peace and democracy in the workplace
The Basic Conditions of Employment Act, 1997 (Act 75 of 1997) (BCEA), as amended	<p>The purpose of this Act is to advance economic development and social justice by fulfilling the primary objects of this Act which are:</p> <ul style="list-style-type: none"> To give effect to and regulate the right to fair labour practices conferred by section 23(1) of the Constitution by: <ul style="list-style-type: none"> Establishing and enforcing basic conditions of employment Regulating the variation of basic conditions of employment To give effect to obligations incurred by the Republic as a member state of the International Labour Organisation
The Employment Equity Act, 1998 (Act 55 of 1998) (EEA)	<p>The purpose of the Act is to achieve equity in the workplace, by:</p> <ul style="list-style-type: none"> Promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination Implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups, to ensure their equitable representation in all occupational categories and levels in the workforce

The DMV derives its mandate from the following legislations:

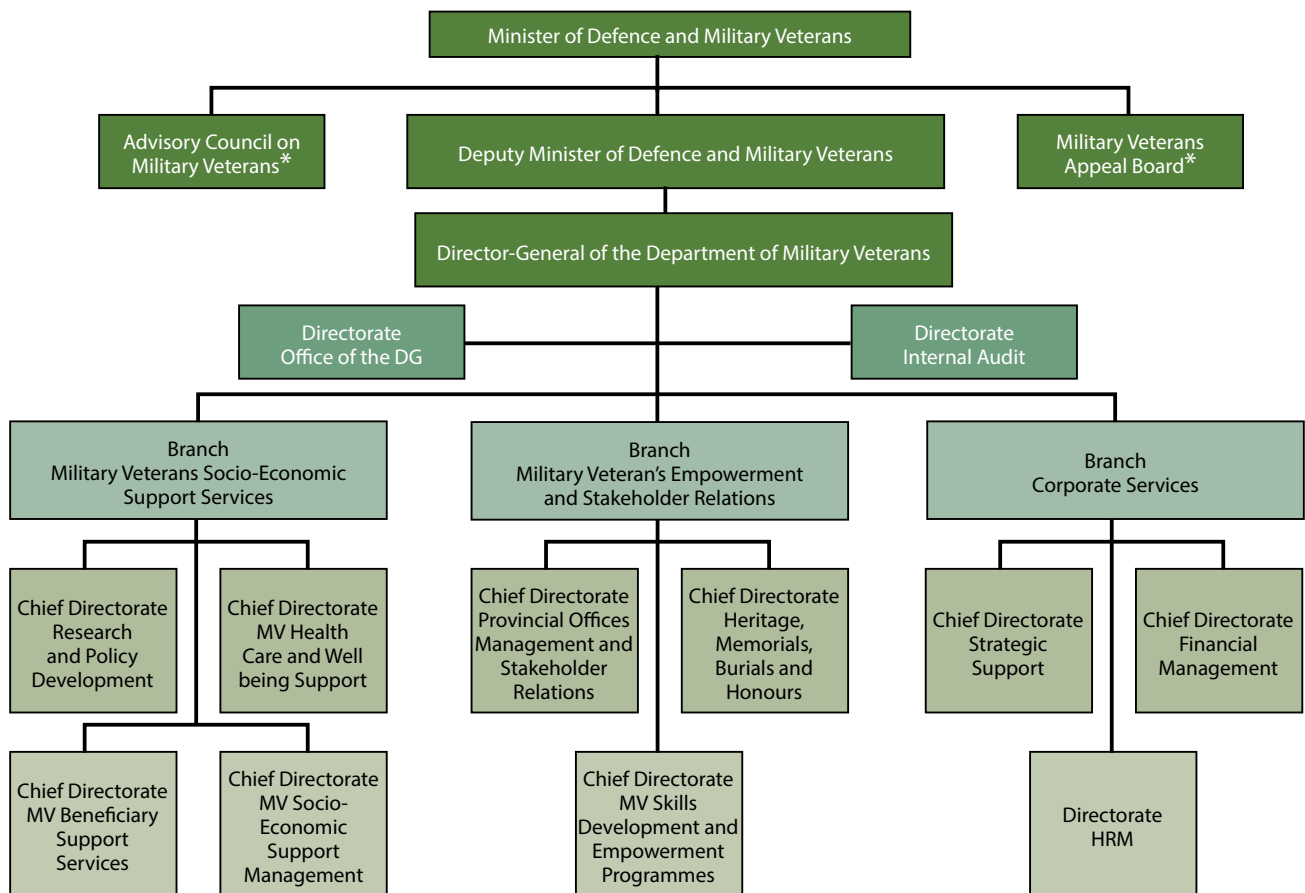
- The 1996 White Paper on Defence;
- Proclamation 92 of 28 December 2009; and
- Military Veterans Act No. 18 of 2011.

Other legislations impacting on the lives of the military veterans are:

- Military Pensions Act 1976, (Act 84 of 1976) (as amended);
- Special Pensions Act 1996, (Act 69 of 1996) (as amended);
- Transitional Executive Council Act 1993 (Act 151 of 1993);
- Housing Act 1997 (Act 107 of 1997);
- National Heritage Act 1999 (Act 25 of 1999);
- National Health Act 2003 (Act 61 of 2003); and
- Social Assistance Act 2004 (Act 13 of 2004).

8. ORGANISATIONAL STRUCTURE

Figure 1: DMV approved Organisational Structure as at 2010



* The two statutory bodies provided for in the Military Veterans Act No. 18 of 2011, have since been included in the functional structure

9. ENTITIES REPORTING TO THE MINISTER OF DEFENCE AND MILITARY VETERANS

There are no entities reporting to the Minister of Defence and Military Veterans.

Part B: PERFORMANCE INFORMATION

BENEFITS

- Honouring and memorialising fallen veterans
 - Skills acquisition and education support
 - Free access to military health services
 - Subsidized access to public transport
 - Dedicated counselling and treatment
 - Business support services
 - Military Pension
 - Job placement
 - Burial support
 - Housing

WORKING TOGETHER TO HONOUR,
RESTORE DIGNITY AND EMPOWER
MILITARY VETERANS
FOR NATION BUILDING.

PART B: PERFORMANCE INFORMATION

10. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management with material findings being reported under "Report on the audit of Annual Performance Report" heading of the Auditor-General's report.

Refer to page 78 to 80 of the Report of the Auditor General, published as Part E: Financial Information.

11. OVERVIEW OF DEPARTMENTAL PERFORMANCE

11.1 Service Delivery Environment

The Department derives its mandate from the MVA 18 of 2011; Section 7 of the Bill of Rights in the Constitution of the Republic of South Africa; Proclamation 92 of 28 December 2009 and The 1996 White Paper on Defence.

The DMV has made good progress in establishing itself but still requires support and adequate resources, which are core to the performance of any organisation. Policy, planning, budgeting and reporting are aligned to getting better service delivery.

The DMV is still facing service delivery challenges due to the inherent IT legacy system, inadequate funding, vacancy rate, low staff morale, inadequate office accommodation, lack of uniformity in terms of implementation of business processes and SOPs of certain key services. As a result, the service standards as pledged to the service beneficiaries were not met.

Reporting on both financial and non-financial performance is important in measuring the performance of government institutions. Non-financial information is essential for assessing progress towards predetermined service delivery or performance targets.

Performance information allows for a results-based management approach, where results or performance can be measured in order to recognise success and failure, and to adjust strategy accordingly.

The Strategic Plan 2015/16–2019/20 guided the work of the Department from the beginning of the financial year to the time of the approval of the Annual Performance Plan 2017/18 financial year.

11.2 Service Delivery Improvement Plan (SDIP)

The department is in the process of completing its SDIP.

11.3 Organizational environment

The approved DMV staff establishment is 169 posts, of which 127 are filled and 42 are vacant. This translates to a vacancy rate of 25%. Due to operational imperatives, the Department further created an additional 73 posts which were filled on a contract basis. The Department continues to experience challenges in attracting and retaining critical and scarce skills.

The Department embarked on a project to review its organizational structure. The purpose of the review was to ensure the alignment of the Departmental organizational structure with the National Development Plan (NDP), the Medium Term Strategic Framework (MTSF), and the Departmental Strategic Plan and Annual Performance Plans.

11.4 Key policy developments and legislative changes

The 2017/18 financial year, saw no changes to DMV legislation.

12. STRATEGIC OUTCOME-ORIENTED GOALS

12.1 Introduction

The Department Annual Performance and Strategic Plan include strategic outcome-oriented goals that are the drivers of change towards the achievement of the desirable affairs of military veterans.

In order to execute its mandate, the Department has identified three strategic outcome-oriented goals that define its direct service delivery responsibilities. These goals and objectives are the following:

12.2 Strategic Outcome-oriented Goals and Objectives

Table 6: Strategic Outcome-oriented goals and objectives

Programmes	Strategic Goal	Strategic Objective (s)
1. Administration	Provide Efficient, Effective and Excellent Administrative Support	Strategic objective 1.1 Provide strategic direction to the Department
2. Socio-Economic Support	Improved and sustainable socio-economic status of military veterans	Strategic objective 2.1: Ensure establishment of a secured national military veteran's database and smooth transition of military service men/ women to civilian life. Strategic objective 2.2: Provide a comprehensive delivery system of benefits and services of military veterans.
3. Empowerment and Stakeholder Management	Empowered and Self-sufficient military veterans	Strategic objective 3.1: Contribute toward reconciliation and nation building. Strategic objective 3.2: Improve the quality of life for military veterans and that of their dependants. Strategic objective 3.3: Recognise and honour military veterans in life and memorialise them in death for their sacrifices on behalf of the nation.

In pursuance of its legislative mandate and dispensing the benefits to military veterans, the Department continued to provide support to the Government's MTSF Outcomes relevant to the its mandate.

The DMV Annual Report for the 2017/18 financial year is herewith presented. The Report details the ways in which the Department achieved the strategic objectives as mandated and ordered in providing benefits to military veterans and their dependents and ensuring sound administration and management. The DMV has progressed in many areas against priorities set.

During the DMV's Budget Vote in May 2017, a pronouncement was made that the Department will increase the number of military veterans and their dependents for access to various benefits, inter alia Education support, Access to Healthcare, Skills development and Social Relief of Distress.

During 2017/18 financial year, the Department contributed immensely towards the strategic-outcome oriented goals as per the Strategic Plan as follows:

12.3 DMVs' contribution towards the National Development Plan (NDP) and Medium-Term Strategic Framework (MTSF) (Outcomes)

Table 7: Contributions through NDP and Outcomes (MTSF)

Outcome No	MTSF Outcomes	Chapter	National Development Plan (NDP)	Progress as at 31 March 2018
1	Improved-quality basic education	Chapter 9	Improving Education, Training and Innovation.	<ul style="list-style-type: none"> 7 702 military veterans and their dependants were provided with education support. This included 4 958 at basic education and 2 744 in tertiary education. To date 148 beneficiaries of the education support benefit have graduated from universities, 74 of whom graduated in 2017 Academic year.
2	A long and healthy life for all South Africans	Chapter 10	Promoting Health	A total of 16 673 military veteran accessed the healthcare services
3	Decent employment through inclusive economic growth	Chapter 3:	Economy and Employment	154 military veterans were provide with business access to empowerment opportunities
5	A skilled and capable workforce to support an inclusive growth path	Chapter 9	Improving Education, Training and Innovation.	952 military veterans and their dependants were provided with funding for skills development programmes.
7	Vibrant, equitable, sustainable rural communities contributing towards food security for all	Chapter 6	An integrated and inclusive economy, human capital, social security, food security and basic services.	2 832 military veterans and their dependants were provided with Social Relief of Distress to mitigate their suffering.
13	A comprehensive, responsive and sustainable social protection system			
8	Sustainable human settlements and improved quality of household life	Chapter 8	Transforming human settlement.	<ul style="list-style-type: none"> 270 houses were provided to deserving military veterans as follows: <ul style="list-style-type: none"> Eastern Cape – 41 houses; Western Cape – 43 houses; Gauteng Province – 83 houses; Northern Cape –7 houses; Mpumalanga - 85 houses; and Limpopo – 11 houses. Assisted 101 military veterans whose mortgage loans were in distress.

Outcome No	MTSF Outcomes	Chapter	National Development Plan (NDP)	Progress as at 31 March 2018
12	An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship	Chapter 13	Building a capable and developmental state.	<ul style="list-style-type: none"> • During the year under review, all statutory planning and evaluation documents were developed and submitted to external stakeholders • The BAS and Payroll systems fully functional. • Financial Reporting is in place. • LOGIS is not yet in use. DMV is in the processes of implementing this system with a target date of 01 June 2018. • Assets management challenges are being addressed.
14	Nation building and social cohesion	Chapter 15	Transforming society and uniting the country: Promoting social cohesion across society and righting the wrongs of the past	<ul style="list-style-type: none"> • There have been no new developments with the Tomb of the Unknown Soldier Project during the 2017/18 financial year. • 20 tombstones have been erected at the graves of deceased military veterans. • A committee was formed to oversee the project for the repatriation and the handover of the remains of 17 Pan African Congress (Poqo) members who were arrested in Paarl in 1962 and hanged at the gallows in Pretoria between 1962 and 1968. • Their remains were handed over to families on 23 March 2018, with reburials scheduled to take place during 2018/19 financial year. • 272 families were provided with burial support.

13. PERFORMANCE INFORMATION BY PROGRAMME

The Department has three programmes. The performance of these programmes is depicted in the tables below.

13.1 Programme 1: Administration

13.1.1 Programme Purpose:

The main purpose of the programme is to provide management and strategic administrative support to the Ministry, and overall management of the Department.

The Administration programme is aimed at facilitating the overall management of the Department.

The following are the list of sub-programmes that fall under this programme:

Table 8: Sub-programmes of Programme 1

Sub-programmes	Sub-programme purposes	Strategic objectives
Management	Provide departmental direction to ensure effective management of the Department	Provide strategic direction to the department
Corporate Services	Render corporate support services in the Department	
Financial Administration	Provide a cost-effective financial management services to the DMV within the evolving regulatory frameworks by means of a professional and representative financial management system.	
Internal Audit	Provides internal audit and risk management services to the Department by managing and conducting compliance audit services.	
Strategic Planning, Policy Development, Monitoring and Evaluation	Develop an equitable and sound environment for promoting Military veterans' interests through continuous research processes, Strategy development, Strategic forecast, Strategic Planning instruments, effective Monitoring and Evaluation, and the provision of information on managing Military veterans based on international standards.	
Office Accommodation	Manages the payment of accommodated charges, leases and municipal services as a direct result of the devolution of a portion of the national Department of Public Works' budget to national departments.	

13.1.2 Strategic objective for the 2017/18 financial year:

Strengthen structures, systems, policies, processes and procedures.

13.1.3 Strategic objectives, performance indicators, planned targets and actual achievements

During 2017/18 financial year, the Department targeted nine performance indicators to achieve an efficient and effective administration. This resulted in three performance targets being achieved which constituted 33%.

Table 9: Performance indicators for Programme 1

Programme: Administration					
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
PPI 101: Percentage of representation of women SMS level.	New Indicator	50%	48%	-2%	Affected by resignation of a woman on SMS level.
PPI 102: Percentage of targets achieved against those planned in the APP.	New Indicator	100%	28%	-72%	Unavailability of the APP Operational Plan.
PPI 103: Percentage of targets achieved against those planned on approved MPAT Improvement Plan	New Indicator	100%	15%	-85%	The Improvement Plan was not monitored accordingly.
PPI 104: Percentage of Communication Strategy activities implemented	50%	75%	60%	-15%	Resource limitations
PPI 105: Percentage of cases from the Presidential Hotline resolved	100%	100%	90%	-10%	Unavailability of the Public Liaison Officer (PLO) to handle pending Cases.
PPI 106: Fully integrated military veterans' benefits management	New Indicator	Solution construction & implementation	The user requirements and application service specifications were developed.	The implementation of the solution construction was delayed and will be implemented in the 2018/19 financial year.	<ul style="list-style-type: none"> Delays in the appointment of Systems developers. Delays in the finalization of the workflow framework. Lack of Memorandum of Understanding (MOU) and Policies.
PPI 107: Percentage of legitimate invoices paid within 30 days of receipt	67%	90%	76.02%	-23.92%	Mainly related to historical debts for travel, cell phones and computer services invoices.
PPI 108: Number of liberation struggle history research outputs	New Indicator	5	5	N/A	N/A
PPI 109: Percentage representation of Persons with Disability	New Indicator	2%	2%	N/A	N/A

13.1.4 Strategy to overcome areas of under performance

The Department intend to implement the following strategies for the under achieved performance targets:

Table 10: Administration Mitigation strategies to address under performance

Performance Targets	Mitigation strategies
Percentage of targets achieved against those planned in the APP.	The department will ensure that action plans are developed for all indicators not achieved.
Percentage of targets achieved against those planned on approved MPAT Improvement Plan.	The department will hold Quarterly meetings on MPAT Improvement Plan to ensure that targets are achieved.
Percentage of Communication Strategy activities implemented.	The department will fill vacant positions and train the current employees
Percentage of cases from the Presidential Hotline resolved.	The department will ensure that the Presidential Hotline cases are resolved by having a meeting with DPME to discuss the challenges and fast track the appointment of the new PLO to handle the pending cases.
Fully integrated military veterans' benefits management.	The department will fast track the appointment of systems developers, ensure that there is continuous engagement with relevant stakeholders and operationalize the Project Steering Committee.
Percentage of legitimate invoices paid within 30 days of receipt.	The department will introduce an invoice tracking system within Movement Unit and Branches. They will be strictly requested to adhere to turnaround time for approval of Travel With Flair invoices.

13.1.5 Changes to planned targets

None.

Table 11: Sub-programme expenditure: Administration

Sub- Programme	2016/17			2017/18		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Management	10 035	10 035	-	10 929	10 851	78
Corporate Services	94 868	93 828	1 041	81 405	81 370	35
Financial Administration	21 926	21 926	-	19 300	18 894	406
Internal Audit	10 714	10 497	217	10 786	10 016	770
Strategic Planning, Policy Development, Monitoring and Evaluation	9 265	9 247	18	9 835	8 262	1 573
Office Accommodation	12 524	12 524	-	16 387	11 127	5 260
Total	159 332	158 056	1 276	148 642	140 520	8 122

13.2 Programme 2: Socio-Economic Support (SES)

13.2.1 Purpose of the programme

To develop and monitor the implementation of legislation, policy frameworks and service delivery cooperation agreements on compensation for injury in military service, counselling, education, healthcare, public transport, pension and housing benefits to military veterans eligible for such support.

The following are the list of sub-programmes that fall under the SES programme:

Table 12: Sub-programmes of Programme 2

Sub-programmes	Sub-programme purposes	Strategic objectives
Database and Benefits Management	Manage the national military veteran database and establish systems for smooth and seamless transition of servicemen and women from active military service to civilian life, ensure the integrity and security of updated information on the National Military veterans database	Provide a comprehensive delivery system of benefits and services of Military veterans.
Healthcare and Well-being Support	Develop and implement healthcare and well-being frameworks for Military veterans and establish healthcare and well-being partnerships.	
Socio-Economic Support Management	Develop and implement legislative and policy frameworks, protocols and systems, and establish partnerships to advance access by eligible Military veterans and dependants to legislated benefits pertaining to social development services.	

13.2.2 Strategic objectives for the 2017/18 financial year:

- Ensure establishment of a secured National Military Veterans Database and smooth transition of military service men/women to civilian life.
- Provide a comprehensive delivery system of benefits and services of military veterans.

13.2.3 Strategic objectives, performance indicators, planned targets and actual achievements

During the 2017/18 financial year, the Department targeted four performance indicators to deliver the socio-economic benefits to military veterans and their dependants. This resulted in one performance target being achieved which constituted 25%.

Table 13: Performance indicators for Programme 2

Programme: Socio-Economic Support					
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement 2017/18	Comment on deviations
PPI 201: Total number of military veterans with access to healthcare services	15 740	15 000 *(Target 1 000)	16 673 **(933)	1 673	This is due to high demand on the Healthcare services.
PPI 202: Number of deserving military veterans with decent housing per year	168	1 000	270	-730	Administrative challenges on contractual issues with developers and lack of land to build houses for military veterans.
PPI 203: Percentage of military veterans who are verified and captured on the National Military Veterans' Database.	New indicator	90%	40%	-50%	Delays in filling-in the strategic positions in the directorate.
PPI 204: Number of bursaries provided for military veterans and their dependants per year	7 146	8 700	7 702	-998	Not all applications received met the qualifying criteria.
* (Target 1 000): This was the yearly target planned to be achieved during 2017/18 Financial Year					
** (PPI 201: The achievement for 2017/18 financial year was 933 which when added to the cumulative output of 15 740 results in a cumulative annual achievement of 16 673)					

13.2.4 Strategy to overcome areas of under performance

The following are the Department's strategies to address under performance:

Table 14: SES Mitigation strategies to address under performance

Performance Targets	Mitigation strategies
Number of deserving military veterans with decent housing per year.	Conduct an internal review of delivery model for the provision of decent houses for military veterans.
Percentage of military veterans who are verified and captured on the National Military Veterans' Database.	The Department together with SITA have collaborated in the development of a database management system and the proposed system will be rolled out during 1st Quarter of 2018/19 financial year.
Number of bursaries provided for military veterans and their dependants per year.	Monitoring and Evaluation will be strengthened with regards to provision of bursaries. In addition to this the Human Resource capacity will also be strengthened in this regard.

13.2.5 Changes to planned targets

None

Table 15: Sub-programme expenditure: Socio-Economic Support

Sub-Programme	2016/17			2017/18		
	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
Database and Benefits Management	8 237	6 344	1 893	5 549	5 544	5
Healthcare and Well-being Support	71 263	70 333	930	66 932	66 949	(17)
Socio-Economic Support Management	234 041	166 795	67 246	285 021	283 944	1 077
Total	313 541	243 472	70 069	357 502	356 437	1 065

13.3 Programme 3: Empowerment and Stakeholder Management (ESM)

13.3.1 Programme purpose

To manage and facilitate the implementation of military veterans' empowerment and stakeholder management programmes.

The following are the list of the sub-programmes that fall under the ESM programme:

Table 16: Sub-programmes in Programme 3

Sub-programmes	Sub-programme purposes	Strategic objectives
Provincial Offices and Stakeholder Relations	Facilitate and coordinate military veteran stakeholder institutions and provide administrative support to secure stakeholders from both public and private institutions willing to contribute towards the well-being of Military veterans.	<ul style="list-style-type: none"> • Contribute toward reconciliation and nation building. • Improve the quality of life for Military veterans and that of their dependants. • Recognize and honour Military veterans in life and memorialize them in death for their sacrifices on behalf of the nation.
Empowerment and Skills Development	Provide reskilling programmes and related activities to ensure that Military veterans contribute positively to mainstream economic activities.	
Heritage, Memorials, Burials and Honours	Provide services to honour the contributions made by Military veterans and ensure that their memoirs are adequately secured, articulated in a dignified manner and captured in historical texts.	

13.3.2 Strategic objectives for the 2017/18 financial year:

- Ensure that military veterans as a resource, enhance the national workforce and contribute to the prosperity and development of the country.

13.3.3 Strategic objectives, performance indicators, planned targets and actual achievements

For 2017/18 financial year, the Department targeted to administer five performance indicators in order to assist military veterans to benefit from skills development programmes and business opportunities. This resulted in one performance target being achieved which constituted 20%.

Table 17: Performance indicators for Programme 3

Programme: Empowerment and Stakeholder Management					
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
PPI 301: Number of private sector companies and organs of state in partnership with the Department of Military veterans	0	4	0	-4	Internal processes on the development of MOUs were not finalized on time.
PPI 302: Number of deserving and their dependants provided with approved funding for skills development programmes	1 908	4 000	952	-3 048	The process of revising the Skills Standard Operating Procedure (SOP) took a longer period than expected.
PPI 303: Number of military veterans' businesses provided with access to empowerment opportunities.	179	110	154	44	This is due to high demand on the business empowerment benefit
PPI 304: Percentage of approval burial claims paid within 30 days of receipt	New indicator	100%	64%	-36%	Lack of operational capacity to respond to service request.
PPI 305: Number of military veteran's memorial sites erected per year	2	2	0	-2	Lack of human capacity within the directorate.

13.3.4 Strategy to overcome areas of under performance

The following are the strategies the department will prioritize to address under performance.

Table 18: ESM Mitigation strategies to address under performance

Performance Targets	Mitigation strategies
Number of private sector companies and organs of state in partnership with the Department of Military veterans.	The department will ensure that the new MOUs are presented to MANCO and EXCO (Executive Council) for the approval of partnerships with private sector companies and organs of state.
Number of deserving and their dependants provided with approved funding for skills development programmes.	The department will ensure that deserving military veterans and their dependants are provided with approved funding for skills development programmes by implementing the revised and approved Skills SOP in the 2018/19 financial year.
Percentage of approval burial claims paid within 30 days of receipt.	The department will fast track the appointment of vacant strategic posts to be filled on time to ensure service delivery to military veterans.
Number of military veteran's memorial sites erected per year.	The department will ensure that it erects memorial sites by revisiting projects for Lesotho and Botswana as well as tangible projects with SA cemeteries.

13.3.5 Changes to planned targets

None

Table 19: Sub-programme expenditure: Empowerment and Stakeholder Management

Sub- Programme	2016/17			2017/18		
	Final	Actual	(Over)/Under	Final	Actual	(Over)/Under
	Appropriation	Expenditure	Expenditure	Appropriation	Expenditure	Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Provincial Offices and Stakeholder Relations	44 239	32 739	11 500	37 694	34 317	3 377
Empowerment and Skills Development	44 160	36 518	7 642	47 974	42 331	5 643
Heritage, Memorials, Burials and Honours	36 335	33 836	2 499	30 299	27 895	2 404
Total	124 734	103 093	21 641	115 967	104 543	11 424

14. CAPITAL INVESTMENT

14.1 Capital investment, maintenance and asset management plan

Table 20: Capital investment

Infrastructure projects	2016/17			2017/18		
	Final	Actual	(Over)/Under	Final	Actual	(Over)/Under
	Appropriation	Expenditure	Expenditure	Appropriation	Expenditure	Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
New and replacement assets	-	-	-	-	-	-
Existing infrastructure assets	-	-	-	-	-	-
Upgrades and additions	-	-	-	-	-	-
Rehabilitation, renovations and refurbishments	-	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-	-
Infrastructure transfer	-	-	-	-	-	-
Current	-	-	-	-	-	-
Capital	-	-	-	-	-	-
Total	-	-	-	-	-	-

Part C: GOVERNANCE



PART C: GOVERNANCE

1. Introduction

The Department of Military Veterans is committed to maintaining the highest standards of governance in its management of public finances and resources. The Department has formalised risk management structures and processes in place as well as a functioning internal audit unit to ensure good governance is in place to effectively, efficiently and economically utilize the state resources.

2. Risk Management

2.1 Risk Management

The overall risk management philosophy of the DMV is to identify potential and emerging risks and implement risk management strategies that seek to reduce the impact of the identified risks on the achievement of DMV's strategic objectives.

The audit committee also provides advice and oversight regarding the implementation of risk management activities throughout the organisation. Risk registers are compiled, updated with emerging risks and progress of mitigating actions are monitored by the Chief Risk Officer.

The Department is committed to implementing and maintaining an effective, efficient and transparent system of risk management and as outlined in the department's Risk management Policy and Risk Management Strategy. The Department continues to implement the risk management strategy and policy by identifying emerging risks and conducting both strategic and operational risk assessments.

The Risk Management Committee (RMC) is not in place, the department is looking to appoint an independent RMC chairperson as recommended by the public sector risk management framework. The department has not reported its reports on RMC in the previous year as it was not in place.

The RMC will be functional in by end of 3rd quarter as that is where the independent RMC will be appointed.

The Risk Management in public sector institutions is part of the governments' macro strategy towards ensuring the achievement of national goals and objectives. The strategic and operational risk registers were developed.

Strategic and operational risk assessments are conducted quarterly with a view to reviewing and updating existing risks and identifying new and emerging risks.

2.2 Risk Management strategies to identify risks and manage the risks

The Department has adopted a formal approach of identifying and managing risks.

Risks are identified both at strategic and operational levels. To this end, risks at the strategic level are linked to goals, objectives and programmes, while the operational risks are linked to the operational objectives of the branches and respective directorates.

The Department annually conducts a comprehensive risk assessment to review/update the departmental risk register as per the approved Risk Management Strategy and as required by the National Treasury Public Sector Risk Management Framework and quarterly reviews emerging risks and status in the implementation of mitigation strategies. During the risk assessment process the responsibility for designing and implementing risk action plans for the key risks identified is delegated to the specific risk owners.

Audit Committee recommended for the appointment of an independent risk management chairperson who independently would monitor the effectiveness of the system of risk management.

The Departmental risk register was presented to Executive Management during the 2017/18 financial year.

Measures are underway in the management and mitigation of risks. Risk awareness workshops will be conducted, risk champions appointed, risk maturing gap analysis, marketing of the risk management function, clarification of roles and responsibilities and ongoing regular risk assessments conducted accordingly.

3. Fraud and Corruption

The Department has a Fraud Prevention Plan and Fraud Policy in place and this takes into account the risks of fraud and corruption that are normally identified during business risk assessment.

The Department supports the National Anti-Corruption Hotline and, in addition to reporting suspected fraud and corruption, employees are encouraged to make confidential disclosure about suspected activities of fraud and corruption through established internal reporting mechanisms such as Internal Audit, Legal Services and Security Management Units.

The Department is committed to investigating and reporting on all reported cases to the relevant institutions, depending on the outcome of the investigation. The Department conducted a formal awareness workshop during the financial year under review despite the capacity constraints. In the interim, engagements were made with Office of the Public Service Commission (OPSC) to assist with investigations on reported cases received from the National Anti-Corruption Hotline (NACH).

3.1 Fraud and corruption mechanisms

The Department has a Fraud Prevention Plan that outlines Whistle Blowing procedures to be followed when reporting suspected fraud and corruption. The departmental fraud prevention plan is designed to comply with the provisions of the Protected Disclosure Act No. 26 of 2000 (as amended).

Significant strides will be made to roll out the fraud prevention plan through posters at strategic areas within the Department; - Intranet; and maintenance of the fraud and corruption risk registers.

The reported matter/case may be investigated internally; referred to the South African Police Service (SAPS) or the National Prosecuting Authority (NPA); or to a disciplinary committee. The Department will strive to promote a culture of zero tolerance towards fraud and corruption.

4. Minimising Conflict of Interest

Department uses the following procedures for handling conflict of interest:

- Financial disclosure procedures are used to encourage employees to disclose any registrable interests they might have or any remunerative work that is conducted outside of the department.
- Where conflict of interests has been identified employees are engaged and, where appropriate, standard disciplinary steps are taken against them in terms of the disciplinary code and procedure of the Public Service.
- The Department participate in the E-Financial Disclosure and timeously submit all required information about their business interest electronically to the Public Service Commission i.e. by 30 April of each financial year as legislated.

- Senior Management Service (SMS) are annually required to complete and submit the E-Financial Disclosure. SMS members in the Department who do not comply with the E-Financial Disclosure may be charged with misconduct according to regulations.
- All SCM members involved in the procurement process in the Department must be vetted and undergo security vetting process.
- All Bid Committee members are obliged to sign conflict of interest forms to avoid any potential conflicts that might arise.
- All SMS members are currently disclosing any conflict of interest electronically on annual basis to DPSA.
- This process is effectively managed by the departmental Human Resources Management. For level 12 and downwards, the department had developed a disclosure form where all employees are requested to disclose any conflict of interest on annual basis, when appointed by the department as a new employee you are given a form for disclosure. These forms are kept in an employee personal file.

5. Health Safety and Environmental Issues

5.1 Occupational Health & Safety

During the 2017/18 financial year, the Departmental Occupational Health & Safety Committee (DOHSC), which is constituted by members from the Department's head office, convened all the planned quarterly meetings. In order to streamline communication and develop internal incident report protocol, the Department issued a circular, which prescribed reporting procedures for the occurrence of safety and security related incidents.

In order to continuously develop and build the capacity of the designated officials, floor marshalling, fire-fighting and first aid training was provided and officials benefitted from these interventions.

The Offices of the Department were inspected for compliance regarding occupational health and safety.

5.2 Security

The matters of information and physical security continue to occupy the priority list of the Department. Its fully functional Security Management is awaiting the results of the information security appraisal conducted by the State Security Agency. To help the Department to provide reasonable assurance of its readiness to respond to any unforeseen major disruption of its functioning, a Business Continuity Plan must be developed and approved. This plan will assist the Department to understand its ability to continue with the delivery of critical business processes and services following the occurrence of a disruptive event.

Following the security and safety appraisal/audit that must be conducted by the relevant national authorities, the Department will participate in the yearly remedial internal security/safety appraisal conducted by the relevant stakeholders. On these corrective appraisals, the Department continues to improve its scoring in all areas identified for remedial action.

Although the Departmental Security Management prioritises the vetting of designated categories of staff, the challenges experienced by the State Security Agency in speeding up the vetting process compromises the ability of the Department to be fully compliant in this regard, hence the department has opted for the utilisation of the Department of Defence for vetting. During the period under review, the Department has not yet conducted security assessments in the head office. All the Departmental security, health and safety policies are reviewed and signed off when the need arises.

6. Portfolio Committees

Table 21: Activities undertaken with the Portfolio Committee

Date of the Meeting	Main activities undertaken between the Department and the Portfolio Committee on Defence and Military Veterans.
9 to 10 May 2017	To give a brief overview to the Committee on the Budgetary Allocation 2017/18 financial year and Annual Performance Plan 2017/18 financial year, and to brief the committee on the 4th Quarterly Performance and Financial Report for the period ending March 2017.
22 to 23 May 2017	To provide progress made with the upgrade of the Call Centre and Modernisation of the Military Veterans Database. Attendance of the Ministry of Defence and Military Veterans Budget Vote 19 for the 2017/18 financial year.
22 to 23 Aug 2017	To brief the committee on the 1st Quarterly Performance and Financial Report for the period ending June 2017 as well as the outcomes of the Skills Audit.
9 to 11 Oct 2017	To table the Annual Report 2016/17 financial year and to brief the committee on the 2nd Quarterly Performance and Financial Report for the period ending September 2017.
23 to 25 Oct 2017	To present specific challenges with regard to delivery of houses to military veterans, including challenges in the understanding or implementation of Memoranda of Understanding (MOUs) as well as Service Level agreements.
07 to 08 Nov 2017	To brief the Committee on matters relating to the repair, maintenance of defence facilities (Infrastructure) by the Department of Defence, Military Veterans and Public Works.
14 to 15 Nov 2017	To brief the Committee on specific challenges with regard to provision of housing and subsidized transport to Military Veterans together with the Department of Human Settlement.
21 to 22 Nov 2017	To brief the Committee on progress with regards to Database Integrated Management System together with SITA.
06 to 07 March 2018	To brief the Committee on matters relating to Provision of Educational Support to military veterans and their dependants by the Department and NSFAS. Furthermore to brief the committee on the 3rd Quarterly Performance and Financial Report for the period ending December 2017.

7. SCOPA Resolutions

There were no SCOPA resolutions to be administered by the Department.

8. Internal Audit and Audit Committees

The Internal Audit Activity provides independent and objective assurance and insight to management on the effectiveness of governance, risk management and internal control systems in order to assist the Department to achieve its objectives.

Audit projects as per the approved risk-based internal audit plan were undertaken during the year and reports presented to the Audit Committee. Where control weaknesses have been identified, management has/ or is in the process of attending to such weaknesses.

The primary objective of Internal Audit is to assist the Accounting Officer (AO) and the Audit Committee (AC) in the effective discharge of their responsibilities.

Internal Audit will provide independent analyses, appraisals, recommendations, counsel and information concerning the activities reviewed, with a view to improving accountability and performance, assess and make appropriate recommendations for improving the governance processes in achieving the Department's objectives; evaluate the adequacy and effectiveness and contribute to the improvement of the risk management Governance and internal control process; and assist the AO in maintaining efficient and effective controls by evaluating those controls to determine their effectiveness and efficiency, and by developing recommendations for improvement.

The internal audit developed risk-based internal audit plans as required by Treasury Regulations. The three year rolling strategic plan and the annual internal audit coverage plan were approved. The annual plan included audit projects to be carried out during the year under review.

The annual plan was approved on the basis of a fully capacitated internal audit throughout the financial year. The internal audit function was not adequately resourced with personnel which resulted in the internal audit function not fully executing the risk-based internal audit plan. Therefore the full implementation of the annual internal audit plan was not achieved.

8.1 Key Activities and Objectives of the Audit Committee

The AC is a non-executive committee in an advisory capacity to the AO, primarily responsible for oversight over the Department's governance, control and risk management processes.

The primary objective of the AC is to assist the senior management of the Department in fulfilling their responsibility relating to financial and operating reporting processes, the system of internal controls, governance, risk management, audit process and monitoring compliance with applicable laws, regulations, relevant prescripts and directives. The audit committee operated in terms of written terms of reference.

The table below discloses relevant information on the audit committee members:

Table 22: Profile of Audit Committee Members

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Contract ended/ reappointment	No. of Meetings attended
Mr V Nondabula	<ul style="list-style-type: none"> MBA in Finance and International Business; MA in Political Science; BA Honours in Political Science; BA in History and Political Science; Diploma in Financial Management; UED. 	External	N/A	12/06/2012	30/09/2017	1
Mr. P. Dala	Masters in Information Technology, CISA, CISM, CISSP, CEH, CHFI, ISO27001, QAR.	External	N/A	01/04/2013	30/09/2017	1
Ms O Matloa	B.Com (Hons) & CTA, CA (SA)	External	N/A	01/04/2013	30/09/2017	1
Mr A Amod	B Com, MA, MBA, CIA,CGAP,CRMA	External	N/A	01/04/2013	30/09/2017 but reappointed on the 01/03/2018	1
Mr WE Huma	<ul style="list-style-type: none"> B.Proc; LLB (Bachelor of Laws); LLM (Master of laws); LLD (Doctors of Law); Graduate Diploma in Company Direction and Financial Management. 	External	N/A	01/03/2018	N/A	0

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Contract ended/ reappointment	No. of Meetings attended
Dr. D Jairam-Owthar	<ul style="list-style-type: none"> • B Compt (Accounting Sciences); • MBA (with Major in Technology Management); and • DBL (Doctor of Business Leadership with specific focus on Data Analytics & ICT) 	External	N/A	01/03/2018	N/A	0

9. AUDIT COMMITTEE REPORT

Report of the Audit Committee for the year ended 31 March 2018

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

Establishment of the Audit Committee

The Audit Committee is established in terms of section 38(1)(a)(ii) of the Public Finance Management Act, No. 1 of 1999 (PFMA) and the Treasury Regulations (TR). The Audit Committee is comprised of independent non-executive members.

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 TR 3.1. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The Effectiveness of Internal Control

The system of internal control is designed to provide cost-effective assurance that assets are safeguarded and that liabilities are effectively managed. In line with the PFMA requirements, Internal Audit and the Auditor-General of South Africa (AGSA) provide the Audit Committee and Management with the assurance that the internal controls are adequate and effective. This is achieved through a quarterly reporting process to both Management and the Audit Committee as well as the identification of corrective actions and recommendations by means of enhancements to the controls and processes.

Through the reports from assurance providers, the system of internal control improved during the year under review. In particular, we have noted the strides made by the Department with the asset register, as well as some improvement in leadership and appointment of key personnel.

However, a lot more still needs to be done to stabilize the control environment at DMV. There were instances of non-compliance and internal control deficiencies, such as the following:

- i. There were some discrepancies with regards the implementation of the prescribed framework for managing programme performance information for selected programmes;
- ii. Lack of sufficient documented and approved internal policies and procedures;
- iii. Irregular expenditure, fruitless and wasteful expenditure;
- iv. Lack of Consequence management;
- v. Continuous delays to adequately resource the internal audit function;
- vi. Control weaknesses within the IT environment.

Management has committed to strategies and processes to address the above control deficiencies. The Committee will be monitoring the progress made by Management to strengthen internal control environment. As part of continuous improvement, we wish to highlight that the Department needs to build a strong control environment by addressing all the control deficiencies, some gaps in financial and performance reporting as well as capacity issues. We therefore support management initiatives to address the control deficiencies, service delivery and resource challenges.

Internal Audit

The Audit Committee reviewed and approved the annual internal audit plan for 2017/18 financial year and monitored performance of Internal Audit against the plan on a quarterly basis. The Audit Committee is of the view that the internal audit function has not discharged its mandate, as the approved plan was not implemented. Consequently, the Committee could not receive adequate independent and objective assurance from Internal Audit on controls, governance and risk management, primarily because it was not fully resourced. We urgently request the Department to fast track the resourcing of Internal Audit during the 2018/19 financial year.

In-Year Management and Monthly/Quarterly Report

The Department has submitted monthly and quarterly management/financial reports to National Treasury as per the PFMA requirements. Although we have noted some improvement in the content and quality of these reports, greater improvement of performance reports is required in relation to the objectives to strictly adhere to the SMART principle.

Evaluation of Financial Statements

The Committee has:

- reviewed and discussed the audited annual financial statements included in the annual report, with the AGSA and Management;
- reviewed the Department's performance information;
- reviewed AGSA's audit report, management letter and Management's responses thereto;
- reviewed the Department's compliance with legal and regulatory provisions; and
- reviewed the adjustments resulting from the audit.

The Committee wishes to congratulate the Department on achieving an unqualified audit outcome.

Auditor General of South Africa

The Audit Committee concurs with and accepts the AGSA's audit opinion and conclusion expressed 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 AGSA.

Appreciation

We wish to express our appreciation to the Minister and Deputy Minister of Department of Defence and Military Veterans for their leadership and guidance, the Acting Director-General, Management and staff for their commitment, as well as AGSA and Internal Audit for their contribution and dedication.



Mr. Ameen Amod

Chairperson of the Audit Committee

Department of Military Veterans

Date: 31 July 2018

Part D: HUMAN RESOURCE MANAGEMENT



PART D: HUMAN RESOURCE MANAGEMENT

1. Introduction

The information contained in this part of the annual report has been prescribed by the Minister for the Public Service and Administration for all Departments in the public service.

2. Overview of Human Relations

In pursuance of the new growth path which places people's employment at the centre of Government's economic policy, the Department continued, during the 2017/18 financial year, with the implementation of its overarching Human Resource Strategy. The Strategy aims to ensure an appropriately composed, empowered and managed department human resource complement to execute the Department's mandate and mission.

The emphasis of the implementation remained the rejuvenation of the Department of Military Veterans' human resources, the ongoing configuration of the Department's human resource composition to meet requirements and the development of the Department's human capital, including youth development initiatives embedded in the Department's Skills Development Programme.

The approved DMV establishment has 169 posts, 127 of which are currently filled and 42 vacant. This translates to a vacancy rate of 25%. Due to operational imperatives, the department created an additional 73 posts which were filled on contract basis.

Due to the Department experiencing challenges in attracting and retaining critical and scarce skills, a programme for the implementation for Skills Audit is in place and will be conducted during the 2018/19 financial year.

The MTEF HR Plan provides an overview of the Department's human resource requirements over the next three years, based on the changes in the ever changing environment Strategic HR Plan is developed to ensure that workforce supply matches current and future demands. In addition, the Departmental HR Plan sets out the issues, evidence and strategies required to deliver a sustainable workforce capable of continuing to deliver high quality services to the community of Military Veterans, despite the challenges.

The vacancy rate for Programme 1: Administration was at 23% for the year under review. The programme comprise of 103 permanent posts on the approved structure, 79 filled, due to lack of operational posts on the Departmental structure, which creates service delivery challenges, the department continued with the mechanism to appoint contract workers to alleviate service delivery challenges.

The programme has previously reported that, there are effective engagement with other Government Departments (Department of National Treasury & Department of Public Service Administration) to review the Department's structure, the engagements are on an ongoing process.

The vacancy rate for Programme 2: Socio-Economic Support was at 20% for the year under review. The programme comprise of 20 permanent posts on the approved structure, 16 filled, it must be noted that one of the most critical post of the Deputy Director-General was vacated during 2016/17 financial year , and the post was advertised however it is still vacant. For the Programme to fulfil its responsibilities of rolling-out its seven benefits for Military Veterans, the department opted to appoint contract workers.

The vacancy rate for Programme 3: Empowerment and Stakeholder Management was at 30% for the year under review. The programme comprise of 46 permanent posts on the approved structure, and 32 filled. Previously it was reported that the Programme couldn't fill all provincial posts due to the undergoing process of procuring provincial office, however at the moment the department has procured offices for four provinces, and vacant posts for those provinces were recently advertised.

Despite capacity challenges, the Department has successfully implemented the training interventions and able to identify the implementation of the Skills Audit. Employees had attended courses on Customer Care Services for Frontline Staff with National School of Government (NSG).

Besides the appointment of Contract Workers, the Department has appointed 27 graduates for the year under review.

The most important gaps within the Department are the following:

- Inadequate funding in the majority of posts are not funded which hampers service delivery.
- Inadequate capacity to deliver on the mandate of the Department.
- The non-compliant Department structure to deliver the mandate of the department on the operational level.
- Shortage of office space for effective and efficient service delivery.
- Implementation of skills development programme to adequately equip staff to undertake increased or different role and responsibilities not sufficient.
- Ineffective compliance of meeting deadlines by stakeholders (Programmes).

Intervention Strategies to address the above gaps:

- Review and implement the recruitment and retention strategy.
- Development and implementation of Strategic Human Resource Development Plan.
- Allocation of sufficient budget required to cater for capacity building.
- The performance management system must be implemented accordingly in the Department.
- Review of the organizational structure.
- Proper management consequences must be implemented for accountability.

The Department has developed the recruitment and retention strategy in an attempt to address the HR challenges faced by the Department. The HR unit will continue to attract, develop and retain human capital with competencies, skills and attitude to achieve government goals and objectives in terms of government 12 priorities.

Macro-Personnel Strength

The Macro-Personnel Strength of DMV as at 31 March 2018 was 127. The following figures indicate the DMV demographic Year-end Strength as at 31 March 2018 per quarter:

Table 23: Employment Equity

	Employment Equity: Total Employees by Quarter				Actual				
	2017/18 Q1	2017/18 Q2	2017/18 Q3	2017/18 Q4	Avg.	Current %	Own Baseline	DMV	Deviation
African Female	60	60	57	55	58.00	43%	43%	40%	3%
Asians Female	1	1	1	1	1.00	1%	1%	5%	-4%
Coloured Female	-	-	-	-	0.00	0%	0%	1%	-1%
White Female	2	2	2	2	2.00	2%	2%	5%	-3%
Female	63	63	60	58	61.00	46%	46%	51%	-5%
African Male	65	67	65	63	65.00	50%	50%	39%	10%
Asians Male	-	-	-	-	0.00	0%	0%	4%	-4%
Coloured Male	3	3	3	3	3.00	2%	2%	1%	1%
White Male	3	3	3	3	3.00	2%	2%	4%	-2%
Male	71	73	71	69	71.00	54%	54%	49%	5%
Unknown	-	-	-	-	-	-	-	-	-
Total Disabled	3	3	3	3	0.00	2%	2%	2%	0%
Total Employees	134	136	131	127					

3. Human Resources Oversight Statistics

3.1 Personnel Related Expenditure

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

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	140 520	69 768	478	807	49.65	462.3
Socio-Economic Support	356 437	19 085	-	-	5.35	477
Empowerment and Stakeholder Management	104 543	27 390	-	-	26.22	619
Total	601 500	116 243	478	807	19.32	495

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

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	2 001	1.72	32	62
Skilled (Levels 3-5)	4 320	3.72	22	196
Highly skilled production (Levels 6-8)	26 023	22.39	79	329
Highly skilled supervision (Levels 9-12)	58 906	50.68	78	755
Senior and Top management (Levels 13-16)	24 992	21.16	24	1 025
Total	116 242	19.32	235	495

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

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	59 292	84.99	3 016	4.32	780	1.12	1 051	1.51
Socio-Economic Support	16 969	88.92	482	2.52	92	0.48	178	0.93
Empowerment and Stakeholder Management	23 503	85.81	797	2.91	355	1.30	103	0.38
Total	99 765	85.83	4 295	3.69	1 227	1.06	1 332	1.15

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

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (Levels 1-2)	1 920	95.95	81	4.05	-	-	-	-
Skilled (Levels 3-5)	3 862	89.40	137	3.17	107	2.48	67	1.55
Highly skilled production (Levels 6-8)	20 711	79.59	2 323	8.93	455	1.75	542	2.08
Highly skilled supervision (Levels 9-12)	51 402	87.26	1 754	2.98	581	0.99	637	1.08
Senior Management (Levels 13-16)	21 476	87.31	-	-	84	0.34	86	0.35
Periodical remuneration	394	100	-	-	-	-	-	-
Total	99 765	85.83	4 295	3.69	1 227	1.06	1 332	1.15

3.2 Employment and Vacancies

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

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	103	79	23%	41
Socio-Economic Support	20	16	20%	25
Empowerment and Stakeholder Management	46	32	30%	7
Total	169	127	25%	73

*Note: Posts refer only to approved production posts captured on the establishment of which only 169 were funded for 2017/18 financial year. Number of posts filled additional to the establishment means the difference between the number of posts on the structure minus the number of employees in the Department of Military Veterans, these are then additional unfunded posts.

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

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (Levels 1-2)	-	-	-	-
Skilled (Levels 3-5)	10	6	40%	15
Highly skilled production (Levels 6-8)	56	35	38%	43
Highly skilled supervision (Levels 9-12)	72	65	10%	13
Senior management (Levels 13-16)	31	21	32%	2
Total	169	127	25%	73

*Note: Posts refer only to approved production posts captured on the establishment. There are designate Graduates posts as these are placed under skills development.

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

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Elementary occupation (Levels 1-5)	10	6	40%	15
Administrative office workers (Levels 6-9)	59	39	34%	45
Professionals and managers (Levels 10-16)	100	82	18%	13
Total	169	127	25%	73

3.3 Filling of SMS Posts

Table 3.3.1 SMS post information as on 31 March 2018

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	-	-	1	100%
Salary Level 16	-	-	-	-	-
Salary Level 15	3	2	66%	1	33%
Salary Level 14	9	6	66%	3	33%
Salary Level 13	18	13	33%	5	13%
Total	31	21	67%	10	32%

Table 3.3.2 SMS post information as on 30 September 2017

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	-	-	1	100%
Salary Level 16	-	-	-	-	-
Salary Level 15	3	2	66%	1	33%
Salary Level 14	9	6	66%	3	33%
Salary Level 13	18	13	33%	5	13%
Total	31	21	67%	10	32%

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

SMS Level	Advertising		Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months	
Director-General/ Head of Department	-	-	-	-
Salary Level 16	-	-	-	-
Salary Level 15	-	-	-	-
Salary Level 14	-	-	-	-
Salary Level 13	2	-	-	1
Total	2	-	-	1

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

Reasons for vacancies not advertised within 12 months
All vacancies are advertised within the six months period after being vacated
Reasons for vacancies not filled within 12 months
Operational posts are filled within 12 months period after being advertised, however the delay for them to be filled was due to slow implementation process of recruitment and selection

*Note: All vacated post are advertised within a 12 months period, a project plan is always implemented in order to comply with Public Service Regulations Chapter 1, Part VII C.1A.3, however with regard to the Executive Management vacant posts, they are delayed to be filled due to slow implementation process of recruitment and selection.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2017 to 31 March 2018

Reasons for vacancies not advertised within six months
Posts are advertised within six months period
Reasons for vacancies not filled within six months
Operational posts are filled within six months period after being advertised however the delay for them to be filled was due to slow implementation process of recruitment and selection

*Note: All vacated post are advertised within a 12 months period, a project plan is always implemented in order to comply with Public Service Regulations Chapter 1, Part VII C.1A.3, however with regard to the Executive Management vacant posts, they are delayed to be filled due to slow implementation process of recruitment and selection.

3.4 Job Evaluation

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

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	-	-	-	-	-	-	-
Skilled (Levels 3-5)	9	2	3%	2	3%	-	-
Highly skilled production (Levels 6-8)	52	-	-	-	-	-	-
Highly skilled supervision (Levels 9-12)	77	-	-	-	-	-	-
SMS Band A	17	-	-	-	-	-	-
SMS Band B	10	-	-	-	-	-	-
SMS Band C	3	-	-	-	-	-	-
SMS Band D	1	-	-	-	-	-	-
Total	169	2	3%	2	3%	-	-

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

Gender	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	2	-	-	-	2
Total	2	-	-	-	2
Employees with a disability					

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

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Lower skilled (Levels 1-2)	-	-	-	-
Skilled (Levels 3-5)	-	-	-	-
Highly skilled production (Levels 6-8)	-	-	-	-
Highly skilled supervision (Levels 9-12)	-	-	-	-
Total number of employees whose salaries exceeded the level determined by job evaluation				None
Percentage of total employed				

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

Gender	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	-	-	-	-	-
Total	-	-	-	-	-
Employees with a disability	-	-	-	-	-
Total number of Employees whose salaries exceeded the grades determine by job evaluation					None

3.5 Employment Changes

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

Salary band	Number of employees at beginning of period-1 April 2017	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	-	-	-	-
Skilled (Levels 3-5)	10	-	-	0%
Highly skilled production (Levels 6-8)	30	3	2	7%
Highly skilled supervision (Levels 9-12)	71	-	8	11%
SMS Bands A	-	1	1	8%
SMS Bands B	2	-	-	-
SMS Bands C	7	-	-	-
SMS Bands D	13	-	-	-
Contracts	78	5	2	7%
Total	211	9	13	6%

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

Critical occupation	Number of employees at beginning of period-April 2017	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Elementary occupation (Levels 1-5)	10	-	-	-
Administrative office workers (Levels 6-9)	30	3	5	10%
Professionals and managers (Levels 10-16)	93	1	6	7%
Total	*133	4	11	8%

*This total excludes the contracts in table 3.5.1 above.

Note: The Department had experience a high turnover rate during the year under review, see the above quarterly Macro-Personnel Strength of DMV as indicated.

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

Termination Type	Number	% of Total Resignations
Death	1	1%
Resignation	5	6%
Expiry of contract	65	82%
Dismissal – operational changes	-	-
Dismissal – misconduct	1	1%
Dismissal – inefficiency	-	-
Discharged due to ill-health	-	-
Retirement	2	3%
Transfer to other Public Service Department	2	3%
Other	-	-

Total	76	96%
Total number of employees who left as a % of total employment	-	-

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

Occupation	Employees 1 April 2017	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Elementary occupation (Levels 1-5)	10	-	-	-	-
Administrative office workers (Levels 6-9)	30	-	-	-	-
Professionals and managers (Levels 10-16)	93	-	-	-	-
Total	133	-	-	-	-

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

Salary Band	Employees 1 April 2017	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2)	-	-	-	-	-
Skilled (Levels 3-5)	10	-	-	-	-
Highly skilled production (Levels 6-8)	30	-	-	-	-
Highly skilled supervision (Levels 9-12)	71	-	-	-	-
Senior Management (Levels 13-16)	22	-	-	-	-
Total	133	-	-	-	-

3.6 Employment Equity

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

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers (Levels 13-16)	10	1	-	-	10	-	-	-	21
Professionals (Levels 9-12)	30	2	-	2	29	-	-	2	65
Technicians and associate professionals	-	-	-	-	-	-	-	-	-
Clerks (Levels 1-8)	23	-	-	1	16	-	1	-	41
Service and sales workers	-	-	-	-	-	-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	-	-	-	-	-	-	-	-	-
Total	63	3	-	3	55	-	1	2	127
Employees with disabilities	1	1	-	1	-	-	-	-	3

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (Levels 15-16)	1	-	-	-	1	-	-	-	2
Senior Management (Levels 13-14)	9	1	-	-	9	-	-	-	19
Professionally qualified and experienced specialists and mid-management (Levels 11-12)	18	1	-	2	15	-	-	2	38
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (Level 1-10)	35	1	-	1	30	1	-	-	68
Semi-skilled and discretionary decision making	-	-	-	-	-	-	-	-	-
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
Total	63	3	-	3	55	1	-	2	127
Employees with disabilities	-	-	-	-	-	-	-	-	-

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (Levels 15-16)	-	-	-	-	-	-	-	-	-
Senior Management (Levels 13-14)	-	-	-	-	1	-	-	-	1
Professionally qualified and experienced specialists and mid-management (Levels 11-12)	-	-	-	-	-	-	-	-	-
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (Levels 1-10)	3	-	-	-	-	-	-	-	3
Semi-skilled and discretionary decision making	-	-	-	-	-	-	-	-	-
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
Total	3	-	-	-	1	-	-	-	4
Employees with disabilities	-	-	-	-	-	-	-	-	-

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (Levels 15-16)	-	-	-	-	-	-	-	-	-
Senior Management (Levels 13-14)	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid-management (Levels 11-12)	-	-	-	-	-	-	-	-	-
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (Levels 1-10)	-	-	-	-	-	-	-	-	-
Semi-skilled and discretionary decision making	-	-	-	-	-	-	-	-	-
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
Employees with disabilities	-	-	-	-	-	-	-	-	-

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (Levels 15-16)	-	-	-	-	-	-	-	-	-
Senior Management (Levels 13-14)	-	-	-	-	1	-	-	-	1
Professionally qualified and experienced specialists and mid-management (Levels 11-12)	4	-	-	-	-	-	-	-	4
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (Levels 1-10)	2	-	-	-	4	-	-	-	6
Semi-skilled and discretionary decision making	-	-	-	-	-	-	-	-	-
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
Total	6	-	-	-	5	-	-	-	11
Employees with disabilities	-	-	-	-	-	-	-	-	-

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

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Written warning	1	-	-	-	1	-	-	-	2
Dismissal	1	-	-	-	-	-	-	-	1
Case withdrawn	1	-	-	-	-	-	-	-	1
Total	3	-	-	-	1	-	-	-	4

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

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers (Levels 13-16)	4	-	-	-	4	-	-	-	8
Professionals (Levels 9-12)	12	-	-	-	16	-	-	1	29
Technicians and associate professionals	-	-	-	-	-	-	-	-	-
Clerks (Levels 1-8)	10	-	-	-	9	-	-	-	19
Service and sales workers	-	-	-	-	-	-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	-	-	-	-	-	-	-	-	-
Total	26	-	-	-	29	-	-	-	56
Employees with disabilities	-	-	-	-	-	-	-	-	-

3.7 Signing of Performance Agreements by SMS Members

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2018

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	-	-	-
Salary Level 16	-	-	-	-
Salary Level 15	3	2	2	100%
Salary Level 14	9	6	6	100%
Salary Level 13	18	13	13	100%
Total	31	21	21	100%

*Note: All SMS members complied with the submission of signed Performance Agreements.

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

Reasons
None

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

Reasons
None

*Note: All SMS members complied with the submission of signed Performance Agreements, therefore no disciplinary steps taken against SMS members.

3.8 Performance Rewards

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

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African	-	-	-	-	-
Male	-	-	-	-	-
Female	-	-	-	-	-
Asian	-	-	-	-	-
Male	-	-	-	-	-
Female	-	-	-	-	-
Coloured	-	-	-	-	-
Male	-	-	-	-	-
Female	-	-	-	-	-
White	-	-	-	-	-
Male	-	-	-	-	-
Female	-	-	-	-	-
Total	-	-	-	-	-

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

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	-	-	-	-	-	-
Skilled (Levels 3-5)	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	-	-	-	-	-	-
Highly skilled supervision (Levels 9-12)	-	-	-	-	-	-
Total	-	-	-	-	-	-

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

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Elementary occupation (Levels 1-5)	-	-	-	-	-
Administrative Office Workers (Levels 6-9)	-	-	-	-	-
Professionals and managers (Levels 10-16)	-	-	-	-	-
Total	-	-	-	-	-

*Note: Due to the implementation of the new Performance Management Development System (PMDS), performance rewards are not yet paid for the year under review, the rewards paid were rectification of the previous assessment cycle. The results of the assessment period 01 April 2017 to 31 March 2018 will be taken into consideration for the payment performance rewards not later than December 2018 as indicated through the DPSA Directive on Performance Management.

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

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	-	-	-	-	-	-
Band B	-	-	-	-	-	-
Band C	-	-	-	-	-	-
Band D	-	-	-	-	-	-
Total	-	-	-	-	-	-

3.9 Foreign Workers

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

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

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

Major occupation	01 April 2017		31 March 2018		Change	
	Number	% of total	Number	% of total	Number	% Change
Elementary occupation (Levels 1-5)	-	-	-	-	-	-
Administrative Office Workers (Levels 6-9)	-	-	-	-	-	-
Professionals and managers (Levels 10-16)	-	-	-	-	-	-
Total	-	-	-	-	-	-

3.10 Leave Utilisation

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

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)	53	74%	19	12%	3	17
Skilled (Levels 3-5)	191	83%	19	12%	10	129
Highly skilled production (Levels 6-8)	404	84%	55	36%	7	416
Highly skilled supervision (Levels 9 -12)	310	83%	49	32%	6	785
Top and Senior management (Levels 13-16)	111	96%	13	8%	9	445
Total	1 069	84%	155	100%	7	1 792

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

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	-	-	-	-	-	-
Skilled (Levels 3-5)	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	-	-	-	-	-	-
Highly skilled supervision (Levels 9-12)	-	-	-	-	-	-
Senior management (Levels 13-16)	-	-	-	-	-	-
Total	-	-	-	-	-	-

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

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	-	-	-
Skilled (Levels 3-5)	311	23	14
Highly skilled production (Levels 6-8)	802	85	9
Highly skilled supervision (Levels 9-12)	644	84	8
Senior management (Levels 13-16)	335	69	5
Total	2 092	261	8

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

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

Table 3.10.5 Leave pay outs for the period 1 April 2017 to 31 March 2018

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave pay out for 2017/18 financial year due to non-utilisation of leave for the previous cycle	-	-	-
Gratuity paid on Retirement	32	1	32
Gratuity paid on Death	22	1	22
Capped leave pay outs on termination of service for 2017/18 financial year	0	0	0
Current leave pay out on termination of service for 2017/18 financial year	120	3	40
Total	174	5	35

3.11 HIV/ AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Sexually active men and women of reproductive age	Distribution of male and female condoms in toilet facilities within the workplace

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

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	x		Mr. H. Makgalemele Director: HRM
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	x		1 Assistant Director for Employee Health and Wellness.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/ services of this Programme.	x		Education, Awareness and Prevention Programmes in alignment with the National Health Calendar are done, including the following: <ul style="list-style-type: none"> • Distribution of male and female condoms in the workplace (in all toilet facilities in the building) • Facilitation of financial wellness workshops; • Educational session on diabetes, men's health, 16 days of Activism for no violence against women and children etc. <p>The Department is intending to appoint a Health and Wellness service provider in order to assist employees counselling as well as the implementation of the intensive health promotion programmes.</p>
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	x		The established committee was responsible for health and safety of employees in the workplace. <p>These are their names:</p> <p>Ms. C Tun Fong: Employee Health and Wellness</p> <p>Mr. J Moche: Security and Transport Management</p> <p>Ms. L Sono: ESM</p> <p>Mr. S.K. Mncube: Office of the DG (Cleaners' supervisor)</p> <p>Ms. N.D. Malindi: (Office of the DG)</p> <p>Mr. T Ramaru: Internal Audit</p> <p>Ms. L Selokela; SES</p> <p>Mr. S Mogoloo: Facility Management</p> <p>Mr. T Kungwane: HRM</p> <p>The appointment of the committee members ceased to be legal in July 2017 when their certificates expired. A new health and safety committee is still to be established.</p>

Question	Yes	No	Details, if yes
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	x		Reviews are done when a need arises and based on new directives issued by stakeholders.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	x		<ul style="list-style-type: none"> • The Department intending to implement the Strategic Plan on HIV/AIDS, STIs and TB during the 2018/19 financial year to mainstream HIV and TB and its gender and rights-based dimensions into the core mandates to reduce HIV-related stigma. • The aim of the said Departmental Strategic Plan is to protect HIV-positive employees by advocating the implementation of the Three Zero's in line with the Joint United Nations Programme on HIV/AIDS (UNAIDS). These are Educational programmes and information sessions developed to eradicate stigma and discrimination and to raise awareness through: <ul style="list-style-type: none"> • Zero new HIV, STI and TB infections; • Zero deaths associated with HIV and TB; • Zero discrimination. <p>Also, the department will continue to conduct the HCT and Wellness screening sessions to ensure that every employee in the department is tested for HIV and screened for TB, at least annually,</p> <p>The aim was to:</p> <ul style="list-style-type: none"> • Reduce HIV and TB discrimination in the workplace. This included campaigns against unfair discrimination and empowerment of employees. • Reduce unfair discrimination in access to services. This included ensuring that Employee Relations Directorate addresses complaints or grievances and provides training to employees. <p>Other key elements that addressed anti-HIV/AIDS discrimination issues were:</p> <ul style="list-style-type: none"> • Wellness Screenings and TB Testing Sessions with specific requests from departments were conducted, posters and pamphlets were distributed, • HIV/AIDS counselling (HCT) and TB Testing were conducted, sugar diabetes testing, high blood pressure testing condom programme and spot talks, including (HIV/AIDS speak out programme) were conducted as well.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	x		<ul style="list-style-type: none"> • Wellness Screening tests have been arranged in partnership with Government Employee Medical Scheme. • These include Voluntary Counselling and Testing.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	x		Yes. The appointment of a health and wellness service provider would also help in this regard.

3.12 Labour Relations

Table 3.12.1 Collective Agreements for the period 1 April 2017 to 31 March 2018

Subject matter	Date
Total number of collective agreements	None

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

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	-	-
Verbal warning	-	-
Written warning	2	50%
Final written warning	-	-
Suspended without pay	-	-
Fine	-	-
Demotion	-	-
Dismissal	1	25%
Not guilty	-	-
Case withdrawn	1	25%
Total	4	100%
Total number of Disciplinary hearings finalised		None

*Note: Fines do not mean sanctions as contained in PSCBC Resolution.

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

Type of misconduct	Number	% of total
Unauthorised use of G-Fleet	1	25%
Total	1	25%

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

Grievances	Number	% of Total
Number of grievances resolved	12	60%
Number of grievances not resolved	8	40%
Total number of grievances lodged	20	100%

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

Disputes	Number	% of Total
Number of disputes upheld	-	-
Number of disputes dismissed	-	-
Total number of disputes lodged	-	-

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

Total number of persons working days lost	0
Total costs working days lost	0
Amount recovered as a result of no work no pay (R'000)	0

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

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

3.13 Skills Development

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

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

Occupational category	Gender	Number of employees as at 1 April 2017	Training needs identified at start of the reporting period			Total
			Learnerships	Skills Programmes & other short courses	Other forms of training	
Legislators, senior officials and managers	Female	9	-	6	-	15
	Male	11	-	6	-	17
Professionals	Female	37	-	10	-	47
	Male	45	-	10	-	55
Technicians and associate professionals	Female	-	-	-	-	-
	Male	-	-	-	-	-
Clerks	Female	56	-	20	-	76
	Male	45	-	20	-	65
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Elementary occupations	Female	-	-	-	-	-
	Male	-	-	-	-	-
Subtotal	Female	102	-	36	-	138
	Male	101	-	36	-	137
Total		203	-	72	-	275

*Note: It must be indicated that learnership is part of internship programme

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

Occupational category	Gender	Number of employees as at 1 April 2017	Training provided within the reporting period			Total
			Learnerships	Skills Programmes & other short courses	Other forms of training	
Legislators, senior officials and managers	Female	9	-	4	-	13
	Male	11	-	4	-	15
Professionals	Female	37	-	17	-	54
	Male	45	-	12	-	57
Technicians and associate professionals	Female	-	-	-	-	-
	Male	-	-	-	-	-
Clerks	Female	56	-	9	-	65
	Male	45	-	10	-	55
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Elementary occupations	Female	-	-	-	-	-
	Male	-	-	-	-	-
Subtotal	Female	102	-	30	-	132
	Male	101	-	26	-	127
Total		203	-	56	-	259

3.14 Injury on Duty

The following tables provide basic information on injury on duty.

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

Nature of injury on duty	Number	% of total
Required basic medical attention only	1	100%
Temporary Total Disablement	-	-
Permanent Disablement	-	-
Fatal	-	-
Total	1	100%

3.15 Utilisation of Consultants

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

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
-	-	-	-

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2017 to 31 March 2018

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
-	-	-	-

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2017 to 31 March 2018

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

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2017 to 31 March 2018

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
-	-	-	-

3.16 Severance Packages

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

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

Part E: FINANCIAL INFORMATION

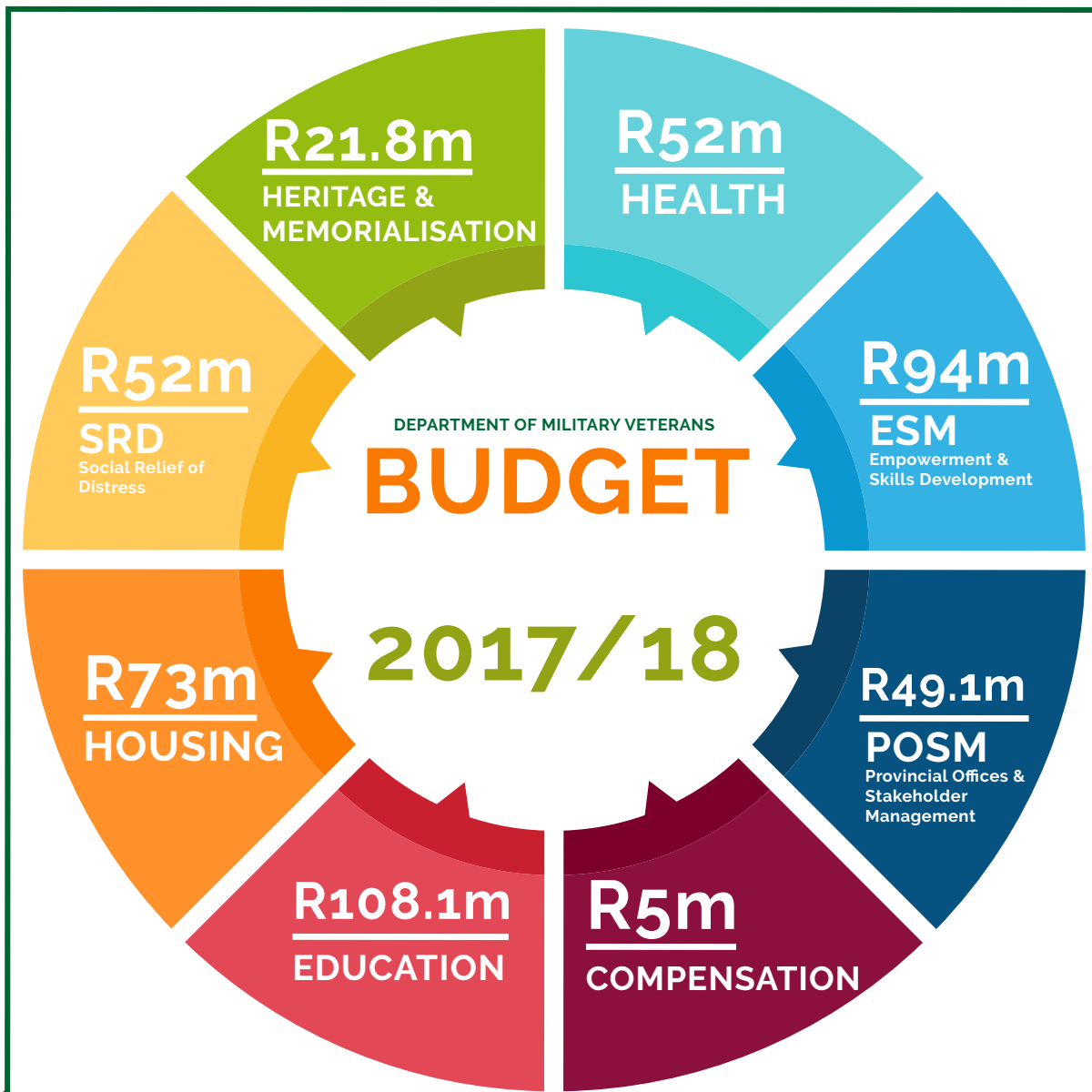


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Report of the Auditor-General to Parliament on Vote No. 19: Department of Military Veterans

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Department of Military Veterans set out on pages 83 to 157, which comprise the appropriation statement, the statement of financial position as at 31 March 2018, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Military Veterans as at 31 March 2018, and their financial performance and cash flows for the year then ended in accordance with Modified Cash Standard and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Basis for opinion

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

Emphasis of matters

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

Material uncertainty relating to the future outcome of exceptional litigation

7. With reference to note 15 to the financial statements, the department is the defendant in contract cancellation lawsuits. The ultimate outcome of these matters cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Accruals and payables not recognised

8. As disclosed in note 17 to the financial statements, payables, which exceed the payment term of 30 days as required in treasury regulation 8.2.3 amounted to R125 124 000. This amount, in turn, exceeds the voted funds to be surrendered of R20 611 000 as per the statement of financial performance by R104 513 000. Therefore, the amount of R104 513 000 would have constituted unauthorised expenditure had the amounts due been paid in a timely manner.

Other matter

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

Unaudited supplementary schedules

10. The supplementary information set out on pages 158 to 166 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Responsibilities of 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 Modified Cash Standard (MCS) 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 department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless there is an intention to liquidate the department or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

13. My objectives are to obtain reasonable assurance about whether 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 2018:

Programmes	Pages in the annual performance report
Programme 2: Socio-economic support	35 – 37
Programme 3: Empowerment and stakeholder management	38 – 40

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. The material findings in respect of the usefulness and reliability of the selected programmes are as follows:

Programme 2: Socio-economic support

Various indicators

20. The reported achievement in the annual performance report did not agree to the supporting evidence provided for the indicators listed below. The supporting evidence provided indicated that the achievements of these indicators were as follows:

Indicator description	Performance target	Reported achievement	Audited value
Number of military veterans with access to healthcare services	1 000	933	1 073
Number of bursaries provided for military veterans and their dependants per year	8 700	7 702	10 398

Programme 3: Empowerment and stakeholder management

Various indicators

21. The reported achievement in the annual performance report did not agree to the supporting evidence provided for the indicators listed below. The supporting evidence provided indicated that the achievements of these indicators were as follows:

Indicator description	Performance target	Reported achievement	Audited value
Number of military veterans and their dependants provided with approved funding for skills development programmes	4 000	952	1 269
Number of military veterans' businesses provided with access to empowerment opportunities	110	154	208

Other matters

22. I draw attention to the matters below.

Achievement of planned targets

23. Refer to the annual performance report on pages 32 to 40 for information on the achievement of planned targets for the year and explanations provided for the under/ over achievement of a significant number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 20 to 21 of this report.

Adjustment of material misstatements

24. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of socio-economic support and empowerment and stakeholder management programmes. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

25. 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.
26. The material findings on compliance with specific matters in key legislations are as follows:

Expenditure management

27. Effective steps were not taken to prevent irregular expenditure amounting to R21 275 000 as disclosed in note 20 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. Irregular expenditure amounting to R15,6 million relates to contracts entered into in the previous financial years.
28. Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R3 060 000 as disclosed in note 21 to the financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of fruitless and wasteful expenditure relates to a payment relating to the database management system where no services were rendered to the department.
29. Contractual obligations and or money owed by the department were not settled within 30 days, as required by section 38(1)(f) of the PFMA and treasury regulation 8.2.3.

Strategic planning and performance management

30. Specific information systems were not established to enable the monitoring of progress made towards achieving targets, core objectives and service delivery as required by public service regulation 25(1)(e) (i) and (iii).
31. I was unable to obtain sufficient appropriate audit evidence that quarterly reports were submitted to the executive authority, as required by treasury regulation 5.3.1. This was due to lack of proper record management system.

Procurement and contract management

32. Goods and services of a transaction value above R500 000 were procured without inviting competitive bids, as required by treasury regulation 16A6.1. This instance of non-compliance was identified in the procurement process of one service provider which was engaged as part of external support to the department's stakeholders.

Consequence management

33. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular and fruitless and wasteful expenditure as required by section 38(1)(h)(iii) of the PFMA. This was due to significant delays in the performance of investigations relating to these matters, there was no movement in the investigations over more than 12 months.

Other information

34. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the directors' report, the audit committee's report and the minister's report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported 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.
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. If, based on the work I have performed, I conclude that there is a material misstatement in this other information; I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

38. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the findings on the performance report and the findings on compliance with legislation included in this report.

Leadership

39. The accounting officer did not exercise adequate oversight of the review of performance reporting, compliance and related internal controls. Policies and procedures relating to core benefits paid by the department were not documented and approved for implementation. Action plans to address prior year audit matters were not documented and monitored, resulting in recurring audit findings.

Financial and performance management

40. Management did not implement effective controls to ensure that information contained in the performance report were reliable before submission for auditing. This was mainly due to inadequate reviews and lack of proper record management systems. Management did not review and monitor compliance with legislation, resulting in non-compliance findings being reported.

Auditor-General
Pretoria

31 July 2018



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

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

Financial statements

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

Communication with those charged with governance

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

APPROPRIATION STATEMENT

for the year ended 31 March 2018

Appropriation per programme									
Programme	2017/2018					2016/2017			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
1. Administration	149 818	(1 176)	-	148 642	140 520	8 122	94.5%	159 332	158 056
2. Socio Economic Support	307 381	50 121	-	357 502	356 437	1 065	99.7%	313 541	243 472
3. Empowerment and Stakeholder Management	164 912	(48 945)	-	115 967	104 543	11 424	90.1%	124 734	103 093
Subtotal	622 111	-	-	622 111	601 500	20 611	96.7%	597 607	504 621

TOTAL (brought forward)	2017/2018		2016/2017	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	2 758		330	
NRF Receipts	-		-	
Aid assistance	-		-	
Actual amounts per statement of financial performance (total revenue)	624 869		597 937	
ADD				
Aid assistance				
Prior year unauthorised expenditure approved without funding				
Actual amounts per statement of financial performance (total expenditure)		601 500		504 621

APPROPRIATION STATEMENT

for the year ended 31 March 2018

Economic classification	Appropriation per economic classification									
	2017/2018					2016/2017				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
Current payments	378 884	(47 781)	-	331 103	316 486	14 617	95.6%	356 818	328 087	
Compensation of employees	113 829	4 000	-	117 829	116 243	1 586	98.7%	109 051	108 463	
Salaries and wages	93 863	14 752	-	108 615	107 142	1 473	98.6%	97 846	99 662	
Social contributions	19 966	(10 752)	-	9 214	9 101	113	98.8%	11 205	8 801	
Goods and services	265 055	(51 781)	-	213 274	200 243	13 031	93.9%	247 767	219 624	
Administrative fees	1 322	4 556	-	5 878	5 867	11	99.8%	2 644	4 345	
Advertising	4 563	(1 888)	-	2 675	2 634	41	98.5%	6 843	5 972	
Minor assets	7 126	(6 295)	-	831	110	721	13.2%	4 946	1 513	
Audit costs: External	4 476	2 182	-	6 658	6 658	-	100.0%	5 961	5 961	
Bursaries: Employees	648	(196)	-	452	452	-	100.0%	825	593	
Catering: Departmental activities	4 762	(4 314)	-	448	431	17	96.2%	3 252	1 590	
Communication (G&S)	4 861	963	-	5 824	5 824	-	100.0%	3 416	2 975	
Computer services	16 109	4 803	-	20 912	21 033	(121)	100.6%	34 690	34 640	
Consultants: Business and advisory services	3 669	(2 764)	-	905	904	1	99.9%	1 227	1 227	
Infrastructure and planning services	-	-	-	-	-	-	-	-	-	
Laboratory services	-	-	-	-	-	-	-	-	-	
Scientific and technological services	-	-	-	-	-	-	-	-	-	
Legal services	1 647	(1 097)	-	550	550	-	100.0%	1 239	1 239	
Contractors	35 290	20 955	-	56 245	55 947	298	99.5%	61 495	61 486	
Agency and support / outsourced services	1 244	2 946	-	4 190	4 156	34	99.2%	735	735	
Entertainment	43	(43)	-	-	-	-	-	-	-	
Fleet services	3 297	(1 420)	-	1 877	1 821	56	97.0%	3 138	1 888	

APPROPRIATION STATEMENT

for the year ended 31 March 2018

Economic classification	Appropriation per economic classification									
	2017/2018					2016/2017				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
Housing	-	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-	-
Consumable supplies	3 606	(2 434)	-	1 172	176	996	15.0%	1 647	1 000	
Consumable: Stationery, printing and office supplies	7 061	(4 370)	-	2 691	2 291	400	85.1%	7 061	6 135	
Operating leases	18 625	(2 350)	-	16 275	15 459	816	95.0%	17 017	16 832	
Property payments	5 557	508	-	6 065	2 740	3 325	45.2%	2 935	2 943	
Transport provided: Departmental activity	561	(180)	-	381	-	381	-	400	25	
Travel and subsistence	58 975	(9 956)	-	49 019	43 536	5 483	88.8%	50 714	41 227	
Training and development	70 944	(48 106)	-	22 838	22 382	456	98.0%	30 482	24 690	
Operating payments	85	(1)	-	84	77	7	91.7%	518	447	
Venues and facilities	8 848	(1 652)	-	7 196	7 089	107	98.5%	6 334	1 824	
Rental and hiring	1 736	(1 628)	-	108	106	2	98.1%	250	337	
Interest and rent on land	-	-	-	-	-	-	-	-	-	

APPROPRIATION STATEMENT

for the year ended 31 March 2018

Economic classification	Appropriation per economic classification									
	2017/2018					2016/2017				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
Interest	-	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	232 841	47 643	-	280 484	278 313	2 171	99.2%	229 915	166 135	
Provinces and municipalities	-	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT

for the year ended 31 March 2018

Economic classification	Appropriation per economic classification									
	2017/2018					2016/2017				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
Non-profit institutions	-	-	-	-	-	-	-	-	-	-
Households	232 841	47 643	-	280 484	278 313	2 171	99.2%	229 915	166 135	
Social benefits	61 412	(27 540)	-	33 872	31 875	1 997	94.1%	35 501	35 496	
Other transfers to households	171 429	75 183	-	246 612	246 438	174	99.9%	194 414	130 638	
Payments for capital assets	10 386	138	-	10 524	6 701	3 823	63.7%	10 874	10 399	
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	
Buildings	-	-	-	-	-	-	-	-	-	
Other fixed structures	-	-	-	-	-	-	-	-	-	
Machinery and equipment	4 582	5 228	-	9 810	6 701	3 109	68.3%	10 502	10 077	
Transport equipment	-	-	-	-	-	-	-	-	-	
Other machinery and equipment	4 582	5 228	-	9 810	6 701	3 109	68.3%	10 502	10 077	
Heritage assets	3 400	(2 686)	-	714	-	714	-	-	-	
Specialised military assets	-	-	-	-	-	-	-	-	-	
Biological assets	-	-	-	-	-	-	-	-	-	
Land and subsoil assets	-	-	-	-	-	-	-	-	-	
Software and other Intangible assets	2 404	(2 404)	-	-	-	-	-	372	322	
Payments for financial assets	-	-	-	-	-	-	-	-	-	
Total	622 111	-	-	622 111	601 500	20 611	96.7%	597 607	504 621	

APPROPRIATION STATEMENT

for the year ended 31 March 2018

Programme 1: ADMINISTRATION									
Economic classification	2017/18					2016/17			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Management	8 768	2 161	-	10 929	10 851	78	99.3%	10 035	10 035
2. Corporate Services	66 374	15 031	-	81 405	81 370	35	100.0%	94 868	93 828
3. Financial Administration	20 808	(1 508)	-	19 300	18 894	406	97.9%	21 926	21 926
4. Internal Auditing	10 786	-	-	10 786	10 016	770	92.9%	10 714	10 497
5. Strategic Planning policy Development and Monitoring and Evaluation	16 583	(6 748)	-	9 835	8 262	1 573	84.0%	9 265	9 247
6. Office Accommodation	26 499	(10 112)	-	16 387	11 127	5 260	67.9%	12 524	12 524
Total for sub programmes	149 818	(1 176)	-	148 642	140 520	8 122	94.5%	159 332	158 056
Economic classification									
Current payments	146 056	(5 628)	-	140 428	134 180	6 248	95.6%	152 609	151 579
Compensation of employees	62 952	6 824	-	69 776	69 768	8	100.0%	63 943	63 943
Salaries and wages	49 499	14 580	-	64 079	64 078	1	100.0%	58 509	58 509
Social contributions	13 453	(7 756)	-	5 697	5 690	7	99.9%	5 434	5 434
Goods and services	83 104	(12 452)	-	70 652	64 412	6 240	91.2%	88 666	87 636
Administrative fees	361	785	-	1 146	1 143	3	99.7%	1 270	1 270
Advertising	4 523	(2 929)	-	1 594	1 594	-	100.0%	5 218	4 706
Minor assets	3 021	(2 571)	-	450	80	370	17.8%	168	168
Audit costs: External	4 476	1 804	-	6 280	6 280	-	100.0%	5 961	5 961
Bursaries: Employees	648	(196)	-	452	452	-	100.0%	587	587
Catering: Departmental activities	1 444	(1 367)	-	77	77	-	100.0%	366	366
Communication	4 861	963	-	5 824	5 824	-	100.0%	3 276	2 975
Computer services	16 109	4 803	-	20 912	20 912	-	100.0%	34 640	34 640

APPROPRIATION STATEMENT

for the year ended 31 March 2018

Programme 1: ADMINISTRATION										
Economic classification	2017/18					2016/17				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
Consultants: Business and advisory services	1 855	(950)	-	905	904	1	99.9%	1 227	1 227	
Infrastructure and planning services	-	-	-	-	-	-	-	-	-	
Laboratory services	-	-	-	-	-	-	-	-	-	
Scientific and technological services	-	-	-	-	-	-	-	-	-	
Legal services	1 647	(1 097)	-	550	550	-	100.0%	1 239	1 239	
Contractors	851	(433)	-	418	80	338	19.1%	20	20	
Agency and support / outsourced services	612	(612)	-	-	-	-	-	-	-	
Entertainment	43	(43)	-	-	-	-	-	-	-	
Fleet services	2 000	(183)	-	1 817	1 816	1	99.9%	1 888	1 888	
Housing	-	-	-	-	-	-	-	-	-	
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	-	-	
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-	
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-	
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-	
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-	
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-	
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-	
Inventory: Medicine	-	-	-	-	-	-	-	-	-	
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-	
Inventory: Other supplies	-	-	-	-	-	-	-	-	-	
Consumable supplies	1 766	(1 307)	-	459	161	298	35.1%	466	474	

APPROPRIATION STATEMENT

for the year ended 31 March 2018

Programme 1: ADMINISTRATION									
Economic classification	2017/18					2016/17			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Consumable: Stationery, printing and office supplies	2 365	(1 189)	-	1 176	777	399	66.1%	3 315	3 297
Operating leases	18 438	(2 163)	-	16 275	15 459	816	95.0%	16 794	16 794
Property payments	5 557	508	-	6 065	2 477	3 588	40.8%	2 935	2 935
Transport provided: Departmental activity	561	(180)	-	381	-	381	-	-	-
Travel and subsistence	6 291	(1 074)	-	5 217	5 198	19	99.6%	7 009	7 008
Training and development	3 084	(2 586)	-	498	478	20	96.0%	1 517	1 317
Operating payments	-	44	-	44	39	5	88.6%	414	406
Venues and facilities	855	(743)	-	112	111	1	99.1%	358	358
Rental and hiring	1 736	(1 736)	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	206	-	206	205	1	99.5%	29	29
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT

for the year ended 31 March 2018

Programme 1: ADMINISTRATION									
Economic classification	2017/18					2016/17			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Departmental agencies	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	206	-	206	205	1	99.5%	29	29
Social benefits	-	206	-	206	205	1	99.5%	29	29
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	3 762	4 246	-	8 008	6 135	1 873	76.6%	6 694	6 448
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3 762	4 246	-	8 008	6 135	1 873	76.6%	6 694	6 448
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	3 762	4 246	-	8 008	6 135	1 873	76.6%	6 694	6 694
Heritage assets	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT

for the year ended 31 March 2018

Programme 1: ADMINISTRATION									
Economic classification	2017/18					2016/17			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	149 818	(1 176)	-	148 642	140 520	8 122	94.5%	159 332	158 056

1.1 MANAGEMENT									
Economic classification	2017/2018					2016/2017			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	8 768	2 039	-	10 807	10 802	5	100.0%	9 615	9 615
Compensation of employees	6 512	2 173	-	8 685	8 685	-	100.0%	7 217	7 217
Goods and services	2 256	(134)	-	2 122	2 117	5	99.8%	2 398	2 397
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	22	-	22	22	-	100.0%	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT

for the year ended 31 March 2018

1.1 MANAGEMENT										
Economic classification	2017/2018					2016/2017				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	22	-	22	22	-	100.0%	-	-	-
Households	-	100	-	100	27	73	27.0%	420	420	420
Payments for capital assets	-	100	-	100	27	73	27.0%	420	420	420
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	100	-	100	27	73	27.0%	420	420	420
Heritage assets	-	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-	-
Total	8 768	2 161	-	10 929	10 851	78	99.3%	10 035	10 035	10 035

APPROPRIATION STATEMENT

for the year ended 31 March 2018

		1.2 CORPORATE SERVICES									
		2017/2018					2016/2017				
Economic classification	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000		
Current payments	66 374	8 972	-	75 346	75 312	34	100.0%	89 736	88 724		
Compensation of employees	28 839	4 836	-	33 675	33 670	5	100.0%	27 750	27 750		
Goods and services	37 535	4 136	-	41 671	41 642	29	99.9%	61 987	60 975		
Interest and rent on land	-	-	-	-	-	-	-	-	-		
Transfers and subsidies	-	58	-	58	58	-	100.0%	-	-		
Provinces and municipalities	-	-	-	-	-	-	-	-	-		
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-		
Higher education institutions	-	-	-	-	-	-	-	-	-		
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-		
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-		
Non-profit institutions	-	-	-	-	-	-	-	-	-		
Households	-	58	-	58	58	-	100.0%	-	-		
Payments for capital assets	-	6 001	-	6 001	6 000	1	100.0%	5 132	5 104		
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-		
Machinery and equipment	-	6 001	-	6 001	6 000	1	100.0%	5 132	5 104		
Heritage assets	-	-	-	-	-	-	-	-	-		
Specialised military assets	-	-	-	-	-	-	-	-	-		
Biological assets	-	-	-	-	-	-	-	-	-		
Land and subsoil assets	-	-	-	-	-	-	-	-	-		
Intangible assets	-	-	-	-	-	-	-	-	-		
Payments for financial assets	-	-	-	-	-	-	-	-	-		
Total	66 374	15 031	-	81 405	81 370	35	100.0%	94 868	93 828		

APPROPRIATION STATEMENT

for the year ended 31 March 2018

1.3 FINANCIAL ADMINISTRATION									
Economic classification	2017/2018					2016/2017			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Current payments	20 308	(1 578)	-	18 730	18 716	14	99.9%	21 591	21 591
Compensation of employees	14 745	2 445	-	17 190	17 189	1	100.0%	18 817	18 817
Goods and services	5 563	(4 023)	-	1 540	1 527	13	99.2%	2 774	2 774
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	70	-	70	70	-	100.0%	29	29
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	70	-	70	70	-	100.0%	29	29
Payments for capital assets	500	-	-	500	108	392	21.6%	306	306
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	500	-	-	500	108	392	21.6%	306	306
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Software and other Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	20 808	(1 508)	-	19 300	18 894	406	97.9%	21 926	21 926

APPROPRIATION STATEMENT

for the year ended 31 March 2018

1.4 INTERNAL AUDIT										
Economic classification	2017/2018					2016/2017				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
Current payments	9 791	172	-	9 963	9 961	2	100.0%	10 497	10 497	
Compensation of employees	2 836	(103)	-	2 733	2 733	-	100.0%	3 005	3 005	
Goods and services	6 955	275	-	7 230	7 228	2	100.0%	7 492	7 492	
Interest and rent on land	-	-	-	-	-	-	-	-	-	
Transfers and subsidies	-	56	-	56	55	1	98.2%	-	-	
Provinces and municipalities	-	-	-	-	-	-	-	-	-	
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	
Higher education institutions	-	-	-	-	-	-	-	-	-	
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-	
Non-profit institutions	-	-	-	-	-	-	-	-	-	
Households	-	56	-	56	55	1	98.2%	-	-	
Payments for capital assets	995	(228)	-	767	-	767	-	217	-	
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	
Machinery and equipment	-	-	-	-	-	-	-	-	-	
Heritage assets	-	-	-	-	-	-	-	-	-	
Specialised military assets	-	-	-	-	-	-	-	-	-	
Biological assets	-	-	-	-	-	-	-	-	-	
Land and subsoil assets	-	-	-	-	-	-	-	-	-	
Software and other Intangible assets	-	-	-	-	-	-	-	-	-	
Payments for financial assets	-	-	-	-	-	-	-	-	-	
Total	10 786	-	-	10 786	10 016	770	92.9%	10 714	10 497	

APPROPRIATION STATEMENT

for the year ended 31 March 2018

1.5 STRATEGIC PLANNING, POLICY DEVELOPMENT, MONITORING AND EVALUATION										
Economic classification	2017/2018					2016/2017				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
Current payments	16 583	(6 908)	-	9 675	8 262	1 413	85.4%	9 115	9 097	
Compensation of employees	10 020	(2 527)	-	7 493	7 491	2	100.0%	7 155	7 155	
Goods and services	6 563	(4 381)	-	2 182	771	1 411	35.3%	1 960	1 943	
Interest and rent on land	-	-	-	-	-	-	-	-	-	
Transfers and subsidies	-	-	-	-	-	-	-	-	-	
Provinces and municipalities	-	-	-	-	-	-	-	-	-	
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	
Higher education institutions	-	-	-	-	-	-	-	-	-	
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-	
Non-profit institutions	-	-	-	-	-	-	-	-	-	
Households	-	-	-	-	-	-	-	-	-	
Payments for capital assets	-	160	-	160	-	160	-	150	150	
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	
Machinery and equipment	-	160	-	160	-	160	-	150	150	
Heritage assets	-	-	-	-	-	-	-	-	-	
Specialised military assets	-	-	-	-	-	-	-	-	-	
Biological assets	-	-	-	-	-	-	-	-	-	
Land and subsoil assets	-	-	-	-	-	-	-	-	-	
Software and other Intangible assets	-	-	-	-	-	-	-	-	-	
Payments for financial assets	-	-	-	-	-	-	-	-	-	
Total	16 583	(6 748)	-	9 835	8 262	1 573	84.0%	9 265	9 247	

APPROPRIATION STATEMENT

for the year ended 31 March 2018

1.6 OFFICE ACCOMODATION											
Economic classification	2017/2018						2016/2017				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000		
Current payments	24 232	(8 325)	-	15 907	11 127	4 780	70.0%	12 055	12 055		
Compensation of employees	-	-	-	-	-	-	-	-	-		
Goods and services	24 232	(8 325)	-	15 907	11 127	4 780	70.0%	12 055	12 055		
Interest and rent on land	-	-	-	-	-	-	-	-	-		
Transfers and subsidies	-	-	-	-	-	-	-	-	-		
Provinces and municipalities	-	-	-	-	-	-	-	-	-		
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-		
Higher education institutions	-	-	-	-	-	-	-	-	-		
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-		
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-		
Non-profit institutions	-	-	-	-	-	-	-	-	-		
Households	-	-	-	-	-	-	-	-	-		
Payments for capital assets	2 267	(1 787)	-	480	-	480	-	468	468		
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-		
Machinery and equipment	2 267	(1 787)	-	480	-	480	-	468	468		
Heritage assets	-	-	-	-	-	-	-	-	-		
Specialised military assets	-	-	-	-	-	-	-	-	-		
Biological assets	-	-	-	-	-	-	-	-	-		
Land and subsoil assets	-	-	-	-	-	-	-	-	-		
Intangible assets	-	-	-	-	-	-	-	-	-		
Payments for financial assets	-	-	-	-	-	-	-	-	-		
Total	26 499	(10 112)	-	16 387	11 127	5 260	67.9%	12 524	12 524		

APPROPRIATION STATEMENT

for the year ended 31 March 2018

Programme 2: SOCIO ECONOMIC SUPPORT										
Economic classification	2017/18					2016/17				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Sub programme										
1. Database and Benefits Management	10 999	(5 450)	-	5 549	5 544	5	99.9%	8 237	6 344	
2. Health Care and Well Support	76 709	(9 777)	-	66 932	66 949	(17)	100.0%	71 263	70 333	
3. Socio Economic Support Management	219 673	65 348	-	285 021	283 944	1 077	99.6%	234 041	166 795	
Total for sub programmes	307 381	50 121	-	357 502	356 437	1 065	99.7%	313 541	243 472	
Economic classification										
Current payments	76 331	8 342	-	84 673	83 796	877	99.0%	92 761	86 471	
Compensation of employees	22 809	(2 824)	-	19 985	19 085	900	95.5%	18 148	18 148	
Salaries and wages	20 454	(1 667)	-	18 787	17 891	896	95.2%	16 901	16 901	
Social contributions	2 355	(1 157)	-	1 198	1 194	4	99.7%	1 247	1 247	
Goods and services	53 522	11 166	-	64 688	64 711	(23)	100.0%	74 613	68 324	
Administrative fees	461	1 308	-	1 769	1 767	2	99.9%	364	266	
Advertising	-	1 041	-	1 041	1 040	1	99.9%	1 590	1 266	
Minor assets	502	(478)	-	24	23	1	95.8%	324	5	
Audit costs: External	-	378	-	378	378	-	100.0%	-	-	
Bursaries: Employees	-	-	-	-	-	-	-	188	-	
Catering: Departmental activities	828	(813)	-	15	14	1	93.3%	427	195	
Communication	-	-	-	-	-	-	-	40	-	
Computer services	-	-	-	-	-	-	-	-	-	
Consultants: Business and advisory services	1 814	(1 814)	-	-	-	-	-	-	-	
Infrastructure and planning services	-	-	-	-	-	-	-	-	-	
Laboratory services	-	-	-	-	-	-	-	-	-	
Scientific and technological services	-	-	-	-	-	-	-	-	-	

APPROPRIATION STATEMENT

for the year ended 31 March 2018

Programme 2: SOCIO ECONOMIC SUPPORT												
Economic classification	2017/18						2016/17					
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure			
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000	
Legal services	-	-	-	-	-	-	-	-	-	-	-	-
Contractors	34 439	21 332	-	55 771	55 813	(42)	100.1%	61 453	61 453		61 453	
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-	-	-	-
Fleet services	-	5	-	5	5	-	100.0%	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-	-	-	-
Consumable supplies	194	(180)	-	14	12	2	85.7%	274	274		31	
Consumable: Stationery, printing and office supplies	1 759	(775)	-	984	984	-	100.0%	2 061	2 061		1 757	
Operating leases	67	(67)	-	-	-	-	-	85	85		23	
Property payments	-	-	-	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-	-	-	-
Travel and subsistence	10 885	(6 250)	-	4 635	4 625	10	99.8%	6 953	6 953		3 217	

APPROPRIATION STATEMENT

for the year ended 31 March 2018

Programme 2: SOCIO ECONOMIC SUPPORT										
Economic classification	2017/18					2016/17				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
Training and development	1 453	(1 453)	-	-	-	-	-	260	31	
Operating payments	20	20	-	40	38	2	95.0%	80	27	
Venues and facilities	1 100	(1 088)	-	12	12	-	100.0%	485	36	
Rental and hiring	-	-	-	-	-	-	-	30	17	
Interest and rent on land	-	-	-	-	-	-	-	-	-	
Interest	-	-	-	-	-	-	-	-	-	
Rent on land	-	-	-	-	-	-	-	-	-	
Transfers and subsidies	227 841	44 751	-	272 592	272 405	187	99.9%	220 672	156 892	
Provinces and municipalities	-	-	-	-	-	-	-	-	-	
Provinces	-	-	-	-	-	-	-	-	-	
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-	
Provincial agencies and funds	-	-	-	-	-	-	-	-	-	
Municipalities	-	-	-	-	-	-	-	-	-	
Municipal bank accounts	-	-	-	-	-	-	-	-	-	
Municipal agencies and funds	-	-	-	-	-	-	-	-	-	
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	
Social security funds	-	-	-	-	-	-	-	-	-	
Departmental agencies	-	-	-	-	-	-	-	-	-	
Higher education institutions	-	-	-	-	-	-	-	-	-	
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-	
Public corporations	-	-	-	-	-	-	-	-	-	

APPROPRIATION STATEMENT

for the year ended 31 March 2018

Programme 2: SOCIO ECONOMIC SUPPORT									
Economic classification	2017/18					2016/17			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	227 841	44 751	-	272 592	272 405	187	99.9%	220 672	156 892
Social benefits	56 412	(30 432)	-	25 980	25 967	13	99.9%	26 258	26 254
Other transfers to households	171 429	75 183	-	246 612	246 438	174	99.9%	194 414	130 638
Payments for capital assets	3 209	(2 972)	-	237	236	1	99.6%	108	108
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	805	(568)	-	237	236	1	99.6%	108	108
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	805	(568)	-	237	236	1	99.6%	108	108
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Software and other Intangible assets	2 404	(2 404)	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	307 381	50 121	-	357 502	356 437	1 065	99.7%	313 541	243 472

APPROPRIATION STATEMENT

for the year ended 31 March 2018

2.1 DATABASE AND BENEFITS MANAGEMENT									
Economic classification	2017/2018					2016/2017			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Current payments	7 790	(2 243)	-	5 547	5 542	5	99.9%	8 211	6 319
Compensation of employees	4 527	763	-	5 290	5 289	1	100.0%	4 558	4 558
Goods and services	3 263	(3 006)	-	257	253	4	98.4%	3 653	1 760
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	2	-	2	2	-	100.0%	26	25
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	2	-	2	2	-	100.0%	26	25
Payments for capital assets	3 209	(3 209)	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	805	(805)	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Software and other Intangible assets	2 404	(2 404)	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	10 999	(5 450)	-	5 549	5 544	5	99.9%	8 237	6 344

APPROPRIATION STATEMENT

for the year ended 31 March 2018

		2.2 HEALTH CARE AND WELLBEING SUPPORT									
		2017/2018					2016/2017				
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		R'000
Current payments	49 297	17 253	-	66 550	66 580	(30)	100.0%	71 174	70 244		70 244
Compensation of employees	5 304	3 462	-	8 766	8 764	2	100.0%	6 971	6 971		6 971
Goods and services	43 993	13 791	-	57 784	57 816	(32)	100.1%	64 203	63 273		63 273
Interest and rent on land	-	-	-	-	-	-	-	-	-		-
Transfers and subsidies	27 412	(27 267)	-	145	133	12	91.7%	-	-		-
Provinces and municipalities	-	-	-	-	-	-	-	-	-		-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-		-
Higher education institutions	-	-	-	-	-	-	-	-	-		-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-		-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-		-
Non-profit institutions	-	-	-	-	-	-	-	-	-		-
Households	27 412	(27 267)	-	145	133	12	91.7%	-	-		-
Payments for capital assets	-	237	-	237	236	1	99.6%	89	89		89
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-		-
Machinery and equipment	-	237	-	237	236	1	99.6%	89	89		89
Heritage assets	-	-	-	-	-	-	-	-	-		-
Specialised military assets	-	-	-	-	-	-	-	-	-		-
Biological assets	-	-	-	-	-	-	-	-	-		-
Land and subsoil assets	-	-	-	-	-	-	-	-	-		-
Software and other Intangible assets	-	-	-	-	-	-	-	-	-		-
Payments for financial assets	-	-	-	-	-	-	-	-	-		-
Total	76 709	(9 777)	-	66 932	66 949	(17)	100.0%	71 263	70 333		70 333

APPROPRIATION STATEMENT

for the year ended 31 March 2018

2.3 SOCIO ECONOMIC SUPPORT MANAGEMENT									
Economic classification	2017/2018					2016/2017			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Current payments	19 244	(6 668)	-	12 576	11 674	902	92.8%	13 376	9 909
Compensation of employees	12 978	(7 049)	-	5 929	5 032	897	84.9%	6 619	6 619
Goods and services	6 266	381	-	6 647	6 642	5	99.9%	6 757	3 290
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	200 429	72 016	-	272 445	272 270	175	99.9%	220 646	156 867
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	200 429	72 016	-	272 445	272 270	175	99.9%	220 646	156 867
Payments for capital assets	-	-	-	-	-	-	-	19	19
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	19	19
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Software and other Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	219 673	65 348	-	285 021	283 944	1 077	99.6%	234 041	166 795

APPROPRIATION STATEMENT

for the year ended 31 March 2018

Programme 3: EMPOWERMENT AND STAKEHOLDER MANAGEMENT										
Economic classification	2017/2018						2016/2017			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Sub programme										
1. Provincial Offices and Stakeholder Relations	49 092	(11 398)	-	37 694	34 317	3 377	91.0%	44 239	32 739	
2. Empowerment and Skills Development	94 026	(46 052)	-	47 974	42 331	5 643	88.2%	44 160	36 518	
3. Heritage Memorial burials and Honour	21 794	8 505	-	30 299	27 895	2 404	92.1%	36 335	33 836	
Total for sub programmes	164 912	(48 945)	-	115 967	104 543	11 424	90.1%	124 734	103 093	
Economic classification										
Current payments	156 497	(50 495)	-	106 002	98 510	7 492	92.9%	111 448	90 036	
Compensation of employees	28 068	-	-	28 068	27 390	678	97.6%	26 960	26 372	
Salaries and wages	23 910	1 839	-	25 749	25 173	576	97.8%	22 436	24 252	
Social contributions	4 158	(1 839)	-	2 319	2 217	102	95.6%	4 524	2 120	
Goods and services	128 429	(50 495)	-	77 934	71 120	6 814	91.3%	84 488	63 664	
Administrative fees	500	2 463	-	2 963	2 957	6	99.8%	1 010	2 809	
Advertising	40	-	-	40	-	40	-	35	-	
Minor assets	3 603	(3 246)	-	357	7	350	2.0%	4 454	1 340	
Audit costs: External	-	-	-	-	-	-	-	-	-	
Bursaries: Employees	-	-	-	-	-	-	-	50	6	
Catering: Departmental activities	2 490	(2 134)	-	356	340	16	95.5%	2 459	1 029	
Communication	-	-	-	-	-	-	-	100	-	
Computer services	-	-	-	-	121	(121)	-	50	-	
Consultants: Business and advisory services	-	-	-	-	-	-	-	-	-	

APPROPRIATION STATEMENT

for the year ended 31 March 2018

Programme 3: EMPOWERMENT AND STAKEHOLDER MANAGEMENT										
Economic classification	2017/2018					2016/2017				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
Infrastructure and planning services	-	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-	-
Contractors	-	56	-	56	54	2	96.4%	22	13	13
Agency and support / outsourced services	632	3 558	-	4 190	4 156	34	99.2%	735	735	735
Entertainment	-	-	-	-	-	-	-	-	-	-
Fleet services	1 297	(1 242)	-	55	-	55	-	1 250	-	-
Housing	-	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-	-
Consumable supplies	1 646	(947)	-	699	3	696	0.4%	907	495	495
Consumable: Stationery, printing and office supplies	2 937	(2 406)	-	531	530	1	99.8%	1 685	1 081	1 081
Operating leases	120	(120)	-	-	-	-	-	138	15	15

APPROPRIATION STATEMENT

for the year ended 31 March 2018

Programme 3: EMPOWERMENT AND STAKEHOLDER MANAGEMENT									
Economic classification	2017/2018					2016/2017			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Property payments	-	-	-	-	263	(263)	-	-	8
Transport provided: Departmental activity	-	-	-	-	-	-	-	400	25
Travel and subsistence	41 799	(2 632)	-	39 167	33 713	5 454	86.1%	36 752	31 002
Training and development	66 407	(44 067)	-	22 340	21 904	436	98.0%	28 705	23 343
Operating payments	65	(65)	-	-	-	-	-	24	13
Venues and facilities	6 893	179	-	7 072	6 966	106	98.5%	5 492	1 430
Rental and hiring	-	108	-	108	106	2	98.1%	220	320
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	5 000	2 686	-	7 686	5 703	1 983	74.2%	9 214	9 214
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT

for the year ended 31 March 2018

Programme 3: EMPOWERMENT AND STAKEHOLDER MANAGEMENT									
Economic classification	2017/2018					2016/2017			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	5 000	2 686	-	7 686	5 703	1 983	74.2%	9 214	9 214
Social benefits	5 000	2 686	-	7 686	5 703	1 983	74.2%	9 214	9 214
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	3 415	(1 136)	-	2 279	330	1 949	14.5%	4 072	3 843
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	15	1 550	-	1 565	330	1 235	21.1%	3 700	3 521
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	15	1 550	-	1 565	330	1 235	21.1%	3 700	3 521
Heritage assets	3 400	(2 686)	-	714	-	714	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT

for the year ended 31 March 2018

Programme 3: EMPOWERMENT AND STAKEHOLDER MANAGEMENT									
Economic classification	2017/2018					2016/2017			
	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
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Software and other Intangible assets	-	-	-	-	-	-	-	372	322
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	164 912	(48 945)	-	115 967	104 543	11 424	90.1%	124 734	103 093

3.1 PROVINCIAL OFFICES AND STAKEHOLDER RELATIONS									
Economic classification	2017/2018					2016/2017			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	49 092	(13,003)	-	36 089	34 262	1 827	94.9%	44 239	32 739
Compensation of employees	21 709	(3 988)	-	17 721	17 423	298	98.3%	17 870	16 845
Goods and services	27 383	(9 015)	-	18 368	16 839	1 529	91.7%	26 369	15 893
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	55	-	55	55	-	100.0%	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT

for the year ended 31 March 2018

3.1 PROVINCIAL OFFICES AND STAKEHOLDER RELATIONS											
Economic classification	2017/2018						2016/2017				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000		
Households	-	55	-	55	55	-	100.0%	-	-	-	
Payments for capital assets	-	1 550	-	1 550	-	1 550	-	-	-	-	
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	-	
Machinery and equipment	-	1 550	-	1 550	-	1 550	-	-	-	-	
Heritage assets	-	-	-	-	-	-	-	-	-	-	
Specialised military assets	-	-	-	-	-	-	-	-	-	-	
Biological assets	-	-	-	-	-	-	-	-	-	-	
Land and subsoil assets	-	-	-	-	-	-	-	-	-	-	
Software and other Intangible assets	-	-	-	-	-	-	-	-	-	-	
Payments for financial assets	-	-	-	-	-	-	-	-	-	-	
Total	49 092	(11 398)	-	37 694	34 317	3 377	91.0%	44 239	32 739	32 739	

APPROPRIATION STATEMENT

for the year ended 31 March 2018

3.2 EMPOWERMENT AND SKILLS DEVELOPMENT										
Economic classification	2017/2018					2016/2017				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
Current payments	94 011	(46 052)	-	47 959	42 331	5 628	88.3%	43 435	35 985	
Compensation of employees	2 657	5 305	-	7 962	7 957	5	99.9%	5 564	7 376	
Goods and services	91 354	(51 357)	-	39 997	34 374	5 623	85.9%	37 871	28 609	
Interest and rent on land	-	-	-	-	-	-	-	-	-	
Transfers and subsidies	-	-	-	-	-	-	-	-	-	
Provinces and municipalities	-	-	-	-	-	-	-	-	-	
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	
Higher education institutions	-	-	-	-	-	-	-	-	-	
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-	
Non-profit institutions	-	-	-	-	-	-	-	-	-	
Households	-	-	-	-	-	-	-	-	-	
Payments for capital assets	15	-	-	15	-	15	-	725	533	
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	
Machinery and equipment	15	-	-	15	-	15	-	675	533	
Heritage assets	-	-	-	-	-	-	-	-	-	
Specialised military assets	-	-	-	-	-	-	-	-	-	
Biological assets	-	-	-	-	-	-	-	-	-	
Land and subsoil assets	-	-	-	-	-	-	-	-	-	
Software and other Intangible assets	-	-	-	-	-	-	-	50	-	
Payments for financial assets	-	-	-	-	-	-	-	-	-	
Total	94 026	(46 052)	-	47 974	42 331	5 643	88.2%	44 160	36 518	

APPROPRIATION STATEMENT

for the year ended 31 March 2018

3.3 HERITAGE, MEMORIAL, BURIALS AND HONOURS									
Economic classification	2017/2018					2016/2017			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Current payments	13 394	8 560	-	21 954	21 917	37	99.8%	23 774	21 312
Compensation of employees	3 702	(1 317)	-	2 385	2 010	375	84.3%	3 526	2 150
Goods and services	9 692	9 877	-	19 569	19 907	(338)	101.7%	20 248	19 162
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	5 000	2 631	-	7 631	5 648	1 983	74.0%	9 214	9 214
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	5 000	2 631	-	7 631	5 648	1 983	74.0%	9 214	9 214
Payments for capital assets	3 400	(2 686)	-	714	330	384	46.2%	3 347	3 310
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	330	(330)	-	3 025	2 988
Heritage assets	3 400	(2 686)	-	714	-	714	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Software and other Intangible assets	-	-	-	-	-	-	-	322	322
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	21 794	8 505	-	30 299	27 895	2 404	92.1%	36 335	33 836

NOTES to the APPROPRIATION STATEMENTS as at 31 March 2018

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

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

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

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

3. Detail on payments for financial assets

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

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

4.1 Per programme

	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Administration	148 642	140 520	8 122	5.46%
Socio Economic Support	357 501	356 437	1 064	0.30%
Empowerment and Stakeholder Management	115 967	104 543	11 424	9.85%

- The less than expected spend of R8.1 million or 5.46% was mainly driven by inability to procure provincial offices due to the dependency to Public Works. Furthermore, the Department did not pay on time the performance bonus and pay progression.
- Socio Economic Support spend was on target vs final appropriation mainly driven by higher than expected demand on Education Support to military veterans and their dependants.
- Empowerment and Stakeholder Management underspend was mainly driven by inability to process payments related to travel which was carried through as Payables. There was less than expect delivery against Skills Development Service Delivery which led to less than expected spend on the appropriated budget.

4.2 Per economic classification

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments	331 103	316 485	14 618	4.41%
Compensation of employees	117 829	116 242	1 587	1.35%
Goods and services	213 274	200 243	13 031	6.11%
Interest and rent on land	-	-	-	-
Transfers and subsidies	280 484	278 313	2 171	0.77%
Provinces and municipalities	-	-	-	-
Departmental agencies and accounts	-	-	-	-

NOTES to the APPROPRIATION STATEMENTS as at 31 March 2018

4.2 Per economic classification

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Higher education institutions	-	-	-	-
Public corporations and private enterprises	-	-	-	-
Foreign governments and international organisations	-	-	-	-
Non-profit institutions	-	-	-	-
Households	280 484	278 313	2 171	0.77%
Payments for capital assets	9 810	6 701	3 109	31.69%
Buildings and other fixed structures	-	-	-	-
Machinery and equipment	9 810	6 701	3 109	31.69%
Heritage assets	-	-	-	-
Specialised military assets	-	-	-	-
Biological assets	-	-	-	-
Land and subsoil assets	-	-	-	-
Intangible assets	-	-	-	-
	-	-	-	-
Payments for financial assets				

- An overall underspend of R20.6 million mainly driven less than expected spend on travel expenses, skills development, procurement of provincial offices as well as compensation of employees.

STATEMENT of FINANCIAL PERFORMANCE

as at 31 March 2018

	Note	2017/18	2016/17
		R'000	R'000
REVENUE			
Annual appropriation	1	622 111	597 607
Statutory appropriation		-	-
Departmental revenue	2	2 758	330
NRF Receipts		-	-
Aid assistance		-	-
TOTAL REVENUE		624 869	597 937
EXPENDITURE			
Current expenditure			
Compensation of employees	3	116 242	108 463
Goods and services	4	200 245	219 625
Interest and rent on land		-	-
Aid assistance		-	-
Total current expenditure		316 487	328 088
Transfers and subsidies			
Transfers and subsidies	5	278 312	166 134
Aid assistance		-	-
Total transfers and subsidies		278 312	166 134
Expenditure for capital assets			
Tangible assets	6	6 701	10 077
Intangible assets		-	322
Total expenditure for capital assets		6 701	10 399
Unauthorised expenditure approved without funding		-	-
Payments for financial assets		-	-
TOTAL EXPENDITURE		601 500	504 621
SURPLUS/(DEFICIT) FOR THE YEAR		23 369	93 316
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		20 611	92 986
Annual appropriation		20 611	92 986
Conditional grants		-	-
Departmental revenue and NRF Receipts	11	2 758	330
Aid assistance		-	-
SURPLUS/(DEFICIT) FOR THE YEAR		23 369	93 316

STATEMENT of FINANCIAL POSITION

as at 31 March 2018

	Note	2017/18	2016/17
		R'000	R'000
ASSETS			
Current assets		21 623	93 807
Unauthorised expenditure		-	-
Cash and cash equivalents	7	16 077	89 343
Other financial assets		-	-
Prepayments and advances	8	1 131	1 445
Receivables	9	4 415	3 019
Loans		-	-
Aid assistance prepayments		-	-
Aid assistance receivable		-	-
Non-current assets		-	-
Investments		-	-
Receivables		-	-
Loans		-	-
Other financial assets		-	-
TOTAL ASSETS		21 623	93 807
LIABILITIES			
Current liabilities		21 623	93 807
Voted funds to be surrendered to the Revenue Fund	10	20 611	93 644
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	11	1 012	121
Bank overdraft		-	-
Payables	12	-	42
Aid assistance repayable		-	-
Aid assistance unutilised		-	-
Non-current liabilities		-	-
Payables		-	-
TOTAL LIABILITIES		21 623	93 807
NET ASSETS		-	-
Represented by:			
Capitalisation reserve		-	-
Recoverable revenue		-	-
Retained funds		-	-
Revaluation reserves		-	-
TOTAL		-	-

STATEMENT of CHANGE IN NET ASSETS

as at 31 March 2018

	Note	2017/18	2016/17
		R'000	R'000
Capitalisation Reserves			
Opening balance		-	-
Transfers:			
Movement in Equity		-	-
Movement in Operational Funds		-	-
Other movements		-	-
Closing balance		-	-
Recoverable revenue			
Opening balance		-	-
Transfers:			
Irrecoverable amounts written off		-	-
Debts revised		-	-
Debts recovered (included in departmental receipts)		-	-
Debts raised		-	-
Closing balance		-	-
Retained funds			
Opening balance		-	-
Transfer from voted funds to be surrendered (Parliament/Legislatures ONLY)		-	-
Utilised during the year		-	-
Other transfers		-	-
Closing balance		-	-
Revaluation Reserve			
Opening balance		-	-
Revaluation adjustment (Housing departments)		-	-
Transfers		-	-
Other		-	-
Closing balance		-	-
TOTAL		-	-

CASH FLOW STATEMENT

as at 31 March 2018

	Note	2017/18	2016/17
		R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		624 869	597 937
Annual appropriated funds received	1.1	622 111	597 607
Statutory appropriated funds received		-	-
Departmental revenue received	3	2 758	330
Interest received		-	-
NRF Receipts		-	-
Aid assistance received		-	-
Net (increase)/decrease in working capital		(1 124)	3 565
Surrendered to Revenue Fund		(95 511)	(232 943)
Surrendered to RDP Fund/Donor		-	-
Current payments		(316 487)	(328 088)
Interest paid		-	-
Payments for financial assets		-	-
Transfers and subsidies paid		(278 312)	(166 134)
Net cash flow available from operating activities	13	(66 565)	(125 663)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	6	(6 701)	(10 399)
Proceeds from sale of capital assets		-	-
(Increase)/decrease in loans		-	-
(Increase)/decrease in investments		-	-
(Increase)/decrease in other financial assets		-	-
Net cash flows from investing activities		(6 701)	(10 399)
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution/dividend received		-	-
Increase/(decrease) in net assets		-	-
Increase/(decrease) in non-current payables		-	-
Net cash flows from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(73 266)	(136 062)
Cash and cash equivalents at beginning of period		89 343	225 405
Unrealised gains and losses within cash and cash equivalents		-	-
Cash and cash equivalents at end of period	7	16 077	89 343

NOTES to the ANNUAL FINANCIAL STATEMENTS as at 31 March 2018

Summary of significant accounting policies	
<p>The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.</p> <p>The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.</p> <p>Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.</p>	
1	<p>Basis of preparation</p> <p>The financial statements have been prepared in accordance with the Modified Cash Standard.</p>
2	<p>Going concern</p> <p>The financial statements have been prepared on a going concern basis.</p>
3	<p>Presentation currency</p> <p>Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.</p>
4	<p>Rounding</p> <p>Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).</p>
5	<p>Foreign currency translation</p> <p>Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.</p>
6	<p>Comparative information</p>
6.1	<p>Prior period comparative information</p> <p>Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.</p>
6.2	<p>Current year comparison with budget</p> <p>A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.</p>
7	<p>Revenue</p>
7.1	<p>Appropriated funds</p> <p>Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).</p> <p>Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.</p> <p>The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.</p>
7.2	<p>Departmental revenue</p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>

NOTES to the ANNUAL FINANCIAL STATEMENTS as at 31 March 2018

7.3	<p>Accrued departmental revenue</p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> • 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. <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p> <p>Write-offs are made according to the department's debt write-off policy</p>
8	Expenditure
8.1	Compensation of employees
8.1.1	<p>Salaries and wages</p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
8.1.2	<p>Social contributions</p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p>
8.2	<p>Other expenditure</p> <p>Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p>
8.3	<p>Accruals and payables not recognised</p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.</p>
8.4	Leases
8.4.1	<p>Operating leases</p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>
8.4.2	<p>Finance leases</p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> • 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	<p>Aid assistance received</p> <p>Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.</p> <p>Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.</p>

NOTES to the ANNUAL FINANCIAL STATEMENTS as at 31 March 2018

9.2	<p>Aid assistance paid</p> <p>Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.</p>
10	<p>Cash and cash equivalents</p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.</p>
11	<p>Prepayments and advances</p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p> <p><Indicate when prepayments are expensed and under what circumstances.></p>
12	<p>Loans and receivables</p> <p>Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.</p>
13	<p>Investments</p> <p>Investments are recognised in the statement of financial position at cost.</p>
14	<p>Financial assets</p>
14.1	<p>Financial assets (not covered elsewhere)</p> <p>A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.</p> <p>At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p>
14.2	<p>Impairment of financial assets</p> <p>Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.</p>
15	<p>Payables</p> <p>Payables recognised in the statement of financial position are recognised at cost.</p>
16	<p>Capital Assets</p>
16.1	<p>Immovable capital assets</p> <p>Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p> <p>Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.</p>

NOTES to the ANNUAL FINANCIAL STATEMENTS as at 31 March 2018

16.2	<p>Movable capital assets</p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.</p>
16.3	<p>Intangible assets</p> <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p>
16.4	<p>Project Costs: Work-in-progress</p> <p>Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.</p> <p>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.</p> <p>Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.</p>
17	<p>Provisions and Contingents</p>
17.1	<p>Provisions</p> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past 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.</p>
17.2	<p>Contingent liabilities</p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.</p>
17.3	<p>Contingent assets</p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.</p>

NOTES to the ANNUAL FINANCIAL STATEMENTS as at 31 March 2018

17.4	<p>Commitments</p> <p>Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.</p>
18	<p>Unauthorised expenditure</p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> • 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. <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
19	<p>Fruitless and wasteful expenditure</p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
20	<p>Irregular expenditure</p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.</p> <p>Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.</p> <p>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.</p>
21	<p>Changes in accounting policies, accounting estimates and errors</p> <p>Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p>
22	<p>Events after the reporting date</p> <p>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p>
23	<p>Principal-Agent arrangements</p> <p>The department is party to a principal-agent arrangement for [include details here]. In terms of the arrangement the department is the [principal / agent] and is responsible for [include details here]. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.</p>

NOTES to the ANNUAL FINANCIAL STATEMENTS as at 31 March 2018

24	<p>Departures from the MCS requirements</p> <p>Management has concluded that the financial statements present fairly the department's primary and secondary information.</p>
25	<p>Capitalisation reserve</p> <p>The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/ Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.</p>
26	<p>Recoverable revenue</p> <p>Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>
27	<p>Related party transactions</p> <p>A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.</p>
28	<p>Inventories</p> <p>At the date of acquisition, inventories are recognised at cost in the statement of financial performance.</p> <p>Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.</p> <p>Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.</p> <p>The cost of inventories is assigned by using the weighted average cost basis.</p>
29	<p>Public-Private Partnerships</p> <p>Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.</p> <p>A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.</p>
30	<p>Employee benefits</p> <p>The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.</p>

NOTES to the ANNUAL FINANCIAL STATEMENTS as at 31 March 2018

1. Annual Appropriation

1.1 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:

	2017/18			2016/17	
	Final Appropriation	Actual Funds Received	Funds not requested/not received	Final Appropriation	Appropriation received
	R'000	R'000	R'000	R'000	R'000
Administration	149 818	149 818	-	159 332	159 332
Socio Economic Support	307 381	307 381	-	313 541	313 541
Empowerment and Stakeholder Management	164 912	164 912	-	124 734	124 734
Total	622 111	622 111	-	597 607	597 607

- There were no additional funds received by the department.

2. Departmental revenue

	Note	2017/18	2016/17
		R'000	R'000
Tax revenue		-	-
Sales of goods and services other than capital assets	2.1	32	28
Fines, penalties and forfeits		-	-
Interest, dividends and rent on land		-	-
Sales of capital assets		-	-
Transactions in financial assets and liabilities	2.2	2 726	302
Transfer received			
Total revenue collected		2 758	330
Less: Own revenue included in appropriation			
Departmental revenue collected		2 758	330

- Commission of 5% received for administering of garnishee orders on behalf of other entities.
- Revenue generated reflects credit notes processed with reference to prior year.
- DOD dental overcharged invoice was recovered

NOTES to the ANNUAL FINANCIAL STATEMENTS as at 31 March 2018

2.1 Sales of goods and services other than capital assets

	Note	2017/18	2016/17
		R'000	R'000
Sales of goods and services produced by the department	2	32	28
Sales by market establishment		-	-
Administrative fees		-	-
Other sales		32	28
Sales of scrap, waste and other used current goods			
Total		32	28

- Commission of 5% received for administering of garnishee orders on behalf of other entities.

2.2 Transactions in financial assets and liabilities

	Note	2017/18	2016/17
	2	R'000	R'000
Loans and advances		-	-
Receivables		-	-
Forex gain		-	-
Stale cheques written back		-	-
Other Receipts including Recoverable Revenue		2 726	302
Gains on GFECRA		-	-
Total		2 726	302

- Revenue generated reflects credit notes processed with reference to prior year.
- DOD dental overcharged invoice was recovered.

3. Compensation of employees

3.1 Salaries and Wages

	Note	2017/18	2016/17
		R'000	R'000
Basic salary		79 502	74 676
Performance award		947	217
Service Based		9	42
Compensative/circumstantial		5 208	4 183
Periodic payments		394	410
Other non-pensionable allowances		21 081	20 134
Total		107 141	99 662

- "Other non-pensionable allowances" include service bonus (13th cheque) paid to employees and also all allowances payable to employees who are not pensionable, including housing allowance.
- Performance awards for the 2016/17 financial year not paid yet and has been disclosed as Payables under note 17.

NOTES to the ANNUAL FINANCIAL STATEMENTS as at 31 March 2018

3.2 Social contributions

	Note	2017/18	2016/17
		R'000	R'000
Employer contributions			
Pension		7 751	7 359
Medical		1 333	1 426
UIF		-	-
Bargaining council		17	16
Official unions and associations		-	-
Insurance		-	-
Total		9 101	8 801
Total compensation of employees		116 242	108 463
Average number of employees		237	231

4. Goods and services

	Note	2017/18	2016/17
		R'000	R'000
Administrative fees		5 868	4 345
Advertising		2 633	5 972
Minor assets	4.1	110	1 513
Bursaries (employees)		452	593
Catering		430	1 590
Communication		5 824	2 975
Computer services	4.2	21 033	34 640
Consultants: Business and advisory services		904	1 227
Infrastructure and planning services		-	-
Laboratory services		-	-
Scientific and technological services		-	-
Legal services		550	1 239
Contractors		55 948	61 486
Agency and support /outsourced services		4 156	735
Entertainment		-	-
Audit cost – external	4.3	6 658	5 961
Fleet services		1 820	1 889
Inventory		-	-
Consumables	4.4	2 468	7 135
Housing		-	-
Operating leases		15 460	16 832
Property payments	4.5	2 740	2 944
Rental and hiring		106	337
Transport provided as part of the departmental activities		-	25
Travel and subsistence	4.6	43 536	41 227

NOTES to the ANNUAL FINANCIAL STATEMENTS as at 31 March 2018

	Note	2017/18	2016/17
		R'000	R'000
Venues and facilities		7 089	1 823
Training and development		22 382	24 690
Other operating expenditure	4.7	78	447
Total		200 245	219 625

- Contractors spend of R55 897 000 is mainly related to Health Services to Military Veterans
- T&S relates mainly to travel by DMV officials and external stakeholders such as SAMNVA, Advisory Council and Appeals Board.
- Training and development is an aggregated amount related to the provisioning of Skills to military veterans as a benefit and mandatory training of DMV officials.

4.1 Minor assets

	Note	2017/18	2016/17
	4	R'000	R'000
Tangible assets		110	1 501
Buildings and other fixed structures		-	-
Biological assets		-	-
Heritage assets		-	-
Machinery and equipment		110	1 501
Transport assets		-	-
Specialised military assets		-	-
Intangible assets		-	12
Software		-	12
Mastheads and publishing titles		-	-
Patents, licences, copyright, brand names, trademarks		-	-
Recipes, formulae, prototypes, designs, models		-	-
Services and operating rights		-	-
Total		110	1 513

4.2 Computer services

	Note	2017/18	2016/17
	4	R'000	R'000
SITA computer services		20 912	34 069
External computer service providers		121	571
Total		21 033	34 640

- The decline vs prior year is mainly related to higher accruals in 2015/16 financial year that were paid during 2016/17 financial year

NOTES to the ANNUAL FINANCIAL STATEMENTS as at 31 March 2018

4.3 Audit cost – External

	Note 4	2017/18 R'000	2016/17 R'000
	Regularity audits		6 280
Performance audits		-	-
Investigations		378	-
Environmental audits		-	-
Computer audits		-	-
Total		6 658	5 961

- R378 000 is in relation to down payment towards an investigation undertaken in one of the service delivery branches.

4.4 Consumables

	Note 4	2017/18 R'000	2016/17 R'000
	Consumable supplies		178
Uniform and clothing		-	159
Household supplies		138	355
Building material and supplies		6	161
Communication accessories		-	-
IT consumables		30	45
Other consumables		4	280
Stationery, printing and office supplies		2 290	6 135
Total		2 468	7 135

- Improvement in stationery, printing and other office supplies is mainly related to the shift from desktop printing to centralised printing in the Department

4.5 Property payments

	Note 4	2017/18 R'000	2016/17 R'000
	Municipal services		1 290
Property management fees		-	-
Property maintenance and repairs		2	124
Other		1 448	1 696
Total		2 740	2 944

- Property other includes security services of R1 177 519

NOTES to the ANNUAL FINANCIAL STATEMENTS as at 31 March 2018

4.6 Travel and subsistence

	Note 4	2017/18 R'000	2016/17 R'000
	Local		42 205
Foreign		1 331	3 647
Total		43 536	41 227

- Travel and subsistence item includes payments made for Military Veterans and their beneficiaries.

4.7 Other operating expenditure

	Note 4	2017/18 R'000	2016/17 R'000
	Professional bodies, membership and subscription fees		7
Resettlement costs		41	41
Other		30	398
Total		78	447

- Other operating expenditure relates to expenditure such as courier, delivery service, printing and publication services

5. Transfers and subsidies

	Note	2017/18 R'000	2016/17 R'000
	Provinces and municipalities		-
Departmental agencies and accounts		-	-
Higher education institutions		-	-
Foreign governments and international organisations		-	-
Public corporations and private enterprises		-	-
Non-profit institutions		-	-
Households	Annex 1G	278 312	166 134
Total		278 312	166 134

6. Expenditure for capital assets

	Note	2017/18 R'000	2016/17 R'000
	Tangible assets		6 701
Buildings and other fixed structures		-	-
Heritage assets		-	-
Machinery and equipment	26	6 701	10 077
Specialised military assets		-	-
Land and subsoil assets		-	-

NOTES to the ANNUAL FINANCIAL STATEMENTS as at 31 March 2018

	Note	2017/18	2016/17
		R'000	R'000
Biological assets		-	-
Intangible assets			322
Software	27	-	322
Mastheads and publishing titles		-	-
Patents, licences, copyright, brand names, trademarks		-	-
Recipes, formulae, prototypes, designs, models		-	-
Services and operating rights		-	-
Total		6 701	10 399

The following amounts have been included as project costs in Expenditure for capital assets

Compensation of employees	-	-
Goods and services	-	-
Total	-	-

6.1 Analysis of funds utilised to acquire capital assets – 2017/18 financial year

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	6 701	-	6 701
Buildings and other fixed structures			
Heritage assets	-	-	-
Machinery and equipment	6 701	-	6 701
Specialised military assets	-	-	-
Land and subsoil assets	-	-	-
Biological assets	-	-	-
Intangible assets	-	-	-
Software	-	-	-
Mastheads and publishing titles	-	-	-
Patents, licences, copyright, brand names, trademarks	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-
Services and operating rights	-	-	-
Total	6 701	-	6 701

NOTES to the ANNUAL FINANCIAL STATEMENTS as at 31 March 2018

6.2 Analysis of funds utilised to acquire capital assets – 2016/17 financial year

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	10 077	-	10 077
Buildings and other fixed structures	-	-	-
Heritage assets	-	-	-
Machinery and equipment	10 077	-	10 077
Specialised military assets	-	-	-
Land and subsoil assets	-	-	-
Biological assets	-	-	-
Intangible assets	322	-	322
Software	322	-	322
Mastheads and publishing titles	-	-	-
Patents, licences, copyright, brand names, trademarks	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-
Services and operating rights	-	-	-
Total	10 399	-	10 399

6.3 Finance lease expenditure included in Expenditure for capital assets

	Note	2017/18	2016/17
		R'000	R'000
Tangible assets			
Buildings and other fixed structures		-	-
Heritage assets		-	-
Machinery and equipment		3 488	3 417
Specialised military assets		-	-
Land and subsoil assets		-	-
Biological assets		-	-
Total		3 488	3 417

7. Cash and cash equivalents

	Note	2017/18	2016/17
		R'000	R'000
Consolidated Paymaster General Account		34 210	101 743
Cash receipts		-	-
Disbursements		(18 141)	(12 416)
Cash on hand		8	16
Investments (Domestic)		-	-
Investments (Foreign)		-	-
Total		16 077	89 343

- There are no significant cash and cash equivalent balances held by the department that are not available for use.

NOTES to the ANNUAL FINANCIAL STATEMENTS as at 31 March 2018

8. Prepayments and advances

	Note	2017/18	2016/17
		R'000	R'000
Staff advances		-	-
Travel and subsistence		104	143
Prepayments (Not expensed)		-	-
Advances paid (Not expensed)	8.1	1 027	1 302
SOCPEN advances		-	-
Total		1 131	1 445

8.1 Advances paid (Not expensed)

	Note	Balance as at 1 April 2017	Less: Amount expensed in current year	Add: Current Year prepayments	Balance as at 31 March 2018
	8	R'000	R'000	R'000	R'000
National departments		1 302	2 602	2 327	1 027
Provincial departments		-	-	-	-
Public entities		-	-	-	-
Other entities		-	-	-	-
Total		1 302	2 602	2 327	1 027

- This denotes funds paid in advance to Government Communication Information System for advertising and media campaigns related to activities of the department.

9. Receivables

	Note	2017/18			2016/17		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	9.1	-	-	-	2	-	2
Trade receivables		-	-	-	-	-	-
Recoverable expenditure	9.2	24	-	24	220	-	220
Staff debt	9.3	75	-	75	10	-	10
Fruitless and wasteful expenditure	9.5	1 373	-	1 373	1 047	-	1 047
Other debtors	9.4	2 943	-	2 943	1 740	-	1 740
Total		4 415	-	4 415	3 019	-	3 019

NOTES to the ANNUAL FINANCIAL STATEMENTS as at 31 March 2018

9.1 Claims recoverable

	Note	2017/18	2016/17
	15 and Annex 4	R'000	R'000
National departments			2
Provincial departments		-	-
Foreign governments		-	-
Public entities		-	-
Private enterprises		-	-
Higher education institutions		-	-
Households and non-profit institutions		-	-
Local governments		-	-
Total		-	2

9.2 Recoverable expenditure (disallowance accounts)

	Note	2017/18	2016/17
	9	R'000	R'000
(Group major categories, but list material items)		24	220
Debt account			
Total		24	220

- Being employee related debt

9.3 Staff debt

	Note	2017/18	2016/17
	9	R'000	R'000
Sal Reversal Control		58	4
Sal Tax Debt		13	6
Sal Deduction Disallowance account		1	-
Pension Recoverable account		3	-
Total		75	10

- Services termination of employees

NOTES to the ANNUAL FINANCIAL STATEMENTS as at 31 March 2018

9.4 Other debtors

	Note 9	2017/18 R'000	2016/17 R'000
	Disall Damages & Losses		2 943
Total		2 943	1 740

- This relates to accidents and damages on hired vehicles related to DMV officials and non-officials. Non officials refers to external stakeholders such as SANMVA and Advisory Council.
- Debt recovery with DMV Officials is underway, however, external stakeholders debt has been escalated to the Accounting Officer for intervention

9.5 Fruitless and wasteful expenditure

	Note 9	2017/18 R'000	2016/17 R'000
	Opening balance		1 047
Less amounts recovered			-
Less amounts written off			-
Transfers from note 21 Fruitless and Wasteful Expenditure		326	658
Interest			-
Total		1 373	1 047

- This payments refer to instances where bookings related to travel and accommodation where service recipients do not show up.

10. Voted funds to be surrendered to the Revenue Fund

	Note 10	2017/18 R'000	2016/17 R'000
	Opening balance		93 644
Prior period error			
As restated		93 644	233 408
Transfer from statement of financial performance (as restated)		20 611	92 986
Add: Unauthorised expenditure for current year		-	-
Voted funds not requested/not received		-	-
Transferred to retained revenue to defray excess expenditure (PARLIAMENT/ LEGISLATURES ONLY)		-	-
Paid during the year		(93 644)	(232 750)
Closing balance		20 611	93 644

- Value to be surrendered decrease is due to increase spend from 84% in 2016/17 to 97% in 2017/18 financial years, respectively.

NOTES to the ANNUAL FINANCIAL STATEMENTS as at 31 March 2018

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

	Note 11	2017/18 R'000	2016/17 R'000
	Opening balance		121
Prior period error			
As restated		121	(16)
Transfer from Statement of Financial Performance (as restated)		2 758	330
Own revenue included in appropriation		-	-
Transfer from aid assistance			-
Transfer to voted funds to defray expenditure (Parliament/Legislatures ONLY)			-
Paid during the year		(1 867)	(193)
Closing balance		1 012	121

- This is an amount not paid to National Revenue Fund by 31 March 2018.

12. Payables – current

	Note	2017/18 R'000	2016/17 R'000
	Amounts owing to other entities		-
Advances received		-	-
Clearing accounts	12.1	-	42
Other payables		-	-
Total		-	42

12.1 Clearing accounts

Description	Note 12	2017/18 R'000	2016/17 R'000
	Sal Income tax		-
Total		-	42

NOTES to the ANNUAL FINANCIAL STATEMENTS as at 31 March 2018

13. Net cash flow available from operating activities

Note	2017/18 R'000	2016/17 R'000
Net surplus/(deficit) as per Statement of Financial Performance	23 369	93 316
Add back non cash/cash movements not deemed operating activities	(89 934)	(218 979)
(Increase)/decrease in receivables – current	(1 396)	971
(Increase)/decrease in prepayments and advances	314	2 615
(Increase)/decrease in other current assets	-	-
Increase/(decrease) in payables – current	(42)	(21)
Proceeds from sale of capital assets	-	-
Proceeds from sale of investments	-	-
(Increase)/decrease in other financial assets	-	-
Expenditure on capital assets	6 701	10 399
Surrenders to Revenue Fund	(95 511)	(232 943)
Surrenders to RDP Fund/Donor	-	-
Voted funds not requested/not received	-	-
Own revenue included in appropriation	-	-
Other non-cash items	-	-
Net cash flow generated by operating activities	(66 565)	(125 663)

- Cash flow position improvement mainly due to improved spend patterns

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

Note	2017/18 R'000	2016/17 R'000
Consolidated Paymaster General account	34 210	101 743
Fund requisition account	-	-
Cash receipts	-	-
Disbursements	(18 141)	(12 416)
Cash on hand	8	16
Cash with commercial banks (Local)	-	-
Cash with commercial banks (Foreign)	-	-
Total	16 077	89 343

- Petty Cash account balance is affected by bank charges.
- Disbursements of R18 141 017 indicative of payments captured and disbursed on the last day of the financial year.

NOTES to the ANNUAL FINANCIAL STATEMENTS as at 31 March 2018

15. Contingent liabilities and contingent assets

15.1 Contingent liabilities

	Note	2017/18	2016/17
		R'000	R'000
Liable to Nature			
Motor vehicle guarantees Employees		-	-
Housing loan guarantees Employees		-	-
Other guarantees		-	-
Claims against the department	Annex 3B	*205 117	205 993
Intergovernmental payables (unconfirmed balances)	Annex 5	67 902	23 501
Environmental rehabilitation liability		-	-
Other		-	-
Total		273 019	229 494

* These are litigation matters pending court ruling, the cash outflow is uncertain

16. Commitments

	Note	2017/18	2016/17
		R'000	R'000
Current expenditure			
Approved and contracted		3 027	977
Approved but not yet contracted		-	-
		3 027	977
Capital expenditure			
Approved and contracted		201	73
Approved but not yet contracted		-	-
		201	73
Total Commitments		3 228	1 050

- These are commitments made by the department by the end of the financial year but service was not yet rendered. These includes a commitment related to the publication of books written by military veterans done in partnership with Human Science Research Council of R800 000 and skills audit assignment of R460 000

NOTES to the ANNUAL FINANCIAL STATEMENTS as at 31 March 2018

17. Accruals and payables not recognised

17.1 Accruals

	2017/18			2016/17	
	R'000			R'000	
Listed by economic classification					
	30 Days	30+ Days	Total	Total	
Goods and services	765	8	773	2 376	
Interest and rent on land	-	-	-	-	
Transfers and subsidies	-	74 229	**74 229	30 857	
Capital assets	-	-	-	-	
Other	149	-	149	148	
Total	914	74 237	75 151	33 381	

	Note	2017/18		2016/17	
		R'000		R'000	
Listed by programme level					
Administration		749		2 524	
Socio Economic Support		**74 229		30 857	
Empowerment and Stakeholder Management		173			
Total		75 151		33 381	

- 2016/17 financial year accruals balance was understated by R24 238 481
- March 2018 Acting Director General salaries and allowance not yet claimed by the Department of Rural Development amounting to R148 564

**Basic Education accruals for academic year 2017 and 2018 amounting to R68 256 000

**Private Institutions education accruals for academic year 2018 amounting to R5 973 000

17.2 Payables not recognised

	2017/18			2016/17	
	R'000			R'000	
Listed by economic classification					
	30 Days	30+ Days	Total	Total	
Goods and services	4 590	29 873	34 463	50 571	
Interest and rent on land	-	-	-	-	
Transfers and subsidies	-	19 473	19 473	414	
Capital assets	-	-	-	-	
Other	-	1 541	1 541	1 308	
Total	4 590	50 887	55 477	52 293	

NOTES to the ANNUAL FINANCIAL STATEMENTS as at 31 March 2018

	Note	2017/18	2016/17
		R'000	R'000
Listed by programme level			
Administration		6 636	4 863
Socio Economic Support		*44 038	39 863
Empowerment and Stakeholder Management		4 803	7 567
Total		55 477	52 293

- 2016/17 financial year payables balance was understated by R1 022 469.
- 2016/17 financial year performance bonus to be paid amounting R1 541 000

* This amount includes Basic Education payables for academic year 2017 and 2018 amounting to R19 473 000

	Note	2017/18	2016/17
		R'000	R'000
Included in the above totals are the following:			
Confirmed balances with other departments	Annex 5	23 954	18 343
Confirmed balances with other government entities	Annex 5	-	726
Total		23 954	19 069

18. Employee benefits

	Note	2017/18	2016/17
		R'000	R'000
Leave entitlement		6 267	5 028
Service bonus (Thirteenth cheque)		2 233	2 170
Performance awards		1 707	1 541
Capped leave commitments		814	767
Other		-	-
Total		11 021	9 506

- At this stage the department is not able to reliably measure the long term portion of the long service awards.
- Performance awards - 2017/18 financial year accruals at 1.5% of compensation of employees 2017/18 financial year approved budget (R113 829 000*1.5%).

NOTES to the ANNUAL FINANCIAL STATEMENTS as at 31 March 2018

19. Lease commitments

19.1 Operating leases

2017/18	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	7 198	626	7 824
Later than 1 year and not later than 5 years	-	-	2 961	199	3 160
Later than five years	-	-	-	-	-
Total lease commitments	-	-	10 159	825	10 984

2016/17	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	9 666	3 932	13 598
Later than 1 year and not later than 5 years	-	-	10 160	350	10 510
Later than five years	-	-	-	-	-
Total lease commitments	-	-	*19 826	**4 282	24 108

*This is a five (5) year sublease of the DMV head office premises, Mpumalanga Province, Eastern Cape Province and North West province as arranged by the Department of Public Works.

**This is an operating lease comprising of 7 photocopying machine and 1 franking machine

	Note	2017/18 R'000	2016/17 R'000
	Rental earned on sub-leased assets	3	-
Total		-	-

19.2 Finance leases ***

2017/18	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year				175	175
Later than 1 year and not later than 5 years					-
Later than five years					-
Total lease commitments	-	-	-	175	175

2016/17	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	1 990	1 990
Later than 1 year and not later than 5 years	-	-	-	170	170
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	2 160	2 160

***This relates to a contract arrangement between DMV and Vodacom in relation to the provision of mobile devices and data lines.

NOTES to the ANNUAL FINANCIAL STATEMENTS as at 31 March 2018

20. Irregular expenditure

20.1 Reconciliation of irregular expenditure

	Note	2017/18	2016/17
		R'000	R'000
Opening balance		82 269	172 487
Prior period error		-	-
As restated		82 269	172 487
Add: Irregular expenditure – relating to prior year			-
Add: Irregular expenditure – relating to current year		21 275	105 999
Less: Prior year amounts condoned			(106 515)
Less: Current year amounts condoned			(89 702)
Less: Amounts not condoned and recoverable			-
Less: Amounts not condoned and not recoverable			-
Closing balance		103 544	82 269

Analysis of awaiting condonation per age classification

Current year	21 275	16 297
Prior years	82 269	65 972
Total	103 544	82 269

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

Incident	Disciplinary steps taken/criminal proceedings	2017/18 R'000
Bengwa Trading service provider was not complying with the TCS at the time of award	As at 31 March 2018, the investigations related to 2017/18 financial year had not commenced. Investigations will be expedited by the Department	160
Service provider did not have valid TCC	As at 31 March 2018, the investigations related to 2017/18 financial year had not commenced. Investigations will be expedited by the Department	2
Variation of scope without approval by the delegated authority-Mangezi Trading Enterprise	As at 31 March 2018, the investigations related to 2017/18 financial year had not commenced. Investigations will be expedited by the Department.	55
Titi Funerals -procurement of fourteen(14) coffins for PAC members.SCM process was not followed. Single supplier was appointed without approval of the Accounting Officer.	As at 31 March 2018, the investigations related to 2017/18 financial year had not commenced. Investigations will be expedited by the Department	350
Langmar provisioning of emergency accommodation (Skweyiya& Khoza).SCM process was not followed for extension of contract. There was no approval granted for extension of contract.	As at 31 March 2018, the investigations related to 2017/18 financial year had not commenced. Investigations will be expedited by the Department	49
Alexander Forbes Health deviation not signed by Accounting Officer	As at 31 March 2018, the investigations related to 2017/18 financial year had not commenced. Investigations will be expedited by the Department	37

NOTES to the ANNUAL FINANCIAL STATEMENTS as at 31 March 2018

Incident	Disciplinary steps taken/criminal proceedings	2017/18 R'000
This relates to five (5) cases on contract entered into in prior years where SCM processes were not adhered to by the department.	Investigations commenced with some letters issued to potential transgressors for response	15 572
GX Tyamazshe - sole supplier was appointed without approved deviation by Accounting Officer	As at 31 March 2018, the investigations related to 2017/18 financial year had not commenced. Investigations will be expedited by the Department	12
Centrotech - maintenance of aircon at server room. SCM process was not followed for extension of contract. There was no approval granted for extension of contract. deviation	As at 31 March 2018, the investigations related to 2017/18 financial year had not commenced. Investigations will be expedited by the Department	4
Birchwood Hotel- deviation without written approval from National Treasury	The department is presently engaging with National Treasury to clear this matter	5 034
Total		21 275

21. Fruitless and wasteful expenditure

21.1 Reconciliation of fruitless and wasteful expenditure

	Note	2017/18 R'000	2016/17 R'000
	Opening balance		3 193
Prior period error			-
As restated		3 193	2 022
Fruitless and wasteful expenditure – relating to prior year			-
Fruitless and wasteful expenditure – relating to current year		3 060	1 829
Less: Amounts resolved		(853)	-
Less: Amounts transferred to receivables for recovery	9.5	(326)	(658)
Closing balance		5 074	3 193

- Refer to sub-note 21.3

21.2 Analysis of awaiting resolution per economic classification

	Note	2017/18 R'000	2016/17 R'000
	Current		5 074
Capital		-	-
Transfers and subsidies		-	-
Total		5 074	3 193

NOTES to the ANNUAL FINANCIAL STATEMENTS as at 31 March 2018

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

Incident	Disciplinary steps taken/criminal proceedings	2017/18 R'000
Expenditure incurred by the department for the bookings of travel and subsistence where the travellers do not cancel if unable to travel or attend	Where costs are related to officials of the Department, letters have been issued and responses are being processed	326
Logis mainframe payment where the system is not in use	A project is underway to implement Logis	40
Sita payment: CRM/ database system. DMV requested SITA to provide an official to create a database system but no output can be accounted for.	Investigations underway and the department has engaged SITA on implementation of the E-DMV System with anticipated live date of 09 July 2018	1815
African College for Aviation: Fees paid to the Institute but the Institution has ceased to exist. Tuition paid for pilot training but the institution closed down	Letter of demand issued to the College	879
Total		3 060

- DOD dental overcharged invoice was recovered

22. Related party transactions

Revenue received	Note	2017/18 R'000	2016/17 R'000
Tax revenue		-	-
Sales of goods and services other than capital assets		-	-
Fines, penalties and forfeits		-	-
Interest, dividends and rent on land		-	-
Sales of capital assets		-	-
Transactions in financial assets and liabilities		-	-
Transfers received		-	-
Total		-	-

Payments made	Note	2017/18 R'000	2016/17 R'000
Goods and services		-	-
Interest and rent on land		-	-
Expenditure for capital assets		-	-
Payments for financial assets		-	-
Transfers		-	-
Total		-	-

NOTES to the ANNUAL FINANCIAL STATEMENTS as at 31 March 2018

Year end balances arising from revenue/payments	Note	2017/18	2016/17
		R'000	R'000
Receivables from related parties		-	-
Payables to related parties		-	-
Total		-	-

Loans to /from related parties	Note	2017/18	2016/17
		R'000	R'000
Non-interest bearing loans to/(from)		-	-
Interest bearing loans to/(from)		-	-
Total		-	-

Other	Note	2017/18	2016/17
		R'000	R'000
Guarantees issued/received		-	-
List other contingent liabilities between department and related party		-	-
Total		-	-

In kind goods and services provided/received	Note	2017/18	2016/17
		R'000	R'000
List in kind goods and services between the department and the related party		-	-
Total		-	-

As at 31 March 2018 the DMV had the following related parties, namely the:

- President of the RSA;
- Deputy President of the RSA;
- Cabinet of the Government of the RSA, including the Ministers of all National Departments;
- National Departments;
- Public Entities resorting under the National Departments;
- Key management personnel of the DMV; and
- All entities under the control, joint control or significant influence of a key management personnel member of the DMV.

Related party transactions

The Department is not aware of any related party transaction (i.e. transaction not at arms length) that occurred during the period between the Department and the President of the RSA; the Deputy President of the RSA; the Cabinet of the Government of the RSA, including the Ministers of all National Departments, National Departments and public entities falling under these departments.

The Department is not aware of any related party transactions that occurred during the period between the related parties.

The Department did not identify any related party transaction during the period between the Department and its key management personnel, and the entities under the control, joint control or significant influence of key management personnel of the Department.

NOTES to the ANNUAL FINANCIAL STATEMENTS as at 31 March 2018

23. Key management personnel

	No. of Individuals	2017/18	2016/17
		R'000	R'000
Political office bearers (provide detail below)			-
Officials:			-
Level 15 to 16	2	2 750	3 480
Level 14 (incl. CFO if at a lower level)	7	9 335	7 824
Family members of key management personnel	-	-	-
Total		12 085	11 304

Key management personnel (Parliament/Legislatures)

	No. of Individuals	2017/18	2016/17
		R'000	R'000
Speaker to Parliament /the Legislature		-	-
Deputy Speaker		-	-
Secretary to Parliament /the Legislature		-	-
Deputy Secretary		-	-
Chief Financial Officer		-	-
Legal Advisor		-	-
Other		-	-
Total		-	-

- The decrease on Level 15 to 16 is mainly related resignation of the Acting Director General Socio Economic Support whose position has been vacant for 12 months in the year under review

24. Provisions

	Note	2017/18	2016/17
		R'000	R'000
Please specify			-
			-
			-
Total			-

NOTES to the ANNUAL FINANCIAL STATEMENTS as at 31 March 2018

24.1 Reconciliation of movement in provisions – 2017/18 financial year

	Provision 1	Provision 2	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	-	-	-	-
Increase in provision	-	-	-	-
Settlement of provision	-	-	-	-
Unused amount reversed	-	-	-	-
Reimbursement expected from third party	-	-	-	-
Change in provision due to change in estimation of inputs	-	-	-	-
Closing balance	-	-	-	-

Reconciliation of movement in provisions – 2016/17 financial year

	Provision 1	Provision 2	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	165	165	-	330
Increase in provision	-	-	-	-
Settlement of provision	(165)	(165)	-	(330)
Unused amount reversed	-	-	-	-
Reimbursement expected from third party	-	-	-	-
Change in provision due to change in estimation of inputs	-	-	-	-
Closing balance	-	-	-	-

25. Non-adjusting events after reporting date

Nature of event	2017/18 R'000
Include an estimate of the financial effect of the subsequent non-adjusting events or a statement that such an estimate cannot be made.	-
There are no non-adjusting events identify after the reporting date.	-
Total	-

NOTES to the ANNUAL FINANCIAL STATEMENTS as at 31 March 2018

26. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018					
	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
MACHINERY AND EQUIPMENT	22 464	-	3 213	165	25 512
Transport assets	-	-	-	-	-
Computer equipment	7 256	-	2 116	-	9 372
Furniture and office equipment	7 534	-	336	-	7 870
Other machinery and equipment	7 674	-	761	165	8 270
SPECIALISED MILITARY ASSETS	-	-	-	-	-
Specialised military assets	-	-	-	-	-
BIOLOGICAL ASSETS	-	-	-	-	-
Biological assets	-	-	-	-	-
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	22 464	-	3 213	165	25 512

Movable Tangible Capital Assets under investigation		
	Number	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	555	5 590
Specialised military assets		
Biological assets		

NOTES to the ANNUAL FINANCIAL STATEMENTS as at 31 March 2018

- The DOD opening balance for major assets was disclosed with the value of R2 605 656. This opening balance for major assets has subsequently been adjusted down by R416 337 and the revised opening balance is R2 189 319. This adjustment being a reclassification to Minor Assets. Of this opening balance, about 229 major assets to the value of R1 211 519 were still under investigation. This investigation mainly relates to lapse in controls when assets were bought under DOD systems and moved across to DMV new premises.
- 2013/14 financial year assets under investigation = 121 with an amount of R1 260 283
- 2014/15 financial year assets under investigation = 97 with an amount of R 1 586 762
- 2015/16 financial year assets under investigation = 60 with an amount of R840 019
- 2016/17 financial year assets under investigation = 8 with an amount of R121 592
- 2017/18 financial year assets under investigation = 40 with an amount of R568 862.
- The total value of assets under investigation is R5 590 000, with various reasons such as assets having temporary asset numbers and missing assets with no incident reports. The AR is being rectified to ensure completeness.

26.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018					
	Cash*	Non-cash**	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
MACHINERY AND EQUIPMENT	6 701	-	(3 488)	-	3 213
Transport assets	-	-	-	-	-
Computer equipment	2 116	-	-	-	2 116
Furniture and office equipment	336	-	-	-	336
Other machinery and equipment	4 249	-	(3 488)	-	761
SPECIALISED MILITARY ASSETS	-	-	-	-	-
Specialised military assets	-	-	-	-	-
BIOLOGICAL ASSETS	-	-	-	-	-
Biological assets	-	-	-	-	-
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	6 701	-	(3 488)	-	3 213

- Cellular phones amounting to R568 862 were bought and received prior year but only paid in the current year
- Server switch amounting to R1 891 950 were bought and received prior year but only paid in the currency year. Fair value take on was used in prior year.

NOTES to the ANNUAL FINANCIAL STATEMENTS as at 31 March 2018

26.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018				
	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-
Heritage assets	-	-	-	-
MACHINERY AND EQUIPMENT	165	-	165	-
Transport assets	-	-	-	-
Computer equipment	-	-	-	-
Furniture and office equipment	-	-	-	-
Other machinery and equipment	165	-	165	-
SPECIALISED MILITARY ASSETS	-	-	-	-
Specialised military assets	-	-	-	-
BIOLOGICAL ASSETS	-	-	-	-
Biological assets	-	-	-	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	165	-	165	-

- These are Health Assets transferred to Military Veterans.

26.3 Movement for 2016/17 financial year

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017					
	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
MACHINERY AND EQUIPMENT	16 253	(360)	6 660	89	22 464
Transport assets	-	-	-	-	-
Computer equipment	6 434	(360)	1 182	-	7 256
Furniture and office equipment	5 308	-	2 226	-	7 534
Other machinery and equipment	4 511	-	3 252	89	7 674
SPECIALISED MILITARY ASSETS	-	-	-	-	-
Specialised military assets	-	-	-	-	-

NOTES to the ANNUAL FINANCIAL STATEMENTS as at 31 March 2018

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017					
	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
BIOLOGICAL ASSETS	-	-	-	-	-
Biological assets	-	-	-	-	-
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	16 253	(360)	6 660	89	22 464

26.3.1 Prior period error

	Note	2016/17 R'000
	Nature of prior period error	
Relating to 2013/14 [affecting the opening balance]		(360)
Correction of assets taken on with fair value. Invoice for servers from SITA received		(360)
Relating to 2016/17		-
Total prior period errors		(360)

26.4 Minor assets

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	-	6 105	-	6 122
Value adjustments	-	-	-	-	-	-
Additions	-	-	-	110	-	110
Disposals	-	-	-	-	-	-
TOTAL MINOR ASSETS	-	17	-	6 215	-	6 232

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	-	-	-
Number of minor assets at cost	-	-	-	58	-	58
TOTAL NUMBER OF MINOR ASSETS	-	-	-	58	-	58

NOTES to the ANNUAL FINANCIAL STATEMENTS as at 31 March 2018

Minor Capital Assets under investigation		
	Number	Value
		R'000

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

Specialised military assets	-	-
Intangible assets	-	-
Heritage assets	384	1 013
Machinery and equipment	-	-
Biological assets	-	-

- DOD minor assets under investigation = 8 amounting to R44 618
- 2013/14 financial year assets under investigation = 128 amounting to R360 046
- 2014/15 financial year assets under investigation = 85 amounting to R235 489
- 2015/16 financial year assets under investigation = 105 amounting to R266 344
- 2016/17 financial year assets under investigation = 13 amounting to R34 352
- 2017/18 financial year assets under investigation = 45 amounting to R72 760
- The total minor assets under investigation is R1 013 000. The main reasons are that assets had temporary asset numbers as well as missing status due to assets being missing with no incident reports provided and AR adjusted. The AR is being rectified to ensure completeness.
- Minor Capital Assets under investigation was overstated by the value and the number of assets that we take on with a fair value and also the audit adjustment of duplicate assets was not adjusted.

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	-	5	-	4 607	-	4 612
Prior period error	-	-	-	-	-	-
Additions	-	12	-	1 501	-	1 513
Disposals	-	-	-	3	-	3
TOTAL MINOR ASSETS	-	17	-	6 105	-	6 122

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	-	-	-
Number of minor assets at cost	-	5	-	2 491	-	2 496
TOTAL NUMBER OF MINOR ASSETS	-	5	-	2 491	-	2 496

NOTES to the ANNUAL FINANCIAL STATEMENTS as at 31 March 2018

27. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018					
	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Software	360	-	-	-	360
Mastheads and Publishing Titles	-	-	-	-	-
Patents, Licences, Copyright, Brand Names, Trademarks	-	-	-	-	-
Recipes Formulae, Prototypes Designs, Models	-	-	-	-	-
Services and Operating Rights	-	-	-	-	-
Total Intangible Capital Assets	360	-	-	-	360

27.1 Movement for 2016/17 financial year

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017					
	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Software	38	-	-	322	360
Mastheads and Publishing Titles	-	-	-	-	-
Patents, Licences, Copyright, Brand Names, Trademarks	-	-	-	-	-
Recipes, Formulae, Prototypes, Designs, Models	-	-	-	-	-
Services and Operating Rights	-	-	-	-	-
Total Intangible Capital Assets	38	-	-	322	360

NOTES to the ANNUAL FINANCIAL STATEMENTS as at 31 March 2018

28. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018					
	Opening balance R'000	Value adjustments	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES					
Dwellings					
Non-residential buildings					
Other fixed structures					
HERITAGE ASSETS					
Heritage assets					
LAND AND SUBSOIL ASSETS					
Land					
Mineral and similar non-regenerative resources					
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS					

28.1 Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2018					
	Note	Opening balance 1 April 2017	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2018
	Annexure 7	R'000	R'000	R'000	R'000
Heritage assets		112	-	-	112
Buildings and other fixed structures		-	-	-	-
Machinery and equipment		-	-	-	-
Intangible assets		-	-	-	-
TOTAL		112	-	-	112

NOTES to the ANNUAL FINANCIAL STATEMENTS as at 31 March 2018

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2017						
	Note	Opening balance 1 April 2016	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2017
	Annexure 7	R'000	R'000	R'000	R'000	R'000
Heritage assets		112	-	-	-	112
Buildings and other fixed structures		-	-	-	-	-
Machinery and equipment		-	-	-	-	-
Intangible assets		-	-	-	-	-
TOTAL		112	-	-	-	112

29. Prior period errors

29.1 Correction of prior period errors

Note	Amount bef error correction	Prior period error	Restated Amount
	2017/18	2016/17	2017/18
	R'000	R'000	R'000

Revenue:

Net effect

-	-	-
---	---	---

Note	Amount bef error correction	Prior period error	Restated Amount
	2017/18	2016/17	2017/18
	R'000	R'000	R'000

Expenditure: Goods and services; Capital Expenditure

Correction of misclassification of heritage assets to machinery and equipment

6	11 538	(1 139)	10 399
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Correction of misclassification of heritage assets to minor assets

4	374	1 139	1 513
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Net effect

	11 912	-	11 912
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NOTES to the ANNUAL FINANCIAL STATEMENTS

as at 31 March 2018

	Note	Amount bef error correction		Prior period error	Restated Amount
		2017/18		2016/17	2017/18
		R'000		R'000	R'000
Assets: Movable Tangible Capital Assets, Intangible Assets					
Opening balance correction of assets taken on with fair value. Invoice for servers from SITA received	26	360	(360)	-	-
Correction of misclassification of heritage assets to machinery and equipment	26	19 639	2 825	22 464	22 464
Correction of misclassification of heritage assets to intangible assets software	27	38	322	360	360
Correction of misclassification of heritage assets to minor assets	27	374	1 127	1 501	1 501
Correction of misclassification of heritage assets to Intangible minor assets	27	-	12	12	12
Net effect		20 411	3 926	24 337	

- These are assets that were taken on with fair value affecting the 2013/14 financial year opening balance. The invoice for servers was received and paid in current year.
- Correction of misclassification of heritage assets to machinery and equipment

	Note	Amount bef error correction		Prior period error	Restated Amount
		2017/18		2016/17	2017/18
		R'000		R'000	R'000
Liabilities: Payables and Accruals		-	-	-	-
Accruals not recognized understated.	17	9 143	24 238	33 381	33 381
Payables not recognized.	17	51 271	1 022	52 293	52 293
Net effect		60 414	25 260	85 674	

- These are education support invoices that were approved in 2016/17 financial year but were only received in current year. The accruals and payables for 2016/17 financial year were understated.

ANNEXURES to the ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

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

	HOUSEHOLDS				TRANSFER ALLOCATION			EXPENDITURE		2016/17 Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %				
Transfers										
H/H EMPLOY/BEN: LEAVE GRATUITY	286	-	-	283	283	99%			62	
H/H SOC ASS: WAR VETERANS	7 776	-	-	7 776	5 781	74%			13 531	
H/H: BURSARIES (NON-EMPLOYEE)	230 551	-	-	230 551	230 456	100%			176 400	
INDIVIDUAL SUPPORT(HOUSING)	12 141	-	-	12 141	12 062	99%			12 210	
PROJECT LINKED SUPPORT (HOUSING)	2 964	-	-	2 964	2 964	100%			5 304	
H/H SOC ASS:SOCIAL RELIEF	25 810	-	-	25 810	25 810	100%			21 904	
EMERGENCY HOUSING ASSISTANCE	956	-	-	956	956	100%			500	
TOTAL	280 484	-	-	280 484	278 312				229 911	
Subsidies										

ANNEXURES to the ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

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

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 2017 R'000	R'000	R'000	R'000	31 March 2018 R'000
Claims against the department					
Fetola Mogopolo Construction and Interior Design	4 006				4 006
B&M Catering Services	2 074				2 074
Zwito Cleaning	1 341		1 341		-
Zeal Health	198 159				198 159
Bakoena Entertainment	413		413		-
M.G Bolleurs		55			55
PSA obo J Moche		613			613
P Govender		210			210
Subtotal	205 993	878	1 754	-	205 117
Environmental Liability					
Subtotal	-	-	-	-	-
Other					
Subtotal					
TOTAL	205 993	878	1 754	-	205 117

ANNEXURES to the ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

ANNEXURE 3B (continued)

Nature of Liabilities recoverable	Opening Balance	Details of Liability and Recoverability	Movement during year	Closing Balance
	1 April 2017			31 March 2018
	R'000		R'000	R'000
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
TOTAL	-	-	-	-

ANNEXURES to the ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

ANNEXURE 4**CLAIMS RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2017/18	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
Limpopo Department of Health	-	1	-	-	-	-	1	
Limpopo Department of Public Works	-	-	-	1	-	-	1	
	-	-	-	-	-	-	2	
Other Government Entities								
TOTAL	-	1	-	1	-	-	2	

ANNEXURES to the ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

ANNEXURE 5**INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2017/18*		
	31/03/2018	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017	Payment date up to six (6) working days before year end	Amount	
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	
DEPARTMENTS									
Current									
Department of Defence	23 613	18 343	46 412	15 529	70 025	33 872			
Department of Justice & Constitutional Development	341	-	341	-	-	-			
Department of Transport	-	-	-	-	-	-			
Gauteng Province – Road and Transport (G-Fleet)	-	726	-	172	-	898			
Limpopo Human Settlement Department	-	-	2 028	936	2 028	936			
Gauteng Human Settlement Department	-	-	11 544	2 184	11 544	2 184			
Northern Cape Human Settlement Department	-	-	624	2 964	624	2 964			
Western Cape Human Settlement Department	-	-	5 694	1 716	5 694	1 716			
Eastern Cape Human Settlements	-	-	1 592	-	1 592	-			
Department of Defence (S&T)	-	-	8	-	8	-			
Subtotal	23 954	19 069	67 902	23 501	91 856	42 570			
Non-current									
Subtotal									
TOTAL	23 954	19 069	67 902	23 501	91 856	42 570			

ANNEXURES to the ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

ANNEXURE 7**MOVEMENT IN CAPITAL WORK IN PROGRESS**

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2018				
	Opening balance	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
HERITAGE ASSETS	112	-	-	112
Heritage assets	112	-	-	112
MACHINERY AND EQUIPMENT	-	-	-	-
Transport assets				-
Computer equipment				-
Furniture and office equipment				-
Other machinery and equipment				-
SPECIALISED MILITARY ASSETS	-	-	-	-
Specialised military assets				
BIOLOGICAL ASSETS	-	-	-	-
Biological assets				
BUILDINGS AND OTHER FIXED STRUCTURES	-	-	-	-
Dwellings				-
Non-residential buildings				-
Other fixed structures				-
LAND AND SUBSOIL ASSETS	-	-	-	-
Land				-
Mineral and similar non-regenerative resources				-
SOFTWARE	-	-	-	-
Software				
MASTHEADS AND PUBLISHING TITLES	-	-	-	-
Mastheads and publishing titles				
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	-	-	-
Patents, licences, copyright, brand names and trademarks				

ANNEXURES to the ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2018				
	Opening balance	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-	-	-
Recipes, formulae, prototypes, designs, models				
SERVICES AND OPERATING RIGHTS	-	-	-	-
Services and operating rights				
TOTAL	112	-	-	112

Age analysis on ongoing projects	Number of projects		2017/18
	Planned, Construction not started	Planned, Construction started	Total R'000
0 to 1 Year			
1 to 3 Years			
3 to 5 Years			112
Longer than 5 Years			
Total	-	112	112

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2017					
	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
HERITAGE ASSETS	112	-	-	-	112
Heritage assets	112	-	-	-	112
MACHINERY AND EQUIPMENT	-	-	-	-	-
Transport assets	-	-	-	-	-
Computer equipment	-	-	-	-	-
Furniture and office equipment	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-
SPECIALISED MILITARY ASSETS	-	-	-	-	-
Specialised military assets					
BIOLOGICAL ASSETS	-	-	-	-	-
Biological assets					

ANNEXURES to the ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2017					
	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
BUILDINGS AND OTHER FIXED STRUCTURES	-	-	-	-	-
Dwellings	-	-	-	-	-
Non-residential buildings	-	-	-	-	-
Other fixed structures	-	-	-	-	-
LAND AND SUBSOIL ASSETS	-	-	-	-	-
Land					-
Mineral and similar non-regenerative resources					-
SOFTWARE	-	-	-	-	-
Software					-
MASTHEADS AND PUBLISHING TITLES	-	-	-	-	-
Mastheads and publishing titles					-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	-	-	-	-
Patents, licences, copyright, brand names and trademarks					-
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-	-	-	-
Recipes, formulae, prototypes, designs, models					-
SERVICES AND OPERATING RIGHTS	-	-	-	-	-
Services and operating rights					-
TOTAL	112	-	-	-	112

ANNEXURES to the ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

ANNEXURE 8A**INTER-ENTITY ADVANCES PAID (note 14)**

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Government Communication Information Systems	1 027	1 302	-	-	1 027	1 302
Subtotal	1 027	1 302	-	-	1 027	1 302
PROVINCIAL DEPARTMENTS						
Subtotal	-	-	-	-	-	-
PUBLIC ENTITIES						
Subtotal	-	-	-	-	-	-
OTHER INSTITUTIONS						
Subtotal	-	-	-	-	-	-
Total	1 027	1 302	-	-	1 027	1 302



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