

ANNUAL REPORT



2012/13



mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA





DEPARTMENT OF MINERAL RESOURCES

VOTE NO. 32

ANNUAL REPORT

FINANCIAL YEAR 2012/13

Ms Susan Shabangu, MP
Minister of Mineral Resources

I have the honour of submitting the Annual Report of the Department of Mineral Resources for the period 1 April 2012 to 31 March 2013.

A handwritten signature in black ink, appearing to read 'Dr T Ramontja'.

Dr T Ramontja
31 May 2013

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PART A: General Information

1. DEPARTMENT GENERAL INFORMATION

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2. STRATEGIC OVERVIEW

2.1 Vision 2014

A globally competitive, sustainable and meaningfully transformed mining and minerals sector








Vision 2025

A leader in the transformation of South Africa's economic growth and sustainable development by 2025

2.2 Mission

Promote and Regulate the Minerals and Mining sector for transformation, growth, development and ensure all South Africans derive sustainable benefit from the country's mineral wealth.

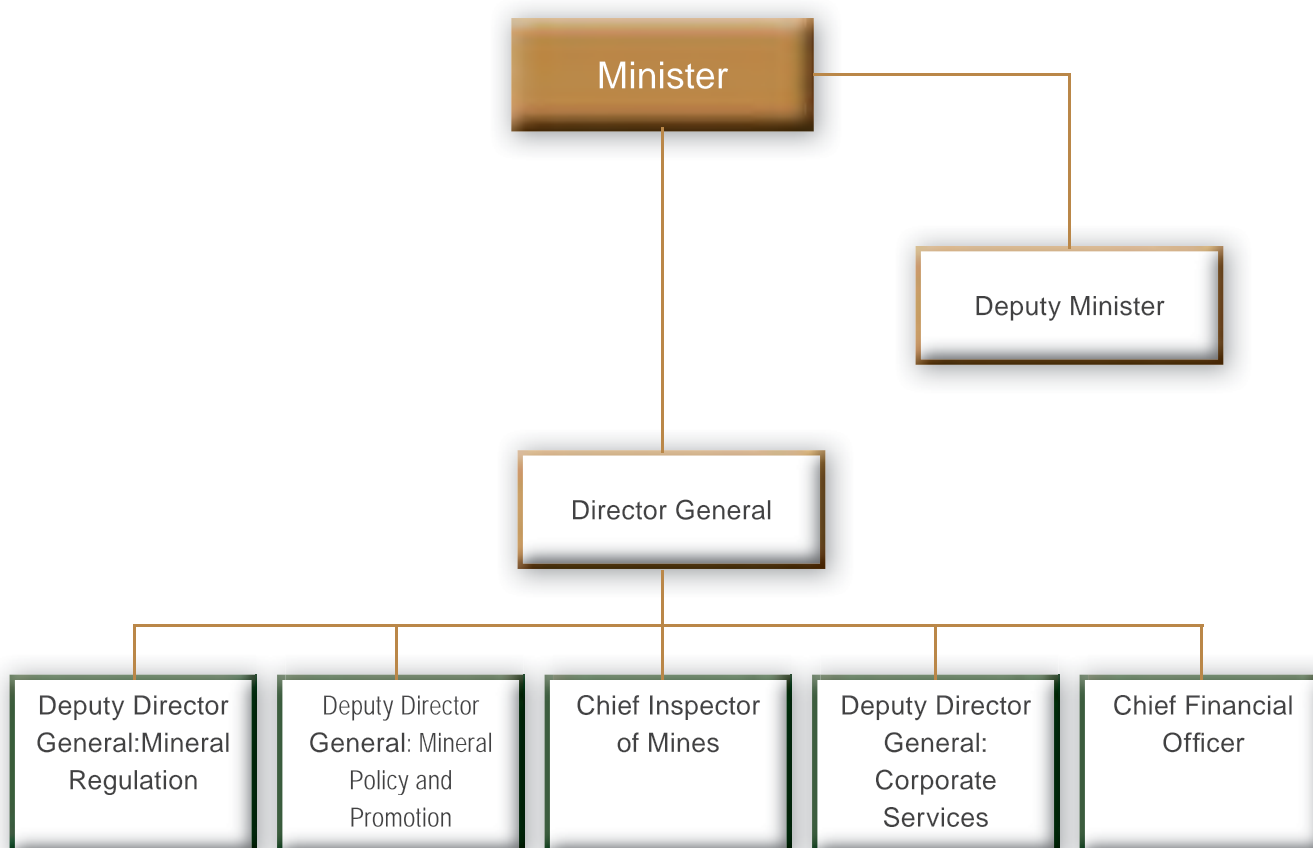
2.3 Values

-  Batho Pele
-  Ethics
-  Honesty
-  Integrity
-  Accountability
-  Professionalism
-  Ubuntu

3. LEGISLATIVE AND OTHER MANDATES

The Minerals and Petroleum Resources Development Act, 28 of 2002, provides the regulatory framework for equitable access to and sustainable development of the nation's mineral resources and related matters which the Department is tasked with regulating.

4. ORGANISATIONAL STRUCTURE



5. ENTITIES REPORTING TO THE MINISTER

The table below indicates the entities that report to the Minister.

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
The Mine Health and Safety Council (MHSC)	Established in terms of Section 42(1) of the Mine Health and Safety Act, No. 29 of 1996.	Co-funding in terms of establishing act	Research and advisory function to the Minister in terms of mine health and safety. As well as promoting a culture of health and safety in the mining industry.
The Council for Mineral Technology Research (MINTEK)	Established in terms of the Mineral Technology Act, No. 30 of 1989.	Co-funding in terms of establishing act	Provides research, development and technology that foster the development of businesses in the mineral and mineral products industries.
The Council for Geoscience (CGS)	Established in terms of the Geoscience Act, No. 100 of 1993.	Co-funding in terms of establishing act	Development and maintenance of the national geosciences knowledge infrastructure for both the onshore (land) and offshore (oceans) environment of South Africa.
The South African Diamond and Precious Metals Regulator (SADPMR)	Established in terms of the Diamonds Act 1986 as amended and the Precious Metals Act, No.37 of 2005	Co-funding in terms of establishing act	Regulation of the diamond, platinum and gold sectors.
The State Diamond Trader	Established in terms of the Diamond Act, No. 56 of 1986,	Co-funding in terms of establishing act	Promote equitable access to and beneficiation of diamond resources, address distortions in the diamond industry and correct historical market failures to develop and grow South Africa's diamond cutting and polishing industry

6. MESSAGE FROM THE MINISTER



Ms Susan Shabangu

We have emerged from travail to greater tranquillity. We have set a course for success. We have collaborated across the board. It is now time to report to Parliament and the country on our efforts.

During the financial year 2012/13 the mining sector experienced labour instability unequalled since the advent of democracy. However, the responsive leadership of Government, labour and business ameliorated the situation and provided progress towards an environment of peace and stability in the sector. The president established the commission of enquiry led by Judge Ian G Farlam. Furthermore, all stakeholders committed to peace and stability in the mining industry. The Deputy President is also leading the process within the context of the “Framework Agreement for a Sustainable Mining Industry”. These initiatives confirm the unique, collaborative and solution-orientated approach of stakeholders within the industry. As a country we have a collective responsibility to ensure that South Africa’s mining industry stabilises and its considerable mineral wealth contributes to the much needed job creation and inclusive economic development to meaningfully reduce poverty and inequality. We believe firmly that we are on that road.

Consistent with the democratic government’s transformation objectives, the mining regulatory reform that we embarked on sought not only to correct well over a century of injustice but to balance this with the development of the industry in a responsible and sustainable manner. However, the implementation of these transformative policies, which included the Mineral and Petroleum Resources Development Act (MPRDA), has yielded varying levels of progress towards the realisation of the developmental and transformational objectives. Accordingly, it became necessary to review the regulatory framework and ensure that the mining industry continues to operate in an enabling environment that provides long-term sustainability. In this regard, the Department commenced with the process of reviewing and amending the MPRDA

“...it became necessary to review the regulatory framework and ensure that the mining industry continues to operate in an enabling environment that provides long-term sustainability.”

as well as the Mine Health and Safety Act. The key objectives of the MPRDA amendments include streamlining licensing processes in respect of mining and the environment as well as promotion of mineral beneficiation. To ensure the realization of the streamlining of the licensing processes, the Departments of Environmental Affairs and Water Affairs are also reviewing their respective legislation to align timeframes for issuing of the necessary authorisations.

The amendments of the MPRDA also enhance provisions relating to the regulation and implementation of Social and Labour Plans (SLPs) and include integration of SLPs into Integrated Development Plans (IDPs) of Municipalities in order to streamline and optimise the developmental impact of mining.

Sustainable exploitation of the country's mineral resources requires the development of local downstream value addition industries to ensure further industrialisation of the country's economy. To realise higher levels of local value addition, consistent with the Mineral Beneficiation Strategy adopted as policy in 2011, the Department is finalising the development of the beneficiation implementation plan framework.

The Department continues to place particular emphasis on the health and safety of mine workers, which is so crucial to the sustainability of the mining sector. As a result progress has been made in improving the record of fatalities, injuries and occupational diseases. For example, a comparison of the years 2011 and 2012 shows a 9% improvement in fatalities in the mining industry. We will continue with the implementation of the appropriate measures, in collaboration with our stakeholders, to ensure that the goal of zero harm is achieved in the mining sector.

In order to make certain that the mining industry operates in a sustainable and competitive environment, all stakeholders in the industry need to intensify skills development efforts. The future of mining in the country will largely depend on the successful implementation of skills development initiatives. It is against this background that the Department continues to work together with stakeholders through the Mine Qualification Authority. Particular focus is placed on artisan and artisan aide as well as other technical skills. Capacity building within the Department and associated institutions has also been prioritised in respect of identified critical areas of skills shortage and necessary interventions have been introduced, which include learnership programmes and bursary schemes.

During the reporting year, the Department persistently played a role in the promotion of South Africa's minerals through, amongst other things, participation in international fora, such as the Kimberly Process Certification Scheme (KPCS), of which South Africa assumed the chair from the 1st of January 2013. In view of that, two KPCS meetings will be held during South Africa's tenure as the chair of a process pursuing pertinent issues relating to ensuring that the diamond trade is free of 'conflict diamonds' that contribute to armed conflicts. The hosting of KPCS meetings also presents an opportunity strategically to position South Africa as a major player in the global diamond and mineral industry, and to ensure sustainable exploitation of mineral resources.

As we play our own part, with vigour, in the consolidation of democratic South Africa as a truly great, strong and prosperous nation, it gives me great pleasure to submit, for tabling, the Department of Mineral Resources' Annual Report.



Ms Susan Shabangu, MP
Minister of Mineral Resources

7. MESSAGE FROM THE DEPUTY MINISTER



Mr Godfrey Oliphant

The year under review marks the 10th anniversary of the MPRDA. I am therefore highly mindful of the significance of this, the Annual Report for 2012/13. A decade after committing the trusteeship of the national mineral resources to the state, and putting the appropriate legislation in place to govern the sector, it is appropriate that we review and reflect on the outcomes.

This is particularly so given the prevailing conditions within our all-important mining sector. The global downturn in the commodity cycle has challenged the mining industry worldwide. The SA mining industry is no exception. However, our sector has been bedevilled by numerous, well-known, and substantial historic legacies that compound the global socio-political and financial challenges facing the resources sector.

MINE HEALTH AND SAFETY

First and foremost amongst our challenges is to effect a meaningful and systemic mindset shift with regard to health and safety in the workplace. Our strategic goal has to be set at Zero Harm level. This is much easier said than done. Yet it remains our national duty to strive to set our goals in such a way that we recognize the value of life, appreciate the worker's welfare, and ensure systematic care. It is our collective responsibility to eliminate the scourge of Silicosis and Noise Induced Hearing Loss, all forms of disabilities and Tuberculosis, exacerbated by HIV/Aids. Success will require committed and sustained leadership and co-ordination among all the stakeholders.

Occupational health and safety in the mining sector is a major risk factor, especially in mining, and as such its mitigation requires a multi-pronged approach. A substantial blend of preventive measures, organisational interventions, and educational programmes is needed to bring about a cultural change within all involved at the workplace - workers and management alike. Of course, the DMR's monitoring and enforcement through conducting audits will be a critical complementary component of our systemic approach.

“Against this backdrop, and learning from the lessons of our history, it is evident that our mining industry needs to move onto a rigorous system of concurrent rehabilitation.”

MANAGING REHABILITATION OF DERELECT AND OWNERLESS MINES

Next to health and safety considerations, the mining sector's legacy and the current practices with regard to the environment and environmental rehabilitation leave much to be desired. In the recent past much national angst has been expressed about the state of our Derelict and Ownerless (D&O) Mine Sites. An Inter-Ministerial Committee on Acid Mine Drainage (AMD) has been established, and this work has developed positive outcomes as decanting of AMD in the West Rand Basin has stopped due to government interventions that have been put in place. Furthermore, within the DMR a comprehensive rehabilitation programme has been put in place in order to ensure effective rehabilitation of derelict and ownerless mines which have an impact on communities where sites are located.

Against this backdrop, and learning from the lessons of our history, it is evident that our mining industry needs to move onto a rigorous system of concurrent rehabilitation. This is one of the urgent tasks facing our sector, and it is a task that has considerable impact not only on the ecology of our country, but also and importantly on the quality of life of the many communities in the mining regions of our country. This is also important for medium to long term global competitiveness. The world over, it is increasingly evident that the mining companies need to take the concept of 'social licence to operate' very seriously. Integral to this licence is a sound and integrated recurrent rehabilitation programme. This is critical for both current and future generations.

CONCLUSION

Despite the challenges facing our mining sector, I remain optimistic and confident that the various stakeholders will engage with the current and the legacy issues in a constructive and systematic manner. As a key stakeholder, the DMR will continue to work tirelessly in providing services to the South African people and apply all its energies to building the mining sector, which is a major platform for economic development and job creation in the country.



Godfrey Oliphant, MP
Deputy Minister of Mineral Resources

8. OVERVIEW OF THE ACCOUNTING OFFICER



Dr Thibedi Ramontja

It is my pleasure to present the Annual Report of the Department of Mineral Resources for the 2012 / 2013 financial year.

SECTOR PERFORMANCE

The decade long implementation of the MPRDA since its promulgation in 2002 has led to significant growth and transformation of the industry. This in turn has resulted in a number of milestones that includes an increase in gross fixed capital formation from R18 billion in 2004 to R75 billion in 2012. Foreign Direct Investment has grown exponentially from R112 billion to R389 billion between 2004 and 2012

Employment within the sector has since grown from approximately 448 909 in 2004 to 518 240 in 2012. The gross sales of primary minerals have increased from R98.5 billion in 2000 to R371.7 billion in 2012, whilst the number of operating mines in the country increased from 993 in 2004 to 1 579 in 2012.

This is over and above the fact that during the 2012/13 financial year, 56 new mining rights were granted. This in itself has the potential to create an additional eleven thousand and fifty two (11 052) sustainable jobs and attract capital expenditure of about R7.3 billion.

MINING AND SOCIO-ECONOMIC SUSTAINABILITY

Mining communities have to be empowered to ensure that mining activities in their areas contribute to sustainable development. Accordingly, the Department has prioritised the effective implementation of Social and Labour Plans (SLPs) to ensure that host communities and labour sending areas meaningfully benefit from mining operations. Over the past financial year the Department collaborated with the Department of Co-operative Governance and Traditional Affairs, the National and Provincial Department of Human Settlements, Municipalities in the Bojanala District and Business (through MIGDETT) to make sure that SLPs are aligned to Integrated Development Plans (IDPs) of municipalities. In so doing, this addresses the developmental agenda of the affected communities and areas. This work was in support of the Presidential Package on distressed mining towns, which, amongst other things, focuses on improving living conditions for mine workers and improving socio-economic conditions of prioritised mining towns.

INTEGRATED LICENSING AND TURNAROUND TIMES

The current construct of the mining regulatory framework is fragmented and has been identified as one of the binding constraints to growth and competitiveness of the South African mining sector. The Department of Mineral Resources engaged with the Departments of Water Affairs and of Environmental Affairs and, firstly, agreed that the respective Acts required amendments to allow the industry to be regulated by streamlined legislation which would provide that the

Minister of Mineral Resources be the competent authority for implementation of the National Environment Management Act on mining and prospecting sites, and that the Minister of Environmental Affairs be the appeal authority. Secondly the Departments agreed on the modalities for integrating timeframes and processes of environmental authorisation and water use licensing for prospecting and mining operations. This was coupled with the intention to introduce significant improvement in service delivery, in terms of the investment climate with renewed certainty regarding security of tenure when mining or prospecting rights are issued. It was also in terms of improved turnaround times resulting from the processes being finalised in parallel rather than sequentially as was previously the case.

TRANSFORMATION

Transformation is one of the imperatives of Government as it is the effective mechanism for eliminating poverty and inequality. During the period under review the Department continued to ensure this is realised by approving broad-based empowerment transactions with potential to create jobs and sustainable transformation to maximise benefit for Historically Disadvantaged South Africans (HDSAs). However, transformation should also create procurement opportunities for HDSAs throughout the value chain of mining. The Department will continue to review transactions so as to detect issues of fronting and sustainability of transactions into the future.

HYDRAULIC FRACTURING

During 2011, the Minister of Mineral Resources established an Inter-departmental Task Team to evaluate the potential environmental risks posed by the process of hydraulic fracturing as well as the negative and positive social and economic impacts of shale gas exploitation.

The Inter-departmental Task Team has compiled a report to the Minister which included recommendations on how potential risks can be mitigated. Subsequent to the release of the report, a committee was established as part of the regulatory framework for the exploitation of shale gas in the country. The committee comprises officials representing relevant state departments and supporting state organisations and is headed by the Director-General of the Department of Mineral Resources.

BENEFICIATION

Following the development and approval of the Beneficiation Strategy, the Department embarked on the development of the beneficiation implementation plan framework, which outlines a set of interventions that will give effect to the beneficiation strategy. The implementation framework will provide an overarching framework for local beneficiation of South Africa's minerals, which form inputs into numerous value chains that all require key interventions such as security of supply, demand side intervention for markets and other enablers such as skills development and infrastructure. The framework also recognises the mutual inclusiveness between mineral beneficiation and manufacturing and will thus focus on enhancing the interface between mining and manufacturing which will also enhance the synergy between the beneficiation framework and Industrial Policy Action Plan (IPAP).

The aforementioned synergies will provide a framework for the orderly development of the country's mineral value chains. The framework implementation plan is intended to be finalised during the 2013/14 financial year.

SOUTH AFRICAN MINERAL RESOURCES ADMINISTRATION SYSTEM (SAMRAD)

The online application system known as the South African Mineral Resources Administration (SAMRAD), launched on 18 April 2011, is now operational and, like any new system, problems that are encountered are treated as and when they are identified. Currently well over 8 800 applications have been successfully lodged on the new system. SAMRAD is currently being enhanced to ensure that the granting of prospecting and mining rights, environmental authorisation (currently issued in terms of NEMA) and water use licences (currently issued in terms of the Water Act) are issued simultaneously. The technical work to link electronically the mining application system with the GIS information at the Department of Environmental Affairs is currently underway to facilitate better environmental decision making. The Department is aware of the need to continue enhancing SAMRAD and integrate it with the revenue management system to ensure improvement in financial management processes.

CONCLUSION

I commend all DMR staff for their dedication, fortitude and resilience in a challenging year, in ensuring the sound administration of the Department. Through our collective efforts we have yet again accomplished the majority of our goals and objectives.



Dr Thibedi Ramontja

Director General: Department of Mineral Resources

1. STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION

STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION for the year ended 31 March 2013

The Accounting Officer is responsible for the preparation of the Department's performance information and for the judgements made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of performance information.

In my opinion, the performance information fairly reflects the performance information of the Department for the financial year ended 31 March 2013.



Dr Thibedi Ramontja

Accounting Officer

31 May 2013

2. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 127 of the Report of the Auditor-General, published as Part E: Financial Information.

3. OVERVIEW OF DEPARTMENTAL PERFORMANCE

3.1 SERVICE DELIVERY ENVIRONMENT

Mine Health and Safety Inspectorate

Staffing

The establishment of the Inspectorate provides for 317 posts of which 253 are currently filled and 64 posts are vacant. The demographics of the Inspectorate as on 31 March 2013 was as follows:

Gender	African	White	Asian	Coloured	Total
Male	103	50	0	0	153
Female	80	14	0	6	100

Human Resource Development

Implemented training

During the reporting period, the MHSI developed the skills and knowledge base of its staff as follows:

- A total of 71 MHSI officials attended technical and non-technical training courses.
- Three Managers attended Project Khaedu as well as Advanced Management Development Programmes.

Training interventions

Assistant Inspector Programme

A total number of 14 Assistant Inspectors recruited with Electrical/Mechanical Engineering tertiary qualifications were busy undergoing Inspector training at various Regional offices of the Department during the financial year in preparation for permanent appointment as Inspectors of Mines on acquisition of the Government Certificate of Competency (GCC).

One out of the fourteen above Assistant Inspectors obtained his GCC during the reporting period. He has since been permanently absorbed within the Department. The other thirteen Assistant Inspectors are still busy and at various stages towards acquisition of their GCC.

Learner Inspector Programme

The Department had five Learner Inspectors at the commencement of the reporting period. These Learner Inspectors who had initially been recruited as bursary holders completed their undergraduate qualifications during various stages and were then placed for mine experiential training at a mining site.

Three Learner Inspectors completed their mine experiential training in Surveying, Mine Engineering and Electrical Engineering during the reporting period. They are now going to be placed in various Regional offices of the Department to prepare them for their GCC.

The other two Mining Engineering Learner Inspectors are still busy with their mine experiential training at a mining site.

Bursary Scheme

The Department issued five bursaries during the reporting period to previously disadvantaged students in the following fields: Electrical Engineering (Heavy Current); Mechanical Engineering; Mine Engineering and Mine Surveying. Two out of the five bursary holders completed their qualifications and have commenced with their practical underground training in preparation for acceptance as GCC candidates. The Department is expecting the other two bursary holders to complete their studies at the end of 2013, whilst the one bursary holder is expected to complete her studies in 2014.

Current Health and Safety Performance

Mine safety

The safety track record in the South African mining industry continues to be a matter of great concern to the Department although the mining industry has in the last year managed to record a year-on-year reduction in fatalities due to mine accidents. During 2012 a total of 112 mine workers were reported dead as compared to 123 in 2011, which translates into about 9% improvement on the actual numbers of mine workers who died year on year. Also, when comparing fatality frequency rates per million hours worked between 2011 and 2012, there has been a 9% improvement from 0.11 to 0.10. The major gold and platinum mines are the main contributors of accidents and loss of life.

There has been a decrease in the total number of fall of ground accidents from 40 to 26 which translates into a 35% decrease. Transport and mining fatalities also decreased by about 24%, from 38 in 2011 to 29 in 2012. The area that requires attention in the coming year will be the general type of accidents, which include fall of material, manual handling, falling in, inundation and drowning.

Disaster-type accidents

Five mine workers died after being exposed to harmful smoke caused by an underground mine fire at the Goldfields Driefontein Gold Mine in the Gauteng Province.

HIV/AIDS and Occupational Health

The DMR, through the MHSC, has finalized the HIV and TB Reporting Form, which was a commitment made during the 2011 Health and Safety Summit. It was developed to curb the scourge of these diseases in the mines. Mining Companies are expected to report on the programmes implemented in relation to HIV and TB annually to the DMR. These reports provide an understanding of the particular disease burden in the Mining Sector, furthermore they will inform the interventions in terms of awareness, prevention and treatment. There is also a sizeable number of mining companies that are participating in the HIV Counselling and Testing (HCT) Campaigns and mine workers have heeded the call to test for TB and HIV.

Health and safety improvement measures

The branch will continue with the implementation of measures to enhance health and safety within the mining sector. These include enforcing the provisions of the legislation through inspections, audits and issuing compliance instructions where necessary.

The Department has, in collaboration with the Mine Health and Safety Council (MHSC), finalised the review of the Guidance Note on Management of TB in South African Mines. The guidelines on Minimum Standards of Fitness to Perform Work in a Mine, and Prevention of Flammable Gas Coal Dust Explosions in Collieries were also reviewed during the reporting period. Two new Guidelines were developed, i.e. Incapacity Due To Ill Health and Injury Guideline as well as the Compilation of a Mandatory Code of Practice for Risk Based Emergency Care. The Regulations on reporting of Occupational Diseases have been finalised and will be gazetted during the 2013/14 period.

The DMR and our social partners have commissioned projects through the MHSC to enhance leading best practice on preventing noise induced hearing loss, silicosis, TB and HIV as these are major diseases in the mining industry causing ill health.

Accident statistics

Fatalities and rates per region

The total percentage decrease in all the mine fatality rates is about 9% which is a change from 0.11 during 2011 to 0.1 in 2012. The regions that show a decrease in fatality rates are the Free State, KwaZulu-Natal, Mpumalanga and North West: Rustenburg (as shown in Table 1). The other regions all show an increase in fatality rates.

Table 1: Actual fatalities and rates per region

Region	2011	Fatality rate	2012	Fatality rate	% change in rates
All mines	123	0.11	112	0.10	-9.09
Western Cape	0	0.00	2	0.14	100.00
Northern Cape	3	0.04	3	0.04	0.00
Free State	17	0.21	12	0.15	-28.57
Eastern Cape	0	0.00	0	0.00	0.00
KwaZulu-Natal	2	0.08	1	0.03	-62.5
Mpumalanga	18	0.10	14	0.07	-30
Limpopo	9	0.08	15	0.13	62.5
Gauteng	29	0.14	31	0.16	14.28
Klerksdorp	11	0.07	9	0.08	14.28
Rustenburg	34	0.14	25	0.11	-21.43

Injuries and rates per region

Injury rates have decreased in the Western Cape, Northern Cape, Free State, Eastern Cape, KwaZulu-Natal, Mpumalanga, Limpopo and North West: Klerksdorp (Table 2). The other regions have shown an increase in injury rates.

PART B: Performance Information

Table 2: Actual reportable Injuries and rates per region

Region	2011	Injury rate	2012	Injury rate	% change in rates
All mines	3299	3.00	3377	3.03	1.03
Western Cape	21	1.49	14	0.99	-33.56
Northern Cape	61	0.77	60	0.72	-6.49
Free State	374	4.68	323	4.03	-13.88
Eastern Cape	5	1.09	2	0.44	-59.63
KwaZulu-Natal	36	1.49	35	1.11	-25.5
Mpumalanga	297	1.59	314	1.65	3.77
Limpopo	226	2.05	202	1.69	-17.56
Gauteng	722	3.57	794	3.97	11.2
Klerksdorp	431	3.93	378	3.44	-12.46
Rustenburg	1126	4.77	1255	5.32	11.53

Fatalities and rates per commodity

There has been an overall percentage decrease in fatality rates by about 9%. Also, platinum, coal diamonds, chrome and manganese sectors have experienced a decrease in fatality rates (Table 3). It should also be noted that the platinum and coal sectors have, for the first time in two years, recorded a reduction in fatality rates, of about 22% and 14% respectively. However, there is an increase in the gold, copper, iron and other sectors.

Table 3: Actual fatalities and rates per commodity

Commodity	2011	Fatality rate	2012*	Fatality rate	% change in rates
All mines	123	0.11	112	0.10	-9.09
Gold	51	0.17	51	0.18	5.88
Platinum	37	0.09	28	0.07	-22.22
Coal	12	0.07	11	0.06	-14.29
Diamonds	3	0.11	2	0.07	-36.36
Copper	1	0.14	1	0.15	7.14
Chrome	5	0.14	4	0.10	-28.57
Iron ore	0	0.00	2	0.04	100.00
Manganese	2	0.13	0	0.00	-100.00
Other	12	0.12	13	0.12	0.00

Injuries and rates per commodity

Commodity injury rates show that there was an increase in the gold, platinum, coal and diamond sectors. There was a reduction with the copper, chrome and manganese sectors (Table 4).

Table 4: Actual reportable Injuries and rates per commodity

Commodity	2011	Injury rate	2012	Injury rate	% change in rates
All mines	3299	3.00	3377	3.03	1%
Gold	1498	5.07	1478	5.13	1.18
Platinum	1283	3.20	1360	3.43	7.18
Coal	241	1.44	267	1.51	4.86
Diamonds	42	1.58	48	1.78	20
Copper	19	2.66	13	1.90	-27.20
Chrome	71	1.99	77	1.96	-1.51
Iron ore	20	0.39	20	0.39	0.00
Manganese	13	0.82	15	0.80	-2.44
Other	112	1.12	99	0.90	-20

Number of fatalities for all mines per classification

Fall of ground accidents have shown a marked decrease from 48 in 2011 to 26 in 2012 which is a 35% reduction, Table 5. The decrease has been related to the decrease of gravity induced fall of ground accidents. This can be attributed to initiatives such as increased enforcement against poor support and the use of netting in underground working areas to prevent gravity fall of ground incidents.

There has been about a 24% decrease in Transport and Mining fatalities, from 38 in 2011 to 29 in 2012. The change is as a result of a significant reduction regarding rail bound equipment fatalities from 18 in 2011 to 11 in 2012 a 39%.

Table 5: Actual fatalities per classification

Classification	2011	2012	% change in actual fatalities
Fall of ground	40	26	-35
Machinery	5	8	60
Transportation and mining	38	29	23.68
General	25	35	40
Conveyance accidents	3	1	-66.67
Electricity	3	5	66.67
Fires	0	0	0.00
Explosives	4	4	0.00
Subsidence/caving	0	1	100
Heat sickness	2	2	0.00
Miscellaneous	3	1	-66.67
Total	123	112	-8.94

Overview of Mineral Regulation Branch Service Delivery Environment

Integrated licensing and turnaround times

The current construct of the Mining Regulatory framework is fragmented and has been identified as one of the binding constraints to growth and competitiveness of the South African mining sector. The Departments of Mineral Resources, Water Affairs and Environmental Affairs have agreed on the modalities of integrating the timeframes and processes of environmental authorisation and water use licensing for prospecting and mining operations. The modalities include that DMR will implement the National Environmental Management Act in order that the industry will be regulated by a single environmental piece of legislation. Processes of environmental authorisation will be contained within the same timeframes that are applicable to prospecting and mining authorisations, and the process of approving Water Use Licences will also be finalised within the same timeframes. This will represent a significant improvement in service delivery, both in terms of certainty regarding security of tenure when mining or prospecting rights are issued and in terms of improved turnaround times resulting from the processes being finalised in parallel rather than sequentially as was previously the case.

Integrating mineworkers' housing and living conditions into sustainable human settlements

In response to economic challenges, the Government has recognized the need to address the upgrading of all human settlements with a short- to medium-term focus on improving the living conditions of mineworkers together with communities in both mining and labour sending areas.

To this end a team inclusive of the DMR and the Departments of Cooperative Governance, Traditional Affairs and Human Settlements has been formed to engage with municipalities. The immediate focus is on eight secondary mining towns and labour sending areas to plan for the full housing and municipal infrastructure needs in those areas, and integrate mineworkers into formal human settlement plans.

While business has re-committed to ensuring that Social and Labour Plans are aligned to the socio economic needs of mining communities, their living conditions and socio-economic interventions need to take place within the formal planning framework for sustainable and integrated human settlements.

Engagements on implementation have therefore begun with stakeholders in the Mining Industry Growth, Development and Employment Task Team (MIGDETT), and an implementation plan has already been agreed on.

Job creation

Economic distress in the industry resulted in largescale retrenchments and as a result the job creation targets were not achieved. The net result, however, remained optimistic as a result of the issuing of new licences and social and labour plan implementation and enforcement.

Sustainable resource use and management

The promotion of sustainable resource use and management remains on track and all rights and permits issued include an approved environmental management programme or plan, a mining or prospecting work programme and a Social and Labour Plan where applicable.

Environmental liability financial risk

With regard to the matter of environmental liability and the associated financial risk to the State, the assessments conducted by the Mineral Regulation Branch have indicated that far too many right holders are not making adequate financial provision for rehabilitation. A remedy for this situation through available legislative instruments will be a priority for the Mineral Regulation Branch in the coming year.

Transformation policies

The implementation of transformation policies requires that the targets set in the Mining Charter be achieved. The current focus area in this regard relates to the level of mining industry procurement from HDSAs in line with the Mining Charter, and this aspect will continue to be monitored closely. Regarding the number of rights and permits issued to HDSA-controlled entities, the targets have not been achieved due to a reduction in the number of applications received from applicants in this category. This reduction is due to, among other things, financial barriers to entry and a tendency among the public to object to mining applications.

Turnaround times

The improvement in turnaround times for the processing of applications fell short of the targets set, as the finalisation of applications is still being hampered by delays related to the application of the Principles of Administrative Justice in order to allow applicants to remedy shortcomings in their applications before a decision is taken. Applicants know what the compliance requirements are before applying and the process of promoting administrative justice will be strictly adhered to.

A significant service delivery improvement is expected as a result of the inter-departmental work that is currently in progress to bring NEMA and Water Use Licensing into one single co-ordinated process with the same decision making timeframes. MPRDA amendments will also enhance stability in areas of contestation and as a result contribute to improved turnaround times.

Monitoring and enforcement

The results regarding monitoring and enforcement are currently in line with the targets and this status will be maintained.

Overview of Mineral Policy and Promotion Branch Service Delivery Environment

Hydraulic fracturing

In February 2011, the Minister of Mineral Resources instituted a moratorium on the acceptance of new applications to explore for petroleum in an area set out in Government Gazette No. 33988 dated 01 February 2011.

On 21 April 2011, Cabinet endorsed the decision by the Department of Mineral Resources (DMR) to invoke a moratorium on licences in the Karoo where hydraulic fracturing was proposed. Further, Cabinet directed the Department of Mineral Resources to lead a multi-disciplinary team that would fully research implications of the proposed fracking. The imposition of a moratorium was against the backdrop of concerns about the potential risk of pollution to the environment, particularly water, which is posed by hydraulic fracturing as the method of shale gas extraction.

An inter-departmental Task Team was established by the Minister of Mineral Resources in order to, among other things, evaluate the potential environmental risks posed by the process of hydraulic fracturing of shale gas. A Technical Working Group was established to investigate the matter.

The Inter-departmental Task Team has compiled a report for the Minister on the potential environmental risks posed by the process of hydraulic fracturing, the negative and positive social and economic impacts of shale gas exploitation as well as recommendations on how potential risks can be mitigated.

The Task Team's report drew from specialist literature and the results of a study tour to the United States, which included field trips to Pennsylvania (Marcellus Shale) and Texas (Eagle Ford Shale) as well as visits to the

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Environmental Protection Agency and the Railroad Commission of Texas, both being USA regulatory organisations directly involved with shale gas exploitation.

The recommendations of the task team, as indicated in the report, included the establishment of an inter-departmental Monitoring Team for Shale Gas Hydraulic Fracturing. On 21 August 2012 the report was approved by Cabinet.

The purpose of the Monitoring Committee shall be to take such necessary steps for the augmentation of the mining regulatory framework in respect of shale gas fracturing and to monitor mining operations engaged in the mining of shale gas through hydraulic fracturing, and to report to the Minister of Mineral Resources in respect thereto. The committee is currently engaged in this work as per the mandate.

Kimberley Process Certification Scheme (KPCS)

The KPCS was established when diamond producing countries convened in Kimberley in May 2000 to discuss mechanisms to stem the trade in 'conflict diamonds' and ensure that the diamond trade was not contributing to armed conflicts.

Following the above mentioned Kimberley meeting, the United Nations General Assembly adopted resolution 55/56 of 2000, which supported the establishment of an international certification scheme for rough diamonds. Negotiations among governments, the international diamond industry and civil society organisations resulted in the creation of the KPCS. KPCS is chaired on an annual rotational basis. South Africa served as chair from its inception in 2000 until the end of 2003.

In March 2012 Cabinet was apprised that South Africa would re-assume chairing the KPCS from 1 January 2013. Ambassador Welile Nhlapo (Former Special Envoy to the Great Lakes Region) has been appointed to chair the KPCS during South Africa's tenure as chair. Preparations for the technical meeting of the KPCS, known as the inter-sessional meeting, are underway. The inter-sessional meeting will be convened in Kimberley from 4 to 7 June 2013 at the Mittah Seperepere Convention Centre, while the plenary meeting will be hosted in Gauteng from 26 to 29 November 2013.

Mine Environmental Management

The Department has rehabilitated 13 mine sites in the period ending 31 March 2013. A total of 284 jobs were created as part of the programme and this is more than the 260 initially projected for the year. 169 jobs were created in the Northern Cape Province, 101 jobs were created in Limpopo Province and 14 in Gauteng Province. The job creation element of the rehabilitation programme is one of the key requirements for all the rehabilitation projects. This contributes to some of the priorities of the National Development Plan.

The rehabilitation programme had a positive impact on communities where the projects are; this includes economic growth due to sourcing labour and material locally. The programme also results in improved health and well-being of communities. The rehabilitation programme reduces exposure of asbestos fibres from historical asbestos mine sites which reduces risks of human and animal exposure.

A report on the estimated state liability for rehabilitation of derelict and ownerless mines has been completed by actuarial scientists commissioned by the Department which is currently under consideration. The recommendations will assist the Department in planning the rehabilitation programme, with a lucid indication of the resource requirements. An annual review of the liability has also been completed. Both the initial report and the review report confirm the need for fiscal support to the Department for rehabilitation work.

3.2 ORGANISATIONAL ENVIRONMENT

During the 2012 / 2013 financial year, the Department experienced a significant change within its Financial Administration component which arose from the resignation of the Chief Financial Officer at the beginning of the financial year and the subsequent resignation of the Chief Director: Finance and Supply Chain Management during the third quarter of the financial year. The Department is in the process of filling these positions

In addition to the above, the Department experienced a high turnover of Senior Managers during the year.

3.3 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

The Mineral and Petroleum Resources Development Act (MPRDA)

In 2004 the legislative framework of the mining industry changed drastically with the promulgation of the Minerals and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002) [MPRDA]. The Mineral and Petroleum Resources Development Act of 2002 introduced unprecedented regulatory reform in the mining industry. One of the major objectives of the MPRDA is the incorporation of the principles that pronounce mineral resources of South Africa as the common heritage of all South Africans and that the state is their custodian, based on the internationally accepted right of the state to exercise sovereignty over its wealth, natural resources and economic activity, as prescribed in the UN Resolution 1803 of 1962 and the subsequent UN Charter of Economic Rights and Duties of States. Further, the MPRDA's objectives give effect to section 24 of the Constitution of the Republic of South Africa by ensuring that the nation's minerals are developed in an orderly manner while promoting justifiable social and economic development.

In the first decade since its promulgation, the MPRDA has created an enabling environment for growth and formed the basis for transformation of the industry, in keeping with the changing socio-economic and political landscape of South Africa. The new mining regulatory framework has achieved the following milestones:

- Gross fixed capital formation in the mining industry has increased significantly under the MPRDA from R18 billion in 2004 to R69 billion in 2011 (Data source: South African Reserve Bank).
- Foreign Direct Investment in the mining industry has grown considerably from R112 billion to R389 billion, from 2004 to 2010 (Data source: South African Reserve Bank).
- Employment in the mining industry has grown from 448 909 to 513 211 from 2004 to 2011.
- Gross sales of primary minerals have appreciated from R98.5 billion in 2000 to R370.7 billion in 2011, whilst the number of mines has increased from 993 in 2004 to 1592 in 2011.
- Notwithstanding tremendous progress to date on the reform of the mining industry through the MPRDA, the first decade since promulgation of the Act has provided the benefit of jurisprudence, the basis on which inherent weaknesses must be addressed.

The promulgation and commencement of the Mineral and Petroleum Resources Development Act, 2002 (Act 28 of 2002) has met challenges in its implementation which have presented an opportunity for review and resultant amendments. Although the amended Mineral and Petroleum Resources Development Act, 2008 (Act 49 of 2008) was finalised, assented to and enacted by the President, it has not been promulgated due to concerns raised by several stakeholders. This resulted in a need for the review of both the principal Act and the Amended Act. Cabinet approved that the draft amendment Bill be gazetted for public consultations in December 2012 and further directed that extensive consultation be held. Following the gazetting the Department received 80 written submissions from stakeholders and interested and affected parties. In March 2013 a series of extensive public consultation workshops with interested and affected parties were held to provide clarity and solicit further input and comments.

The issues raised by stakeholders from the submissions received and the workshops held in March 2013 centred mostly on areas around definitions, the repeal of the first come first served principle, trading in shares and transfer of rights, the environmental provisions, the dissolution of the designated agency, Ministerial discretion on mineral beneficiation and State free carried interest, the revised sanctions and the concept of associated minerals. Subsequent to the consultation sessions held, the Department revised the draft Bill and incorporated public comments without compromising the objects of the Bill.

A summary of key amendments contained in the draft Bill include, albeit are not limited to:

- Strengthening the mineral and petroleum beneficiation provision in terms of:
 - Availing a proportion of production required as mineral input to local beneficiation at a developmental price.
 - Introducing mandatory measures under s26 (3) of the MPRDA for mining right holders to seek approval from the Minister for the export of minerals, subject to local beneficiation requirements being met.
- Enhancing provisions relating to the regulation and implementation of Social and Labour Plans (SLPs) to maximise the socio-economic development impact of mining, consistent with the developmental plans of local municipalities.
- Introducing provisions for classification of mineral resources as strategic, taking into account strategic national developmental imperatives.
- Streamlining administrative processes in relation to the regulation of mine environmental management functions.
- Realigning functions in order to consolidate the regulation of petroleum resources under the auspices of the Department of Mineral Resources, while the promotional geo-scientific research functions are incorporated into the Council for Geoscience.
- Making provision for the Minister to determine the period for the lodgement of applications by proclamation in the gazette.
- Strengthening provisions relating to cession, transfer and encumbrance in order to permit the partitioning of rights.
- Strengthening provisions on sanctions relating to non-compliance.
- Providing for the State's active participation in the exploitation of petroleum resources by receiving a free carried interest with a further option to acquire an additional interest.
- The Department is currently finalising the necessary processes for the draft Bill to be submitted for introduction in Parliament.

Mine Health and Safety Amendment Act, 1996 As Amended

The main objective of the proposed amendments is to improve the current construct of the Mine Health and Safety Act (MHSA), which will advance the efficacy of the legislation in achieving the primary object of creating a mining and minerals regime that conforms to regulatory best practice.

The review of the Mine Health and Safety Act seeks:

- To strengthen enforcement provisions;
- To streamline the administrative processes;
- To reinforce offences and penalties;
- To remove ambiguities in certain definitions and expressions; and
- To harmonize the Act with other laws, in particular the Mineral and Petroleum Resources Development Act, 2002.

The amendment Bill seeks to re-insert sections 50(7A) and 86A, which were not proclaimed when the 2008 Amendment Act took effect, after stakeholders raised concerns regarding their constitutionality and legality.

The amendments will further address loopholes identified in various court judgments such as the Terra Bricks and Berts' Bricks (Pty) Ltd Court judgments relating to the MHSa not being applicable to brick factories that are situated in mining areas

During the 2012 financial year, the Minister gave a directive that the Department consult with tripartite stakeholders (Organized Labour and Organized Business) on the proposed amendments in all regional tripartite forums in the country. Weaknesses and shortcomings in the Amendment Act were identified and deliberations from these workshops were used to improve on the draft proposed amendments.

The Draft Amendment Bill has received pre-certification by the State Law advisor after its constitutionality and legality were verified. The Draft Amendment Bill has been presented at the Economic and Employment Cluster of Directors General. Consultations are underway with the Departments of Labour and Health.

The draft Bill will be tabled before the Inter-ministerial Cluster. The Minister will then seek Cabinet's approval to publish the Mine Health and Safety Draft Amendment Bill 2012 (Draft Amendment Bill) in the government gazette to solicit public comments and take the process further for tabling it in Parliament. It is envisaged that this draft Bill will be adopted by Parliament during the 2013 / 14 financial year.

The DMR in collaboration with the Department of Environmental Affairs and the Department of Water Affairs had an Interdepartmental Project Implementation Committee (IPIC), to discuss matters for alignment and escalation to the integrated licensing systems, legislation and authorisations by the three departments. The impact of integrating licensing systems is significant and the number of jobs to be created as a result of this integration will improve from what it is currently the case, due to a number of projects with job opportunities to be established. Another positive contribution of the IPIC process is that there will be compliance by the mining companies. In order to give effect to the implementation of the integrated licensing system, the MPRDA has been amended and similar amendments are expected concerning the National Environmental Management Act and the National Water Act.

The Mining Charter

Following the review of the Mining Charter of 2004 which is subject to a 10 year review timeframe, the Department of Mineral Resources embarked on a process of reviewing and amending the 2004 Charter to strengthen and sharpen its efficacy in driving transformation and competitiveness in the mining sector. The implementation of the mining charter has been given a ten year window to effect transformation. In view of this window period the Department conducted a baseline assessment of compliance by the mining industry with the Mining Charter and produced a preliminary report in 2009. A second assessment report which is due by 2014 has to be produced as a continuation of the initial assessment to ensure that the Department quantifies the compliance levels over this ten year window period. The current eruptions of socio-economic challenges brought about by communities living close to mining operations has necessitated that the Department conduct an urgent review of levels of compliance with the Mining Charter.

4. STRATEGIC OUTCOME ORIENTED GOALS

The Department has developed the strategic outcomes, listed below, in support of our mission and vision. The DMR mission, vision and strategies are anchored to the imperatives of creating meaningful employment, poverty eradication, transformation of the minerals and mining sector, sustainable and equitable use of our mineral wealth and creating a service orientated department committed to upholding corporate governance and financial stewardship

Strategic Outcome 1	Increased investment in the minerals and mining sector
Outcome Statement	Promote and facilitate an increase in mining activity and value addition to mineral resources extracted in the Republic.
Strategic Outcome 2	Improve health and safety conditions in the mining sector
Outcome Statement	Provide a framework to manage health and safety risks, enforce compliance and promote best practice in the mining sector.
Strategic Outcome 3	Achieve equitable and sustainable benefit from mineral resources
Outcome Statement	1. Promote sustainable resource management and contribute to skills development and the creation of meaningful/sustainable jobs. 2. Contribute to the reduction of adverse environmental impacts from mining.
Strategic Outcome 4	Transform the minerals sector
Outcome Statement	Redress past imbalances through broader participation in the minerals sector, direct intervention in communities and an increase in BEE and SMME participation, which includes women, youth and the disabled.
Strategic Outcome 5	Create an efficient, effective and development-orientated department
Outcome Statement	Attract, develop and retain appropriate skills and ensure the optimal utilisation of resources through implementing risk management strategies and promoting sound corporate governance.

5. PERFORMANCE INFORMATION BY PROGRAMME

The activities of the Department of Mineral Resources are organized in the following programmes:

Programme 1: Administration (Corporate Services and Financial Administration)

Programme 2: Promotion of Mine Health and Safety

Programme 3: Mineral Regulation

Programme 4: Mineral Policy and Promotion

5.1 PROGRAMME 1: CORPORATE SERVICES

Purpose: To enable the Department to deliver on its mandate by providing strategic support management services and administrative support to the Ministry and the Department of Mineral Resources:

Headed by the Deputy Director General: Corporate Services, the branch consists of five Chief Directorates.

Chief Directorate: Human Resource Management (HRM)

This Chief Directorate is responsible for rendering a management support service to the Department. It provides services relating to organisational development, human resource planning and policy, human resource administration and practices, human resource development as well as employment relations management to line function components.

Organisational Development

The main purpose of this Directorate is to provide a comprehensive organisational development service to the Department.

The Directorate successfully appointed a service provider to commence with the culture and climate survey in the Department. Presentations/workshops were held in all Regional Offices and Head Office in preparation for this survey.

With regard to work study investigations, the Directorate managed to establish the Rustenburg Regional Office, and continues to align departmental components when the need arises.

Presentations were held to Management and Personal Assistants on how to improve document handling and a report to the Minister was compiled.

With regard to job evaluation, the Directorate managed to conduct job evaluations of 280 positions of which 183 were confirmed as a result of the implementation of Resolution 1 of 2012. 11 Job Evaluation Panel members were trained and new Panel members were appointed.

In relation to Business Processes, 21 processes were mapped and 5 processes were improved.

Document tracking was updated to be in line with the departmental organisational structure. A total number of 59 departmental forms were reviewed/designed.

Human Resource Planning and Policy

The focus of this Directorate is to manage the development, maintenance and implementation of HR planning and policy as well as the branding of HR in the Department. The Directorate further provides a human resource management information service to the Department. During the period under review the Directorate has successfully reviewed and published the Integrated HR Plan for the Department and implemented the Employment Equity Policy. The Directorate has further reviewed its processes with regard to the submission of financial disclosure forms which has successfully led to the submission of all financial disclosures within the prescribed time frame. The process for conducting exit interview analysis was also reviewed and the requirements for implementing a web based recruitment and staff exit analysis system was developed. It is envisaged to have the system in place by the end of the 2013/14 financial year. The Directorate has further managed to review the delegations for the Public Service Act and Public Service Regulations. An Operational Level Agreement was signed between Corporate Services and Line function branches that will be reviewed annually after a client satisfaction survey is conducted. A draft attraction and retention strategy has been developed; however, the Directorate is still awaiting the outcome of the recent culture and climate survey so that the interventions emanating from the survey can be included in the strategy.

Human Resource Administration and Practices

The purpose of this Directorate is to manage relationships with the Department's business unit partners on human resources matters and administration. This entails recruitment and selection, facilitating competency-based assessments and individual performance evaluations through the Performance Management and Development System (PMDS), managing service conditions and the implementation of Policy and Procedure for Incapacity Leave and Ill-health Retirement (PILIR). The Directorate managed to reduce the number of repeat audit findings in general. The vacancy rate was reduced from 13% to 12% in the financial year. The Directorate has also managed to develop five (5) new policies and review four (4) existing policies. During this financial year, the Directorate organised a year-end function and awards ceremony where employees received awards for long service and excellent performance. Eighty two (82) employees received awards for long service involving 5,10,15,20,25 and 30 years' service. Twenty two (22) employees received special awards in six categories (Ubuntu, Mentorship, Employee of Year, Rising Star, Woman Manager and Innovator).

Human Resource Development

The mandate of the Human Resource Development Directorate is in terms of the Skills Development Act, No 97 of 1998 (SDA), the National Human Resource Development Strategy (NHRDS), and the National Skills Development Strategy III (NSDS). The Departmental HRD Implementation Plan is designed to address skills challenges through training and development programmes that can ensure that there is a supply of employees with the required skills sets (i.e. scarce/critical skills) to meet Departmental strategic needs as well as the needs of the South African economy. This is essential in ensuring that the economy as a whole achieves improved performance to enhance service delivery. To deliver on its mandate, the Directorate is responsible for the development and implementation of the Departmental HRD strategy and Workplace Skills Plan.

To act in accordance with the aforementioned prescripts, a number of generic and technical programmes were implemented. Courses ranged from Management Development Programmes, Project Khaedu, Environmental Management System, Mineral Law, Occupational Health Safety, Project Management and Report Writing. 80% of the planned training was implemented. 76 new appointees were orientated concerning Public Service and Departmental policies and procedures. All the internal bursary applicants (84) were granted bursaries. 11 internal bursary holders completed their studies. 40 graduates were enrolled for internship programmes. From the accord that the Department has signed with the Mining Qualification Authority, that body will fund 55 bursaries from 2011/2012 financial year for a period of 4 years. Two students have completed their studies.

Employment Relations Management

This is a Directorate aimed at managing employee relations, collective bargaining and employee wellness. There are sound labour relations within the Department as the process of collective bargaining (Departmental Bargaining Chamber) was successfully conducted as per the scheduled plan and in terms of Council Rules. Through this process the Department adopted/approved a number of policies. The number of grievances/disputes has reduced through understanding and consensus reached between organised labour and the employer. The Directorate managed to finalise 75% of misconduct and grievance cases. As an intervention to minimise the number of grievances, misconduct cases and disputes in the Department, during February–March 2013, the Directorate: Employment Relations Management conducted a workshop on the Code of Conduct in all regional offices.

Security Risk Management

The main purpose of this Directorate is to ensure effective security risk management services, the focus being on the implementation of the Minimum Information Security Standards (MISS) and Minimum Physical Security Standards (MPSS). As part of implementing the National Vetting Strategy, the Directorate has achieved 100% on pre-employment screening, better known as personnel suitability checks (PSC), 100% on company screening, and completed 121 vetting files during the 2012/13 financial year. In addition to the above, the South African Police Services (SAPS) conducted security audits in four Regional Offices, namely Mpumalanga, Western Cape, Welkom and Port Elizabeth.

Chief Directorate: Legal Services

The Chief Directorate: Legal Services provides the Department with comprehensive legal support services, which include legal opinions and advice, assistance with legal drafting, litigation management, handling of administrative appeals and assistance with enquiries and investigations. The Chief Directorate also assists with the monitoring and implementation of the Promotion of Access to Information Act (PAIA), No. 2 of 2000, and the Promotion of Administrative Justice Act (PAJA), No. 3 of 2000. Furthermore, the Chief Directorate assists with debt collection as well as the determination of culpability of officials in cases of lost or damaged property. The Chief Directorate also facilitates the certification and signing of international agreements between the Department and third parties. The Chief Directorate consists of two Directorates, namely Directorate: Mineral Legal Services and Directorate: Legal and Support (Mine Health and Safety)

Challenges

The Chief Directorate: Legal Services has continuously experienced severe capacity challenges during the last few years. The constant increase in appeals and litigation is extremely difficult to manage given the limited resources of the Chief Directorate. This phenomenon has resulted in unnecessary additional litigation against the Department, and is of major concern. However, it is believed that the situation will be greatly improved, as and when measures to address challenges with regard to the nature and extent of administrative decision-making within the Department are successfully implemented.

Achievements

Although there was a constant increase in appeals and litigation over the last few years, the Chief Directorate: Legal Services has nevertheless managed to improve on the turnaround time with regard to the finalizing of appeals.

Branches remain appreciative of the value of the Chief Directorate which managed to assist those Branches who required services, with the drafting of legislation and provision of legal assistance on a variety of issues.

The Department's successful defence in the Supreme Court of Appeal against a claim brought by Agri SA against the Minister is of particular significance. The claim was brought in an attempt to prove that the enactment of the Mineral and Petroleum Resources Development Act, amounted to a general expropriation of old order mineral rights. A ruling in favour of the Plaintiff would have had a severe and negative impact on the Department's ability to function properly, both financially and administratively.

Chief Directorate: Communication

Its core mandate entails rendering efficient and effective communication services in line with the DMR's mandate, mission, vision and values, whilst bearing in mind the context and environment of the mining industry. This role is critical to the success of the Department.

Working in tandem with all senior managers, the Chief Directorate leads the Department's communication efforts in support of the overall objectives of the Department. It is also charged with supporting the Minister, Deputy Minister, Director General and line function branches in media management, branding, marketing, public relations, internal communications, publications services, library, knowledge management services, switchboard and reception services.

The Department's communication and stakeholder relations are driven by the need to:

- Profile and promote the objectives, policies and programmes of the Department
- Sustain public confidence in government's ability to deliver on its mandate through the Department's programmes
- Build the reputation and brand of the Department
- Demonstrate how the Department is contributing to government's priorities, including the creation of decent jobs and sustainable communities through mining regulatory interventions
- Help the mining industry to understand the Department's policies and programmes, especially as they relate to transformation and promote local beneficiation of raw materials
- Communicate South Africa's mining legislative and regulatory framework, including licensing processes.
- Market South Africa and the mining industry abroad and build consensus on South Africa's reputation as a viable destination for foreign investment
- Build the Department's capacity to communicate coherently and effectively with all stakeholders: and
- Develop appropriate and ethical networks and relationships with stakeholders that enhance the image of the Department.

The unit has in the past year attained improved media relations through a proactive approach in engaging with media houses on a regular basis.

Hydraulic Fracturing Report

The Chief Directorate published the initial research report on hydraulic fracturing and shale gas, which details the findings of an integral study into the new mining phenomenon that was undertaken by the Hydraulic Fracturing Task Team.

Presidential Hotline

The Chief Directorate: Communications also hosts the function of public liaison services which deals with Presidential Hotline queries that is received from the general public. The Department's Presidential Hotline call resolution currently stands at 96% with calls mainly about Social and Labour Plans.

MPRDA amendments

The Chief Directorate Communications hosted several public consultation sessions in communities that are affected by resident mining operations across the country. This in turn gave effect to the recently published amendments to the Mineral and Petroleum Resources Development Act.

Chief Directorate: Special Programmes and Outreach

The DMR strives to create a more just and equitable society.

During the year under review the Chief Directorate continued to encourage and facilitate education and skills development among young people, particularly ensuring that girl learners pursue technical studies which are related to mining at tertiary institutions.

To this end the Chief Directorate continues to enhance skills development for learners at institutions of higher learning through career guidance. During the 2012/13 year about 900 learners studying mathematics were advised on careers in the minerals and mining sectors. Some of the learners participated in a science competition whereby learners are encouraged to do research, develop new ideas and be innovative with their focus in mining. The learners would then identify problems in and around mining areas and develop solutions through scientific methods.

The winners of the competition are awarded bursaries from MQA. For the first time last year three bursaries were awarded to learners who did better than the rest in a quiz and they were offered bursaries by Jindal Mining Company to study for mining engineering degrees in India.

The Minister of Mineral Resources also initiated a girl learner programme with a view to increasing skills, particularly among young females. Through this programme 21 students were admitted to various institutions of higher learning. The Chief Directorate mentored and encouraged the learners in their studies and this has yielded positive results. Eighteen (18) girls have done very well and have proceeded to their second year of study.

Special Projects continues to support rural communities with particular focus on young people and women.

The Component has also facilitated the commemoration of National Days. During the year under review the Department commemorated Youth Day and this was characterised by a dialogue on the three ills that are facing government: inequality, poverty and unemployment.

The Department also commemorated Women's Day focusing on women working in the mines as workers, managers, professionals and mine owners; as well as on educators from tertiary institutions to highlight their concerns and recommendations.

Finally the Department also hosted the World AIDS Day for its personnel to solicit information from medical experts on the latest research and treatment of HIV/AIDS.

Directorate: Auxiliary Support Services (ASS)

This Directorate is responsible for rendering a support service to the Department which includes Transport, Facilities and Records Management. The 2012/13 financial year has been a very successful year, with the following achievements:

- The development of a Directorate Service Catalogue with defined turnaround times for all services rendered.
- More than five Service Level Agreements were entered into with different service providers.
- Additional vehicles were added to the new fleet.

PART B: Performance Information

Corporate Services

Objective	Measure	Actual	Target	Variance	Performance Analysis	Recommendations
Communicate DMR policies and programmes with internal and external stakeholders	% of branch inputs received and updated on the website and intranet	100	100	0	Achieved, Verification Source: Website Printout page.	
	Approved internal communication strategy	1	1	0	Achieved, Verification Source: Approved Strategy.	
	Number of media and stakeholder engagements held	48	8	40	Achieved, Verification Source: Media Report. The Branch has achieved the following targets: 3 1st quarter, 6 2nd quarter, 13 3rd quarter and 26 4th quarter =(3+6+13+26= 48).	
	Number of positive and balanced news (published/broadcast) items from DMR initiated activities	193	100	93	Achieved, Verification Source: Media Reports/Media Clippings/Media Statements. The Branch has achieved the following targets: 25 first quarter, 35 second quarter, 65 third quarter, 68 fourth quarter = (25 + 35 + 65 + 68 = 193).	
Contribute to skills development	Number of public participation programmes	10	6	4	Achieved, Verification Source: Framework Report. The Branch has achieved the following targets: 5 first quarter, 1 second quarter, 1 third quarter and 10 fourth quarter = (5+1 + 1 + 3=10).	
	Mining career awareness initiatives	16	4	12	Achieved, Verification Source: Attendance Registers or Reports.	
	Number of bursaries acquired and recipients identified to study towards mining related qualifications	5	20	-15	Not achieved, process not clearly defined.	Review the process in the next financial year, 31 March 2014.
Drive transformation policies	Number of women mainstreaming projects facilitated	4	4	0	Achieved, Verification Source: Project Report.	
	Women in mining strategy approved	0	1	-1	Not achieved, strategy still under review.	Still to review strategy and will be finalized in the third quarter, 30 September 2013.

Corporate Services

Objective	Measure	Actual	Target	Variance	Performance Analysis	Recommendations
Provide adequate facilities for effective service delivery	% of facilities aligned with business needs	83	80	3	Achieved, Verification Source: Facility Management Report.	
	Approved youth strategy	0	1	-1	Not achieved, Strategy still under review.	Still to review strategy and will be finalized in the third quarter, 30 September 2013.
Sustainably develop vulnerable groups	Number identified projects facilitated for vulnerable groups	3	3	0	Achieved, Verification Source: Report.	
	Number of business process mapped	19	10	9	Achieved, Verification Source: Business Process Mapped Report.	
Develop, review and improve internal processes/ guideline/ procedures	Number of guidelines reviewed	1	1	0	Achieved, Verification Source: Reviewed Employment Relation Management guideline.	
	Number of policies developed and reviewed	17	9	8	Achieved, Verification Source: DBC Minutes.	
	Number of re-engineered processes	8	5	3	Achieved, Verification Source: Business Process Improvement Report.	
	Number of SLAs reviewed	1	1	0	Achieved, Verification Source: Service Level Agreement.	
	% of financial disclosures submitted within the prescribed period	100	100	0	Achieved, Verification Source: List of submitted financial disclosures forms.	
Ensure compliance with HR legislation/ directives	% of performance agreements signed within the prescribed period	95	100	-5	Partially achieved, the branch achieved 95% against a target of 100. The challenge is that 5% of performance agreements were submitted after 31 May 2012.	Warning letters were issued.
	Number of posts evaluated	138	110	28	Achieved, Verification Source: JE Panel Minutes.	

PART B: Performance Information

Corporate Services

Objective	Measure	Actual	Target	Variance	Performance Analysis	Recommendations
Ensure implementation of National Vetting Strategy	% of pre-employment screening requests processed	100	100	0	Achieved, Verification Source: Proof of receipt of screening from SSA Domestic branch.	
	% of service providers and contractors screening requests processed	100	100	0	Achieved, Verification Source: Proof of receipt of screening requests from SSA Domestic branch.	
	Number of vetting files completed	121	120	1	Achieved, Verification Source: Proof of receipt of a completed file from SSA Domestic branch.	
Improve turnaround times	% adherence to defined turnaround times	75	75	0	Achieved, Verification Source: Facility Management Report.	
	% improvement in turnaround times	100	100	0	Achieved, Verification Source: Service Catalogue Report.	
Provide professional legal support and advisory service to the Ministry and Department	% timeous response to opinions, appeals, enquiries, agreements and litigations	88	75	13	Achieved, Verification Source: Registers.	
	% reduction in staff turnover	-1	2	-3	Not achieved, due to early retirement, transfers and promotion of DMR officials to other Departments.	The measure will be revised in August 2013.
Attract, develop and retain skills	Improved numbers in terms of identified EE categories	98	114	-16	Partially achieved, The branch achieved 98 against a target of 114 improvement in the EE Categories. The challenge is that the branch has been unable to attract Indians and Coloureds.	Priority will be given to Coloureds and Indians when filling vacancies.
	Number of health and wellness programmes implemented	8	8	0	Achieved, Verification Source: Attendance Registers.	
	Number of HRD initiatives implemented	9	10	-1	Partially achieved. The Branch achieved 9 initiatives against a target of 10, the challenge was the Job descriptions.	Organisational Development to amend Job Descriptions in the next financial year.

Corporate Services

Objective	Measure	Actual	Target	Variance	Performance Analysis	Recommendations
Facilitate management and leadership development	Number of management programmes implemented	4	3	1	Achieved, Verification Source: Attendance Registers.	
	Number of managers completed the management courses	15	15	0	Achieved, Verification Source: List of completed officials.	
Filling of funded vacancies	% reduction in vacancies	11	4	7	Achieved, Verification Source: Peral Reports and Calculations.	
Align budget to strategy	% changes made to the original allocated budget	1	20	-19	Achieved, Less than 20% changes were made to the original budget. Verification Source: Shifting Report.	
Manage costs effectively	% reduction in irregular Expenditure cases	22	100	-78	Not Achieved, due to lack of understanding the Supply Chain Management processes. (last year cases - Current year cases / last year cases X 100) $9 - 7 = 2/9 \times 100 = 22$.	The branch will continue to attend workshops facilitated by Supply Chain Management.
	% variance on allocated budget	22.41	5	17.41	Not achieved, due to leases the branch has overspend by 22.41 which is the Variance on projected expenditure of 124 789 and Actual Expenditure of 152 759 = 152 759/124 789 = 22.41.	Budget decentralization for operating lease will be implemented in the new financial year.
Maximise utilisation of resources	% reduction in the number of branch assets disposed prior to the end-of-lifespan	2091.50	10	90	Not achieved, the branch experienced loss to assets, resulting in a 2091.50% increase in assets disposed of prior to end of lifespan. Verification Source: Loss Register.	The Branch will implement asset register for all the assets entering and exiting the department in the new financial year.

Corporate Services

Objective	Measure	Actual	Target	Variance	Performance Analysis	Recommendations
Promote corporate governance	% adherence to compliance framework	100	100	0	Achieved, Verification Source: Completed Checklist.	
	% implementation of risk management plans	100	100	0	Achieved, Verification Source: Monitoring Report.	
	% of fully implemented agreed upon management action plans (external audit)	100	100	0	Achieved, Verification Source: No follow up audit done during the 4th quarter.	
	% of fully implemented agreed upon management action plans (internal audit)	100	100	0	Achieved, Verification Source: Follow-up Audit Report has not yet been issued.	

Sub-programme expenditure: Corporate Services

Sub- Programme Name	2012/2013			2011/2012		
	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
Ministry	24,458	24,258	-	23,423	23,225	198
Corporate Services	123,369	123,369	-	74,660	86,266	(11,606)
Department Management	17,414	17,414	-	15,466	15,478	(12)
Financial Administration	87,518	87,518	-	108,456	88,937	19,519
Internal Audit	13,292	13,292	-	9,977	9,736	241
Office Accommodation	29,203	29,203	-	33,958	33,958	0
Total	295,254	295,254	-	265,940	257,600	8,340

5.1.1 PROGRAMME 1.1: FINANCIAL ADMINISTRATION

Purpose:

The purpose of the Branch: Financial Administration is to provide strategic and administrative support services to the Ministry and the Department.

Headed by the Chief Financial Officer, the Branch consists of the following components:

Chief Directorate: Finance and Supply Chain Management

The Chief Directorate: Finance and Supply Chain Management is responsible for the finance, budget and supply chain management processes and made up of the following directorates:

Financial Planning and Management Accounting

This division is responsible for coordinating the budget processes, managing revenue and reporting of all financial matters including annual financial statements and other reports prescribed by the PFMA;

Expenditure Management

This division focuses on ensuring that payments to service providers/suppliers, interdepartmental claims, salary and other allowances as well as transfers to state owned entities are done on time and within a controlled environment to ensure compliance with relevant policies and prescripts

Supply Chain Management

This division is primarily responsible for managing demand, acquisition of goods and services, logistics, contract as well as asset management for the Department;

Chief Directorate: Information Management

This Chief Directorate's primary focus is to provide a communication technology platform that supports business needs which are aligned to the strategic objectives of the Department. It is made up of two directorates, namely:

Information Technology

This division provides information technology – infrastructure and networks, and

System Development and Maintenance

This division focuses on the development and maintenance of application systems.

Financial Administration

Objective	Measure	Actual	Target	Variance	Performance Analysis	Recommendations
Educate and empower stakeholders	% reduction in non-compliance with internal processes	-0.14	50	-50.14	Not Achieved. Lack of understanding of the procurement process. Verification Source: Irregular Expenditure Report.	The Financial Administration Branch will continue to conduct workshops to clarify procurement processes to reduce irregular expenditure or non-compliance with internal processes.
	% reduction in the number of complaints	100	20	80	Achieved. Verification Source: System Generated Report (QMS).	
Improve service delivery	Customer satisfaction index (1-5 index) on OLA	3.35	3	0.35	Achieved. Verification Source: Customer Satisfaction Survey Report.	
	Number of defined turnaround times adhered to	72	70	2	Achieved. Verification Source: Service Catalogue Calculations (EM 12; FPMA 11; SCM 8 IM 41) = 72.	
Promote transformation policies	% of suppliers' invoices paid in 30 days	94.97	90	4.97	Achieved. Verification Source: Invoice Payment Report and/or Register.	
Provide ICT systems	% reduction in the number of calls logged due to system response time	98.57	94	4.57	Achieved. Verification Source: Helpdesk Report.	
Provide reliable and timely information	Number of reports submitted within prescribed timeframes	18	5	9	Achieved. Verification Source: Reporting Calendar Calculations: (EM 5; FPMA 8; SCM 5) = 18.	
Aligning ICT to business objectives	% implementation of MSP	100	80	20	Achieved. Verification Source: Implementation of MSP report Calculations: Tasks completed (12) / Total number of tasks (12) * 100 = 100%.	
	% reduction in licensing costs	0	10	-10	Not Achieved due to delay in integration of Application Systems.	Integration of Application Systems will be finalised in the next financial year.

PART B: Performance Information

Financial Administration

Objective	Measure	Actual	Target	Variance	Performance Analysis	Recommendations
Implement policies, processes and procedures	Number of approved policies implemented	5	4	1	Achieved. Verification Source: Approved Submission and/or Circular to DMR Group.	
	Number of approved processes and procedures implemented	5	4	1	Achieved. Verification Source: Circular to DMR Group and/or Published processes (Intranet).	
Improve turnaround times	% improvement in turnaround times	55	10	20	Achieved. Verification Source: Service Catalogue. Calculations: (Finance and SCM 88% + IM 21.9%) / 2 = 55.1%.	
	Number of processes with improved turnaround times	28	5	11	Achieved. Verification Source: Report on turnaround times for processes identified for improvement. Calculations: (Finance and SCM 8+4+7 + IM 9) = 16.	
Attract, develop and retain skills	% reduction in staff turnover	3	2	1	Achieved. Verification Source: Peral Report and/or Excel Spreadsheet.	
	Improved numbers in terms of identified EE categories	70	81	-11	Partially Achieved. Contract expiry, death and retirement. Verification Source: Peral Report and/or Excel Spreadsheet.	The Branch will implement recommendations as per exit interview analysis compiled by HR in the next financial year.
	Number of HRD initiatives implemented	3	3	0	Achieved. Verification Source: Attendance Registers and/or Training Report.	
Facilitate management and leadership development	Number of managers completed management courses	11	5	6	Achieved. Verification Source: List of Managers Completed Management Course.	
Fill funded vacancies	% reduction in vacancies	-5	4	-9	Not Achieved due to increase in the number of vacancies. Verification source: Peral Report and Calculations.	The Branch will fill vacancies within four months of the post being vacated.
Align budget	% changes made to the original allocated budget	0	20	-20	Achieved. Verification Source: Shifting Report.	

Financial Administration

Objective	Measure	Actual	Target	Variance	Performance Analysis	Recommendations
Manage costs effectively	% reduction in irregular expenditure cases	0	100	-100	Not Achieved. Lack of understanding of policies and procedures. Verification Source: Irregular Expenditure Report.	The Financial Administration Branch will continue to conduct workshops to clarify procurement processes to reduce irregular expenditure or non-compliance with internal processes.
	% variance on allocated budget	5	5	0	Achieved. Verification Source: Expenditure Control Report and/or Cash Flow Projections.	
Maximize utilisation of resources	% reduction in the number of assets disposed of prior to the end lifespan	69.3	10	59.3	Achieved. Verification Source: Loss Register and/or Disposal Report.	
	% adherence to compliance framework	100	100	0	Achieved. Verification Source: Completed Checklist.	
Promote corporate governance	% implementation of risk management plans	100	100	0	Achieved: Verification Source: Annual Risk Management Monitoring Report.	
	% of fully implemented agreed upon management action plans (External Audit)	100	100	0	Achieved. Verification Source: AG Management Report Action Plan.	
	% of fully implemented agreed upon management action plans (Internal Audit)	100	100	0	Achieved. No follow up audit report received from Internal Audit for quarter under review.	

PART B: Performance Information

Sub-programme expenditure: Financial Administration

Sub- Programme Name	2012/2013			2011/2012		
	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
Ministry	24,458	24,258	-	23,423	23,225	198
Corporate Services	123,369	123,369	-	74,660	86,266	(11,606)
Department Management	17,414	17,414	-	15,466	15,478	(12)
Financial Administration	87,518	87,518	-	108,456	88,937	19,519
Internal Audit	13,292	13,292	-	9,977	9,736	241
Office Accommodation	29,203	29,203	-	33,958	33,958	0
Total	295,254	295,254	-	265,940	257,600	8,340

5.2 PROGRAMME 2: PROMOTION OF MINE HEALTH AND SAFETY

Purpose:

To execute the Department's statutory mandate to safeguard the health and safety of the mine employees and people affected by mining activities.

Measurable Objective:

Reduce mining-related deaths, injuries and ill-health through the formulation of national policy and legislation, the provision of advice and application of systems that monitor, audit and enforce compliance in the mining sector.

Mine health and Safety consist of two sub-programmes:

- Mine health and Safety (Regions)
- Governance Policy and Oversight

Mine Health and Safety Inspectorate

Objective	Measure	Actual	Target	Variance	Performance Analysis	Recommendations
Contribute to skills development	Reviewed and implemented Certificate of Competency Model to improve pass rate	1	1	0	Achieved. Verification Source: Cover page of certificate of competency model report.	
	% adherence to the Enforcement Guidelines	100	100	0	Achieved. There were 391 section 54 instructions issued, 538 section 55 instructions and 6 administrative fines imposed. Verification Source: Summary of statutory instruction report (section 54 or 55 or admin fines). Calculation: $(391/538) * 100 = 100\%$.	
Promote health and safety	% of enquiries completed (initiated vs completed)	70	70	0	Achieved. The average percentage achieved is 70%. There were 14 enquiries completed and 20 enquiries initiated. Calculation: $(14/20) * 100 = 70\%$. Verification Source: Summary of enquiry reports.	
	% of investigations completed (initiated vs completed)	87	80	7	Achieved. Performance was 7% above target. There were 592 investigations completed and 683 investigations initiated. Calculation: $(592/683) * 100 = 100\%$. Verification Source: Summary of investigation reports.	
	% reduction in dangerous occurrences	5	20	-15	Not achieved. There were 325 dangerous occurrences in the 2011/ 2012 compared with 340 in 2012/ 2013. Calculation: $(325 - 340) / 325 = 5\%$. The reason for non performance was due to an increase of dangerous occurrence reported by gold and coal mines. Verification Source: SAMRASS report.	More investigations and audits to be conducted on the causes of these dangerous occurrences focusing on gold and coal mines. The outcome of investigation will then assist in coming up with strategies to minimize these dangerous occurrences.

Mine Health and Safety Inspectorate

Objective	Measure	Actual	Target	Variance	Performance Analysis	Recommendations
Promote health and safety	% reduction in occupational fatalities	24	20	4	Achieved. There were 127 fatalities in 2011/2012 compared with 97 in 2012/2013. Calculation: $(127-97)/127=24\%$. Verification Source: SAMRASS report.	
	% reduction in occupational injuries	5	20	-15	Not achieved. There were 3173 injuries in 2011/2012 compared with 3319 in 2012/2013. Reason for non performance is as a result of sharp increase in injuries caused by general types of injuries and shortage of staff. Calculation: $(3319-3173)/3173=5\%$. Verification Source: SAMRASS report.	More investigations and audits to be conducted in the area of general types of injuries. The outcome of investigation and audits will then assist in coming up with strategies to minimise these injuries.
	% reduction of employee overexposure to Noise Occupational Exposure Limit (OEL) to reduce noise induced loss	38	10	18	Achieved. Total percentage improvement is = Quarter 2- Quarter 1 $(73337 - 101311/73337*100)$ which is 38 %. Verification Source: Noise milestone indicator report.	
	% reduction of employee overexposure to silica occupational exposure limit (OEL) to reduce silicosis	22	10	12	Achieved. Total percentage improvement in A category = Quarter 2- Quarter 1 $(3133 - 4036/4036*100)$ which is 22 %. Total percentage improvement in B category = Quarter 2- Quarter 1 $(8566 - 10756/10756*100)$ which is 20%. Verification Source: Silica milestone indicator report.	
	Legislative framework reviewed	1	1	0	Achieved. The MHSA Amendment Bill has been completed and certified by the State Law Advisor and presented to the DG Cluster and parliamentary process to be followed. Verification Sources: Cover page of reviewed legislation.	
	MHS annual report submitted	1	1	0	Achieved. Report submitted to Parliament. Verification Source: Cover page of annual performance report.	
	Number of audits conducted (cumulative)	421	396	25	Achieved. Calculation: Total 4th quarter is 113 plus total 3rd quarter is 89 plus total 2nd quarter is 108 plus total 1st quarter 111 = 421. Verification Source: Summary of audit report.	

Mine Health and Safety Inspectorate

Objective	Measure	Actual	Target	Variance	Performance Analysis	Recommendations
Promote health and safety	Number of inspections conducted (cumulative) Individual audits included	8632	8000	632	Achieved. Calculation: Total 4th quarter is 2528 plus total 3rd quarter is 1939 plus total 2nd quarter is 2186 plus total 1st quarter 1979 = 8632. Verification Source: Summary of inspections report.	
	Number of tripartite workshops conducted	60	40	20	Achieved. Calculation: Total 4th quarter 15 plus total 3rd quarter 13 plus total 2nd quarter 16 plus total 1st quarter 16 = 60. Verification Source: Summary of tripartite workshops conducted.	
	Quarterly OHS newsletters published	4	4	0	Achieved. Calculation: Total 4th quarter = 1, 3rd quarter = 1 plus 2nd quarter 1 plus total 1st quarter 1 = 2 Verification Source: Cover page of newsletter(s).	
Develop and review internal processes	% of identified internal processes developed, reviewed and implemented	100	100	0	Achieved. Reviewed the guideline for mining within 100 meters from buildings etc that may require protection. Verification Source: Cover page of policies, procedures, instructions or guidelines developed, reviewed, implemented.	
Implement service level agreements (SLAs)	% adherence to existing SLAs	100	100	0	Achieved. Monthly training progress reports of DMR trainees submitted by Gold Fields Business and Leadership Academy. Verification Source: Training progress reports.	

Mine Health and Safety Inspectorate

Objective	Measure	Actual	Target	Variance	Performance Analysis	Recommendations
	% adherence to prescribed time frames administrative tasks	96	100	-4	Partially achieved. There were 413 applications received and 397 completed (397/413) = 96%. Reason for non achievement is the shortage of staff. Verification Source: Summary of admin registers.	The outstanding tasks will be finalized in the next quarter of the new financial year.
Improve turnaround time	% adherence to prescribed time frames for CIOM appeals	100	100	0	Achieved. 1 appeal to the CIOM received and completed within prescribed timeframe. Verification Source: Summary of CIOM appeals.	
	% adherence to prescribed time frames for medicals appeals	100	100	0	Achieved. There were 29 appeals completed and there were 29 appeals received. Calculation: (29/29) = 100%. Verification Source: Summary of medical appeal register.	
	% adherence to prescribed time frames for MPRDA applications	100	100	0	Achieved. There were 861 applications completed versus 857 received. Calculation: (861/857) = 100%. Verification Source: Summary of admin register.	
Attract, develop and retain skills	% Reduction in staff turnover	1	2	-1	Partially achieved. The difference of people employed versus people that left employment was equal to 15 in the 1st quarter of 2012. The difference of people employed versus people that left employment equal to 4 in the 2nd quarter of 2012 and the difference in the 3rd quarter is 6 and the difference in the 4th quarter is 5. Reason for non-achievement is inability to recruit suitable candidates to fill vacancies, due to government salary packages compared to private sector. Verification Source: HR quarterly performance report.	Continue with adverts and interviews to improve staff turnover.

PART B: Performance Information

Mine Health and Safety Inspectorate

Objective	Measure	Actual	Target	Variance	Performance Analysis	Recommendations
Attract, develop and retain skills	Improved numbers in terms of identified EE categories:	108	115	-7	Partially Achieved. The target for quarter 1 is 102, the performance for quarter 2 is 106, the performance for quarter 3 is 100 and the performance for quarter 4 is 108. Calculation: $108/115=94\%$. Constraint: Several submissions for filling of vacancies are still outstanding. Verification Source: HR quarterly performance report.	We will continue with recruitment of relevant categories.
	Number of HRD initiatives implemented	6	6	0	Achieved. The following initiatives were implemented: Workplace learning =2. Internship= 12. External bursary= 20. Career planning and talent management= 4. Verification Source: Attendance register or training reports.	
Facilitate management and leadership development	Number of management programmes implemented	3	3	0	Achieved. Courses attended: Project Khaedu, EMPD, and AMDP. Verification source: Attendance register or Training reports.	
	Number of managers completed management courses	10	10	0	Achieved. Verification Source: List of completed officials.	
Filling of funded vacancies	% Reduction in vacancies	2	4	-2	Partially achieved. The vacancies at the beginning of the financial year were 66. The vacancies in the 1st quarter was 67 and vacancies in the 2nd quarter were 64 vacancies in the 3rd quarter 75 and in the 4th quarter 60 Calculation : $(21\%-19\%) = 2\%$. Constraint: Several submissions for filling of vacancies are still outstanding. A moratorium on filling vacancies. Verification Source: HR quarterly performance report.	Adverts and interviews have been conducted and posts will be filled in due course.
Align budget to strategy	% changes made to the original allocated budget	0	20	-20	Achieved. 4 shifting of funds totalling R49 000 between economic classifications were effected until the end of March 2013. Verification Source: Shifting report.	

Mine Health and Safety Inspectorate

Objective	Measure	Actual	Target	Variance	Performance Analysis	Recommendations
Manage Costs effectively	% variance on allocated budget	6.77	5	1.77	Not achieved. Only R 140 million of budget spent against R 150,6 million projected; this is 6.77% underspending. The actual expenditure was R129 million, the projected expenditure R81 million. Calculation: (140 million/150 million) - 100% = 6, 77%. Constraint: Number of vacancies within the branch result in underspending. Verification Source: Expenditure control report.	Ensure that vacancies are filled to minimize the underspending. Interviews have already been conducted for vacant post.
	% reduction in irregular expenditure cases	0	100	-100	Not achieved. 2 cases reported in this quarter. Constraint: There was a change of a service provider and the Department was not informed by the appointed service provider. Verification source: Register for irregular expenditure.	This case of irregular expenditure is still under investigation and only once the investigation has been finalized will we implement the outcome of the investigation.
Maximise utilisation of resources	% reduction in the number of branch assets disposed of prior to the end-of-lifespan	100	10	90	Achieved. Nil assets were disposed of prior to the end-of-lifespan. Verification source = Disposal report from SCM.	
	% adherence of compliance framework	100	100	0	Achieved. The branch has complied with all 7 compliance checklists. Verification Source: Compliance checklist.	
Promote corporate governance	% implementation of risk management plans	100	100	0	Achieved: Verification Source: Annual Monitoring report.	
	% of fully implemented agreed upon management action plans (External Audit)	100	100	0	There has been no follow up audit done during the 4th quarter.	
	% of fully implemented agreed upon management action plans (Internal Audit)	100	100	0	No follow up audit done during the 4th quarter.	

PART B: Performance Information

Sub-programme expenditure: Promotion of Mine Health and Safety

Sub- Programme Name	2012/2013			2011/2012		
	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
Governance Policy and Oversight	44,329	43,612	717	46,301	46,234	67
Mine Health and Safety Regions	97,182	97,103	79	95,118	95,018	100
Total	141,511	140,715	796	141,419	141,252	167

5.3 PROGRAMME 3: MINERAL REGULATION

Purpose:

Regulate the mineral and mining sector to ensure economic development, employment, transformation and environmental compliance.

Programme Objective:

To regulate the minerals and mining sectors into one that competitively contributes to the transformation of the mining industry and to equitable sustainable development in the country.

The programme consists of the four following sub-programmes:

- Northern Regions
- Western Regions
- Coastal Regions
- Central Regions

Mineral Regulation

Objective	Measure	Actual	Target	Variance	Performance Analysis	Corrective Action
Promote job creation	Number of implemented (LED) projects inspected	94	50	44	Achieved Verification source: Inspection reports.	
	Number of implemented SMME development projects inspected	41	40	1	Achieved Verification source: Inspection reports	
	Verified number of jobs created through mining	2431	7000	-4569	Not Achieved: Economic distress in the industry resulted in large-scale retrenchment.	Distress in the chrome and platinum sector to be addressed through MIGDETT (Mining Industry Growth Development Task Team) processes.
Promote sustainable resource use and management	% of approved EMPs relative to rights issued	100	100	0	Achieved Verification sources: Issued rights (No rights are issued without an approved EMP).	
	% of approved social labour plans relative to rights issued	100	100	0	Achieved Verification source: Issued rights (Each right issued and notarized includes an acceptable SLP).	
	% of evaluated work programmes relative to rights issued	100	100	0	Achieved Verification source: Issued rights (Each right issued and notarized includes an acceptable work programme).	
Reduce state environmental liability and financial risk	% of mines issued with closure certificate without residual state liability	100	100	0	Achieved Verification source: Closure certificates (All closure certificates issued are preceded by a ROD which shows that the DWA and PI have concurred).	
	% of rights and permits/or mines with adequate financial provision for rehabilitation	60.4	100	-39.6	Partially Achieved: Identified inadequate financial provision cases found through inspection/number of inspections.	Address inadequate financial provisions through legislative instruments during the next financial year.

Mineral Regulation

Objective	Measure	Actual	Target	Variance	Performance Analysis	Corrective Action
Implement transformation policies/ legislation	% of procurement spent on HDSAs in terms of the requirements of the mining charter	0	100	-100	Not Achieved. The Department does not have the tool to measure the % of procurement spent on HDSAs.	The Department will procure the tool that will measure the % of procurement spent on HDSAs in the next coming financial period 2013/14.
	Number of consultations/ engagements with communities/ stakeholder and the mining industry	120	50	70	Achieved Verification source: Agenda, attendance register and/ or minutes.	
	Number of industry workshops conducted	25	9	16	Achieved Verification source: Agenda, attendance register and/ or minutes.	
Improve turnaround times	Number of rights and permits issued to HDSA controlled entities	102	200	-98	Not Achieved The branch received few applications from HDSA controlled entities.	The branch will increase the focus on HDSA awareness in its industry workshops scheduled.
	% adherence to prescribed time frames	61	70	-9	Partially Achieved There are still cases where SLP and BEE compliance issues and sect 9 (1) (b) aspects delay final decisions. The time frame of 120 days for finalisation of a decision is calculated from the date that it is verified that a compliant EMP has been submitted.	The principles of administrative justice will be stringently applied with immediate effect. Business processes relating to section 9(1)(b) applications have already been addressed.
	% of revenue collected	91	70	21	Achieved Verification sources: Index card per right, Receivable register, the issued right.	

Mineral Regulation

Objective	Measure	Actual	Target	Variance	Performance Analysis	Corrective Action
Monitor and enforce compliance	Number of environmental management plan/ programme inspections	1751	1500	251	Achieved Verification source: Inspection reports.	
	Number of legal compliance inspections (MLA)	159	50	109	Achieved Verification source: Inspection reports.	
	Number of mining work programme/prospecting work programme inspections (ME)	504	480	24	Achieved Verification source: Inspection reports.	
Attract develop and retain skills	Number of social and labour plan inspections (SLP)	181	120	61	Achieved Verification source: Inspection reports.	
	% reduction in staff turnover	-1	2	-3	Not Achieved: Not achieved, due to early retirement, transfers and promotion of DMR officials to other Departments.	The measure will be revised in line with Corporate Services.
	Improved numbers in terms of identified EE categories	4	14	-10	Not achieved: The EE targets require the appointment of Indians, Coloureds, and disabled personnel, which categories generally do not apply.	Advertisements for filling of vacancies to be crafted to encourage applications by the specified groups, from the first quarter of the next financial year.
	Number of HRD initiatives implemented	4	4	0	Achieved Verification sources: Attendance registers or Training report.	

Mineral Regulation

Objective	Measure	Actual	Target	Variance	Performance Analysis	Corrective Action
Facilitate management and leadership development	Number of implemented management programmes	3	3	0	Achieved Verification source: Training report.	
	Number of managers completed management courses	6	6	0	Achieved Verification source: training report (list).	
	% reduction in vacancies	-2	4	-6	Not Achieved: The target was not achieved due to an increase in resignations in the third and fourth quarter.	Continue to fill vacancies as soon as they occur.
Align budget to strategy	% changes made to the original allocated budget	1	20	19	Achieved Verification source: Shifting report.	
Manage costs effectively	% reduction in irregular expenditure cases	-3	100	-103	Not Achieved: There are no contingency provisions in place to obtain late approvals to procure essential services.	Engage expenditure management to make contingency provisions to address the constraint.
	% variance on allocated budget	0.5	5	-4.5	Achieved Verification sources: Expenditure Control report/Cash flow projections.	
Maximise utilisation of resources	% reduction in the number of branch assets disposed prior to the end-of-lifespan	96	10	86	Achieved Verification source: Assets loss register.	
	% adherence to compliance framework	100	100	0	Achieved Verification source: Compliance check list.	
Promote corporate governance	% implementation of risk management plans	100	100	0	Achieved: Annual Risk Management Monitoring report .	
	% of fully implemented agreed upon management action plans (External Audit)	100	100	0	Achieved. No report received from internal audits.	
	% of fully implemented agreed upon management action plans (Internal Audit)	100	100	0	Achieved. No report received from internal audit.	

PART B: Performance Information

Sub-programme expenditure: Mineral Regulations

Sub-Programme Name	2012/2013			2011/2012		
	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
Mineral Regulation and Administration	140,731	140,517	214	132,064	132,064	-
Management Mineral Regulation	9,277	9,277	-	12,958	12,958	-
South African Diamond and Precious Metal Regulator	41,601	41,601	-	39,374	39,374	-
Total	191,609	191,395	214	184,396	184,396	-

5.4 PROGRAMME 4: MINERAL POLICY AND PROMOTION

Purpose

To formulate mineral related policies and promote the mining and minerals industry of South Africa, thus making it attractive to investors.

Measurable objective

Through research, provide relevant information that will enhance global competitiveness, review policies and formulate legislation in order to achieve transformation and attract new investment into South Africa's minerals industry.

Mineral Policy and Promotion programme consists of four sub-programmes:

- Mineral Policy
- Mineral Promotion
- Mine Environment Management
- Economic Advisory Services

Mineral Policy and Promotion

Objective	Measure	Actual	Target	Variance	Performance Analysis	Recommendations
Ensure transformation in the mining and mineral sector	Number of bills drafted and certified	2	2	0	Achieved: 2 Bills, the MPRDA and MHSA have been drafted and certified. Verification Sources: Draft amendment bills.	
	Number of policy impact study reports on investment produced	1	1	0	Achieved. A policy impact study has been developed. Verification Source: Report.	
	Number of beneficiation value chain specific implementation plans developed	3	3	0	Achieved. A beneficiation implementation framework has been developed incorporating all specific value chains. Verification Source: Implementation Plans.	
Promote investment in the mining sector	Number of economic strategic partnerships implemented	3	2	1	Achieved. Three economic strategic partnerships have been implemented. Verification Source: MoUs and report.	
	Number of publications published	35	35	0	Achieved. 35 Publications were produced. Verification Source: Completed Publications.	
	Number of SMMEs supported	72	67	5	Achieved. 72 small scale mining projects were supported. Verification sources: Reports.	
	Number of technical strategic partnerships	7	5	2	Achieved. Seven technical strategic partnerships have been implemented. Verification Sources: Progress Reports.	
Promote sustainable resource use and management	Framework for mining environmental management developed	1	1	0	Achieved. Mine Residue Deposit Strategy developed. Verification Source: Framework document.	
	Number of derelict and ownerless mine sites rehabilitated	13	12	1	Achieved. 13 Derelict and ownerless sites rehabilitated. Verification Report: Progress Reports.	
	Number of strategic partnerships implemented	2	2	0	Achieved. Two strategic partnerships implemented. Verification Sources: Report and MOU.	

Mineral Policy and Promotion

Objective	Measure	Actual	Target	Variance	Performance Analysis	Recommendations
Develop and review internal processes	Number of internal business processes developed/ reviewed	4	4	0	Achieved. 4 internal business process documents have been developed. Verification Source: Internal business processes manuals.	
Improve turnaround time	% adherence to time frames	95	95	0	Achieved. A total of 152 items of correspondence received and 144 responded to within 7 days, therefore a 95% target has been reached. Verification Source: Document Register.	
Attract, develop and retain skills	% reduction in staff turnover	2	2	0	Achieved. The Branch has achieved a 2% reduction in staff turnover. Verification Source: Peral Report.	
	Improved numbers in terms of identified EE categories	66	75	-9	Partially Achieved. The Branch achieved a 66 against a target of 75 improvements in the EE categories. The challenge is that the Branch has been unable to attract Coloureds, Indians and people with disability. Verification Source: Peral and Excel spreadsheet.	The Branch with the assistance of the Human Resources Directorate will focus on improving the number of identified EE categories through recruitment processes during the next financial year.
Facilitate management and leadership development	Number of HRD initiatives implemented	6	4	2	Achieved. A total of 6 HRD initiatives have been implemented. Verification Source: Attendance registers and training reports.	
	Number of management programmes implemented	5	3	2	Achieved. 5 management programmes have been implemented. Verification Source: Attendance register and Training reports.	
	Number of managers completed management courses	6	6	0	Achieved. 6 managers completed management courses. Verification source: List of completed officials.	

Mineral Policy and Promotion

Objective	Measure	Actual	Target	Variance	Performance Analysis	Recommendations
Filling of funded vacancies	% reduction in vacancies	7	4	3	Achieved. The Branch has achieved a 7% reduction in vacancies. Verification Sources: Persal Reports and calculations.	
Align budget to strategy	% changes made to the original allocated budget	1	20	-19	Achieved. Less than 20% changes were made to original budget. Verification Source: Shifting Report.	
Manage costs effectively	% reduction in irregular expenditure cases	100	100	0	Achieved. No cases of irregular expenditure were reported for the current financial year. Verification Source: Irregular expenditure Register.	
	% variance on allocated budget	4.14	5	-0.86	Achieved. The Branch's variance on allocated budget is at 4.14%, which is lower than the target. Verification Source: Expenditure Control Report.	
Maximise utilisation of resources	% reduction in the number of branch assets disposed prior to the end-of-lifespan	34.88	10	44.88	Not Achieved. The Branch experienced loss and damage to assets, resulting in a 67% increase in assets disposed of prior to end of lifespan. Verification Source: Lost Asset Register.	The Branch to continue with the advocacy programme on security of assets, especially laptops, that was started during the fourth quarter.
	% adherence to compliance framework	100	100	0	Achieved. All the 7 elements of the compliance framework have been achieved. Verification Source: Completed Checklist.	
Promote corporate governance	% implementation of risk management plans	100	100	0	Achieved. Verification Source: Monitoring Report.	
	% of fully implemented agreed upon management action plans (External Audit)	100	100	0	Audit report has not yet been issued.	
	% of fully implemented agreed upon management action plans (Internal Audit)	100	100	0	Audit report has not yet been issued.	

Sub-programme expenditure: Mineral Policy and Promotion

Sub- Programme Name	2012/2013			2011/2012		
	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	11,516	10,759	757	13,449	13,449	0
Mineral Policy	14,061	14,061	-	11,375	10,636	739
Mineral Promotion	34,278	34,267	11	50,436	50,409	27
Assistance to Mines	-	-	-	-	-	-
Council for Geoscience	223,006	223,006	-	154,405	154,405	-
Council for Mineral Technology	253,531	253,531	-	196,956	196,956	-
Economic Advisory Services	4,073	4,073	-	2,982	2,725	257
Mine Environmental Management	6,694	6,581	113	17,607	17,607	-
Total	547,159	546,278	881	447,210	446,187	1,023

PART B: Performance Information

6. SUMMARY OF FINANCIAL INFORMATION

6.1 DEPARTMENTAL RECEIPTS

Departmental receipts	2012/2013			2011/2012		
	Estimate	Actual Amount Collected	(Over)/ Under Collection	Estimate	Actual Amount Collected	(Over)/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	2,124	4,157	(2,033)	2,784	2,559	225
Fines, penalties and forfeits	1,476	1,206	270	846	665	181
Interest, dividends and rent on land	93,920	34,352	59,568	42,246	89,388	(47,142)
Sale of capital assets	-	-	-	-	8	(8)
Financial transactions in assets and liabilities	1,516	842	674	548	564	(16)
Total	99,036	40,557	60,512	46,424	93,184	(46,760)

6.2 PROGRAMME EXPENDITURE

Programme Name	2012/2013			2011/2012		
	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	295,254	295,254	-	265,940	257,600	8,340
Programme 2: Promotion of Mine Safety and Health	141,511	140,715	796	141,419	141,252	167
Programme 3: Mineral Regulation	191,609	191,395	214	184,396	184,396	-
Programme 4: Mineral Policy and Promotion	547,159	546,278	881	447,210	446,187	1,023
Total	1,175,533	1,173,642	1,891	1,038,965	1,029,435	9,530

6.3 PUBLIC ENTITIES

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
Mine Health and Safety Council	Research and advisory function to the Minister in terms of mine health and safety. As well as promoting a culture of health and safety in the mining industry	R4 531 000.00	R4 531 000.00	<i>Refer below table</i>
Council for Geoscience	Development and maintenance of the national geosciences knowledge infrastructure for both the onshore (land) and offshore (oceans) environment of South Africa.	R223 Million	R185.2 Million	<i>Refer below table</i>
Mintek	Provides research, development and technology that fosters the development of businesses in the mineral and mineral products industries.	R253 531 Million	253 531 Million	<i>Refer below table</i>
The South African Diamond and Precious Metals Regulator	Regulation of the diamond, platinum and gold sectors.	R41,601,000.00	R41,601,000.00	<i>Refer below table</i>
The State Diamond Trader	Promote equitable access to and beneficiation of diamond resources, address distortions in the diamond industry and correct historical market failures to develop and grow South Africa's diamond cutting and polishing industry	R0.00	R0.00	<i>Refer below table</i>

Achievements of the public entities

Mine Health and Safety Council

The entity has managed to strengthen the tripartite relationship (organised labour, organised business and the state) which in turn helped to increase focus on Occupational Health and Safety in the mining sector. Included in achievements was provision of seven advice reports to the Minister on:

- SAMRASS CODEBOOK
- Shaft and Winders Regulations
- Refuge Bays Regulations
- Guidelines on Code of Practice (COP) for Mineworkers Incapacity due ill health
- Guidance note for the management of TB in the South African Mining Sector
- Guidelines on COP for Fitness to perform work on a mine
- Guidelines on Mandatory COP of Risk based Emergency Care on a mine

Council for Geoscience

Geoscience Mapping

Marine Geological Mapping

The Marine Geoscience Unit has developed two projects aiming to address some of the major issues offshore of the South African coast. The surveys in this regard are in progress and entail research within and adjacent to Table Bay. The project focuses on the economic development of the near-shore coastal areas (engineering, harbour, and wind farms).

Mine Health and Safety Research Project

This project aims to address the recommendations of the Presidential Mine Health and Safety Audit of 2008 by increasing the density of the national seismograph network in mining areas and creating a database containing data received from national and mining networks.

Phase 1 of the project was concluded in March 2013. Up till now, 25 seismological stations were installed and the data from these stations are being streamed in real time to the Council for Geoscience offices in Pretoria. The database has been established and is ready to accept data from the mining networks. In addition, a website was designed to be used by departmental representatives to be able to view seismic activity within the KOSH region. A new proposal was submitted for the second phase, which focuses on obtaining data from the mines and incorporating it into the Council for Geoscience database. The database will be made available for research, which will initially include velocity models, depth estimation, moment tensors, regulations and standards, and mine closure.

Shale Gas and Hydraulic Fracturing

The Council for Geoscience is a member of the Working Group that provides technical assistance and geoscience information to the Ministerial Task Team on shale gas production and hydraulic fracturing in South Africa. A report compiled by the Working Group was completed and submitted to Cabinet.

Comprehensive Test Ban Treaty Organisation (CTBTO)

The Council for Geoscience operates and maintains the South African primary seismic and infrasound stations, part of the International Monitoring System (IMS). In addition, the organisation operates and maintains one of the auxiliary seismic stations at the South African Antarctic base and assists with the other station at Sutherland. During the reporting period, an exemption certificate was received from the Independent Communications Authority of

South Africa (ICASA) for the Private Electronic Communications Network (PECN). Final documentation regarding the amended licence is still awaited.

The organisation supervised the construction of the new vaults at the infrasound station (IS47) at Boshof and the equipment and system were upgraded during a visit of a technical delegation from the CTBTO. Not all the required equipment was received, delaying the project.

South Africa–Europe Cooperation on Carbon Capture and Storage (SAfECCS) and the Zululand Basin Assessment
During the year under review, the Council for Geoscience continued with studies to assess the capacity of the Zululand and the Algoa basins for effective CO₂ storage. These studies are crucial to establishing a Roadmap for Carbon Capture and Storage for South Africa, which aims to achieve CO₂ test injection by 2016. With regard to both basins, there were insufficient data to complete an effective CO₂ storage capacity assessment and further fieldwork is needed to gather more data. It is envisaged that geological investigations will be extended to assess the capacity of offshore basins.

EO-Miners

EO-Miners is a European Union project investigating the use of earth observation techniques for the management of the social and environmental impacts of mining. The Council for Geoscience is one of thirteen partners focusing on three study sites in South Africa (Mpumalanga), Kyrgyzstan and the Czech Republic.

Skills Development

In terms of the mandate, the Council for Geoscience is required to provide up-to-date geological information to stakeholders and therefore geological mapping remains a core function of the organisation. However, it was found that young geologists joining the Council for Geoscience were not fully equipped with the practical mapping skills required. Therefore, a programme of training new graduates in geological mapping was embarked on in 2005. During the year under review, the introductory module for the 2012 intake of the Field Mapping School was held in October 2012, with a total of seven trainees accommodated.

Water Ingress

Strategic water management project. This project entails research into issues related to the environmental impact of past and current mining activities. The following gold mining areas in the Witwatersrand Basin are included in the project: the East, Central, West and Far West Rand basins and the KOSH (Klerksdorp, Orkney, Stilfontein and Hartebeesfontein), as well as the Free State and Evander basins.

Prediction of harm to the environment is closely linked to the monitoring of the water levels, as well as water quality and flow within the different basins, which the Council for Geoscience is doing in cooperation with the Hydrological Monitoring Committee. In addition, in all areas, characterisation of mine residues that act as ingress points is being done to quantify and propose solutions to the problem.

The water sources and impacted areas of the country have been classified into 13 geo-environmental provinces. On the Witwatersrand, the Council for Geoscience has played an active role in the implementation of short-term solutions to the mine water problem, and has also developed long-term solutions.

On the Witwatersrand, a process of the canalisation of natural water courses was initiated and in the Central Basin both sections of the proposed canal linking Florida Lake and Fleurhof Dam have been constructed. In other portions of the Central Basin, three areas of intervention were identified. The construction of three new canals was proposed and the preparatory investigation has been done.

Ten major areas of ingress have been identified in the East Rand Basin and the Council for Geoscience has assisted in a situational analysis with a view to having these areas prioritised for the implementation of ingress reduction actions. The organisation was also involved in the unblocking of culverts along the BlesbokSpruit to reduce ingress into the Grootvlei Mine workings.

In the Free State–Evander goldfields, the Council for Geoscience has started on a project to develop a groundwater model for mine water rebound after closure of the mines and cessation of pumping.

In respect of the critical issue of acid mine drainage, the Council for Geoscience has started on an assessment project by investigating the impact on catchment areas, with the Olifants and Komati–Crocodile River catchment areas being investigated. A technical report was compiled which indicated that the hazard is mainly posed by coal mining, but is also due to ferrochrome and ferrometal (vanadium) mining operations in Mpumalanga. A draft report on the field investigation of the Olifants River catchment area was also completed.

A draft national strategy document on the management of mine residue deposits was prepared and submitted to the Department of Mineral Resources.

In the East Rand Basin, the Council for Geoscience is involved in a project to apportion pollution sources and liabilities. During the period under review, all the groundwork has been done to develop a conceptual model and a preliminary conceptual model was submitted.

Derelict and Ownerless Mines Project

Management of State contingent liabilities with respect to derelict and ownerless mines in South Africa. The Council for Geoscience is closely involved in the implementation of this Government strategy through the development of a comprehensive spatial database, site investigations to identify high-priority sites, and developing rehabilitation plans for the identified sites. Because of budget constraints, a list of priority mines that warrant immediate intervention has to be provided to the State.

As derelict and ownerless asbestos mines pose an immediate and extreme danger to the public, an investigation of the 245 derelict and ownerless asbestos mines located in six provinces was a priority of the project. In addition, four derelict and ownerless coal mines identified in Mpumalanga also required urgent rehabilitation. A list of other dangerous mine openings located in the Gauteng and Limpopo provinces was compiled and progress was made in the process of overseeing the closure of these openings. Substantial progress was also made on the dangerous mine openings in the vicinity of Cullinan and a technical report has been drafted. A total of 23 dangerous openings were closed during the financial year under review.

The mines database was overlain onto a number of spatial datasets, which enables the characterisation of sites in terms of their spatial relationship to human settlements, and sensitive environments and features such as pits and mine residues. These data were compiled in a GIS format for inclusion in the database. A number of desktop studies were completed in respect of various commodities during the 2012/2013 financial year.

Stimulation of investment in the Mineral Sector

The promotion of exploration and mining investment in the mineral and energy sectors (target generation). Since 1 April 2012, in terms of MTEF funding appropriated over a period of three years, the Council for Geoscience has been involved in a programme of comprehensive data generation for target selection (identifying new areas with mineral potential). The main aim of the programme is to provide new and updated geoscience information to the

public and the mining industry and to generate mineral targets with the utilisation of modern methods of mineral prospectivity mapping.

During the year under review, studies focused on Tugela in KwaZulu-Natal in an assessment of the potential for gold, base metals and rare-earth elements, as well as other commodities. Airborne geophysical surveys (radiometric and magnetic) have continued since the beginning of November and airborne electromagnetic surveys commenced in December 2012, whereas soil sampling was scheduled to start in early 2013. The project was unexpectedly delayed, but the survey and geochemical sampling programme was restarted late in the 2012/13 reporting period and is expected to be completed during the next financial year.

Survey areas have been selected in the Northern Cape Province and the investigation includes a desktop study of the selected areas in the Namaqualand region, airborne magnetic and radiometric surveying, soil sampling, and sample preparation and analysis of the collected soil samples.

In addition, various desktop studies to synthesise existing data and information have been undertaken in a number of additional areas in the goldfields of the Barberton and the Sabie–Pilgrim's Rest area. Field surveys are expected to start next year.

Building and infrastructure (AC)

Upgrading of the buildings and laboratory infrastructure. The Council for Geoscience has received an MTEF allocation of R10 million to be utilised for the much-needed repairs, maintenance and upgrading of the D Block of the office building. Owing to structural damage to the D Block, the northern wing had been declared unsafe and had to be evacuated. Repairs and maintenance have recently started on the basement and the lower four floors of the D Block

Mintek

Mintek has initiated a concept of a centralised refinery for the downstream beneficiation of Rare Earth Elements (REE), from a number of independent sources, which can serve as a foundation for positioning South Africa in the high technology, strategic manufacturing of REE products. The funding received during the MTEF in 2012 will assist in further development of the REE pilot plant.

Mintek, in collaboration with the engineering contractor Tenova, developed the MetRIX continuous resin-in-pulp process for the direct recovery of uranium from dense slurries. This was also funded through MTEF funds allocated in the 2011 year. This grant allowed Mintek to make a number of processing improvements, which made MetRIX technology even more cost effective.

The water treatment technology, SAVMIN, was developed by Mintek during the 1990s. The technology, as it stood, was excessive in cost. The MTEF granted during 2012, allowed Mintek to re-engineer the process, which resulted in significant improvements. The technology was tested in a mini-pilot plant and the funding to be received will allow Mintek to demonstrate and potentially commercialise this technology.

During the 2012/2013 financial year MINTEK commissioned a 12-ton per day alloy atomizer plant that was funded by MTEF and funding received from a commercial partner, Anglo Platinum. This partnership sees Mintek toll smelting material received from Anglo for a period of 24 months. This demonstration project will show results that will potentially see the commercialisation of such a technology.

PART B: Performance Information

All mining and mineral processing operations use energy and water; in the past these were freely available so there was no incentive to minimise their consumption. This has now changed and significant benefits are achieved by reducing the water and energy footprint of mineral beneficiation plants. Mintek identified water and energy efficiency as important industry drivers for the future and embarked on a strategy to develop the organisation as a 'centre of excellence' in this area.

Within the Nanotechnology group, strong collaborative research platforms have been established with the three higher education institutions and two science councils. Key activities are centred on health and water research. A focus of this group is to develop nanostructures and use them as systems or tools for therapeutics, water treatment and diagnostic purposes (e.g. developing electrochemical sensors and optical diagnostic devices). A world-class clean room facility is about to be completed which will produce the Nano device prototypes.

The Mineralogy division is continuing with pursuing research towards medium-term goals that could see it develop into a Centre of Excellence in Mineral Characterisation using established mineralogical techniques and participating actively in the development of X-ray micro-computed tomography for 3D mineral characterisation.

Lastly, Mintek, through funding received over the last 5 years, have facilitated the rehabilitation of derelict and ownerless mines across South Africa. Mintek rehabilitated 14 sites and completed a closure plan for the Osizweni site with an allocation of R90mil over three years.

The South African Diamond and Precious Metals Regulator

The year 2013 commemorates the 10th year anniversary of the Kimberley Process Certification Scheme and South Africa is the current Chair and a host of the Kimberley Process (KP) inter-sectional meeting during this memorable period. The South African Diamond and Precious Metals Regulator is the focal point and the implementing agent of the Kimberley Process for the country. As precursor to the hosting, the SADPMR started the year by welcoming a Kimberley Process Peer Review visit team to our country to evaluate our systems and processes. This is in an effort to ensure maximum compliance to the requirements of the Kimberley Process. It is appropriate that as current Chair of the KP we should lead by example, and we strongly believe that South Africa will receive a good report in this regard.

It is now five years since the SADPMR has been established and most licences that were issued in 2007 are due for renewal henceforth. Last year it was observed that transformation in the downstream diamond and precious metals did not meet the desired outcomes. Subsequently, management was mandated by the Board to implement a Transformation Plan that will ensure that the diamond and precious metal industry complies fully with the Mining Charter. This renewal period will be an opportune time for the SADPMR to ensure that all applicants comply accordingly as this industry can play an important role in beneficiation of our precious minerals as well as in job creation.

During the year under review the SADPMR has been aggressive in promoting beneficiation of diamonds and has been giving beneficiators preferential access to the Diamond Exchange and Export Centre to view rough diamonds on sale. We also introduced the platform for marketing polished diamonds at the Diamond Export and Exchange Centre. This service will ensure that polished diamonds are made easily accessible to the jewellery industry as well as to consumers in general at competitive prices.

Towards the end of the last financial year, the SADPMR exceeded its allocated budget due to limited funds granted by the Department of Mineral Resources. Expenditures escalated as a result of relocation to much bigger

premises and increase in staff complement to improve services offered to our clients. This state of financial affairs made it necessary for the SADPMR to generate its own revenue in order to meet its financial obligations. In this regard Regulation 10 of the Diamond Act, 1986, as amended, was implemented and service charges were imposed on rough diamonds exports. This revenue generation augmented our grant and improved the financial situation of the SADPMR.

The State Diamond Trader

Despite the depressed markets globally and the funding challenges of the SDT coupled with lacklustre performance by its clients, the SDT was able to achieve revenue of R411,462,599 which is slightly less than the previous year. SDT also managed to continue to train five more new trainees and appointed critical staff members in line with its revised HR Plan using its own funds. A new Board was elected and in place after the lapse of the 5 year term of the last Board in September 2012. The SDT managed to achieve a profit of R5.1million for the 2012/13 year against the budgeted profit of R11million.

6.4 CONDITIONAL GRANTS AND EARMARKED FUNDS PAID

The Department does not have conditional grants or earmarked funds

6.5 CONDITIONAL GRANTS AND EARMARKED FUNDS RECEIVED

The Department did not receive conditional grants and earmarked funds

6.6 DONOR FUNDS

The Department does not have donor funds

6.7 CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

Refer to notes 28 to 30 of the Annual Financial Statements.

PART C: GOVERNANCE

1. INTRODUCTION

The Department 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 as well as an internal audit function.

2. RISK MANAGEMENT

2.1 NATURE OF RISK MANAGEMENT

The Department has a dedicated risk management unit that is responsible for implementing risk management processes in the Department. The unit is assisted by the Risk Management Committee that is responsible for providing oversight functions on the Risk Management Process. The committee consists of all Deputy Directors General and it meets on a quarterly basis.

For the year under review the Committee approved the following reviewed Risk Management Documents: Risk Management Strategy, Policy, Risk Management Committee Terms of Reference, Strategic and Operational Risk Register

2.2 RISK MANAGEMENT STRATEGIES TO IDENTIFY RISKS AND MANAGE THE RISKS

On an annual basis the Department conducts comprehensive risk assessments to review/update the risk registers as per the approved Risk Management Strategy and as required by National Treasury. During this process the responsibility for designing and implementing risk action plans for the key risks was delegated to the specific risk owners drawn from the Department's executive management.

On a quarterly basis risk owners are required to provide status/progress on implementing action plans

- **Progress made in addressing risks identified**

During the year under review 100% of action plans committed to by line functions have been implemented

3. FRAUD AND CORRUPTION

The Department has an Anti Fraud and Corruption Strategy. The Strategy was reviewed and recommended by the Risk Management Committee for approval by the Accounting Officer

Awareness workshops were conducted both at Head Office and the Regions during the financial year under review. Posters and Pamphlets from the Public Service Commission and Department of Public Service and Administration are also distributed throughout the Department as part of raising awareness.

The Anti Fraud and Corruption Strategy is also readily available to all officials on the departmental website.

The Department has a Whistle Blowing Policy that outlines the procedure to be followed when reporting suspected fraud and corruption.

The departmental policy is designed to comply with the provisions of the Protected Disclosure Act.

Below are the avenues available for officials to report suspected fraud and corruption:

An official can blow the whistle by utilising the following procedures:

i) Confidential whistle blowing

When an employee makes a disclosure, confidentially, using the internal processes provided by the Department, the following steps are followed in making a confidential disclosure

Step 1: An employee should report to his/her Manager any suspicion of impropriety. This may be done either in writing or orally. The Manager has the responsibility to report the matter to the Chairperson of the Risk Management Committee, who will ensure that an investigation will be initiated. It is the responsibility of Management to keep the identity of the person who reported the allegations confidential when requested to do so; however, the whistle-blower must take cognisance of the fact that his/her identity may be revealed should a situation arise where he/she may be asked to testify in court or an internal hearing.

Step 2: When the employee reasonably believes that his/her Manager will not be the right person to report to, (e.g. when the manager may possibly be implicated) the employee may report the suspicion to the following:

- The relevant Manager's superior
- The Chief Audit Executive
- Deputy Director: Labour Relations
- The Director General

Step 3: Report to the Prescribed Regulator, subject to the conditions of the policy. The whistle-blower should also report to the Prescribed Regulator in cases where it is suspected that the DG is implicated in the matter reported. The Director General will approve all investigations of reported concerns, except in cases where the DG is personally implicated, in which case the Executive Authority (Minister) will approve the investigation.

(ii) Anonymous Whistle Blowing

When the whistle-blower wishes to remain anonymous, he/she can report a suspicion on the National Anti-fraud and corruption Hotline, number: **0800 701 701**. The hotline is available seven days a week, twenty four hours a day (24/7), and the whistle-blower can withhold his/her identity.

The whistle blower is given a code number as an identity which he/she may use as a reference to make enquiries on progress of the investigation or to provide any further information that may be required

3.1 HANDLING OF ALLEGATIONS

Action taken by Director: Internal Audit (Forensic) depends on the nature of the concern. The matter raised may be investigated internally; referred to the South African Police Service (SAPS) or the National Prosecuting Authority (NPA); or to a disciplinary committee

4. MINIMISING CONFLICT OF INTEREST

The Department has introduced the following measures to curb conflict of interest:

Senior Management Service (SMS) are required on a yearly basis to complete and submit the Financial Disclosure Forms (FDF). SMS members in the Department who do not comply with the FDF are charged with misconduct according to the regulations.

All Bid Committee members in the Department also sign Conflicts of Interest forms to avoid any potential conflict. All declarations by Bid Committee members are regularly scrutinised against all bid applications.

The Department submits all required financial disclosure forms timeously to the Public Service Commission, i.e. by 31 May of each financial year.

5. CODE OF CONDUCT

The Department observes the Public Service Code of Conduct. During induction programmes the code is presented to new officials joining the Department.

The Department conducts workshops on the Code of Conduct including professional ethics, advocacy and awareness bi-annually through the Risk Management Unit.

Adherence to the code is monitored through a quarterly internal memo forwarded to all officials reminding them of matters such as seeking permission on remunerative work outside the Department/Public Service, the maintenance of gift registers and the importance of declaring gifts to the value of R500 or more.

6. HEALTH SAFETY AND ENVIRONMENT ISSUES

The Department has an obligation to provide a safe and healthy working environment to all its employees. Occupational Health and Safety is in the process of inducting DMR officials on safety in the workplace and appointment of health and safety representative per office.

The provision of the Health Risk Assessment programme assists the officials to live a healthy lifestyle as they become aware of chronic diseases which might be a risk to their lives. These help to reduce the rate of absenteeism within the Department.

7. INTERNAL CONTROL UNIT

During the year under review the Internal Control unit compiled the Annual Financial Statements, the Quarterly Interim Financial Statements and the monthly Compliance Certificates. The unit also facilitated/coordinated the activities of the external auditors (AGSA); and monitored the clearance of suspense/control accounts in order to ensure that financial periods are closed on time and properly on the system. Compliance checks on processed financial documents (Payments and Journals) were also conducted with the aim of ensuring the completeness of information captured in the financial system (BAS) as well as adherence to the Departmental Financial Delegations, amongst others.

PART D: HUMAN RESOURCE MANAGEMENT

PART D: HUMAN RESOURCE MANAGEMENT

1. LEGISLATION GOVERNING HR MANAGEMENT

The information provided in this part is prescribed by the Public Service Regulations (Chapter 1, Part III J.3 and J.4).

2. INTRODUCTION

OVERVIEW OF HR MATTERS AT THE DEPARTMENT

The Chief Directorate: Human Resources are responsible for rendering a management support service to the Department. It provides services relating to organisational development, human resource planning and policy, human resource administration and practices, human resource development as well as employee relations management to line function components. The Chief Directorate's primary focus is on capacity building with a view to ensuring alignment between the departmental service delivery imperatives and its mandates and strategic objectives.

HR PRIORITIES FOR THE YEAR UNDER REVIEW AND THE IMPACT OF THESE PRIORITIES

During the year under review the Chief Directorate HR committed itself to:

- a) develop, review and improve on internal processes/guidelines/procedures;
- b) improve on turnaround times;
- c) ensure compliance with HR legislation/directives;
- d) facilitate management and leadership development;
- e) filling of funded vacancies; and
- f) Attract, develop and retain skills.

Workforce planning framework and key strategies to attract and recruit skilled and capable workforce

During the year under review the Integrated Human Resource Plan was reviewed and published. A draft Attraction and Retention Strategy was also developed and consists of a comprehensive action plan to address issues pertaining to the attraction and retention of staff, including employment equity. A service provider was appointed to conduct a culture and climate survey in the Department. Presentations/workshops were held in all regional offices and head office in preparation for the survey.

Employee performance management framework

The Department's Performance Management and Development Policy is currently under review and will be finalised in the 2013/14 financial year.

Employee wellness programmes

HIV/AIDS testing and counselling, TB screening, Diabetics, Body Mass Index, Hypertension and Cholesterol testing was conducted as well as training and awareness campaigns. A Wellness Centre was established at Head Office and approval was obtained for the establishment of a social club. The Directorate: Employment Relations also appointed a service provider for the Employee Wellness Programme.

Policy development

The following policies were signed during the 2012/13 financial year:

- Acceptance of gifts policy
- Overtime policy
- Security Risk Policy
- Condolence Policy
- Policy on the payment of claims for attending interviews
- Policy on working hours and working arrangements.
- Integrated Wellness Policy
- Employment Equity Policy
- Management of Leave Policy
- Internship Policy
- Internal Bursary Policy
- PERSAL user policy
- Recruitment Policy

Challenges faced by the Department

Budget constraints impede the filling of posts on the approved organisation structure. A significant number of posts on the Department's approved establishment remained vacant after several attempts to secure funding from National Treasury. The high cost of training and the inability to retain staff (especially Inspectors: Mine Health and Safety) has in the past few years resulted in a substantial loss of human capital investment. High levels of staff being "poached" by the industry for salaries far in excess of what government can afford were identified as challenges which could hamper service delivery.

Future HR plans/goals

Through the HR Planning process the following HR Planning Strategic Objectives were identified and will receive preference in the 2013/14 financial year.

- Review and implementation of an integrated HR plan for the Department.
- Alignment of the Department's structure with its strategic objectives.
- Implementation of an attraction and retention strategy.
- Implementation of a marketing plan.
- Implementation of an employment equity plan.
- Implementation of Health and Wellness in the workplace.
- Development and implementation of an HRD strategy.
- Development and implementation of an Organisational Development strategy.
- Development and implementation of HR policies, processes and procedures.
- Implementation of an OSD for Environment Officers.
- Implementation of Management Information Systems.

PART D: HUMAN RESOURCE MANAGEMENT

3. HUMAN RESOURCE OVERSIGHT STATISTICS

3.1 PERSONNEL-RELATED EXPENDITURE

The following tables summarise the final audited personnel related expenditure by programme and by salary bands. In particular, it provides an indication of the following:

- amount spent on personnel
- amount spent on salaries, overtime, homeowner's allowances and medical aid.

Table 3.1.1: Personnel costs by Programme

Programme	Total Voted Expenditure (R'000)	Compensation of Employees Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Compensation of Employees as Percent of Total Expenditure	Average Compensation of Employees Cost per Employee (R'000)	Employment
Administration	293,321	127,690	1,536	1,311	43.5	114	1,117
Mineral Policy and Promotion	546,251	47,787	246	42	8.7	43	1,117
Mineral Regulation	191,378	114,386	392	0	59.8	102	1,117
Promotion of Mine Safety and Health	140,682	106,052	159	317	75.4	95	1,117
Total as on Financial Systems (BAS)	1,171,631	395,914	2,333	1,670	33.8	354	1,117

Table 3.1.2: Personnel costs by Salary Band

Salary Bands	Compensation of Employees Cost (R'000)	Percentage of Total Personnel Cost for Department	Average Compensation Cost per Employee (R)	Total Personnel Cost for Department including Goods and Transfers (R'000)	Number of Employees
Skilled (Levels 3-5)	33,712	8	156,074	423,554	216
Highly skilled production (Levels 6-8)	76,275	18	244,471	423,554	312
Highly skilled supervision (Levels 9-12)	192,856	45.5	468,097	423,554	412
Senior management (Levels 13-16)	64,179	15.2	891,375	423,554	72
Contract (Levels 1-2)	1,830	0.4	70,385	423,554	26
Contract (Levels 3-5)	1,123	0.3	112,300	423,554	10
Contract (Levels 6-8)	4,861	1.1	220,955	423,554	22
Contract (Levels 9-12)	16,515	3.9	375,341	423,554	44
Contract (Levels 13-16)	4,725	1.1	1,575,000	423,554	3
Periodical Remuneration	248	0.1	4,133	423,554	60
Total	396,324	93.6	336,724	423,554	1,177

PART D: HUMAN RESOURCE MANAGEMENT

Table 3.1.3: Salaries, overtime, home owners allowance and medical aid by Programme

Programme	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Programme (R'000)
Mineral Policy and Promotion	36,667	73.9	31	0.1	1,305	2.6	1,472	3	49,597
Mineral Regulation	84,495	69	467	0.4	3,149	2.6	5,213	4.3	122,433
Programme 1 Admin	94,391	72.6	2,241	1.7	3,797	2.9	5,495	4.2	129,952
Promotion of Mine Safety and Health	84,006	69.1	10	0	2,138	1.8	2,832	2.3	121,572
Total	299,559	70.7	2,749	0.6	10,389	2.5	15,012	3.5	423,554

Table 3.1.4: Salaries, overtime, home owners allowance and medical aid by Salary Band

Salary bands	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Salary Band (R'000)
Skilled (Levels 3-5)	22,162	64.7	717	2.1	2196	6.4	3,159	9.2	34,257
Highly skilled production (Levels 6-8)	53,713	68.8	899	1.2	3043	3.9	4,689	6	78,027
Highly skilled supervision (Levels 9-12)	146,559	69.7	999	0.5	3,300	1.6	5,693	2.7	210,187
Senior management (Levels 13-16)	52,393	76.2	0	0	1,416	2.1	1,013	1.5	68,774
Contract (Levels 1-2)	1,815	97.9	16	0.9	0	0	0	0	1,853
Contract (Levels 3-5)	954	82	0	0	40	3.4	19	1.6	1,164
Contract (Levels 6-8)	3,645	73.5	69	1.4	182	3.7	138	2.8	4,959
Contract (Levels 9-12)	14,303	74.9	49	0.3	149	0.8	286	1.5	19,084
Contract (Levels 13-16)	4,016	83.9	0	0	63	1.3	14	0.3	4,784
Periodical remuneration	0	0	0	0	0	0	0	0	465
Total	299,560	70.7	2,749	0.6	10,389	2.5	15,011	3.5	423,554

3.2 EMPLOYMENT AND VACANCIES

The tables in this section summarise the position with regard to employment and vacancies.

Table 3.2.1: Employment and vacancies by Programme at end of period

Programme	Number of posts on the approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Mineral Policy and Promotion, Permanent	123	113	8.1	0
Mineral Regulation, Permanent	371	337	9.2	2
Programme 1 Admin, Permanent	428	376	12.1	22
Programme 1 Admin, Temporary	1	1	0	0
Promotion of Mine Safety and Health, Permanent	323	259	19.8	8
Total	1,246	1,086	12.8	32

Table 3.2.2: Employment and vacancies by Salary Band at end of period

Salary Band	Number of posts on the approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (Levels 1-2), Permanent	2	2	0	0
Skilled (Levels 3-5), Permanent	247	216	12.6	3
Highly skilled production (Levels 6-8), Permanent	343	310	9.6	8
Highly skilled production (Levels 6-8), Temporary	1	1	0	0
Highly skilled supervision (Levels 9-12), Permanent	486	411	15.4	2
Senior management (Levels 13-16), Permanent	93	72	22.6	0
Contract (Levels 3-5), Permanent	5	5	0	2
Contract (Levels 6-8), Permanent	22	22	0	16
Contract (Levels 9-12), Permanent	44	44	0	0
Contract (Levels 13-16), Permanent	3	3	0	1
Total	1,246	1,086	12.8	32

PART D: HUMAN RESOURCE MANAGEMENT

Table 3.2.3: Employment and Vacancies by Critical Occupation at end of period

Critical Occupations	Number of posts on the approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative related, Permanent	128	114	10.9	2
Agricultural animal oceanography forestry and other sciences, Permanent	2	2	0	0
Biologists botanists zoologists and related professional, Permanent	79	75	5.1	1
Cartographers and surveyors, Permanent	2	2	0	0
Cleaners in offices workshops hospitals etc., Permanent	17	16	5.9	0
Client information clerks (switchboard reception information clerks), Permanent	12	12	0	0
Communication and information related, Permanent	10	10	0	0
Communication and information related, Temporary	1	1	0	0
Economists, Permanent	46	41	10.9	0
Engineering sciences related, Permanent	3	3	0	0
Finance and economics related, Permanent	12	11	8.3	0
Financial and related professionals, Permanent	39	37	5.1	8
Financial clerks and credit controllers, Permanent	23	20	13	2
Food services aides and waiters, Permanent	4	4	0	0
General legal administration and related professionals, Permanent	3	3	0	0
Head of department/chief executive officer, Permanent	2	1	50	0
Human resources and organisational development and related professionals, Permanent	34	32	5.9	0
Human resources clerks, Permanent	14	13	7.1	1
Human resources related, Permanent	1	1	0	0
Information technology related, Permanent	11	9	18.2	0
Language practitioners interpreters and other communication, Permanent	5	4	20	0
Legal related, Permanent	4	3	25	0

Critical Occupations	Number of posts on the approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Librarians and related professionals, Permanent	3	2	33.3	0
Library mail and related clerks, Permanent	62	60	3.2	1
Logistical support personnel, Permanent	13	10	23.1	0
Material-recording and transport clerks, Permanent	31	26	16.1	1
Messengers porters and deliverers, Permanent	9	8	11.1	0
Natural sciences related, Permanent	1	1	0	0
Other administrat and related clerks and organisers, Permanent	106	91	14.2	3
Other administrative policy and related officers, Permanent	73	63	13.7	0
Other information technology personnel, Permanent	31	29	6.5	7
Other machine operators, Permanent	1	1	0	0
Other occupations, Permanent	5	3	40	0
Risk management and security services, Permanent	7	6	14.3	0
Safety health and quality inspectors, Permanent	206	157	23.8	3
Secretaries and other keyboard operating clerks, Permanent	98	90	8.2	2
Security officers, Permanent	48	47	2.1	0
Senior managers, Permanent	82	61	25.6	1
Trade/industry advisers and other related profession, Permanent	18	17	5.6	0
Total	1,246	1,086	12.8	32

3.3 JOB EVALUATION

In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 3.3.1: Job evaluation by Salary Band

Salary Band	Number of Posts on the approved establishment	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Lower skilled (Levels 1-2)	2	0	0	0	0	0	0
Contract (Levels 3-5)	5	0	0	0	0	0	0
Contract (Levels 6-8)	22	1	4.5	0	0	0	0
Contract (Levels 9-12)	44	0	0	0	0	0	0
Contract (Band A)	2	0	0	0	0	0	0
Contract (Band D)	1	0	0	0	0	0	0
Skilled (Levels 3-5)	247	73	29.6	0	0	0	0
Highly skilled production (Levels 6-8)	344	51	14.8	14	27.5	15	29.4
Highly skilled supervision (Levels 9-12)	486	11	2.3	2	18.2	0	0
Senior Management Service Band A	64	0	0	0	0	0	0
Senior Management Service Band B	22	0	0	0	0	0	0
Senior Management Service Band C	5	0	0	0	0	0	0
Senior Management Service Band D	2	0	0	0	0	0	0
Total	1,246	136	10.9	16	11.8	15	11

The following table provides a summary of the number of employees whose positions were upgraded due to their post being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

Table 3.3.2: Profile of employees whose positions were upgraded due to their posts being upgraded

Beneficiaries	African	Asian	Coloured	White	Total
Female	43	0	1	2	46
Male	51	0	1	2	54
Total	94	0	2	4	100
Employees with a Disability	0	0	0	0	0

The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

Table 3.3.3: Employees whose salary level exceed the grade determined by job evaluation [i.t.o PSR 1.V.C.3]

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation	No of Employees in Dept
Human Resources and Organisational Development and related professions, Permanent	1	9	9	Retention	1086
Safety health and quality inspectors, Permanent	1	12	12	Retention	1086
Finance and economics related, Permanent	1	11	11	Retention	1086
Information technology related, Permanent	1	12	12	Retention	1086
Total	4				
Percentage of total employment	0.4%				

The following table summarises the beneficiaries of the above in terms of race, gender, and disability.

Table 3.3.4: Profile of employees whose salary level exceeded the grade determined by job evaluation [i.t.o. PSR 1.V.C.3]

Beneficiaries	African	Asian	Coloured	White	Total
Female	1	0	0	0	1
Male	3	0	0	0	3
Total	4	0	0	0	4
Employees with a disability	0	0	0	0	0

Total number of employees whose remuneration exceeded the grade determined by job evaluation in 2012/13	Nil
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PART D: HUMAN RESOURCE MANAGEMENT

3.4 EMPLOYMENT CHANGES

Table 3.4.1: Annual turnover rates by Salary Band

Salary Band	Employment at Beginning of Period (April 2012)	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover Rate
Skilled (Levels 3-5), Permanent	220	17	10	4.5
Highly skilled production (Levels 6-8), Permanent	305	18	18	5.9
Highly skilled production (Levels 6-8), Temporary	1	0	0	0
Highly skilled supervision (Levels 9-12), Permanent	410	23	28	6.8
Highly skilled supervision (Levels 9-12), Temporary	1	0	0	0
Senior Management Service Band A, Permanent	54	2	5	9.3
Senior Management Service Band A, Temporary	0	0	1	0
Senior Management Service Band B, Permanent	16	0	4	25
Senior Management Service Band B, Temporary	1	0	0	0
Senior Management Service Band C, Permanent	5	1	1	20
Senior Management Service Band D, Permanent	2	0	0	0
Senior Management Service Band D, Temporary	0	0	1	0
Contract (Levels 3-5), Permanent	3	8	2	66.7
Contract (Levels 6-8), Permanent	19	8	2	10.5
Contract (Levels 9-12), Permanent	42	10	9	21.4
Contract (Band A), Permanent	1	1	0	0
Contract (Band B), Permanent	1	1	1	100
Contract (Band D), Permanent	1	0	0	0
Total	1,082	89	81	7.5

Table 3.4.2: Annual turnover rates by Critical Occupation

Occupation	Employment at Beginning of Period (April 2012)	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover Rate
Administrative related, Permanent	113	8	10	8.8
Administrative related, Temporary	1	0	1	100
Agricultural, animal, oceanography, forestry and other sciences, Permanent	2	0	0	0
Biologists, botanists zoologists and related professionals, Permanent	71	7	2	2.8
Cartographers and surveyors, Permanent	1	1	0	0
Cleaners in offices workshops hospitals etc., Permanent	16	0	1	6.3
Client information clerks (switchboard, reception, information clerks), Permanent	10	0	0	0
Communication and information related, Permanent	9	1	0	0
Communication and information related, Temporary	1	0	0	0
Economists, Permanent	42	2	2	4.8
Engineering sciences related, Permanent	3	0	0	0
Finance and economics related, Permanent	11	2	1	9.1
Financial and related professionals, Permanent	34	5	3	8.8
Financial clerks and credit controllers, Permanent	19	4	4	21.1
Food services aids and waiters, Permanent	3	1	0	0
General legal administration and related professionals, Permanent	3	0	0	0
Head of department/chief executive officer, Permanent	1	0	0	0
Human resources and organisational development and related professions, Permanent	29	2	0	0
Human resources clerks, Permanent	14	0	0	0
Human resources related, Permanent	0	1	0	0
Information technology related, Permanent	9	0	1	11.1
Language practitioners interpreters and other communication, Permanent	4	0	0	0
Legal related, Permanent	3	1	0	0

PART D: HUMAN RESOURCE MANAGEMENT

Occupation	Employment at Beginning of Period (April 2012)	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover Rate
Librarians and related professionals, Permanent	3	0	1	33.3
Library, mail and related clerks, Permanent	56	6	5	8.9
Logistical support personnel, Permanent	14	0	3	21.4
Material-recording and transport clerks, Permanent	30	2	3	10
Messengers porters and deliverers, Permanent	10	1	1	10
Natural sciences related, Permanent	1	0	0	0
Other administrat and related clerks and organisers, Permanent	90	4	3	3.3
Other administrative policy and related officers, Permanent	63	2	2	3.2
Other information technology personnel, Permanent	27	6	2	7.4
Other machine operators, Permanent	1	0	0	0
Other occupations, Permanent	4	3	0	0
Risk management and security services, Permanent	7	0	2	28.6
Safety, health and quality inspectors, Permanent	156	20	19	12.2
Secretaries and other keyboard operating clerks, Permanent	90	4	2	2.2
Security officers, Permanent	48	1	1	2.1
Senior managers, Permanent	64	5	11	17.2
Senior managers, Temporary	1	0	1	100
Trade/industry advisers and other related profession, Permanent	18	0	0	0
Total	1,082	89	81	7.5

The table below identifies the major reasons why staff left the department.

Table 3.4.3: Reasons why staff are leaving the Department

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment	Total	Total Employment
Death, Permanent	1	1.2	0.1	81	1082
Resignation, Permanent	36	44.4	3.3	81	1082
Expiry of contract, Permanent	10	12.3	0.9	81	1082
Expiry of contract, Temporary	0	0	0	81	1082
Transfers, Permanent	25	30.9	2.3	81	1082
Dismissal-misconduct, Permanent	1	1.2	0.1	81	1082
Retirement, Permanent	8	9.9	0.7	81	1082
Total	81	100	7.5	81	1082

Table 3.4.4: Promotions by Critical Occupation

Occupation	Employment at Beginning of Period (April 2012)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Administrative related	114	7	6.1	69	60.5
Agricultural animal oceanography forestry and other sciences	2	0	0	2	100
Biologists botanists zoologists and related professionals	71	7	9.9	44	62
Cartographers and surveyors	1	0	0	1	100
Cleaners in offices workshops hospitals etc.	16	0	0	14	87.5
Client information clerks (switchboard reception information clerks)	10	0	0	5	50
Communication and information related	10	0	0	5	50
Economists	42	0	0	31	73.8
Engineering sciences related	3	0	0	3	100
Finance and economics related	11	2	18.2	5	45.5
Financial and related professionals	34	4	11.8	15	44.1
Financial clerks and credit controllers	19	0	0	9	47.4

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Occupation	Employment at Beginning of Period (April 2012)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Food services aids and waiters	3	0	0	1	33.3
General legal administration and related professionals	3	0	0	3	100
Head of department/chief executive officer	1	0	0	1	100
Human resources and organisational development and related professions	29	6	20.7	21	72.4
Human resources clerks	14	0	0	7	50
Information technology related	9	1	11.1	3	33.3
Language practitioners interpreters and other communication	4	0	0	1	25
Legal related	3	0	0	2	66.7
Librarians and related professionals	3	1	33.3	2	66.7
Library mail and related clerks	56	0	0	32	57.1
Logistical support personnel	14	1	7.1	10	71.4
Material-recording and transport clerks	30	1	3.3	19	63.3
Messengers porters and deliverers	10	0	0	6	60
Natural sciences related	1	0	0	0	0
Other administrat and related clerks and organisers	90	4	4.4	65	72.2
Other administrative policy and related officers	63	3	4.8	40	63.5
Other information technology personnel.	27	0	0	8	29.6
Other machine operators	1	0	0	0	0
Other occupations	4	0	0	1	25
Professional nurse	0	1	0	0	0
Risk management and security services	7	1	14.3	3	42.9
Safety health and quality inspectors	156	5	3.2	80	51.3
Secretaries and other keyboard operating clerks	90	3	3.3	64	71.1
Security officers	48	0	0	42	87.5
Senior managers	65	2	3.1	1	1.5
Trade/industry advisers and other related profession	18	0	0	14	77.8
Total	1,082	49	4.5	629	58.1

Table 3.4.5: Promotions by Salary Band

Salary Band	Employment at Beginning of Period (April 2012)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Skilled (Levels 3-5), Permanent	220	1	0.5	154	70
Highly skilled production (Levels 6-8), Permanent	305	18	5.9	178	58.4
Highly skilled production (Levels 6-8), Temporary	1	0	0	0	0
Highly skilled supervision (Levels 9-12), Permanent	410	25	6.1	268	65.4
Highly skilled supervision (Levels 9-12), Temporary	1	0	0	0	0
Senior management (Levels 13-16), Permanent	77	4	5.2	0	0
Senior management (Levels 13-16), Temporary	1	0	0	0	0
Contract (Levels 3-5), Permanent	3	0	0	0	0
Contract (Levels 6-8), Permanent	19	0	0	10	52.6
Contract (Levels 9-12), Permanent	42	1	2.4	18	42.9
Contract (Levels 13-16), Permanent	3	0	0	1	33.3
Total	1,082	49	4.5	629	58.1

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3.5 EMPLOYMENT EQUITY

Table 3.5.1: Total number of employees (including employees with disabilities) per Occupational Category (SASCO)

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, senior officials and managers, Permanent	33	1	0	34	8	22	0	0	22	1	65
Professionals, Permanent	129	1	2	132	9	130	1	0	131	8	280
Professionals, Temporary	0	0	0	0	1	0	0	0	0	0	1
Technicians and associate professionals, Permanent	147	3	0	150	53	128	4	0	132	8	343
Clerks, Permanent	79	2	0	81	2	189	17	0	206	23	312
Service and sales workers, Permanent	31	3	0	34	4	15	0	0	15	0	53
Plant and machine operators and assemblers, Permanent	1	0	0	1	0	0	0	0	0	0	1
Elementary occupations, Permanent	9	0	0	9	0	20	0	0	42	0	29
Other, Permanent	2	0	0	2	0	0	0	0	0	0	2
Total	431	10	2	443	77	504	22	0	548	40	1,086
Employees with disabilities	4	0	0	4	2	2	0	0	2	0	8

Table 3.5.2: Total number of employees (including employees with disabilities) per Occupational Bands

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	4	0	0	4	0	2	0	0	2	0	6
Senior Management, Permanent	33	1	0	34	8	23	0	0	23	1	66
Professionally qualified and experienced specialists and mid-management, Permanent	194	3	2	199	43	154	2	0	156	13	411
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	79	2	0	81	6	185	13	0	198	25	310
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Temporary	0	0	0	0	1	0	0	0	0	0	1
Semi-skilled and discretionary decision making, Permanent	88	3	0	91	2	116	6	0	122	1	216
Unskilled and defined decision making, Permanent	2	0	0	2	0	0	0	0	0	0	2
Contract (Top Management), Permanent	1	0	0	1	0	0	0	0	0	0	1
Contract (Senior Management), Permanent	1	0	0	1	0	1	0	0	1	0	2
Contract (Professionally qualified), Permanent	15	1	0	16	17	10	1	0	11	0	44
Contract (Skilled technical), Permanent	11	0	0	11	0	11	0	0	11	0	22
Contract (Semi-skilled), Permanent	3	0	0	3	0	2	0	0	2	0	5
Contract (Unskilled), Permanent	0	0	0	0	0	0	0	0	0	0	0
Total	431	10	2	443	77	504	22	0	526	40	1,086

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Table 3.5.3: Recruitment

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	1	0	0	1	0	0	0	0	0	0	1
Senior Management, Permanent	2	0	0	2	0	0	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management, Permanent	13	0	0	13	0	5	0	0	5	0	18
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	14	0	0	14	0	10	0	0	10	0	24
Semi-skilled and discretionary decision making, Permanent	5	0	0	5	0	10	1	0	11	0	16
Contract (Senior Management), Permanent	1	0	0	1	0	1	0	0	1	0	2
Contract (Professionally qualified), Permanent	5	1	0	6	1	3	0	0	3	0	10
Contract (Skilled technical), Permanent	5	0	0	5	0	3	0	0	3	0	8
Contract (Semi-skilled), Permanent	2	0	0	2	0	6	0	0	6	0	8
Contract (Unskilled), Permanent	0	0	0	0	0	0	0	0	0	0	0
Total	48	1	0	49	1	38	1	0	39	0	89
Employees with disabilities	1	0	0	1	0	1	0	0	1	0	2

Table 3.5.4: Promotions

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management, Permanent	2	0	0	2	1	1	0	0	1	0	4
Professionally qualified and experienced specialists and mid-management, Permanent	135	3	2	140	25	117	1	0	118	10	293
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	43	1	0	44	0	125	10	0	135	17	196
Semi-skilled and discretionary decision making, Permanent	71	1	0	72	2	78	2	0	80	1	155
Contract (Senior Management), Permanent	0	0	0	0	0	1	0	0	1	0	1
Contract (Professionally qualified), Permanent	9	0	0	9	6	4	0	0	4	0	19
Contract (Skilled technical), Permanent	5	0	0	5	0	5	0	0	5	0	10
Total	265	5	2	272	34	331	13	0	344	28	678
Employees with disabilities	2	0	0	2	0	0	0	0	0	0	2

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Table 3.5.5: Terminations

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	1	0	0	1	0	0	0	0	0	0	1
Top Management, Temporary	0	0	0	0	1	0	0	0	0	0	1
Senior Management, Permanent	3	0	0	3	2	4	0	0	4	0	9
Senior Management, Temporary	1	0	0	1	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management, Permanent	15	0	0	15	5	7	0	0	7	1	28
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	10	0	0	10	0	6	0	0	6	2	18
Semi-skilled and discretionary decision making, Permanent	5	0	0	5	0	4	0	0	4	0	9
Contract (Senior Management), Permanent	1	0	0	1	0	0	0	0	0	0	1
Contract (Professionally qualified), Permanent	6	0	0	6	3	0	0	0	0	0	9
Contract (Skilled technical), Permanent	2	0	0	2	0	0	0	0	0	0	2
Contract (Semi-skilled), Permanent	1	0	0	1	0	1	0	0	1	0	2
Contract (Unskilled), Permanent	0	0	0	0	0	0	0	0	0	0	0
Total	45	0	0	45	11	22	0	0	22	3	81

Table 3.5.6: Disciplinary Action

Disciplinary Action	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total	Not Available
Total	7	0	0	7	0	5	0	0	5	0	12	0

Table 3.5.7: Skills Development

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, Senior Officials and Managers	15	1	0	16	2	14	0	0	14	0	32
Professionals	66	1	0	67	1	76	0	0	76	4	148
Technicians and Associate Professionals	14	0	0	14	0	41	1	0	42	0	56
Clerks	40	0	0	40	0	51	3	0	54	1	95
Service and Sales Workers	10	0	0	10	0	7	0	0	7	0	17
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0	0	0
Craft and related Trades Workers	0	0	0	0	0	0	0	0	0	0	0
Plant and Machine Operators and Assemblers	0	0	0	0	0	0	0	0	0	0	0
Elementary Occupations	10	0	0	10	0	26	1	0	27	0	37
Total	155	2	0	157	3	215	5	0	220	5	385
Employees with disabilities	0	0	0	0	1	0	0	0	0	0	1

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3.6 PERFORMANCE REWARDS

To encourage good performance, the Department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, and disability), salary bands and critical occupations.

Table 3.6.1: Performance rewards by race, gender and disability

Demographics	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	347	502	69.1	3,025	8,718
African, Male	284	427	66.5	3,208	11,296
Asian, Male	2	2	100	41	20,500
Coloured, Female	17	22	77.3	113	6,647
Coloured, Male	5	10	50	47	9,400
Total Blacks, Female	364	524	69.5	3,138	8,621
Total Blacks, Male	291	439	66.3	3,296	11,326
White, Female	40	40	100	370	9,250
White, Male	58	75	77.3	1,153	19,879
Employees with a disability	4	8	50	68	17,000
Total	757	1,086	69.7	8,025	10,601

Table 3.6.2: Performance rewards by Salary Band for personnel below Senior Management Service

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Skilled (Levels 3-5)	158	216	73.1	569	3,601
Highly skilled production (Levels 6-8)	213	312	68.3	1,310	6,150
Highly skilled supervision (Levels 9-12)	325	412	78.9	4,779	14,705
Contract (Levels 3-5)	0	5	0	0	0
Contract (Levels 6-8)	11	22	50	68	6,182
Contract (Levels 9-12)	22	44	50	307	13,955
Periodical Remuneration	0	60	0	0	0
Total	729	1,071	68.1	7,033	9,647

Table 3.6.3: Performance rewards by Critical Occupation

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Administrative related	87	114	76.3	1,131	13,000
Agricul, animal,oceanography, forestry and other sciences	2	2	100	18	9,000
Biologists botanists zoologists and related professional	54	75	72	633	11,722
Cartographers and surveyors	1	2	50	11	11,000
Cleaners in offices, workshops, hospitals etc.	14	16	87.5	41	2,929
Client information clerks(switchboard reception information clerks)	8	12	66.7	28	3,500
Communication and information related	6	11	54.5	80	13,333
Economists	32	41	78	517	16,156
Engineering sciences related	3	3	100	62	20,667
Finance and economics related	6	11	54.5	96.0	16,000
Financial and related professionals	18	37	48.6	151	8,389
Financial clerks and credit controllers	9	20	45	47	5,222
Food services aids and waiters	1	4	25	4	4,000
General legal administration and related professionals	2	3	66.7	40	20,000
Head of department/chief executive officer	1	1	100	7	7,000
Human resources and organisational development and related professions	27	32	84.4	270	10,000
Human resources clerks	6	13	46.2	37	6,167
Human resources related	0	1	0	0	0
Information technology related	4	9	44.4	32	8,000
Language practitioners interpreters and other communication	2	4	50	15	7,500
Legal related	2	3	66.7	41	20,500
Librarians and related professionals	2	2	100	14	7,000
Library mail and related clerks	41	60	68.3	148	3,610
Logistical support personnel	11	10	110	75	6,818

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Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Material-recording and transport clerks	19	26	73.1	81	4,263
Messengers porters and deliverers	7	8	87.5	23	3,286
Natural sciences related	0	1	0	0	0
Other administrat and related clerks and organisers	77	91	84.6	402	5,221
Other administrative policy and related officers	42	63	66.7	380	9,048
Other information technology personnel.	8	29	27.6	65	8,125
Other machine operators	0	1	0	0	0
Other occupations	1	3	33.3	3	3,000
Risk management and security services	3	6	50	29	9,667
Safety health and quality inspectors	108	157	68.8	1,787	16,546
Secretaries and other keyboard operating clerks	67	90	74.4	391	5,836
Security officers	43	47	91.5	173	4,023
Senior managers	27	61	44.3	993	36,778
Trade/industry advisers and other related profession	16	17	94.1	201	12,563
Total	757	1,086	69.7	8,026	10,602

Table 3.6.4: Performance-related rewards (cash bonus) by Salary Band for Senior Management Service

SMS Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	% of SMS Wage Bill	Personnel Cost SMS (R'000)
Band A	17	55	30.9	591	0.1	45,612
Band B	8	13	61.5	318	0.4	17,421
Band C	2	4	50	84	1	4,764
Band D	0	3	0	0	0	0
Total	27	75	36	993	0.1	67,797

3.7 FOREIGN WORKERS

The tables below summarise the employment of foreign nationals in the Department in terms of salary band and major occupation.

Table 3.7.1: Foreign workers by Salary Band

Salary Band	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Highly skilled supervision (Levels 9-12)	1	50	1	50	0	0	2	2	0
Periodical remuneration	1	50	1	50	0	0	2	2	0
Total	2	100	2	100	0	0	2	2	0

Table 3.7.2: Foreign workers by Major Occupation

Major Occupation	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Other occupations	1	50	1	50	0	0	2	2	0
Technicians and associated professionals	1	50	1	50	0	0	2	2	0
Total	2	100	2	100	0	0	2	2	0

3.8 LEAVE UTILISATION

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

Table 3.8.1: Sick leave for Jan 2012 to Dec 2012

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Sick Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of Employees using Sick Leave	Total number of days with medical certification
Skilled (Levels 3-5)	1,190	86.8	159	19.3	7	433	824	1,033
Highly skilled production (Levels 6-8)	1,811	83.9	253	30.7	7	1,103	824	1,519
Highly skilled supervision (Levels 9-12)	1,870	82.6	298	36.2	6	2,585	824	1,545
Senior management (Levels 13-16)	330	83	54	6.6	6	981	824	274
Contract (Levels 1-2)	28	53.6	14	1.7	2	7	824	15
Contract (Levels 3-5)	14	78.6	7	0.8	2	5	824	11
Contract (Levels 6-8)	109	92.7	15	1.8	7	64	824	101
Contract (Levels 9-12)	127	92.9	22	2.7	6	180	824	118
Contract (Levels 13-16)	5	60	2	0.2	3	16	824	3
Total	5,484	84.2	824	100	7	5,374	824	4,619

Table 3.8.2: Disability leave (temporary and permanent) for Jan 2012 to Dec 2012

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Disability Leave	% of Total Employees using Disability Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of days with medical certification	Total number of Employees using Disability Leave
Skilled (Levels 3-5)	54	100	7	28	8	21	54	25
Highly skilled production (Levels 6-8)	69	100	8	32	9	39	69	25
Highly skilled supervision (Levels 9-12)	84	100	7	28	12	87	84	25
Senior management (Levels 13-16)	5	100	1	4	5	17	5	25
Contract (Levels 6-8)	6	100	1	4	6	3	6	25
Contract (Levels 9-12)	12	100	1	4	12	10	12	25
Total	230	100	25	100	9	177	230	25

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 3.8.3: Annual leave for Jan 2012 to Dec 2012

Salary Band	Total Days Taken	Average days per Employee	Number of Employees who took leave
Skilled (Levels 3-5)	4,538	20	223
Highly skilled production (Levels 6-8)	7,019.67	21	329
Highly skilled supervision (Levels 9-12)	9,219	21	437
Senior management (Levels 13-16)	1,716	21	83
Contract (Levels 1-2)	268	7	41
Contract (Levels 3-5)	104	7	14
Contract (Levels 6-8)	300	13	23
Contract (Levels 9-12)	851	19	45
Contract (Levels 13-16)	29	7	4
Not Available	13	13	1
Total	24,057.67	20	1,200

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Table 3.8.4: Capped leave for Jan 2012 to Dec 2012

Salary Band	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2012	Number of Employees who took Capped leave	Total number of capped leave available at 31 December 2012	Number of Employees as at 31 December 2012
Skilled (Levels 3-5)	9	3	25	3	856	34
Highly skilled production (Levels 6-8)	7	2	15	4	1,058	69
Highly skilled supervision (Levels 9-12)	61	10	37	6	3,218	88
Contract (Levels 9-12)	1	1	0	1	0	0
Total	78	6	27	14	5,132	191

The following table summarise payments made to employees as a result of leave that was not taken.

Table 3.8.5: Leave payouts

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Leave payout for 2012/13 due to non-utilisation of leave for the previous cycle	281	15	18,733
Capped leave payouts on termination of service for 2012/13	439	26	16,885
Current leave payout on termination of service for 2012/13	0	42	0
Total	720	83	8,675

3.9 HIV/AIDS AND HEALTH PROMOTION PROGRAMMES

Table 3.9.1: Steps taken to reduce the risk of occupational exposure

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

Table 3.9.2: 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.		No	
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.	Yes		2. Assistant Directors and 1 Employee Wellness Practitioner reporting under Employment Relations. There is no annual budget specifically allocated to the programme; the programme is utilizing the annual budget of Employment Relations
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.	Yes		<p>Services provided by EWP:</p> <ol style="list-style-type: none"> 1. Counselling services (Trauma, Debriefing, Crisis Management, Work-related and Personal Problems) 2. Health and Productivity Management (prevention, intervention, awareness, education, risk assessment and support) 3. Wellness Management (physical, social, emotional, spiritual and intellectual wellness of employees) 4. HIV/Aids and TB Management (prevention, treatment, care and support, human and legal rights) 5. SHERQ Management (occupational hygiene, special facilities, lighting, ventilation, sanitation and risk assessment)The Department has outsourced an EAP service provider which provides counselling for the Employees and their immediate families and also refer them if necessary to the relevant institution

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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>	Yes		<p>Names of Committee Members: Head Office Lethlogolo Mokwena, Chris Makama and Tefo Phahla Welkom Office Belinda Radise, Bonang Kesilwe Rustenburg Office Mduduzi Hlope, Audrey Matau, Piet Mashiyane, Loyt Mashinini Witbank Office Dipotso Mthunywa, Mpho Maphutha, Gabi Khanyile, Rhofhiwa Manenzhe Braamfontein Office Martha Muthathi, Mathapelo Mailula, Violet Bopape Limpopo Office Julia Kgwelwe, Taole Masoko, Winnie Ramphele Klerksdorp Office Nontsindiso Tolwana, Zimkhitha Tyala Port Elizabeth Office Natasha Williams Cape Town Office Lungi Mondani, Khathu Mphaphuli Kimberley Office Nkosazana Maseko, Sibonele Mkhize, Musa Zikhali KwaZulu Natal Ms Sebastienne Mabena Mr Musa Zikhali Ms Beatrice Mthembu and Ms Shonisani Manyaka We are currently busy reviewing the policy</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>	Yes		

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.	Yes		The Department conducts VCT during March-April and September every year
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes		The Department has more than 100 known cases of people living with HIV in the Department, and we have established support groups from 5 of our regional offices
8. Has the Department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		Health screenings (Health Risk Assessment, Flu-Vaccination and VCT) are conducted twice a year. Conduct awareness workshops

3.10 LABOUR RELATIONS

Table 3.10.1: Collective agreements

Subject Matter	Date
ICT Policy	Apr-12
Project Management Policy	Apr-12
Petty Cash Policy	Apr-12
Guidelines on grievances	Apr-12
Integrated Wellness Policy	Apr-12
Clothing Policy	May-12
System Development Policy	May-12
Condolence Policy	Sep-12
Overtime Policy	Sep-12
Security Risk Policy	Sep-12
Working Hours Arrangement Policy	Sep-12
Payment of claims for employees attending interviews	Sep-12
Persal use guidelines policy	Sep-12
Asset Management Policy	Sep-12
Inventory Policy	Sep-12
Procurement Policy	Nov-12

PART D: HUMAN RESOURCE MANAGEMENT

The following table summarises the outcome of disciplinary hearings conducted within the Department for the year under review.

Table 3.10.2: Misconduct and discipline hearings finalised

Outcomes of disciplinary hearings	Number	Percentage of Total	Total
Correctional counselling	0	0%	9
Verbal Warning	1	11%	9
Written warning	0	0%	9
Final written warning	5	56%	9
Suspended without pay	2	22%	9
Fine	0	0%	9
Demotion	0	0%	9
Dismissal	1	11%	9
Not guilty	0	0%	9
Case withdrawn	0	0%	9
Total	9	100%	9

Table 3.10.3: Types of misconduct addressed and disciplinary hearings

Type of misconduct	Number	Percentage of Total	Total
Corruption	1	8%	12
Assault	0	0%	12
Government Vehicle	0	0%	12
Absenteeism	3	25%	12
Disclosure of confidential information	0	0%	12
Theft	0	0%	12
Negligence	2	17%	12
Report for duty under the influence of alcohol	1	8%	12
Intimidation	0	0%	12
Irregular expenditure	0	0%	12
Fraud	1	8%	12
Poor management	2	17%	12
Derelection of duties	1	8%	12

Type of misconduct	Number	Percentage of Total	Total
Non compliance	1	8%	12
Financial disclosure of information	0	0%	12
Total	12	100%	12

Table 13.10.4: Grievances lodged

Number of grievances addressed	Number	Percentage of Total	Total
Grievances resolved	15	71%	21
Grievances not resolved	6	29%	21
Total	21	100%	21

Table 3.10.5: Disputes logged

	Number	% of Total
Number of disputes upheld	N/A	N/A
Number of disputes dismissed	N/A	N/A
Total number of disputes lodged	N/A	N/A

Table 3.10.6: Strike actions

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

Table 3.10.7: Precautionary suspensions

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

PART D: HUMAN RESOURCE MANAGEMENT

3.11 SKILLS DEVELOPMENT

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

Table 3.11.1: Training needs identified

Occupational Categories	Gender	Employment as at 1 April 2012	Learnerships	Skills Programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	27	0	8	0	8
	Male	42	0	3	0	3
Professionals	Female	139	0	103	0	103
	Male	130	0	137	0	137
Technicians and associate professionals	Female	131	0	54	0	54
	Male	217	0	20	0	20
Clerks	Female	225	0	84	0	84
	Male	84	0	32	0	32
Service and sales workers	Female	15	0	12	0	12
	Male	40	0	31	0	31
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	1	0	0	0	0
Elementary occupations	Female	31	0	5	0	5
	Male	26	0	2	0	2
Gender sub totals	Female	568	0	266	0	266
	Male	540	0	225	0	225
Total		1,108	0	491	0	491

Table 3.11.2: Training provided

Occupational Categories	Gender	Employment as at 1 April 2012	Learnerships	Skills Programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	27	0	14	0	14
	Male	42	0	18	0	18
Professionals	Female	139	0	82	4	82
	Male	130	0	63	8	71
Technicians and associate professionals	Female	131	0	28	14	42
	Male	217	0	12	4	16
Clerks	Female	225	0	39	10	49
	Male	84	0	33	2	33
Service and sales workers	Female	15	0	7	0	7
	Male	40	0	2	0	2
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	1	0	0	0	0
Elementary occupations	Female	31	0	2	25	27
	Male	26	0	1	9	10
Gender sub totals	Female	568	0	172	53	225
	Male	540	0	137	23	160
Total		1,108	0	309	76	385

PART D: HUMAN RESOURCE MANAGEMENT

3.12 INJURY ON DUTY

The following tables provide basic information on injury on duty.

Table 3.12.1: Injury on duty

Nature of injury on duty	Number	% of total
Required basic medical attention only	3	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	3	

3.13 UTILISATION OF CONSULTANTS

Table 3.13.1: Report on consultant appointments using appropriated funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Appointment of IRCA PTY for the support and maintenance of the South African Mining Registration and Administration (System)	5	120	R 5,253,118.08
Appointment of Magix Integration Pty Ltd, services of a consultant resource for a period of 4 months in the Department of Mineral Resources	1	120	R 216,691.20
Appointment of Reflex Solutions for the implementation of ICT infrastructure for the period of twelve months.	1	360	R 870,773.04
Appointment of Human Communication for handling recruitment and other advertising for the Department of Mineral Resources for a period of two years	1	480	% discount on advert placed
Appointment of Ultimate Recruitment Solutions for handling recruitment and other advertising for the Department of Mineral Resources for a period of two years	1	480	% discount on advert placed
Appointment of Laetoli (Pty) Ltd to conduct culture and climate survey in the Department of Mineral Resources for a period of three months	1	90	R 395,000.00
Appointment of Giscoe (Pty) Ltd for the development of national mining promotion and system for the Department of Mineral Resources for a period of three months	1	90	R 231,125.00
Total number of projects	7		
Total individual consultants	11	Total duration: Work days	Total contract value in Rand
		1740	R 6,966,707.32

Table 3.13.2: Analysis of consultant appointments using appropriated funds, i.t.o. HDIs

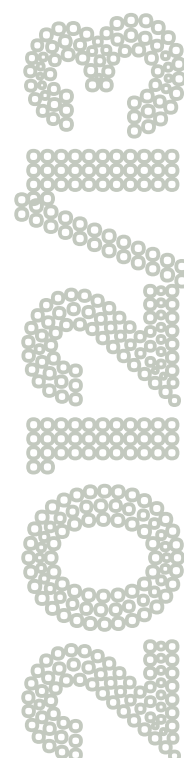
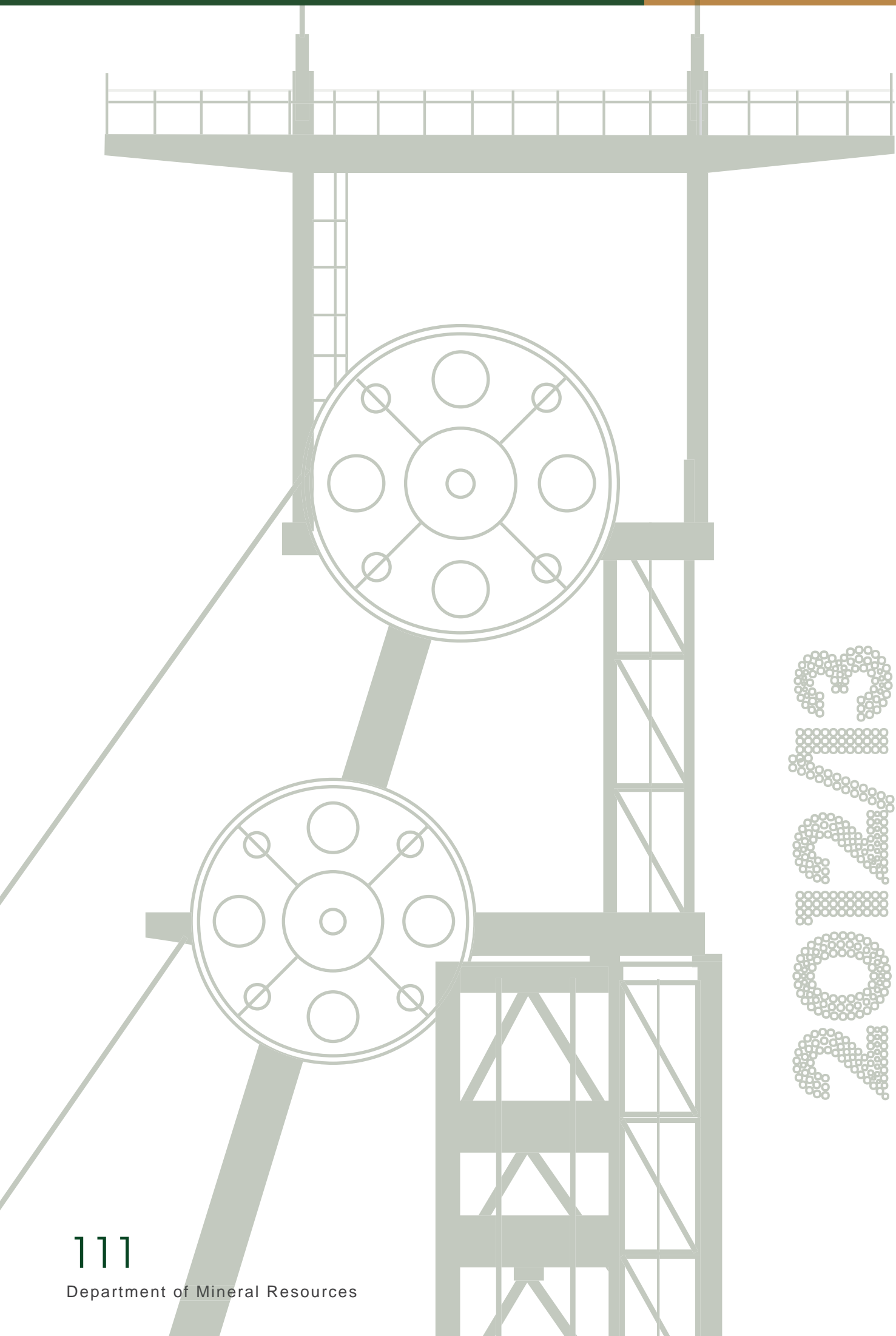
Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Appointment of IRCA PTY for the support and maintenance of the South African Mining Registration and Administration (System)	N/A	N/A	5
Appointment of Magix Integration Pty Ltd services of a consultant resource for a period of 4 months in the Department of Mineral Resources	N/A	N/A	1
Appointment of Reflex Solutions for the implementation of ICT infrastructure for the period of twelve months.	N/A	N/A	
Appointment of Human Communication for handling recruitment and other advertising for the Department of Mineral Resources for a period of two years	N/A	N/A	1
Appointment of Ultimate Recruitment Solutions for handling recruitment and other advertising for the Department of Mineral Resources for a period of two years	N/A	N/A	1
Appointment of Laetoli (Pty) Ltd to conduct culture and climate survey in the Department of Mineral Resources for a period of Three months	N/A	N/A	1
Appointment of Giscoe (Pty) Ltd for the development of national mining promotion and system for the Department of Mineral Resources for a period of three months	N/A	N/A	1

Table 3.13.3: Analysis of consultant appointments using donor funds, i.t.o. HDIs

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
N/A	N/A	N/A	N/A
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
N/A	N/A	N/A	N/A

Table 3.13.4: Analysis of consultant appointments using donor funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
			N/A
			N/A





ANNUAL FINANCIAL STATEMENTS

FOR THE DEPARTMENT OF
MINERAL RESOURCES
FOR THE YEAR ENDED 31 MARCH 2013

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PART E: ANNUAL FINANCIAL STATEMENTS

AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2013

AUDIT COMMITTEE RESPONSIBILITY

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

AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The Audit Committee, which consists of three (3) members listed hereunder, meets at least four (4) times per annum as per the approved charter. During the current year five (5) meetings were held. The attendance of the meetings was as follows:

Name of Member	Number of meetings held	Numbers of meeting attended
Mr. S Sithole (Chairperson)	5	4
Prof. DP van der Nest	5	4
Ms. Z Musamirapamwe	5	4

THE EFFECTIVENESS OF INTERNAL CONTROL

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the department revealed certain weaknesses, which were then raised with the Department.

The following internal audit work was completed during the year under review:

Full Audits

Financial Statements, IT Governance, Labour Relations, Communication Strategy, Financial provisions, Revenue and Receivables- Prospecting Fees and Royalties, Disaster Recovery plan & back-up Management, Leave Payouts Verification, GG Vehicles, Mining Charter, Audit of Performance Information Q1, AG Management Letter Plan & Follow-up 2011/12, Revenue Application Systems, Audit of Performance Information Q2, Asset Management, Audit of Performance Information Q3

Follow-up Audits

Risk Management, Antivirus, user Access Management, Change Control, Mineral Beneficiation, Transport: Subsidized Vehicles and Special Projects

The following were areas of concern:

- Management over Revenue and Accounts receivables
- Overtime Management
- Accuracy and Completeness of schedules and financial information supporting the financial statements

In-Year Management and Monthly/Quarterly Report

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

Evaluation of Financial Statements

We have reviewed the annual financial statements prepared by the department.

Auditor-General's Report

We have reviewed the Department's implementation plan for audit issues raised in the prior year and we are satisfied that the matters have been adequately resolved with the exception of the management of revenue and accounts receivable.

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General. However, the Committee wishes to highlight that the misstatement of R151,194 million reported under basis of qualification of the Auditor-General's Report is not an actual amount, but an estimate, which was extrapolated from the sampled amounts, applying statistics sampling methods. The actual error could be greater or lesser than this estimated amount.

The Committee further highlights that the majority of control issues identified in the Auditor General Report relates to the management of revenue and receivables. Management is developing a remedial action plan to ensure that control deficiencies inherent in the revenue management and accounts receivables process are addressed. The implementation of a sustainable system of control for the same will be monitored by the Audit Committee.



Mr. S Sithole

Chairperson of the Audit Committee

Department of Mineral Resources

26 September 2013

PART E: ANNUAL FINANCIAL STATEMENTS

REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2013

Report by the Accounting Officer to the Executive Authority and Parliament of the Republic of South Africa.

1. GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

The year under review marked significant improvements in the Departmental operating activities. In the previous financial years, the department's focus was on developing internal and administrative processes. The focus during this financial year was on the monitoring of these newly processes. This enabled the Department to improve internal process to ensure service delivery. The Department will continue to implement and monitor process to ensure best practises in our internal processes.

The enhancement of administrative processes included amongst other thing:

- The upgrading and improvement of the online licensing system – South African Minerals Rights Administration (SAMRAD) which was launched in April 2011.
- The procurement of Information Technology (IT) equipment in order for the Department to operate on the basic system.
- The upgrading of the Revenue Management system in order to ensure valid, accurate and complete revenue from prospecting fees and royalties.

The Auditor General's recommendations made in the previous financial years have been implemented and the Department is continuing to monitor and assess these processes to ensure good governance. In addition the forensic report on irregular expenditure was concluded and the matter has since been finalised.

The implementation and monitoring is bearing fruits as the Department's irregular expenditure has reduced from R7.9 million in 2011/2012 to R2.2 million in the year under review. The Department is committed to ensuring good corporate governance and compliance with applicable rules and regulations.

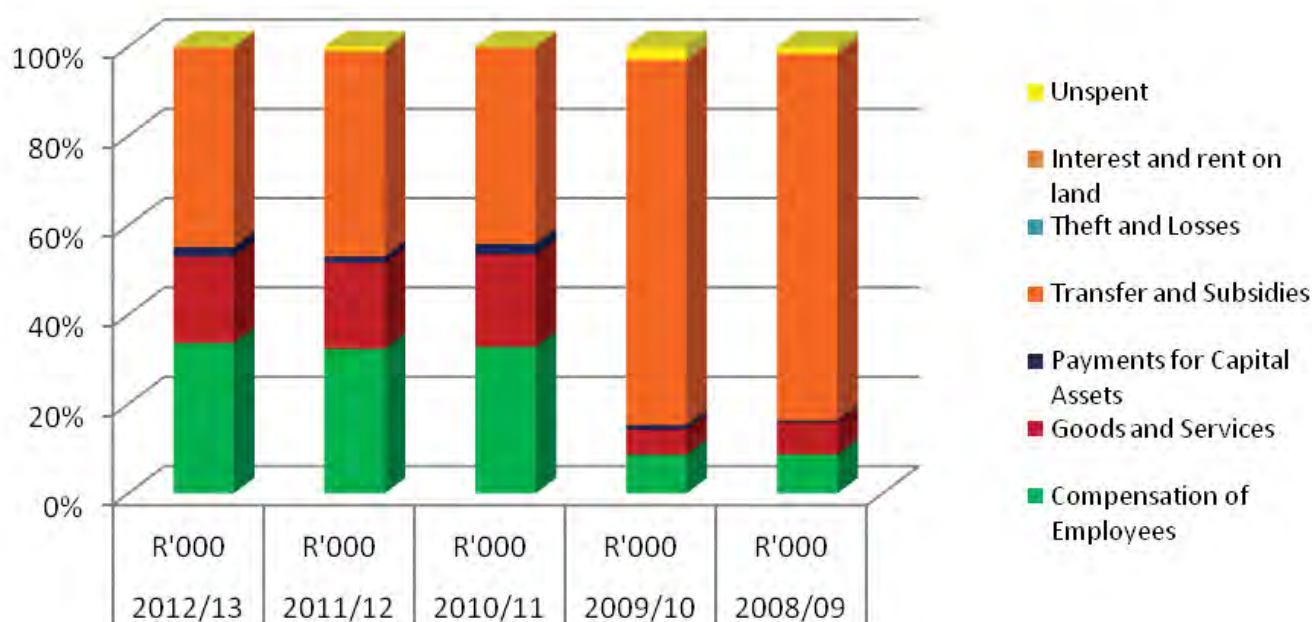
• Spending trends

During 2012/13 financial year, the Department was appropriated a budget of R1.176 billion. An amount of R397.591 million was allocated towards Compensation of Employees of which R395.914 million which represents 99.6% was spent. An amount of R228.084 million was allocated towards acquisition of Goods and Services of which R227.890 million which represents 99.9% was spent. Ninety nine percent (99.9%) of the R24.556 million allocated towards acquisition of Capital Assets was fully spent. An amount of R525.110 million allocated to Public and Private Corporation was transferred in full (100%) while R192 thousands was allocated and spent on writing off losses.

REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2013

The table below illustrates the utilisation of voted funds per economic classification from 2008/9 to 2012/13

Utilisation of Voted Funds	2012/13	2011/12	2010/11	2009/10	2008/09
	R'000	R'000	R'000	R'000	R'000
Compensation of Employees	395 914	352 562	326 457	403 323	330 089
Goods and Services	227 890	209 766	206 504	263 475	269 408
Payments for Capital Assets	24 536	16 094	23 566	48 690	18 855
Transfer and Subsidies	525 110	500 765	438 120	3 828 303	3 111 061
Theft and Losses	192	191	50	925	593
Interest and rent on land	-	1 185	-	-	-
Unspent	1 891	9 540	1 145	137 288	56 235
Totals (Budget)	1 175 533	1 090 103	995 842	4 682 004	3 786 241
% under spending of vote	0.16%	0.88%	0.11%	2.93%	1.49%



R525.110 million which constitutes 44.67% of the total budget was transferred to Public Corporations and Agencies under the Minister's control while the remainder of R650. 423 million (55.33%) was allocated to Departmental Programmes.

R397.591 million of the total budget allocated to the Departmental Programmes was for Compensation of Employees. This was not limited to compensation for employees who are in the Departmental permanent structure but also included costs associated with contractual employees, internship and learner-ship programmes.

PART E: ANNUAL FINANCIAL STATEMENTS

REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2013

An amount of R227.890 million including devolution of Public Works funds was used against the budget of R228.084 million to defray costs of Goods and Services acquired for the realisation of the Departmental objectives during 2012/13. Travel and Subsistence expenditure increased from R58 million to R62 million due to increase in mining inspections that had to be conducted during the reporting period. Communication expenditure decreased from R14 million to R12 million. In addition, Consultants and Contractors expenditure decreased from R16 million to R13 million and Inventory decreased from R6 million to R4 million. This was due to costs containment measures that remain in force.

Table for analysis of unspent funds 2012/13

Analysis of Unspent Funds	2012/13		
	Budget	Unspent	Variance
	R'000	R'000	%
Compensation of employees	397 591	1 677	0.42%
Goods and Services	228 084	194	0.09%
Capital Payments	24 556	20	0.08%
Financial Transactions	192	0	0.00%
Transfer Payments	525 110	0	0.00%
Interest	0	0	0.00%
Available Budget	1 175 533	1 891	0.16%

The Department recorded 0.16% under spending. This is attributable to the following factors:

- R1.7 million under compensation of employees was caused by a high vacancy rate in the Mine Health and Safety Inspectorate as a result of the Department's inability to attract and retain professional skills due to the salary structures.

REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2013

• Virement:

The following virement approvals were granted by the Accounting Officer in terms of section 43(1) of the Public Finance Management Act, 1999 (Act 1 of 1999) to utilise savings under main divisions of the vote towards the defrayment of expenditure under other main divisions within the vote :

SHIFT FUNDS FROM	R'000	Motivation
Programme 2:Promotion of Mine Safety and Health	(9 107)	The unspent funds within Compensation of Employees are mostly as a result of the number of vacancies within the Department which resulted from Department's inability to attract professional skills within the Mine Health and Safety Inspectorate and longer timeframes associated with filling posts, which will be used to cover excess expenditure in other areas
Programme 4: Mineral Policy and Promotion	(32 711)	The under spending is mainly due to unspent funds under Transfer Payments in respect of Assistance to Mines that are dependent on claims that marginalised mines forward for which no claims were received during the 2012/13 financial year.
Totals	(41 818)	

SHIFT FUNDS TO	R'000	Motivation
Programme 1: Administration	37 995	The funds will be used to cover operating lease cost associated with the office accommodation that was more than anticipated. Other contributing factor relates to invoices from the 2011/12 financial year in respect of Office accommodation to the Department of Public Works that were paid during the 2012/13 financial year.
Programme 3: Mineral Regulation	3 823	The funds will be used to cover compensation of employees cost which was more than anticipated during the 2012/13 financial year
Totals	41 818	

Refer to the Appropriation Statement for additional information regarding virement.

PART E: ANNUAL FINANCIAL STATEMENTS

REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2013

2. SERVICE RENDERED BY THE DEPARTMENT

2.1 Services rendered

The mission of the Department is to promote and regulate the Minerals and Mining sector for transformation, growth, development and to ensure that all South Africans derive sustainable benefit from the country's mineral wealth. The key services rendered by the Department are:

- Ensuring safe mining of minerals under healthy working conditions
- Regulating the minerals and mining sector to promote economic growth, employment, transformation and sustainable development
- Formulating mineral related policies and promote the mining and minerals industry in South Africa, thus making it attractive to investors

2.2 Tariff policy

Prospecting Fees

The prospecting fees were charged in terms of the Minerals Act, 1991 (Act 50 of 1991) where the State was the holder of the mineral rights before 1 May 2004. The approved rates, as from 1 April 2003, started at R3,00 per hectare for the first year and escalated by R1,00 per hectare for the maximum period of 5 years determined by a prospecting lease. For any renewal period, the fee doubled and escalated at R2,00 per hectare each year thereafter. For offshore exploration the same rates applied but for square kilometres.

Due to the promulgation of the Mineral and Petroleum Resources Development Act (MPRDA), 2002 (Act 28 of 2002), new prescribed rates apply on all new prospecting rights granted including privately owned land as from 1 May 2004 – see regulation 76 of the new MPRDA. Rights already granted at the time of promulgation, will continue with prospecting fees as set out above.

Exploitation Fees (Royalties)

Any new mining rights granted from 1 May 2004 carry no royalties until 1 March 2010 when the Royalty Bill came into effect. The royalties payable were levied on gross revenue and production exploited for various commodities based on the rate prescribed in the contract.

Minimum royalties

Minimum royalties were payable, as a “deposit”, in advance whether mining takes place or not in any specific year; the State would receive a measure of a return for any “mining permission” granted. Minimum royalties may be offset against actual royalties payable. The general formula for the determination of minimum royalties has been levied at ten percent (10%) of the average annual royalties payable in terms of the business plan submitted.

REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2013

Collection of royalties from the holder of old mining rights or unconverted used old order rights remains the responsibility of the Department. The holder of a mining right would continue to pay state royalties in terms of and in accordance with the terms and conditions contained in that old order right.

Holders of new mining rights and holders of converted mining rights are to be treated in accordance with the Royalties Administration Act, 2008 which commenced on 1 March 2010. The Commissioner of the South African Revenue Service (SARS) is responsible for the administration of the Royalties Act, and therefore the collection of royalties in terms of this Act is the responsibility of SARS.

2.3 Free Services

The Department does not render any free services that would have yielded significant revenue had tariff been charged.

3. CAPACITY CONSTRAINTS

The Department's inability to attract and retain key staff such as Inspectors and Mineral Economists remains a challenge for the Department and a threat to service delivery. In addition, there was a high staff turnover within the finance divisions including the resignation of the Chief Financial Officer. These added additional challenges to the Department as proper financial management is core to service delivery. Moreover, budget constraint has impeded the appointment key personnel to enforce compliance.

In addressing some of the capacity constraints, the Department continues with the implementation of training programmes identified in the Workplace Skills Plan including amongst others, Project Management for Middle Management, Advanced Management Development Programme, Emerging Management Development Programme and Executive Development Programme. Furthermore, the Department in conjunction with Mining Qualification Authority (MQA) is involved in a number of projects to increase the number of qualified inspectors. It is expected that this initiative will alleviate these challenges.

The impact of these capacity constraints is high as it makes it difficult for the Department to reach its strategic objectives. The Department will continue to engage National Treasury and other relevant departments in order to eradicate these challenges. The Department is striving to ensure adherence to turnaround times and service delivery despite this challenges.

4. UTILISATION OF DONOR FUNDS

The Department did not receive any donor funds during the period under review.

PART E: ANNUAL FINANCIAL STATEMENTS

REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2013

5. TRADING ENTITIES AND PUBLIC ENTITIES

Refer to Annexure 1 to the Annual Financial Statements for additional information regarding the entities.

ENTITY	SOURCE OF FUNDUNG	AUDIT OPINION	
		2011/12	2010/11
Council for Mineral Technology and Research (Mintek)	Own and government grant	Unqualified	Unqualified
South African Diamond and Precious Metals Regulator	Own and government grant	Unqualified	Unqualified
Mine Health and Safety Council (MHSC)	Own and government grant	Unqualified	Unqualified
Council for Geoscience (CGS)	Own and government grant	Unqualified	Unqualified
State Diamond Trader (SDT)	Own	Unqualified	Unqualified

6. ORGANISATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN MADE

2012/13 FINANCIAL YEAR		
Recipient	Actual Transfer	Purpose of Transfer Payment
	R'000	
Mine Health and Safety Council	4 531	Core Funding in terms of establishing act
South African Diamond and Precious Metals Regulator	41 601	Core Funding in terms of establishing act
Council for Geosciences	223 006	R184,625 million - Core Funding in terms of establishing act R18,381 million -Research to prevent ingress of water into underground holdings R20,000 million- Mine Rehabilitation projects
Council for Mineral Technology Research	253 531	R223,531 million - Core funding in terms of establishing act R30,000 million - Mine Rehabilitation projects

The above entities reports quarterly to the Department, indicating progress made and performance against pre determined objectives. Refer to Annexure 1A and 1B for additional information.

REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2013

7. PUBLIC PRIVATE PARTNERSHIPS (PPP)

The Department has not engaged in public private partnership arrangements.

8. CORPORATE GOVERNANCE ARRANGEMENTS

The Department has continued to strengthen its checks and balance mechanisms so as to ensure compliance with the relevant legislative prescripts as well as corporate governance principles and practices.

The Department continues to minimise risks that it is exposed to by ensuring that all major risks are proactively identified, assessed and managed to acceptable levels. The Department's risk committee continued in its oversight role of risk management activities in the Department. A strategic risk assessment workshop was conducted in order to identify the array of risks the Department is exposed to. As a result of this exercise all branch risk profiles were developed and responsibilities for managing these risks were assigned to management and staff. Risk profiles developed from the assessment process are used to inform the Department's internal audit plans. The Department continued to implement its fraud prevention and anti corruption strategy which is in line with minimum anti corruption capacity requirements. The Department has not had cases where conflict of interest was reported in its administrative processes.

The Department has an Internal Audit Unit that is under the guidance, direction and supervision of the Chief Audit Executive. The Function is responsible for providing independent, objective assurance and consulting services that are aimed at adding value and thereby increasing the Department's opportunities towards the accomplishment of its objectives. The Function carries out its activities with proficiency and due professional care. In order to ensure its effectiveness and efficiency, the Function makes use of a systematic, disciplined approach so as to evaluate the adequacy, effectiveness, and efficiency of the Department's governance, risk management, and control processes.

To maintain its independence, the Internal Audit Unit reports administratively to the Accounting Officer and functionally to the Audit Committee. The Unit's authority includes unlimited access to all the staff, information, as well as properties of the Department. The Function obtains its mandate from the Internal Audit Charter, which was reviewed and approved in the reporting period. The Unit developed and obtained the approval of its plans, i.e. the annual plan as well as the rolling three-year strategic plan. The plans were based on key risks facing the Department and they also took into consideration other factors such as issues raised by parliamentary oversight committees, the Auditor-General's prior year's reports, management's as well as the Audit Committee's requests, etc. The status of the progress on the performance of the audits on the annual plan was presented to the Audit Committee on a quarterly basis.

The audits conducted during the year were mainly compliance, information technology, performance and performance information, operational, and financial. The Unit also performed investigations that originated from management requests and those from other organs of the state such as the Presidential Hotline.

The Unit's operations are guided by the requirements set out in the legislative prescripts (e.g. the PFMA and the Treasury Regulations) and the standards set by the relevant professional bodies (e.g. the Institute of Internal Auditors).

PART E: ANNUAL FINANCIAL STATEMENTS

REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2013

The Department has established an Audit Committee in terms of Section 77 of the PFMA. The Committee consists of three (3) independent members. The members of the Audit Committee have the requisite knowledge and competence to deal with financial, risk management, governance, ethical and other matters that pertain to its responsibility. The Committee operated in line with its Charter, which was reviewed and approved in the reporting period. During the financial period under review, the Committee met five (5) times. The matters tabled for consideration by the Committee included the review of financial statements, performance information, the Auditor-General's management letters, reports and activities of the Internal Audit Activity and the Risk Management Office, and matters that relate to litigations against the department, compliance with laws, regulations and policies.

9. DISCONTINUED ACTIVITIES/ACTIVITIES TO BE DISCONTINUED

No activities were discontinued during the reporting period.

10. NEW/PROPOSED ACTIVITIES

The Department will continue with its current activities and no new activities will be added during the 2013/14 financial year.

11. ASSET MANAGEMENT

All assets procured during the year have been captured on the assets register. The assets register has also been successfully reconciled with the financial accounting system of the Department. Details to this item are presented in notes 28 to 30 in the Annual Financial Statements.

12. INVENTORIES

Opening, movements and closing balances for inventories were properly captured and are reported accordingly in Annexure 5.

13. EVENTS AFTER THE REPORTING DATE

No significant events after the reporting date.

14. INFORMATION ON PREDETERMINED OBJECTIVES

A Quarterly Monitoring Report (QMR) on Performance Information is submitted to the Executive Authority through the Accounting Officer.

REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2013

These quarterly reports highlight areas of concern for noting while also presenting interventions already in pursuit. Each Branch head submits performance information with a signed compliance declaration. The Branch of the Chief Compliance Officer (CCO) is responsible for analysis of performance information. This analysis examines performance across the Department in line with the approved strategic plan. The analysis concentrates on the completeness, reasonability and relevance of the reported information. The CCO then consolidates and forwards the report to Internal Audit for verification. At year-end, the consolidated report is made available to the Auditor-General for audit purposes and subsequently constitutes the performance information published in the Annual Report.

15. SCOPA RESOLUTIONS

No resolutions were received from SCOPA for the 2011/2012 financial year.

16. PRIOR MODIFICATIONS TO AUDIT REPORTS

The Department did not have a qualification during 2011/12 financial year.

17. EXEMPTIONS AND DEVIATIONS RECEIVED FROM THE NATIONAL TREASURY

There were no exemptions and deviations from the reporting standards.

18. INTERIM FINANCIAL STATEMENTS

Four Interim Financial Statements were submitted to the National Treasury during the financial year as required.

19. APPROVAL

The Annual Financial Statements set out on pages 115 to 197 have been approved by the Accounting Officer.



Dr T Ramontja
Accounting Officer
31 May 2013

PART E: ANNUAL FINANCIAL STATEMENTS

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENON VOTE No. 32: Department of Mineral Resources

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Department of Mineral Resources set out on pages 130 to 188, which comprise the appropriation statement, the statement of financial position as at 31 March 2013, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

The accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation of these financial statements in accordance with *Departmental financial reporting framework* prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No.1 of 1999) (PFMA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis for qualified opinion

Receivable for departmental revenue

6. The Department of Mineral Resources does not have adequate system to manage and value receivable for departmental revenue. The outstanding balance relating to prospecting fees and royalties as generated by the system in place is incorrect. Consequently, the balance for receivable for departmental revenue and provisions as disclosed in notes 23 and 27 to the financial statements is misstated by R151.194 million (2012: R110.629 million).

Qualified opinion

7. In my opinion, except for the effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Department of Mineral Resources as at 31 March 2013 and financial performance and cash flows for the year then ended, in accordance with *Departmental financial reporting framework* and the requirements of the PFMA.

Emphasis of matter

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

Restatement of corresponding figures

9. As disclosed in note 23 and note 27 to the financial statements, the corresponding figures for 31 March 2012 have been restated as a result of an error discovered during 31 March 2013 in the financial statements of the Department of Mineral Resources at, and for the year ended, 31 March 2012

Additional matters

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

Unaudited supplementary schedules

11. The supplementary information set out on pages 189 to 197 does not form part of the financial statements and is presented as additional information. I have not audited these schedule(s) and, accordingly, I do not express an opinion thereon

Financial reporting framework

12. The financial reporting framework prescribed by the National Treasury and applied by the department is a compliance framework. The wording of my opinion on a compliance framework should reflect that the financial statements have been prepared in accordance with this framework and not that they “present fairly”. Section 20(2)(a) of the PAA, however, requires me to express an opinion on the fair presentation of the financial statements. The wording of my opinion therefore reflects this requirement.

PART E: ANNUAL FINANCIAL STATEMENTS

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

13. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

14. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 13 to 68 of the annual report.
15. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury's *Framework for managing programme performance information*.

The reliability of the information in respect of the selected programmes is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

16. There were no material findings on the performance report concerning the usefulness and reliability of the information.

Additional matter

Although no material findings concerning the usefulness and reliability of the performance information was identified in the performance report, I draw attention to the following matter below.

Achievement of planned targets

17. Of the total number of 160 targets planned for the year, 33 targets were not achieved during the year under review. This represents 21% of total planned targets that were not achieved during the year under review.

Compliance with laws and regulations

18. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the general notice issued in terms of the PAA are as follows:

Annual financial statements, performance and annual reports

19. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 40(1)(a) of the PFMA. Material misstatements of contingent liabilities and key management personnel identified by the auditors in the submitted financial statements were subsequently

corrected, but the uncorrected material misstatements of receivables for departmental revenue resulted in the financial statements receiving a qualified audit opinion.

Revenue management

20. The accounting officer did not take effective and appropriate steps to timeously collect all money due to the department as per the requirements of Treasury Regulations 11.2.1.

Human resources management

21. Employees received overtime compensation in excess of 30% of their monthly salaries, in contravention of Public Service Regulation I/V/D.2(d).

Non-compliance with the enabling Act

22. Mining rights holders did not submit prescribed monthly returns to the Director-General as required by section 28(2)(a) of the Mineral and Petroleum Development Act (MPRDA)
23. Mining rights holders did not submit audited financial statements and annual reports to the Director-General as required by section 28(2)(b)(c) of the MPRDA.
24. Compliance with the above sections of the Act was not enforced as required by section 93 of the MPRDA.

Internal control

25. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the basis of qualified opinion and the findings on compliance with laws and regulations included in this report.

Leadership

26. The accounting officer did not exercise oversight responsibility regarding financial and compliance and related internal controls.
27. The accounting officer did not implement effective HR management to ensure that adequate and sufficiently skilled resources are in place.

Financial and performance management

28. The accounting officer did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information was accessible and available to support financial and performance reporting
29. The accounting officer did not prepare regular, accurate and complete financial reports that were supported and evidenced by reliable information

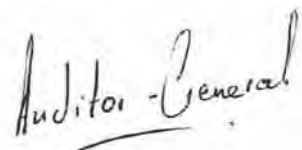
PART E: ANNUAL FINANCIAL STATEMENTS

30. The accounting officer did not review and monitor compliance with applicable laws and regulations.
31. The accounting officer did not design and implement formal controls over IT systems to ensure the reliability of the systems and the availability, accuracy and protection of information.
32. Information captured on the revenue system was not always reviewed in order to ensure that it was correct and accurate.
33. The revenue system was not integrated with the other systems within the department and this resulted in incorrect balances of receivables as the system was not updated when payments were captured on the Basic Accounting System (BAS).
34. The current revenue system was unable to deal with the complex nature of the calculations for royalty and prospecting receivables.
35. Reconciliations of account receivables were not performed and this resulted in errors in the capturing of information on the system not being identified.
36. Standard operating procedures were not documented and this resulted in inconsistencies in the calculation and interpretation of royalties and prospecting contracts.

OTHER REPORTS

Investigations

37. An investigation had been conducted by the department into irregular expenditure incurred during the prior year. The investigation had been completed and the matter had been handed over to the relevant authorities for further actions to be considered.



Pretoria
19 September 2013



APPROPRIATION STATEMENT for the year ended 31 March 2013

Appropriation per programme									
APPROPRIATION STATEMENT	2012/13							2011/12	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. ADMINISTRATION									
Current payment	241,248	(54)	33,843	275,037	275,057	(20)	100.0%	246,682	238,342
Transfers and subsidies	1,174	-	1,264	2,438	2,438	-	100.0%	1,464	1,464
Payment for capital assets	14,837	54	2,870	17,761	17,741	20	99.9.0%	17,620	17,620
Payment for financial assets	-	-	18	18	18	-	100.0%	174	174
	257,259	-	37,995	295,254	295,254	-		265,940	257,600
2. PROMOTION OF MINE SAFETY AND HEALTH									
Current payment	144,469	-	(9,712)	134,757	133,961	796	99.4%	135,951	135,784
Transfers and subsidies	4,531	-	-	4,531	4,531	-	100.0%	5,338	5,338
Payment for capital assets	1,618	-	449	2,067	2,067	-	100.0%	117	117
Payment for financial assets	-	-	156	156	156	-	100.0%	13	13
	150,618	-	(9,107)	141,511	140,715	796		141,419	141,252

PART E: ANNUAL FINANCIAL STATEMENTS

APPROPRIATION STATEMENT for the year ended 31 March 2013

Appropriation per programme									
APPROPRIATION STATEMENT	2012/13							2011/12	
	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
3. MINERAL REGULATION									
Current payment	144,971	(15)	3,306	148,262	148,048	214	99.9%	144,177	144,177
Transfers and subsidies	41,601	-	3	41,604	41,604	-	100.0%	39,376	39,376
Payment for capital assets	1,214	15	500	1,729	1,729	-	100.0%	821	821
Payment for financial assets	-	-	14	14	14	-	100.0%	22	22
	187,786	-	3,823	191,609	191,395	214		184,396	184,396
4. MINERAL POLICY AND PROMOTION									
Current payment	82,935	(14)	(15,302)	67,619	66,738	881	98.7%	72,551	71,528
Transfers and subsidies	494,537	-	(18,000)	476,537	476,537	-	100.0%	374,659	374,659
Payment for capital assets	2,398	14	587	2,999	2,999	-	100.0%	-	-
Payment for financial assets	-	-	4	4	4	-	100.0%	-	-
	579,870	-	(32,711)	547,159	546,278	881		447,210	446,187
Total	1,175,533	-	-	1,175,533	1,173,642	1,891	99.8%	1,038,965	1,029,435

APPROPRIATION STATEMENT for the year ended 31 March 2013

	2012/13		2011/12	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)				
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	93,363		93,185	
Actual amounts per statement of financial performance (total revenue)	1,268,896		1,132,150	
ADD				
Actual amounts per statement of financial performance (total expenditure)		1,173,642		1,029,435

PART E: ANNUAL FINANCIAL STATEMENTS

APPROPRIATION STATEMENT for the year ended 31 March 2013

Appropriation per economic classification									
	2012/13							2011/12	
	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									
Compensation of employees	402,272	-	(4,681)	397,591	395,914	1,677	99.6%	364,917	364,562
Goods and services	211,194	(88)	16,978	228,084	227,890	194	99.9%	231,814	222,639
Interest and rent on land	157	5	(162)	-	-	-		2,630	2,630
Transfers and subsidies									
Departmental agencies and accounts	269,138	-	-	269,138	269,138	-	100.0%	199,067	199,067
Public corporations and private enterprises	271,531	-	(18,000)	253,531	253,531	-	100.0%	220,254	220,254
Households	1,174	-	1,267	2,441	2,441	-	100.0%	1,516	1,516
Payments for capital assets									
Buildings and other fixed structures	3,378	(320)	(2,650)	408	408	-	100.0%	864	864
Machinery and equipment	15,939	482	7,727	24,148	24,128	20	99.9%	17,064	17,064
Software and other intangible assets	750	(79)	(671)	-	-	-		630	630
Payments for financial assets	-	-	192	192	192	-	100.0%	209	209
Total	1,175,533	-	-	1,175,533	1,173,642	1,891	99.8%	1,038,965	1,029,435

APPROPRIATION STATEMENT for the year ended 31 March 2013

Detail per sub-programme: Administration	2012/13							2011/12	
	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
1.1 MINISTRY									
Current payment	20,958	-	3,006	23,964	23,964	-	100.0%	3,881	3,881
Payment for capital assets	269	-	222	491	491	-	100.0%	-	-
Payment for financial assets	-	-	3	3	3	-	100.0%	-	-
1.2 CORPORATE SERVICES									
Current payment	88,770	(34)	26,768	115,504	115,524	(20)	100.0%	183,768	175,425
Transfers and subsidies	1,174	-	1,264	2,438	2,438	-	100.0%	1,464	1,464
Payment for capital assets	7,545	34	(2,161)	5,418	5,398	20	99.6%	16,652	16,652
Payment for financial assets	-	-	9	9	9	-	100.0%	174	174
1.3 MANAGEMENT									
Current payment	17,570	-	(801)	16,769	16,769	-	100.0%	25,075	25,078
Payment for capital assets	431	-	214	645	645	-	100.0%	968	968
1.4 FINANCIAL ADMINISTRATION									
Current payment	75,108	(20)	1,694	76,782	76,782	-	100.0%	-	-
Payment for capital assets	6,348	20	4,363	10,731	10,731	-	100.0%	-	-
Payment for financial assets	-	-	5	5	5	-	100.0%	-	-

PART E: ANNUAL FINANCIAL STATEMENTS

APPROPRIATION STATEMENT for the year ended 31 March 2013

Detail per sub-programme: Aministration	2012/13							2011/12	
	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
1.5 INTERNAL AUDIT									
Current payment	13,416	-	(601)	12,815	12,815	-	100.0%	-	-
Payment for capital assets	244	-	232	476	476	-	100.0%	-	-
Payment for financial assets	-	-	1	1	1	-	100.0%	-	-
1.6 OFFICE ACCOMMODATION									
Current payment	25,426	-	3,777	29,203	29,203	-	100.0%	33,958	33,958
Total	257,259	-	37,995	295,254	295,254	-	100.0%	265,940	257,600

APPROPRIATION STATEMENT for the year ended 31 March 2013

Programme 1: Administration- Per Economic classification	2012/13							2011/12	
	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									
Compensation of employees	129,414	-	(1,724)	127,690	127,690	-	100.0%	115,339	115,151
Goods and services	111,677	(59)	35,729	147,347	147,367	(20)	100.0%	128,713	120,561
Interest and rent on land	157	5	(162)	-	-	-		2,630	2,630
Transfers and subsidies									
Households	1,174	-	1,264	2,438	2,438	-	100.0%	1,464	1,464
Payments for capital assets									
Buildings and other fixed structures	3,378	(320)	(2,650)	408	408	-	100.0%	864	864
Machinery and equipment	10,709	453	6,191	17,353	17,333	20	100.0%	16,126	16,126
Software and other intangible assets	750	(79)	(671)	-	-	-		630	630
Payments for financial assets									
	-	-	18	18	18	-	100.0%	174	174
Total	257,259	-	37,995	295,254	295,254	-	100.0%	265,940	257,600

PART E: ANNUAL FINANCIAL STATEMENTS

APPROPRIATION STATEMENT for the year ended 31 March 2013

Detail per sub-programme: Promotion of Mine Safety and Health	2012/13							2011/12	
	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
2.1 GOVERNANCE POLICY AND OVERSIGHT									
Current payment	44,232	(2,162)	(4,103)	37,967	37,250	717	98.1%	40,906	40,839
Transfers and subsidies	4,531	-	-	4,531	4,531	-	100.0%	5,288	5,288
Payment for capital assets	1,563	(1)	176	1,738	1,738	-	100.0%	102	102
Payment for financial assets	-	-	93	93	93	-	100.0%	5	5
2.2 MINE HEALTH AND SAFETY (REGIONS)									
Current payment	100,237	2,162	(5,609)	96,790	96,711	79	99.9%	95,045	94,945
Transfers and subsidies	-	-	-	-	-	-	-	50	50
Payment for capital assets	55	1	273	329	329	-	100.0%	15	15
Payment for financial assets	-	-	63	63	63	-	100.0%	8	8
Total	150,618	-	(9,107)	141,511	140,715	796	99.4%	141,419	141,252

APPROPRIATION STATEMENT for the year ended 31 March 2013

Programme 2: Promotion of Mine Safety and HealthPer Economic classification	2012/13							2011/12	
	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									
Compensation of employees	112,526	-	(5,678)	106,848	106,052	796	99.3%	100,544	100,377
Goods and services	31,943	-	(4,034)	27,909	27,909	-	100.0%	35,407	35,407
Transfers and subsidies to:									
Departmental agencies and accounts	4,531	-	-	4,531	4,531	-	100.0%	5,288	5,288
Households	-	-	-	-	-	-		50	50
Payment for capital assets									
Machinery and equipment	1,618	-	449	2,067	2,067	-	100.0%	117	117
				-					
Payments for financial assets	-	-	156	156	156	-	100.0%	13	13
Total	150,618	-	(9,107)	141,511	140,715	796	99.4%	141,419	141,252

PART E: ANNUAL FINANCIAL STATEMENTS

APPROPRIATION STATEMENT for the year ended 31 March 2013

Detail per sub-programme: Mineral Regulation	2012/13							2011/12	
	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
3.1 MINERAL REGULATIONS and ADMINISTRATION									
Current payment	135,282	(10)	4,035	139,307	139,093	214	99.8%	131,219	131,219
Transfers and subsidies	-	-	3	3	3	-	100.0%	2	2
Payment for capital assets	895	10	502	1,407	1,407	-	100.0%	821	821
Payment for financial assets	-	-	14	14	14	-	100.0%	22	22
3.2 MANAGEMENT MINERAL REGULATION									
Current payment	9,689	(5)	(729)	8,955	8,955	-	100.0%	12,958	12,958
Payment for capital assets	319	5	(2)	322	322	-	100.0%	-	-
3.3 SOUTH AFRICAN DIAMOND AND PRECIOUS METAL REGULATOR									
Transfers and subsidies	41,601	-	-	41,601	41,601	-	100.0%	39,374	39,374
Total	187,786	-	3,823	191,609	191,395	214	99.9%	184,396	184,396

APPROPRIATION STATEMENT for the year ended 31 March 2013

Programme 3: Mineral Regulation Per Economic classification	2012/13							2011/12	
	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									
Compensation of employees	111,664	-	2,721	114,385	114,385	-	100.0%	105,048	105,048
Goods and services	33,307	(15)	585	33,877	33,663	214	99.4%	39,129	39,129
Transfers and subsidies									
Departmental agencies and accounts	41,601	-	-	41,601	41,601	-	100.0%	39,374	39,374
Households	-	-	3	3	3	-	100.0%	2	2
Payments for capital assets									
Machinery and equipment	1,214	15	500	1,729	1,729	-	100.0%	821	821
Payments for financial assets									
	-	-	14	14	14	-	100.0%	22	22
Total	187,786	-	3,823	191,609	191,395	214	99.9%	184,396	184,396

PART E: ANNUAL FINANCIAL STATEMENTS

APPROPRIATION STATEMENT for the year ended 31 March 2013

Detail per sub-programme: Mineral Policy and Promotion	2012/13							2011/12	
	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
4.1 MANAGEMENT									
Current payment	11,778	127	(913)	10,992	10,235	757	93.1%	13,449	13,449
Payment for capital assets	275	-	249	524	524	-	100.0%	-	-
4.2 MINERAL POLICY									
Current payment	13,349	(14)	201	13,536	13,536	-	100.0%	11,375	10,636
Payment for capital assets	410	14	101	525	525	-	100.0%	-	-
4.3 MINERAL PROMOTION									
Current payment	37,199	(127)	(4,444)	32,628	32,617	11	100.0%	27,138	27,111
Transfers and subsidies	-	-	-	-	-	-		23,298	23,298
Payment for capital assets	1,341	-	309	1,650	1,650	-	100.0%	-	-
4.4 ASSISTANCE TO MINES									
Transfers and subsidies	18,000	-	(18,000)	-	-	-		-	-
4.5 COUNCIL FOR GEOSCIENCE									
Transfers and subsidies	223,006	-	-	223,006	223,006	-	100.0%	154,405	154,405
4.6 COUNCIL FOR MINERAL TECHNOLOGY									
Transfers and subsidies	253,531	-	-	253,531	253,531	-	100.0%	196,956	196,956
4.7 ECONOMIC ADVISORY SERVICES									
Current payment	3,951	-	122	4,073	4,073	-	100.0%	2,982	2,725
Payment for capital assets	120	-	(120)	-	-	-		-	-

APPROPRIATION STATEMENT for the year ended 31 March 2013

Detail per sub-programme: Mineral Policy and Promotion	2012/13							2011/12	
	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
4.8 MINE ENVIRONMENTAL MANAGEMENT									
Current payment	16,658	-	(10,268)	6,390	6,277	113	98,2%	17,607	17,607
Payment for capital assets	252	-	48	300	300	-	100.0%	-	-
Payment for financial assets	-	-	4	4	4	-	100.0%	-	-
Total	579,870	-	(32,711)	547,159	546,278	881	99.8%	447,210	446,187

PART E: ANNUAL FINANCIAL STATEMENTS

APPROPRIATION STATEMENT for the year ended 31 March 2013

Programme 4: Mineral Policy and Promotion Per Economic classification	2012/13							2011/12	
	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									
Compensation of employees	48,668	-	-	48,668	47,787	881	98.2%	43,986	43,986
Goods and services	34,267	(14)	(15,302)	18,951	18,951	-	100.0%	28,565	27,542
Transfers and subsidies									
Departmental agencies and accounts	223,006	-	-	223,006	223,006	-	100.0%	154,405	154,405
Public corporations and private enterprises	271,531	-	(18,000)	253,531	253,531	-	100.0%	220,254	220,254
Payments for capital assets									
Machinery and equipment	2,398	14	587	2,999	2,999	-	100.0%	-	-
Payments for financial assets	-	-	4	4	4	-	100.0%	-	-
Total	579,870	-	(32,711)	547,159	546,278	881	99.8%	447,210	446,187

NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2013

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-D) to the Annual Financial Statements.

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

Detail of these transactions can be viewed in note 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				
Compensation of employees	127,690	127,690	-	0.0%
Goods and services	147,347	147,367	(20)	0.0%
Transfer and subsidies	2,438	2,438	-	0.0%
Payment for capital assets	17,761	17,741	20	0.1%
Payment for financial assets	18	18	-	0.0%
As at 31 March 2013 Administration programme had a total budget allocation of R292.3 million and disbursed 100 percent of the budget allocation. An additional amount of R38 million was allocated to the programme through virement to cater for higher than anticipated expenditure on goods and services in respect of operating leases.				
Promotion of Mine Safety and Health				
Compensation of employees	106,848	106,052	796	0.7%
Goods and services	27,909	27,909	-	0.0%
Transfer and subsidies	4,531	4,531	-	0.0%
Payment for capital assets	2,067	2,067	-	0.0%
Payment for financial assets	156	156	-	0.0%
The programme disbursed R140.7 million which represents 99.93 percent of its total budget allocation of R141.5 million. The under-spending of R796 000 is attributable to the high vacancy rate within the programme. The programme's budget is personnel driven and, due to high vacancy rate, an amount of R9.1 million was allocated to other programmes to cover for over expenditure as part of virement.				

PART E: ANNUAL FINANCIAL STATEMENTS

NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2013

4.1	Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
	Mineral Regulation				
	Compensation of employees	114,385	114,385	-	0.0%
	Goods and services	33,877	33,663	214	0.6%
	Transfer and subsidies	41,604	41,604	-	0.0%
	Payment for capital assets	1,729	1,729	-	0.0%
	Payment for financial assets	14	14	-	0.0%
Mineral Regulation programme spent R191.4 million (99.94 percent) of the total budget allocation of R191.6 million. The programme received an additional allocation of R3.8 million as part of virement to cater for higher than anticipated expenditure. The variance is attributable to delays in receiving invoices from suppliers of goods and services.					
	Mineral Policy and Promotion				
	Compensation of employees	48,668	47,787	881	1.8%
	Goods and services	18,951	18,951	-	0.0%
	Transfer and subsidies	476,537	476,537	-	0.0%
	Payment for capital assets	2,999	2,999	-	0.0%
	Payment for financial assets	4	4	-	0.0%
Mineral Policy and Promotion programme disbursed R546.3 million which represents 99.84 percent of its total budget allocation of R547.2 million. The under-spending is attributable to some posts that were vacant during the financial year. An amount of R32.7 million was allocated to other programmes through virement to cater for higher than anticipated expenditure in Programmes 1 and 3. The saving was as a result of Assistance to Mines allocation which is dependent on the applications the Department receives from qualifying mines and no applications were received during the financial year.					

NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2013

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	397,591	395,914	1,677	0.4%
Goods and services	228,084	227,890	194	0.1%
Interest and rent on land	-	-	-	0.0%
Transfers and subsidies				
Departmental agencies and accounts	269,138	269,138	-	0.0%
Public corporations and private enterprises	253,531	253,531	-	0.0%
Households	2,441	2,441	-	0.0%
Payments for capital assets				
Buildings and other fixed structures	408	408	-	0.0%
Machinery and equipment	24,148	24,128	20	0.1%
Payments for financial assets	192	192	-	0.0%

The under-spending on compensation of employees by 0.4 percent (R1.7 million) is due to the high vacancy rate within the Promotion of Mine Safety and Health programme as a result of the Department's inability to attract and retain professional skills with the current salary structure. The delay in receiving invoices from suppliers contributed to the under-spending on goods and services by 0.1 percent (R214 000) as at 31 March 2013.

PART E: ANNUAL FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2013

PERFORMANCE	Note	2012/13 R'000	2011/12 R'000
REVENUE			
Annual appropriation	<u>1</u>	1,175,533	1,038,965
Departmental revenue	<u>2</u>	93,363	93,185
TOTAL REVENUE		<u>1,268,896</u>	<u>1,132,150</u>
EXPENDITURE			
Current expenditure			
Compensation of employees	<u>3</u>	395,914	364,562
Goods and services	<u>4</u>	227,890	222,639
Interest and rent on land	<u>5</u>	-	2,630
Total current expenditure		623,804	589,831
Transfers and subsidies			
Transfers and subsidies	<u>7</u>	525,110	420,837
Total transfers and subsidies		525,110	420,837
Expenditure for capital assets			
Tangible capital assets	<u>8</u>	24,536	17,928
Software and other intangible assets	<u>8</u>	-	630
Total expenditure for capital assets		24,536	18,558
Payments for financial assets	<u>6</u>	192	209
TOTAL EXPENDITURE		<u>1,173,642</u>	<u>1,029,435</u>
SURPLUS/(DEFICIT) FOR THE YEAR		<u>95,254</u>	<u>102,715</u>
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		1,891	9,530
Annual appropriation		1,891	9,530
Departmental revenue and NRF Receipts	<u>13</u>	93,363	93,185
SURPLUS/(DEFICIT) FOR THE YEAR		<u>95,254</u>	<u>102,715</u>

STATEMENT OF FINANCIAL POSITION as at 31 March 2013

POSITION	Note	2012/13 R'000	2011/12 R'000
ASSETS			
Current assets		15,241	28,456
Cash and cash equivalents	<u>9</u>	3,828	9,383
Prepayments and advances	<u>10</u>	109	89
Receivables	<u>11</u>	11,304	18,984
TOTAL ASSETS		15,241	28,456
LIABILITIES			
Current liabilities		12,871	26,327
Voted funds to be surrendered to the Revenue Fund	<u>12</u>	1,891	9,530
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>13</u>	4,788	3,097
Bank overdraft	<u>14</u>	1,901	10,722
Payables	<u>15</u>	4,291	2,978
TOTAL LIABILITIES		12,871	26,327
NET ASSETS		2,370	2,129
		2012/13 R'000	2011/12 R'000
Represented by:			
Recoverable revenue		2,370	2,129
TOTAL		2,370	2,129

PART E: ANNUAL FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN NET ASSETS for the year ended 31 March 2013

<i>NET ASSETS</i>	<i>Note</i>	2012/13 R'000	2011/12 R'000
Recoverable revenue			
Opening balance		2,129	1,052
Transfers:		241	1,077
Debts revised		(17)	(23)
Debts recovered (included in departmental receipts)		(358)	(619)
Debts raised		616	1,719
Closing balance		<u>2,370</u>	<u>2,129</u>
TOTAL		<u>2,370</u>	<u>2,129</u>

CASH FLOW STATEMENT

for the year ended 31 March 2013

CASH FLOW	Note	2012/13 R'000	2011/12 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		1,268,896	1,132,142
Annual appropriated funds received	<u>1.1</u>	1,175,533	1,038,965
Departmental revenue received	<u>2</u>	93,363	93,177
Net (increase)/decrease in working capital		8,973	(7,211)
Surrendered to Revenue Fund		(101,202)	(135,413)
Current payments		(623,804)	(589,831)
Payments for financial assets		(192)	(209)
Transfers and subsidies paid		(525,110)	(420,837)
Net cash flow available from operating activities	<u>16</u>	27,561	(21,359)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	<u>8</u>	(24,536)	(18,558)
Proceeds from sale of capital assets	<u>2.4</u>	-	8
Net cash flows from investing activities		(24,536)	(18,550)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		241	1,077
Net cash flows from financing activities		241	1,077
Net increase/(decrease) in cash and cash equivalents		3,266	(38,832)
Cash and cash equivalents at beginning of period		(1,339)	37,493
Cash and cash equivalents at end of period	<u>17</u>	1,927	(1,339)

PART E: ANNUAL FINANCIAL STATEMENTS

ACCOUNTING POLICIES for the year ended 31 March 2013

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, 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, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2010.

1. PRESENTATION OF THE FINANCIAL STATEMENTS

1.1 Basis of preparation

The financial statements have been prepared on a modified cash basis of accounting.

Under this basis, the effects of transactions and other events are recognised in the financial records when the resulting cash is received or paid. The “modification” results from the recognition of certain near-cash balances in the financial statements as well as the revaluation of foreign investments and loans and the recognition of resulting revaluation gains and losses.

In addition supplementary information is provided in the disclosure notes to the financial statements where it is deemed to be useful to the users of the financial statements.

1.2 Presentation currency

All amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the Department.

1.3 Rounding

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

1.4 Comparative figures

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.

1.5 Comparative figures - Appropriation Statement

A comparison between actual amounts and final appropriation per major classification of expenditure is included in the Appropriation Statement.

ACCOUNTING POLICIES

for the year ended 31 March 2013

2. REVENUE

2.1 Appropriated funds

Appropriated funds comprises departmental allocations as well as direct charges against revenue fund (i.e. statutory appropriation).

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

Unexpended appropriated funds are surrendered to the National/Provincial Revenue Fund. Any amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised as payable in the statement of financial position.

Any amount due from the National/Provincial Revenue Fund at the end of the financial year is recognised as a receivable in the statement of financial position.

2.2 Departmental revenue

All departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the National/Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the National/Provincial Revenue Fund at the end of the financial year is recognised as a payable in the statement of financial position.

No accrual is made for amounts receivable from the last receipt date to the end of the reporting period. These amounts are however disclosed in the disclosure notes to the annual financial statements.

2.3 Direct Exchequer receipts

All direct exchequer receipts are recognised in the statement of financial performance when the cash is received and is subsequently paid into the National/Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the National/Provincial Revenue Funds at the end of the financial year is recognised as a payable in the statement of financial position.

2.4 Direct Exchequer payments

All direct exchequer payments are recognised in the statement of financial performance when final authorisation for payment is effected on the system (by no later than 31 March 2013).

PART E: ANNUAL FINANCIAL STATEMENTS

ACCOUNTING POLICIES for the year ended 31 March 2013

2.5 Aid assistance

Aid assistance is recognised as revenue when received.

All in-kind aid assistance is disclosed at fair value on the date of receipt in the annexures to the Annual Financial Statements.

The cash payments made during the year relating to aid assistance projects are recognised as expenditure in the statement of financial performance when final authorisation for payments is effected on the system (by no later than 31 March 2013).

The value of the assistance expensed prior to the receipt of funds is recognised as a receivable in the statement of financial position.

Inappropriately expensed amounts using aid assistance and any unutilised amounts are recognised as payables in the statement of financial position.

All CARA funds received must be recorded as revenue when funds are received. The cash payments made during the year relating to CARA earmarked projects are recognised as expenditure in the statement of financial performance when final authorisation for payments effected on the system (by no later than 31 March of 2013)

Inappropriately expensed amounts using CARA funds are recognised as payables in the statement of financial position. Any unutilised amounts are transferred to retained funds as they are not surrendered to the revenue fund.

3. EXPENDITURE

3.1 Compensation of employees

3.1.1 Salaries and wages

Salaries and wages are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March 2013).

Other employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements at its face value and are not recognised in the statement of financial performance or position.

Employee costs are capitalised to the cost of a capital project when an employee spends more than 50% of his/her time on the project. These payments form part of expenditure for capital assets in the statement of financial performance.

ACCOUNTING POLICIES for the year ended 31 March 2013

3.1.2 Social contributions

Employer contributions to post employment benefit plans in respect of current employees are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of 2013).

No provision is made for retirement benefits in the financial statements of the Department. Any potential liabilities are disclosed in the financial statements of the National Revenue Fund and not in the financial statements of the employer Department.

Employer contributions made by the Department for certain of its ex-employees (such as medical benefits) are classified as transfers to households in the statement of financial performance.

3.2 Goods and services

Payments made during the year for goods and/or services are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March 2013).

The expense is classified as capital if the goods and/or services were acquired for a capital project or if the total purchase price exceeds the capitalisation threshold (currently R5, 000). All other expenditures are classified as current.

Rental paid for the use of buildings or other fixed structures is classified as *goods and services* and not as *rent on land*.

3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures. If it is not possible to distinguish between payment for the use of land and the fixed structures on it, the whole amount should be recorded under goods and services.

3.4 Payments for financial assets

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or underspending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but an estimate is included in the disclosure notes to the financial statements.

All other losses are recognised when authorisation has been granted for the recognition thereof.

PART E: ANNUAL FINANCIAL STATEMENTS

ACCOUNTING POLICIES for the year ended 31 March 2013

3.5 Transfers and subsidies

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system (by no later than 31 March 2013).

3.6 Unauthorised expenditure

When confirmed unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

Unauthorised expenditure approved with funding is derecognised from the statement of financial position when the unauthorised expenditure is approved and the related funds are received.

Where the amount is approved without funding it is recognised as expenditure in the statement of financial performance on the date stipulated in the Act.

3.7 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as expenditure in the statement of financial performance according to the nature of the payment and not as a separate line item on the face of the statement. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

3.8 Irregular expenditure

Irregular expenditure is recognised as expenditure in the statement of financial performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.

4. ASSETS

4.1 Cash and cash equivalents

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

Bank overdrafts are shown separately on the face of the statement of financial position.

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.

ACCOUNTING POLICIES for the year ended 31 March 2013

4.2 Other financial assets

Other financial assets are carried in the statement of financial position at cost.

4.3 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made and are derecognised as and when the goods/services are received or the funds are utilised.

Prepayments and advances outstanding at the end of the year are carried in the statement of financial position at cost.

4.4 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party (including departmental employees) and are derecognised upon recovery or write-off.

Receivables outstanding at year-end are carried in the statement of financial position at cost plus any accrued interest. Amounts that are potentially irrecoverable are included in the disclosure notes.

4.5 Investments

Capitalised investments are shown at cost in the statement of financial position.

Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any impairment loss is included in the disclosure notes.

4.6 Loans

Loans are recognised in the statement of financial position when the cash is paid to the beneficiary. Loans that are outstanding at year-end are carried in the statement of financial position at cost plus accrued interest.

Amounts that are potentially irrecoverable are included in the disclosure notes.

4.7 Inventory

Inventories that qualify for recognition must be initially reflected at cost. Where inventories are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

All inventory items at year-end are reflected using the weighted average cost or FIFO cost formula.

PART E: ANNUAL FINANCIAL STATEMENTS

ACCOUNTING POLICIES for the year ended 31 March 2013

4.8 Capital assets

4.8.1 Movable assets

Initial recognition

A capital asset is recorded in the asset register on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the movable capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

All assets acquired prior to 1 April 2002 are included in the register at R1.

Subsequent recognition

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as “expenditure for capital assets” and is capitalised in the asset register of the Department on completion of the project.

Repairs and maintenance is expensed as current “goods and services” in the statement of financial performance.

4.8.2 Immovable assets

Initial recognition

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the immovable capital asset is stated at R1 unless the fair value for the asset has been reliably estimated.

Subsequent recognition

Work-in-progress of a capital nature is recorded in the statement of financial performance as “expenditure for capital assets”. On completion, the total cost of the project is included in the asset register of the Department that is accountable for the asset.

Repairs and maintenance is expensed as current “goods and services” in the statement of financial performance.

4.8.3 Intangible assets

Initial recognition

An intangible asset is recorded in the asset register on receipt of the item at cost. Cost of an intangible asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the intangible asset is stated at fair value. Where fair value cannot be determined, the intangible asset is included in the asset register at R1.

All intangible assets acquired prior to 1 April 2002 can be included in the asset register at R1.

ACCOUNTING POLICIES for the year ended 31 March 2013

Subsequent expenditure

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as “expenditure for capital asset” and is capitalised in the asset register of the Department.

Maintenance is expensed as current “goods and services” in the statement of financial performance.

5. LIABILITIES

5.1 Payables

Recognised payables mainly comprise amounts owing to other governmental entities. These payables are carried at cost in the statement of financial position.

5.2 Contingent liabilities

Contingent liabilities are included in the disclosure notes to the financial statements when it is possible that economic benefits will flow from the Department, or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

5.3 Contingent assets

Contingent assets are included in the disclosure notes to the financial statements when it is probable that an inflow of economic benefits will flow to the entity.

5.4 Commitments

Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.5 Accruals

Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.6 Employee benefits

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the statement of financial performance or the statement of financial position.

PART E: ANNUAL FINANCIAL STATEMENTS

ACCOUNTING POLICIES for the year ended 31 March 2013

5.7 Lease commitments

Finance lease

Finance leases are not recognised as assets and liabilities in the statement of financial position. Finance lease payments are recognised as a capital expense in the statement of financial performance and are not apportioned between the capital and the interest portions. The total finance lease payment is disclosed in the disclosure notes to the financial statements.

Operating lease

Operating lease payments are recognised as an expense in the statement of financial performance. The operating lease commitments are disclosed in the disclosure notes to the financial statement.

5.8 Impairment

The Department tests for impairment where there is an indication that a receivable, loan or investment may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. An estimate is made for doubtful loans and receivables based on a review of all outstanding amounts at year-end. Impairments on investments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows / service potential flowing from the instrument.

5.9 Provisions

Provisions are disclosed 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 will be required to settle the obligation and a reliable estimate of the obligation can be made.

6. RECEIVABLES FOR DEPARTMENTAL REVENUE

Receivables for departmental revenue are disclosed in the disclosure notes to the annual financial statements. These receivables are written off when identified as irrecoverable and are disclosed separately.

7. NET ASSETS

7.1 Capitalisation reserve

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

ACCOUNTING POLICIES for the year ended 31 March 2013

7.2 Recoverable revenue

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

8. RELATED PARTY TRANSACTIONS

Specific information with regards to related party transactions is included in the disclosure notes.

9. KEY MANAGEMENT PERSONNEL

Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes.

10. PUBLIC PRIVATE PARTNERSHIPS

A description of the PPP arrangement, the contract fees and current and capital expenditure relating to the PPP arrangement is included in the disclosure notes.

PART E: ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2013

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):

	2012/13	2011/12		
	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Appropriation received R'000
Administration	295,254	295,254	-	265,940
Promotion of Mine Safety and Health	141,511	141,511	-	141,419
Mineral Regulation	191,609	191,609	-	184,396
Mineral Policy and Promotion	547,159	547,159	-	447,210
Total	<u>1,175,533</u>	<u>1,175,533</u>	<u>-</u>	<u>1,038,965</u>

2. DEPARTMENTAL REVENUE

	<i>Note</i>	2012/13 R'000	2011/12 R'000
Sales of goods and services other than capital assets	2.1	4,157	2,560
Fines, penalties and forfeits	2.2	1,206	665
Interest, dividends and rent on land	2.3	87,158	89,388
Sales of capital assets	2.4	-	8
Transactions in financial assets and liabilities	2.5	842	564
Departmental revenue collected		<u>93,363</u>	<u>93,185</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

2.1 Sales of goods and services other than capital assets

	2012/13 R'000	2011/12 R'000
Sales of goods and services produced by the department	4,156	2,559
Sales by market establishment	2,465	392
Administrative fees	1,137	1,608
Other sales	554	559
Sales of scrap, waste and other used current goods	1	1
Total	4,157	2,560

2.2 Fines, penalties and forfeits

	2012/13 R'000	2011/12 R'000
Penalties	1,206	665
Total	1,206	665

2.3 Interest, dividends and rent on land

	2012/13 R'000	2011/12 R'000
Interest	157	195
Rent on land	87,001	89,193
Total	87,158	89,388

2.4 Sale of capital assets

	2012/13 R'000	2011/12 R'000
Tangible assets	-	8
Machinery and equipment	-	8
Total	-	8

PART E: ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2013

2.5 Transactions in financial assets and liabilities

	2012/13 R'000	2011/12 R'000
Receivables	228	467
Other Receipts including Recoverable Revenue	614	97
Total	842	564

3. COMPENSATION OF EMPLOYEES

3.1 Salaries and Wages

	2012/13 R'000	2011/12 R'000
Basic salary	271,023	248,912
Performance award	8,326	24,167
Service Based	269	597
Compensative/circumstantial	4,981	4,462
Periodic payments	304	39
Other non-pensionable allowances	61,533	39,525
Total	346,436	317,702

3.2 Social contributions

	2012/13 R'000	2011/12 R'000
Employer contributions		
Pension	34,407	32,936
Medical	15,013	13,866
Bargaining council	58	58
Total	49,478	46,860
Total compensation of employees	395,914	364,562
Average number of employees	1,098	1,077

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

4. GOODS AND SERVICES

	<i>Note</i>	2012/13	2011/12
		R'000	R'000
Administrative fees		2,761	2,633
Advertising		1,148	1,387
Assets less than R5,000	4.1	1,234	513
Bursaries (employees)		2,829	2,667
Catering		553	854
Communication		12,500	14,408
Computer services	4.2	23,274	21,393
Consultants, contractors and agency/outsourced services	4.3	12,480	16,117
Entertainment		6	158
Audit cost – external	4.4	5,153	4,838
Fleet services		659	-
Inventory	4.5	4,330	5,552
Operating leases		85,563	82,271
Property payments	4.6	3,183	2,361
Rental and hiring		9	-
Travel and subsistence	4.7	61,822	57,643
Venues and facilities		3,727	2,483
Training and staff development		2,334	3,083
Other operating expenditure	4.8	4,325	4,278
Total		227,890	222,639

4.1 Assets less than R5,000

	2012/13	2011/12
	R'000	R'000
Tangible assets	1,234	513
Machinery and equipment	1,234	513
Total	1,234	513

PART E: ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2013

4.2 Computer services

	2012/13 R'000	2011/12 R'000
SITA computer services	7,870	7,754
External computer service providers	15,404	13,639
Total	23,274	21,393

4.3 Consultants, contractors and agency/outsourced services

	2012/13 R'000	2011/12 R'000
Business and advisory services	1,670	2,109
Infrastructure and planning	-	108
Legal costs	9,198	12,643
Contractors	1,589	1,255
Agency and support/outsourced services	23	2
Total	12,480	16,117

4.4 Audit cost – External

	2012/13 R'000	2011/12 R'000
Regularity audits	5,153	4,838
Total	5,153	4,838

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

4.5 Inventory

	2012/13 R'000	2011/12 R'000
Learning and teaching support material	29	19
Food and food supplies	173	71
Fuel, oil and gas	-	161
Other consumables	1,141	1,144
Materials and supplies	158	277
Stationery and printing	2,791	3,880
Medical supplies	38	-
Total	4,330	5,552

4.6 Property payments

	2012/13 R'000	2011/12 R'000
Property maintenance and repairs	18	-
Other	3,165	2,361
Total	3,183	2,361

4.7 Travel and subsistence

	2012/13 R'000	2011/12 R'000
Local	50,099	48,022
Foreign	11,723	9,621
Total	61,822	57,643

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2013

4.8 Other operating expenditure

	2012/13 R'000	2011/12 R'000
Professional bodies, membership and subscription fees	126	753
Resettlement costs	1,743	1,176
Gifts	19	-
Other	2,437	2,349
Total	4,325	4,278

5. INTEREST AND RENT ON LAND

	2012/13 R'000	2011/12 R'000
Interest paid	-	2,630
Total	-	2,630

6. PAYMENTS FOR FINANCIAL ASSETS

	<i>Note</i>	2012/13 R'000	2011/12 R'000
Other material losses written off	6.1	73	-
Debts written off	6.2	119	209
Total		192	209

6.1 Other material losses written off

	2012/13 R'000	2011/12 R'000
Nature of losses		
Government Garage and Car Rental Accidents	73	-
Total losses written off	73	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

6.2 Debts written off

	2012/13 R'000	2011/12 R'000
Nature of debts written off		
Bad debts written off	119	209
Total debt written off	119	209

7. TRANSFERS AND SUBSIDIES

		2012/13 R'000	2011/12 R'000
	<i>Note</i>		
Departmental agencies and accounts	<i>Annex 1A</i>	269,138	199,067
Public corporations and private enterprises	<i>Annex 1B</i>	253,531	220,254
Households	<i>Annex 1C</i>	2,441	1,516
Total		525,110	420,837

8. EXPENDITURE FOR CAPITAL ASSETS

	<i>Note</i>	2012/13 R'000	2011/12 R'000
Tangible assets		24,536	17,928
Buildings and other fixed structures	30	408	864
Machinery and equipment	28	24,128	17,064
Software and other intangible assets		-	630
Computer software	29	-	630
Total		24,536	18,558

PART E: ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2013

8.1 Analysis of funds utilised to acquire capital assets – 2012/13

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	24,536	-	24,536
Buildings and other fixed structures	408	-	408
Machinery and equipment	24,128	-	24,128
Software and other intangible assets	-	-	-
Computer software	-	-	-
Total	24,536	-	24,536

8.2 Analysis of funds utilised to acquire capital assets – 2011/12

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	17,928	-	17,928
Buildings and other fixed structures	864	-	864
Machinery and equipment	17,064	-	17,064
Software and other intangible assets	630	-	630
Computer software	630	-	630
Total	18,558	-	18,558

9. CASH AND CASH EQUIVALENTS

	2012/13 R'000	2011/12 R'000
Consolidated Paymaster General Account	2,790	6,619
Cash on hand	71	71
Investments (Domestic)	967	2,693
Total	3,828	9,383

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2013

10. PREPAYMENTS AND ADVANCES

	2012/13 R'000	2011/12 R'000
Travel and subsistence	109	89
Total	109	89

11. RECEIVABLES

		2012/13				2011/12
		R'000	R'000	R'000	R'000	R'000
		Less than one year	One to three years	Older than three years	Total	Total
Claims recoverable	<i>Note 11.1</i>	50	4,713	-	4,763	6,783
Recoverable expenditure	<i>Annex 3 11.2</i>	21	10	2,897	2,928	8,705
Staff debt	<i>11.3</i>	539	1,849	1,225	3,613	3,496
Total		610	6,572	4,122	11,304	18,984

11.1 Claims recoverable

	2012/13 R'000	2011/12 R'000
National departments	4,763	6,783
Total	4,763	6,783

11.2 Recoverable expenditure (disallowance accounts)

	2012/13 R'000	2011/12 R'000
Disallowance Damages and Losses	2,922	7,641
Salary: Reversal Control	-	10
Salary: Tax Debt	6	21
Salary: Income Tax	-	1,033
Total	2,928	8,705

PART E: ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2013

11.3 Staff debt

	2012/13 R'000	2011/12 R'000
Cellphone	30	23
Contract	63	73
Disallowance	1,289	1,370
Study debt	1,898	1,616
Subsidised vehicle	260	338
Telephone	57	61
Dinners	16	15
Total	3,613	3,496

12. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND

	2012/13 R'000	2011/12 R'000
Opening balance	9,530	1,145
Transfer from statement of financial performance	1,891	9,530
Paid during the year	(9,530)	(1,145)
Closing balance	1,891	9,530

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

	2012/13 R'000	2011/12 R'000
Opening balance	3,097	44,180
Transfer from Statement of Financial Performance	93,363	93,185
Paid during the year	(91,672)	(134,268)
Closing balance	4,788	3,097

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

14. BANK OVERDRAFT

	2012/13 R'000	2011/12 R'000
Consolidated Paymaster General Account (Salary: Persal EBT Control acc: Domestic, Persal Credit Transfer: Domestic, Outstanding Payments: Domestic and Cancel Cheque/Re-issue[Pers])	1,901	10,722
Total	<u><u>1,901</u></u>	<u><u>10,722</u></u>

15. PAYABLES – CURRENT

	<i>Note</i>	2012/13 R'000	2011/12 R'000
Clearing accounts	15.1	21	3
Other payables	15.2	4,270	2,975
Total		<u><u>4,291</u></u>	<u><u>2,978</u></u>

15.1 Clearing accounts

	2012/13 R'000	2011/12 R'000
Salary: Pension Funds	5	3
Salary: Income Tax	16	-
Total	<u><u>21</u></u>	<u><u>3</u></u>

15.2 Other payables

	2012/13 R'000	2011/12 R'000
#Disallowance Miscellaneous	4,267	2,975
Salary: Reversal Control	3	-
Total	<u><u>4,270</u></u>	<u><u>2,975</u></u>

The majority of the amount (R4.2m) is royalty paid to the department that were supposed to be paid to SARS

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2013

16. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES

	2012/13 R'000	2011/12 R'000
Net surplus/(deficit) as per Statement of Financial Performance	95,254	102,715
Add back non cash/cash movements not deemed operating activities	(67,693)	(124,074)
(Increase)/decrease in receivables – current	7,680	1,679
(Increase)/decrease in prepayments and advances	(20)	(49)
Increase/(decrease) in payables – current	1,313	(8,841)
Proceeds from sale of capital assets	-	(8)
Expenditure on capital assets	24,536	18,558
Surrenders to Revenue Fund	(101,202)	(135,413)
Net cash flow generated by operating activities	27,561	(21,359)

17. RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES

	2012/13 R'000	2011/12 R'000
Consolidated Paymaster General account	889	(4,103)
Cash on hand	71	71
Cash with commercial banks (Local)	967	2,693
Total	1,927	(1,339)

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2013

18. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

18.1 Contingent liabilities

	<i>Note</i>	2012/13 R'000	2011/12 R'000
Liable to	Nature		
Claims against the department	<i>Annex 2A</i>	145,218	77,509
Other departments (interdepartmental unconfirmed balances)	<i>Annex 4</i>	-	52
Environmental rehabilitation liability	<i>Annex 2A</i>	#1,549,864	3,105,440
Other	<i>Annex 2A</i>	15,367	9,248
Total		1,710,449	3,192,249

Note: # The significant change on the environmental rehabilitation liability is as a result of a review and verification process of asbestos sites.

19. COMMITMENTS

	2012/13 R'000	2011/12 R'000
Current expenditure		
Approved and contracted	5,578	10,224
	<u>5,578</u>	<u>10,224</u>
Capital expenditure		
Approved and contracted	-	3,774
	<u>-</u>	<u>3,774</u>
Total Commitments	5,578	13,998

PART E: ANNUAL FINANCIAL STATEMENTS

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2013

20. ACCRUALS

	2012/13 R'000			2011/12 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	22,086	13,306	35,392	30,895
Total	22,086	13,306	35,392	30,895

	2012/13 R'000		2011/12 R'000
Listed by programme level			
Administration	20,957		28,484
Promotion of Mine Safety and Health	1,183		99
Mineral Regulation	428		1,382
Mineral Policy and Promotion	12,824		930
Total	35,392		30,895

	Note	2012/13 R'000	2011/12 R'000
Confirmed balances with other departments	<i>Annex 4</i>	4,800	19,006
Total		4,800	19,006

21. EMPLOYEE BENEFITS

	2012/13 R'000	2011/12 R'000
Leave entitlement	14,707	11,388
Service bonus (Thirteenth cheque)	10,309	9,461
Performance awards	6,034	5,474
Capped leave commitments	8,205	9,024
Total	39,255	35,347

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2013

22. LEASE COMMITMENTS

22.1 Operating leases expenditure

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2012/13					
Not later than 1 year	-	-	51,410	718	52,128
Later than 1 year and not later than 5 years	-	-	37,496	718	38,214
Total lease commitments	-	-	88,906	1,436	90,342

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2011/12					
Not later than 1 year	-	-	49,592	358	49,950
Later than 1 year and not later than 5 years	-	-	83,135	106	83,241
Total lease commitments	-	-	132,727	464	133,191

	Note	2012/13 R'000	2011/12 R'000
Rental earned on lease sub-leased assets	2	462	392
Total		462	392

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DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2013

22.2 Finance leases expenditure**

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2012/13					
Not later than 1 year	-	-	-	7,984	7,984
Total lease commitments	-	-	-	7,984	7,984

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2011/12					
Not later than 1 year	-	-	-	12,770	12,770
Later than 1 year and not later than 5 years	-	-	-	7,985	7,985
Total lease commitments	-	-	-	20,755	20,755
LESS: finance costs	-	-	-	(1,747)	(1,747)
Total present value of lease liabilities	-	-	-	19,008	19,008

	Note	2012/13 R'000	2011/12 R'000
Rental earned on lease sub-leased assets	2	2,003	-
Total		2,003	-

23. RECEIVABLES FOR DEPARTMENTAL REVENUE

	2012/13 R'000	2011/12 R'000
Interest, dividends and rent on land	389,483	#417,967
Sales of capital assets	393	393
Total	389,876	418,360

Note: # Prior year figures restated

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2013

23.1 Analysis of receivables for departmental revenue

	2012/13 R'000	2011/12 R'000
Opening balance	418,360	266,628
Less: amounts received	88,050	89,740
Add: amounts recognised	59,566	241,472
Closing balance	389,876	#418,360

Note: # Prior year figures restated

24. IRREGULAR EXPENDITURE

24.1 Reconciliation of irregular expenditure

	2012/13 R'000	2011/12 R'000
Opening balance	21,422	7,224
Add: Irregular expenditure – relating to prior year	-	7,103
Add: Irregular expenditure – relating to current year	3,091	7,905
Less: Amounts condoned	-	(810)
Irregular expenditure awaiting condonation	24,513	21,422

Analysis of awaiting condonation per age classification

Current year	3,091	7,613
Prior years	21,422	13,809
Total	24,513	21,422

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DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2013

24.2 Details of irregular expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2012/13 R'000
Service rendered before order was issued	Warning	72
Service rendered before order was issued	No sanctions: Official resigned	20
Service rendered before order was issued	No sanctions: Other	269
Overtime exceeding 30% of basic salary	Under investigation	145
Procurement procedures not followed	Under investigation	701
Service rendered before order was issued	Under investigation	1,884
Procurement procedures not followed	Under investigation	257
Total		3,348

24.3 Details of irregular expenditures under investigation

Incident	2012/13 R'000
Service rendered before order was issued	1,884
Overtime exceeding 30% of basic salary	145
Procurement procedures not followed	16,319
Total	18,348

25. RELATED PARTY TRANSACTIONS

Payments made	2012/13 R'000	2011/12 R'000
Transfers	68,381	46,893
Total	68,381	46,893

Entity	Nature of Relationship	Type of transaction	Amount Transferred R'000
Council for Geoscience	An entity under the control of Minister	Witwatersrand water ingress project	18,381
		Mine Rehabilitation project	20,000
Mintek	An entity under the control of Minister	Mine rehabilitation project	30,000
South African Diamond and Precious Metals Regulator	An entity under the control of Minister	No transaction for 2012/13	-
Mine Health and Safety Council	An entity under the control of Minister	No transaction for 2012/13	-
State Diamond Trader	An entity under the control of Minister	No transaction for 2012/13	-

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2013

26. KEY MANAGEMENT PERSONNEL

	No. of Individ- uals	2012/13 R'000	2011/12 R'000
Political office bearers (provide detail below)	2	3,659	3,473
Officials:			
Level 15 to 16	8	7,525	8,074
Level 14 (incl. CFO if at a lower level)	22	17,308	17,148
Total		28,492	28,695

27. PROVISIONS

	2012/13 R'000	2011/12 R'000
Debtors	1,225	1,088
Interest, dividends, rent on land	340,909	#317,739
Environmental liability	245,954	171,936
Total	588,088	#490,763

Note: # Prior year figures restated

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DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2013

28. MOVABLE TANGIBLE CAPITAL ASSETS

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Opening balance	Curr Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	37,373	452	11,345	(2,913)	46,257
Transport assets	2,929	-	316	-	3,245
Computer equipment	20,164	337	6,554	2,393	24,662
Furniture and office equipment	11,112	132	4,121	520	14,845
Other machinery and equipment	3,168	(17)	354	-	3,505
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	37,373	452	11,345	(2,913)	46,257

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2013

28.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	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
MACHINERY AND EQUIPMENT	24,128	12	(12,772)	(23)	11,345
Transport assets	316	-	-	-	316
Computer equipment	10,991	-	(4,487)	50	6,554
Furniture and office equipment	12,467	12	(8,285)	(73)	4,121
Other machinery and equipment	354	-	-	-	354
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	24,128	12	(12,772)	(23)	11,345

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DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2013

28.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	-	2,913	2,913	-
Computer equipment	-	2,393	2,393	-
Furniture and office equipment	-	520	520	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	2,913	2,913	-

28.3 Movement for 2011/12

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	32,089	7,410	2,126	37,373
Transport assets	1,200	1,729	-	2,929
Computer equipment	18,183	3,353	1,372	20,164
Furniture and office equipment	9,574	2,292	754	11,112
Other machinery and equipment	3,132	36	-	3,168
TOTAL MOVABLE TANGIBLE ASSETS	32,089	7,410	2,126	37,373

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2013

28.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2013

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	-	12,416	-	12,416
Curr Year Adjustments to Prior Year balances	-	-	-	87	-	87
Additions	-	-	-	1,121	-	1,121
Disposals	-	-	-	(1,475)	-	(1,475)
TOTAL MINOR ASSETS	-	-	-	12,149	-	12,149

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minorassets at cost	-	-	-	9,329	-	9,329
TOTAL NUMBER OF MINOR ASSETS	-	-	-	9,329	-	9,329

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DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2013

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	-	13,122	-	13,122
Additions	-	-	-	588	-	588
Disposals	-	-	-	(1,294)	-	(1,294)
TOTAL MINOR ASSETS	-	-	-	12,416	-	12,416

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	-	-	16,014	-	16,014
TOTAL NUMBER OF MINOR ASSETS	-	-	-	16,014	-	16,014

28.5 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2013

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	-	-	-	3	-	3
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	3	-	3

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2013

29. INTANGIBLE CAPITAL ASSETS

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Opening balance	Current Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	7,452	-	-	-	7,452
TOTAL INTANGIBLE CAPITAL ASSETS	7,452	-	-	-	7,452

29.1 Movement for 2011/12

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	6,822	630	-	7,452
TOTAL INTANGIBLE CAPITAL ASSETS	6,822	630	-	7,452

PART E: ANNUAL FINANCIAL STATEMENTS

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2013

30. IMMOVABLE TANGIBLE CAPITAL ASSETS

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Opening balance	Curr Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	47,673	-	408	-	48,081
Other fixed structures	47,673	-	408	-	48,081
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	47,673	-	408	-	48,081

30.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	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
BUILDING AND OTHER FIXED STRUCTURES	408	-	-	-	408
Other fixed structures	408	-	-	-	408
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	408	-	-	-	408

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2013

30.2 Movement for 2011/12

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	46,809	864	-	47,673
Other fixed structures	46,809	864	-	47,673
TOTAL IMMOVABLE TANGIBLE ASSETS	46,809	864	-	47,673

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2011/12 Appropriation Act R'000
	Adjusted Appropriation R'000	Roll Overs R'000	Adjust- ments R'000	Total Available R'000	Actual Transfer R'000	Available funds Transferred %	
Council for Geoscience	223,006	-	-	223,006	223,006	100%	154,405
Mine Health and Safety Council	4,531	-	-	4,531	4,531	100%	5,288
SA Diamond and Precious Metals Regulator	41,601	-	-	41,601	41,601	100%	39,374
	269,138	-	-	269,138	269,138		199,067

ANNEXURE 1B

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE			2011/12 R'000
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred	Capital R'000	
						%		
Public Corporations								
Transfers								
Council for Mineral Technology (Mintek)	253,531	-	-	253,531	253,531	100%	12,500	196,956
Industrial Development Corporation of South africa	-	-	-	-	-	-	-	23,298
Total	253,531	-	-	253,531	253,531		12,500	220,254

ANNEXURE 1C

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2011/12
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred	Appropriation Act R'000
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
H/H EMPL S/BEN: LEAVE GRATUITY	974	-	1,262	2,236	2,356	105%	1,391
H/H: CLAIMS AGAINST STATE (CASH)	0	-	5	5	5	100%	5
H/H: DONATIONSandGIFTS (CASH)	200	-	-	200	80	40%	120
Total	1,174	-	1,267	2,441	2,441		1,516

ANNEXURES

ANNEXURE 1D

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2012/13	2011/12
		R'000	R'000
Received in kind			
Kalahari Resources	Stakeholder engagement	-	60
Great Basin Gold	Stakeholder engagement	-	60
Exxaro	Stakeholder engagement	-	60
African Rainbow Minerals	Stakeholder engagement	-	80
Optimum Coal	Stakeholder engagement	-	30
Motjoli Resources	Stakeholder engagement	-	20
TOTAL		-	310

ANNEXURES

ANNEXURE 1E

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2012/13	2011/12
	R'000	R'000
Made in kind		
Waterworks Primary School (Computer equipment, Office furnisher and Office equipment)	99	-
Stillwater Primary School (Computer equipment, Office furnisher and Office equipment)	166	-
Reakatswe Primary School (Computer equipment, Office furnisher and Office equipment)	1,433	-
Thabiso Skills Development (Computer equipment and Office furnisher)	188	-
Ya rona School (Computer equipment and Office equipment)	146	-
Mzomtsha Primary School (Computer equipment, Office furnisher and Office equipment)	49	-
Department of Education – Eastern Cape (Computer equipment)	108	-
Bayview Primary School (Computer equipment)	74	-
Mdengentonga Primary School (Computer equipment)	50	-
Lofentse Girls High School (Computer equipment)	37	-
Morathuto Primary School (Computer equipment and Office equipment)	50	-
Tshwelang Primary School (Computer equipment)	94	-
Tshwelopele Performing artist organisation (Computer equipment)	185	-
Ntuko Primary School (Computer equipment)	56	-
Lubana Primary School (Computer equipment)	32	-
Ashdown Primary School (Computer equipment)	38	-
Beatrice Community Service (Computer equipment)	31	-
DNC Combined School (Computer equipment)	62	-
Tiang Public School (Computer equipment)	46	-
Thuto Tsebo Secondary School (Computer equipment)	79	-
Colridge Youth for Christ (Computer equipment)	63	-
Chris Hani Secondary School (Computer equipment)	104	-
Leinden Primary School (Computer equipment and Office equipment)	46	-
Mitchells Plain Primary School (Computer equipment and Office equipment)	32	-
Dietrich Primary School (Computer equipment)	69	-
Miami Dolphins Youth Academy (Computer equipment and Office equipment)	147	-
Department of Education – Springbok (Computer equipment)	43	-
Itireleng Primary School (Computer equipment)	73	-
Besilindile Primary School (Computer equipment)	87	-
Mahlekisani Primary School (Computer equipment)	90	-
Kopanang Senior Secondary School (Computer equipment)	110	-
Faranani Community Organisation (Computer equipment)	76	-
Ramabu High School (Computer equipment)	122	-
Derdegelid Youth Development (Computer equipment)	80	-
General Piet High Jourbert (Computer equipment)	142	-
SUBTOTAL	4,307	-
Remissions, refunds, and payments made as an act of grace		
Payments made as an act of grace to households	80	120
SUBTOTAL	80	120
TOTAL	4,387	120

ANNEXURE 2A

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2012

Nature of Liability	Opening Balance 1 April 2012 R'000	Liabilities incurred during the year R'000	Liabilities paid/ cancelled/ reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31 March 2013 R'000
Claims against the department					
Claims against the department	77,509	67,709	-	-	145,218
Subtotal	77,509	67,709	-	-	145,218
Environmental Liability					
Environmental Liability	3,105,440	-	1,555,576	-	1,549,864
Subtotal	3,105,440	-	1,555,576	-	1,549,864
Other					
Simrac contracts	9,149	10,567	7,869	-	11,847
Special projects	-	6,479	1,691	-	3,520
Subtotal	9,149	17,046	10,828	-	15,367
TOTAL	3,192,098	84,755	1,566,404	-	1,710,449

ANNEXURE 3

CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Department of Energy	-	-	4,713	6,720	4,713	6,720
Department of Health	-	-	16	-	16	-
Department of Water Affairs	-	-	-	15	-	15
Department of Education (Gauteng)	-	-	-	40	-	40
Department of Agriculture, Environmental Affairs and Forestry	-	-	1	-	1	-
Department of Agriculture, Forestry and Fisheries	-	-	-	1	-	1
Department of Health KZN	33	-	-	-	33	-
Department of Communication	-	-	-	7	-	7
TOTAL	33	-	4,730	6,783	4,763	6,783

ANNEXURE 4

INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Department of Justice	712	2,491	-	-	712	2,491
Department of Public Works	2,595	15,205	-	-	2,595	15,205
Office of the Premier Western Cape	-	20	-	-	-	20
Office of the Presidency	-	36	-	-	-	36
Department of Economic Development	-	17	-	-	-	17
Department of Health North West Province	-	1	-	-	-	1
Public Administration Leadership and Management Academy (Palama)	-	280	-	52	-	332
Department of Roads and Transport -Gauteng (G-fleet)	910	935	-	-	910	935
South African Police Services	95	21	-	-	95	21
Department of Water Affairs	36	-	-	-	36	-
Provincial Administration Gauteng	452	-	-	-	452	-
Total	4,800	19,006	-	52	4,800	19,058

ANNEXURE 5

INVENTORY

Inventory	Note	Quantity	2012/13	Quantity	2011/12
			R'000		R'000
Opening balance		68,154	939	106,881	3,710
Add/(Less): Adjustments to prior year balance		(960)	(3)	(34,112)	(218)
Add:Additions/Purchases - Cash		150,301	2,366	175,430	3,650
Add:Additions - Non-cash		3,058	-	1,256	-
(Less): Issues		(119,653)	(2,683)	(181,280)	(5,149)
Add/(Less): Adjustments		(13)	(73)	(21)	(1,054)
Closing balance		100,887	546	68,154	939



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