

Department of Military Veterans

ANNUAL REPORT

2018/2019



Working Together to Honour, Restore Dignity and Empower Military Veterans for Nation Building



military veterans

Department:
Military Veterans
REPUBLIC OF SOUTH AFRICA





military veterans

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Department of Military Veterans

Vote no. 19

Annual Report

2018/19 Financial Year

PR 440/2018

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Military Veterans
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF MILITARY VETERAN`S ANNUAL REPORT FOR THE 2018/19 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 Veteran's Annual Report for the reporting period 01 April 2018 to 31 March 2019.

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 2018/19 Financial Year as a statutory requirement to Parliament.

Kindly submit this performance report for the financial year ending 31 March 2019 to the National Assembly in compliance with Section 40(1) (e) of the PFMA.

Lt Gen (rtd) DM **Mgwebi**

Accounting Officer: Department of Military Veterans

Date: 16/09/2019

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Part

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GENERAL INFORMATION



PART A: GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ ACRONYMS

| | |
|--------|--|
| AB | Appeals Board |
| AC | Advisory Council |
| AFS | Annual Financial Statement |
| AGSA | Auditor-General of South Africa |
| AO | Accounting Officer |
| APP | Annual Performance Plan |
| AR | Annual Report |
| BCEA | Basic Conditions of Employment Act |
| BRRR | Budget Review & Recommendations Reports |
| DMV | Department of Military Veterans |
| DOHSC | Departmental Occupational Health & Safety Committee |
| DPSA | Department of Public Service and Administration |
| EA | Executive Authority |
| EEA | Employment Equity Act |
| EFD | E-Financial Disclosure |
| ENE | Estimates of National Expenditure |
| HSRC | Human Sciences Research Council |
| LRA | Labour Relations Act |
| MTSF | Medium Term-Strategic Framework |
| MVA | Military Veterans Act |
| NACH | National Anti-Corruption Hotline |
| NDHS | National Department of Human Settlement |
| NDP | National Development Plan |
| NPA | National Prosecuting Authority |
| NSFAS | National Student Financial Aid Scheme |
| OPSC | Office of the Public Service Commission |
| PDHS | Provincial Department of Human Settlement |
| PFMA | Public Finance Management Act |
| PPP | Public Private Partnership |
| RMC | Risk Management Committee |
| SAPS | South African Police Service |
| SANMVA | South African National Military Veterans Association |
| SCM | Supply Chain Management |
| SCOPA | Standing Committee on Public Accounts |
| SDIP | Service Delivery Improvement Plan |
| SDM | Service Delivery Model |
| SITA | State Information Technology Agency |
| SMS | Senior Management Service |
| SP | Strategic Plan |
| SRD | Social Relief of Distress |
| TSI | Turnaround Strategy Initiative |

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



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

I am presenting 2018/19 Annual Report closing the 5th Administration with increased performance for the Department. This annual report outlines an improvement in service delivery with the resources given. The Department has dropped its allocated budget from 97% to 86%.

The Department is still reaping rewards of initiatives implemented as a result of implementation of the Turnaround strategy initiative (TSI). This has seen a major shift in the Department's operations in a bid to serve military veterans better. The Department is gradually maturing.

The Department has filled some vacant senior management positions that has boosted the service delivery in some areas of military veterans' benefits in the financial year under review.

DMV STRATEGIC OBJECTIVES: 2018/19FY

The department's focus in the year under review were on:

- 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 delivery system of benefits and services for military veterans;
 - Strengthening structures, systems, policies, processes and procedures
- Ensuring a smooth and seamless transition of military veterans from active military service to civilian life;
- Ensuring that military veterans as a resource to enhance the national work force and contribute to the prosperity and development of the country; and
- Contributing towards reconciliation and nation building.

Priority 2: Strengthening governance and oversight protocols to give effect to the provisions of the Act:

Governance

Legislative Review

The Department has worked hard to finalise the amendment of the Military Veterans Act 18 of 2011 however this process is delayed whilst the White Paper is being drafted herein.

Priority 3: Provision of immediate social relief of distress to the most vulnerable Military Veterans

Social Relief of Distress (SRD)

The Department has started engagement with the Department of Social Development to migrate this assistance. This will give more resources to the Department once it's fully migrated.

The migration is also aimed at empowering many military veterans that are dependent on this assistance.

To date the department has assisted 3 478 military veterans with SRD assistance.

Priority 4: To provide comprehensive support services to Military Veterans and where applicable, to their dependants:

Education support

Progress has been made with this benefit amidst resources constraints. I am delighted to report that the DMV managed to achieve some great results in 2018 and increasing the graduate pool for the country's job market.

The Department has increased its output in this benefit with more than 50 graduates in the financial year under review which included a medical doctor.

Priority 5: Promote empowerment programmes for and of Military Veterans

Honouring, memorialisation and burial support

The Department continues to honour military veterans in a number of areas. The Department is continuing with its commitment in the Resistance and Liberation Heritage Route programme which is aimed at re-writing the military veterans' history.

The burial support continue to assist families of deceased military veterans to give them lasting dignity through the headstone programme as well as reburying many exhumed former combatants.

The support of the Department of Justice and Constitutional Development through exhumations and re burials of many struggle liberation veterans hanged during the apartheid regime; has seen the DMV moving closer to its goal of honouring all struggle military veterans in life and posthumously.

Provincial Offices and stakeholder management

The Department is strengthening its intergovernmental relations engagements, in a bid to increase access of services by military veterans. These engagements will further assist with empowerment of military veterans within their respective provinces and municipalities.

Priority 7: Maintain the credibility and security of the national military veteran database

Database

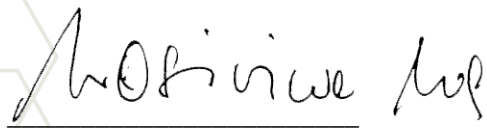
The national database of military veterans still proves to be elusive, but the Department has started the cleaning and in creation of an electronic benefit database management system which will enable military veterans verify their status as well as check progress of their applications for benefits.

Appreciation

The Acting Director General and his management team, Departmental staff, who have been key in the improvement of the Department's service delivery. I applaud the energy and commitment they apply every day.

Advisory Council, Appeal's Board and SANMVA have also been instrumental in providing advice and positive criticism which have assisted in gradual shaping of the Department.

Together with military veterans, the Department will continue to deliver for them and their dependants.



Ms. NN **Mapisa-Nqakula**, MP

Minister of Defence and Military Veterans

Date: 17 SEPT. 2019

4. REPORT OF THE ACCOUNTING OFFICER FOR THE PERIOD 01 APRIL 2018 TO 31 MARCH 2019:



DM Mgwebi (Lt Gen) (rtd)
Accounting Officer: Department of Military Veterans

4.1 Overview of the operations of the department

The mandate of the Department is of paramount importance for the realization of assisting military veterans and their dependants.

The initiative for the establishment of the Department of Military Veterans formed a very significant part of government's commitment to support and recognize Military Veterans for their contribution to bring about the realization of a peaceful, democratic and prosperous South Africa.

The DMV derives its mandate from the Military Veterans Act 18 of 2011, wherein it is mandated to provide benefits to military veterans and their dependants.

I must state unequivocally that the year under review experienced an increase in the challenges being faced by the department in the delivery of benefits and services to military veterans and their dependants.

4.1.1 General Overview on Performance

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

The Department planned to achieve 16 performance areas during the 2018/19 financial year. Of the 16 targeted performance areas, nine (9) targets were achieved which constituted to 56% overall achievement.

4.2 Overview of the financial results of the department:

4.2.1 Departmental Budget Allocation

The allocation for Vote 19: Department of Military Veterans in the Estimates of National Expenditure for 2018/19FY, was R627, 1 million. Overall DMV spend R541, 9 million or 86% against an allocation of R627.1 million with an underspending of R85, 1 million or 14% of the budget.

4.2.2 Departmental receipts

Table 1: Departmental receipts

| Departmental receipts | 2017/18 | | | 2018/19 | | |
|--|----------|-------------------------|--------------------------|----------|-------------------------|--------------------------|
| | Estimate | Actual Amount Collected | (Over)/ Under Collection | Estimate | Actual Amount Collected | (Over)/ Under Collection |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Tax Receipts | - | - | - | - | - | - |
| Casino taxes | - | - | - | - | - | - |
| Horse racing taxes | - | - | - | - | - | - |
| Liquor licenses | - | - | - | - | - | - |
| Motor vehicle licenses | - | - | - | - | - | - |
| Sale of goods and services other than capital assets | - | 32 | - | - | 36 | - |
| Transfers received | - | - | - | - | - | - |
| Fines, penalties and forfeits | - | - | - | - | - | - |
| Interest, dividends and rent on land | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | - | - |
| Financial transactions in assets and liabilities | - | 2 726 | - | - | 17 | - |
| Total | - | 2 758 | - | - | 53 | - |

4.2.3 Programme Expenditure

Table 2: Programme Expenditure

| Programme Name | 2017/18 | | | 2018/19 | | |
|--|---------------------|--------------------|---------------------------|---------------------|--------------------|--------------------------|
| | 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 | 148 642 | 140 520 | 8 122 | 140 585 | 138 071 | 2 514 |
| Programme 2: Socio-Economic Support | 357 502 | 356 437 | 1 065 | 336 772 | 334 660 | 2 112 |
| Programme 3: Empowerment and Stakeholder Management | 115 967 | 104 543 | 11 424 | 149 730 | 69 246 | 80 484 |
| Total | 622 111 | 601 500 | 20 611 | 627 087 | 541 977 | 85 110 |

4.3 Virements/roll overs

The shifting and virements of funds was accounted for in line with Section 43 of PFMA and Treasury Regulations 6.3.1 as per approval by the Accounting Officer.

4.4 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.

4.5 Future plans of the department

During 2019/20 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. This 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 Military Veterans Act 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.

4.6 Public Private Partnerships

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

4.7 Discontinued activities/activities to be discontinued

During the 2018/19 financial year, no activities were reported and listed as discontinued or to be discontinued.

4.8 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.

4.9 Supply chain management

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

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

Table 3: Challenges and mitigation on supply chain management activities

| Challenges | Mitigation |
|---|---|
| Capacity and skills challenges due to challenges with the approved organogram | Organogram is being renewed by the Department in consultation with Department of Public Service and Administration and National Treasury. |
| 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. |
| Continued challenges with assets management. | <ul style="list-style-type: none">• Bi-annual verification of assets conducted.• On-going investigation on missing assets.• Capacitation is being solicited to address asset management challenges. |

4.10 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.

4.11 Exemptions and deviations received from the National Treasury

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

4.12 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).

4.13 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, the Appeal Board and Advisory Council for their engagements with the Department to improve service delivery.

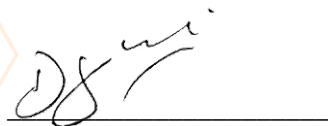
The leadership provided by the Minister and the Deputy Minister of Defence and Military Veterans respectively is acknowledged and appreciated.

4.14 Conclusion

I wish to express my gratitude to the staff of DMV and Senior personnel for their hard work and dedication and selfless commitment to deal with these challenges. Without this the achievements reported would not have been realized.

4.15 Approval and sign off

The Annual Financial Statements (AFS) set out on pages 83 to 178 have been approved by the Accounting Officer of the Department of Military Veterans.



Lt Gen (rtd) DM **Mgwebi**

Accounting Officer: Department of Military Veterans

Date: 16/09/2019

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

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

- All information and amounts disclosed throughout the annual report are consistent.
- The annual report is complete, accurate and is free from any omissions.
- The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

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

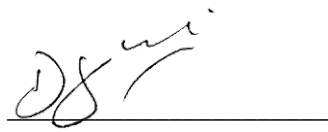
The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

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

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

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

Yours faithfully



Lt Gen (rtd) DM **Mgwebi**

Accounting Officer: Department of Military Veterans

Date: 16/09/2019

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 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 and its launch 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 Act 108 of 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 1 of 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 103 of 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, 66 of 1995 (LRA) | The Labour Relations Act (LRA), Act 66 of 1995 aims to promote economic development, social justice, labour peace and democracy in the workplace. |
| The Basic Conditions of Employment 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, 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 |
| Promotion of Administrative Justice Act, 3 of 2000 (PAJA) | To give effect to the right to administrative action that is lawful, reasonable and procedurally fair and to the right to written reasons for administrative action as contemplated in section 33 of the Constitution |

| Act | Brief description |
|--|---|
| Promotion of Access to Information Act, 2 of 2000 (PAIA) | To give effect to the Constitutional right of access to any information held by the state.....and that is required for the exercise or protection of any rights |
| Protection of Personal Information Act, 4 of 2013 (POPIA) | To promote the protection of personal information processed by public and private bodies |
| Public Service Act, 103 of 1994 | Appointment of the Head of Department, Organisational Design and Performance as well Government Planning Trajectory |
| Broad Based Black Economic Empowerment Act, 53 of 2003 (BBBEE) | To advance economic transformation and enhance the economic participation of black people (African, Coloured and Indian people who are South African citizens) in the South African economy |
| Preferential Procurement Policy Framework Act, 5 of 2000 (PPPF) | To enhance the participation of Historically Disadvantaged Individuals (HDIs) and the small, medium and micro enterprises (SMMEs) in the public sector procurement system |

7.2.1 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 18 of 2011.

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

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

8. ORGANISATIONAL STRUCTURE

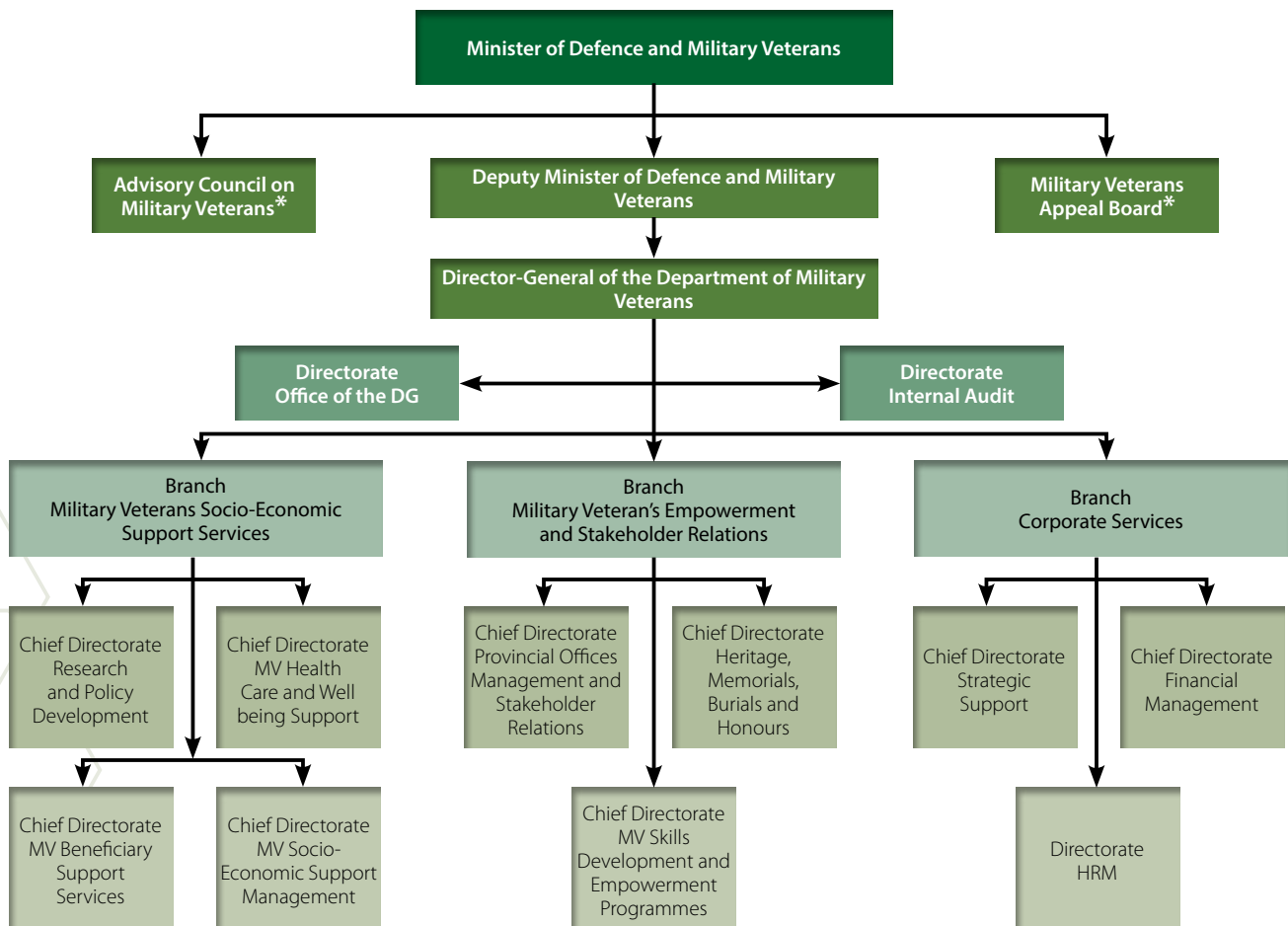


Figure 1: DMV approved Organisational Structure as at 2010

*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



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.

Refer to page 78 - 79 of the Report of the Auditor General, published as Part E: Financial Information.

11. OVERVIEW OF DEPARTMENTAL PERFORMANCE

11.1 Service Delivery Environment

The Military Veterans Act 18 of 2011 explicitly mandates the Department of Military Veterans (DMV) to facilitate benefits to improve the socio-economic standards of living of military veterans and their dependants and the honouring memorialisation of military veterans as such.

The DMV is intended to administer the affairs of military veterans with dignity and compassion and to ensure that the unique needs of all military veterans and their dependants are provided for.

The environment wherein the DMV operated included:

- the coordination and facilitation of the provision of socio-economic support services to military veterans;
- managing and coordinating military veterans empowerment and stakeholder relations;
- as well as ensuring that the needs of military veterans and their dependants are addressed.

Reporting for both financial and non-financial performance is of paramount importance in measuring the performance of government institutions, hence DMV in particular. Non-financial information is essential in measuring progress made towards the pre-determined objectives on performance targets.

The Strategic Plan for 2015–2019 became a bedrock which guided the work of the Department from the beginning of the financial year to the time of the approval of the Annual Performance Plan 2018/19 financial year.

11.2 Service Delivery Improvement Plan (SDIP)

The department is in the process of completing its SDIP.

11.3 Organizational environment

As at 31 March 2019, the department had filled a total of 138 (82% of total funded posts) permanent posts. The approved DMV staff establishment is 169 posts. The department has 31 funded vacant posts to date, which translate to 18% of the total funded posts.

During the year under review, 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 2018/19 financial year, there were no changes to DMV legislation.

12. STRATEGIC OUTCOME-ORIENTED GOALS

12.1 Introduction

The Department's 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 as follows:

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. |

The DMV Annual Report for the 2018/19 financial year is herewith presented. The report detailed the ways in which the department achieved the strategic objectives as mandated to provide benefits to military veterans and their dependants through a sound administration and management approach.

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

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

The DMV during the 2018/19 financial year while executing the Executive Authority's priorities also contributed immensely towards the strategic-outcome oriented goals as per the Strategic Plan as follows:

Table 7: Contributions through NDP and Outcomes (MTSF)

| Outcome No | MTSF Outcomes | Chapter | National Development Plan (NDP) | Progress as at 31 March 2019 |
|------------|--|------------|--|---|
| 1 | Improved-quality basic education | Chapter 9 | Improving Education, Training and Innovation. | The actual achievement is the number of approved military veterans and dependants for 2018 Academic year (8 086) and 2019 Academic year (3 240) as at 31 March 2019. The benefit has a high demand which is resulting in cost pressures for the DMV. |
| 2 | A long and healthy life for all South Africans | Chapter 10 | Promoting Health | Because of high demand on Healthcare services, 17 197 military veterans had access which saw a significant rise from the planned target of 17 000 |
| 3 | Decent employment through inclusive economic growth | Chapter 3 | Economy and Employment | Almost 308 military veterans were provided with businesses access to empowerment opportunities. |
| 5 | A skilled and capable workforce to support an inclusive growth path | Chapter 9 | Improving Education, Training and Innovation. | 197 deserving military veterans and their dependants were provided with approved 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. | To date the department has assisted more than 3 478 military veterans and their dependants with Social Relief of Distress (SRD) to mitigate their suffering. |
| 8 | Sustainable human settlements and improved quality of household life | Chapter 8 | Transforming human settlement. | 417 (WC: 102; EC: 54; GP: 207; NW: 33; LP: 21) houses were provided to military veterans against the target of 1 000. The reasons for under achievement varies from: <ul style="list-style-type: none"> • Unavailability of service sites in KZN; • Delays with the procurement of contractors at the Provincial Department of Human Settlement (PDHS). • Lack of project management skills at PDHS; • Unavailability of Military Veterans who meet the qualifying criteria. • Lack of coordination between DMV & NDHS |

| Outcome No | MTSF Outcomes | Chapter | National Development Plan (NDP) | Progress as at 31 March 2019 |
|------------|--|------------|--|--|
| 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"> All the statutory planning, monitoring and evaluation documents were developed and submitted to external stakeholders. An invoice tracking system has been introduced to strength the payment of invoices within stipulated timeframes. Consultation with NT & SITA underway to implement LOGIS. |
| 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"> 325 families were provided with burial support. 41 tombstones were erected to the graves of deceased military veterans. |

12.4 DMVs' contribution towards the Outcome, Outputs, inputs and Activities

In executing its mandate, the DMV during 2018/19 financial year focused on the implementation of the logical framework which clearly stipulates the outcome, outputs, inputs and activities and also investing for the future.

The achievement of the DMV outcomes and outputs was clearly linked with the contribution to the Government MTSF Outcomes.

DMV Outcome

The outcome for DMV is embedded in the vision “A dignified, unified, empowered and self-sufficient military veterans’community”

DMV Outputs

The output of DMV (services which the DMV delivers to achieve the outcomes) being the key driver for emancipation of military veterans and their dependants are listed as follows:

- Ministerial and Strategic Direction.
- Socio-Economic Support services.
- Empowerment and Stakeholder Relations.

DMV Activities

To achieve the above-mentioned outputs, the below listed activities are of significant:

- Provision of corporate support services.
- Provision of executive and administrative support services to the Executive Authority (EA).
- Ensure efficient systems and processes for monitoring and evaluation.
- Provision of risk governance frameworks and risk management services.
- Ensure provision of accountable strategic budgeting systems, processes and services.
- Ensure that the affairs of the department are audited.
- Provision of information management information services
- Provision of legal framework and advice
- Ensure that a comprehensive administration policy is in place

Building for the Future

Investing for the future of the department will be sustained by:

- Ensuring appropriate research and policy.
- Promoting of global systems
- Ensuring consensus on the agenda of military veterans.

13. PERFORMANCE INFORMATION BY PROGRAMME

The Department operates on three approved budgeted programme structures.

Overall Performance

The Department planned to achieve 16 performance areas during the 2018/19 financial year. Of the 16 targeted performance areas, nine (9) targets were achieved which constituted to 56% overall achievement.

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.

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 2018/19 financial year:

Strengthen structures, systems, policies, processes and procedures.

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

During 2018/19 financial year, the department targeted seven (7) performance indicators to achieve an efficient and effective administration capabilities. Of the seven targeted indicators, only five (5) performance indicators were achieved, which resulted in 71%.

Table 9: Performance indicators for Programme 1

| Programme: Administration | | | | | |
|---|---|------------------------|--|--|--|
| Performance Indicator | Actual Achievement 2017/18 | Planned Target 2018/19 | Actual Achievement 2018/19 | Deviation from planned target to Actual Achievement for 2018/19 | Comment on deviations |
| PPI 101: Percentage of representation of women SMS level. | 48% | 50% | 50% | N/A | N/A |
| PPI 102: Percentage of Communication Strategy activities implemented | 60% | 75% | 75% | N/A | N/A |
| PPI 103: Percentage of cases from the Presidential Hotline resolved | 90% | 100% | 95,86% | -4,14% | <ul style="list-style-type: none"> No proper communication between the Province, Municipalities and Ministry hence some account remain unclosed. Officials at provincial and municipalities assigned to deal with presidential hotline queries, do it as an add-on function to their daily duties. |
| PPI 104: Fully integrated military veterans' benefits management | The user requirements and application service specifications were developed | System developed | The following systems phases were achieved: <ul style="list-style-type: none"> Planning, System Analysis and Requirements, System Design. | The following phases were not achieved: <ul style="list-style-type: none"> Development, Integration & Testing, Implementation, Operation and Maintenance | The System Developer (SITA) did not have adequate resources to provide the technical and non- technical support. |
| PPI 105: Percentage of legitimate invoices paid within 30 days of receipt | 76.02% | 90% | 79.5% | -10.5% | The variance of 10.5% is mainly attributable to payments related to travel invoices where invoice tracking is not yet effective. |

| Programme: Administration | | | | | |
|---|----------------------------|------------------------|----------------------------|---|--|
| Performance Indicator | Actual Achievement 2017/18 | Planned Target 2018/19 | Actual Achievement 2018/19 | Deviation from planned target to Actual Achievement for 2018/19 | Comment on deviations |
| PPI 106: Number of liberation struggle history research outputs | 5 | 5 | 9 | 4 | Commitment to produce quality liberation struggle materials through effective partnerships, improved trusting relations with MV and increased liberation struggle outputs. |
| PPI 107: Percentage representation of Persons with Disability | 2% | 2% | 2% | N/A | N/A |

13.1.4 Strategy to overcome areas of under performance

Strategies for the under-achieved performance targets:

Table 10: Administration Mitigation strategies to address under performance

| Performance Targets | Mitigation strategies |
|--|---|
| Fully integrated military veterans' benefits management | The department is looking at other alternatives to implement the system such as the National Treasury RT15 – 2016 Transversal Contract. |
| Percentage of legitimate invoices paid within 30 days of receipt | An invoice tracking system has been introduced but monitoring of the tool should be strengthened. |

13.1.5 Changes to planned targets

No changes were made to planned targets as per section 4.2 of The Framework for Strategic Plans and Annual Performance Plans which stipulates, "to simplify performance tracking in-year changes to the plan should not be made, where an institution's performance exceeds or misses targets due to in-year budget changes or for another reason, this should be noted in its annual report".

Table 11: Sub-programme expenditure: Administration

| Sub- Programme | 2017/18 | | | 2018/19 | | |
|---|---------------------|--------------------|---------------------------|---------------------|--------------------|---------------------------|
| | 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 |
| Management | 10 929 | 10 851 | 78 | 12 469 | 12 469 | - |
| Corporate Services | 81 405 | 81 370 | 35 | 72 027 | 71 419 | 608 |
| Financial Administration | 19 300 | 18 894 | 406 | 22 211 | 22 211 | - |
| Internal Audit | 10 786 | 10 016 | 770 | 8 655 | 8 061 | 594 |
| Strategic Planning, Policy Development, Monitoring and Evaluation | 9 835 | 8 262 | 1 573 | 11 660 | 10 349 | 1 311 |
| Office Accommodation | 16 387 | 11 127 | 5 260 | 13 563 | 13 562 | 1 |
| Total | 148 642 | 140 520 | 8 122 | 140 585 | 138 071 | 2 514 |

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.

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 2018/19 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 2018/19 financial year, the department targeted four (4) performance indicators to deliver the socio-economic benefits to military veterans and their dependants. Of the four targeted indicators, only two (2) performance indicators were achieved, which resulted in 50%.

Table 13: Performance indicators for Programme 2

| Programme: Socio-Economic Support | | | | | |
|---|----------------------------|------------------------|----------------------------|---|--|
| Performance Indicator | Actual Achievement 2017/18 | Planned Target 2018/19 | Actual Achievement 2018/19 | Deviation from planned target to Actual Achievement 2018/19 | Comment on deviations |
| PPI 201: Total number of military veterans with access to healthcare services | 16 673 (933) | 17 000 *(1 000) | 17 197 (1 031) | 197 (31) | Healthcare is on high demand. |
| PPI 202: Number of deserving military veterans with decent housing per year | 270 | 1 000 | 417 | -583 | 4 Provincial government failed to deliver houses (Kwazulu-Natal (KZN), Mpumalanga (MP), Northern Cape (NC) & Free State (FS) as planned. The reasons varies are: <ul style="list-style-type: none"> • Unavailability of service sites in KZN; • Delays with the procurement of contractors at the Provincial Department of Human Settlement (PDHS); • Lack of project management skills at PDHS; • Unavailability of Military Veterans who meet the qualifying criteria; • Lack of coordination between DMV & National Department of Human Settlement (NDHS). |
| PPI 203: Percentage of military veterans who are verified and captured on the National Military Veterans' Database. | 40% | 95% | 43% | -52% | <ul style="list-style-type: none"> • Dependency on the manual system for authorisation of applications. • Unreliable verifiable information e.g. service certificate |

| Programme: Socio-Economic Support | | | | | |
|--|----------------------------|------------------------|----------------------------|---|--|
| Performance Indicator | Actual Achievement 2017/18 | Planned Target 2018/19 | Actual Achievement 2018/19 | Deviation from planned target to Actual Achievement 2018/19 | Comment on deviations |
| PPI 204: Number of bursaries provided for military veterans and their dependants per year | 7 702 | 10 700 | **11 326 | 626 | <ul style="list-style-type: none"> The actual achievement is the number of approved military veterans and dependants for 2018 Academic year (8 086) and 2019 Academic year (3 240) as at 31 March 2019. The benefit has a high demand which is resulting in cost pressures for the DMV |
| <p>* PPI 201 (Target 1 000): This was the yearly target planned to be achieved during 2018/19 FY.</p> <p>** The actual achievement reported is the number of bursaries provided to military veterans and their dependants as at 31 March 2019 for 2018 and 2019 academic years.</p> <ul style="list-style-type: none"> The Technical Indicator Description (TID) will be amended during the review of the 2019/20FY APP whereby the definition of the TID will be aligned to the method of calculation. | | | | | |

13.2.4 Strategy to overcome areas of under performance

Strategies to address under performance is tabulated below:

Table 14: SES Mitigation strategies to address under performance

| Performance Targets | Mitigation strategies |
|---|--|
| Number of deserving military veterans with decent housing per year | <ul style="list-style-type: none"> The DMV is continuing engaging with DHS for performance improvement, amendment to the qualifying criteria, and alternative service delivery model. Improve operational capacity at the DMV. Revise the qualifying criteria for housing benefits. Conduct quarterly performance review meetings with all the PDHS. |
| Percentage of military veterans who are verified and captured on the National Military Veterans' Database | The implementation of the proposed ICT system and database management system. |

13.2.5 Changes to planned targets

No changes were made to planned targets as per section 4.2 of The Framework for Strategic Plans and Annual Performance Plans which stipulates, “to simplify performance tracking in-year changes to the plan should not be made, where an institution’s performance exceeds or misses targets due to in-year budget changes or for another reason, this should be noted in its annual report”.

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

| Sub-Programme | 2017/18 | | | 2018/19 | | |
|-----------------------------------|---------------------|--------------------|---------------------------|---------------------|--------------------|---------------------------|
| | 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 | 5 549 | 5 544 | 5 | 8 678 | 6 361 | 2 317 |
| Healthcare and Well-being Support | 66 932 | 66 949 | (17) | 124 705 | 124 702 | 3 |
| Socio-Economic Support Management | 285 021 | 283 944 | 1 077 | 203 389 | 203 597 | (208) |
| Total | 357 502 | 356 437 | 1 065 | 336 772 | 334 660 | 2 112 |

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.

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 2018/19 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

During 2018/19 financial year, the department targeted five (5) performance indicators in order to assist military veterans to benefit from skills development programmes and business opportunities. Of the five targeted indicators, only two (2) performance indicators were achieved, which resulted in 40%.

Table 17: Performance indicators for Programme 3

| Programme: Empowerment and Stakeholder Management | | | | | |
|--|----------------------------|------------------------|----------------------------|---|---|
| Performance Indicator | Actual Achievement 2017/18 | Planned Target 2018/19 | Actual Achievement 2018/19 | Deviation from planned target to Actual Achievement for 2018/19 | Comment on deviations |
| PPI 301: Number of private sector companies and organs of state in partnership with the Department of Military veterans | 0 | 4 | 0 | -4 | Delays in engagements with service partners due to their unavailability to finalize the agreements which are in a draft state. |
| PPI 302: Number of deserving Military Veterans and their dependants provided with approved funding for skills development programmes | 952 | 5 000 | 197 | -4 803 | Incapacity and delays in the approval of applications coupled with the present mode of service which is reactive than proactive. |
| PPI 303: Number of military veterans' businesses provided with access to empowerment opportunities. | 154 | 110 | 308 | 198 | Proactive approach to interventions and support of programmes by principles. |
| PPI 304: Percentage of approval burial claims paid within 30 days of receipt | 64% | 100% | 100% | N/A | N/A |
| PPI 305: Number of military veteran's memorial sites erected per year | 0 | 3 | 0 | -3 | <ul style="list-style-type: none"> Earmarked project could not be completed by year end due to logistical challenges encountered by the department. Plans are in place to complete within the current financial year. |

13.3.4 Strategy to overcome areas of under performance

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 | <ul style="list-style-type: none"> Fast track the engagement with service partners. The meeting decision to be converted into SLAs as planned. |
| Number of deserving Military Veterans and their dependants provided with approved funding for skills development programmes | Capacitation of the Unit and new proactive approach wherein skills are packaged for military veterans to have a wider choice to skills programmes. |
| Number of Military Veteran's memorial sites erected per year | Establishment of the Internal Heritage Committee and External MV Heritage Steering Committee to map the way forward. MOUs in place to guide collaborative synergies on MV Heritage projects. |

13.3.5 Changes to planned targets

No changes were made to planned targets as per section 4.2 of The Framework for Strategic Plans and Annual Performance Plans which stipulates, "to simplify performance tracking in-year changes to the plan should not be made, where an institution's performance exceeds or misses targets due to in-year budget changes or for another reason, this should be noted in its annual report".

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

| Sub- Programme | 2017/18 | | | 2018/19 | | |
|--|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
| | 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 |
| Provincial Offices and Stakeholder Relations | 37 694 | 34 317 | 3 377 | 55 968 | 36 002 | 19 966 |
| Empowerment and Skills Development | 47 974 | 42 331 | 5 643 | 73 206 | 18 659 | 54 547 |
| Heritage, Memorials, Burials and Honours | 30 299 | 27 895 | 2 404 | 20 556 | 14 585 | 5 971 |
| Total | 115 967 | 104 543 | 11 424 | 149 730 | 69 246 | 80 484 |

14. CAPITAL INVESTMENT

14.1 Capital investment, maintenance and asset management plan

Table 20: Capital investment

| Infrastructure projects | 2017/18 | | | 2018/19 | | |
|--|---------------------------|--------------------------|--------------------------------|---------------------------|--------------------------|--------------------------------|
| | 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 |
| 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 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 Director Internal Audit and Risk Management was appointed during the financial year, to provide DMV with risk management services and ensure that the risk management unit is strategically positioned in the department.

Moreover, the Risk Management Committee was appointed during the year, in line with the recommendations made in the public sector risk management framework. No meeting took place during the year, however risk management was a standing item to the Audit Committee.

Subsequent to the appointment of the independent Chairperson, the first RMC took place on 2 May 2019, which falls in the new financial year.

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.

The Departmental risk register was presented to Executive Management during the 2018/19 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 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 DPSA 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 (EFD). SMS members in the Department who do not comply with the EFD 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. This forms are kept in an employee personal file.

5. Code of Conduct

With reference to Chapter 2 of the new Public Service Regulations, dated July 01 1999, to give practical effect to the relevant constitutional provisions relating to the Public Service, all employees are expected to comply with the Code of Conduct ('the Code') provided for in this Chapter.

The Code act as a guideline to employees as to what is expected of them from an ethical point of view, both in their individual conduct and in their relationship with others. Compliance with the Code can be expected to enhance professionalism and help to ensure confidence in the Public Service.

The head of department is in terms of Section 7(3) (b) of the Act, inter alia responsible for the efficient management and administration of the department and the maintenance of discipline. He therefore, after the matter has been consulted in the appropriate Chamber of the Public Service Bargaining Council, and without derogating from it, supplement the Code of Conduct provided for in this Chapter in order to provide for unique circumstances. Our head of department also ensure that the staff members are acquainted with these measures, and that they accept and abide by them.

The primary purpose of the Code is a positive one, viz. to promote exemplary conduct. Notwithstanding this, an employee shall be guilty of misconduct in terms of Section 20 (t) of the Public Service Act 103 of 1994, and may be dealt with in accordance with the relevant sections of the Act if he or she contravenes any provision of the Code of Conduct or fails to comply with any provision thereof.

The department does ensures that all new employees before they enter into employment agreement they sign the code of conduct.

6. Health Safety and Environmental Issues

6.1 Occupational Health & Safety

During the year under review, 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.

6.2 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.

Following the security and safety appraisal/ audit that must be conducted by the relevant national authorities, the Department do participates 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 the utilisation the Department of Defence for vetting.

7. Portfolio Committees

Table 21: Activities undertaken with the Portfolio Committee during the 2018/19FY

| Date of the Meeting | Main activities undertaken between the Department and the Portfolio Committee on Defence and Military Veterans. |
|---------------------|--|
| 07 March 2018 | <ul style="list-style-type: none"> The Department together with Chief Executive Officer of NSFAS made presentation to the Committee on the progress and challenges experienced in disbursing bursary to military veterans and their dependants. The Department presented Quarter 3 (October-December 2017/18FY) which entailed Pre-determined objectives and Financial Performance. |
| 02 May 2018 | <ul style="list-style-type: none"> The department presented the preliminary 4th quarterly performance & financial report (January-March 2017/18FY) for the period ending 31 March 2018 The Department made presentation on the Annual Performance Plan 2018/19FY which contain budget analysis and performance information as tabled in Parliament. |
| 22 August 2018 | <ul style="list-style-type: none"> The Department discussed progress report on the review and amendment to Military Veterans Act, 18 of 2011. The Department made presentation on Quarter 1 (April-June 2018/19FY) which entails Pre-determined objectives and Financial Performance. |
| 11 October 2018 | <ul style="list-style-type: none"> The Department presented the Annual Report 2017/18FY which outlines the yearly performance. The department gave account on the implementation of recommendations made in previous Budgetary Review and Recommendations Report (BRRR) (2017) to the Committee. Furthermore, presentation was done on the Performance and Expenditure Report for Quarter 2 (July-Sept 2018/19FY) |
| 13 March 2019 | <ul style="list-style-type: none"> The Department made presentation on Performance and Expenditure Report for the 3rd Quarter (October-December 2018/19FY). Progress report was also presented on the implementation of the Committee Recommendations as per Oversight dashboard. |

8. SCOPA Resolutions

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

9. Internal Audit and Audit Committees

9.1 Internal audit

The Department's internal audit function is performed by the in house Internal Audit Unit which fulfils an independent assurance function. The internal audit unit follows a risk-based audit approach in providing management and the audit committee with assurance on the adequacy and effectiveness of governance, risk management and internal control processes. The internal audit unit is guided by an Internal Audit Charter approved by the Audit Committee and performs its functions as provided in the Public Finance Management Act (PFMA) and the internal audit charter.

The internal audit unit compiles a rolling three year risk-based plan and prepares an annual plan after taking into consideration the risks facing the department, strategic objectives, the department's mandate, audit issues and inputs by management. The audit committee approves the Internal Audit Plan for implementation.

The internal audit reviews performed for the financial year under year, were all in line with the approved annual audit plan and are detailed in the Audit Committee annual report.

Internal audit findings were communicated timely and management implemented measures to mitigate the risks. Significant matters identified during the audit were reported to the Audit Committee.

9.2 Audit Committee

Throughout the year under review, the Audit Committee operated in terms of an approved Audit Committee Charter, which was the committee's approved terms of reference. The committee comprise of three external members of which one resigned during the year.

The Audit Committee has, as part of its oversight responsibility on a quarterly basis, followed up on audit findings to ensure that issues raised were addressed timely.

Further information relating to the Audit Committee, as required by the PFMA and Treasury Regulations is included in the Audit Committee's Report, which is incorporated in the annual report of the department.

9.2.1 Audit Committee Members Qualifications and Attendance

In terms of PFMA, Section 77(b), an audit committee must meet at least twice a year. In addition, Treasury Regulations, Section 3.1.16, provides that an audit committee must meet at least annually with the Auditor-General. The audit committee met four times during the year in compliance with the PFMA and also met with the Auditor General.

The names of the members of the audit committee as well as the number of meetings attended by the members are tabulated below.

Table 22: Profile of Audit Committee Members

| Serial No. | Name | Internal or external member | Qualifications | Date appointed | No. of meetings attended |
|------------|-----------------------|-------------------------------|---|-------------------------|--------------------------|
| 1 | Mr Ameen Amod CD (SA) | Chairperson - External member | B Com, MA, MBA, CIA,CGAP,CRMA | 1/04/2018 to 31/03/2021 | 6 |
| 2. | Adv. WE Huma | External member | <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. | 1/04/2018 to 31/03/2021 | 6 |
| 3. | Dr D Jairam - Owthar | External member | <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) | 1/04/2018 to 31/03/2021 | 4 |

10. Audit Committee Report

Report of the Audit Committee for the year ended 31 March 2019

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

10.1 Establishment of the Audit Committee

The Audit Committee is established in terms of section 38(1)(a)(ii) of the Public Finance Management Act 1 of 1999 (PFMA) and the Treasury Regulations. The Audit Committee is comprised of independent non-executive members.

10.2 Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38(1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1. 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.

10.3 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.

10.4 Internal Audit

The Audit Committee reviewed and approved the annual internal audit plan for 2018/2019 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 partly discharged its mandate, as the approved plan was not implemented in full. 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 throughout the financial year. It is acknowledged that Director Internal Audit and risk management was appointed effective from 1 March 2019. The capacity in the unit currently commensurate with the staff required in terms of the approved organogram. Internal Audit issued the following reports during the year:

- Performance information
- Follow up on Social Relief of Distress
- Housing
- Value add audit on inputs on the 2019/20 Annual Performance Plan

10.5 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.

10.6 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;
- reviewed the adjustments resulting from the audit.

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


10.7 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.

Some matters affecting the implementation of ICT governance within the Department remained unresolved, while some were in progress of being resolved. The Audit committee will continue to monitor and to evaluate the progress made in addressing long standing issues that were previously reported by the Auditor General, including those that are in the 2018/19 management report.

10.8 Appreciation

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



Ameen **Amod**

Chairperson of the Audit Committee

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 Department in the public service.

2. Overview of Human Relations

In pursuance of the new growth path which places people's employment at the center of Governments' economic policy, the Department continued, during the 2018/19 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.

HR priorities for 2018/19 financial year and the impact of these priorities

The primary focus has been on the recruitment of core critical skills and the alignment of the Department's structure to the strategic plan and service delivery model. The priorities were therefore to create optimal performance of the core within the Provinces and Institutions and rightfully capacitate the alignment of the structure in reaching the Department's objectives.

People Development in accordance to the Workplace Skills Plan focused on occupations across the Department to address training and development gaps in line with allocated budget and skills development legislation. This contributed to a more skilled workforce and improved performance and service delivery.

Development programmes for unemployed youth focusing on core and critical occupations contributed towards sector development and employability. A gradual improvement in the MPAT rating attached to the HR standards as compared to previous year has been achieved.

The Department focused on the revision and development of a new MTEF Human Resource Plan which will contribute to the alignment of HR priorities and organizational structure. PERSAL data in terms of persons living with disabilities have been updated which improves Human Resource reporting.

The approved DMV establishment has 169 posts, 138 of which are currently filled and 31 vacant. This translate to a vacancy rate of 18%. 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 Skills Audit was implemented and was conducted during the 2018/19 financial year.

The vacancy rate for Programme 1: Administration was at 16% during 2018/19 financial year. The programme comprise of 103 permanent posts on the approved structure, 87 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 engagement are on an ongoing basis.

The vacancy rate for Programme 2: Socio-Economic Support was at 10% during 2018/19 financial year. The programme comprise of 20 permanent posts on the approved structure, 18 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 28% during 2018/19 financial year. The programme comprise of 46 permanent posts on the approved structure, and 33 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.

Besides the appointment of Contract Workers, the Department has appointed 19 graduates for the year under review.

The most important gaps within the Department are the following:

- Inadequate funding in 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.

Intervention Strategies to address the above identified 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 consequences management 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.

3. Human Resources Oversight Statistics

3.1 Personnel Related Expenditure

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2018 to 31 March 2019

| 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 | 138 072 | 72 261 | 584 | 107 648 | 52.34 | 488 |
| Socio-Economic Support | 336 772 | 21 834 | - | - | 6.48 | 520 |
| Empowerment and Stakeholder Management | 69 246 | 29 693 | - | - | 42.80 | 781 |
| Total | 541 978 | 123 788 | 584 | 107 648 | 22.84 | 543 |

Table 3.1.2 Personnel costs by salary band for the period 1 April 2018 to 31 March 2019

| 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) | 2 024 | 1.63 | 20 | 101 |
| Skilled (Levels 3-5) | 3 943 | 3.19 | 15 | 262 |
| Highly skilled production (Levels 6-8) | 26 499 | 21.41 | 74 | 358 |
| Highly skilled supervision (Levels 9-12) | 62 289 | 50.32 | 86 | 724 |
| Senior and Top management (Levels 13-16) | 27 925 | 22.55 | 25 | 1 117 |
| Periodical remuneration | 1 108 | 0.90 | 16 | 69 |
| Total | 123 788 | 100 | 236 | 525 |

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2018 to 31 March 2019

| 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 | 69 563 | 96.27 | 897 | 1.24 | 794 | 1.10 | 1 007 | 1.39 |
| Socio-Economic Support | 21 256 | 97.35 | 311 | 1.42 | 94 | 0.43 | 173 | 0.79 |
| Empowerment and Stakeholder Management | 28 530 | 96.08 | 653 | 2.20 | 363 | 1.22 | 147 | 0.50 |
| Total | 119 349 | 96.41 | 1 861 | 1.50 | 1 251 | 1.01 | 1 327 | 1.07 |

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2018 to 31 March 2019

| 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) | 1 968 | 97.23 | 56 | 2.76 | - | - | - | - |
| Skilled (Levels 3-5) | 3 853 | 97.72 | 30 | 0.76 | 65 | 1.65 | 45 | 1.14 |
| Highly skilled production (Levels 6-8) | 24 260 | 91.55 | 1 136 | 4.29 | 527 | 1.99 | 576 | 2.17 |
| Highly skilled supervision (Levels 9-12) | 60 405 | 96.81 | 695 | 1.12 | 575 | 0.92 | 620 | 1.00 |
| Senior Management (Levels 13-16) | 27 755 | 99.39 | - | - | 84 | 0.30 | 86 | 0.31 |
| Periodical remuneration | 1 108 | 100 | - | - | - | - | - | - |
| Total | 119 349 | 96.41 | 1 861 | 1.52 | 1 251 | 1.01 | 1 327 | 1.07 |

3.2 Employment and Vacancies

Table 3.2.1 Employment and vacancies by programme as on 31 March 2019

| Programme | Number of posts on approved establishment | Number of posts filled | Vacancy Rate | Number of employees additional to the establishment |
|--|---|------------------------|--------------|---|
| Administration | 103 | 87 | 15% | 38 |
| Socio-Economic Support | 20 | 18 | 10% | 25 |
| Empowerment and Stakeholder Management | 46 | 33 | 28% | 7 |
| Total | 169 | 138 | 18% | 70 |

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2019

| 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% | 14 |
| Highly skilled production (Levels 6-8) | 56 | 35 | 37% | 43 |
| Highly skilled supervision (Levels 9-12) | 72 | 73 | 0% | 15 |
| Senior management (Levels 13-16) | 31 | 24 | 23% | 1 |
| Total | 169 | 138 | 18% | 73 |

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2019

| 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% | 14 |
| Administrative office workers (Levels 6-9) | 59 | 41 | 31% | 47 |
| Professionals and managers (Levels 10-16) | 100 | 91 | 9% | 12 |
| Total | 169 | 138 | 18% | 73 |

3.3 Filling of SMS Posts

Table 3.3.1 SMS post information as on 31 March 2019

| 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 | - | 0% | 1 | 100% |
| Salary Level 16 | - | - | - | - | - |
| Salary Level 15 | 3 | 2 | 67% | 1 | 33% |
| Salary Level 14 | 9 | 7 | 78% | 2 | 22% |
| Salary Level 13 | 18 | 15 | 83% | 3 | 17% |
| Total | 31 | 24 | 77% | 7 | 23% |

Table 3.3.2 SMS post information as on 30 September 2018

| SMS Level | Total number of funded SMS posts | Total number of SMS posts filled | % of SMS posts filled | Total number of SMS 65 posts vacant | % of SMS posts vacant |
|--------------------------------------|----------------------------------|----------------------------------|-----------------------|-------------------------------------|-----------------------|
| Director-General/ Head of Department | 1 | - | 0% | 1 | 100% |
| Salary Level 16 | - | - | - | - | - |
| Salary Level 15 | 3 | 2 | 67% | 1 | 33% |
| Salary Level 14 | 9 | 7 | 78% | 2 | 22% |
| Salary Level 13 | 18 | 15 | 83% | 3 | 17% |
| Total | 31 | 24 | 77% | 7 | 23% |

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2018 to 31 March 2019

| SMS Level | Advertising | Filling of Posts | |
|--------------------------------------|---|---|--|
| | Number of vacancies per level advertised in 6 months of becoming vacant | Number of vacancies per level filled in 6 months 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 | 1 | - | 1 |
| Total | 1 | - | 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 2018 to 31 March 2019

| |
|---|
| Reasons for vacancies not advertised within 12 months |
| All vacancies are advertised within the period of six months after being vacated |
| Reasons for vacancies not filled within 12 months |
| Operational posts are filled within 12 months period after being advertised, however posts that requires the Executive Management approval are delayed to be filled due to Ministerial decision making. |

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

| |
|---|
| 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 Executive Management posts are delayed to be filled due to Ministerial decision making. |

3.4 Job Evaluation

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2018 to 31 March 2019

| 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) | - | - | 0% | - | 0% | - | 0% |
| Skilled (Levels 3-5) | 9 | - | 0% | - | 0% | - | 0% |
| Highly skilled production (Levels 6-8) | 52 | - | 0% | - | 0% | - | 0% |
| Highly skilled supervision (Levels 9-12) | 77 | - | 0% | - | 0% | - | 0% |
| SMS Band A | 17 | - | 0% | - | 0% | - | 0% |
| SMS Band B | 10 | - | 0% | - | 0% | - | 0% |
| SMS Band C | 3 | - | 0% | - | 0% | - | 0% |
| SMS Band D | 1 | - | 0% | - | 0% | - | 0% |
| Total | 169 | - | 0% | - | 0% | - | 0% |

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2018 to 31 March 2019

| Gender | African | Asian | Coloured | White | Total |
|-----------------------------|----------|----------|----------|----------|----------|
| Female | - | - | - | - | - |
| Male | - | - | - | - | - |
| Total | - | - | - | - | - |
| 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 2018 to 31 March 2019

| 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 | | | | - |
| 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 2018 to 31 March 2019

| 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 | | | | | - |

3.5 Employment Changes

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2018 to 31 March 2019

| Salary band | Number of employees at beginning of period-1 April 2018 | Appointments and transfers into the department | Terminations and transfers out of the department | Turnover rate |
|--|---|--|--|---------------|
| Lower skilled (Levels 1-2) | - | - | - | - |
| Skilled (Levels 3-5) | 6 | - | 1 | 17% |
| Highly skilled production (Levels 6-8) | 35 | 2 | 1 | 3% |
| Highly skilled supervision (Levels 9-12) | 67 | 9 | - | 0% |
| SMS Bands A | - | - | - | - |
| SMS Bands B | 2 | - | - | - |
| SMS Bands C | 5 | 2 | 1 | 20% |
| SMS Bands D | 12 | 3 | 1 | 8% |
| Contracts | 73 | 1 | 8 | 11% |
| Total | 200 | 17 | 12 | 6% |

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2018 to 31 March 2019

| Critical occupation | Number of employees at beginning of period-April 2018 | Appointments and transfers into the department | Terminations and transfers out of the department | Turnover rate |
|--|---|--|--|---------------|
| Elementary occupation (Levels 1-5) | 7 | - | 1 | 14% |
| Administrative office workers (Levels 6-9) | 40 | 5 | 2 | 5% |
| Professionals and managers (Levels 10-16) | 80 | 16 | 2 | 3% |
| Total | 127 | 21 | 5 | 4% |

Table 3.5.3 Reasons why staff left the department for the period 1 April 2018 to 31 March 2019

| Termination Type | Number | % of Total Resignations |
|--|-----------|-------------------------|
| Death | - | - |
| Resignation | 3 | 4% |
| Expiry of contract | 59 | 81% |
| Dismissal – operational changes | - | - |
| Dismissal – misconduct | - | - |
| Dismissal – inefficiency | - | - |
| Discharged due to ill-health | - | - |
| Retirement | - | - |
| Transfer to other Public Service Department | 1 | 1% |
| Other | - | - |
| Total | 61 | 84% |
| Total number of employees who left as a % of total employment | - | - |

Table 3.5.4 Promotions by critical occupation for the period 1 April 2018 to 31 March 2019

| Occupation | Employees 1 April 2018 | 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) | 6 | - | - | - | - |
| Administrative office workers (Levels 6-9) | 41 | 1 | 1% | - | - |
| Professionals and managers (Levels 10-16) | 91 | - | - | - | - |
| Total | 138 | 1 | 1% | - | - |

Table 3.5.5 Promotions by salary band for the period 1 April 2018 to 31 March 2019

| Salary Band | Employees 1 April 2018 | 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) | 6 | - | - | - | - |
| Highly skilled production (Levels 6-8) | 35 | 1 | 1% | - | - |
| Highly skilled supervision (Levels 9-12) | 73 | - | - | - | - |
| Senior Management (Levels 13-16) | 24 | - | - | - | - |
| Total | 138 | 1 | 1% | - | - |

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 2019

| Occupational category | Male | | | | Female | | | | Total |
|---|-----------|----------|----------|----------|-----------|----------|----------|----------|------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Legislators, senior officials and managers (Levels 13-16) | 11 | - | - | - | 13 | - | - | - | 24 |
| Professionals (Levels 9-12) | 35 | 2 | - | 3 | 31 | - | - | 2 | 73 |
| 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 | 69 | 2 | - | 4 | 60 | - | 1 | 2 | 138 |
| Employees with disabilities | 1 | - | - | 1 | - | - | - | - | 2 |

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2019

| 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) | 10 | - | - | - | 12 | - | - | - | 22 |
| Professionally qualified and experienced specialists and mid-management (Levels 11-12) | 23 | 1 | - | 2 | 16 | - | - | 2 | 44 |
| Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (Level 1-10) | 36 | 1 | - | 1 | 31 | - | 1 | - | 70 |
| Semi-skilled and discretionary decision making | - | - | - | - | - | - | - | - | - |
| Unskilled and defined decision making | - | - | - | - | - | - | - | - | - |
| Total | 70 | 2 | - | 3 | 60 | - | 1 | 2 | 138 |
| Employees with disabilities | 1 | - | - | 1 | - | - | - | - | 2 |

Table 3.6.3 Recruitment for the period 1 April 2018 to 31 March 2019

| Occupational band | Male | | | | Female | | | | Total |
|---|----------|----------|----------|----------|----------|----------|----------|----------|-----------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Top Management (Levels 15-16) | - | - | - | - | - | - | - | - | - |
| Senior Management (Levels 13-14) | 2 | - | - | - | 3 | - | - | - | 5 |
| Professionally qualified and experienced specialists and mid-management (Levels 11-12) | 3 | - | - | 1 | 2 | - | - | - | 6 |
| Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (Levels 1-10) | 4 | - | - | - | 1 | - | - | - | 5 |
| Semi-skilled and discretionary decision making | - | - | - | - | - | - | - | - | - |
| Unskilled and defined decision making | - | - | - | - | - | - | - | - | - |
| Total | 9 | - | - | 1 | 6 | - | - | - | 16 |
| Employees with disabilities | - | - | - | - | - | - | - | - | - |

Table 3.6.4 Promotions for the period 1 April 2018 to 31 March 2019

| 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) | 1 | - | - | - | - | - | - | - | 1 |
| Semi-skilled and discretionary decision making | - | - | - | - | - | - | - | - | - |
| Unskilled and defined decision making | - | - | - | - | - | - | - | - | - |
| Total | 1 | - | - | - | - | - | - | - | 1 |
| Employees with disabilities | - | - | - | - | - | - | - | - | - |

Table 3.6.5 Terminations for the period 1 April 2018 to 31 March 2019

| 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 | - | - | - | - | - | - | 2 |
| 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) | 2 | - | - | - | 1 | - | - | - | 3 |
| Semi-skilled and discretionary decision making | - | - | - | - | - | - | - | - | - |
| Unskilled and defined decision making | - | - | - | - | - | - | - | - | - |
| Total | 3 | 1 | - | - | 1 | - | - | - | 5 |
| Employees with disabilities | - | 1 | - | - | - | - | - | - | 1 |

Table 3.6.6 Disciplinary action for the period 1 April 2018 to 31 March 2019

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

Table 3.6.7 Skills development for the period 1 April 2018 to 31 March 2019

| Occupational category | Male | | | | Female | | | | Total |
|---|-----------|----------|----------|----------|-----------|----------|----------|----------|-----------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Legislators, senior officials and managers (Levels 13-16) | - | - | - | - | 1 | - | - | - | 1 |
| Professionals (Levels 9-12) | 3 | - | - | 1 | 10 | - | - | - | 14 |
| Technicians and associate professionals | 22 | - | - | 1 | 26 | - | 1 | 2 | 52 |
| Clerks (Levels 1-8) | 3 | - | - | - | 5 | - | - | - | 8 |
| Service and sales workers | 1 | - | - | 1 | 1 | - | - | - | 3 |
| Skilled agriculture and fishery workers | - | - | - | - | - | - | - | - | - |
| Craft and related trades workers | - | - | - | - | - | - | - | - | - |
| Plant and machine operators and assemblers | - | - | - | - | - | - | - | - | - |
| Elementary occupations | - | - | - | - | - | - | - | - | - |
| Total | 29 | - | - | 3 | 43 | 0 | 1 | 2 | 78 |
| 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 2019

| 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 | 7 | 5 | 0.35% |
| Salary Level 13 | 18 | 15 | 15 | 100% |
| Total | 31 | 24 | 23 | 6% |

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2019

| Reasons |
|--|
| Senior Manager was appointed in the mid-term of 2018/19 FY, unfortunately he had to apply for Incapacity Leave due to unforeseen illness |

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance Agreements as on 31 March 2019

| Reasons |
|---------|
| None |

3.8 Performance Rewards

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2018 to 31 March 2019

| 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 | 42 | 108 | 39% | 941 | 22 |
| Female | 38 | 111 | 34% | 1 018 | 27 |
| Asian | | | | | |
| Male | - | - | - | - | - |
| Female | 1 | 1 | 100% | 16 | 16 |
| Coloured | | | | | |
| Male | 1 | 2 | 50% | 8 | 8 |
| Female | - | - | - | - | - |
| White | | | | | |
| Male | 3 | 4 | 75% | 59 | 20 |
| Female | 2 | 2 | 100% | 101 | 51 |
| Total | 87 | 229 | 38% | 2 142 | 25 |

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2018 to 31 March 2019

| Salary band | 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) | 6 | 5 | 110% | 40 | 7 | 2% |
| Highly skilled production (Levels 6-8) | 29 | 36 | 79% | 389 | 14 | 110% |
| Highly skilled supervision (Levels 9-12) | 53 | 73 | 73% | 1 713 | 32 | 909% |
| Total | 87 | 114 | 43% | 2 142 | 25 | 1 863% |

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2018 to 31 March 2019

| 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) | 5 | 5 | 200% | 61 | 12 |
| Administrative Office Workers (Levels 6-9) | 21 | 51 | 465% | 423 | 20 |
| Professionals and managers (Levels 10-16) | 61 | 151 | 97% | 1 658 | 27 |
| Total | 87 | 207 | 761% | 2 142 | 25 |

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2018 to 31 March 2019

| 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 2018 to 31 March 2019

| Salary band | 01 April 2018 | | 31 March 2019 | | 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 2018 to 31 March 2019

| Major occupation | 01 April 2018 | | 31 March 2019 | | 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 2018 to 31 December 2018

| Salary band | Total days | % Days with Medical certification | Number of Employees using sick leave | % of total employees using sick leave | Average days per employee | Estimated Cost (R'000) |
|---|------------|-----------------------------------|--------------------------------------|---------------------------------------|---------------------------|------------------------|
| Lower Skills (Level 1-2) | - | - | - | - | - | - |
| Skilled (Levels 3-5) | 36 | 61 | 5 | 3.10 | 7 | 31 |
| Highly skilled production (Levels 6-8) | 145 | 78 | 27 | 16.90 | 5 | 179 |
| Highly skilled supervision (Levels 9 -12) | 267 | 86 | 40 | 25 | 7 | 739 |
| Top and Senior management (Levels 13-16) | 107 | 89 | 16 | 10 | 7 | 439 |
| Contract (Levels 3-5) | 101 | 76 | 15 | 9.4 | 7 | 71 |
| Contract (Levels 6-8) | 180 | 73 | 30 | 18.8 | 6 | 184 |
| Contract (Levels 9-12) | 63 | 100 | 7 | 4.4 | 9 | 178 |
| Contract Other | 56 | 60 | 20 | 12.5 | 3 | 18 |
| Total | 955 | 80 | 160 | 100 | 6 | 1 838 |

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2018 to 31 December 2018

| Salary band | Total days | % Days with Medical certification | Number of Employees using disability leave | % of total employees using disability leave | Average days per employee | Estimated Cost (R'000) |
|--|------------|-----------------------------------|--|---|---------------------------|------------------------|
| Lower skilled (Levels 1-2) | - | - | - | - | - | - |
| Skilled (Levels 3-5) | - | - | - | - | - | - |
| Highly skilled production (Levels 6-8) | 28 | 100 | 1 | 25 | 28 | 40 |
| Highly skilled supervision (Levels 9-12) | 8 | 100 | 2 | 50 | 4 | 24 |
| Senior management (Levels 13-16) | 49 | 100 | 1 | 25 | 49 | 224 |
| Total | 85 | 100 | 4 | 100 | 21 | 288 |

Table 3.10.3 Annual Leave for the period 1 January 2018 to 31 December 2018

| Salary band | Total days taken | Number of Employees using annual leave | Average per employee |
|--|------------------|--|----------------------|
| Lower skilled (Levels 1-2) | - | - | - |
| Skilled (Levels 3-5) | 148 | 21 | 7 |
| Highly skilled production (Levels 6-8) | 744 | 20 | 37 |
| Highly skilled supervision (Levels 9-12) | 1203 | 16 | 75 |
| Senior management (Levels 13-16) | 457 | 19 | 24 |
| Contract (Levels 3-5) | 304 | 20 | 15 |
| Contract (Levels 6-8) | 704 | 15 | 47 |
| Contract (Levels 9-12) | 201 | 11 | 18 |
| Contract (Levels 13-16) | 10 | 5 | 2 |
| Contract Other | 252 | 6 | 41 |
| Total | 4023 | 15 | 266 |

Table 3.10.4 Capped leave for the period 1 January 2018 to 31 December 2018

| 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 2019 |
|--|----------------------------------|--|---|---|
| Lower skilled (Levels 1-2) | - | - | - | - |
| Skilled (Levels 3-5) | - | - | - | - |
| Highly skilled production (Levels 6-8) | - | - | - | 20 |
| Highly skilled supervision (Levels 9-12) | - | - | - | 31 |
| Senior management (Levels 13-16) | - | - | - | 19 |
| Total | - | - | - | 28 |

Table 3.10.5 Leave pay outs for the period 1 April 2018 to 31 March 2019

| Reason | Total amount (R'000) | Number of employees | Average per employee (R'000) |
|---|----------------------|---------------------|------------------------------|
| Leave pay out for 2018/19 financial year due to non-utilisation of leave for the previous cycle | 68 | 1 | 68 000 |
| Gratuity paid on Retirement | 4 | 1 | 4 000 |
| Gratuity paid on Death | - | - | - |
| Capped leave pay outs on termination of service for 2018/19 financial year | - | - | - |
| Current leave pay out on termination of service for 2018/19 financial year | 569 | 44 | 12 932 |
| Total | 578 | 45 | 84 932 |

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 |
|--|--|
| Risks of being HIV/AIDS infected are very minimal at workplace due to the effective implementation of EHWP | Distribution of male and female condoms at rest room facilities in 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. The EHWP is a priority at workplace and is continuously funded from HRM budget when a need arise. |
| 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. 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. |

| Question | Yes | No | Details, if yes |
|--|----------|----|---|
| <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.</p> | x | | <p>The established committee was responsible for health and safety of employees in the workplace.</p> <p>These are committee members:</p> <ol style="list-style-type: none"> 1. Ms. C Tun Fong: Employee Health and Wellness 2. Mr. J Moche: Security and Transport Management 3. Ms. L Sono: ESM 4. Mr. S.K. Mncube: Office of the DG (Cleaners' supervisor) 5. Ms. N.D. Malindi: (Office of the DG) 6. Mr. T Ramaru: Internal Audit 7. Ms. L Selokela; SES 8. Mr. S Mogoloa: Facility Management 9. Mr. T Kungwane: HRM <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> |
| <p>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.</p> | x | | <p>Reviews are done when a need arise and based on new directives issued by stakeholders.</p> |

| Question | Yes | No | Details, if yes |
|--|----------|----|---|
| 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 | | <p>The Department has implemented the Strategic Plan on HIV/ AIDS, STIs and TB during the 2018/19 to mainstream HIV and TB and its gender and rights-based dimensions into the core mandates to reduce HIV-related stigma.</p> <p>The aim of the said Departmental Strategic Plan is to protect HIV-positive employees by advocating the implementation of the Three Zeros 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:</p> <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 | | Wellness Screening tests have been arranged in partnership with GEMS. 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 2018 to 31 March 2019

| Subject matter | Date |
|---------------------------------------|------|
| Total number of collective agreements | None |

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2018 to 31 March 2019

| Outcomes of disciplinary hearings | Number | % of total |
|--|----------|--------------|
| Correctional counselling | - | - |
| Verbal warning | - | - |
| Written warning | 2 | 2.7% |
| Final written warning | 1 | 1.3% |
| Suspended without pay | 3 | 4.1% |
| Fine | - | - |
| Demotion | - | - |
| Dismissal | - | - |
| Not guilty | - | - |
| Case withdrawn | - | - |
| Total | 6 | 8.28% |
| Total number of Disciplinary hearings finalised | | None |

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2018 to 31 March 2019

| Type of misconduct | Number | % of total |
|-----------------------------|----------|-------------|
| Unauthorised use of G-Fleet | 2 | 2.7% |
| Total | 2 | 2.7% |

Table 3.12.4 Grievances logged for the period 1 April 2018 to 31 March 2019

| Grievances | Number | % of Total |
|--|-----------|--------------|
| Number of grievances resolved | 22 | 30.3% |
| Number of grievances not resolved | 8 | 11.0% |
| Total number of grievances lodged | 30 | 41.4% |

Table 3.12.5 Disputes logged with Councils for the period 1 April 2018 to 31 March 2019

| Disputes | Number | % of Total |
|--|-----------|-------------|
| Number of disputes upheld | 12 | 16.5% |
| Number of disputes dismissed | - | - |
| Total number of disputes lodged | 12 | 16.5 |

Table 3.12.6 Strike actions for the period 1 April 2018 to 31 March 2019

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

Table 3.12.7 Precautionary suspensions for the period 1 April 2018 to 31 March 2019

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

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 2018 to 31 March 2019

| Occupational category | Gender | Number of employees as at 1 April 2018 | Training needs identified at start of the reporting period | | | |
|--|--------|--|--|---|-------------------------|------------|
| | | | Learnerships | Skills Programmes & other short courses | Other forms of training | Total |
| Legislators, senior officials and managers | Female | 13 | - | - | - | - |
| | Male | 12 | - | - | - | - |
| Professionals | Female | 39 | - | 130 | - | 130 |
| | Male | 44 | - | 66 | - | 66 |
| Technicians and associate professionals | Female | - | - | - | - | - |
| | Male | - | - | - | - | - |
| Clerks | Female | 54 | - | 19 | 12 | 31 |
| | Male | 48 | - | 16 | 10 | 26 |
| 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 | 106 | - | 149 | 12 | 161 |
| | Male | 104 | - | 231 | 10 | 92 |
| Total | | 210 | - | 380 | 22 | 253 |

Table 3.13.2 Training provided for the period 1 April 2018 to 31 March 2019

| Occupational category | Gender | Number of employees as at 1 April 2018 | Training provided within the reporting period | | | |
|--|--------|--|---|---|-------------------------|-----------|
| | | | Learnerships | Skills Programmes & other short courses | Other forms of training | Total |
| Legislators, senior officials and managers | Female | 13 | - | - | - | - |
| | Male | 12 | - | - | - | - |
| Professionals | Female | 39 | - | 15 | 8 | 23 |
| | Male | 44 | - | 25 | 6 | 31 |
| Technicians and associate professionals | Female | - | - | - | - | - |
| | Male | - | - | - | - | - |
| Clerks | Female | 54 | - | 4 | 13 | 17 |
| | Male | 48 | - | 3 | 10 | 17 |
| 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 | 106 | - | 19 | 21 | 40 |
| | Male | 104 | - | 28 | 16 | 48 |
| Total | | 210 | - | 47 | 37 | 88 |

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 2018 to 31 March 2019

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

3.15 Utilisation of Consultants

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2018 to 31 March 2019

| Project title | Total number of consultants that worked on project | Duration (work days) | Contract value in Rand |
|---------------|--|----------------------|------------------------|
| Skills Audit | 2 | 3 Months | 478 800.00 |

3.16 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2018 to 31 March 2019

| 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



PART E: FINANCIAL INFORMATION

1. 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 169, which comprise the appropriation statement, the statement of financial position as at 31 March 2019, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Military Veterans as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) as prescribed by National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Basis for opinion

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

Emphasis of matter

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

Uncertainty relating to the future outcome of litigation

7. With reference to note 17 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.

Other matter

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

Unaudited supplementary schedules

9. The supplementary information set out on pages 170 - 178 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

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

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

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

Report on the audit of the annual performance report

Introduction and scope

14. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
15. My procedures address the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
16. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2019:

| Programmes | Pages in the annual performance report |
|---|--|
| Programme 2: socio-economic support | 34 - 37 |
| Programme 3: empowerment and stakeholder management | 38 - 40 |

17. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and

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

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

Programme 2: socio-economic support

Number of bursaries provided to military veterans and their dependants per year

19. The evidence and the method of calculation for achieving the planned indicator were not clearly defined. In addition, the achievement for the number of bursaries provided to military veterans and their dependants reported in the annual performance report was 11 326. However, the supporting evidence provided did not agree to the reported achievement.

Programme 3: empowerment and stakeholder management

Number of military veterans and their dependants provided with approved funding for skills development programmes

20. The achievement for the number of deserving military veterans and their dependants provided with approved funding for skills development programmes reported in the annual performance report was 197. However, the supporting evidence provided did not agree to the reported achievement.

Percentage of approved burial claims paid within 30 days of receipt

21. The reported achievement of 100% for the percentage of approved burial claims paid within 30 days of receipt was not reliable, as the department did not have an adequate performance management system to maintain records to enable reliable reporting on the achievement of targets. As a result, I was unable to obtain sufficient appropriate audit evidence in some instances, while in other cases the supporting evidence provided did not agree to the reported achievement. Based on the supporting evidence that was provided, I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any further adjustments were required to the reported achievement.

Number of military veterans' businesses provided with access to empowerment opportunities

22. The achievement for the number of military veterans' businesses provided with access to empowerment opportunities reported in the annual performance report was 308. However, the supporting evidence provided did not agree to the reported achievement.

Other matter

23. I draw attention to the matter below.

Achievement of planned targets

24. Refer to the annual performance report on pages 30 - 40 for information on the achievement of planned targets for the year and explanations provided for the under- or overachievement 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 19 to 22 of this report.

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 legislation are as follows:

Expenditure management

27. Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R172 000, as disclosed in note 23 to the financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the fruitless and wasteful expenditure resulted from payments for services not utilised.
28. Some payments were not made within 30 days or an agreed period after receipt of an invoice, as required by treasury regulation 8.2.3.

Strategic planning and performance management

29. Specific information systems were not implemented 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).

Consequence management

30. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular as well as fruitless and wasteful expenditure, as required by section 38(1)(h)(iii) of the PFMA. This was as a result of significant delays in performing investigations relating to these matters.

Other information

31. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report and the accounting officer'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 on in the auditor's report.
32. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
33. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
34. 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.

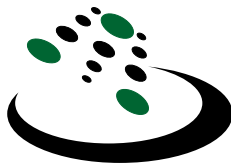
Internal control deficiencies

35. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the performance report and the findings on compliance with legislation included in this report.
36. Leadership did not exercise adequate oversight over performance reporting, compliance with applicable legislation and related internal controls. Certain policies and procedures were not documented and approved for implementation. Additionally, action plans to address prior year audit matters were not timeously and properly documented and monitored.
37. Management did not implement effective controls to ensure that information contained in performance reports was reliable before submission for auditing. This was mainly as a result of inadequate reviews and a lack of proper performance and record management systems. Management did also not review and monitor compliance with legislation, resulting in the non-compliance findings reported.

Auditor-General

Pretoria

31 July 2019



A U D I T O R - G E N E R A L
S O U T H A F R I C A

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 of Military Veterans’ 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



military veterans

Department:
Military Veterans
REPUBLIC OF SOUTH AFRICA

ANNUAL FINANCIAL STATEMENTS

FOR

DEPARTMENT OF MILITARY VETERANS

For the year ended

31 March 2019

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Department of Military Veterans - VOTE 19
APPROPRIATION STATEMENT for the year ended 31 MARCH 2019

| Appropriation per programme | | | | | | | | | | | |
|--|------------------------|-------------------|----------|---------------------|--------------------|---------------|---|---------------------|--------------------|---------|-------|
| 2018/19 | | | | | | | | | | | |
| Programme | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual Expenditure | 2017/18 | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 |
| 1. Administration | 133 565 | - | 7 020 | 140 585 | 138 071 | 2 514 | 98.2% | 148 642 | 140 520 | | |
| 2. Socioeconomic Support | 336 772 | - | - | 336 772 | 334 660 | 2 112 | 99.4% | 357 502 | 356 437 | | |
| 3. Empowerment and Stakeholder Management | 156 750 | - | (7 020) | 149 730 | 69 246 | 80 484 | 46.2% | 115 967 | 104 543 | | |
| Subtotal | 627 087 | - | - | 627 087 | 541 977 | 85 110 | 86.4% | 622 111 | 601 500 | | |
| Statutory Appropriation | | | | | | | | | | | |
| President and Deputy President salary | | | | | | | | | | | |
| Members' remuneration | | | | | | | | | | | |
| Debt service costs | | | | | | | | | | | |
| Provincial equitable share | | | | | | | | | | | |
| General fuel levy sharing with metropolitan municipalities | | | | | | | | | | | |
| National Revenue Fund payments | | | | | | | | | | | |
| Skills levy and sector education and training authorities | | | | | | | | | | | |
| Judges' and magistrates' salaries | | | | | | | | | | | |
| TOTAL | | | | | | | | | | | |

Department of Military Veterans - VOTE 19
APPROPRIATION STATEMENT for the year ended 31 MARCH 2019

| | 2018/19 | | 2017/18 | |
|--|---------------------|--------------------|---------------------|--------------------|
| | Final Appropriation | Actual Expenditure | Final Appropriation | Actual Expenditure |
| TOTAL (brought forward) | | | | |
| Reconciliation with statement of financial performance | | | | |
| ADD | | | | |
| Departmental receipts | 53 | | 2 758 | |
| NRF Receipts | - | | - | |
| Aid assistance | - | | - | |
| Actual amounts per statement of financial performance (total revenue) | 627 140 | | 624 869 | |
| ADD | | | | |
| Aid assistance | | - | | - |
| Prior year unauthorised expenditure approved without funding | | | | |
| Actual amounts per statement of financial performance (total expenditure) | | 541 977 | | 601 500 |

APPROPRIATION STATEMENT for the year ended 31 MARCH 2019

| Appropriation per economic classification | | | | | | | | | | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|----------------|---|---------------------|--------------------|---------|-------|
| 2018/19 | | | | | | | | | | | |
| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure | 2017/18 | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 |
| Economic classification | 386 037 | 52 195 | - | 438 232 | 336 352 | 101 880 | 76.8% | 331 103 | 316 486 | | |
| Current payments | 122 257 | - | - | 122 257 | 123 788 | (1 531) | 101.3% | 117 829 | 116 243 | | |
| Compensation of employees | 103 036 | - | - | 103 036 | 113 968 | (10 932) | 110.6% | 108 615 | 107 142 | | |
| Salaries and wages | 19 221 | - | - | 19 221 | 9 820 | 9 401 | 51.1% | 9 214 | 9 101 | | |
| Social contributions | 263 780 | 52 194 | - | 315 974 | 212 564 | 103 410 | 67.3% | 213 274 | 200 243 | | |
| Goods and services | 550 | 3 042 | - | 3 592 | 3 008 | 584 | 83.7% | 5 878 | 5 867 | | |
| Administrative fees | 1 592 | 505 | - | 2 097 | 2 097 | - | 100.0% | 2 675 | 2 634 | | |
| Advertising | 7 308 | (2 551) | - | 4 757 | 198 | 4 559 | 4.2% | 831 | 110 | | |
| Minor assets | 4 736 | 1 635 | - | 6 371 | 5 777 | 594 | 90.7% | 6 658 | 6 658 | | |
| Audit costs: External | 651 | 273 | - | 924 | 854 | 70 | 92.4% | 452 | 452 | | |
| Bursaries: Employees | 5 273 | (1 326) | (2 526) | 1 421 | 593 | 828 | 41.7% | 448 | 431 | | |
| Catering: Departmental activities | 7 443 | 4 038 | - | 11 481 | 5 358 | 6 123 | 46.7% | 5 824 | 5 824 | | |
| Communication | 2 098 | 5 462 | 7 020 | 14 580 | 14 530 | 50 | 99.7% | 20 912 | 21 033 | | |
| Computer services | 10 094 | (432) | - | 9 662 | 1 218 | 8 444 | 12.6% | 905 | 904 | | |
| Consultants: Business and advisory services | - | - | - | - | - | - | - | - | - | | |
| Infrastructure and planning services | - | - | - | - | - | - | - | - | - | | |
| Laboratory services | - | - | - | - | - | - | - | - | - | | |
| Scientific and technological services | - | - | - | - | - | - | - | - | - | | |
| Legal services | 4 388 | (3 405) | - | 983 | 983 | - | 100.0% | 550 | 550 | | |
| Contractors | 73 323 | 35 646 | - | 108 969 | 107 648 | 1 321 | 98.8% | 56 245 | 55 947 | | |
| Agency and support / outsourced services | 469 | 1 750 | - | 2 219 | 2 219 | - | 100.0% | 4 190 | 4 156 | | |
| Entertainment | 105 | (105) | - | - | - | - | - | - | - | | |
| Fleet services | 3 364 | (1 438) | - | 1 926 | 1 876 | 50 | 97.4% | 1 877 | 1 821 | | |

APPROPRIATION STATEMENT for the year ended 31 MARCH 2019

| Appropriation per economic classification | | | | | | | | | | | |
|--|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|-------|-------|---------|
| 2018/19 | | | | | | | | | | | 2017/18 |
| Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure | | | |
| R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 | 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 | 5 159 | 7 931 | - | 13 090 | 12 904 | 1.4% | 1 172 | 176 | | | |
| Consumable: Stationery, printing and office supplies | 6 127 | 452 | - | 6 579 | 3 386 | 48.5% | 2 691 | 2 291 | | | |
| Operating leases | 6 243 | 10 593 | - | 16 836 | 65 | 99.6% | 16 275 | 15 459 | | | |
| Property payments | 2 705 | 274 | - | 2 979 | 1 | 100.0% | 6 065 | 2 740 | | | |
| Transport provided: Departmental activity | - | - | - | - | - | - | 381 | - | | | |
| Travel and subsistence | 50 271 | 5 014 | - | 55 285 | 20 949 | 62.1% | 49 019 | 43 536 | | | |
| Training and development | 60 245 | (9 013) | (4 494) | 46 738 | 39 905 | 14.6% | 22 838 | 22 382 | | | |
| Operating payments | 119 | 115 | - | 234 | - | 100.0% | 84 | 77 | | | |
| Venues and facilities | 10 209 | (4 958) | - | 5 251 | 3 577 | 31.9% | 7 196 | 7 089 | | | |
| Rental and hiring | 1 308 | (1 308) | - | - | - | - | 108 | 106 | | | |

Department of Military Veterans - VOTE 19
APPROPRIATION STATEMENT for the year ended 31 MARCH 2019

| Appropriation per economic classification | | | | | | | | | |
|---|---------------------------------|----------------------------|-------------------|------------------------------|-----------------------------|-------------------|--|------------------------------|-----------------------------|
| | 2018/19 | | | | | 2017/18 | | | |
| | 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 and rent on land | - | 1 | - | 1 | - | 1 | - | - | - |
| Interest | - | 1 | - | 1 | - | 1 | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 234 166 | (48 292) | - | 185 874 | 203 066 | (17 192) | 109.2% | 280 484 | 278 313 |
| 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 | - | 198 | - | 198 | 198 | - | 100.0% | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on products and production | - | - | - | - | - | - | - | - | - |
| Other transfers to public corporations | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |

APPROPRIATION STATEMENT for the year ended 31 MARCH 2019

| Appropriation per economic classification | | | | | | | | | | |
|---|---------------------------------|----------------------------|-------------------|------------------------------|-----------------------------|-------------------|--|------------------------------|-----------------------------|--|
| | 2018/19 | | | | | 2017/18 | | | | |
| | 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 private enterprises | - | - | - | - | - | - | - | - | - | |
| Non-profit institutions | - | - | - | - | - | - | - | - | - | |
| Households | 234 166 | (48 490) | - | 185 676 | 202 868 | (17 192) | 109.3% | 280 484 | 278 313 | |
| Social benefits | 53 908 | (40 573) | - | 13 335 | 13 335 | - | 100.0% | 33 872 | 31 875 | |
| Other transfers to households | 180 258 | (7 917) | - | 172 341 | 189 533 | (17 192) | 110.0% | 246 612 | 246 438 | |
| Payments for capital assets | 6 884 | (3 923) | - | 2 961 | 2 539 | 422 | 85.7% | 10 524 | 6 701 | |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - | |
| Buildings | - | - | - | - | - | - | - | - | - | |
| Other fixed structures | - | - | - | - | - | - | - | - | - | |
| Machinery and equipment | 4 384 | (1 423) | - | 2 961 | 2 539 | 422 | 85.7% | 9 810 | 6 701 | |
| Transport equipment | - | 26 | - | 26 | 6 | 20 | 23.1% | - | - | |
| Other machinery and equipment | 4 384 | (1 449) | - | 2 935 | 2 533 | 402 | 86.3% | 9 810 | 6 701 | |
| Heritage assets | - | - | - | - | - | - | - | 714 | - | |
| Specialised military assets | - | - | - | - | - | - | - | - | - | |
| Biological assets | - | - | - | - | - | - | - | - | - | |
| Land and subsoil assets | - | - | - | - | - | - | - | - | - | |
| Intangible assets | 2 500 | (2 500) | - | - | - | - | - | - | - | |
| Payments for financial assets | - | 20 | - | 20 | 20 | - | 100.0% | - | - | |
| TOTAL | 6 27 087 | - | - | 6 27 087 | 5 41 977 | 85 110 | 86.4% | 6 22 111 | 6 01 500 | |

Department of Military Veterans - VOTE 19
APPROPRIATION STATEMENT for the year ended 31 MARCH 2019

| Programme 1: Administration | | | | | | | | | | | |
|---|------------------------|-------------------|--------------|---------------------|--------------------|--------------|---|---------------------|--------------------|-------|---------|
| 2018/19 | | | | | | | | | | | 2017/18 |
| Sub programme | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure | | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 |
| 1. Management | 12 852 | (383) | - | 12 469 | 12 469 | - | 100.0% | 10 929 | 10 851 | | |
| 2. Corporate Service | 54 613 | 10 394 | 7 020 | 72 027 | 71 419 | 608 | 99.2% | 81 405 | 81 370 | | |
| 3. Financial Administration | 16 676 | 5 535 | - | 22 211 | 22 211 | - | 100.0% | 19 300 | 18 894 | | |
| 4. Internal Audit | 10 055 | (1 400) | - | 8 655 | 8 061 | 594 | 93.1% | 10 786 | 10 016 | | |
| 5. Strategic Planning, Policy Development and Monitoring and Evaluation | 19 367 | (7 707) | - | 11 660 | 10 349 | 1 311 | 88.8% | 9 835 | 8 262 | | |
| 6. Office Accommodation | 20 002 | (6 439) | - | 13 563 | 13 562 | 1 | 100.0% | 16 387 | 11 127 | | |
| Total for sub programmes | 133 565 | - | 7 020 | 140 585 | 138 071 | 2 514 | 98.2% | 148 642 | 140 520 | | |
| Economic classification | | | | | | | | | | | |
| Current payments | 130 036 | 898 | 7 020 | 137 954 | 135 440 | 2 514 | 98.2% | 140 428 | 134 180 | | |
| Compensation of employees | 43 693 | - | - | 43 693 | 72 261 | (28 568) | 165.4% | 69 776 | 69 768 | | |
| Salaries and wages | 34 688 | - | - | 34 688 | 66 265 | (31 577) | 191.0% | 64 079 | 64 078 | | |
| Social contributions | 9 005 | - | - | 9 005 | 5 996 | 3 009 | 66.6% | 5 697 | 5 690 | | |
| Goods and services | 86 343 | 898 | 7 020 | 94 261 | 63 179 | 31 082 | 67.0% | 70 652 | 64 412 | | |
| Administrative fees | 535 | 768 | - | 1 303 | 724 | 579 | 55.6% | 1 146 | 1 143 | | |
| Advertising | 1 547 | 357 | - | 1 904 | 1 904 | - | 100.0% | 1 594 | 1 594 | | |
| Minor assets | 2 951 | (1 249) | - | 1 702 | 8 | 1 694 | 0.5% | 450 | 80 | | |
| Audit costs: External | 4 736 | 1 635 | - | 6 371 | 5 777 | 594 | 90.7% | 6 280 | 6 280 | | |
| Bursaries: Employees | 581 | 273 | - | 854 | 854 | - | 100.0% | 452 | 452 | | |
| Catering: Departmental activities | 704 | (574) | - | 130 | 129 | 1 | (99.2%) | 77 | 77 | | |
| Communication | 7 333 | 4 038 | - | 11 371 | 5 358 | 6 013 | 47.1% | 5 824 | 5 824 | | |

APPROPRIATION STATEMENT for the year ended 31 MARCH 2019

| Programme 1: Administration | | | | | | | | | | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|--------|--------|
| | 2018/19 | | | | | | 2017/18 | | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure | | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 |
| Computer services | 2 048 | 5 462 | 7 020 | 14 530 | 14 530 | - | 100.0% | 20 912 | 20 912 | 20 912 | 20 912 |
| Consultants: Business and advisory services | 9 452 | 210 | - | 9 662 | 1 218 | 8 444 | 12.6% | 905 | 905 | 904 | 904 |
| Infrastructure and planning services | - | - | - | - | - | - | - | - | - | - | - |
| Laboratory services | - | - | - | - | - | - | - | - | - | - | - |
| Scientific and technological services | - | - | - | - | - | - | - | - | - | - | - |
| Legal services | 4 388 | (3 405) | - | 983 | 983 | - | 100.0% | 550 | 550 | 550 | 550 |
| Contractors | 19 597 | (18 258) | - | 1 339 | 30 | 1 309 | 2.2% | 418 | 418 | 80 | 80 |
| Agency and support / outsourced services | 329 | (329) | - | - | - | - | - | - | - | - | - |
| Entertainment | 105 | (105) | - | - | - | - | - | - | - | - | - |
| Fleet services | 2 000 | (124) | - | 1 876 | 1 876 | - | 100.0% | 1 817 | 1 817 | 1 816 | 1 816 |
| 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 | 3 089 | 8 219 | - | 11 308 | 178 | 11 130 | 1.6% | 459 | 459 | 161 | 161 |

Department of Military Veterans - VOTE 19
APPROPRIATION STATEMENT for the year ended 31 MARCH 2019

| Programme 1: Administration | | | | | | | | | | |
|--|---------------------------------|----------------------------|-------------------|------------------------------|-----------------------------|-------------------|--|------------------------------|-----------------------------|--|
| | 2018/19 | | | | | 2017/18 | | | | |
| | 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 | 2 778 | 483 | - | 3 261 | 2 324 | 937 | 71.3% | 1 176 | 777 | |
| Operating leases | 6 044 | 10 734 | - | 16 778 | 16 771 | 7 | 100.0% | 16 275 | 15 459 | |
| Property payments | 2 705 | 274 | - | 2 979 | 2 978 | 1 | 100.0% | 6 065 | 2 477 | |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | 381 | - | |
| Travel and subsistence | 7 822 | (696) | - | 7 126 | 6 754 | 372 | 94.8% | 5 217 | 5 198 | |
| Training and development | 3 737 | (3 152) | - | 585 | 584 | 1 | 99.8% | 498 | 478 | |
| Operating payments | 50 | 45 | - | 95 | 95 | - | 100.0% | 44 | 39 | |
| Venues and facilities | 2 504 | (2 400) | - | 104 | 104 | - | 100.0% | 112 | 111 | |
| Rental and hiring | 1 308 | (1 308) | - | - | - | - | - | - | - | |
| Interest and rent on land | - | - | - | - | - | - | - | - | - | |
| Interest | - | - | - | - | - | - | - | - | - | |
| Rent on land | - | - | - | - | - | - | - | - | - | |
| Transfers and subsidies | - | 276 | - | 276 | 276 | - | 100.0% | 206 | 205 | |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - | |
| Provinces | - | - | - | - | - | - | - | - | - | |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - | |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - | |
| Municipalities | - | - | - | - | - | - | - | - | - | |
| Municipal bank accounts | - | - | - | - | - | - | - | - | - | |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - | |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - | |

APPROPRIATION STATEMENT for the year ended 31 MARCH 2019

| Programme 1: Administration | | | | | | | | | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|--------------|
| 2018/19 | | | | | | | | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure | 2017/18 |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 |
| Social security funds | - | - | - | - | - | - | - | - | - | - |
| 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 | - | 276 | - | 276 | 276 | - | 100.0% | 276 | 206 | 205 |
| Social benefits | - | 276 | - | 276 | 276 | - | 100.0% | 276 | 206 | 205 |
| Other transfers to households | - | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 3 529 | (1 174) | - | 2 355 | 2 355 | - | 100.0% | 2 355 | 8 008 | 6 135 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 3 529 | (1 174) | - | 2 355 | 2 355 | - | 100.0% | 2 355 | 8 008 | 6 135 |
| Transport equipment | - | - | - | - | - | - | - | - | - | - |

APPROPRIATION STATEMENT for the year ended 31 MARCH 2019

| Programme 1: Administration | | | | | | | | | | |
|--------------------------------------|------------------------|-------------------|--------------|---------------------|--------------------|--------------|---|---------------------|--------------------|-------|
| | 2018/19 | | | | | 2017/18 | | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 |
| Other machinery and equipment | 3 529 | (1 174) | - | 2 355 | 2 355 | - | 100.0% | 8 008 | 6 135 | |
| Heritage assets | - | - | - | - | - | - | - | - | - | |
| Specialised military assets | - | - | - | - | - | - | - | - | - | |
| Biological assets | - | - | - | - | - | - | - | - | - | |
| Land and subsoil assets | - | - | - | - | - | - | - | - | - | |
| Intangible assets | - | - | - | - | - | - | - | - | - | |
| Payments for financial assets | - | - | - | - | - | - | - | - | - | |
| Total | 1 33 565 | - | 7 020 | 1 40 585 | 1 38 071 | 2 514 | 98.2% | 1 48 642 | 1 40 520 | |

| 1.1 Management | | | | | | | | | | |
|--------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|-------|
| | 2018/19 | | | | | 2017/18 | | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 |
| Current payments | 12 852 | (431) | - | 12 421 | 12 421 | - | 100.0% | 10 807 | 10 802 | |
| Compensation of employees | 4 465 | - | - | 4 465 | 8 585 | (4 120) | 192.3% | 8 685 | 8 685 | |
| Goods and services | 8 387 | (431) | - | 7 956 | 3 836 | 4 120 | 48.2% | 2 122 | 2 117 | |
| Interest and rent on land | - | - | - | - | - | - | - | - | - | |
| Transfers and subsidies | - | 16 | - | 16 | 16 | - | 100.0% | 22 | 22 | |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - | |

APPROPRIATION STATEMENT for the year ended 31 MARCH 2019

| 1.1 Management | | | | | | | | | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|--|
| Economic classification | 2018/19 | | | | | 2017/18 | | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - | |
| Higher education institutions | - | - | - | - | - | - | - | - | - | |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - | |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - | |
| Non-profit institutions | - | - | - | - | - | - | - | - | - | |
| Households | - | 16 | - | 16 | 16 | - | 100.0% | 22 | 22 | |
| Payments for capital assets | - | 32 | - | 32 | 32 | - | 100.0% | 100 | 27 | |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - | |
| Machinery and equipment | - | 32 | - | 32 | 32 | - | 100.0% | 100 | 27 | |
| Heritage assets | - | - | - | - | - | - | - | - | - | |
| Specialised military assets | - | - | - | - | - | - | - | - | - | |
| Biological assets | - | - | - | - | - | - | - | - | - | |
| Land and subsoil assets | - | - | - | - | - | - | - | - | - | |
| Intangible assets | - | - | - | - | - | - | - | - | - | |
| Payments for financial assets | - | - | - | - | - | - | - | - | - | |
| Total | 12 852 | (383) | - | 12 469 | 12 469 | - | 100.0% | 10 929 | 10 851 | |

Department of Military Veterans - VOTE 19
APPROPRIATION STATEMENT for the year ended 31 MARCH 2019

| 1.2 Corporate Services | | | | | | | | | | | |
|---|------------------------|-------------------|--------------|---------------------|--------------------|------------|---|---------------------|--------------------|---------|-------|
| 2018/19 | | | | | | | | | | | |
| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure | 2017/18 | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 |
| Current payments | 54 613 | 7 958 | 7 020 | 69 591 | 68 983 | 608 | 99.1% | 75 346 | 75 312 | | |
| Compensation of employees | 18 845 | - | - | 18 845 | 31 999 | (13 154) | 169.8% | 33 675 | 33 670 | | |
| Goods and services | 35 768 | 7 958 | 7 020 | 50 746 | 36 984 | 13 762 | 72.9% | 41 671 | 41 642 | | |
| Interest and rent on land | - | - | - | - | - | - | - | - | - | | |
| Transfers and subsidies | - | 147 | - | 147 | 147 | - | 100.0% | 58 | 58 | | |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - | | |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - | | |
| Higher education institutions | - | - | - | - | - | - | - | - | - | | |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - | | |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - | | |
| Non-profit institutions | - | - | - | - | - | - | - | - | - | | |
| Households | - | 147 | - | 147 | 147 | - | 100.0% | 58 | 58 | | |
| Payments for capital assets | - | 2 289 | - | 2 289 | 2 289 | - | 100.0% | 6 001 | 6 000 | | |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - | | |
| Machinery and equipment | - | 2 289 | - | 2 289 | 2 289 | - | 100.0% | 6 001 | 6 000 | | |
| Heritage assets | - | - | - | - | - | - | - | - | - | | |
| Specialised military assets | - | - | - | - | - | - | - | - | - | | |
| Biological assets | - | - | - | - | - | - | - | - | - | | |
| Land and subsoil assets | - | - | - | - | - | - | - | - | - | | |
| Intangible assets | - | - | - | - | - | - | - | - | - | | |

APPROPRIATION STATEMENT for the year ended 31 MARCH 2019

| 1.2 Corporate Services | | | | | | | | | | |
|---|------------------------|-------------------|--------------|---------------------|--------------------|------------|---|---------------------|--------------------|---------------|
| Economic classification | 2018/19 | | | | | 2017/18 | | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 |
| Payments for financial assets | - | - | - | - | - | - | - | - | - | - |
| Total | 54 613 | 10 394 | 7 020 | 72 027 | 71 419 | 608 | 99.2% | 81 405 | 81 370 | 81 370 |
| 1.3 Financial Administration | | | | | | | | | | |
| Economic classification | 2018/19 | | | | | 2017/18 | | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 |
| Current payments | 16 676 | 5 409 | - | 22 085 | 22 085 | - | 100.0% | 18 730 | 18 716 | 18 716 |
| Compensation of employees | 10 260 | - | - | 10 260 | 21 158 | (10 898) | 206.2% | 17 190 | 17 189 | 17 189 |
| Goods and services | 6 416 | 5 409 | - | 11 825 | 927 | 10 898 | 7.8% | 1 540 | 1 527 | 1 527 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | - | 100 | - | 100 | 100 | - | 100.0% | 70 | 70 | 70 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - | - |
| Households | - | 100 | - | 100 | 100 | - | 100.0% | 70 | 70 | 70 |

Department of Military Veterans - VOTE 19
APPROPRIATION STATEMENT for the year ended 31 MARCH 2019

| 1.3 Financial Administration | | | | | | | | | | |
|--------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|-------|
| Economic classification | 2018/19 | | | | | 2017/18 | | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 |
| Payments for capital assets | | 26 | - | 26 | 26 | - | 100.0% | 500 | 108 | |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | 26 | - | 26 | 26 | - | 100.0% | 500 | 108 | |
| Heritage assets | - | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - | - |
| Land and subsoil assets | - | - | - | - | - | - | - | - | - | - |
| Intangible assets | - | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | | | | | | | | | | |
| Total | 16 676 | 5 535 | - | 22 211 | 22 211 | - | 100.0% | 19 300 | 18 894 | |

| 1.4 Internal Audit | | | | | | | | | | |
|---------------------------|------------------------|-------------------|----------|---------------------|--------------------|------------|---|---------------------|--------------------|-------|
| Economic classification | 2018/19 | | | | | 2017/18 | | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 |
| Current payments | 8 924 | (269) | - | 8 655 | 8 061 | 594 | 93.1% | 9 963 | 9 961 | |
| Compensation of employees | 1 644 | - | - | 1 644 | 2 222 | (578) | 135.2% | 2 733 | 2 733 | |
| Goods and services | 7 280 | (269) | - | 7 011 | 5 839 | 1 172 | 83.3% | 7 230 | 7 228 | |
| Interest and rent on land | - | - | - | - | - | - | - | - | - | - |

APPROPRIATION STATEMENT for the year ended 31 MARCH 2019

| 1.4 Internal Audit | | | | | | | | | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|------------|---|---------------------|--------------------|---------------|
| 2018/19 | | | | | | | | | | |
| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure | 2017/18 |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - | 55 |
| 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 | 55 |
| Payments for capital assets | 1 131 | (1 131) | - | - | - | - | - | - | 767 | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 1 131 | (1 131) | - | - | - | - | - | - | 767 | - |
| Heritage assets | - | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - | - |
| Land and subsoil assets | - | - | - | - | - | - | - | - | - | - |
| Intangible assets | - | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - | - |
| Total | 10 055 | (1 400) | - | 8 655 | 8 061 | 594 | 93.1% | 10 786 | 10 016 | 10 016 |

APPROPRIATION STATEMENT for the year ended 31 MARCH 2019

| 1.5 Strategic Planning, Policy Development and Monitoring and Evaluation | | | | | | | | | |
|--|------------------------|-------------------|----------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| 1018/19 | | | | | | | | | |
| 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 |
| Current payments | 19 367 | (7 728) | - | 11 639 | 10 328 | 1 311 | 88.7% | 9 675 | 8 262 |
| Compensation of employees | 8 479 | - | - | 8 479 | 8 297 | 182 | 97.9% | 7 493 | 7 491 |
| Goods and services | 10 888 | (7 728) | - | 3 160 | 2 031 | 1 129 | 64.3% | 2 182 | 771 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | - | 13 | - | 13 | 13 | - | 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 | - | 13 | - | 13 | 13 | - | 100.0% | - | - |
| Payments for capital assets | - | 8 | - | 8 | 8 | - | 100.0% | 160 | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | 8 | - | 8 | 8 | - | 100.0% | 160 | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and subsoil assets | - | - | - | - | - | - | - | - | - |
| Intangible assets | - | - | - | - | - | - | - | - | - |

APPROPRIATION STATEMENT for the year ended 31 MARCH 2019

| 1.5 Strategic Planning, Policy Development and Monitoring and Evaluation | | | | | | | | | |
|--|------------------------|-------------------|----------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| 2018/19 | | | | | 2017/18 | | | | |
| 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 |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 19 367 | (7 707) | - | 11 660 | 10 349 | 1 311 | 88.8% | 9 835 | 8 262 |

| 1.6 Office Accommodation | | | | | | | | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|
| 2018/19 | | | | | 2017/18 | | | | |
| 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 |
| Current payments | 17 604 | (4 041) | - | 13 563 | 13 562 | 1 | 100.0% | 15 907 | 11 127 |
| Compensation of employees | - | - | - | - | - | - | - | - | - |
| Goods and services | 17 604 | (4 041) | - | 13 563 | 13 562 | 1 | 100.0% | 15 907 | 11 127 |
| 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 | - | - | - | - | - | - | - | - | - |

APPROPRIATION STATEMENT for the year ended 31 MARCH 2019

| 1.6 Office Accommodation | | | | | | | | | | |
|--------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|---------------|
| 2018/19 | | | | | | | | | | |
| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure | 2017/18 |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 |
| Payments for capital assets | 2 398 | (2 398) | - | - | - | - | - | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - | 480 |
| Machinery and equipment | 2398 | (2 398) | - | - | - | - | - | - | - | 480 |
| Heritage assets | - | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - | - |
| Land and subsoil assets | - | - | - | - | - | - | - | - | - | - |
| Intangible assets | - | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - | - |
| Total | 20 002 | (6 439) | - | 13 563 | 13 562 | 1 | 100.0% | 16 387 | 11 127 | 11 127 |

APPROPRIATION STATEMENT for the year ended 31 MARCH 2019

| Programme 2: Socioeconomic Support | | | | | | | | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| 2018/19 | | | | | | | | | |
| Sub programme | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| 1. Database and Benefits Management | 15 577 | (6 899) | - | 8 678 | 6 361 | 2 317 | 73.3% | 5 549 | 5 544 |
| 2. Health Care and Well Support | 80 858 | 43 847 | - | 124 705 | 124 702 | 3 | 100.0% | 66 932 | 66 949 |
| 3. Socio Economic Support Management | 240 337 | (36 948) | - | 203 389 | 203 597 | (208) | 100.1% | 285 021 | 283 944 |
| Total for sub programmes | 336 772 | - | - | 336 772 | 334 660 | 2 112 | 99.4% | 357 502 | 356 437 |
| Economic classification | 103 284 | 54 279 | - | 157 563 | 138 260 | 19 303 | 87.7% | 84 673 | 83 796 |
| Current payments | 40 581 | - | - | 40 581 | 21 834 | 18 747 | 53.8% | 19 985 | 19 085 |
| Compensation of employees | 36 232 | - | - | 36 232 | 20 515 | 15 717 | 56.6% | 18 787 | 17 891 |
| Salaries and wages | 4 349 | - | - | 4 349 | 1 319 | 3 030 | 30.3% | 1 198 | 1 194 |
| Social contributions | 62 703 | 54 279 | - | 116 982 | 116 426 | 556 | 99.5% | 64 688 | 64 711 |
| Goods and services | 15 | 676 | - | 691 | 690 | 1 | 99.9% | 1 769 | 1 767 |
| Administrative fees | - | 193 | - | 193 | 193 | - | 100.0% | 1 041 | 1 040 |
| Advertising | 531 | (510) | - | 21 | 20 | 1 | 95.2% | 24 | 23 |
| Minor assets | - | - | - | - | - | - | - | 378 | 378 |
| Audit costs: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 876 | (706) | - | 170 | 170 | - | 100.0% | 15 | 14 |
| Communication | - | - | - | - | - | - | - | - | - |
| Computer services | - | - | - | - | - | - | - | - | - |
| Consultants: Business and advisory services | 642 | (642) | - | - | - | - | - | - | - |
| Infrastructure and planning services | - | - | - | - | - | - | - | - | - |
| Laboratory services | - | - | - | - | - | - | - | - | - |

APPROPRIATION STATEMENT for the year ended 31 MARCH 2019

| Programme 2: Socioeconomic Support | | | | | | | | | | |
|--|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|---------|
| 2018/19 | | | | | | | | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure | 2017/18 |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 |
| Scientific and technological services | - | - | - | - | - | - | - | - | - | - |
| Legal services | - | - | - | - | - | - | - | - | - | - |
| Contractors | 53 726 | 53 884 | - | 107 610 | 107 610 | - | 100.0% | 55 771 | 55 813 | - |
| Agency and support / outsourced services | - | - | - | - | - | - | - | - | - | - |
| Entertainment | - | - | - | - | - | - | - | - | - | - |
| Fleet services | - | - | - | - | - | - | - | 5 | 5 | - |
| 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 | 328 | (328) | - | - | - | - | - | 14 | 12 | - |
| Consumable: Stationery, printing and office supplies | 475 | 277 | - | 752 | 198 | 554 | 26.3% | 984 | 984 | - |
| Operating leases | 71 | (71) | - | - | - | - | - | - | - | - |
| Property payments | - | - | - | - | - | - | - | - | - | - |

APPROPRIATION STATEMENT for the year ended 31 MARCH 2019

| Programme 2: Socioeconomic Support | | | | | | | | | | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|-----------------|---|---------------------|--------------------|----------|----------|
| 2018/19 | | | | | | | | | | | 2017/18 |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure | | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | 4 226 | 3 233 | - | 7 459 | 7 459 | - | 100.0% | 4 635 | 4 625 | - | - |
| Training and development | 1 401 | (1 401) | - | - | - | - | - | - | - | - | - |
| Operating payments | - | 57 | - | 57 | 57 | - | 100.0% | 40 | 38 | - | - |
| Venues and facilities | 412 | (383) | - | 29 | 29 | - | 100.0% | 12 | 12 | - | - |
| Rental and hiring | - | - | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 230 148 | (51 030) | - | 179 118 | 196 310 | (17 192) | 109.6% | 272 592 | 272 405 | - | - |
| 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 2019

| Programme 2: Socioeconomic Support | | | | | | | | | |
|---|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|-------|
| 2018/19 | | | | | 2017/18 | | | | |
| Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure | |
| R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | 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 | (51 030) | - | 179 118 | 196 310 | (17 192) | 109.6% | 272 592 | 272 405 | |
| Social benefits | (43 113) | - | 6 777 | 6 777 | - | 100.0% | 25 980 | 25 967 | |
| Other transfers to households | (7 917) | - | 172 341 | 189 533 | 17 192 | 110.0% | 246 612 | 246 438 | |
| Payments for capital assets | (3 249) | - | 91 | 90 | 1 | 98.9% | 237 | 236 | |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | (749) | - | 91 | 90 | 1 | 98.9% | 237 | 236 | |
| Transport equipment | 6 | - | 6 | 6 | - | 100.0% | - | - | |
| Other machinery and equipment | (755) | - | 85 | 84 | 1 | 98.8% | 237 | 236 | |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |

APPROPRIATION STATEMENT for the year ended 31 MARCH 2019

| Programme 2: Socioeconomic Support | | | | | | | | | |
|--------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| 2018/19 | | | | | 2017/18 | | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and subsoil assets | - | - | - | - | - | - | - | - | - |
| Intangible assets | 2 500 | (2 500) | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 336 772 | - | - | 336 772 | 334 660 | 2 112 | 99.4% | 357 502 | 356 437 |

| 2.1 Database and Benefits | | | | | | | | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| 2018/19 | | | | | 2017/18 | | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Economic classification | 12 237 | (3 561) | - | 8 676 | 6 359 | 2 317 | 73.3% | 5 547 | 5 542 |
| Current payments | 8 302 | - | - | 8 302 | 5 986 | 2 316 | 72.1% | 5 290 | 5 289 |
| Compensation of employees | 8 302 | - | - | 8 302 | 5 986 | 2 316 | 72.1% | 5 290 | 5 289 |
| Goods and services | 3 935 | (3 561) | - | 374 | 373 | 1 | 99.7% | 257 | 253 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | - | 2 | - | 2 | 2 | - | 100.0% | 2 | 2 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |

Department of Military Veterans - VOTE 19
APPROPRIATION STATEMENT for the year ended 31 MARCH 2019

| 2.1 Database and Benefits | | | | | | | | | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|--------------|---|---------------------|--------------------|--------------|
| 2018/19 | | | | | | | | | | |
| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure | 2017/18 |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - | - |
| Households | - | 2 | - | 2 | 2 | - | 100.0% | 2 | 2 | 2 |
| Payments for capital assets | 3 340 | (3 340) | - | - | - | - | - | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 840 | (840) | - | - | - | - | - | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - | - |
| Land and subsoil assets | - | - | - | - | - | - | - | - | - | - |
| Intangible assets | 2 500 | (2 500) | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - | - |
| Total | 15 577 | (6 899) | - | 8 678 | 6 361 | 2 317 | 73.3% | 5 549 | 5 544 | 5 544 |

APPROPRIATION STATEMENT for the year ended 31 MARCH 2019

| 2.2 Health Care and Wellbeing Support | | | | | | | | | | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|---------|-------|
| 2018/19 | | | | | | | | | | | |
| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure | 2017/18 | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 |
| Current payments | 64 988 | 55 185 | - | 120 173 | 120 171 | 2 | 100.0% | 66 550 | 66 580 | | |
| Compensation of employees | 9 794 | - | - | 9 794 | 10 337 | (543) | 105.5% | 8 766 | 8 764 | | |
| Goods and services | 55 194 | 55 185 | - | 110 379 | 109 834 | 545 | 99.5% | 57 784 | 57 816 | | |
| Interest and rent on land | - | - | - | - | - | - | - | - | - | | |
| Transfers and subsidies | 15 870 | (11 417) | - | 4 453 | 4 453 | - | 100.0% | 145 | 133 | | |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - | | |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - | | |
| Higher education institutions | - | - | - | - | - | - | - | - | - | | |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - | | |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - | | |
| Non-profit institutions | - | - | - | - | - | - | - | - | - | | |
| Households | 15 870 | (11 417) | - | 4 453 | 4 453 | - | 100.0% | 145 | 133 | | |
| Payments for capital assets | - | 79 | - | 79 | 78 | 1 | 98.7% | 237 | 236 | | |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - | | |
| Machinery and equipment | - | 79 | - | 79 | 78 | 1 | 98.7% | 237 | 236 | | |
| Heritage assets | - | - | - | - | - | - | - | - | - | | |
| Specialised military assets | - | - | - | - | - | - | - | - | - | | |
| Biological assets | - | - | - | - | - | - | - | - | - | | |
| Land and subsoil assets | - | - | - | - | - | - | - | - | - | | |
| Intangible assets | - | - | - | - | - | - | - | - | - | | |

Department of Military Veterans - VOTE 19
APPROPRIATION STATEMENT for the year ended 31 MARCH 2019

| 2.2 Health Care and Wellbeing Support | | | | | | | | | |
|---------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|
| 2018/19 | | | | | 2017/18 | | | | |
| 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 |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 80 858 | 43 847 | - | 124 705 | 124 702 | 3 | 100.0% | 66 932 | 66 949 |

| 2.3 Socio Economic Support Management | | | | | | | | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|-----------------|---|---------------------|--------------------|
| 2018/19 | | | | | 2018/17 | | | | |
| 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 |
| Current payments | 26 059 | 2 655 | - | 28 714 | 11 730 | 16 984 | 40.9% | 12 576 | 11 674 |
| Compensation of employees | 22 485 | - | - | 22 485 | 5 511 | 16 974 | 24.5% | 5 929 | 5 032 |
| Goods and services | 3 574 | 2 655 | - | 6 229 | 6 219 | 10 | 99.8% | 6 647 | 6 642 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 214 278 | (39 615) | - | 174 663 | 191 855 | (17 192) | 109.8% | 272 445 | 272 270 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 214 278 | (39 615) | - | 174 663 | 191 855 | (17 192) | 109.8% | 272 445 | 272 270 |

APPROPRIATION STATEMENT for the year ended 31 MARCH 2019

| 2.3 Socio Economic Support Management | | | | | | | | | | |
|---------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|--------------|---|---------------------|--------------------|-------|
| 2018/19 | | | | | | | | | | |
| 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 |
| Payments for capital assets | - | 12 | - | 12 | 12 | - | 100.0% | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | 12 | - | 12 | 12 | - | 100.0% | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - | - |
| Land and subsoil assets | - | - | - | - | - | - | - | - | - | - |
| Intangible assets | - | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - | - |
| Total | 240 337 | (36 948) | - | 203 389 | 203 597 | (208) | 100.1% | 285 021 | 283 944 | |

Department of Military Veterans - VOTE 19
APPROPRIATION STATEMENT for the year ended 31 MARCH 2019

| Programme 3: Empowerment and Stakeholder Management | | | | | | | | | |
|---|------------------------|-------------------|----------------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| 2018/19 | | | | | | | | | |
| | 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. Provincial Office and Stakeholders Relation | 59 595 | - | (3 627) | 55 968 | 36 002 | 19 966 | 64.3% | 37 694 | 34 317 |
| 2. Empowerment and Skills Development | 77 659 | (4 200) | (253) | 73 206 | 18 659 | 54 547 | 25.5% | 47 974 | 42 331 |
| 3. Heritage, Memorial, Burial and Honours | 19 496 | 4 200 | (3 140) | 20 556 | 14 585 | 5 971 | 71.0% | 30 299 | 27 895 |
| Total for sub programmes | 156 750 | - | (7 020) | 149 730 | 69 246 | 80 484 | 46.2% | 115 967 | 104 543 |
| Economic classification | | | | | | | | | |
| Current payments | 152 717 | (2 982) | (7 020) | 142 715 | 62 652 | 80 063 | 43.9% | 106 002 | 98 510 |
| Compensation of employees | 37 983 | - | - | 37 983 | 29 693 | 8 290 | 78.2% | 28 068 | 27 390 |
| Salaries and wages | 32 116 | - | - | 32 116 | 27 188 | 4 928 | 84.7% | 25 749 | 25 173 |
| Social contributions | 5 867 | - | - | 5 867 | 2 505 | 3 362 | 42.7% | 2 319 | 2 217 |
| Goods and services | 114 734 | (2 983) | (7 020) | 104 731 | 32 959 | 71 772 | 31.5% | 77 934 | 71 120 |
| Administrative fees | - | 1 598 | - | 1 598 | 1 594 | 4 | 99.7% | 2 963 | 2 957 |
| Advertising | 45 | (45) | - | - | - | - | - | 40 | - |
| Minor assets | 3 826 | (792) | - | 3 034 | 170 | 2 864 | 5.6% | 357 | 7 |
| Audit costs: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | 70 | - | - | 70 | - | 70 | - | - | - |
| Catering: Departmental activities | 3 693 | (46) | (2 526) | 1 121 | 294 | 827 | 26.2% | 356 | 340 |
| Communication | 110 | - | - | 110 | - | 110 | - | - | - |
| Computer services | 50 | - | - | 50 | - | 50 | - | - | 121 |
| Consultants: Business and advisory services | | | | | | | | | |
| Infrastructure and planning services | | | | | | | | | |

APPROPRIATION STATEMENT for the year ended 31 MARCH 2019

| Programme 3: Empowerment and Stakeholder Management | | | | | | | | | |
|--|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|
| 2018/19 | | | | | | | | | |
| | 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 |
| Laboratory services | - | - | - | - | - | - | - | - | - |
| Scientific and technological services | - | - | - | - | - | - | - | - | - |
| Legal services | - | 20 | - | 20 | 8 | 12 | 40.0% | 56 | 54 |
| Contractors | 140 | 2 079 | - | 2 219 | 2 219 | - | 100.0% | 4 190 | 4 156 |
| Agency and support / outsourced services | - | - | - | - | - | - | - | - | - |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services | 1 364 | (1 314) | - | 50 | - | 50 | - | 55 | - |
| 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 | 1 742 | 40 | - | 1 782 | 8 | 1 774 | 0.4% | 699 | 3 |
| Consumable: Stationery, printing and office supplies | 2 874 | (308) | - | 2 566 | 671 | 1 895 | 26.1% | 531 | 530 |
| Operating leases | 128 | (70) | - | 58 | - | 58 | - | - | - |

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APPROPRIATION STATEMENT for the year ended 31 MARCH 2019

| Programme 3: Empowerment and Stakeholder Management | | | | | | | | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|
| 2018/19 | | | | | | | | | |
| | 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 |
| Property payments | - | - | - | - | - | - | - | - | 263 |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | 38 223 | 2 477 | - | 40 700 | 20 123 | 20 577 | 49.4% | 39 167 | 33 713 |
| Training and development | 55 107 | (4 460) | (4 494) | 46 153 | 6 249 | 39 904 | 13.5% | 22 340 | 21 904 |
| Operating payments | 69 | 13 | - | 82 | 82 | - | 100.0% | - | - |
| Venues and facilities | 7 293 | (2 175) | - | 5 118 | 1 541 | 3 577 | 30.1% | 7 072 | 6 966 |
| Rental and hiring | - | - | - | - | - | - | - | 108 | 106 |
| Interest and rent on land | - | 1 | - | 1 | - | 1 | - | - | - |
| Interest | - | 1 | - | 1 | - | 1 | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 4 018 | 2 462 | - | 6 480 | 6 480 | - | 100.0% | 7 686 | 5 703 |
| 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 2019

| Programme 3: Empowerment and Stakeholder Management | | | | | | | | | | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|------------|---|---------------------|--------------------|---------|-------|
| 2018/19 | | | | | | | | | | 2017/18 | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure | | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 |
| Foreign governments and international organisations | - | 198 | - | 198 | 198 | - | 100.0% | - | - | - | - |
| 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 | 4 018 | 2 264 | - | 6 282 | 6 282 | - | 100.0% | 7 686 | 5 703 | - | - |
| Social benefits | 4 018 | 2 264 | - | 6 282 | 6 282 | - | 100.0% | 7 686 | 5 703 | - | - |
| Other transfers to households | - | - | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 15 | 500 | - | 515 | 94 | 421 | 18.3% | 2 279 | 330 | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 15 | 500 | - | 515 | 94 | 421 | 18.3% | 1 565 | 330 | - | - |
| Transport equipment | - | 20 | - | 20 | - | 20 | - | - | - | - | - |
| Other machinery and equipment | 15 | 480 | - | 495 | 94 | 401 | 19.0% | 1 565 | 330 | - | - |
| Heritage assets | - | - | - | - | - | - | - | 714 | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - | - | - |

APPROPRIATION STATEMENT for the year ended 31 MARCH 2019

| Programme 3: Empowerment and Stakeholder Management | | | | | | | | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|
| 2018/19 | | | | | | | | | |
| | 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 |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and subsoil assets | - | - | - | - | - | - | - | - | - |
| Intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | 20 | - | 20 | 20 | - | 100.0% | - | - |
| Total | 156 750 | - | (7 020) | 149 730 | 69 246 | 80 484 | 46.2% | 115 967 | 104 543 |

| 3.1 Provincial Offices and Stakeholder Relations | | | | | | | | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|
| 2018/19 | | | | | | | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Economic classification | | | | | | | | | |
| Current payments | 59 595 | (300) | (3 627) | 55 668 | 35 888 | 19 780 | 64.5% | 36 089 | 34 262 |
| Compensation of employees | 30 623 | - | - | 30 623 | 18 686 | 11 937 | 61.0% | 17 721 | 17 423 |
| Goods and services | 28 972 | (300) | (3 627) | 25 045 | 17 202 | 7 843 | 68.7% | 18 368 | 16 839 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | - | - | - | - | - | - | - | 55 | 55 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |

APPROPRIATION STATEMENT for the year ended 31 MARCH 2019

| 3.1 Provincial Offices and Stakeholder Relations | | | | | | | | | | |
|--|------------------------|-------------------|----------------|---------------------|--------------------|---------------|---|---------------------|--------------------|---------------|
| 2018/19 | | | | | | | | | | |
| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure | 2018/17 |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - | - |
| Households | - | - | - | - | - | - | - | 55 | 55 | 55 |
| Payments for capital assets | - | 280 | - | 280 | 94 | 186 | 33.6% | 1 550 | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | 280 | - | 280 | 94 | 186 | 33.6% | 1 550 | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - | - |
| Land and subsoil assets | - | - | - | - | - | - | - | - | - | - |
| Intangible assets | - | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | 20 | - | 20 | 20 | - | 100.0% | - | - | - |
| Total | 59 595 | - | (3 627) | 55 968 | 36 002 | 19 966 | 64.3% | 37 694 | 34 317 | 34 317 |

Department of Military Veterans - VOTE 19
APPROPRIATION STATEMENT for the year ended 31 MARCH 2019

| 3.2 Empowerment and Skills Development | | | | | | | | | |
|---|------------------------|-------------------|--------------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| 2018/19 | | | | | | | | | |
| 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 |
| Current payments | 77 644 | (4 343) | (253) | 73 048 | 18 516 | 54 532 | 25.3% | 47 959 | 42 331 |
| Compensation of employees | 2 136 | - | - | 2 136 | 7 642 | (5 506) | 357.8% | 7 962 | 7 957 |
| Goods and services | 75 508 | (4 344) | (253) | 70 911 | 10 874 | 60 037 | 15.3% | 39 997 | 34 374 |
| Interest and rent on land | - | 1 | - | 1 | - | 1 | - | - | - |
| Transfers and subsidies | - | 143 | - | 143 | 143 | - | 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 | - | 143 | - | 143 | 143 | - | 100.0% | - | - |
| Payments for capital assets | 15 | - | - | 15 | - | 15 | - | 15 | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 15 | - | - | 15 | - | 15 | - | 15 | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and subsoil assets | - | - | - | - | - | - | - | - | - |
| Intangible assets | - | - | - | - | - | - | - | - | - |

APPROPRIATION STATEMENT for the year ended 31 MARCH 2019

| 3.2 Empowerment and Skills Development | | | | | | | | | |
|---|------------------------|-------------------|----------------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| 2018/19 | | | | | | | | | |
| 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 |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 77 659 | (4 200) | (253) | 73 206 | 18 659 | 54 547 | 25.5% | 47 974 | 42 331 |
| 3.3 Heritage ,Memorial ,Burials and Honours | | | | | | | | | |
| 2018/19 | | | | | | | | | |
| 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 |
| Current payments | 15 478 | 1 661 | (3 140) | 13 999 | 8 248 | 5 751 | 58.9% | 21 954 | 21 917 |
| Compensation of employees | 5 224 | - | - | 5 224 | 3 365 | 1 859 | 64.4% | 2 385 | 2 010 |
| Goods and services | 10 254 | 1 661 | (3 140) | 8 775 | 4 883 | 3 892 | 55.6% | 19 569 | 19 907 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 4 018 | 2 319 | - | 6 337 | 6 337 | - | 100.0% | 7 631 | 5 648 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | 198 | - | 198 | 198 | - | 100.0% | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 4 018 | 2 121 | - | 6 139 | 6 139 | - | 100.0% | 7 631 | 5 648 |

Department of Military Veterans - VOTE 19
APPROPRIATION STATEMENT for the year ended 31 MARCH 2019

| 3.3 Heritage ,Memorial ,Burials and Honours | | | | | | | | | | | |
|---|------------------------|-------------------|----------------|---------------------|--------------------|--------------|---|---------------------|--------------------|---------|-------|
| 2018/19 | | | | | | | | | | | |
| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure | 2018/17 | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 |
| Payments for capital assets | - | 220 | - | 220 | - | 220 | - | 714 | 330 | | |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - | | |
| Machinery and equipment | - | 220 | - | 220 | - | 220 | - | - | 330 | | |
| Heritage assets | - | - | - | - | - | - | - | 714 | - | | |
| Specialised military assets | - | - | - | - | - | - | - | - | - | | |
| Biological assets | - | - | - | - | - | - | - | - | - | | |
| Land and subsoil assets | - | - | - | - | - | - | - | - | - | | |
| Intangible assets | - | - | - | - | - | - | - | - | - | | |
| Payments for financial assets | - | - | - | - | - | - | - | - | - | | |
| Total | 19 496 | 4 200 | (3 140) | 20 556 | 14 585 | 5 971 | 71.0% | 30 299 | 27 895 | | |

NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 MARCH 2019

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

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 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 | 140 585 | 138 072 | 2 513 | 2% |
| An overall R138.1 million (98%) spend vs. final appropriation of R140.1 million. A notable cost pressure on cost of employees due to misaligned organogram. | | | | |
| Socio Economic Support | 336 772 | 334 660 | 2 112 | 1% |
| Despite the Socio Economic Support spend of R334.7 million (99%) vs. final appropriation R336.8 million, cost pressure on Education Support and Healthcare and Wellness persists due to increased demand for these benefits. | | | | |
| Empowerment and Stakeholder Management | 149 730 | 69 246 | 80 484 | 54% |
| A less than expected spend on the Empowerment and Stakeholder Management Branch by R80.5 million (46%) was mainly driven by less than expected performance in the provisioning of Skills and Development to military veterans and their dependants. | | | | |

4.2 Per economic classification

| | Final Appropriation | Actual Expenditure | Variance | Variance as a % of Final Appropriation |
|---|---------------------|--------------------|----------|--|
| | R'000 | R'000 | R'000 | R'000 |
| Current payments | | | | |
| Compensation of employees | 122 257 | 123 788 | (1 531) | 1% |
| Goods and services | 315 973 | 212 564 | 103 409 | 33% |
| Interest and rent on land | 1 | 1 | 0 | 0 |
| Transfers and subsidies | | | | |
| Provinces and municipalities | | | | |
| Departmental agencies and accounts | | | | |
| Higher education institutions | | | | |
| Public corporations and private enterprises | | | | |

NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 MARCH 2019

4.2 Per economic classification

| | Final Appropriation | Actual Expenditure | Variance | Variance as a % of Final Appropriation |
|---|------------------------|-----------------------|----------|--|
| | R'000 | R'000 | R'000 | R'000 |
| Foreign governments and international organisations | | | | |
| Non-profit institutions | | | | |
| Households | 185 874 | 203 065 | (17 191) | (9%) |
| Payments for capital assets | | | | |
| Buildings and other fixed structures | | | | |
| Machinery and equipment | 2 961 | 2 540 | 421 | 14% |
| Heritage assets | | | | |
| Specialised military assets | | | | |
| Biological assets | | | | |
| Land and subsoil assets | | | | |
| Intangible assets | | | | |
| Payments for financial assets | 20 | 20 | 0 | 0 |

Cost of Employment overspend of R1.5 million as a result of capacity challenges due to the misaligned organogram which was temporarily addressed through contract employees. An underspend on Goods and Services was mainly related to less than expected delivery on Skills Development to military veterans and their dependants as well as reduced travel activities.

Department of Military Veterans - VOTE 19
STATEMENT OF FINANCIAL PERFORMANCE as at 31 MARCH 2019

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|---|------|------------------|------------------|
| REVENUE | | | |
| Annual appropriation | 1 | 627 087 | 622 111 |
| Statutory appropriation | | - | - |
| Departmental revenue | 2 | 53 | 2758 |
| NRF Receipts | | - | - |
| Aid assistance | | - | - |
| TOTAL REVENUE | | 627 140 | 624 869 |
| EXPENDITURE | | | |
| Current expenditure | | | |
| Compensation of employees | 3 | 123 788 | 116 242 |
| Goods and services | 4 | 212 562 | 200 245 |
| Interest and rent on land | 5 | 1 | - |
| Aid assistance | | - | - |
| Total current expenditure | | 336 351 | 316 487 |
| Transfers and subsidies | | | |
| Transfers and subsidies | 7 | 203 066 | 278 312 |
| Aid assistance | | - | - |
| Total transfers and subsidies | | 203 066 | 278 312 |
| Expenditure for capital assets | | | |
| Tangible assets | 8 | 2 540 | 6 701 |
| Intangible assets | | - | - |
| Total expenditure for capital assets | | - | - |
| Unauthorised expenditure approved without funding | | - | - |
| Payments for financial assets | 6 | 20 | - |
| TOTAL EXPENDITURE | | 541 977 | 601 500 |
| SURPLUS/(DEFICIT) FOR THE YEAR | | 85 163 | 23 369 |

Department of Military Veterans - VOTE 19
STATEMENT OF FINANCIAL PERFORMANCE as at 31 MARCH 2019

Reconciliation of Net Surplus/(Deficit) for the year

Voted funds

85 110

20 611

Annual appropriation

85 110

20 611

Conditional grants

-

-

Departmental revenue and NRF Receipts

13

53

2 758

Aid assistance

-

-

SURPLUS/(DEFICIT) FOR THE YEAR

85 163

23 369

STATEMENT OF FINANCIAL POSITION for the year ended 31 MARCH 2019

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|---|------|------------------|------------------|
| ASSETS | | | |
| Current assets | | | |
| Unauthorised expenditure | | 85 080 | 21 623 |
| Cash and cash equivalents | 9 | 77 598 | 16 077 |
| Other financial assets | | - | - |
| Prepayments and advances | 10 | 1 991 | 1 131 |
| Receivables | 11 | 5 491 | 4 415 |
| Loans | | - | - |
| Aid assistance prepayments | | - | - |
| Aid assistance receivable | | - | - |
| Non-current assets | | | |
| Investments | | - | - |
| Receivables | | - | - |
| Loans | | - | - |
| Other financial assets | | - | - |
| TOTAL ASSETS | | 85 080 | 21 623 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Voted funds to be surrendered to the Revenue Fund | 12 | 85 080 | 21 623 |
| Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund | 13 | (69) | 1 012 |
| Bank overdraft | | - | - |
| Payables | 14 | 39 | - |
| Aid assistance repayable | | - | - |
| Aid assistance unutilised | | - | - |
| Non-current liabilities | | | |
| Payables | | - | - |
| TOTAL LIABILITIES | | 85 080 | 21 623 |
| NET ASSETS | | - | - |

STATEMENT OF FINANCIAL POSITION for the year ended 31 MARCH 2019

Represented by:

Capitalisation reserve

Recoverable revenue

Retained funds

Revaluation reserves

TOTAL

| Note | 2018/19 | 2017/18 |
|------|---------|---------|
| | R'000 | R'000 |
| | | |
| | - | - |
| | - | - |
| | - | - |
| | - | - |
| | - | - |

STATEMENT OF CHANGES IN NET ASSETS for the year ended 31 MARCH 2019

| | Note | 2018/19 | 2017/18 |
|--|------|---------|---------|
| | | 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 for the year ended 31 MARCH 2019

| | Note | 2018/19 | 2017/18 |
|--|------|-----------|-----------|
| | | R'000 | R'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts | | 627 140 | 624 869 |
| Annual appropriated funds received | 1.1 | 627 087 | 622 111 |
| Statutory appropriated funds received | | - | - |
| Departmental revenue received | 2 | 53 | 2 758 |
| Interest received | | - | - |
| NRF Receipts | | - | - |
| Aid assistance received | | - | - |
| Net (increase)/decrease in working capital | | (1 897) | (1 124) |
| Surrendered to Revenue Fund | | (21 745) | (95 511) |
| Surrendered to RDP Fund/Donor | | - | - |
| Current payments | | (336 350) | (316 487) |
| Interest paid | 5 | (1) | - |
| Payments for financial assets | | (20) | - |
| Transfers and subsidies paid | | (203 066) | (278 312) |
| Net cash flow available from operating activities | 15 | 64 061 | (66 565) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Distribution/dividend received | | - | - |
| Payments for capital assets | 8 | (2 540) | (6 701) |
| 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 | | (2 540) | (6 701) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| 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 | | 61 521 | (73 266) |
| Cash and cash equivalents at beginning of period | | 16 077 | 89 343 |
| Unrealised gains and losses within cash and cash equivalents | | - | - |
| Cash and cash equivalents at end of period | 16 | 77 598 | 16 077 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019

Accounting Policies

Summary of significant accounting policies

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

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

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

| | |
|------------|--|
| 1 | <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> |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019

7.2 Departmental revenue

Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.

Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

7.3 Accrued departmental revenue

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

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

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

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

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

8 Expenditure

8.1 Compensation of employees

8.1.1 Salaries and wages

Salaries and wages are recognised in the statement of financial performance on the date of payment.

8.1.2 Social contributions

Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.

Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.

8.2 Other expenditure

Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.

8.3 Accruals and payables not recognised

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

8.4 Leases

8.4.1 Operating leases

Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.

The operating lease commitments are recorded in the notes to the financial statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019

8.4.2 Finance leases

Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.

The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.

Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

- cost, being the fair value of the asset; or
- the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

9 Aid Assistance

9.1 Aid assistance received

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

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

9.2 Aid assistance paid

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

10 Cash and cash equivalents

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

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

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

11 Prepayments and advances

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

Prepayments and advances are initially and subsequently measured at cost.

12 Loans and receivables

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

13 Investments

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

14 Financial assets

14.1 Financial assets (not covered elsewhere)

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

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019

14.2 Impairment of financial assets

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

15 Payables

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

16 Capital Assets

16.1 Immovable capital assets

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.

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

Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.

16.2 Movable capital assets

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

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

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

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

Biological assets are subsequently carried at fair value. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

16.3 Intangible assets

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

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

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

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

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

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

16.4 Project Costs: Work-in-progress

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

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

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019

| | |
|-------------|---|
| 17 | Provisions and Contingents |
| 17.1 | <p>Provisions</p> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past 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> |
| 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> |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019

| | |
|-----------|---|
| 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> |
| 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> |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019

28 Inventories

At the date of acquisition, inventories are recognised at cost in the statement of financial performance.

Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.

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.

The cost of inventories is assigned by using the weighted average cost basis.

29 Public-Private Partnerships

Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.

A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.

30 Employee benefits

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019

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:

| | 2018/19 | | | 2017/18 | |
|--|---------------------|-----------------------|----------------------------------|---------------------|------------------------|
| | Final Appropriation | Actual Funds Received | Funds not requested/not received | Final Appropriation | Appropriation received |
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Administration | 140 585 | 140 585 | - | 149 818 | 149 818 |
| Socio Economic Support | 336 772 | 336 772 | - | 307 381 | 307 381 |
| Empowerment and Stakeholder Management | 149 730 | 149 730 | - | 164 912 | 164 912 |
| Total | 627 087 | 627 087 | - | 622 111 | 622 111 |

2. Departmental revenue

| | Note | 2018/19 | 2017/18 |
|---|------|-----------|--------------|
| | | R'000 | R'000 |
| Tax revenue | | - | - |
| Sales of goods and services other than capital assets | 2.1 | 36 | 32 |
| Fines, penalties and forfeits | | - | - |
| Interest, dividends and rent on land | | - | - |
| Sales of capital assets | | - | - |
| Transactions in financial assets and liabilities | 2.2 | 17 | 2 726 |
| Transfer received | | - | - |
| Total revenue collected | | 53 | 2 758 |
| Less: Own revenue included in appropriation | | - | - |
| Departmental revenue collected | | 53 | 2 758 |

- 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019

2.1 Sales of goods and services other than capital assets

| | Note | 2018/19 | 2017/18 |
|--|------|-----------|-----------|
| | 3 | R'000 | R'000 |
| Sales of goods and services produced by the department | | 36 | 32 |
| Sales by market establishment | | | - |
| Administrative fees | | | - |
| Other sales | | 36 | 32 |
| Sales of scrap, waste and other used current goods | | - | - |
| Total | | 36 | 32 |

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

2.2 Transactions in financial assets and liabilities

| | Note | 2018/19 | 2017/18 |
|--|------|-----------|--------------|
| | 3 | R'000 | R'000 |
| Loans and advances | | - | - |
| Receivables | | - | - |
| Forex gain | | - | - |
| Stale cheques written back | | - | - |
| Other Receipts including Recoverable Revenue | | 17 | 2 726 |
| Gains on GFECRA | | - | - |
| Total | | 17 | 2 726 |

- Revenue generated during 2017/18 financial was mainly related to credit notes processed related travel for employee and non-employees, predominantly South African National Military Veterans Association.

3. Compensation of employees

3.1 Salaries and Wages

| | Note | 2018/19 | 2017/18 |
|----------------------------------|------|----------------|----------------|
| | | R'000 | R'000 |
| Basic salary | | 85 918 | 79 502 |
| Performance award | | 2 146 | 947 |
| Service Based | | 42 | 9 |
| Compensative/circumstantial | | 2 618 | 5 208 |
| Periodic payments | | 1 108 | 394 |
| Other non-pensionable allowances | | 22 136 | 21 081 |
| Total | | 113 968 | 107 141 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019

- "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.
- Sharp increase on "Performance Award" of R2.1 million is as a result of paying performance bonuses related to the previous two financial years.

3.2 Social contributions

| | Note | 2018/19 | 2017/18 |
|--|------|--------------|--------------|
| | | R'000 | R'000 |
| Employer contributions | | | |
| Pension | | 8 475 | 7 751 |
| Medical | | 1 327 | 1 333 |
| UIF | | - | - |
| Bargaining council | | 18 | 17 |
| Official unions and associations | | - | - |
| Insurance | | - | - |
| Total | | 9 820 | 9 101 |
| Total compensation of employees | | | |
| Average number of employees | | 230 | 237 |

4. Goods and services

| | Note | 2018/19 | 2017/18 |
|---|------|---------|---------|
| | | R'000 | R'000 |
| Administrative fees | | 3 008 | 5 868 |
| Advertising | | 2 097 | 2 633 |
| Minor assets | 4.1 | 198 | 110 |
| Bursaries (employees) | | 854 | 452 |
| Catering | | 593 | 430 |
| Communication | | 5 358 | 5 824 |
| Computer services | 4.2 | 14 530 | 21 033 |
| Consultants: Business and advisory services | | 1 218 | 904 |
| Infrastructure and planning services | | - | - |
| Laboratory services | | - | - |
| Scientific and technological services | | - | - |
| Legal services | | 983 | 550 |
| Contractors | | 107 648 | 55 948 |
| Agency and support / outsourced services | | 2 219 | 4156 |
| Entertainment | | - | - |
| Audit cost – external | 4.3 | 5 777 | 6 658 |
| Fleet services | | 1 876 | 1 820 |
| Inventory | | - | - |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019

| | Note | 2018/19 | 2017/18 |
|---|------|----------------|----------------|
| | | R'000 | R'000 |
| Consumables | 4.4 | 3 380 | 2 468 |
| Housing | | - | - |
| Operating leases | | 16 771 | 15 460 |
| Property payments | 4.5 | 2 978 | 2 740 |
| Rental and hiring | | - | 106 |
| Transport provided as part of the departmental activities | | - | - |
| Travel and subsistence | 4.6 | 34 333 | 43 536 |
| Venues and facilities | | 1 674 | 7 089 |
| Training and development | | 6 833 | 22 382 |
| Other operating expenditure | 4.7 | 234 | 78 |
| Total | | 212 562 | 200 245 |

- Administrative fee relates to travel agency fees and bank charges.
- Contractors spend of R107 605 000 is mainly related to Health Services to Military Veterans with sharp increase due to settlement of accruals from the previous financial year coupled with increased demand for Healthcare and Wellness as a benefit.
- 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 and development support to military veterans and their beneficiaries and mandatory training and development of DMV officials. Sharp decrease on "Training and Development" is related to lower than achievement on the provisioning this service to military veterans and their dependants.

4.1 Minor assets

| | Note | 2018/19 | 2017/18 |
|---|------|------------|------------|
| | 4 | R'000 | R'000 |
| Tangible assets | | 198 | 110 |
| Buildings and other fixed structures | | - | - |
| Biological assets | | - | - |
| Heritage assets | | - | - |
| Machinery and equipment | | 198 | 110 |
| Transport assets | | - | - |
| Specialised military assets | | - | - |
| Intangible assets | | - | - |
| Software | | - | - |
| Mastheads and publishing titles | | - | - |
| Patents, licences, copyright, brand names, trademarks | | - | - |
| Recipes, formulae, prototypes, designs, models | | - | - |
| Services and operating rights | | - | - |
| Total | | 198 | 110 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019

4.2 Computer services

| |
|-------------------------------------|
| SITA computer services |
| External computer service providers |
| Total |

| Note | 2018/19 | 2017/18 |
|------|---------------|---------------|
| 4 | R'000 | R'000 |
| | 14 530 | 20 912 |
| | | 121 |
| | 14 530 | 21 033 |

4.3 Audit cost – External

| |
|----------------------|
| Regularity audits |
| Performance audits |
| Investigations |
| Environmental audits |
| Computer audits |
| Total |

| Note | 2018/19 | 2017/18 |
|------|--------------|--------------|
| 4 | R'000 | R'000 |
| | 5 687 | 6 280 |
| | - | - |
| | 90 | 378 |
| | - | - |
| | - | - |
| | 5 777 | 6 658 |

4.4 Consumables

| |
|--|
| Consumable supplies |
| Uniform and clothing |
| Household supplies |
| Building material and supplies |
| Communication accessories |
| IT consumables |
| Other consumables |
| Stationery, printing and office supplies |
| Total |

| Note | 2018/19 | 2017/18 |
|------|--------------|--------------|
| 4 | R'000 | R'000 |
| | 186 | 178 |
| | - | - |
| | 119 | 138 |
| | 25 | 6 |
| | - | - |
| | 13 | 30 |
| | 29 | 4 |
| | 3 194 | 2 290 |
| | 3 380 | 2 468 |

4.5 Property payments

| |
|----------------------------------|
| Municipal services |
| Property management fees |
| Property maintenance and repairs |
| Other |
| Total |

| Note | 2018/19 | 2017/18 |
|------|--------------|--------------|
| 4 | R'000 | R'000 |
| | 1 244 | 1 290 |
| | - | - |
| | 295 | 2 |
| | 1 439 | 1 448 |
| | 2 978 | 2 740 |

- Property other includes security services of R1 439 000

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019

4.6 Travel and subsistence

| | Note | 2018/19 | 2017/18 |
|--------------|------|---------------|---------------|
| | 4 | R'000 | R'000 |
| Local | | 32 866 | 42 205 |
| Foreign | | 1 467 | 1 331 |
| Total | | 34 333 | 43 536 |

- T&S relates mainly to travel by DMV officials and external stakeholders such as SAMNVA, Advisory Council and Appeals Board. The sharp decline is also attributable to application of cost containment measures.

4.7 Other operating expenditure

| | Note | 2018/19 | 2017/18 |
|---|------|------------|-----------|
| | 4 | R'000 | R'000 |
| Professional bodies, membership and subscription fees | | - | 7 |
| Resettlement costs | | 177 | 41 |
| Other | | 57 | 30 |
| Total | | 234 | 78 |

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

5. Interest and rent on land

| | Note | 2018/19 | 2017/18 |
|---------------|------|----------|----------|
| | | R'000 | R'000 |
| Interest paid | | 1 | - |
| Rent on land | | - | - |
| Total | | 1 | - |

- Mainly attributable to penalties for late payment of invoices to a service provider

6. Payments for financial assets

| | Note | 2018/19 | 2017/18 |
|--|------|---------|---------|
| | | R'000 | R'000 |
| Material losses through criminal conduct | | - | - |
| Theft | | - | - |
| Other material losses | | - | - |
| Purchase of equity | | - | - |
| Extension of loans for policy purposes | | - | - |
| Other material losses written off | | - | - |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|-------------------|------|------------------|------------------|
| Debts written off | 6.1 | 20 | - |
| Forex losses | | - | - |
| Debt take overs | | - | - |
| Losses on GFECRA | | - | - |
| Total | | 20 | - |

6.1 Debts written off

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|------------------------------------|------|------------------|------------------|
| Nature of debts written off | 6 | | |
| Irregular expenditure written off | | - | - |
| Total | | - | - |
| Recoverable revenue written off | | - | - |
| Total | | - | - |
| Other debt written off | | | |
| Recoverable expenditure | | 20 | - |
| Total | | 20 | - |
| Total debt written off | | 20 | - |

- The debt has become irrecoverable hence the write off.

7. Transfers and subsidies

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|---|----------|------------------|------------------|
| Provinces and municipalities | | | - |
| Departmental agencies and accounts | Annex 1B | - | - |
| Higher education institutions | Annex 1C | - | - |
| Foreign governments and international organisations | Annex 1E | 198 | - |
| Public corporations and private enterprises | Annex 1D | - | - |
| Non-profit institutions | Annex 1F | - | - |
| Households | Annex 1G | 202 868 | 278 312 |
| Total | | 203 066 | 278 312 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019

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

| | Voted funds | Aid assistance | Total |
|---|--------------|----------------|--------------|
| | R'000 | R'000 | R'000 |
| Tangible assets | 2 540 | - | 2 540 |
| Buildings and other fixed structures | - | - | - |
| Heritage assets | - | - | - |
| Machinery and equipment | 2 540 | - | 2 540 |
| 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 | 2 540 | - | 2 540 |

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

| | 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 for the year ended 31 MARCH 2019

8.3 Finance lease expenditure included in Expenditure for capital assets

| | Note | 2018/19 | 2017/18 |
|--------------------------------------|------|------------|--------------|
| | | R'000 | R'000 |
| Tangible assets | | | |
| Buildings and other fixed structures | | | - |
| Heritage assets | | | - |
| Machinery and equipment | | 947 | 3 488 |
| Specialised military assets | | | - |
| Land and subsoil assets | | | - |
| Biological assets | | | - |
| Total | | 947 | 3 488 |

9. Cash and cash equivalents

| | Note | 2018/19 | 2017/18 |
|--|------|---------------|---------------|
| | | R'000 | R'000 |
| Consolidated Paymaster General Account | | 159 898 | 34 210 |
| Cash receipts | | - | - |
| Disbursements | | (82 301) | (18 141) |
| Cash on hand | | 1 | 8 |
| Investments (Domestic) | | - | - |
| Investments (Foreign) | | - | - |
| Total | | 77 598 | 16 077 |

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

10. Prepayments and advances

| | Note | 2018/19 | 2017/18 |
|------------------------------|------|--------------|--------------|
| | | R'000 | R'000 |
| Staff advances | | - | - |
| Travel and subsistence | | 147 | 104 |
| Prepayments (Not expensed) | | - | - |
| Advances paid (Not expensed) | 10.1 | 1 844 | 1 027 |
| SOCPEN advances | | - | - |
| Total | | 1 991 | 1 131 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019

10.1 Advances paid (Not expensed)

| Note | Balance as at 1 April 2018 | Less: Amount expensed in current year | Add or Less: Other | Add: Current Year advances | Balance as at 31 March 2019 |
|------------------------|-------------------------------|---|-----------------------|----------------------------------|-----------------------------------|
| 10 | R'000 | R'000 | R'000 | R'000 | R'000 |
| National departments | 1 027 | (1 907) | - | 2 724 | 1 844 |
| Provincial departments | | | | | - |
| Public entities | | | | | - |
| Other entities | | | | | - |
| Total | 1 027 | (1 907) | - | 2 724 | 1 844 |

- This denotes funds paid in advance to GCIS for advertising and media campaigns related to activities of the department.

| Note | Balance as at 1 April 2017 | Less: Amount expensed in current year | Add or Less: Other | Add: Current Year advances | Balance as at 31 March 2018 |
|------------------------|-------------------------------|---|-----------------------|----------------------------------|-----------------------------------|
| 10 | R'000 | 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 |

11. Receivables

| | Note | 2018/19 | | | 2017/18 | | |
|------------------------------------|------|--------------|-------------|--------------|--------------|-------------|--------------|
| | | Current | Non-current | Total | Current | Non-current | Total |
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Claims recoverable | 11.1 | 311 | - | 311 | - | - | - |
| Trade receivables | | | | - | - | - | - |
| Recoverable expenditure | 11.2 | 47 | - | 47 | 24 | - | 24 |
| Staff debt | 11.3 | | | - | 75 | - | 75 |
| Fruitless and wasteful expenditure | 11.4 | 1 521 | - | 1 521 | 1 373 | - | 1 373 |
| Other debtors | 11.5 | 3 612 | - | 3 612 | 2 943 | - | 2 943 |
| Total | | 5 491 | - | 5 491 | 4 415 | - | 4 415 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019

11.1 Claims recoverable

National departments
 Provincial departments
 Foreign governments
 Public entities
 Private enterprises
 Higher education institutions
 Households and non-profit institutions
 Local governments

Total

| Note | 2018/19 | 2017/18 |
|----------------|------------|----------|
| 11 and Annex 4 | R'000 | R'000 |
| | 311 | - |
| | - | - |
| | - | - |
| | - | - |
| | - | - |
| | - | - |
| | - | - |
| | - | - |
| | - | - |
| | 311 | - |

- Confirmed claims with National Departments as captured under Annexure 4.

11.2 Recoverable expenditure (disallowance accounts)

Debt Account
 Debt Receivable Income

Total

| Note | 2018/19 | 2017/18 |
|------|-----------|-----------|
| 11 | R'000 | R'000 |
| | 73 | 24 |
| | (26) | - |
| | 47 | 24 |

11.3 Staff debt

Sal Reversal Control
 Sal Tax Debt
 Sal Deduction Disallowance Account
 Pension Recoverable Account

Total

| Note | 2018/19 | 2017/18 |
|------|----------|-----------|
| 11 | R'000 | R'000 |
| | - | 58 |
| | - | 13 |
| | - | 1 |
| | - | 3 |
| | - | 75 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019**11.4 Other debtors**

| | Note | 2018/19 | 2017/18 |
|-------------------------|------|--------------|--------------|
| | | R'000 | R'000 |
| Disall Damages & Losses | | 3 612 | 2 943 |
| Total | | 3 612 | 2 943 |

- 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 stakeholder's debt has been escalated to the Accounting Officer for intervention.

11.5 Fruitless and wasteful expenditure

| | Note | 2018/19 | 2017/18 |
|---|------|--------------|--------------|
| | 11 | R'000 | R'000 |
| Opening balance | | 1 373 | 1 047 |
| Less amounts recovered | | - | - |
| Less amounts written off | | - | - |
| Transfers from note 32 Fruitless and Wasteful Expenditure | | 148 | 326 |
| Interest | | - | - |
| Total | | 1 521 | 1 373 |

- This payments refer to instances where bookings related to travel and accommodation where service recipients do not show up. The Department is continuously addressing recovery or condonement of the transactions.

11.6 Impairment of receivables

| | Note | 2018/19 | 2017/18 |
|---------------------------------------|------|--------------|----------|
| | | R'000 | R'000 |
| Estimate of impairment of receivables | | 3 740 | - |
| Total | | 3 740 | - |

- Amount of R2 811 000 relates to accidents and damages on hired vehicles related to external stakeholders.
- Amount of R929 000 relates to travel and accommodation where service recipients do not show up.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019

12. Voted funds to be surrendered to the Revenue Fund

| Note | 2018/19 | 2017/18 |
|---|---------------|---------------|
| | R'000 | R'000 |
| Opening balance | 20 611 | 93 644 |
| Prior period error | - | - |
| As restated | 20 611 | 93 644 |
| Transfer from statement of financial performance (as restated) | 85 110 | 20 611 |
| 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 | (20 611) | (93 644) |
| Closing balance | 85 110 | 20 611 |

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

| Note | 2018/19 | 2017/18 |
|--|-------------|--------------|
| | R'000 | R'000 |
| Opening balance | 1 012 | 121 |
| Prior period error | - | - |
| As restated | 1 012 | 121 |
| Transfer from Statement of Financial Performance (as restated) | 53 | 2 758 |
| Own revenue included in appropriation | - | - |
| Transfer from aid assistance | - | - |
| Transfer to voted funds to defray expenditure (Parliament/Legislatures ONLY) | - | - |
| Paid during the year | (1 134) | (1 867) |
| Closing balance | (69) | 1 012 |

14. Payables – current

| Note | 2018/19 | 2017/18 |
|---------------------------------|-----------|----------|
| | R'000 | R'000 |
| Amounts owing to other entities | - | - |
| Advances received | - | - |
| Clearing accounts | 14.1 39 | - |
| Other payables | - | - |
| Total | 39 | - |

- Salaries: Income tax – this is income tax for employees payable to SARS as at 31 March 2019 but was paid in April 2019, timing difference

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019

14.1 Clearing accounts

| Note | 2018/19 | 2017/18 |
|--------------------|-----------|----------|
| | R'000 | R'000 |
| Sal Income Tax: CL | 39 | - |
| Total | 39 | - |

- Salaries: Income tax – this is income tax for employees payable to SARS as at 31 March 2019 but was paid in April 2019, timing difference

15. Net cash flow available from operating activities

| Note | 2018/19 | 2017/18 |
|--|---------------|-----------------|
| | R'000 | R'000 |
| Net surplus/(deficit) as per Statement of Financial Performance | 85 163 | 23 369 |
| Add back non cash/cash movements not deemed operating activities | (21 102) | (89 934) |
| (Increase)/decrease in receivables | (1 076) | (1 396) |
| (Increase)/decrease in prepayments and advances | (860) | 314 |
| (Increase)/decrease in other current assets | - | - |
| Increase/(decrease) in payables – current | 39 | (42) |
| Proceeds from sale of capital assets | - | - |
| Proceeds from sale of investments | - | - |
| (Increase)/decrease in other financial assets | - | - |
| Expenditure on capital assets | 2 540 | 6 701 |
| Surrenders to Revenue Fund | (21 745) | (95 511) |
| 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 | 64 061 | (66 565) |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019

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

| | Note | 2018/19 | 2017/18 |
|--|------|---------------|---------------|
| | | R'000 | R'000 |
| Consolidated Paymaster General Account | | 159 898 | 34 210 |
| Fund requisition account | | - | - |
| Cash receipts | | - | - |
| Disbursements | | (82 301) | (18 141) |
| Cash on hand | | 1 | 8 |
| Investments (Domestic) | | - | - |
| Investments (Foreign) | | - | - |
| Total | | 77 598 | 16 077 |

- Petty Cash account balance is affected by bank charges.
- Disbursements of R82 301 000 indicative of payments captured and disbursed on the last days of March 2019.

17. Contingent liabilities and contingent assets

17.1 Contingent liabilities

| | Note | 2018/19 | 2017/18 |
|---|---------------|----------------|----------------|
| | | R'000 | R'000 |
| Liable to | Nature | | |
| Motor vehicle guarantees | Employees | - | - |
| Housing loan guarantees | Employees | - | - |
| Other guarantees | | - | - |
| Claims against the department | Annex 3B | 205 921 | 205 117 |
| Intergovernmental payables (unconfirmed balances) | Annex 5 | 37 120 | 46 420 |
| Environmental rehabilitation liability | | - | - |
| Other | | - | - |
| Total | | 243 041 | 251 537 |

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019**17.2 Contingent assets**

| Note | 2018/19 | 2017/18 |
|---|--------------|----------|
| | R'000 | R'000 |
| Nature of contingent asset | | |
| African College of Aviation-Breach of Contract | 243 | - |
| Bakoena Entertainment and events Breach of Contract | 745 | - |
| Gautayatam-Breach of Contract | 693 | - |
| Total | 1 681 | - |

- Legal Services is engaging with the parties concerned to recover the related contingent debts

18. Commitments

| Note | 2018/19 | 2017/18 |
|---------------------------------|--------------|--------------|
| | R'000 | R'000 |
| Current expenditure | | |
| Approved and contracted | 1 735 | 3 027 |
| Approved but not yet contracted | - | - |
| | 1 735 | 3 027 |
| Capital expenditure | | |
| Approved and contracted | 788 | 201 |
| Approved but not yet contracted | - | - |
| | 788 | 201 |
| Total Commitments | 2 523 | 3 228 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019

19. Accruals and payables not recognised
19.1 Accruals

| | 2018/19 | | | 2017/18 |
|--|----------------|-----------------|----------------|---------------|
| | | | R'000 | R'000 |
| Listed by economic classification | | | | |
| | 30 Days | 30+ Days | Total | Total |
| Goods and services | 1 131 | - | 1 131 | 773 |
| Interest and rent on land | - | - | - | - |
| Transfers and subsidies | 65 664 | 50 211 | 115 875 | 90 921 |
| Capital assets | - | - | - | - |
| Other | 157 | 1 336 | 1 493 | 149 |
| Total | 66 952 | 51 547 | 118 499 | 91 843 |

| | Note | 2018/19 | 2017/18 |
|---------------------------------------|------|----------------|---------------|
| | | R'000 | R'000 |
| Listed by programme level | | | |
| Administration | | 2 624 | 749 |
| Socio Economic Stakeholder Management | | 115 875 | 90 921 |
| Empower and stakeholder Management | | - | 173 |
| Total | | 118 499 | 91 843 |

- Prior Year correction: These are prior year errors on accruals related to payment due to Provinces on houses delivered to Military Veterans. The accruals amount was disclosed under intergovernmental payables unconfirmed balances.
- An amount of R1493 000 is related to the ADG salary payment currently not claimed.
- Amount of R36 153 000 is for houses built for Military Veterans by Provinces but not yet invoice DMV.
- Amount of R14 058 000 is related to 2018 academic year approved education support benefits.
- Amount of R65 664 000 is related to 2019 academic year approved education support benefits.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019

19.2 Payables not recognised

| | | | 2018/19 | 2017/18 |
|--|----------------|-----------------|---------------|---------------|
| | | | R'000 | R'000 |
| Listed by economic classification | | | | |
| | 30 Days | 30+ Days | Total | Total |
| Goods and services | 4 291 | 59 912 | 64 203 | 34 463 |
| Interest and rent on land | - | - | - | - |
| Transfers and subsidies | 5 330 | 4 698 | 10 028 | 19 473 |
| Capital assets | - | - | - | - |
| Other | - | 23 | 23 | 1 541 |
| Total | 9 621 | 64 633 | 74 254 | 55 477 |

Listed by programme level

| | Note | 2018/19 | 2017/18 |
|--|------|---------------|---------------|
| | | R'000 | R'000 |
| Administration | | 3 264 | 6 636 |
| Socio Economic Support | | 65 992 | 44 038 |
| Empowerment and Stakeholder Management | | 4 998 | 4 803 |
| Total | | 74 254 | 55 477 |

Included in the above totals are the following:

| | Note | 2018/19 | 2017/18 |
|---|---------|---------------|---------------|
| | | R'000 | R'000 |
| Confirmed balances with other departments | Annex 5 | 56 053 | 23 954 |
| Confirmed balances with other government entities | Annex 5 | - | - |
| Total | | 56 053 | 23 954 |

- Amount of R55 399 000 is related to confirmed balances for medical support benefits.

20. Employee benefits

| | Note | 2018/19 | 2017/18 |
|--------------------------|------|---------------|---------------|
| | | R'000 | R'000 |
| Leave entitlement | | 6 005 | 6 267 |
| Service bonus | | 2 712 | 2 233 |
| Performance awards | | 1 834 | 1 707 |
| Capped leave commitments | | 881 | 814 |
| Other | | | |
| Total | | 11 432 | 11 021 |

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019

21. Lease commitments

21.1 Operating leases

| 2018/19 | Specialised military equipment | Land | Buildings and other fixed structures | Machinery and equipment | Total |
|--|--------------------------------|-------|--------------------------------------|-------------------------|--------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Not later than 1 year | - | - | 1 315 | 126 | 1 441 |
| Later than 1 year and not later than 5 years | - | - | 1 646 | 73 | 1 719 |
| Later than five years | - | - | - | - | - |
| Total lease commitments | - | - | 2 961 | 199 | 3 160 |

| 2017/18 | Specialised military equipment | Land | Buildings and other fixed structures | Machinery and equipment | Total |
|--|--------------------------------|-------|--------------------------------------|-------------------------|---------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Not later than 1 year | - | - | 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 |

21.2 Finance leases **

| 2018/19 | Specialised military equipment | Land | Buildings and other fixed structures | Machinery and equipment | Total |
|--|--------------------------------|-------|--------------------------------------|-------------------------|------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Not later than 1 year | - | - | - | - | - |
| Later than 1 year and not later than 5 years | - | - | - | - | - |
| Later than five years | - | - | - | - | - |
| Total lease commitments | - | - | - | - | - |
| 2017/18 | Specialised military equipment | Land | Buildings and other fixed structures | Machinery and equipment | Total |
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Not later than 1 year | - | - | - | 175 | 175 |
| Later than 1 year and not later than 5 years | - | - | - | - | - |
| Later than five years | - | - | - | - | - |
| Total lease commitments | - | - | - | 175 | 175 |

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019

22. Irregular expenditure

22.1 Reconciliation of irregular expenditure

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|--|------|------------------|------------------|
| Opening balance | | 103 544 | 82 269 |
| Prior period error | | - | - |
| As restated | | 103 544 | 82 269 |
| Add: Irregular expenditure – relating to prior year | | - | - |
| Add: Irregular expenditure – relating to current year | | 10 886 | 21 275 |
| Less: Prior year amounts condoned | | - | - |
| Less: Current year amounts condoned | | - | - |
| Less: Amounts not condoned and recoverable | 15 | - | - |
| Less: Amounts not condoned and not recoverable | | - | - |
| Closing balance | | 114 430 | 103 544 |
| Analysis of awaiting condonation per age classification | | | |
| Current year | | 10 886 | 21 275 |
| Prior years | | 103 544 | 82 269 |
| Total | | 114 430 | 103 544 |

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

| Incident | Disciplinary steps taken/criminal proceedings | 2018/19 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 | 9 355 |
| Overspend on compensation of employees | Financial misconduct panel to make consideration for proper sensation and possible condonation | 1 531 |
| Total | | 10 886 |

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

| Incident | 2018/19 R'000 |
|--|------------------|
| Eaton Hall Hotel - emergency Housing for Mboweni, Majozi, Kume for month of June 2018 | 33 |
| Eros Florist - procurement of wreath for Kimberly in February 2018 | 2 |
| Carany Catering - catering services for PILIR | 4 |
| SITA-Procurement of laptop | 40 |
| DPW - Head Office rental payment after contract has elapsed. There is no written approval for extension. | 2 751 |
| Total | 2 830 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019

23. Fruitless and wasteful expenditure
23.1 Reconciliation of fruitless and wasteful expenditure

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|---|------|------------------|------------------|
| Opening balance | | 5 074 | 3 193 |
| Prior period error | | | - |
| As restated | | 5 074 | 3 193 |
| Fruitless and wasteful expenditure – relating to prior year | | | - |
| Fruitless and wasteful expenditure – relating to current year | | 172 | 3 060 |
| Less: Amounts resolved | | | (853) |
| Less: Amounts transferred to receivables for recovery | 11.5 | (148) | (326) |
| Closing balance | | 5 098 | 5 074 |

23.2 Analysis of awaiting resolution per economic classification

| | 2018/19 R'000 | 2017/18 R'000 |
|-------------------------|------------------|------------------|
| Current | 5 098 | 5 074 |
| Capital | - | - |
| Transfers and subsidies | - | - |
| Total | 5 098 | 5 074 |

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

| Incident | Disciplinary steps taken/criminal proceedings | 2018/19 R'000 |
|--|--|------------------|
| 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 | 148 |
| Logis mainframe payment where the system is not in use | A project is underway to implement LOGIS | 23 |
| Interest paid on overdue medical payment and training and development payment | Ensure that medical payment and training and development payment is paid before interest is incurred | 1 |
| Total | | 172 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019

In kind goods and services provided/received

List in kind goods and services between the department and the related party

Total

| Note | 2018/19 |
|--------------|---------|
| | R'000 |
| | - |
| Total | - |

List related party relationships

As at 31 March 2019 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.

25. Key management personnel

Political office bearers (provide detail below)

Officials:

Level 15 to 16

Level 14 (incl CFO if at a lower level)

Family members of key management personnel

Total

| No. of Individuals | 2018/19 | 2017/18 |
|--------------------|---------------|---------------|
| | R'000 | R'000 |
| | | |
| 2 | 2 935 | 2 750 |
| 9 | 9 030 | 9 335 |
| | - | - |
| | - | - |
| Total | 11 965 | 12 085 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019

Key management personnel (Parliament/Legislatures)

| | No. of Individuals | 2018/19 | 2017/18 |
|---|-----------------------|---------|---------|
| | | 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 | | - | - |

26. Non-adjusting events after reporting date
Nature of event

There are no non-adjusting events identify after the reporting date.

Total

| 2018/19 |
|---------|
| R'000 |
| - |
| - |

27. Movable Tangible Capital Assets
MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

| | Opening balance | Value adjustments | Additions | Disposals | Closing Balance |
|--|--------------------|----------------------|--------------|--------------|--------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| HERITAGE ASSETS | - | - | - | - | - |
| Heritage assets | - | - | - | - | - |
| MACHINERY AND EQUIPMENT | 25 512 | - | 2 675 | 2 880 | 25 307 |
| Transport assets | - | - | 6 | - | 6 |
| Computer equipment | 9 372 | - | 1 433 | 71 | 10 734 |
| Furniture and office equipment | 7 870 | - | 77 | 381 | 7 566 |
| Other machinery and equipment | 8 270 | - | 1 159 | 2 428 | 7 001 |
| SPECIALISED MILITARY ASSETS | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - |
| BIOLOGICAL ASSETS | - | - | - | - | - |
| Biological assets | - | - | - | - | - |
| TOTAL MOVABLE TANGIBLE CAPITAL ASSETS | 25 512 | - | 2 675 | 2 880 | 25 307 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019

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 | 742 | 6 712 |
| Specialised military assets | | |
| Biological assets | | |

- 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.
- FY2013/14 assets under investigation = 121 with an amount of R1 260 283
- FY2014/15 assets under investigation = 97 with an amount of R 1 586 762
- FY2015/16 assets under investigation = 60 with an amount of R840 019
- FY2016/17 assets under investigation = 8 with an amount of R121 592
- FY17/18 assets under investigation = 40 with an amount of R568 862.
- FY18/19 assets under investigation = 186 with an amount of R1 082 000 being cell phones previously on contract but due for upgrade.
- FY18/19 asset under investigation = 1 lost laptop amounting to R39 802
- The total value of assets under investigation is R6 712 000 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.

27.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

| | Cash* | Non-cash** | (Capital Work in Progress current costs and finance lease payments) | Received current, not paid (Paid current year, received prior year) | Total |
|------------------------------------|--------------|--------------|---|---|--------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| HERITAGE ASSETS | - | - | - | - | - |
| Heritage assets | - | - | - | - | - |
| MACHINERY AND EQUIPMENT | 2 540 | 1 082 | (947) | - | 2 675 |
| Transport assets | 6 | - | - | - | 6 |
| Computer equipment | 1 433 | - | - | - | 1 433 |
| Furniture and office equipment | 77 | - | - | - | 77 |
| Other machinery and equipment | 1 024 | 1 082 | (947) | - | 1 159 |
| SPECIALISED MILITARY ASSETS | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

| | Cash* | Non-cash** | (Capital Work in Progress current costs and finance lease payments) | Received current, not paid (Paid current year, received prior year) | Total |
|---|--------------|--------------|---|---|--------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| BIOLOGICAL ASSETS | - | - | - | - | - |
| Biological assets | - | - | - | - | - |
| TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS | 2 540 | 1 082 | (947) | - | 2 675 |

- Amount of R1 082 000 being cell phones previously leased.

27.2 Disposals
DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

| | Sold for cash | Non-cash disposal | Total disposals | Cash Received Actual |
|--|---------------|-------------------|-----------------|----------------------|
| | R'000 | R'000 | R'000 | R'000 |
| HERITAGE ASSETS | - | - | - | - |
| Heritage assets | - | - | - | - |
| MACHINERY AND EQUIPMENT | - | 2 880 | 2 880 | |
| Transport assets | - | - | - | - |
| Computer equipment | - | 71 | 71 | - |
| Furniture and office equipment | - | 381 | 381 | - |
| Other machinery and equipment | - | 2 428 | 2 428 | - |
| SPECIALISED MILITARY ASSETS | - | - | - | |
| Specialised military assets | - | - | - | - |
| BIOLOGICAL ASSETS | - | - | - | |
| Biological assets | - | - | - | - |
| TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS | - | 2 880 | 2 880 | - |

- These are Health Assets transferred to Military Veterans.
- Assets transferred to The Castle Control Board to establish and furnish the Heritage and Memorialisation Centre for Military Veterans.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019

27.3 Movement for 2017/18

| MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018 | | | | | | |
|---|-----------------|--------------------|--------------|------------|-----------------|--|
| | Opening balance | Prior period error | Additions | Disposals | Closing Balance | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | |
| 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 | |

27.4 Minor assets

| MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2019 | | | | | | |
|--|-----------------------------|-------------------|-----------------|-------------------------|-------------------|--------------|
| | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Opening balance | - | 17 | - | 6 215 | - | 6 232 |
| Value adjustments | - | - | - | - | - | - |
| Additions | - | - | - | 198 | - | 198 |
| Disposals | - | (12) | - | (1 134) | - | (1 146) |
| TOTAL MINOR ASSETS | - | 5 | - | 5 279 | - | 5 284 |

| | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total |
|-------------------------------------|-----------------------------|-------------------|-----------------|-------------------------|-------------------|-----------|
| Number of R1 minor assets | - | - | - | - | - | - |
| Number of minor assets at cost | - | - | - | 98 | - | 98 |
| TOTAL NUMBER OF MINOR ASSETS | - | - | - | 98 | - | 98 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019

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
- FY2013/14 assets under investigation = 128 amounting to R360 046
- FY2014/15 assets under investigation = 85 amounting to R235 489
- FY2015/16 assets under investigation = 105 amounting to R266 344
- FY2016/17 assets under investigation = 13 amounting to R34 352
- FY2017/18 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 | - | 17 | - | 6 105 | - | 6 122 |
| Prior period error | - | - | - | - | - | - |
| 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 | - | 5 | - | 2 549 | - | 2 554 |
| TOTAL NUMBER OF MINOR ASSETS | - | 5 | - | 2 549 | - | 2 554 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019

28. Intangible Capital Assets

| MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019 | | | | | |
|---|-----------------|-------------------|-----------|------------|-----------------|
| | Opening balance | Value adjustments | Additions | Disposals | Closing Balance |
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| SOFTWARE | 360 | - | - | 322 | 38 |
| MASTHEADS AND PUBLISHING TITLES | - | - | - | - | - |
| PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS | - | - | - | - | - |
| RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS | - | - | - | - | - |
| SERVICES AND OPERATING RIGHTS | - | - | - | - | - |
| TOTAL INTANGIBLE CAPITAL ASSETS | 360 | - | - | 322 | 38 |

- The intangibles relates to heritage assets transferred to Castle Control Board

28.1 Disposals

| DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019 | | | | |
|--|---------------|-------------------|-----------------|----------------------|
| | Sold for cash | Non-cash disposal | Total disposals | Cash Received Actual |
| | R'000 | R'000 | R'000 | R'000 |
| SOFTWARE | - | 322 | 322 | - |
| MASTHEADS AND PUBLISHING TITLES | - | - | - | - |
| PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS | - | - | - | - |
| RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS | - | - | - | - |
| SERVICES AND OPERATING RIGHTS | - | - | - | - |
| TOTAL DISPOSALS OF INTANGIBLE CAPITAL ASSETS | - | 322 | 322 | - |

- Assets transferred to The Castle Control Board to establish and furnish the Heritage and Memorialisation Centre for Military Veterans.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019

28.2 Movement for 2017/18

| MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018 | | | | | |
|---|-----------------|--------------------|-----------|-----------|-----------------|
| | Opening balance | Prior period error | Additions | Disposals | Closing Balance |
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| SOFTWARE | 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 |

29. Immovable Tangible Capital Assets

29.1 Capital Work-in-progress

| CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2019 | | | | | |
|--|------------|---------------------------------|---------------------|--|----------------------------------|
| | Note | Opening balance 1 April 2018 | Current Year WIP | Ready for use (Assets to the AR) / Contracts terminated | Closing balance 31 March 2019 |
| | 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 |

| Age analysis on ongoing projects | Number of projects | | 2018/19 |
|----------------------------------|---|-------------------------------------|----------------|
| | Planned, Construction not started | Planned, Construction started | Total R'000 |
| 0 to 1 Year | - | - | - |
| 1 to 3 Years | - | - | - |
| 3 to 5 Years | - | 1 | 112 |
| Longer than 5 Years | - | - | - |
| Total | - | 1 | 112 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019

| Accruals and payables not recognised relating to Capital WIP | Note | 2018/19 | 2017/18 |
|--|------|-----------|----------|
| | | R'000 | R'000 |
| Invoice outstanding relating to the tomb of the unknown soldier. | | 97 | - |
| Total | | 97 | - |

| CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2018 | | | | | | |
|--|------------|---------------------------------|--------------------|------------------|---|-------------------------------|
| | Note | Opening balance 1 April 2017 | Prior period error | 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 | R'000 |
| Heritage assets | | 112 | - | - | - | 112 |
| Buildings and other fixed structures | | - | - | - | - | - |
| Machinery and equipment | | - | - | - | - | - |
| Intangible assets | | - | - | - | - | - |
| 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 | - | 1 | 112 |
| Longer than 5 Years | - | - | - |
| Total | - | 1 | 112 |

30. Prior period errors

30.1 Correction of prior period errors

| | Note | Amount bef error correction | Prior period error | Restated Amount |
|------------------------------|------|-----------------------------|--------------------|-----------------|
| | | 2017/18 | 2017/18 | 2018/19 |
| | | R'000 | R'000 | R'000 |
| Liabilities: Accruals | | | | |
| Accruals not recognised | 19 | 74 229 | 16 692 | 90 921 |
| Net effect | | 74 229 | 16 692 | 90 921 |

These are accruals payment outstanding to Provinces as they delivered houses to Military Veterans but they have not issue invoices to DMV. The accruals amount was disclosed under intergovernmental payables unconfirmed balances and it was overstated as per audited number of houses built in FY2017/18.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019

Other: Contingent Liabilities and contingent asset

Intergovernmental payables (unconfirmed balances)

Net effect

| Note | Amount bef error correction | Prior period error | Restated Amount |
|------|--------------------------------|-----------------------|--------------------|
| | 2017/18 | 2017/18 | 2018/19 |
| | R'000 | R'000 | R'000 |
| 17 | 67 902 | (21 482) | 46 420 |
| | 67 902 | (21 482) | 46 420 |

These are accruals payment outstanding to Provinces as they delivered houses to Military Veterans but they have not issue invoices to DMV. The accruals amount was disclosed under intergovernmental payables unconfirmed balances.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019

ANNEXURE 1E

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

| FOREIGN GOVERNMENT/INTERNATIONAL ORGANISATION | TRANSFER ALLOCATION | | | EXPENDITURE | | 2017/18 Final Appropriation R'000 |
|---|---|---------------------|-----------------------|-----------------------------|-----------------------------|--|
| | Adjusted Appropriation Act R'000 | Roll overs R'000 | Adjust-ments R'000 | Total Available R'000 | Actual Transfer R'000 | |
| Transfers | | | | | | |
| World Veterans Federation | - | - | 198 | 198 | 198 | 100% |
| | | | | | | |
| Subsidies | | | | | | |
| | - | - | 198 | 198 | 198 | - |
| | | | | | | |
| TOTAL | - | - | 198 | 198 | 198 | - |

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019

ANNEXURE 1G

STATEMENT OF TRANSFERS TO HOUSEHOLDS

| HOUSEHOLDS | TRANSFER ALLOCATION | | | EXPENDITURE | | 2017/18 | |
|---------------------------------|----------------------------|------------|-----------------|-----------------|-----------------|----------------------------------|-------------------|
| | Adjusted Appropriation Act | Roll Overs | Adjustments | Total Available | Actual Transfer | % of Available funds Transferred | Appropriation Act |
| | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 |
| Transfers | | | | | | | |
| H/H EMPLOY/BEN: LEAVE GRATUITY | - | - | 598 | 598 | 598 | 100% | 286 |
| H/H SOC ASS: WAR VETERANS | 19 888 | - | (9 336) | 10 552 | 10 552 | 100% | 7 776 |
| H/H: BURSARIES(NON-EMPLOYEE) | 145 220 | - | 12 135 | 157 355 | 174 547 | 111% | 230 551 |
| INDIVIDUAL SUPPORT(HOUSING) | 10 000 | - | (6 585) | 3 415 | 3 415 | 100% | 12 141 |
| PROJECT LINKED SUPPORT(HOUSING) | 23 538 | - | (12 471) | 11 067 | 11 067 | 100% | 2 964 |
| H/H SOC ASS:SOCIAL RELIEF | 34 020 | - | (31 836) | 2 184 | 2 184 | 100% | 25 810 |
| EMERGENCY HOUSING ASSISTANCE | 1 500 | - | (995) | 505 | 505 | 100% | 956 |
| TOTAL | 234 166 | - | (48 490) | 185 676 | 202 868 | - | 280 484 |
| Subsidies | - | - | - | - | - | - | - |

The decrease on transfer for "Bursaries: None Employees" was mainly driven by delayed receipt and payment of invoices for Education Support to military veterans and their dependants

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019

ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2019

| Nature of Liability | Opening Balance | Liabilities incurred during the year | Liabilities paid/cancelled/reduced during the year | Liabilities recoverable (Provide details hereunder) | Closing Balance |
|---|-----------------|--------------------------------------|--|---|-----------------|
| | 1 April 2018 | | | | 31 March 2019 |
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Claims against the department | | | | | |
| Fetola Mogopolo Construction and Interior | 4 006 | | | | 4 006 |
| B&M Catering Services | 2 074 | | | | 2 074 |
| Zeal Health | 198 159 | | | | 198 159 |
| M.G Bolleurs | 55 | | | | 55 |
| PSA obo J Moche | 613 | | | | 613 |
| P Govender | 210 | | | | 210 |
| Ramatshila-Mugeru Attorneys | - | 559 | | | 559 |
| E&S Russel Funeral Directors | | 245 | | | 245 |
| Subtotal | 205 117 | 804 | - | - | 205 921 |
| Environmental Liability | | | | | |
| Subtotal | | | | | |
| Other | | | | | |
| Subtotal | | | | | |
| TOTAL | 205 117 | 804 | - | - | 205 921 |

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019

ANNEXURE 4

CLAIMS RECOVERABLE

| Government Entity | Confirmed balance outstanding | | Unconfirmed balance outstanding | | Total | Cash in transit at year end 2018/19 | | |
|-------------------------------------|-------------------------------|------------|---------------------------------|------------|------------|-------------------------------------|------------|------------|
| | 31/03/2019 | 31/03/2018 | 31/03/2019 | 31/03/2018 | | | 31/03/2019 | 31/03/2018 |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | | R'000 |
| Department | | | | | | | | |
| Agriculture, Forestry and Fisheries | 25 | | | | 25 | | | |
| Gauteng Roads and Transport | 272 | | | | 272 | | | |
| Social Development | 14 | | | | 14 | | | |
| | 311 | | | | 311 | | | |
| Other Government Entities | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| TOTAL | 311 | - | - | - | 311 | - | | - |

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019

ANNEXURE 5

INTER-GOVERNMENT PAYABLES

| GOVERNMENT ENTITY | Confirmed balance outstanding | | Unconfirmed balance outstanding | | TOTAL | | Cash in transit at year end 2018/19 |
|--|-------------------------------|---------------|---------------------------------|---------------|---------------|---------------|--|
| | 31/03/2019 | 31/03/2018 | 31/03/2019 | 31/03/2018 | 31/03/2019 | 31/03/2018 | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | Amount to six (6) working days before year end |
| DEPARTMENTS | | | | | | | |
| Current | | | | | | | |
| Department of Defence | 55 399 | 23 613 | 36 883 | 46 412 | 92 282 | 70 025 | |
| Department of Justice & Constitutional Development | - | 341 | - | - | - | 341 | |
| Department of Defence (S&T) | - | - | 8 | 8 | 8 | 8 | |
| Department of Labour | 23 | - | - | - | 23 | - | |
| Gauteng Province Roads and transport - GFleet | 631 | - | 229 | - | 860 | - | |
| Subtotal | 56 053 | 23 954 | 37 120 | 46 420 | 93 173 | 70 374 | - |
| Non-current | | | | | | | |
| Subtotal | - | - | - | - | - | - | - |
| TOTAL | 56 053 | 23 954 | 37 120 | 46 420 | 93 173 | 70 374 | - |

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019**ANNEXURE 7****MOVEMENT IN CAPITAL WORK IN PROGRESS**

| MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2019 | | | | |
|---|-----------------|--------------------------|--|-----------------|
| | Opening balance | Current Year Capital WIP | Ready for use (Asset register) / Contract terminated | Closing balance |
| | R'000 | R'000 | R'000 | R'000 |
| 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 | - | - | - | - |

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019

| MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2019 | | | | |
|---|-----------------|--------------------------|--|-----------------|
| | Opening balance | Current Year Capital WIP | Ready for use (Asset register) / Contract terminated | Closing balance |
| | R'000 | R'000 | R'000 | R'000 |
| 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 |

| MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2018 | | | | | |
|---|-----------------|--------------------|--------------------------|--|-----------------|
| | Opening balance | Prior period error | Current Year Capital WIP | Ready for use (Asset register) / Contract terminated | Closing balance |
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| 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 | | | | | - |

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019**MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2018**

| | Opening balance | Prior period error | Current Year Capital WIP | Ready for use (Asset register) / Contract terminated | Closing balance |
|--|--------------------|-----------------------|-----------------------------|--|--------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| 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 |

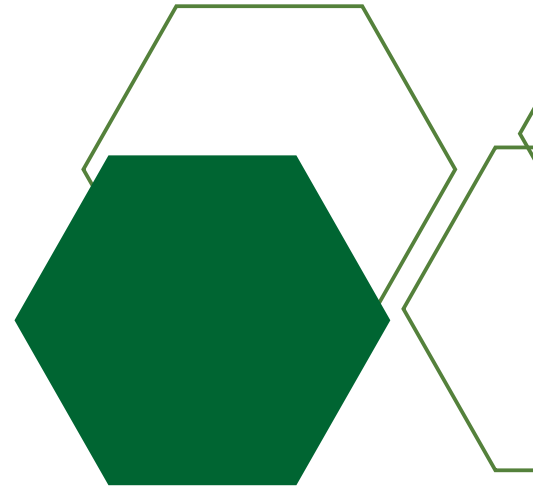
- The work in progress relates to preliminary work done through Department of Public Works towards the establishment of the heritage project called "Tomb of the Unknown Soldier".

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2019

ANNEXURE 8A

INTER-ENTITY ADVANCES PAID (note 10)

| ENTITY | Confirmed balance outstanding | | Unconfirmed balance outstanding | | TOTAL | |
|-------------------------------|-------------------------------|--------------|---------------------------------|------------|--------------|--------------|
| | 31/03/2019 | 31/03/2018 | 31/03/2019 | 31/03/2018 | 31/03/2019 | 31/03/2018 |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| NATIONAL DEPARTMENTS | | | | | | |
| Government | 1 844 | 1 027 | | | 1 844 | 1 027 |
| Communication Systems | | | | | | |
| Subtotal | 1 844 | 1 027 | - | - | 1 844 | 1 027 |
| PROVINCIAL DEPARTMENTS | | | | | | |
| Subtotal | - | - | - | - | - | - |
| PUBLIC ENTITIES | | | | | | |
| Subtotal | - | - | - | - | - | - |
| OTHER ENTITIES | | | | | | |
| Subtotal | - | - | - | - | - | - |
| TOTAL | 1 844 | 1 027 | - | - | 1 844 | 1 027 |



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