



2013/14 ANNUAL REPORT



military veterans

Department:
Military Veterans
REPUBLIC OF SOUTH AFRICA



DEPARTMENT OF
Military Veterans
VOTE NO. 22

ANNUAL REPORT
2013/14

**“Working together to honour, restore dignity,
empower Military Veterans for nation building”**

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military veterans

Department:
Military Veterans
REPUBLIC OF SOUTH AFRICA

MS N.N MAPISA-NQAKULA, MP
MINISTER OF DEFENCE AND MILITARY VETERANS

Dear Minister

1. I have the honour of submitting the Department of Military Veterans Annual Report for the period 1 April 2013 to 31 March 2014.
2. In terms of section 40 (1)(d) of the Public Finance Management Act 1 of 1999 (as amended), read together with Treasury Regulation 18.3, I hereby formally submit to the Executive Authority the Annual Report for the 2013/14 financial year as a statutory requirement to Parliament.
3. Kindly submit this performance report for the financial year ending 31 March 2014 to the National Assembly in compliance with section 40 (1)(e) of the PFMA.

A handwritten signature in black ink, appearing to read 'T.E. Motumi'.

(T.E MOTUMI)

DIRECTOR-GENERAL: DEPARTMENT OF MILITARY VETERANS

Date: 3 October 2014

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PART A

General Information





military veterans

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1.2 List of Abbreviations/Acronyms

AG	Auditor-General	MoU	Memorandum of Understanding
AIDS	Acquired Immunodeficiency Syndrome	MPAT	Management Performance Assessment Tool
AO	Accounting Officer	MPSA	Ministry for the Public Service and Administration
APLA	Azanian People's Liberation Army	MTEC	Medium Term Expenditure Committee
AR	Annual Report	MTEF	Medium Term Expenditure Framework
BA	Business Agreement	MTSF	Medium Term Strategic Framework
BAS	Basic Accounting System	MV	Military Veterans
CAT	Centre for Advanced Training	MVBR	Military Veterans Benefits Regulations
COD	Council (Committee) on Defence	MVHPA	Military Veterans Healthcare Practitioner Association
DAFF	Department of Agriculture, Forestry and Fisheries	NHFC	National Housing Finance Corporation
DBE	Department of Basic Education	NSFAS	National Student Financial Aid Scheme
DG	Director General	NT	National Treasury
DHS	Department of Human Settlements	OPSC	Office of the Public Service Commission
DMV	Department of Military Veterans	PERSAL	Personnel Salary System
DOD	Department of Defence	PFMA	Public Financial Management Act
DPME	Department of Performance Monitoring and Evaluation	PPP	Public Private Partnerships
DPW	Department of Public Works	PSCBC	Public Service Co-ordinating Bargaining Council
DRDLR	Department of Rural Development and Land Reform	PTSD	Post-Traumatic Stress Disorder
DWA	Department of Water Affairs	SABC TV	South African Broadcasting Corporation
ENE	Estimates of National Expenditure	SAMHS	South African Military Veterans Health Services
EXCO	Executive Committee	SCOPA	Standing Committee on Public Accounts
FY	Financial Year	SABC	South African Broadcasting Corporation
GEMS	Government Employees Medical Scheme	SANMVA	South African National Military Veterans Association
GCIS	Government Communication and Information Systems	SAQA	South African Qualification Authority
GPA	Government Pension Administration Agency	SASSA	South African Social Security Agency
HCT	HIV Counselling and Testing	SDIP	Service Delivery Improvement Plan
HIV	Human Immunodeficiency Virus	SESS	Socio-Economic Support Services
HR	Human Resource	SHERQ	Safety, Health, Environment, Risk and Quality
HSS	Housing Subsidy System	SITA	State Information Technology Agency
HWC	Healthcare and Wellness Centre	SLA	Service Level Agreement
ICT	Information Communication and Technology	SMS	Senior Management Service
IT	Information Technology	SPV	Special Purpose Vehicle
ITR	Income Tax Return	STATS SA	Statistics South Africa
JCPS	Justice, Crime, Prevention and Security	STI	Sexually Transmitted Diseases
LOGIS	Logistical Information System	TB	Tuberculosis
MANCO	Management Committee	WWII	World War Two





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

I am sincerely humbled in line with the Constitution of the Republic of South Africa, Act 108 of 1996, Section 92, to present this Annual Report (AR) for the 2013/14 financial year on behalf of the Department of Military Veterans (DMV) to the people of South Africa, parliament and most importantly the community of Military Veterans (MVs).

It's indeed a privilege and an honour to present this particular AR as it occupies a unique and special place in many ways than one. It reflects yet another good story of the 20 year journey that ANC-led government in general and the 5 years that the DMV in particular has traversed in the endeavour to change the lives of Military Veterans (MVs).

Firstly, this AR is tabled as the country is celebrating 20 years of Freedom and Democracy and so also is the five year term of the Administration under President Jacob G Zuma coming to an end; both these milestones reflect that indeed South Africa has slowly but surely become a better place to live in, especially in relation to Military Veterans (MVs).

These milestones are a reminder that the freedom and democracy that the country enjoys today is nourished by the blood of thousands of brave men and women who sacrificed their families and some

1.3 Foreword by the Minister

even defied death so that all of us can be free. Their role in shaping the history of this country ought to never be forgotten and their sacrifices were not in vain for their role in advancing democracy, freedom and development continue to inspire the nation.

Secondly, the very establishment of the Department of Military Veterans by Presidential Proclamation in December 2009 to ensure development and implementation of dedicated policy and programmes for Military Veterans and their dependants; the promulgation of Military Veterans Act 18 of 2011; the gazetting of Military Veterans Benefits Regulations on the 19 February 2014; anchor service delivery in the Military Veterans sector. The Proclamation in 2009 to ensure speedy, seamless, effective and efficient roll out of the 11 benefits stipulated in Section 5 of the Act; are all but testimony that there is a good story to tell in relation to endeavours to improve the lives of Military Veterans.

These new institutional and policy arrangements dedicated to service Military Veterans, demonstrate both the political will and commitment of the ANC-led government to change the lives of Military Veterans and their dependants for the better, in a systematic, progressive and sustainable manner.

Thirdly, the developmental trajectory of the Military Veterans mandate over the medium term was premised on strategic priorities that give substance to service delivery as dictated upon by the legislation. Notwithstanding the teething challenges inherent in establishing a new Department as well as the constrained resources that were available, I am heartened to report that significant progress was made in the year under review toward the realisation of the seven priorities of the department as highlighted below:

General Information

OVERVIEW OF PERFORMANCE IN TERMS OF THE EXECUTIVE AUTHORITIES' PRIORITIES

The Executive authority promulgated the following priorities that form the strategic levers of service delivery. The priorities are as follows:

Priority 1: Ensure a fully functional Department of Military Veterans with an independent budget vote and systems.

The delivery on this priority saw the Department grow the directorate of Military Veterans affairs, that was within the HR division of Department of Defence to a fully-fledged department with a staff complement of fifty two (52) by end March 2013 to one hundred and twenty three (123) by 31 March 2014, that is located at national and provincial levels, (at the time of the compilation of the Report), its own transversal and accounting systems, its own building and serviced through a transfer payment from the Administration Programme of the Defence and Military Veterans Vote. The transfer payment was regarded as a transitional step that was achieved during the 2013 financial year towards an independent budget vote. The 2014 MTSF will entail the realisation of the separate Military Veterans' budget vote with adequate funding to service the national, provincial, local and regional footprint of the Military Veterans community.

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

The Act established the governance structures and institutions to provide advice to the Executive Authority on the delivery of justiciable and justifiable socio-economic services to Military Veterans.

The Act and delegated legislation have created four organs of state that report to the Executive Authority. These are Advisory Council on Military Veterans, the Appeals Board, the Umbrella Association representing Military Veterans associations nationally referred to as the South African National Military Veterans Association (SANMVA) and the Special Purpose Vehicle (SPV). The establishment of SANMVA gives substance to section 7(1) of the Act. The SPV emanates from the Ministerial Task Team Report, and

is established through the Military Veterans Benefits Regulations (MVBR), 2014.

In line with section 5(3) and in embracing IGR, legal instruments were developed across all tiers of government, as well as with other social partners to enable the monitoring and evaluation of the socio-economic benefits articulated in section 5(1). These ranges from the contract on the leasing of the National Offices for the Department through DPW, the development of information communication systems, the MOUs and Service Level Agreements with National and Provincial Departments for the delivery of benefits.

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

The following process has been made thus far, for issuing of the Social Relief of Distress (SRD): The DMV is collaborating with SASSA in the provision of this Benefit provided per Ministerial Directive to Military Veterans eligible for such support. A list of 1 053 has already been forwarded to SASSA and service delivery was activated in March 2014. To date, 833 of referred Military Veterans are already receiving social relief of distress. It is anticipated that as they access the Military Veterans' pension, these Military Veterans will be no longer receive social relief of distress.

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

This is subject to the availability of resources as follows but not limited to: Education, training and skills development; Acquiring of Health Care and Wellness Centre; Access to health support; Subsidization or provisioning of public transport; Housing and burial support. The Period under review saw the gazetting of the Military Veterans Benefits Regulations, which assisted in delivering the needed services to the Military Veterans. This priority has been implemented as mandated by section 5 of the Military Veterans Act as follows:



Compensation

The pilot has been activated during the period under review. A preliminary list of 100 Military Veterans targeted for compensation this year was compiled from "referrals to Military Pensions" in the past 3-5 years that were declined. The DMV seeks to embark on a "once off payment" compensation pilot through Military Pensions during the 2014 financial year.

Healthcare

The DMV has signed Service delivery agreements with the South African Military Healthcare Services (SAMHS) and Military Veterans' Healthcare Practitioners Association (MVHPA) as partners in the delivery of healthcare to Military Veterans. To date the Department has loaded a total of 7 703 Military Veterans on the SAMHS database for access to healthcare as legislated, and out of these 4 719 are accessing healthcare services.

This process started in 2011, with 2000 Military Veterans who were 60 years and above and those with chronic conditions.

To strengthen easy access to healthcare, 9 Military Veterans help desks were set up at the SAMHS healthcare facilities across all provinces in line with the Ministerial directive of April 2012.

For the first time, during the period under review, comprehensive medical assessments were conducted in partnership with SAMHS and MVHPA. 4 570 Military Veterans benefited from this exercise and now the department has a disease profile of those assessed. Subsequent to the assessment, 925 Military Veterans received informative health education on the common chronic condition identified. This exercise also provided a basis for informed future planning on healthcare resources. The Department issued 5 546 healthcare cards to Military Veterans to allow them ease of access to free healthcare services at our healthcare services partners.

During the period under review, to enhance seamless roll out of some benefits, a Ministerial

determination, was issued for means testing for access to some benefits such education, health and burial support to be waived. A submission to this end is in progress for Ministerial signatures.

Central to the provisioning of the universal health has been the strategic definition and budgeting of the health Programme. The Concept Paper and Business Plan for the MV Health & Wellness Centre have been compiled for Ministerial approval. To enable the full development of the business case, strategic benchmarking has been proposed at executive level as no institution to benchmark the MV Health & Wellness Centre exists in South Africa. The Department has been struggling to define the core purpose and services central to this Centre as Institutions with some benchmarking potential are not designed to address the unique problems of Military Veterans. The Deputy Minister therefore instructed that a US benchmarking visit be undertaken to finalise the Concept Paper and Business Plan for South Africa's 1st Military Veterans Health and Wellness Centre.

Education

Memoranda of Understandings with NSFAS and Department of Basic Education are in place to assist facilitation of this benefit. Letters jointly signed by the DMV and DBE have been agreed for disbursement to relevant schools. This effort seeks to heighten awareness on DMV and DBE cooperation in the affairs of beneficiaries in the Military Veterans' sector. To date the Department has funded 200 Military Veterans/dependents with education support. In December 2013, first annual education support meeting with beneficiaries was held. Annually bursaries are awarded by December in preparation of transferring payments by 31 March 2014.

Housing

During the period under review, the Department signed Memoranda of Understanding and Service Level Agreements (SLAs) with provincial departments of Human Settlements, specifically

General Information

North West, KZN, Mpumalanga, Limpopo and Free State Funds were transferred or ring fenced for construction of Military Veterans houses for 2013, 2014 financial years. Subsequently, the number of houses to be built during 2014 financial year will increase.

Service Level Agreements with Gauteng and Mpumalanga have been submitted for DG's signature, Western Cape and Eastern Cape are currently in progress. The Housing Subsidy System (HSS) in Department of Human Settlements has been adjusted to accommodate the DMV housing means test. This resolved one of two key barriers in the provision of housing for Military Veterans.

The second key barrier in the provision of housing for Military Veterans is the transfer of top-up funds to Provinces. National Treasury insists that funds should be transferred only after houses have been built i.e. in line with stipulations of the MoU signed by both Departments. Provinces prefer that funds be paid in advance to enable compliance with agreed specifications for "a military veteran's house". The National Departments of Military Veterans and Human Settlements agree with advance payment of top-up funds. This matter is currently being handled by all concerned and in the interim the DHS and DMV have activated the advance payment process.

Going forward DMV and DHS will be urgently amending the MoU and service level agreements accordingly. The DMV, DHS and National Housing Finance Cooperation (NHFC) are currently piloting an initiative to protect "bonded houses in distress". A list of these houses has been already forwarded to NHFC for actioning as agreed. A report is expected at the end of May 2014.

Pension

The first list of eligible recipients of pension was compiled in collaboration with Special Pensions, Department of Social Development and the DMV National Health assessment initiative respectively. The Military Veterans Pension Framework was discussed with National Treasury and Treasury's formal input has since been received and reviewed.

National Treasury and DMV are cooperating to accelerate delivery on pension for Military Veterans, SASSA is ready to pay out pensions to Military Veterans as soon as DMV is ready.

Public Transport Support

There has been a slow progression towards cooperative governance in the provision of this Benefit. The DMV is to intensify effort in this regard in the current financial year.

Burial Support

During the period under review, the gazetting of the MVBRs in February 2014 saw an increase in the burial support from R10 000 to R25 000. The period also saw one hundred and eighteen (118) Military Veterans' households provided with burial support.

Priority 5: Promote empowerment programmes for and of Military Veterans:

This encapsulates initiatives that embrace the widening of access to economic participation to Military Veterans. This includes utilisation of preferential procurement mechanisms with the DMV and other social partners. It also includes operationalization of a Special Purpose Vehicle (SPV) to provide incubator programmes designated for Military Veterans; facilitation of employment placement and facilitation of or advise on business opportunities.

During the period under review, the department through empowerment and stakeholder management invoked section 6 (g) of the Act. This initiated the development of the General MOU template to facilitate uniformity when negotiating partnerships. Furthermore, a number of MOUs have been concluded for the provision of employment opportunities for Military Veterans with the following State Departments:

- Department of Water Affairs
- Department of Rural Development and Land Reform
- Department of Agriculture, Forestry and Fisheries

These legal instruments yielded the following achievements during the period under review:

- DMV facilitated employment of 1 479 Military Veterans in partnership with the Department of Water Affairs, Environmental Affairs, Rural Development and Land Reform, Agriculture, Forestry and Fisheries, Mpumalanga Province (dam sites) and Gauteng Provincial Department of Infrastructure Development.

Stakeholder Management

- A draft Stakeholder Management policy has been developed and will be finalised in the 2014/15 financial year. The DMV stakeholders register is currently being developed and is to be completed in 2014/15. In line with section 7 (1) (a) of the Act the DMV established the Natural Military body representing of Military Veterans organisations on 27 September to the 2 October 2013.
- The first celebration of International Women's day by women Military Veterans was convened on 8th March 2014.
- This will be a regular annual event empowering female Military Veterans.

Provincial Offices

In order to bring services closer to Military Veterans and to make the DMV accessible:

- All provincial co-ordinators have been appointed in the nine provinces.
- Four provincial offices are already functional in KwaZulu-Natal, North West, Western Cape and Gauteng and the rest are expected to be operational by the end of the 2014/15 financial year.

Priority 6: Promotion of heritage of Military Veterans and memorialising and honouring Military Veterans

- In line with section 5 (1) (c), the DMV in partnership with the Department of Justice and Constitutional

Development, facilitated the exhumation and dignified reburial of former liberation fighters who had been buried in paupers graves in Limpopo and North West.

- The DMV in partnership with the Department of Public Works developed the design of the Tomb of the Unknown Soldier which will be presented to Cabinet for approval.

Priority 7: Maintenance of a credible and secure national Military Veterans database:

The DMV signed requisite legal agreements with SITA to strengthen efficiencies and security of the National Military Veterans database.

Sixteen thousand one hundred and fifty (16 150) personal files have been updated in the database. The update process is ongoing. Currently the Department is implementing the verification process in partnership with DOD, SANMVA and other MV Organisations. Almost 342 Military Veterans have been interviewed and 174 of these Military Veterans were recommended to be included in the DMV database. (See Table 6)

Priority 8: Implementation of a high impact communication and marketing strategy and plan

- A communication policy and strategy was developed and implemented. In pursuit of the public participation programme, roadshows were undertaken in nine provinces in support of the provision of healthcare cards as well as informing and educating the Military Veterans about the mandate, programmes and services of the DMV.
- The Ministry mobilised Military Veterans in celebration of the Mandela Day in Gauteng and the Eastern Cape.
- Military Veterans were mobilised in North West at the launch and show casing of the two prototype houses of a military veteran house.

General Information

The aggressive implementation of the communications and marketing strategy also entailed the following:

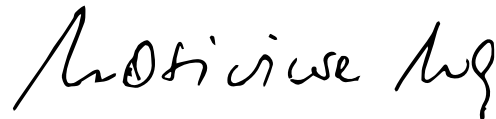
- The launch of the DMV website.
- Launch of Honour magazine that is distributed to most MV and government Departments.
- Constant media interaction on DMV progress.
- An intensified media campaign to promote the accessible national home of Military Veterans.
- Hosting of the first ever International Women's day celebration on 08 March 2014.
- Launch of the DMV call centre (080 232 3244) to promote the accessibility of benefits to Military Veterans.
- Utilisation of social media such as YouTube, Facebook and Twitter began to be rolled out.

Utilisation of mainstream media such as adverts and editorial platforms on the SABC TV and radio stations; community based media; use of national and regional print media; resulting in more and more MV's and their Associations having increased access to services, information as well as benefits.

I wish to thank all organs of state that have cooperated with this organ of state to accelerate

the delivery of the justiciable socio-economic benefits. Equally I herein thank the Military Veterans' community for their patience and discipline for all these years.

I call on relevant stakeholders at three spheres of government, State Owned Enterprises, business, labour, civil society, and communities at large to put their hands on deck in ensuring that all of us work together to honour, restore dignity and empower Military Veterans for nation building.



N.N Mapisa-Nqakula, MP

Minister of the Department of Defence and Military Veterans





T.E. MOTUMI
Accounting Officer:
Department of Military
Veterans

INTRODUCTION

The aim of the Department is to formulate policies and standards aimed at providing a comprehensive quality service delivery system to Military Veterans and, where applicable, their dependants in recognition of their role in the democratisation of South Africa. Driven by its vision and mission, the Department is mandated to develop various coordination, monitoring and evaluation mechanisms. These mechanism that flow from the implementation of the provisions of section 6 (g) of the Act that provides for embracing intergovernmental relations to accelerate the delivery of long awaited justiciable and justifiable socio economic benefits.

The mandate of the Department of Military Veterans is derived from the Military Veterans Act 18 of 2011 as it relates Constitution of the Republic of South Africa and the bill of rights. The Constitution enjoins the government and the people of South Africans to "recognize the injustice of the past; honour those who suffered to justice and freedom in our land; respect those who have worked to build and develop our country." There is an urgent need to provide visible rewards and due recognition to deserving those Military Veterans who sacrificed their lives and well-beings in ensuring the greater realization of the freedom.

1.4 Report of the Accounting Officer

The main objective of the Department of Military Veterans is to provide national policy and standards on socio-economic support to Military Veterans and to their dependents, on heritage and empowerment programmes including those that contribute to nation building and reconciliation.

The period under review, saw gazetting of the Military Veterans Benefits Regulations 2014 (MVBRs), published on 19 February 2014. MVBR provides criteria to inform eligibility to access section 5 (1) benefits.

The period under review also saw migration process of DMV from Defence systems to government wide transversal systems.

As a transitional step to the realization of the separate vote, Military Veterans mandate is currently serviced through a transfer payment from the Administration Programme of the Defence Programme together with other entities reporting to the Executive Authority.

The Act and delegated legislation have created four organs of state that report to the Executive Authority. These are Advisory Council on Military Veterans, the Appeals Board, the Umbrella Association representing Military Veterans associations nationally referred to as the South African National Military Veterans Association (SANMVA) and the Special Purpose Vehicle (SPV). The establishment of SANMVA gives substance to section 7(1) of the Act. The SPV emanates from the Ministerial Task Team Report, and is established through the Military Veterans Benefits Regulations (MVBRs), 2014.

The existence of the aforementioned entities that report to the Executive Authority will require the urgent finalization of a separate Military Veterans Vote in order to properly service the imminent

General Information

transfer payments to service the aforementioned organs of state.

The Military Veterans' mandate, as gleaned from the Act, situates itself within the social and economic clusters. Notwithstanding the benefits that accrue from the current location of the Military Veterans mandate within the justice and security cluster as well as the international cooperation, trade and security clusters.

The separate vote will ensure partnership with the relevant cluster departments, which will give effect to effective and efficient delivery of socio-economic benefits to the Military Veterans.

GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

Important policy decisions facing the Department

The Executive Authority of the Defence and Military Veterans has, through the period under review, gazetted the Military Veterans Benefits Regulations (MVBRs), 2014. The MVBR provide criteria that will inform the roll out of socio economic benefits to all deserving Military Veterans and, where applicable, their dependents. The implementation of the MVBR, 2014 will have huge pressure on the budget allocated over the MTSF.

The department has already started with the delivery of socio economic benefits to the Military Veterans through the legal instruments signed with other organs of state as required in terms of the Act. These benefits relate to the provision of education, health, housing, transport, burial support, pensions, honouring and memorialization of Military Veterans as well as other benefits stipulated in section 5(1) of the Act. The Ministerial determination was developed to enhance seamless roll out of some benefits such as education, health and burial support.

Significant events which have taken place during the year

During the period under review, the Department of Military Veterans managed to assist needy Military Veterans with basic requirements such as education bursaries, healthcare and burial support. In order to provide immediate relief and assistance

to the needy Military Veterans, Ministerial approval and delegations for non-contributory aid payments were utilized while the MVBRs, 2014 were in the process of being finalized for implementation. The Department consulted with National Treasury in the first and second quarters of the 2013/14 financial year as well as Ministry of Human Settlement, with the aim of speedily finalizing the MVBRs, 2014 for implementation. These consultations culminated in the gazetting of the MVBRs, 2014 in 19 February 2014. This necessitated the roll-over of unspent funds from National Treasury in order to fund the backlog emanating from the delays in the approval of these Regulations.

Major projects undertaken or completed during the year

DMV managed to establish the Umbrella Association representing all Military Veterans associations in line with the requirements of the Military Veterans Act 18, of 2011 which is South African National Military Veterans Association (SANMVA). SANMVA operations will be funded from the budget of the Department of Military Veterans and in the near future it is envisaged to be the transfer payment entity reporting to the Executive Authority.

Spending trends

The Department of Military Veterans is currently operating as transfer payment department under the Department of Defence and Military Veterans: Vote 22 in terms of the 2013/14 financial year Estimates of National Expenditure with the Secretary for Defence as a transferring Accounting Officer and Director General of the Department of Military Veterans as receiving Accounting Officer. DMV received a total budget of R351,4 million transfer payments from the DOD as at 31 March 2014 in line with the budget appropriated to the department as transfer payment.

DMV was appropriated a total of R351,4 million during the 2013/14 financial year. This was allocated into R139,5 million under the Programme Administration; R135,5 million under the Programme Socio-Economic Support Services and R76,5 million under the Programme Empowerment and Stakeholder Management. These funds were



appropriated as transfer payments under the Administration Programme of the Department of Defence.

The Department of Military Veterans (DMV) had an actual expenditure of R165,9 million (47%) against the departmental budget of R351,4 million, as at 31 March 2014. The Military Veterans Benefits Regulations 2014 that were gazetted on 19 February 2014 afforded little time for DMV to spend the remaining allocated budget, hence the huge under-spending.

The rollover request of unspent funds was submitted to National Treasury for these funds to be reallocated back to DMV during the 2014 financial year to fund the preplanned IT infrastructure project that is a consequence of the legal instruments with SITA as well financing the tomb of the Unknown Soldier.

The invoices that are held in abeyance pending the finalization of the PWC Report, will also be financed through the roll over funding requested from Treasury as these have been budgeted for during the previous financial years and the services rendered.

Virements

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

SERVICES RENDERED BY THE DEPARTMENT

There were no chargeable services rendered by the Department of Military Veterans during the period under review.

Tariffs

The tariffs unique to the Department of Military Veterans determined by the tariff owner and where the tariff structure is approved by National Treasury were applied where applicable. All tariff charges for the services rendered were accounted during the period under review in the Annual Financial Statements for the Department of Military Veterans.

Free Services

No free services were rendered to the officials during the period under review.

CAPACITY CONSTRAINTS

The Department of Military Veterans still has the capacity constraints to operate. The total of 123 posts were filled out of 135 total posts as at 31 March 2014. Further actions are already taking place to fill other remaining critical posts to enable the Department to function effectively and deliver services to the Military Veterans.

The project for the acquisition and maintenance of the headquarter building of the Department of Military Veterans is also completed. The aim is to provide the required office accommodation for the officials to perform their work productively. The shortage of accommodation experienced during period under review negatively impacted on the realization of ENE human capital complement by end March 2014.

UTILISATION OF DONOR FUNDS

There was no inflow or outflow of the donor funds in the Department of Military Veterans during the period under review.

TRADING AND PUBLIC ENTITIES

There was no registered trading or public entity operating under the control of the Department of Military Veterans during the period under review. There were also no losses suffered as no transfer of funds took place to any trading and public entity during the 2013/14 financial year.

ORGANIZATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN MADE

There were no transfers of funds made to any organization during the 2013/14 financial year.

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PUBLIC PRIVATE PARTNERSHIP (PPP)

The Department of Military Veterans did not enter into Public Private Partnership agreement during the 2013/14 financial year.

CORPORATE GOVERNANCE ARRANGEMENTS

The Department practices enterprise wide risk management principles by implementing the Public Service Risk Management Framework. The Departmental risk assessment for the 2013/14 financial year was completed and the risk register has since been updated. Internal control and other risk mitigation strategies are in progress for implementation. The annual internal audit risk based plan was approved by a Shared Audit Committee for Defence & Military Veterans in the 2013/14 financial year.

The accommodation which was insufficient to accommodate all recruited staff members in the DMV was one of the major risks identified during the risk assessment. This was subsequently resolved by the Department of Public Works by providing the DMV headquarters office for occupation. The insufficient accommodation impacted negatively on the recruitment of staff of the DMV which was subsequently mitigated with the occupation of the new building.

Irregular expenditure identified during the period under review was referred for investigation and further analysis. Where possible these will be regularized and a report will be submitted.

Audit of the Military Veterans Database

The Military Veterans Database is central to the provision of legislated benefits to Military Veterans and their dependents where applicable. Inadequate reliability, accuracy and completeness of the Military Veterans database constitute a risk that requires urgent mitigation by DMV. The department continues therefore to update and clean up personal files in the data base and to verify bonafide Military Veterans for listing in the database.

The Department of Military Veterans is currently sharing audit committee services with the Department of Defence. The shared audit committee meets at least four times a year.

All Senior Management Personnel are expected to get approval from the Executing Authority before they engage in the remunerated work outside public service. They are also required to submit financial disclosure before the end of April. Senior managers signed the code of conduct governing public service.

DISCONTINUED ACTIVITIES / ACTIVITIES TO BE DISCONTINUED

There were no activities which were discontinued or to be discontinued by the Department during the period under review.

NEW / PROPOSED ACTIVITIES

The period under review saw the gazetting of the Military Veterans Benefits Regulations on 19 February 2014. The implementation of the aforementioned Regulations will accelerate service delivery to Military Veterans. This will be supported by intensified implementation of DMV communication strategy.

The revised structure is being proposed to the department of Public Service and Administration in order to ensure the effective and efficient implementation of the DMV mandate.

The migration to transversal systems will enable the DMV to align with public service norms and standards.

ASSET MANAGEMENT

In line with section 42 of the PFMA, the period under review has seen the process of handing over of assets to the Department of Military Veterans underway.

INVENTORIES

Inventories were procured through the procurement system of the Department of Defence (DOD) and included in the DOD Inventory Register for the prior period. The inventories were disclosed in the 2013 Annual Financial Statements for the Department of Defence and Military Veterans. The Department of Defence is expected to hand over the inventories list to the Department of Military Veterans for capturing in the LOGIS system of the Department of Military Veterans in 2013/14 financial year by signing the handing over certificates between the two accounting officers.

EVENTS AFTER THE REPORTING DATE

There were no events after the reporting date.

INFORMATION ON PREDETERMINED OBJECTIVES

Predetermined objectives contained in the Department's Annual Performance Plan for the 2013 financial year were tabled on the set date during March 2013. 2013/14 quarterly reports were presented to the Executive Authority for consideration.

The management of performance information in the Department of Military Veterans complies with the National Treasury's Framework for the Management of Performance Information that is customized through Programme and Project performance monitoring and evaluation framework approved by the Accounting Officer.

Under the guidance of the Executive Authority during the period under review the department has undertaken the improvement of its resource base to maximise the efficient, economic and equitable accountability on the utilisation of resources.

Foregrounding the strategic performance that aims to realise the end state of a DMV's vision of dignified, unified, empowered and self-sufficient Military Veterans Community, are rooted and informed by the 2009 MTSF trajectory, and the Executive Authority's foreword, these include the success achieved:

Ensuring a fully functional Department of Military Veterans with a drive towards an independent vote, systems and processes.

During the period under review, the department increased its staff complement from fifty two (52) at the end of 2013 to one hundred and twenty three (123) by 31 March 2014. All nine provincial coordinators were appointed during the year under review. The 2012/13 allocation was R97 million and was increased to R351.4 million for the 2013/14 financial year. The MBVRs were gazetted on the 19 February 2014. The process of migration to transversal system was completed during the year under review.

The process of a separate vote for the department was initiated during the year under review and will be finalized during the year 2014/15. The achievement articulated above embraces outcome 12.

Strengthening governance and oversight protocols to give effect to the provisions of the Act.

The Act established the governance structures and institutions to provide advice to the Executive Authority on the delivery of justiciable and justifiable socio-economic services to Military Veterans.

The Act and delegated legislation have created four organs of state that report to the Executive Authority. These are Advisory Council on Military Veterans, the Appeals Board, the Umbrella Association representing Military Veterans associations nationally referred to as the South African National Military Veterans Association (SANMVA) and the Special Purpose Vehicle (SPV). The establishment of SANMVA gives substance to section 7 (1) of the Act.

- In line with Section 7 (1) (a) of the Act the DMV established the Umbrella Association of Military Veterans organisations on 27th September to 2nd October 2013. The date was duly published in the Government gazette.
- The process of the establishment of the Advisory Council was initiated in the year under review. Advertisements were placed in

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the media for nominations and the process of finalizing the establishment of the Advisory Council is underway.

- The process towards the establishment of the Appeals Board was also initiated in the year under review. Advertisements were also placed in the media for nominations and the process will be finalized in the 2014/15 financial year.
- The process to establish a Special Purpose Vehicle was initiated in the year under review. A concept document was developed and consultations with various stakeholders commenced and the process will be finalized with the Executive Authority during 2014/15 financial year.

In line with section 5 (3) and in embracing IGR, legal instruments were developed across all tiers of government, as well as with other social partners to enable the monitoring and evaluation of the socio-economic benefits articulated in section 5(1). These ranges from the contract on the leasing of the National Offices for the Department through DPW, the development of information communication systems, the MOUs and Service Level Agreements with National and Provincial Departments for the delivery of Benefits. The achievement articulated above embraces outcome 12.

Provision of immediate social relief of distress to the most vulnerable Military Veterans.

Service delivery agreement was reached with SASSA to provide social relief of distress to destitute Military Veterans. This included Military Veterans diagnosed with chronic illnesses that require nutritional diet. A list of 1 053 eligible Military Veterans was submitted to SASSA and 833 of these have already started accessing social relief of distress. The achievement articulated above embraces outcome 9.

Provision, subject to availability of resources, comprehensive support services to Military Veterans and where applicable, to their dependents.

Education, training and skills development; Acquiring of Health Care and Wellness Centre; Access to health support; Subsidization or provisioning of public transport; housing and burial support.

The Period under review saw the gazetting of the Military Veterans Benefits Regulations, which assisted in delivering the needed services to the Military Veterans. This priority has been implemented as mandated by section 5 of the Military Veterans Act as follows:

Compensation

The pilot has been activated during the period under review. A preliminary list of 100 Military Veterans targeted for compensation this year was compiled from "referrals to Military Pensions" in the past 3-5 years that were declined. The DMV seeks to embark on a "once off payment" compensation pilot through Military Pensions during the 2014 financial year.

Healthcare

The DMV has signed Service delivery agreements with the South African Military Healthcare Services (SAMHS) and Military Veterans' healthcare Practitioners Association (MVHPA) as partners in the delivery of healthcare to Military Veterans. To date the Department has loaded a total of 7 703 Military Veterans on the SAMHS database for access to healthcare as legislated.

This process started in 2011, with 2 000 Military Veterans who were 60 yrs and above and those with chronic conditions.

To strengthen easy access to healthcare, 9 Military Veterans help desks were set up at the SAMHS healthcare facilities across all provinces in line with the ministerial directive of April 2012.

For the first time, during the period under review, comprehensive medical assessments were conducted in partnership with SAMHS and MVHPA. 5 546 Military Veterans benefited from this exercise and now the department has a disease profile of those assessed. Subsequent to the assessment, 925 Military Veterans received informative health education on the common chronic condition identified. This exercise also provided a basis for informed future planning on healthcare resources. The Department issued 4 583 healthcare cards to Military Veterans to allow them ease of access to free healthcare services at our healthcare services partners.

During the period under review, to enhance seamless roll out of some benefits, a Ministerial

determination was issued for means testing for access to some benefits such as education, health and burial support to be waived. A submission to this end is in progress for Ministerial signatures.

Central to the provisioning of the universal health has been the strategic definition and budgeting of the health Programme. The Concept Paper and Business Plan for the MV Health & Wellness Centre have been compiled for Ministerial approval. To enable the full development of the business case, strategic benchmarking has been proposed at executive level as no institution to benchmark the MV Health & Wellness Centre exists in South Africa. The Department has been struggling to define the core purpose and services central to this Centre as Institutions with some benchmarking potential are not designed to address the unique problems of Military Veterans. The Deputy Minister therefore instructed that a US benchmarking visit be undertaken to finalise the Concept Paper and Business Plan for South Africa's 1st Military Veterans Health and Wellness Centre. The achievement articulated above embraces outcome 2.

Education

Memoranda of Understandings with NSFAS and Department of Basic Education are in place to assist facilitation of this benefit. Letters jointly signed by the DMV and DBE have been agreed for disbursement to relevant schools. This effort seeks to heighten awareness on DMV and DBE cooperation in the affairs of beneficiaries in the Military Veterans' sector. To date the Department has funded 200 Military Veterans/ dependents with education support. In December 2013, first annual education support meeting with beneficiaries was held. Annually bursaries are awarded by December in preparation of transferring payments by 31 March. The achievement articulated above embraces outcome 1 and 5.

Housing

During the period under review, the Department signed Memoranda of Understanding and Service Level Agreements (SLAs) with provincial departments of Human Settlements, specifically North West, KZN, Mpumalanga, Limpopo and Free State Funds were

transferred or ring fenced for construction of Military Veterans houses for 2013/2014 financial years. Subsequently, the number of houses to be built during 2014 financial year will increase.

Service Level Agreements with Gauteng and Mpumalanga have been submitted for DG's signature, Western Cape and Eastern Cape are currently in progress. The Housing Subsidy System (HSS) in Department of Human Settlements has been adjusted to accommodate the DMV housing means test. This resolved one of two key barriers in the provision of housing for Military Veterans.

The second key barrier in the provision of housing for Military Veterans is the transfer of top-up funds to Provinces. National Treasury insists that funds should be transferred only after houses have been built i.e., in line with stipulations of the MoU signed by both Departments. Provinces prefer that funds be paid in advance to enable compliance with agreed specifications for "a military veteran's house". The National Departments of Military Veterans and Human Settlements agree with advance payment of top-up funds. This matter is currently being handled by all concerned and in the interim the DHS and DMV have activated the advance payment process.

Going forward DMV and DHS will be urgently amending the MoU and service level agreements accordingly. The DMV, DHS and National Housing Finance Cooperation (NHFC) are currently piloting an initiative to protect "bonded houses in distress". A list of these houses has been already forwarded to NHFC for actioning as agreed. A report is expected at the end of May 2014.

The achievement articulated above embraces outcome 8.

Pension

The first list of eligible recipients of pension was compiled in collaboration with Special Pensions, Department of Social Development and the DMV national health assessment initiative respectively. The Military Veterans Pension Framework was discussed with National Treasury and Treasury's formal input has since been received and reviewed. National Treasury and DMV are

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cooperating to accelerate delivery on pension for Military Veterans, SASSA is ready to pay out pensions to Military Veterans as soon as DMV is ready. The achievement articulated above embraces outcome 9.

Public Transport Support

There has been a slow progression towards cooperative governance in the provision of this Benefit. The DMV is to intensify effort in this regard in the current financial year.

The achievement articulated above embraces outcome 6.

Burial Support

During the period under review, the gazetting of the MVRs in February 2014 saw an increase in the burial support from R10 000 to R25 000. The period also saw one hundred and eighteen (118) Military Veterans' households provided with burial support.

Promotion of empowerment programmes for the Military Veterans.

This priority encapsulates initiatives that embrace widening of access to economic participation to Military Veterans. This includes utilisation of preferential procurement mechanisms with the DMV and other social partners. It also includes operationalization of a Special Purpose Vehicle (SPV) to provide incubator programmes designated for Military Veterans; Facilitation of employment placement; Facilitation of or advice on business opportunities.

During the period under review, the department through empowerment and stakeholder management invoked section 6 (g) of the Act. This initiated the development of the General MOU template to facilitate uniformity when negotiating partnerships. Furthermore, a number of MOUs have been concluded for the provision of employment opportunities for Military Veterans with the following State Departments:

- Department of Water Affairs.
- Department of Rural Development and Land Reform.
- Department of Agriculture, Forestry and Fisheries.

These legal instruments yielded the following achievements during the period under review:

- DMV facilitated employment of 1 479 Military Veterans in partnership with Department of Water Affairs, Environmental Affairs, Rural Development and Land Reform, Agriculture, Forestry and Fisheries, Mpumalanga Province (dam sites) and Gauteng Provincial Department of Infrastructure Development.

Promotion of heritage of Military Veterans, memorialisation and honouring of Military Veterans.

- In line with section 5 (1) (c) the DMV in partnership with the Department of Justice and Constitutional Development, during the year under review, facilitated the exhumation and dignified reburial of former liberation fighters who had been buried in paupers graves in Limpopo and Northwest.
- The DMV in partnership with the Department of Public Works developed the design and costed the Tomb of the Unknown Soldier which will be presented to Cabinet for approval.

The achievement articulated above embraces outcome 14.

Maintenance of a credible and secured national military veteran's database.

The DMV signed requisite legal agreements with SITA to strengthen efficiencies and security of the National Military Veterans database.

Sixteen thousand one hundred and fifty (16 150) personal files have been updated in the database. The update process is ongoing. Currently the Department is implementing the Verification process in partnership with DOD, SANMVA and other MV Organisations. 342 Military Veterans have been interviewed and 174 of these Military Veterans were recommended to be included in the DMV database. The achievement articulated above embraces outcome 12.

Implementation of a high impact communication and marketing strategy and plan.

- A communication policy and strategy was developed and implemented. In pursuit of the public participation programme, roadshows were undertaken in nine provinces in support of the provision of healthcare cards as well as informing and educating the Military Veterans about the mandate, programmes and services of the DMV.
- The Ministry in partnership with the Department of Defence mobilised Military Veterans in celebration of the Mandela Day in Gauteng and the Eastern Cape.
- Military Veterans were mobilised in North West at the launch and show casing of the two prototype houses of a military veteran house.
- The aggressive implementation of the communications and marketing strategy also entailed the following:
 - The launch of the DMV website.
 - Launch of Honour magazine that is distributed to most MV and government Departments.
 - Constant media interaction on DMV progress.
 - An intensified media campaign to promote the accessible national home of Military Veterans.
 - Hosting of the first ever International Women's day celebration on 08 March 2014.
 - Launch of the DMV call centre (080 2323 244) to promote the accessibility of benefits to Military Veterans.
 - Utilisation of social media such as YouTube, Facebook, and Twitter, began to be rolled out.
 - Utilisation of mainstream media such as adverts and editorial platforms on the SABC TV and radio stations; community based media; use of national and regional print media; resulting in more and more MV's and their Associations having increased access

to services, information as well as benefits. The achievement articulated above embraces outcome 12.

The Department of Military Veterans finalised most legal instruments during the 2013 financial year to inform infrastructure development that underpins quality service delivery to Military Veterans with the State Information Technology Agency (SITA) and the Department of Public Works (DPW). The aforementioned legal instruments will guide the implementation of the transversal systems, speed-up the allocation of office accommodation and other property management services required by the Department of Military Veterans.

This achievement will enable DMV to build up its strength towards the allocation of an independent vote. The budget of the department has also been increased to R504 million for the 2014 financial in order to fund the delivery of benefits to Military Veterans in line with Section 5 of the Act and MVBR, 2014.

DMV initiated a process to develop systems that will form the basis of empowerment programs for Military Veterans during the period under review. A Military Veterans foresight as well as a comprehensive Military Veterans empowerment strategy were developed that provides a basis for the Military Veterans 2030 backcasting as well as comprehensive framework and a basis for skilling and empowerment of Military Veterans. These foresight documents have informed the development of strategic planning and strategic budgeting instruments for the MTSF. Key priorities sectors identified in the Military Veterans empowerment strategy and in which work has already commenced include Military Veteran heritage digitization project, rural development space, construction sector, energy sector, environment sector and mining sectors.

SCOPA RESOLUTIONS

There are no outstanding SCOPA resolutions for the Department of Military Veterans.

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PRIOR MODIFICATION OF AUDIT REPORTS

There was no audit performed on the Department of Military Veterans by the Auditor-General South Africa during 2012/13 financial year and previous years as financial affairs of the DMV were audited as part of the Annual Financial Statements of DOD during these periods. The audit of DMV only started in 2013/14 financial year on the full scale. The under-spending was mainly due to the billing not received from the Department of Public Works for infrastructure and property management services such as Health & Wellness Centre Project, Head Office Accommodation rental, water & electricity, and Tomb for Unknown Soldier infrastructure project.

EXEMPTIONS AND DEVIATIONS RECEIVED FROM NATIONAL TREASURY

There were no exemptions and deviations received from National Treasury.

PERFORMANCE BONUSES PAYMENTS

Notwithstanding the evaluations that were completed, no performance bonuses were paid for the employees except for the amount of R16 thousand was paid as performance bonus in 2013 financial year to employee whose assessment was finalised by the previous Department.

APPROVAL

The Annual Financial Statements set out on pages 100 to 135 have been approved by the Accounting Officer of the Department of Military Veterans.



T.E MOTUMI

Accounting Officer: Department of Military Veterans
3 October 2014



1.5 Statement of Responsibility and Confirmation of the Accuracy of the Annual Report

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

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

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

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

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

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

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2014.

Yours faithfully



T.E. MOTUMI

Accounting Officer: Department of Military Veterans
3 October 2014

1.6 Strategic Overview

1.6.1 VISION

"A dignified, unified, empowered and self-sufficient Military Veterans' community".

1.6.2 MISSION

"To facilitate delivery and co-ordinate all activities that recognize and entrench the restoration of dignity and appreciation of the contribution of Military Veterans to our freedom and Nation Building".

1.6.3 DEPARTMENTAL VALUES

Service Charter that Underpins the Delivery of Services to Military Veterans

We, as Department, pledge to:

- Manage and administer the affairs of Military Veterans with dignity and compassion and to ensure that the unique needs of all Military Veterans are provided for.

This will be achieved through overall coordination and facilitation of the activities of Government and that of the private sector to ensure the provision of coherent assistance to all Military Veterans.

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

Service Standards

- Service standards are based on clear direction and strong leadership. Our priority is to maximise the benefits to Military Veterans and our contribution to the health and socio-economic support services to the Military Veterans of the Republic of South Africa. We will maintain high standards of excellence and professionalism in everything we do and will strive to:
 - Acknowledge receipt of a query by a military veteran within 24 hours and provide responses to queries lodged by no later than ten working days from the date of registration of the query.

- Ensure that all telephones are answered without undue delay and that telephonic queries are responded to immediately.
- Respond to all ministerial enquiries within the time-frames prescribed.
- Endeavour to finalise payments to service providers for services rendered within the 30-day period prescribed in the Public Finance Management Act 1 of 1999 (PFMA) and applicable delegated legislation and Practice Notes promulgated from time to time.
- Discharge our responsibilities in accordance with the Batho Pele Principles.

- **Team-work.** Department is one team that embraces one purpose. In debating all issues comprehensively, each team member will represent his or her individual responsibilities rigorously with the overriding aim of reaching conclusions that will be best for Department and the Military Veterans' community as a whole and acting on them.
- **Discipline.** We will consistently strive towards upholding a high level of discipline. We will individually and collectively rebuild the profile and image of Department establishment as the best disciplined profession. We will, at all times, promote mutual respect for Military Veterans.
- **Excellence.** We will build on what we do well and actively foster a climate of success. We will invest in our people and encourage innovation. We will provide the right incentives and recognise individual and team contributions. We will, at all times, provide services to Military Veterans with empathy and compassion.
- **Ethics.** We will adopt and encourage reasonable working practices. We will not be deflected by the demands of vested interests. We will foster fairness and trustworthiness in all that we do. We will not avoid difficult issues. Our dealings with our stakeholders will be underscored by professionalism in service delivery to Military Veterans.

- **Openness and Transparency.** We will communicate with clarity to ensure better understanding of our priorities. We will ensure that our messages are understood. We will listen to the concerns of clients and make sure we understand what they are saying to us. We will aim to create a climate of trust and transparency in our decision making. We will further display the telephone numbers of the senior managers of the regions on Department website and communicate them to the general public and the top management of Department.
- **Consultation rooted in Effective and Efficient Partnerships and Collaboration.** We will encourage and improve links with other government Departments and other relevant organs of state. We will strengthen partnerships with industry, allies and the community at large. We will promote collaboration within Department, harmonise activities and systems and, where sensible, we will share knowledge. We will consult on a regular basis with the national umbrella body for Military Veterans and other entities, as well as with individual Military Veterans.
- **Encouragement of Innovation and Reward of Excellence.** We will create a learning organisation in which all employees seek and share knowledge and information while committing themselves to personal growth. We will set the example and lead the way. We will lead by example and influence others to follow these principles. We will be sensible of the demands we make on people, recognising the unique commitment they make.
- **Redress.** We will seek to address the wrongs of the past in relation to Military Veterans and we will strive for equity in this sector.
- **Value for Money.** We will seek to ensure maximum returns on investment in programme implementation and manage finances accordingly.

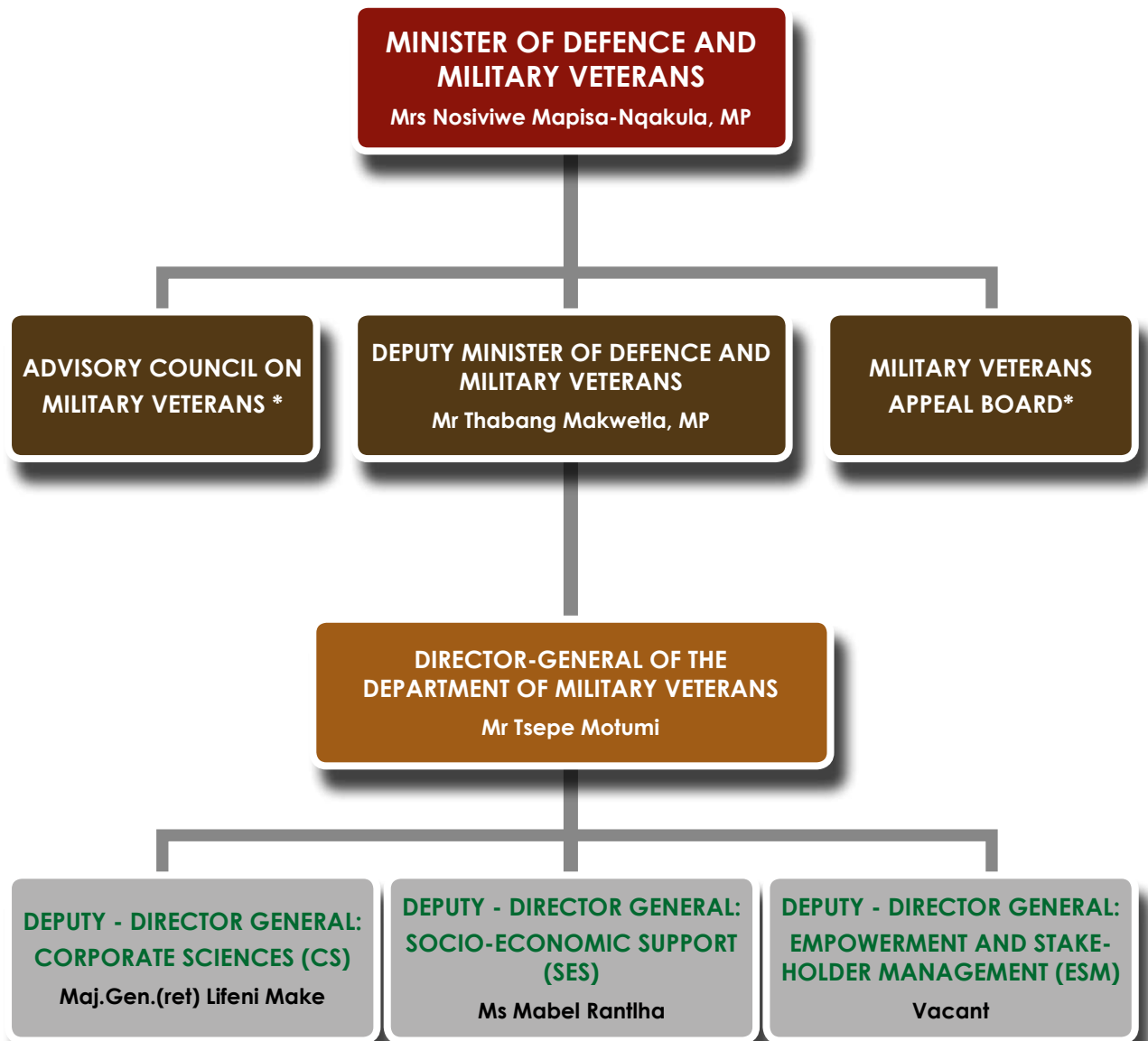
1.7 Legislative and other Mandates

The Department of Military Veterans derives its legislative mandate from the Military Veterans Act, 18 of 2011, which requires it to provide national policy and standards on socio-economic support to Military Veterans and their dependants, including benefits and entitlements to help realise a dignified, unified, empowered and self-sufficient community of Military Veterans.

The main objective of the Department of Military Veterans is to provide national policy and standards on socio-economic support to Military Veterans and their dependants, as well as policies and standards on heritage and empowerment programmes including those that contribute to nation building and reconciliation.



1.8 Organisational Structure



* The two statutory bodies provided for in the Act have since been included in the functional structure

Figure 1: Macro-organisational structure

1.9 Entities Reporting to the Minister

Currently, no entities report to the Minister of Defence and Military Veterans are allocated to the Department of Military Veterans.

The Act establishes three organs of state reporting to the Executive Authority, the Advisory Council on Military Veterans, The Appeals Board and the association representing Military Veterans associations nationally.

Invoking the governance provisions articulated in section 7 (1) of the Act, the period under review saw the establishment of the umbrella association representing Military Veterans, the South African National Military Veterans Association (SANMVA) and the gazetting of the date of establishment.

Further, the period under review saw the commencement of processes to amass suitably skilled human capital to service the two organs of state. Finalisation of the processes will take place during the 2014 financial period.





PART B

Performance Information

2.1 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 94 of the Report of the Auditor-General, published as Part E: Financial Information.



2.2 Overview of Departmental Performance

2.2.1 SERVICE DELIVERY ENVIRONMENT

The Department of Military Veterans derives its mandate from the Military Veterans Act 18 of 2011, which requires it to provide national policy and standards on socio-economic support to Military Veterans and to their dependants, including benefits and entitlements to help realise a dignified, unified, empowered and self-sufficient Military Veterans' community.

The environment wherein the DMV operated included, the coordination and facilitation of the provision of socio-economic support services to Military Veterans, managing and coordinating Military Veterans' empowerment and stakeholder relations services as well as ensuring that the needs of Military Veterans and their dependants are addressed.

The following are key service delivery strategic issues:

- The Department of Military Veterans Benefits Regulations and the Application form were gazetted on 19th February 2014. A 'Regulation made easy' document has been developed to enable usage as a communication tool.
- One significant development has been the role of the DMV in assisting the new Umbrella Association (SANMVA) to host provincial election conferences to ensure that SANMVA has a legitimate structure in all provinces in line with the Military Veterans Act as well with the new

constitution adopted at the conference in 2014.

- An agreement has been reached with SASSA to administer social relief of distress through this institution.
- Four thousand seven hundred and nineteen 4 719 Military Veterans were provided with healthcare in the period under review. This brought the total number of Military Veterans on the Department's healthcare database to 7 703.
- Disease management workshops were conducted in Gauteng, Limpopo, Western Cape, KZN and Mpumalanga for Military Veterans and the process is ongoing to cover all other provinces and to reach approximately 1 800 targeted Military Veterans. This exercise focuses on creating awareness of Military Veterans living with chronic diseases such as sugar diabetes, high blood pressure or HIV. Public Works is currently finalizing the purchase of the first Healthcare and Wellness Centre for Military Veterans.
- Sixty (60) Military Veterans had been enrolled on a driver training programme in two provinces.

2.2.2 SERVICE DELIVERY IMPROVEMENT PLAN

The department has completed a service delivery improvement plan. The tables below highlight the service delivery plan and the achievements to date.

Table 1: Main services and standards

MAIN SERVICES	BENEFICIARIES	CURRENT/ ACTUAL STANDARD OF SERVICE AS IN THE APP	DESIRED STANDARD OF SERVICE AS IN THE APP	ACTUAL ACHIEVEMENT AGAINST STANDARDS
Establishment of Provincial Military Veteran Offices	Military Veterans	Ensure that Military Veterans have access to all benefits	The department will ensure that Military Veteran offices are established in order to ensure easy access to all benefits after being registered on the Departmental Database	Provincial Military Veteran Offices have been established Provincial coordinators have been appointed

Performance Information

Table 1: Main services and standards (continued)

MAIN SERVICES	BENEFICIARIES	CURRENT/ ACTUAL STANDARD OF SERVICE AS IN THE APP	DESIRED STANDARD OF SERVICE AS IN THE APP	ACTUAL ACHIEVEMENT AGAINST STANDARDS
Ensuring accessible benefits by Military Veterans and their beneficiaries	Military Veterans	Ensure that Military Veterans have access to all benefits	Assist with identifying and ensuring that Military Veterans and their beneficiaries are benefitting from Departmental Programmes	Gazetting of MVBR, 2014 To drive delivery of benefits
Establishment and maintenance of the credible national database	Military Veterans, dependants of Military Veterans and other service delivery agencies such as GPAA, DHS etc.	16 000 verified Military Veterans in the database	57 000 Military Veterans registered and verified on the database.	56 683 Military Veterans were loaded on the database

Table 2: Batho Pele arrangements with beneficiaries (Consultation access etc.)

CURRENT/ ACTUAL ARRANGEMENTS	DESIRED ARRANGEMENTS	ACTUAL ACHIEVEMENTS
Military Veterans Association	Military Veterans Association	Establishment of an Umbrella association representing Military Veterans (SANMVA).
Management Committee	Management Committee	Employees updated on all issues that relates to the department
Establishment of the Military Veterans' magazine	Establishment of the Military Veterans' magazine	Honour Magazine was established and Military Veterans information is published on a monthly basis.
DMV planning and budgeting process transparent	Institutionalisation of the transparent DMV planning and budgeting process	Flyer that articulates DMV Planning, Budgeting and Monitoring and Evaluation Cycle that all statutory consolidates timelines. DMV Quarterly reports were developed, approved by AO and submitted to NT, DPME and AGSA

Table 3: Service delivery information tool

CURRENT/ ACTUAL INFORMATION TOOLS	DESIRED INFORMATION TOOLS	ACTUAL ACHIEVEMENTS
The DMV Newsletters/Pamphlets	The DMV Newsletters/Pamphlets	Distributed widely to stakeholders
The DMV website	The DMV website	The website was developed to ensure that clients and the public at large can access relevant information Significant number of visits to the website
The DMV Annual Report	The DMV Annual Report	Distributed widely to stakeholders
The DMV Annual Performance Plan	The DMV Annual Performance Plan	Distributed widely to stakeholders
The DMV Strategic Plan	The DMV Strategic Plan	Distributed widely to stakeholders

Table 4: Complaints mechanism

CURRENT/ ACTUAL INFORMATION MECHANISM	DESIRED INFORMATION MECHANISM	ACTUAL ACHIEVEMENTS
Departmental toll free number	Departmental toll free number	No complaints received
Presidential hotline	Presidential hotline	Complaints received from Presidential hotline are responded to within the timeframe allocated

2.2.3 ORGANISATIONAL ENVIRONMENT

The organisational and functional approved structure of the DMV consists of 169 posts at a cost of R92.2 million per annum, of those post only 135 were funded at R80.6 million. As at 31 March 2014, the DMV had filled a total of 123 funded posts and other key positions were advertised. It is important to note that, as the Department unfolds, there will be a need for structural reviews to maximise service delivery but, most importantly, to align the functional structure with the legislative mandate as well as with overall regulatory prescripts across government. These prescripts relate to information management and deepening of the evaluation culture, to name but a few.

There has been a slow movement in the DMV's staffing process, mainly due to insufficient office accommodation which impacted on staffing of vacant posts. The Department has been utilising detached and seconded members to execute the mandate during the 2013/14 financial year which included 29 members who were detached from the South African Navy: 13 members seconded

from the Department of Defence (Army, Air Force, Navy and SAMHS); and a total of five (5) Reserve Force members who were called-up from the Department of Defence. Furthermore, six (6) contract workers were appointed. It is important that the department strengthen its capacity by filling the posts in terms of the approved establishment/structure. The functional structure of the DMV will be further refined so as to align with government requirements as well as statutory governance requirements.

2.2.4 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

During the period under review, to enhance seamless roll out of some benefits, a Ministerial determination, was issued for means testing for access to some benefits such as education, health and burial support to be waived. A submission to this end is in progress for Ministerial signatures. Central to the delivery of socio economic benefits has been the gazetting of MVBRs, 2014 that provides a legal base for the acceleration of delivery of benefits.

2.3 Strategic Outcome Oriented Goals

DEPARTMENT OF MILITARY VETERANS CONTRIBUTION TO THE MTSF OUTCOMES AND EXECUTIVE AUTHORITY'S PRIORITIES

The department of Military Veterans during the period under review while executing the Executive Authority's priorities contributed to the Government outcomes (MTSF outcomes) as follows:

Outcome 1: Improved quality basic education read with Outcome 4: skilled and capable workforce to support an inclusive growth path

The DMV seeks through the Branch to contribute to the realisation of outcome 1 by providing Education Support to Military Veterans and dependents eligible for such support. During the 2013/14 financial year, the DMV provided 200 bursaries to Military Veterans' dependents.

Outcome 2: Long and healthy life for all

In contribution to the Government outcome that promotes justiciable right to health care and social security, the following achievements have been realized during the period under review:

- 4 719 Military Veterans have received access to healthcare in the 4th quarter. A call center at the South African Military Health Services has been set up to ensure easy access to information by Military Veterans.
- In an attempt to ensure speedy delivery of health services to Military Veterans, 5 546 health cards have been issued to ensure easy access to healthcare by Military Veterans.
- An agreement was reached with SAMHS to allocate 3 desks in this structure's call centre for the DMV. A dedicated call centre number was issued and the three desks are currently manned by contract officials sourced from the DOD.
- Collaborations have been initiated and are continuing with the Department of Public Works regarding the process for the procurement of a wellness center for Military Veterans.

Outcome 5: A skilled and capable workforce to support an inclusive growth path

The period under review, has seen the commitment to empowerment being concretised through the collaborations and partnerships enunciated below:

- The database of unemployed Military Veterans, indicating their skills was submitted to DRDLR as it seeks to employ and/or utilise Military Veterans' skills in all their programmes.
- Department of Water Affairs has started placing Military Veterans in their infrastructure projects. The first group of 25 was identified from the list of 1 479 unemployed Military Veterans submitted to both the Departments of Water and Environmental Affairs during the second quarter.
- The department has continued to provide support to initiatives by Military Veterans' owned entities. Through this process, at least 100 jobs have been created in the Gauteng Provincial Department of Infrastructure Development.

Outcome 7: Vibrant, equitable, sustainable rural communities contributing towards food security for all.

In giving substance to section 6 (f) and (g) of the Military Veterans Act 18 of 2011 that requires the Department partner with other organs of state to facilitate the delivery of the benefits to Military Veterans the period under review saw the finalisation of legal instruments to inform the collaborations, these being:

- The conclusion of a very comprehensive Memorandum of Understanding between our Department and the Department of Rural Development and Land Reform. The process to implement the MOU has already commenced, with the establishment of the Interim Steering Committee. The necessary implementation protocols will also be developed.
- Discussions towards utilisation of Military Pension as the DMV service provider for delivery on compensation for injury in service were

initiated in 2012/2013 financial year. During the second quarter a meeting was scheduled with Alexander Forbes for 11th November 2013 to finalise discussions on the framework for the Military Veterans Pension. The DMV will receive a report on the Military Veterans' pension from Alexander Forbes on 28th January 2014. This will make it possible for the DMV to finalise the Military Veterans' pension framework. GPAA awaits the approved framework to finalise the MV Pension system and cooperation agreement this institution is working on. By the end of quarter 4 the initial list of 400 Military Veterans (based on resources allocated by Treasury for Benefits provisioning) was ready for the activation of the MV Pension.

Outcome 8: Sustainable human settlements and improved quality of household life

During the period under review, an agreement on the design and cost of a Military Veteran's houses was finalised. DMV is also represented on the DHS National Housing Forum which presents the opportunity to mainstream issues of housing for Military Veterans in national strategies and systems for planning, allocation of resources and implementation of human settlements in the country. The opportunity to facilitate a special housing dispensation for Military Veterans in line with section 5 (1) of the Act.

During the year under review the following are highlights of DMV major achievements:

- An agreement was reached in the housing sector that the National Military Veterans' Database be used to authenticate the bona fides of Military Veterans for access to housing.

- DMV tested provisioning of housing for Military Veterans by building prototype 2 houses in partnership with North West Province and handing over those houses to 2 World War Military Veterans in Kraaipan. The Deputy Minister of Defence and Military Veterans, Premier of North West and Human Settlement Ministry jointly presented the keys to beneficiaries. It was also identified that DHS means test versus DMV eligibility criteria for access by Military Veterans to housing and procedure to transfer top-up fund for Military Veterans' houses was a challenge that DMV had to overcome. However the matter was resolved through an agreement to adjust the housing means test to accommodate Military Veterans in a meeting with Deputy Ministers of Defence and Military Veterans and Human Settlements.
- The Service Level Agreements on the provision of housing for Military Veterans were signed with Mpumalanga, Limpopo, North West, Free State and KZN. The dependence of DMV on line function departments to deliver services to Military Veterans remains a challenge.

Outcome 9: Responsive, accountable, effective and efficient local government system

The following critical and strategic partnerships were established with Government Departments and Municipalities in 2013/14 financial year with milestones realised as follows:

Table 5: critical and strategic partnerships

CRITICAL PARTNERS	SERVICE DELIVERY PARTNER	PURPOSE OF PARTNERSHIP
Social Development Services		
Counselling	<ul style="list-style-type: none"> • Department of Social Development • Military Veterans Healthcare Professional Association • SAMHS 	To provide counselling services to Military Veterans and dependants.
Education	<ul style="list-style-type: none"> • Department of Basic Education • NSFAS 	To improve efficiencies in the provision of education support to Military Veterans and dependants.

Performance Information

Table 5: critical and strategic partnerships (continued)

CRITICAL PARTNERS	SERVICE DELIVERY PARTNER	PURPOSE OF PARTNERSHIP
Transport Subsidies	<ul style="list-style-type: none"> Department of Transport EThekweni Municipality 	To explore and implement best practice for the provision of public transport subsidies to Military Veterans.
Pension	<ul style="list-style-type: none"> GPAA and its Units for; Special Pension, NSF Pension and Military Pensions. Department of Social Development 	To establish and activate the Military Veterans Pension.
Housing	<ul style="list-style-type: none"> Department of Human Settlements Eastern Cape Provincial Government North West Provincial Government 	To initiate rollout housing for Military Veterans.
Healthcare		
Healthcare and wellness services	<ul style="list-style-type: none"> SAMHS Military Veterans Healthcare Professional Association Military Pensions Department of Health Department of Public Works 	To provide health, wellness and compensation to Military Veterans
Beneficiaries Support Services		
Management of the National Military Veterans Database	<ul style="list-style-type: none"> Stats SA SITA Department of Home Affairs DoD 	To ensure; <ul style="list-style-type: none"> High volume electronic data-capturing Efficient database management and security Ongoing information updates. Smooth transition of servicemen from military service to civilian life.
Continental and International Initiatives		
Cooperation at national, continental and international levels on socio-economic support services to Military Veterans and dependants.	United Nations Development Programme South Africa and its agencies for: <ul style="list-style-type: none"> Healthcare Education Children and Women Housing and so on. 	<ul style="list-style-type: none"> To advance cooperation on socio-economic support services to Military Veterans at national level Facilitate integration of issues of Military Veterans in processes to consolidate the continental agenda for development To facilitate mainstreaming of issues of Military Veterans in relevant international development initiatives.

Outcome 12: An efficient, effective and development oriented Public Service and an empowered, fair and inclusive

During the period under review, the department ensured the effectiveness and efficiency through:

- Active participation at the Cabinet Lekgotla as well as the JCPS as well as the economic and social cluster.
- Active participation in the review of Government Wide Monitoring and Evaluation Policy
- In collaboration with DPME the Diagnostic Evaluation of the Military Veterans' Empowerment and Skills Transferability Programme has been conducted. In addition a feedback loop process has been finalised and currently the evaluation is in the process of being finalised.

In ensuring the institutionalisation of Information Technology/Information Systems convergence, the period under review saw the achievements in the areas provided below:

- Approval of the Business Agreement (BA) with SITA to establish contractual relationship between the two organs of state for provision of information systems, information communication technology and related services by SITA.
- Successful negotiation with SITA and acquisition of on-site strategic IT support
- Developed and signed a Service Level Agreement with SITA for the facilitation of Mainframe Hosting Services of transversal systems for DMV.

The skills revolution agenda was embraced through various programmes that focus on document management, transversal systems update as well as on Monitoring and Evaluation in line with the National Evaluation Policy.

DEPARTMENT OF MILITARY VETERANS PERFORMANCE AGAINST EXECUTIVE AUTHORITY'S PRIORITIES FOR THE 2013/14 FINANCIAL YEAR

The following are the achievements against the priorities set by the Executive Authority for the 2013/14 financial year as linked to the mandate of the department.

Ensuring a fully functional Department of Military Veterans with an independent vote, systems and processes

In an attempt to building an effective , efficient and development oriented public service and an empowered, fair and inclusive citizenship, the Department, during the period under review, finalized legal instruments to inform infrastructure development that underpins that delivery to Military Veterans with the State Information Technology Agency (SITA), an organ of state mandated to deliver IT / IS convergence within government and the Department of Public Works (DPW) , an organ of state that is a custodian of state endowment.

The aforementioned legal instruments saw the implementation of transversal systems that mark the systems migration of Military Veterans to its independent systems for the 2013 financial year. This achievement places the Department on course to graduating from the transfer payment to the end state of an independent vote for 2014 financial year. The Department, during the period under review also initiated discussions with National Treasury, during the 2013 MTEC presentations, for the strategic positioning of the Department within the social and economic clusters. The MTEC deliberations saw the increase of the allocation to R300 million to enable the invoking of section 26 of the Military Veterans Act 18 of 2011 which enabled, subject to the promulgation of delegated legislation, the fast-tracking of:

- Provision of immediate social relief of distress to the most vulnerable Military Veterans.
- Provision, subject to availability of resources, comprehensive support services to Military Veterans and where applicable, to their dependents.

Promotion of empowerment programmes for and of Military Veterans

The period under review saw the development in consultation with Department of Monitoring and Evaluation of the diagnostic evaluation Programme on the Empowerment Programme, which was duly approved by Cabinet. In addition, this will result in the development of instruments and/or tools to recognize the learning acquired by Military Veterans and to allow for quantification and recognition of that experience to facilitate access to employment opportunities.

During 2013/14 financial year, DMV engaged in various efforts to develop and/or enhance Military Veterans Skills Base. The department will continue to pursue these efforts and during 2014/15 financial year focus on the following priorities:

- Partnering and/or utilization of the SETAs to assist Military Veterans to access the requisite training which will provide them with either entrepreneurial skills or those skills that will allow them to enter the labour market especially in the sectors that have been prioritized.
- Processes to ensure utilization of the Centre for Advanced Training (CAT) to its full potential at an advanced stage. In this regard, DMV engaged both the Departments of Basic and Higher Education with a view to addressing CAT accreditation issues.
- DMV has begun engaging other critical partners with a view to facilitate training opportunities provided by those partners in their relevant sectors. These efforts will be pursued vigorously in this financial year.

In addition, In line with sections 5 (1) (d), (e) and (f) of the Military Veterans Act, DMV initiated a process to develop systems that will form the basis of empowerment programs for Military Veterans.

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In this regard, a comprehensive Foresight Driven Strategy for Military Veterans Empowerment was developed during the past financial year. The strategy provides a comprehensive framework and/or the basis for skilling and empowerment of Military Veterans. Key priority economic sectors that are identified in the strategy and in which work has commenced include:

- Rural Development Space
- Construction Sector
- Energy Sector
- Environment Sector
- Mining Sectors

During the 2013/14 financial year, the DMV developed MoUs with the Departments of Water Affairs and Environmental Affairs for the provision of jobs for Military Veterans in selected work areas in these departments. Whilst the MoUs are being finalized for approval, an interim process is underway to provide about job opportunities to Military Veterans in line with the draft MOAs. Working together with the various Military Veterans Associations the process is underway to identify and ensure placements of Military Veterans in this project.

During the 2013/14 financial year, the DMV concluded a MoU with the Department of Rural Development and Land Reform which will also include business opportunities for Military Veterans. During the following financial year (2014/15), both departments will facilitate access by veterans to various opportunities that are provided by Rural Development programs including, the Rural Enterprise and Infrastructure Development Programme as well as Land Acquisition and Recapitalization Programme. In addition, Rural Development has undertaken to utilize Military Veterans Skills in the implementation of these programs, especially prioritizing skilled but unemployed Military Veterans (MVs).

In 2013/14 financial year DMV engaged companies in the mining sector with a view to identifying critical opportunities for MVs. Negotiations which will see MVs playing a meaningful role in the entire

mining value chain and other areas of Corporate Social Investments offered by this sector are at an advanced stage.

The energy sector has identified MVs amongst other priority beneficiary groups, together with youth, women and people with disabilities. In 2013/14, the department initiated engagements with its government counterparts in the sector. Processes to ensure meaningful participation by MVs in this sector as well are at an advanced stage. This will be initiated by opportunities that arise from the Government's Renewable Energy programs. The DMV and the Department of Energy are finalizing a Memorandum of Understanding as it is anticipated that the MoUs will be finalized in the 2013/14 financial year.

Promotion of heritage of Military Veterans and memorialization and honoring of Military Veterans

In acknowledgement of the contribution the Military Veterans made in the realization of the South African democracy, 100 medals have been designed and submitted for procurement during the period under review. The identification of a site for the Tomb of the Unknown Soldier has been done and development of the first designs for the tomb is in the process of being finalized.

Maintenance of a credible and secure national military veteran's database

The first and second phase of a process to update personal information in the National Military Veterans' Database is continual. To date there are Military Veterans in the MVs database which are to be subjected to a means test for eligibility of the service delivery benefits as prescribed in section 5 of the Military Veterans Act, 18 of 2011.

The process to verify the bona fides of Military Veterans who neither integrated nor demobilized in 1994 for listing in the National Military Veterans Database began in March and ended in September 2013. According to plan, approximately 900 interviews would be conducted by the National Military Veterans Verification Panel. A total of 342 were actually interviewed as follows:

Table 6: Military Veterans Verification process

ORGANISATION	SUCCESSFUL APPLICANTS	NON-SUCCESSFUL APPLICANTS	COMMENTS
AZANLA Interviews			
76	47	29	Too many disruptions by AZANLA representatives in the verification process
APLA			
139	48	91	The reality of 2 APLA formations remain a challenge for the DMV
MK			
127	79	48	The issue of self-defence Units remains an issue that needs attention and the DMV needs political guidance on this matter.

There is a concern in the department that former NSF Military Veterans and dependants are not satisfactorily accessing the opportunity to update personal files in the database. This will make it difficult to prioritise Military Veterans who are mostly in need of socio-economic support services. The department is currently exploring options to mobilise desired levels of response for updates of information in personal files of Military Veterans listed in the database.

Implementation of a high impact communication and marketing strategy and plan

The period under review saw partnership with GCIS in raising the profile of Military Veterans as well as keeping the interest alive and momentum going. Several communication platforms were employed that targeted various segments and these were informed by the draft communication strategy and marketing plan. Several public participation engagements were conducted during the period under review.

DEPARTMENT OF MILITARY VETERANS OUTCOME, OUTPUTS, INPUTS AND ACTIVITIES

In executing its mandate, the DMV, during the period under review focused on the implementation of the logical framework which clearly outlines the outcome, outputs, activities, inputs and investing for the future. The achievement of the DMV outcomes and outputs was clearly linked with the contribution to the Government MTSF Outcomes.

DMV OUTCOME

The outcome of the DMV is "A dignified, unified, empowered and self-sufficient Military Veterans' community".

DMV OUTPUTS

The outputs of the DMV (services which the DMV delivers to achieve the outcomes) are as follows:

- DMV Direction
- Military Veterans Socio-Economic Support Services
- Military Veterans Empowerment and Stakeholder Relations

DMV ACTIVITIES

To achieve the above-mentioned outputs of the DMV, the following activities are executed:

- Provide corporate support services in the DMV.
- Provide executive and administrative support services to the Executive Authority.
- Ensure efficient systems and processes for monitoring and evaluation.
- Provide risk governance frameworks and risk management services in the DMV.
- Ensure the provision of accountable strategic budgeting systems, processes and services in the DMV.

Performance Information

- Ensure that the affairs of the DMV are audited.
- Provide information management services in the DMV.
- Provide legal framework and advice in the DMV.
- Ensure that a comprehensive administration policy is in place in the DMV.

Inputs

- Human resources
- Financial resources
- Information systems
- Material (infrastructure and equipment)

BUILDING FOR THE FUTURE

Investing for the future will be sustained by:

- Ensuring appropriate research and policy.
- Promoting a global presence.
- Ensuring consensus on the agenda of Military Veterans.



2.4 Performance Information by Programme

2.4.1 PROGRAMME 1: ADMINISTRATION

Purpose: To provide management and strategic administrative support to the ministry, and overall management of the department.

The programme consist of the following sub-programmes:

Ministerial Direction – To provide political direction to the DMV to ensure “a dignified, unified, empowered and self-sufficient community of Military Veterans.

Departmental Direction - To provide departmental direction to ensure effective management of the DMV (provide strategic vision mapping and objectives setting within the Department).

Financial Management - Provide a cost-effective financial management service to the DMV within the evolving regulatory frameworks by means of a professional and representative financial management system.

Internal audit - Provides internal audit and risk management services to the DMV by managing and conducting compliance audit services.

Office accommodation - Manages the payment of accommodated charges, leases and municipal services as a direct result of the devolution of a portion, of the national Department of Public Works' budget to national departments.

Programme Objectives

Develop an accountable administration that provides norms and standards for the:

- On-going provision of Military Veterans related social responsibilities and empowerment programmes;
- Development of on-going consensus concerning the military veteran landscape;
- Provision of sound Military Veterans policy, strategic direction and advice;
- Provision of sound policy and administration;
- Provision of governance risk and compliance frameworks and capabilities; and
- Implementation of systemic monitoring and evaluation.

Table 7: Details of Programme performance against the set targets: Administration

PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2012/2013	PLANNED TARGET 2013/2014	ACTUAL ACHIEVEMENT 2013/2014	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2013/2014	COMMENT ON DEVIATIONS
PROGRAMME : ADMINISTRATION					
% of Senior Managers` Financial Disclosures concluded	No auditing undertaken during this period	100%	99%	1%	It was discussed during the finalisation of MPAT 1.3
Auditor-General Option	No auditing undertaken during this period	Unqualified	Disclaimer	Unqualified	Non-Compliance: misclassification, irregularities-irregular expenditure and inadequate asset management
DMV planning instruments approved and tabled in Parliament in line with planning prescripts	No auditing undertaken during this period	Approved and tabled by February 2013	DMV 2014/15 APP Approved and tabled in parliament	N/A	The draft 2014/15 APP was tabled in Parliament on Wednesday 12 March 2014

Performance Information

Table 7: Details of Programme performance against the set targets: Administration (continued)

PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2012/2013	PLANNED TARGET 2013/2014	ACTUAL ACHIEVEMENT 2013/2014	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2013/2014	COMMENT ON DEVIATIONS
Statutory reporting and M&E instruments approved and tabled	No auditing undertaken during this period	Performance reports developed, approved and tabled on time	Performance reports were developed, approved, tabled and submitted to NT, AG and DPME	N/A	DMV Quarterly Performance reports for the period under review were developed, approved by the AO and submitted to NT, AG and DPME.
Attendance and participation of DMV in relevant cluster meetings	No auditing undertaken during this period	100 % attendance	90%	10%	The Accounting Officer will ensure that the DMV fully participate in the relevant cluster meetings. The apologies for non-attendance will be sent to the relevant institution timeously
Military Veterans regulations prepared for approval	No auditing undertaken during this period	Implementation and monitoring	The MV Regulations were gazetted on 19th of February 2014	N/A	A 'Regulation made easy' document has been developed to enable usage as a communication tool.
Approved DMV Communication and Marketing Strategy	No auditing undertaken during this period	Approved Strategy	Strategy was tabled in EXCO but not approved	N/A	The strategy was tabled at EXCO though it was not finalised since the branch had to review the budget
% of cases from the National Anti-corruption hotline concluded within the stipulated timeframe determined by OPSC	No auditing undertaken during this period	100%	100%	N/A	The DMV will ensure that there is continuous communication with the OPSC to ensure that cases are forwarded as and when reported
Promulgated DMV Information and Communication Technology Strategy	No auditing undertaken during this period	Strategy piloted and approved	Strategy has been approved but not yet implemented	Strategy implementation and Monitoring	The posts for ASD ICT have been filled to ensure implementation of the signed strategy Director ICT post will be filled to ensure that the department can deliver on its mandate.
Approved DMV Human Resource Skills Plan	No auditing undertaken during this period	Develop HR skills plan	Not yet approved	Approved HR Skills plan	Plans to be developed once the HR capacity problem has been resolved
% of signed performance agreements by DMV personnel	No auditing undertaken during this period	100%	30%	70%	Steps to be taken to enforce the adherence of the signing of PAs
Approved DMV Service Delivery and Improvement Plan	No auditing undertaken during this period	Approved	SDIP was included in the APP 2013/14 for monitoring purpose	N/A	The relevant directorate to monitor it in the 2014/15 Financial year

Table 7: Details of Programme performance against the set targets: Administration (continued)

PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2012/2013	PLANNED TARGET 2013/2014	ACTUAL ACHIEVEMENT 2013/2014	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2013/2014	COMMENT ON DEVIATIONS
% staffing of funded posts	No auditing undertaken during this period	90%	90,4%	+0.4%	DMV exceeded its annual target by 0,4 %
DMV Enterprise risk maturity level	No auditing undertaken during this period	Medium	Medium	N/A	DMV enterprise risk maturity level is on track
Average days of outstanding payments (claims and invoices)	No auditing undertaken during this period	>30 days	100% of legitimate and compliant payment were processed within 30 days	N/A	Legitimate and compliant payments were processed within 30 days.
% Deviation from approved cash flow	No auditing undertaken during this period	<8%	<8%	N/A	No deviations from approved cash flow were recorded.
% Compliance with budget transfer prescripts	No auditing undertaken during this period	100%	The DMV does not have any relevant budget transfers needed to be done	N/A	The DMV does not have any relevant budget transfers needed to be done
Approved DMV financial framework	No auditing undertaken during this period	Draft framework developed	Not approved	N/A	The activity was deferred to the 2014/15 Financial Year.
DMV Annual Performance Report approved and tabled in Parliament in line with national reporting prescripts	No auditing undertaken during this period	DMV 2012 Annual Report Approved and tabled by August 2013	The Accounting Officer's report was tabled as part of the DOD&MV annual report but DMV performance information was not been included in DOD annual report	N/A	The DMV was exempted from submitting the Annual Report and only the AO report was developed for inclusion in the Annual Report of the Department of Defence.
DMV Quarterly Performance Reports approved and tabled in line with national reporting prescripts	No auditing undertaken during this period	Quarterly report approved and submitted to National Treasury and DPME	DMV Quarterly Performance Reports were approved and tabled in line with national reporting prescripts	N/A	DMV Quarterly Performance reports for the period under review were developed, approved by the AO and submitted to NT, AG and DPME.
% improvement in public opinion on Mil Vets (value for money)	No auditing undertaken during this period	10%	20% improvement	+10%	Access to services ,information and benefits have increased for Military Veterans and their associations

Performance Information

Strategy to overcome areas of under performance

The strategies to address under performance are as follows:

- With regards to Approved DMV Human Resource Skills Plan, the Directorate Human Resources Management will develop the plan once the HR capacity problem has been resolved.

Changes to planned targets

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

Sub-programme expenditure

Table 8: Sub-programme expenditure

SUB- PROGRAMME NAME	2013/2014			2012/2013		
	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000
Management	48 041	48 041	0	101 403	96 976	4 427
Financial Administration	23 571	23 571	0	0	0	0
Internal Audit	3 770	3 770	0	0	0	0
Office Accommodation	64 087	0	64 087	0	0	0
Total	139 469	75 382	64 087	0	0	0



2.4.2 PROGRAMME 2: SOCIO-ECONOMIC SUPPORT

Purpose: To develop norms and standards for the provision of Compensation for injury in military service, counselling, public transport subsidies, healthcare, pension and housing services to Military Veterans and dependants where this is applicable.

The programme consists of the following sub-programmes:

Database and benefits management - Manage the national Military Veteran database and establish systems for smooth and seamless transition.

Healthcare and well-being support - Develop and implement healthcare and well-being frameworks for Military Veterans and establish healthcare and well-being partnerships.

Socio-Economic Support Management - Develop and implement legislative and policy frameworks, protocols and systems, and establish partnerships to advance access by eligible Military Veterans and dependants to legislated benefits pertaining to social development services.

Programme Objectives

Provide socio-economic support services to Military Veterans over the medium term by:

- Establishing and maintaining the credibility and security of the national Military Veterans' database through consolidating data, updating software and implementing an annual update of the database.
 - Ensuring that all deserving Military Veterans as identified through the database receive benefits as espoused in section 5 of the Military Veterans Act 18 of 2011, by 2015/16 financial year.
 - Develop strategic partnerships with other organs of state to advance delivery on basic social security by concluding, monitoring and evaluating performance against service level agreements and where applicable memorandum of understanding to ensure that:
 - Over the medium term 11 500 eligible Military Veterans have decent housing
 - 16 000 Military Veterans have access to health care services.
 - 400 eligible Military Veterans and dependents across the country are provided with on-going education and transport support over the medium term.
- Provide on-going support services to the dependants of Military Veterans over the medium term by:
- Coordinating, concluding, monitoring and evaluating the implementation of service level agreements and memoranda of understanding with organs of state and other relevant agencies.
 - Reporting comprehensively on the national Military Veterans' programme.
- Provide strategic leadership to the sector by:
- Conducting research on pertinent issues affecting Military Veterans and developing policies.
 - Implementing norms, standards, strategies, guidelines and efficiencies for leadership.
 - Ensuring that all Military Veterans receive relevant benefits and support by 2015/16 financial year.
 - Provide comprehensive wellness support services to eligible Military Veterans by concluding dedicated service level agreements with the relevant organs of state and other agencies over the medium term.

Performance Information

Table 9: Details of the Programme performance against the set targets: Socio-Economics Support Services

PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2012/2013	PLANNED TARGET 2013/2014	ACTUAL ACHIEVEMENT 2013/2014	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2013/2014	COMMENT ON DEVIATIONS
PROGRAMME: SOCIO-ECONOMIC SUPPORT SERVICES					
Total No. of Military Veterans with access to counselling and treatment of PTSD	No auditing undertaken during this period	1 000	507	4 93	The MVBRs were only approved on the 19 February 2014 which left the department with no time before the end of financial year.
Total number of deserving Military Veterans with access to health-care services	No auditing undertaken during this period	10 000	4 719	5 281	The said acceleration efforts started late due to the delay in the approval of MVBRs.
Number of distressed and vulnerable Military Veterans and dependants provided with immediate services	No auditing undertaken during this period	8 000	1 053	6 947	Due to late approval of the MVBRs the Branch could not achieve the target as set.
Number of deserving Military Veterans receiving the anticipated Military Veterans' pensions	No auditing undertaken during this period	10 000	0	10 000	Draft Military Veterans framework has been finalised
Number of deserving Military Veterans with access to transport	No auditing undertaken during this period	Development and approval of legal instruments (MoU)	Nil	Signed MoU	The Draft MoU has been developed
Total number of deserving Military Veterans with decent housing per year	No auditing undertaken during this period	1 500	2	-1 498	<ul style="list-style-type: none"> • Dependence on line function departments to deliver services to Military Veterans remains a challenge. Budget allocation only permitted the provision of 505 houses. • Signed SLA's (Mpumalanga, Limpopo, North West, Free State and Kwazulu Natal)
Compensation of Military Veterans physically or mentally injured in action	No auditing undertaken during this period	100	Activity not achieved	N/A	Compensation was not planned for by SES during the 2013/14 financial year, however Finance section will implement ITR in consultation with the relevant directorate in the 2014/15 financial year
Level of credibility and security of the database and benefits information located in the database	No auditing undertaken during this period	100%	40%	60%	The verification process is still in progress.
Approved Military Veterans health-care policy	No auditing undertaken during this period	Systems readiness	Nil	Systems readiness	Final draft to be presented to MANCO at the beginning of 2014/15 financial year
Number of provincial health care & wellbeing centres (HWC) established	No auditing undertaken during this period	1	Nil	1	Public Works is currently finalizing the purchase of the 1st Health and Wellness Centre for Military Veterans.
Number of bursaries provided for Military Veterans and their dependants	No auditing undertaken during this period	200	200	N/A	The target was achieved as planned.

Strategy to overcome areas of under performance

- The Draft Military Veterans Pension Framework has been finalised and as a result an initial consultation meeting was held with National Treasury and a follow-up meeting has been scheduled to finalise agreement on financial issues relating to the Military Veterans pension.
- With regard to access to transport, consultation on the MoU and negotiations are yet to be concluded.
- On the issue of decent housing for Military Veterans an agreement to adjust the housing means to accommodate Military Veterans was reached in a meeting with Deputy Ministers of Defence and Military Veterans and Human Settlements as a result Service Level Agreements (SLA) on the provision of housing for Military Veterans were signed with Mpumalanga, Limpopo, North West, Free State and KZN.
- On the compensation of Military Veterans physically or mentally injured in action, compensation was not planned for by SESS in

the 2013/14 financial year and as a result this will be implemented in the 2014/15 financial year.

- On the approved Military Veterans health-care policy, final draft will be presented to MANCO at the beginning of financial year 2014/15 and this will pave way for the approval of the policy.
- On the number of provincial Health Care & Wellness Centres (HWC) established, Public Works is currently finalizing the purchase of the 1st Healthcare and Wellness Centre for Military Veterans.

Changes to planned targets

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

Sub-programme expenditure**Table 10: Sub-programme expenditure**

SUB- PROGRAMME NAME	2013/2014			2012/2013		
	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000
Database and benefits management	22 523	3 270	19 253	0	0	0
Research and Policy Development	13 303	2 577	10 726	0	0	0
Healthcare and well-being support	26 992	14 507	12 485	0	0	0
Socio-Economic Support Services	72 686	40 418	32 268	0	0	0
Total	135 504	60 772	74 732	0	0	0

Performance Information

2.4.3 PROGRAMME 3: EMPOWERMENT AND STAKEHOLDER MANAGEMENT

Purpose: Manage and facilitate the implementation of military veteran's empowerment and stakeholder management programmes.

The programme consist of the following sub-programmes:

Provincial offices and stakeholder relations – Facilitate and coordinate Military Veteran stakeholder institutions and provide administrative support.

Empowerment and Skills development – Provide reskilling programmes and related activities to ensure that Military Veterans contribute positively to mainstream economic activities.

Heritage, Memorials, Burials and Honours – Provide services to honour the contributions made by Military Veterans and ensure that their memoirs are adequately secured, articulated in a dignified manner and captured in historical texts.

Programme Objectives

Ensure the empowerment of deserving Military Veterans by:

- Establishing a fully functional special purpose vehicle that will facilitate business opportunities for development with other organs of state and the private sector, through partnerships and collaborations by 2013/14 financial year.

- Forming partnerships with 30 private sector companies and other organs of state over the medium term.
- Entering into service level agreements and memoranda of understanding with organs of state, and; monitoring and evaluating the implementation of the agreements and memoranda of understanding to ensure that support is provided on an annual basis.
- Concluding 12 formal agreements with institutions of higher learning for the provision of skills development over the medium term.
- Promoting relations at inter- and intra-government level.
- Facilitating the association of Military Veterans with the international community through the establishment of relevant exchange programmes.
- Ensuring that a total of 10 strategic initiatives are established at national, continental and international levels.
- Ensuring, through the Defence Centre of Advanced Training, that 7 500 deserving Military Veterans have access to relevant training and skills development, and the 1 000 have relevant South African Qualifications Authority qualifications and part qualifications over the medium term.

Table 11: Details of Programme performance against the set targets: Empowerment and Stakeholder Management

Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
PROGRAMME: EMPOWERMENT AND STAKEHOLDER MANAGEMENT					
Established and fully functional SPV	No auditing undertaken during this period	SPV Functional and delivery targets set	SPV regularisation not yet completed	SPV not yet fully established	DMV legal Services have been engaged to assist with the final regularisation of the SPV
Liberation war Memorial	No auditing undertaken during this period	Commissioning	Not yet Commissioned	Not yet commissioned	New manager appointed to head up Heritage unit and to draft plans for liberation war memorial

Table 11: Details of Programme performance against the set targets: Empowerment and Stakeholder Management
(continued)

PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2012/2013	PLANNED TARGET 2013/2014	ACTUAL ACHIEVEMENT 2013/2014	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2013/2014	COMMENT ON DEVIATIONS
Erection of the tomb of 'the unknown soldier'	No auditing undertaken during this period	Erection of the tomb of unknown soldier at the Union Building	Design finalised	Tomb not yet erected	Cabinet Memo has been prepared for approval by COD
Number of programmes Promoting the heritage of Military Veterans	No auditing undertaken during this period	2	3	+1	Draft document on the Commemoration of World War 1 is under development
Number of graves established and restored (NSF the heritage of Military Veterans sites)	No auditing undertaken during this period	2	0	2	Programme was held over to new financial year
Military Veterans Company database	No auditing undertaken during this period	On-going management of enterprise database	Copy of Military Veterans Companies on DMV database available	N/A	Continued updating of Military Veterans companies database
Number of deserving Military Veterans to access relevant training and skills development per year	No auditing undertaken during this period	2,000	1 270	730	New jobs have been under discussion with DWA and other entities
% reduction in the level of unemployment among Military Veterans	No auditing undertaken during this period	3%	10.9% (1 479 of 13 700 Military Veterans at 01 April 2013)	7%	Target to be corrected against new database as at 01 April 2014
Number of Military Veterans with relevant SAQA approved certificates	No auditing undertaken during this period	1,000	275	725	Approvals of short course study programmes to increase in the 2014/15 financial year
Number of Military Veterans' memorial sites erected per year	No auditing undertaken during this period	2	0	2	Engagements held with Public Works to discuss designs of Tomb of Unknown soldier and to fast track implementation.
Number of strategic Initiatives established at national, continental and international levels	No auditing undertaken during this period	10	1	9	Various MOUs still under discussion. Meeting has been held with International War Graves Commission for guidance on heritage and honouring in the aspects of MV graves

Performance Information

Table 11: Details of Programme performance against the set targets: Empowerment and Stakeholder Management (continued)

PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2012/2013	PLANNED TARGET 2013/2014	ACTUAL ACHIEVEMENT 2013/2014	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2013/2014	COMMENT ON DEVIATIONS
Number of events honouring NSF Military Veterans	No auditing undertaken during this period	3	0	3	Medals designs submitted for procurement for 100 medals for APLA
Military Veterans Training and Skills Development policy Document	No auditing undertaken during this period	Policy Approved	Policy approved and signed in December 2013	N/A	Policy to be revisited for possible refinements in 2014/15
Number of formal Agreements with institutions of higher Learning	No auditing undertaken during this period	5	1	4	Training of Provincial co-coordinators
Number of deserving Military Veterans receiving burial support per year	No auditing undertaken during this period	200	118	82	Database constantly updated.
Total number of private sector companies in Partnership with the Department of Military Veterans	No auditing undertaken during this period	10	463	453	463 service providers captured on DMV database include 23 companies who are owned by Military Veterans
Number of programmes Promoting the heritage of Military Veterans	No auditing undertaken during this period	2	0	2	DPME project on Skills Transferability Assessment is complete
Number of Programmes promoting the affairs of Military Veterans approved by cabinet	No auditing undertaken during this period	3	1	2	DPME project on Skills Transferability Assessment is complete

Strategy to overcome areas of under performance

The delay in approving the Military Veterans Benefits regulations has largely affected the achievement of the targets as highlighted during the year under review. The programme will undertake the following strategies to address areas of underperformance:

- In the period under review the programmes national office staffing was not yet adequately resourced in terms of its full staff complement, however, this matter will be addressed with shortlisting and interviewing of potential staff to

ensure that a full staffing complement is reached speedily to enhance delivery on all targets.

- During the period under review the new Provincial Coordinators as well as their deputy coordinators have been appointed for all nine provinces. This will increase the footprint of the DMV across South Africa and bring the scope for service delivery closer to the doorsteps of Military Veterans in their Provinces of residence. The programme will ensure the speedy sourcing of office space for DMV Provincial

Coordinators so that they are accessible in provinces where they have been appointed.

- The 2014/15 financial year will see the programme exploring the establishment of regional DMV offices in key municipal districts; this process will ensure that services are delivered almost to the door of Military Veterans, closer to their homes.
- With regards to Heritage Memorialization and Burials, the programmes will fast track the staffing of all the critical post to ensure continuity of service delivery.
- Under Skills Development and Empowerment the new financial year will see the full staffing of the vacant post.
- In all of the above appointments, much relief will be brought to the system and this will lead to a more productive year of work in the 2014/15 financial year.

- The reliance on external partnerships will continue to be a feature of the DMV going forward. Such partnerships are critical since the DMV will not be able to absorb all Military Veterans into its structures, neither for job placements, nor for any other services. Thus, the programme will strive to strengthen current partnerships and create new ones, where required, to ensure that the capacity for delivery of services to Military Veterans is at the top of the agenda of service delivery initiatives in the DMV at all times.

Changes to planned targets

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

Sub-programme expenditure

Table 12: Sub-programme expenditure

SUB- PROGRAMME NAME	2013/2014			2012/2013		
	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000
Provincial offices and stakeholder relations	15 821	15 821	0	0	0	0
Empowerment and Skills development	29 018	11 548	17 470	0	0	0
Heritage, Memorials, Burials and Honours	31 619	2 427	29 192	0	0	0
Total	76 458	29 796	46 662	0	0	0

Performance Information

2.5 TRANSFER PAYMENTS

Transfer payments, excluding public entities

DMV did not transfer funds to any entity during the 2013/14 financial year.

Public Entities

There were no Public Entities reporting to the Department of Military Veterans during the period under review.

2.6 CONDITIONAL GRANTS

Conditional grants and earmarked funds paid

There were no conditional grants earmarked during the period under review.

Conditional grants and earmarked funds received

The department does not have information in the annual report on conditional grants received.

2.7 DONOR FUNDS

Donor Funds Received

The Department did not have donor funds/ assistance which includes both cash and in-kind contributions during the period under review.

2.8 CAPITAL INVESTMENT

Capital investment, maintenance and asset management plan

There was no building project during the period under review.

Table 13: Capital Investment, Maintenance and Asset Management Plan

INFRASTRUCTURE PROJECTS	2013/2014			2012/2013		
	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000
New and replacement assets	0	0	0	0	0	0
Existing infrastructure assets	0	0	0	0	0	0
Upgrades and additions	0	0	0	0	0	0
Rehabilitation, renovations and refurbishments	58 877	0	58 877	0	0	0
Maintenance and repairs	0	0	0	0	0	0
Infrastructure transfer	0	0	0	0	0	0
Current	0	0	0	0	0	0
Capital	0	0	0	0	0	0
Total	58 877	0	58 877	0	0	0



PART C

Governance

Governance

3.1 INTRODUCTION

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

3.2 RISK MANAGEMENT

Nature of Risk Management

The Department has a dedicated risk management unit that is responsible for implementing risk management processes across the 3 branches within the Department. The unit is assisted by a newly established Risk Management Committee that is responsible for providing oversight functions on the Risk Management Process. The Risk Management committee will be fully operational in the 2014/15 financial year. The committee consists of the Deputy Directors General whom for the year under review approved the following reviewed Risk Management Documents: Risk Management

Strategy, Policy, Framework, Risk Management Committee Terms of Reference, Strategic and Operational Risk Register.

Risk Management strategies to identify and manage the risks

The Department conducts a comprehensive risk assessment on an annual basis to review / update the departmental risk register as per the approved Risk Management Strategy and as required by the Public Sector Risk Management Framework by National Treasury. During the risk assessment process the responsibility for designing and implementing risk action plans for the key risks identified is delegated to the specific risk owners namely from the Department's executive management.

Progress made in addressing risks identified

The Departmental risk register was reviewed during the 2013/14 financial year on a quarterly basis by executive management, updating the risk action plans. Executive management is committed to executing and implementing the risk action plans.

Table 14: DMV strategic risks

PRIMARY OWNER	RISK CONDITION (THREAT / SOURCE)	IMPACT CATEGORY	RISK IMPACT	ACTIONS TO IMPROVE MANAGEMENT OF THE RISK
DMV STRATEGIC RISKS				
Administration	Adequately skilled and dependable human capital.	Service Delivery	Failure to deliver on the strategic outcome. Inability to deliver the mandate as articulated in Section 5 of the Military Veterans Act, Act 18 of 2011	Recruitment process to be strengthened to solicit requisite competencies. (Recruitment policies to be in place, vetting/screening of employees, continuous training & development)
Socio-Economic Support Services and Empowerment and Stakeholder Management	Validity, accuracy and completeness (Inability to integrate and enhance data integrity and efficiency). Data integrity, security and reliability of information (integrity of Database). Poor accessibility by rural areas to register Military Veterans on the database.	Service Delivery	Service delivery compromised. Poor and delays in service delivery. - Inability to access beneficiaries timely. Inability to detect fraud and corruption. • Negative publicity (image of the department and the country compromised), • Poor stakeholder support. Business requirements not adequately reviewed.	Conduct database clean-up campaign (provision of essential skills to fast track the database clean-up)

Table 14: DMV strategic risks (continued)

PRIMARY OWNER	RISK CONDITION (THREAT / SOURCE)	IMPACT CATEGORY	RISK IMPACT	ACTIONS TO IMPROVE MANAGEMENT OF THE RISK
DMV STRATEGIC RISKS				
			<ul style="list-style-type: none"> Fictitious Military Veterans might be registered and receiving the Military Veterans benefits Duplicate force numbers/ Military Veterans. Inadequate control over registration/authorisation of Military Veterans. Unauthorised breaches to the database. 	
Socio-Economic Support Services and Empowerment and Stakeholder Management	Dependency on service delivery agencies (other government department for rolling out of service delivery benefits).	Service Delivery	Strategic and National objectives/outcome not achieved. Deviation from planned delivery targets.	Developing and monitoring of the implementation of service level agreements (MOU)
Administration	<ul style="list-style-type: none"> Inadequate IT infrastructure: (Non-adherence with IT governance). Lack of internal IT capacity to maintain systems / equipment. Lack of business continuity/disaster recovery plans. Lack of integration of systems (PERSAL, BAS, LOGIS). Lack of standardisation of information security measures. Lack of security policies and procedures (access control: network, systems, applications controls, data management, password administration, physical controls: unrestricted access to server rooms, environmental controls: maintenance UPS, generators, air conditions, fire extinguishers) Lack of contract/ supplier Management to adequately address supplier contracts. 	Service Delivery	<p>Essential capabilities and competencies to ensure service delivery.</p> <p>Unauthorised access</p> <p>Poor segregation of duties</p> <p>Inadequate skills of staff to ensure safeguarding of information and/or assets</p>	Discussions underway with SITA. BAS, PERSAL, LOGIS are in place. SITA provided office space for DMV to operate the systems. There are Service level agreements (SLA) with SITA to second officials to assist DMV with maintenance of the systems until such time that the appointment process of the DMV Chief Information Officer is finalised. (Policies and procedures are in progress for development)

3.3 FRAUD AND CORRUPTION

Departments fraud prevention plan and progress made in implementing the fraud prevention plan

The Department has an approved Fraud Prevention Policy and Plan. The Policy and Plan was approved by the Accounting Officer and updated on an annual basis.

The department was only operational during the 2013/14 financial year and filled capacity towards the middle of the 2013/14 financial year; hence due to capacity constraints no formal awareness workshop was conducted during the financial year under review.

The following are planned activities for the 2014/15 financial year in regards to the awareness campaigns:

- Conducting of awareness workshops at both Head Office and Provincial offices for the 2014/15 financial year.
- Posters and Pamphlets from the Public Service Commission and Department of Public Service and Administration to be distributed throughout the Department as part of raising awareness.
- An Anti – Fraud and Corruption Strategy to be put in place and made readily available to all DMV officials on the departmental website.

Mechanisms in place to report fraud and corruption

The Department has a Fraud Prevention Policy that outlines Whistle Blowing procedures to be followed when reporting suspected fraud and corruption.

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

An official can blow the whistle by utilising the following procedures according to the departmental Fraud Prevention Policy.

(i) Confidential whistle blowing

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

- It is the responsibility of all employees to immediately report all allegations or incidents of fraud and corruption to their immediate manager, may be done either in writing or orally.
- All managers are responsible for the detection, prevention and investigation of fraud and corruption and must report all incidents and allegations of fraud and corruption to the Director General.
- The Director General will initiate an investigation into the matter.

(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 that are administered through the Public Service Commission. 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.

Alternatively the employee may report the suspicion to the following:

- Any member of Management
- The Chief Audit Executive
- The Audit Committee Chairperson
- The Director General
- The Minister

3.4 MINIMISING CONFLICT OF INTEREST

Department uses the following procedures for 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 may be charged with misconduct according to the regulations.
- All Bid Committee members involved in the procurement process in the Department must

also sign conflicts of interest forms to avoid any potential conflict.

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

3.5 CODE OF CONDUCT

The department encourages its employees to make a personal pledge of commitment to the Code of Conduct. To facilitate this, the department HR ensures that all newly appointees complete the code of conduct.

In general, Codes of Conduct work to the advantage of DMV employees. Departmental employees are aware that, it is unlikely that an employer could dismiss them for failing to carry out work which the employee could demonstrate was unethical in terms of a code of conduct. If an employee was dismissed under these circumstances, he/she would be able to demonstrate to an Industrial Tribunal that they had adhered to the Code of Conduct while the employer had failed to do so.

It is therefore indicated to all employees that the principles and contents of the present code constitute exemplary specifications of the requirements of diligence, faithfulness and impartiality that characterize the correct performance of the employee's work obligations.

3.6 HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Occupational health and safety is one of the most important aspects of human concern in the department. It aims an adaptation of working environment to employees for the promotion and maintenance of the highest degree of physical, mental and social wellbeing of employees in all occupations. The department is currently participating on all Public Service programmes driven by DPSA. As

newly established department relocated to a new building the department is currently identifying all risk measures that need to be addressed.

The Health and Safety current status in the department is in the interest of employees, representative's employers and stakeholders, as well as the public at large. At the moment there are no any injuries on duty reported.

Understanding the moral, social, legal and economic bases for maintaining good standards of health & safety, the department will implement training programmes that will address the following gaps:

- The purpose of a health & safety policy and be able to assess the appropriateness of such policies.
- Explain the benefits of worker involvement and be able to advice on improving OHS cultures.
- Understand and be able to carry out risk assessments in low risk environments.
- Be able to inspect workplaces, monitor health and safety performance and report effectively on these.
- Explain the purpose of regular reviews of health and safety performance, how to undertake such reviews, and the criteria that influences the frequency of reviews.
- Explain the meaning of the term 'health & safety audit' and describe the preparations that may be needed prior to an audit and the information that may be needed during an audit.
- Explain the purpose of and procedures for investigating accidents and other events at work.
- Utilise records of accident and ill-health experience in an organisation.
- Explain the local requirements for notifying events to external agencies.

3.7 PORTFOLIO COMMITTEES

The dates of the meetings

Table 15: Portfolio Committee

Date of Meeting	Main Activity
11 April 2013	Budget and Annual Performance Plan analysis for 2013/14 financial year: DMV
16-20 September 2013	DMV appears before the Finance Appropriation Committee
08 -11 October 2013	To brief the portfolio committee on the Military Veterans General Regulations tabled in Parliament on 09 May 2013
05-07 November 2013	To present 2013/2014 financial year 1 st and 2 nd Quarterly Performance Report
25-27 February 2014	Presentation of MV Regulations before the Portfolio Committee on Defence and Military Veterans and attendance of Budget speech by the Minister of Finance
11-14 February 2014	To present 2013/2014 Financial year 2 nd and 3 rd Quarterly Financial and Performance Reports
03-05 March 2014	Military Veterans Benefits Regulations (MVBRs) and the report on its June -December 2013 financial and administrative performance

3.8 SCOPA RESOLUTIONS

There are no outstanding SCOPA resolutions for the Department of Military Veterans.

3.9 PRIOR MODIFICATIONS TO AUDIT REPORTS

There was no audit performed on the Department of Military Veterans by the Auditor-General South Africa during 2012/13 financial year and previous years as financial affairs of the DMV were audited as part of the Annual Financial Statements of DOD during these periods. The audit of DMV only started in 2013/14 financial year on a full scale.

3.10 INTERNAL AUDIT AND AUDIT COMMITTEES

Key activities and objectives of the internal audit.

Internal Audit provides management with independent, objective assurance and consulting services designed to add value and to continuously improve the operations of the Department. It should assist the Department to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of Governance, Risk Management and Control processes.

The following key activities are performed in this regard:

- Assess and make appropriate recommendations for improving the governance processes in achieving the department's objectives;
- Evaluate the adequacy and effectiveness and contribute to the improvement of the risk management process;
- Assist the Accounting Officer in maintaining efficient and effective controls by evaluating those controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement.

The table below discloses relevant information on the Audit Committee Members.

Table 16: Attendance of Audit Committee meetings by Audit Committee Members

NAME	QUALIFICATIONS	INTERNAL OR EXTERNAL	DATE APPOINTED	DATE RESIGNED	NO. OF MEETINGS ATTENDED
Mr V Nondabula	MBA in Finance and International Business, M.A. in Political Science, B.A. Honors in Political Science, B.A. in History and political Science, Diploma in Financial Management and UED	External	12/06/2012	None	4
Mr. P. Dala	Masters of Information Technology, CISA, CISM, CISSP, CEH, CHFI, ISO27001, QUR	External	01/04/2013	None	4
Ms O. Matloa	B.Com (Hons) & CTA, CA (SA)	External	01/04/2013	None	4
Mr. S. Radebe	B.Com (Hons) & CTA, CA (SA)	External	01/04/2012	None	4
Mr A. Amod	B.Com, MA, MBA, CIA, CGAP, CRMA	External	01/04/2013	None	4

3.11 AUDIT COMMITTEE REPORT

Report of the Audit Committee for the year ended 31 March 2014

We are pleased to present our final report for the financial year ended 31 March 2014.

Establishment of the Audit Committee

The Audit Committee is established in terms of section 38 (1) (a) (ii) of the Public Finance Management Act, No. 1 of 1999 (PFMA) and the National Treasury Regulations.

The Minister of the Department of Defence (DOD) and Military Veterans (DMV) formally approved the establishment of a shared audit committee for the Department of Defence and Department of Military Veterans on 08 February 2012 made up of independent non-executive members.

Audit Committee Responsibility

The Committee operates with an independent and objective stance and performs oversight function over the effectiveness of internal audit function, internal controls, risks and governance on the operations of the Department.

The Committee therefore reports that it has complied with its responsibilities in terms of section 38 (1) (a) (ii) of the PFMA and Treasury Regulations 3.1.1.3.

The effectiveness of Internal Control

The Committee has not reviewed the internal audit reports of the Department as the filling of posts occurred in the third quarter and independent internal audit reviews performed during the year will be finalised in the 2014/15 financial year. The Committee received limited assurance that the system of internal control is not fully functioning as intended and relied on assurance given by internal audit, management and Auditor General South Africa (AGSA). We also reviewed the Final Management Report (FMR) and internal control drivers dashboard analysis presented by AGSA.

The DMV established Internal audit division, performed a high level risk evaluation on the Supply Chain Management process, quality assurance reviews on the statutory documents including the draft annual report and assisted the Department to ensure that all AGSA queries are attended to on time. This gave us some assurance that the Department is in the process of closing all gaps identified during this process. Accordingly, the department is in the process of developing implementation plans to ensure that all AGSA findings are addressed.

In particular, through the coordination done by the Head of Internal Audit, we were able to review all the quarterly reports as required by the Treasury Regulations including Financial Statements, quarterly performance reports and the state of readiness with regard to filling of vacant posts, accommodation, implementation of systems and financial system, policies and procedures. The IT Governance and related IT controls formed part of the reviews, the Chief Information Officer was appointed in December 2013. We were given assurance by management that a comprehensive asset register will be produced with the assistance received from National Treasury.

We have noted that the Department is working hard as part of continuous improvement, to ensure that it build a strong control environment to receive an unqualified audit opinion during its second year of operation in 2014/15 financial year.

We have also noted that with the assistance of the established Internal Audit Division, and before the submission of the Annual Financial Statements and draft Annual report for statutory audit, that the Department has addressed and responded to a number of the issues raised by AGSA as reported in the factual findings, and that the Department is developing plans to address AGSA reported findings. However, there were delays in ensuring timeous provision of required information to AGSA. The turnaround time for the submission of supporting documentation to AGSA as agreed in the engagement letter was not adequately met.

Despite absence of key management personnel including the Accounting Officer, Deputy Director General-Corporate Service and the Chief Financial Officer who was on sick leave, the DMV made strides in

filling the vacancies which will continue to strengthen the internal controls and governance structures. Furthermore, for the ensuing 2013/14 financial year, the Audit Committee noted the efforts made by the Department as presented in the Accounting Officer's report.

Internal Audit

We have noted the efforts made by the DMV to establish an Internal Audit function, execution of approved annual internal audit plans, and are satisfied that the evaluation of processes will be performed to ensure that governance, risk management and internal controls are achieved effectively and value will be added in the 2014/15 financial year.

We will ensure that we work in close co-operation and partnership with the internal audit function and DMV management in fulfilling our oversight responsibilities.

The AGSA has reported through their quarterly dashboards and the Management reports, that there were control deficiencies in respect of leadership oversight, financial and performance information. Additionally, DMV Internal Audit is not adequately resourced. However, with an inadequate structure, some audit activities were performed which identified internal control deficiencies and recommended corrective actions for enhancement and were finalised in the 2014/15 financial year.

We concur with the AGSA findings and we are also satisfied with the progress made in resourcing the internal audit of the DMV, and recommended that the resourcing of the DMV Internal Audit must be reviewed as this might hamper the discharge of our responsibilities as prescribed by the Treasury Regulations.

Despite the capacity challenges experienced by the internal audit function, we are however, satisfied and particularly encouraged with the progress made by the Chief Audit Executive in laying a strong strategic, technical and professional foundation of co-operation, and creation of partnership with management and other assurance providers in dealing with the challenges relating to internal control, risk management and governance. This

has effectively strengthened the newly globally promoted and adopted Internal Audit Combined Assurance approach.

This approach has been implemented through assisting the Department with the performance report reviews and the interaction and co-ordination with AGSA before and during the statutory audits, and has contributed to the audit skills transfer and continuous strengthening of internal control environment.

We are particularly impressed by their approach to ensure compliance with the Standards for Professional Practice of Internal Audit (SPPIA), as prescribed in the Treasury Regulations. The outcome of these efforts will be more visible and reported in the 2014/15 financial year.

The quality of in year management and monthly/quarterly reports submitted in terms of the PFMA

The Accounting Officer has tabled the In-Year-Management (IYM) and monthly/quarterly reports to the Minister and to the Committee in compliance with the Act.

We were satisfied with the quality of IYM and monthly monitoring reports. There is no anticipated overspending on the budget appropriated to the Department. In areas where there is under spending the Department has surrendered the funds to National Treasury and requested the necessary authorisation for roll over from the Minister.

The Committee is satisfied with the quality of the quarterly reports and where the Department did not achieve the set targets, corrective measures were put in place. However, in certain few areas the quality of the quarterly reports needs to be improved in relation to the objectives to strictly adhere to SMART principle.

Evaluation of Annual Financial Statements

We have reviewed annual financial statements presented by Management to be presented to AGSA for audit for the financial year under review. The following specific functions were conducted:

- Reviewed accounting policies and generally

Governance

recognised accounting practices;

- Reviewed the Department's compliance with legal and regulatory provisions;
- Reviewed the Accounting Officer's report;
- Reviewed the adjustments effected during the audit including notes;
- Performance Information accompanying the Annual Financial Statements (AFS).

We have noted progress made by the Department in relation to assets that were not disclosed as opening balance in the financial statement in compliance with Section 42 of the PFMA Act. Although DMV was not provided with a handover certificate from DOD transferring all its assets to DMV, we are aware of the progress that the Department is making to address the opening balance and the tagging of all assets going forward. We were told that a proper asset register will be in place in the 2014/15 financial year.

We are concerned that, there are still challenges in the timing of compilation and finalisation of accurate Annual Financial Statements including the asset registers to ensure effective readiness of the Department for the statutory audit and to allow us to get the necessary independent assurance before the AFS are submitted for the statutory audit.

As mentioned above, the Department through Internal audit is in the process of implementing and ensuring combined assurance programme, which will ensure that all levels of line of defence are working as intended.

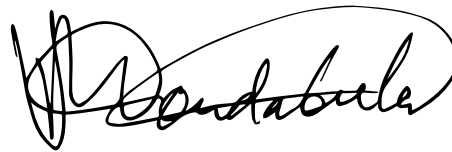
Auditor-General South Africa (AGSA)

We have reviewed and noted the AGSA's final Management and Audit Reports. Various financial statement items were raised by the AGSA as the basis for the disclaimer opinion. While the Committee agrees with many of these, however we are in disagreement with regards to assets. The department has scheduled a post-mortem workshop during November 2014 with the AGSA, management, the Audit Committee and other stakeholders. The purpose of the workshop will be to assess the overall audit, identify some bottlenecks to control effectiveness and address challenges faced by the department.

Notwithstanding the above issues, we are concerned that the DMV is still challenged in many areas of leadership, internal control, financial and performance information, and also lacks some approved policies and procedures. Management has committed to implement an effective implementation plan to address these control deficiencies. The Committee will be closely monitoring the effective implementation of DMV's turnaround plan on a regular basis, including AGSA's Dashboard Reports.

Appreciation

We wish to place on record our gratitude to the Minister and Deputy Minister for their leadership and guidance, to the Director-General and management for their support during the year, as well as to AGSA and Internal Audit for their consistent contributions.



V Nondabula

Chairperson of the Audit Committee
3 October 2014



PART D

Human Resource Management

Human Resource Management

4.1 INTRODUCTION

The DMV staff establishment is complemented by 169 posts. In 2013/14 financial year a target of 135 posts was set by National Treasury for filling. 90% of 169 posts were advertised and 123 posts were filled. The remaining 46 posts are to be filled during the 2014/15 financial year.

The DMV Human Resource Management (HRM) is currently driving the following five Key Performance Areas (KPA's) which are:

- HR Administration
- HR Planning and Systems
- Organizational Development
- Labour Relations and Employee Health and Wellness
- Human Resource Development

HR priorities are to ensure that the staff establishment is fully complemented with permanent warm bodies; employees are capacitated with the necessary skills on a continuous basis; there is the development of a high profile workforce planning framework; and strategies to recruit a skilled and capable workforce.

During the 2013/14 financial year, the DMV recruited a minimum of 19 unemployed graduates interns who were provided with work place development opportunities. This has helped increase the capacity to bring new ideas to the department with a view

to improve service delivery imperatives. In addition the employment of these interns assisted:

- To resolve the general shortage of qualified and skilled people in the workforce by encouraging graduates to equip themselves with the necessary practical experience.
- In meeting the strategic staffing needs of the public service by providing practical and accelerated work experience programmes that expose interns to specific occupations.
- To provide unemployed graduates with valuable work experience and skills to enhance their employability.
- To address the problem of youth unemployment, especially tertiary (university and technikon) graduates by providing them with work experience opportunities in the public service.
- To contribute to accelerated service delivery by government through the improved introduction of skilled personnel in the public service.
- To improve equitable access to public sector employment for rural and marginalised groups such as women and the disabled.

HRM has developed 90% of policies and guidelines and an HR plan is in place to guide the DMV's HRM programme.

4.2 HUMAN RESOURCE OVERSIGHT STATISTICS

4.2.1 Personnel related expenditure

Table 4.2.1.1 Personnel expenditure by programme for the period 1 April 2013 and 31 March 2014

PROGRAMME	TOTAL EXPENDITURE (R'000)	PERSONNEL EXPENDITURE (R'000)	TRAINING EXPENDITURE (R'000)	PROFESSIONAL AND SPECIAL SERVICES EXPENDITURE (R'000)	PERSONNEL EXPENDITURE AS A % OF TOTAL EXPENDITURE	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
Administration	32 885	27 915	4 970	-	42%	348
Socio-Economic Support	11 651	11 651	-	-	14%	728
Empowerment and Stakeholder Management	35 365	5 436	299	-	44%	201
Total	79 901	45 002	5 269	-	100%	1 277

Table 4.2.1.2 Personnel costs by salary band for the period 1 April 2013 and 31 March 2014

SALARY BAND	PERSONNEL EXPENDITURE (R'000)	% OF TOTAL PERSONNEL COST	NO. OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	315	2	7	45
Highly skilled production (Levels 6-8)	499	8	28	17
Highly skilled supervision (Levels 9-12)	22 371	33	67	677
Senior and Top management (Levels 13-16)	11 356	54	21	597
Contract (Levels 1-2)	0	0	0	0
Contract (Levels 3-5)	926	15	6	154
Contract (Levels 6-8)	1 594	17	9	177
Contract (Levels 9-12)	2 568	32	8	321
Periodical Remuneration	120	100	12	10
Abnormal Appointment	757	5	15	50
Total	40 506	26%	173	263

Table 4.2.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2013 and 31 March 2014

PROGRAMME	SALARIES		OVERTIME		HOME OWNERS ALLOWANCE		MEDICAL AID	
	AMOUNT (R'000)	SALARIES AS A % OF PERSONNEL COSTS	AMOUNT (R'000)	OVERTIME AS A % OF PERSONNEL COSTS	AMOUNT (R'000)	HOA AS A % OF PERSONNEL COSTS	AMOUNT (R'000)	MEDICAL AID AS A % OF PERSONNEL COSTS
Administration	25 042	80%	0	0	284	33%	389	16%
Socio-Economic Support	10 872	79%	0	0	25	10%	59	7%
Empowerment and Stakeholder Management	5 102	25%	0	0	14	1%	16	1%
Total	41 016	61%	0	0	323	14%	464	8%

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Table 4.2.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2013 and 31 March 2014

PROGRAMME	SALARIES		OVERTIME		HOME OWNERS ALLOWANCE		MEDICAL AID	
	AMOUNT (R'000)	SALARIES AS A % OF PERSONNEL COSTS	AMOUNT (R'000)	OVERTIME AS A % OF PERSONNEL COSTS	AMOUNT (R'000)	HOA AS A % OF PERSONNEL COSTS	AMOUNT (R'000)	MEDICAL AID AS A % OF PERSONNEL COSTS
Skilled (Levels 1-2)	-	-	-	-	-	-	-	-
Skilled (Levels 3-5)	675	51%	-	-	28	1%	100	0.43%
Highly skilled production (Levels 6-8)	11 875	13%	-	-	201	9%	240	6%
Highly skilled supervision (Levels 9-12)	19 696	47%	-	-	94	3%	82	10%
Senior management (level 13-16)	8 770	39%	-	-	-	-	42	3%
Total	41 016	28%	-	-	323	5%	464	7%

Note: The budget for salary band is not populated according to salary levels on financial information systems report

4.2.2 Employment and Vacancies

Table 4.2.2.1 Employment and vacancies by programme as on 31 March 2014

PROGRAMME	NUMBER OF POSTS ON APPROVED ESTABLISHMENT	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF EMPLOYEES ADDITIONAL TO THE ESTABLISHMENT
Administration	104	80	23%	4
Socio-Economic Support	20	16	20%	15
Empowerment and Stakeholder Management	45	27	40%	2
Total	169	123	27.2%	21

Table 4.2.2.2 Employment and vacancies by salary band as on 31 March 2014

SALARY BAND	NUMBER OF POSTS ON APPROVED ESTABLISHMENT	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF EMPLOYEES ADDITIONAL TO THE ESTABLISHMENT
Lower skilled (Levels 1-2)	0	0	0%	6
Skilled (Levels 3-5)	10	7	30%	0
Highly skilled production (Levels 6-8)	56	51	8.9%	18
Highly skilled supervision (Levels 9-12)	72	44	33.3%	6
Senior management (Levels 13-16)	31	21	32.3%	0
Total	169	123	27.2%	30

Table 4.2.2.3 Employment and vacancies by critical occupations as on 31 March 2014

CRITICAL OCCUPATION	NUMBER OF POSTS ON APPROVED ESTABLISHMENT	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF EMPLOYEES ADDITIONAL TO THE ESTABLISHMENT
Elementary occupation (Levels 1-5)	10	7	0.7%	6
Administrative Office workers (Levels 6-9)	56	49	27%	-
Professionals and Managers (Levels 10-16)	103	67	69%	18
Total	169	123	27.2%	24

Notes: The Department of Military Veterans establishment is complemented by 169 posts, in 2013/14 financial year a target of 135 posts was set for the department. 90% of 169 posts were advertised and 123 posts were filled. The department is currently on the verge of filling the last batch of posts, and this will be done on a continuous bases.

4.2.3 Filling of SMS Posts

Table 4.2.3.1 SMS post information as on 31 March 2014

SMS LEVEL	TOTAL NUMBER OF FUNDED SMS POSTS	TOTAL NUMBER OF SMS POSTS FILLED	% OF SMS POSTS FILLED	TOTAL NUMBER OF SMS POSTS VACANT	% OF SMS POSTS VACANT
Director-General/ Head of Department	1	1	100%	-	-
Salary Level 16	-	-	-	-	-
Salary Level 15	3	2	66%	1	33%
Salary Level 14	9	8	88%	1	11%
Salary Level 13	18	9	50%	9	50%
Total	31	20	64%	11	35%

Table 4.2.3.2 SMS post information as on 30 September 2013

SMS LEVEL	TOTAL NUMBER OF FUNDED SMS POSTS	TOTAL NUMBER OF SMS POSTS FILLED	% OF SMS POSTS FILLED	TOTAL NUMBER OF SMS POSTS VACANT	% OF SMS POSTS VACANT
Director-General/ Head of Department	1	1	100%	-	-
Salary Level 16	-	-	-	-	-
Salary Level 15	3	2	66%	1	33%
Salary Level 14	8	7	87%	2	25%
Salary Level 13	17	2	11%	16	94%
Total	29	12	68%	19	94%

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Table 4.2.3.3 Advertising and filling of SMS posts for the period 1 April 2013 and 31 March 2014

SMS LEVEL	TOTAL NUMBER OF FUNDED SMS POSTS	TOTAL NUMBER OF SMS POSTS FILLED	% OF SMS POSTS FILLED	TOTAL NUMBER OF SMS POSTS VACANT	% OF SMS POSTS VACANT
Director-General/ Head of Department	-	-	-	-	-
Salary Level 16	-	-	-	-	-
Salary Level 15	1	-	-	1	-
Salary Level 14	-	-	-	-	-
Salary Level 13	-	-	-	-	-
Total	1	-	-	1	-

Table 4.2.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2013 and 31 March 2014

REASONS FOR VACANCIES NOT ADVERTISED WITHIN SIX MONTHS
The department was established in 2010 and 68% of SMS posts are filled and currently the department is intending to fill vacant posts as this process is viewed as a recurring process
REASONS FOR VACANCIES NOT FILLED WITHIN SIX MONTHS
Posts are filled on a continuous process and the delay is caused by the delaying process of verification and assessment.

Table 4.2.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2013 and 31 March 2014

REASONS FOR VACANCIES NOT ADVERTISED WITHIN SIX MONTHS
No disciplinary actions were taken due to the fact that all SMS posts were advertised and the delay to fill those vacant posts was because of the prolonging processes of assessment and verification process. The department also experienced accommodation challenges, once the appointment is approved the department is expected to allocate offices for those new incumbent.

4.2.4 Job Evaluation

Table 4.2.4.1 Job Evaluation by Salary band for the period 1 April 2013 and 31 March 2014

SALARY BAND	NUMBER OF POSTS ON APPROVED ESTABLISHMENT	NUMBER OF JOBS EVALUATED	% OF POSTS EVALUATED BY SALARY BANDS	POSTS UPGRADED		POSTS DOWNGRADED	
				NUMBER	% OF POSTS EVALUATED	NUMBER	% OF POSTS EVALUATED
Lower Skilled (Levels 1-2)	0	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0	0	0	0
Senior Management Service Band A	0	0	0	0	0	0	0
Senior Management Service Band B	0	0	0	0	0	0	0
Senior Management Service Band C	0	0	0	0	0	0	0
Senior Management Service Band D	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0

Note: No Job Evaluation was conducted during the period under review

Table 4.2.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2013 and 31 March 2014

BENEFICIARY	AFRICAN	ASIAN	COLOURED	WHITE	TOTAL
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a disability					0

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Table 4.2.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2013 and 31 March 2014

OCCUPATION	NUMBER OF EMPLOYEES	JOB EVALUATION LEVEL	REMUNERATION LEVEL	REASON FOR DEVIATION
Deputy Director	33	11	12	According to memo submitted and approved by the Minister of Public Service and Administration (MPSA)
Assistant Director	7	9	10	According to memo submitted and approved by (MPSA)
VIP Protection	1	7	8	According to the memo submitted and approved by (MPSA)
Total number of employees whose salaries exceeded the level determined by job evaluation				
Percentage of total employed				24.3%

Table 4.2.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2013 and 31 March 2014

GENDER	AFRICAN	ASIAN	COLOURED	WHITE	TOTAL
Female	8	1	0	2	11
Male	19	0	1	0	20
Total	27	1	1	2	31
Employees with a disability	0	0	1	1	2

4.2.5 Employment Changes

Table 4.2.5.1 Annual turnover rates by salary band for the period 1 April 2013 and 31 March 2014

SALARY BAND	NUMBER OF EMPLOYEES AT BEGINNING OF PERIOD- 1 APRIL 2013	APPOINTMENTS AND TRANSFERS INTO THE DEPARTMENT	TERMINATIONS AND TRANSFERS OUT OF THE DEPARTMENT	TURNOVER RATE
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	4	4	0	0
Highly skilled production (Levels 6-8)	29	27	1	0
Highly skilled supervision (Levels 9-12)	35	0	1	0
Senior Management Service Bands A	6	0	0	0
Senior Management Service Bands B	7	0	1	0
Senior Management Service Bands C	2	0	1	0
Senior Management Service Bands D	1	0	0	0
Contracts	15	0	0	0
Total	99	31	4	0

Table 4.2.5.2 Annual turnover rates by critical occupation for the period 1 April 2013 and 31 March 2014

CRITICAL OCCUPATION	NUMBER OF EMPLOYEES AT BEGINNING OF PERIOD-1 APRIL 2013	APPOINTMENTS AND TRANSFERS INTO THE DEPARTMENT	TERMINATIONS AND TRANSFERS OUT OF THE DEPARTMENT	TURNOVER RATE
Elementary occupation (Level 1-5)	7	7	0	0
Administrative Office workers (Level 6-9)	49	28	1	0
Professionals and Managers (Level 10-16)	67	88	2	0
Total	123	123	3	0

Note: The department had processed only 3 termination and no transfers were done out of the department.

Table 4.2.5.3 Reasons why staff left the department for the period 1 April 2013 and 31 March 2014

TERMINATION TYPE	NUMBER	% OF TOTAL RESIGNATIONS
Death	-	-
Resignation	3	3%
Expiry of contract	25	10%
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	0	0
Transfer to other Public Service Departments	0	0
Other	0	0
Total	28	13%
Total number of employees who left as a % of total employment	3	3%

Table 4.2.5.4 Promotions by critical occupation for the period 1 April 2013 and 31 March 2014

OCCUPATION	EMPLOYEES – 1 APRIL 2013	PROMOTIONS TO ANOTHER SALARY LEVEL	SALARY LEVEL PROMOTIONS AS A % OF EMPLOYEES BY OCCUPATION	PROGRESSIONS TO ANOTHER NOTCH WITHIN A SALARY LEVEL	NOTCH PROGRESSION AS A % OF EMPLOYEES BY OCCUPATION
Elementary occupation (Level 1-5)	0	0	0	0	0
Administrative Office workers (Level 6-9)	1	1	0	0	0
Professionals and Managers (Level 10-16)	0	0	0	0	0
Total	1	1	0	0	0

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Table 4.2.5.5 Promotions by salary band for the period 1 April 2013 and 31 March 2014

OCCUPATION	EMPLOYEES – 1 APRIL 2013	PROMOTIONS TO ANOTHER SALARY LEVEL	SALARY LEVEL PROMOTIONS AS A % OF EMPLOYEES BY OCCUPATION	PROGRESSIONS TO ANOTHER NOTCH WITHIN A SALARY LEVEL	NOTCH PROGRESSION AS A % OF EMPLOYEES BY OCCUPATION
Lower skilled (Levels 1-2)	0	0	0	0	0
Skilled (Levels 3-5)	9	0	0	0	0
Highly skilled production (Levels 6-8)	35	1	0	0	0
Highly skilled supervision (Levels 9-12)	29	1	0	0	0
Senior Management (Levels 13-16)	11	0	0	0	0
Total	84	2	0	0	0

4.2.6 Employment Equity

Table 4.2.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2014

OCCUPATIONAL CATEGORY	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Legislators, senior officials and managers	37	2	0	1	23	0	1	0	64
Professionals	23	1	1	1	22	1	1	2	52
Technicians and associate professionals	0	0	0	0	0	0	0	0	
Clerks	6	0	0	0	1	0	0	0	7
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
Total	66	3	1	2	46	1	2	2	123
Employees with disabilities	0	1	0	1	0	0	0	0	2

Table 4.2.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands on 31 March 2014

OCCUPATIONAL CATEGORY	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Top Management (Levels 15-16)	2	0	0	0	1	0	0	0	3
Senior Management (Levels 13-14)	10	1	0	0	6	1	0	0	18
Professionally qualified and experienced specialists and mid-management	24	1	0	1	15	0	1	2	44
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	30	1	1	1	24	0	1	0	58
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	66	3	1	2	46	1	2	2	123

Table 4.2.6.3 Recruitment for the period 1 April 2013 and 31 March 2014

OCCUPATIONAL CATEGORY	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Top Management	2	0	0	0	1	0	0	0	3
Senior Management	10	1	0	0	6	1	0	0	18
Professionally qualified and experienced specialists and mid-management	24	1	0	1	15	0	1	2	44
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	30	1	1	1	24	0	1	0	58
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	66	3	1	2	46	1	2	2	123
Employees with disabilities	0	1	0	1	0	0	0	0	2

Human Resource Management

Table 4.2.6.4 Promotions for the period 1 April 2013 and 31 March 2014

OCCUPATIONAL CATEGORY	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	1	0	0	0	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	1	0	0	0	1
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	0	1	0	0	1	0	0	0	2
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 4.2.6.5 Terminations for the period 1 April 2013 and 31 March 2014

OCCUPATIONAL CATEGORY	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Top Management	0	0	0	0	1	0	0	0	1
Senior Management	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	1	0	0	0	1
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	1	0	0	0	2	0	0	0	3
Employees with Disabilities	0	0	0	0	0	0	0	0	0

Table 4.2.6.6 Disciplinary action for the period 1 April 2013 and 31 March 2014

OCCUPATIONAL CATEGORY	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
–	0	0	0	0	0	0	0	0	0

Table 4.2.6.7 Skills development for the period 1 April 2013 and 31 March 2014

OCCUPATIONAL CATEGORY	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Legislators, senior officials and managers	2	0	0	1	9	0	0	0	12
Professionals	0	0	0	0	0	0	0	0	0
Technicians and associate professionals	0	0	0	0	0	0	0	0	0
Clerks	8	0	0	0	10	0	0	0	18
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
Total	10	0	0	1	19	0	0	0	30
Employees with disabilities	0	0	0	0	0	0	0	0	0

4.2.7 Signing of Performance Agreements by SMS Members

Table 4.2.7.1 Signing of Performance Agreements by SMS members as on 31 March 2014

SMS LEVEL	TOTAL NUMBER OF FUNDED SMS POSTS	TOTAL NUMBER OF SMS MEMBERS	TOTAL NUMBER OF SIGNED PERFORMANCE AGREEMENTS	SIGNED PERFORMANCE AGREEMENTS AS % OF TOTAL NUMBER OF SMS MEMBERS
Director-General/ Head of Department	1	1	1	100%
Salary Level 16	-	-	-	-
Salary Level 15	3	2	2	100%
Salary Level 14	9	8	7	87%
Salary Level 13	18	9	9	100%
Total	31	20	19	95%

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Table 4.2.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2014

REASONS
Only one SMS member failed to comply to submit the PA, the SMS member didn't have a good working relationship with the supervisor and this created inconsistency within the branch

Table 4.2.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2014

REASONS
The SMS member was called for a hearing and a charge sheet was compiled for disciplinary however the supervisor resigned from the department.

4.2.8 Performance Rewards

Table 4.2.8.1 Performance Rewards by race, gender and disability for the period 1 April 2013 and 31 March 2014

RACE AND GENDER	BENEFICIARY PROFILE			COST	
	NUMBER OF BENEFICIARIES	NUMBER OF EMPLOYEES	% OF TOTAL WITHIN GROUP	COST (R'000)	AVERAGE COST PER EMPLOYEE
African	0	0	0	0	0
Male	0	0	0	0	0
Female	0	0	0	0	0
Asian	0	0	0	0	0
Male	0	0	0	0	0
Female	0	0	0	0	0
Coloured	0	0	0	0	0
Male	0	0	0	0	0
Female	0	0	0	0	0
White	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0

Table 4.2.8.2 Performance Rewards by salary band for personnel below Senior Management Service, for the period 1 April 2013 and 31 March 2014

RACE AND GENDER	BENEFICIARY PROFILE			COST		TOTAL COST AS A % OF THE TOTAL PERSONNEL EXPENDITURE
	NUMBER OF BENEFICIARIES	NUMBER OF EMPLOYEES	% OF TOTAL WITHIN GROUP	COST (R'000)	AVERAGE COST PER EMPLOYEE	
Lower Skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0	0	0
Total	0	0	0	0	0	0

Table 4.2.8.3 Performance Rewards by critical occupation for the period 1 April 2013 and 31 March 2014

RACE AND GENDER	BENEFICIARY PROFILE			COST	
	NUMBER OF BENEFICIARIES	NUMBER OF EMPLOYEES	% OF TOTAL WITHIN GROUP	COST (R'000)	AVERAGE COST PER EMPLOYEE
Elementary occupation (Levels 1-5)	0	0	0	0	0
Administrative Office workers (Levels 6-9)	0	0	0	0	0
Professionals and Managers (Levels 10-16)	0	0	0	0	0
Elementary occupation (Levels 1-5)	0	0	0	0	0
Total	0	0	0	0	0

Note: All performance bonuses will be processed during the 2014/15 financial year.

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Table 4.2.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2013 and 31 March 2014

RACE AND GENDER	BENEFICIARY PROFILE			COST		TOTAL COST AS A % OF THE TOTAL PERSONNEL EXPENDITURE
	NUMBER OF BENEFICIARIES	NUMBER OF EMPLOYEES	% OF TOTAL WITHIN GROUP	COST (R'000)	AVERAGE COST PER EMPLOYEE	
Band A	0	0	0	0	0	0
Band B	0	0	0	0	0	0
Band C	0	0	0	0	0	0
Band D	0	0	0	0	0	0
Total	0	0	0	0	0	0

4.2.9 Foreign Workers

Table 4.2.9.1 Foreign workers by salary band for the period 1 April 2013 and 31 March 2014

SALARY BAND	01 APRIL 2013		31 MARCH 2014		CHANGE	
	NUMBER	% OF TOTAL	NUMBER	% OF TOTAL	NUMBER	% CHANGE
Lower skilled	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0	0	0
Contract (Levels 9-12)	0	0	0	0	0	0
Contract (Levels 13-16)	0	0	0	0	0	0
Total	0	0	0	0	0	0

Table 4.2.9.2 Foreign workers by major occupation for the period 1 April 2013 and 31 March 2014

SALARY BAND	01 APRIL 2013		31 MARCH 2014		CHANGE	
	NUMBER	% OF TOTAL	NUMBER	% OF TOTAL	NUMBER	% CHANGE
-	0	0	0	0	0	0

Note: No foreign employees were appointed in the department.

4.2.10 Leave utilisation

Table 4.2.10.1 Sick leave for the period 1 January 2013 and 31 December 2013

SALARY BAND	TOTAL DAYS	% DAYS WITH MEDICAL CERTIFICATION	NUMBER OF EMPLOYEES USING SICK LEAVE	% OF TOTAL EMPLOYEES USING SICK LEAVE	AVERAGE DAYS PER EMPLOYEE	ESTIMATED COST (R'000)
Lower Skills (Levels 1-2)	3	2	2	1.6%	0.08	0
Skilled (Levels 3-5)	4	3	2	1.6%	0.1	0
Highly skilled production (Levels 6-8)	76	68	15	12.15%	2.1	0
Highly skilled supervision (Levels 9 -12)	59	41	29	48%	1.6	0
Top and Senior management (Levels 13-16)	19	31	5	15.4%	0.52	0
Total	161	145	53	78.15%	4.4	0

Table 4.2.10.2 Disability leave (temporary and permanent) for the period 1 January 2013 and 31 December 2013

SALARY BAND	TOTAL DAYS	% DAYS WITH MEDICAL CERTIFICATION	NUMBER OF EMPLOYEES USING SICK LEAVE	% OF TOTAL EMPLOYEES USING SICK LEAVE	AVERAGE DAYS PER EMPLOYEE	ESTIMATED COST (R'000)
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0	0	0
Total	0	0	0	0	0	0

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Table 4.2.10.3 Annual Leave for the period 1 January 2013 and 31 December 2013

SALARY BAND	TOTAL DAYS TAKEN	NUMBER OF EMPLOYEES USING ANNUAL LEAVE	AVERAGE PER EMPLOYEE
Lower skilled (Levels 1-2)	0	0	0
Skilled (Levels 3-5)	5	1	5
Highly skilled production (Levels 6-8)	437	45	9
Highly skilled supervision (Levels 9-12)	649	43	15
Senior management (Levels 13-16)	110	14	8
Total	1 201	103	11

Table 4.2.10.4 Capped leave for the period 1 January 2013 and 31 December 2013

SALARY BAND	TOTAL DAYS OF CAPPED LEAVE TAKEN	NUMBER OF EMPLOYEES USING CAPPED LEAVE	AVERAGE NUMBER OF DAYS TAKEN PER EMPLOYEE	AVERAGE CAPPED LEAVE PER EMPLOYEE AS AT 31 MARCH 2014
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
Total	0	0	0	0

Table 4.2.10.5 Leave pay-outs for the period 1 April 2013 and 31 March 2014

REASON	TOTAL AMOUNT (R'000)	NUMBER OF EMPLOYEES	AVERAGE PER EMPLOYEE (R'000)
Leave pay-out for 2012/13 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave pay-outs on termination of service for 2013/14	0	0	0
Current leave pay-out on termination of service for 2013/14	0	0	0
Total	0	0	0

Note: During the year under review the department didn't process any leave pay-out.

4.2.11 HIV/AIDS & Health Promotion Programmes

Table 4.2.11.1 Steps taken to reduce the risk of occupational exposure

UNITS/CATEGORIES OF EMPLOYEES IDENTIFIED TO BE AT HIGH RISK OF CONTRACTING HIV & RELATED DISEASES (IF ANY)	KEY STEPS TAKEN TO REDUCE THE RISK
No formal assessment has been done to identify high risk categories as a result of the intervention taken aimed at all sexually active employees	Condoms are availed in the toilets.

Table 4.2.11.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

QUESTION	YES	NO	DETAILS, IF YES
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Mr H Mathobela, Acting Director: Human Resource Management
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		The unit only has one staff member at the moment.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/ services of this Programme.	X		Key elements of the programme includes HIV & AIDS, STI and TB Management, SHERQ Management, Wellness Management and Health and Productivity Management. These are the core functions entailed in the implementation process, i.e. Training and Development, Consulting, Case Management, Marketing, Networking, Monitoring and Evaluation
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.		X	The advisory/ steering committee has not yet been established. Only intra-departmental nominations have been made for the intra-departmental committee have been made and include Ms. Lerato Sono, Ms. Portia Mahlangu and Mr. Honey Mathobela. Volunteers amongst the employees, to serve on the health and safety team have been identified.
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.		X	Draft policies for HIV & AIDS, STI and TB Management, SHERQ Management, Wellness Management and Health and Productivity Management have been drawn up but not approved yet. Once approved, they will subject to review after 3 years.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.		X	Not yet. It is in the operational plans for 2014-15, to train the staff, including managers and supervisors on the importance of confidentiality and sensitivity in dealing with matters concerning employees, including their HIV status.

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Table 4.2.11.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information) (continued)

QUESTION	YES	NO	DETAILS, IF YES
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	X		As yet, no HCT has been conducted with the staff. However, with each Health and Wellness event that will be held in future, HCT will be provided as a service
8. Has the department developed measures/ indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.		X	These indicators/ measures have been identified for implementation in the 2014-2015 financial year but, have as yet not been implemented. They include: a health risk assessment of all employees, a risk profile of the staff determined which will be subjected to continual monitoring for progress through stats reports to be provided by GEMS. Absenteeism will also be monitored including sick leave records.

4.2.12 Labour Relations

Table 4.2.12.1 Collective agreements for the period 1 April 2013 and 31 March 2014

SUBJECT MATTER	DATE
N/A	

Note: If there were no agreements, keep the heading and replace the table with the following:

Total number of Collective agreements	None
--	-------------

Table 4.2.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2013 and 31 March 2014

OUTCOMES OF DISCIPLINARY HEARINGS	NUMBER	% OF TOTAL
Correctional counselling	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	0	0
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn	0	0
Total	0	0

Note: Unfortunately no disciplinary hearings were conducted by the department during the year under review

If there were no agreements, keep the heading and replace the table with the following:

Total number of Disciplinary hearings finalised	None
---	------

Table 4.2.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2013 and 31 March 2014

TYPE OF MISCONDUCT	NUMBER	% OF TOTAL
N/A		
Total		

Table 4.2.12.4 Grievances logged for the period 1 April 2013 and 31 March 2014

	NUMBER	% OF TOTAL
Number of grievances resolved	0	0
Number of grievances not resolved	0	0
Total number of grievances lodged	0	0

Table 4.2.12.5 Disputes logged with Councils for the period 1 April 2013 and 31 March 2014

	NUMBER	% OF TOTAL
Number of disputes upheld	0	0
Number of disputes dismissed	0	0
Total number of disputes lodged	0	0

Table 4.2.12.6 Strike actions for the period 1 April 2013 and 31 March 2014

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

Table 4.2.12.7 Precautionary suspensions for the period 1 April 2013 and 31 March 2014

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

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4.2.13 Skills development

Table 4.2.13.1 Training needs identified for the period 1 April 2013 and 31 March 2014

OCCUPATIONAL CATEGORY	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2013	TRAINING NEEDS IDENTIFIED AT START OF THE REPORTING PERIOD			
			LEARNERSHIPS	SKILLS PROGRAMMES & OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL
Legislators, senior officials and managers	Female	24	-	3	3	6
	Male	40	-	-	2	2
Professionals	Female	26	13	2	2	17
	Male	26	6	2	3	11
Technicians and associate professionals	Female	0	-	5	-	5
	Male	0	-	-	-	-
Clerks	Female	1	-	-	1	1
	Male	6	-	3	1	4
Service and sales workers	Female	0	-	-	-	-
	Male	0	-	-	-	-
Skilled agriculture and fishery workers	Female	0	-	-	-	-
	Male	0	-	-	-	-
Craft and related trades workers	Male	0	-	-	-	-
	Female	0	-	-	-	-
Plant and machine operators and assemblers	Male	0	-	-	-	-
	Female	0	-	-	-	-
Elementary occupations	Male	0	-	-	-	-
	Female	0	-	-	-	-
Sub Total	Female	0	-	-	-	-
	Male	0	-	-	-	-
Total		123	19	15	12	46

Notes: The department had ensured that critical areas that need employees to be trained is well equipped with the skilled employees. Systems that were trained were PERSAL, BAS, LOGIS and Records Management.

Table 4.2.13.2 Training provided for the period 1 April 2013 and 31 March 2014

OCCUPATIONAL CATEGORY	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2013	TRAINING PROVIDED WITHIN THE REPORTING PERIOD			
			LEARNERSHIPS	SKILLS PROGRAMMES & OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL
Legislators, senior officials and managers	Female	24	-	3	3	6
	Male	40	-	-	2	2
Professionals	Female	26	13	2	2	17
	Male	26	6	2	3	11
Technicians and associate professionals	Female	-	-	5	-	5
	Male	-	-	-	-	-
Clerks	Female	1	-	-	1	1
	Male	6	-	3	1	4
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Elementary occupations	Female	-	-	-	-	-
	Male	-	-	-	-	-
Sub Total	Female	-	-	-	-	-
	Male	-	-	-	-	-
Total		123	19	15	12	46

4.2.14 Injury on duty**Table 4.2.14.1 Injury on duty for the period 1 April 2013 and 31 March 2014**

NATURE OF INJURY ON DUTY	NUMBER	% OF TOTAL
Required basic medical attention only	0	0
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	0	0

Note: No injury on duty has been reported during the period under review

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4.2.15 Utilisation of Consultants

Table 4.2.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2013 and 31 March 2014

PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON PROJECT	DURATION WORK DAYS	CONTRACT VALUE IN RAND
N/A			
TOTAL NUMBER OF PROJECTS	TOTAL INDIVIDUAL CONSULTANTS	TOTAL DURATION WORK DAYS	TOTAL CONTRACT VALUE IN RAND
N/A			

Table 4.2.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2013 and 31 March 2014

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			

Table 4.2.15.3 Report on consultant appointments using Donor funds for the period 1 April 2013 and 31 March 2014

PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON PROJECT	DURATION WORK DAYS	DONOR AND CONTRACT VALUE IN RAND
N/A			
TOTAL NUMBER OF PROJECTS	TOTAL INDIVIDUAL CONSULTANTS	TOTAL DURATION WORK DAYS	TOTAL CONTRACT VALUE IN RAND
N/A			

Table 4.2.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2013 and 31 March 2014

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			

4.2.16 Severance Packages**Table 4.2.16.1 Granting of employee initiated severance packages for the period 1 April 2013 and 31 March 2014**

SALARY BAND	NUMBER OF APPLICATIONS RECEIVED	NUMBER OF APPLICATIONS REFERRED TO THE MPSA	NUMBER OF APPLICATIONS SUPPORTED BY MPSA	NUMBER OF PACKAGES APPROVED BY DEPARTMENT
Lower skilled (Levels 1-2)	-	-	-	-
Skilled (Levels 3-5)	-	-	-	-
Highly skilled production (Levels 6-8)	-	-	-	-
Highly skilled supervision (Levels 9-12)	-	-	-	-
Senior management (Levels 13-16)	-	-	-	-
Total	-	-	-	-



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PART E

Financial Information





military veterans

Department:
Military Veterans
REPUBLIC OF SOUTH AFRICA

ANNUAL FINANCIAL STATEMENTS

for the
Department of
Military Veterans
Vote No. 22

for the year ended
31 March 2014

5.1 REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON DEPARTMENT OF MILITARY VETERANS REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the DMV set out on pages 100 to 135, which comprise the appropriation statement, the statement of financial position as at 31 March 2014, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Modified Cash Standards the requirements of the Public Finance Management Act of South Africa, 1999 (Act no 1 of 1999) 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 the financial statements based on conducting the 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. Because of the matters described in the basis for disclaimer of opinion paragraphs, however, I was unable to obtain sufficient appropriate audit evidence to provide a basis of opinion.

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 and fair presentation 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.

Disclaimer of opinion

5. Because of the significance of the matters described in the basis for disclaimer opinion paragraphs, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly I do not express an opinion on these financial statements.

BASIS FOR DISCLAIMER OF OPINION

Various financial statement items

6. Due to the status of the accounting records I was unable to obtain sufficient appropriate audit evidence regarding the following amounts disclosed in the financial statements.

- Irregular expenditure of R24 million
 - Accruals of R4,7 million
 - Goods and Services - Communication of R3,7 million
 - Tangible capital assets of R2,9 million
 - Opening balances and comparative figures of all the items disclosed in the financial statements
7. I was unable to confirm these items by alternative means. As a result, I was unable to determine whether any adjustment to these items was necessary.

Additional matter

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

Unaudited supplementary schedules

9. The supplementary information set out on pages 136 to 138 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

10. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, non-compliance with legislation as well as internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined Objectives

11. I performed procedures to obtain evidence about the usefulness and reliability of the

reported performance information for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2014:

- Programme 2: Socio-Economic Support
- Programme 3: Empowerment and Stakeholder Management

12. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
13. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for Managing Programme Performance Information* (FMPPI).
14. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
15. The material findings in respect of the selected programmes are as follows:

PROGRAMME 2: SOCIO-ECONOMIC SUPPORT

Usefulness of reported performance information

Consistency of objectives, indicators and targets

16. Treasury Regulation 5.2.4 requires the annual performance plan to form the basis for the annual report, therefore requiring consistency of objectives, indicators and targets between planning and reporting documents. A total of 27% of the reported indicators were not consistent with those in the approved annual

performance plan. This was due to a lack of documented and approved internal policies and procedures to address reporting requirements.

Measurability of indicators and targets

17. The Framework for managing programme performance information (FMPPI) requires the following:
- Performance targets must be specific in clearly identifying the nature and required level of performance. A total of 36% of the targets were not specific.
 - Performance targets must be measurable. We could not measure the required performance for 36% of the targets.
 - Performance indicators must be well defined by having clear data definitions so that data can be collected consistently and is easy to understand and use. A total of 64% of the indicators were not well defined.
 - Performance indicator must be verifiable, meaning that it must be possible to validate the processes and systems that produced the indicator. A total of 36% of the indicators were not verifiable.
18. This was due to a lack of proper systems and processes and technical indicator descriptions.

Reliability of reported performance information

19. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. We were unable to obtain the information and explanations we considered necessary to satisfy ourselves as to the reliability of the reported performance information. This was due to the fact that the auditee could not provide sufficient appropriate evidence in support of the reported performance.

PROGRAMME 3: EMPOWERMENT AND STAKEHOLDER MANAGEMENT

Usefulness of reported performance information

Consistency of objectives, indicators and targets

20. Treasury Regulation 5.2.4 requires the annual performance plan to form the basis for the annual report, therefore requiring consistency of objectives, indicators and targets between planning and reporting documents. A total of 22% of the reported indicators and a total of 20% of the reported objectives were not consistent with those in the approved annual performance plan. This was due to a lack of documented and approved internal policies and procedures to address reporting requirements.

Measurability of indicators and targets

21. The FMPPI requires the following:
- Performance targets must be specific in clearly identifying the nature and required level of performance. A total of 44% of the targets were not specific.
 - Performance targets must be measurable. We could not measure the required performance for 44% of the targets.
 - Performance indicators must be well defined by having clear data definitions so that data can be collected consistently and is easy to understand and use. A total of 28% of the indicators were not well defined.
22. This was due to a lack of proper systems and processes and technical indicator descriptions.

Reliability of reported performance information

23. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets.

We were unable to obtain the information and explanations we considered necessary to satisfy ourselves as to the reliability of the reported performance information. This was due to the fact that the auditee could not provide sufficient appropriate evidence in support of the reported performance.

Additional matters

24. I draw attention to the following matters:

Achievement of planned targets

25. Refer to the annual performance report on page 33 to 56 for information on the achievement of the planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information for the selected programmes reported in paragraph 45 to 56 of this report.

COMPLIANCE WITH LEGISLATION

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

Strategic planning and performance management

27. Effective procedures for quarterly reporting to the Minister and the facilitation of effective performance monitoring, evaluation and corrective action were not established as required by Treasury Regulation 5.3.1 as only one of the four quarterly reports to the minister were signed.
28. The 2012-16 strategic plan and the 2013/14 annual performance plan did not, in some instances, form the basis for the annual report

as required by Treasury Regulation 5.2.4 and 5.2.1

29. Effective, efficient and transparent systems of risk management and internal control with respect to performance information and management was not in place as required by section 38 (1) (a) (i) of the PFMA.

Budgets

30. Savings in excess of 5% from the previous year on goods and services were rolled over, in contravention of Treasury Regulation 6.4.1 (c).

Financial statements, performance and annual reports

31. The financial statements submitted for auditing were not prepared fully in accordance with the Modified Cash Standards and supported by full and proper records as required by section 40 (1) (b) of the Public Finance Management Act.
32. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected and the supporting records could not be provided subsequently, which resulted in the financial statements receiving a disclaimer audit opinion.

Expenditure management

33. Effective steps were not taken to prevent irregular and fruitless and wasteful expenditure, as required by section 38 (1) (c) (ii) of the Public Finance Management Act and Treasury Regulation 9.1.1. Accordingly Fruitless and wasteful expenditure to the amount of R 0,9 million was not identified and disclosed in the financial statements.
34. Effective internal controls were not in place for payment approval and processing, as required by Treasury Regulation 8.1.1.

Revenue management

35. Appropriate processes were not developed and implemented to provide for the safeguarding of information about revenue, as required by Treasury Regulation 7.2.1.

Asset management

36. Proper control systems to safeguard and maintain assets were not implemented, as required by section 38 (1) (d) of the Public Finance Management Act and Treasury Regulation 10.1.1(a).

Procurement and contract management

37. In most instances, goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by Treasury Regulation 16A6.1.
38. Goods and services of a transaction value above R500 000 were not always procured by inviting competitive bids, as required by Treasury Regulations 16A6.1.
39. Invitations for competitive bidding were not always advertised for a required minimum period of 21 days, as required by Treasury Regulations 16A6.3(c).
40. Bid adjudication was not always done by committees which were composed in accordance with the policies of the department, as required by Treasury Regulations 16A6.2 (a), (b) and (c).
41. In some instances contracts and quotations were awarded to suppliers whose tax matters had not been declared by the South African Revenue Services to be in order as required by Treasury Regulations 16A9.1 (d) and the Preferential Procurement Regulations.
42. Some contracts and quotations were awarded to bidders based on points given for criteria that differed from those stipulated in the original invitation for bidding and quotations in contravention of Treasury Regulation

16A6.3 (a) and the Preferential Procurement Regulations.

43. The preference point system was not applied in some procurement of goods and services above R30 000 as required by section 2 (a) of the Preferential Procurement Policy Framework Act and Treasury Regulations 16A6.3 (b).
44. Some contracts and quotations were awarded to bidders based on preference points that were not allocated and calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act and its regulations.
45. Some contracts and quotations were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2 (1) (f) of Preferential Procurement Policy Framework Act and Preferential Procurement Regulations.
46. Some contracts and quotations were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, which is prescribed in order to comply with Treasury Regulation 16A8.3.
47. For some contracts awarded, sufficient appropriate audit evidence could not be obtained in accordance with the legislative requirements as the actual documentation for the awards made through competitive bidding could not be provided.

Human resource management and compensation

48. In most instances employees were appointed without following a proper process to verify the claims made in their applications in contravention of Public Service Regulation 1/VII/D.8.
49. Funded vacant posts were not always filled within 12 months as required by Public Service Regulation 1/VII/C.1A.2.

INTERNAL CONTROL

50. I considered internal control relevant to my audit of the financial statements, performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in disclaimer of opinion, the findings on the performance report and the findings on non-compliance with legislation included in this report.

Leadership

51. Effective leadership and oversight responsibility exercised regarding financial and performance reporting, compliance and related internal controls was inadequate since various material misstatements, limitations and non-compliance matters on the annual financial statements, the performance report were identified. Documented policies and procedures were not in place to guide financial and performance activities.

Financial and performance management

52. Management did not implement effective controls to ensure that information in the financial statements and performance report were reliable before submission for audit. This was mainly due to lack of proper management systems and inadequate reviews. Management did not timely provide necessary responses and/ or explanations for audit purposes. As a result significant delays were encountered which impacted on the audit process.

OTHER REPORTS

Investigations

53. An independent consulting firm performed a forensic audit at the request of the department, which covered the period 1 April 2013 to 31 March 2014. The forensic audit was initiated based on possible irregularities identified on procurement and contract management.

Auditor - General

Pretoria

3 October 2014



Appropriation Statement

for the year ended 31 March 2014

	2013/14					2012/13			
	ADJUSTED APPROPRIATION R'000	SHIFTING OF FUNDS R'000	VIREMENT R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	EXPENDITURE AS % OF FINAL APPROPRIATION %	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000
Appropriation per programme									
1. ADMINISTRATION									
Current payment	129 469	-	-	129 469	72 541	56 928	56.0%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	10 000	-	-	10 000	2 841	7 159	28.4%	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	139 469	-	-	139 469	75 382	64 087		-	-
2. SOCIO-ECONOMIC SUPPORT									
Current payment	135 504	-	(59)	135 445	60 712	74 733	44.8%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	59	59	60	(1)	101.7%	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	135 504	-	-	135 504	60 772	74 732		-	-
3. EMPOWERMENT AND STAKEHOLDER MANAGEMENT									
Current payment	76 458	-	(16)	76 442	29 780	46 662	39.0%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	16	16	16	-	100.0%	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	76 458	-	-	76 458	29 796	46 662		-	-
Subtotal	351 431	-	-	351 431	165 950	185 481	47.2%	-	-
Statutory Appropriation									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	351 431	-	-	351 431	165 950	185 481	47.2%	-	-



Appropriation Statement

PART E

for the year ended 31 March 2014 (continued)

	2013/14		2012/13	
	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000
TOTAL (brought forward)				
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	21	-	-	-
NRF Receipts	-	-	-	-
Aid assistance	-	-	-	-
Actual amounts per statement of financial performance (total revenue)	351 452	-	-	-
ADD				
Aid assistance	-	-	-	-
Prior year unauthorised expenditure approved without funding	-	-	-	-
Actual amounts per statement of financial performance (total expenditure)	-	165 950	-	-

Appropriation Statement

for the year ended 31 March 2014 (continued)

Appropriation per economic classification	2013/14						2012/13		
	ADJUSTED APPROPRIATION R'000	SHIFTING OF FUNDS R'000	VIREMENT R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	EXPENDITURE AS % OF FINAL APPROPRIATION %	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000
Current payments									
Compensation of employees	80 602	-	-	80 602	45 002	35 600	55.8%	-	-
Goods and services	260 829	-	(75)	260 754	1 18 033	1 42 721	45.3%	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies									
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Gifts and donations	-	-	-	-	-	-	-	-	-
Payments for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	10 000	-	75	10 075	2 915	7 160	28.9%	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Total	351 431	-	-	351 431	165 950	185 481	47.2%	-	-



Appropriation Statement

PART E

for the year ended 31 March 2014 (continued)

	2013/14							2012/13	
	ADJUSTED APPROPRIATION R'000	SHIFTING OF FUNDS R'000	VIREMENT R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	EXPENDITURE AS % OF FINAL APPROPRIATION %	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000
Statutory Appropriation	-	-	-	-	-	-	-	-	-
Direct changes against the National/Provincial Revenue Fund	-	-	-	-	-	-	-	-	-
List all direct charges against the National/Provincial Revenue Fund President and Deputy President salaries	-	-	-	-	-	-	-	-	-
Member of executive committee / parliamentary officers	-	-	-	-	-	-	-	-	-
Judges and magistrates salaries	-	-	-	-	-	-	-	-	-
Sector education and training authorities (SETA)	-	-	-	-	-	-	-	-	-
National Skills Fund	-	-	-	-	-	-	-	-	-

Appropriation Statement

for the year ended 31 March 2014 (continued)

Detail per sub-programme	2013/14						2012/13		
	ADJUSTED APPROPRIATION R'000	SHIFTING OF FUNDS R'000	VIREMENT R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	EXPENDITURE AS % OF FINAL APPROPRIATION %	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000
1.1 MINISTRY	-	-	-	-	-	-	-	-	-
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
1.2 MANAGEMENT									
Current payment	48 032	(2 522)	-	45 510	45 510	-	100.0%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	2 531	-	2 531	2 531	-	100.0%	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
1.3 FINANCIAL MANAGEMENT SERVICES									
Current payment	14 524	8 840	-	23 364	23 364	-	100.0%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	207	-	207	207	-	100.0%	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
1.4 INTERNAL AUDIT									
Current payment	4 997	(1 330)	-	3 667	3 667	-	100.0%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	103	-	103	103	-	100.0%	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
1.5 OFFICE ACCOMMODATION									
Current payment	61 916	(4 988)	-	56 928	-	56 928	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	10 000	(2 841)	-	7 159	-	7 159	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	139 469	-	-	139 469	75 382	64 087	54.0%	-	-



Appropriation Statement

PART E

for the year ended 31 March 2014 (continued)

Programme 1 per economic classification	2013/14						2012/13		
	ADJUSTED APPROPRIATION R'000	SHIFTING OF FUNDS R'000	VIREMENT R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	EXPENDITURE AS % OF FINAL APPROPRIATION %	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000
Current payments									
Compensation of employees	42 470	-	-	42 470	27 915	14 555	65.7%	-	-
Goods and services	86 999	-	-	86 999	44 627	42 372	51.3%	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:									
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Gifts and donations	-	-	-	-	-	-	-	-	-
Payment for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	10 000	-	-	10 000	2 840	7 160	28.4%	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	139 469	-	-	139 469	75 382	64 087	54.0%	-	-

Appropriation Statement

for the year ended 31 March 2014 (continued)

	2013/14						2012/13		
	ADJUSTED APPROPRIATION R'000	SHIFTING OF FUNDS R'000	VIREMENT R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	EXPENDITURE AS % OF FINAL APPROPRIATION %	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000
Detail per sub-programme									
2.1 RESEARCH AND POLICY DEVELOPMENT									
Current payment	13 303	-	-	13 303	2 577	10 726	19.4%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
2.2 HEALTHCARE AND WELLNESS SERVICES									
Current payment	26 992	-	(30)	26 962	14 476	12 486	53.7%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	30	30	31	(1)	103.3%	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
2.3 BENEFICIARY SUPPORT SERVICES									
Current payment	22 523	-	-	22 523	3 270	19 253	14.5%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
2.4 SOCIO-ECONOMIC SUPPORT SERVICES									
Current payment	72 686	-	(29)	72 657	40 389	32 268	55.6%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	29	29	29	-	100.0%	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	135 504	-	-	135 504	60 772	74 732	44.8%	-	-



Appropriation Statement

PART E

for the year ended 31 March 2014 (continued)

Programme 2 Per Economic classification	2013/14						2012/13		
	ADJUSTED APPROPRIATION R'000	SHIFTING OF FUNDS R'000	VIREMENT R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	EXPENDITURE AS % OF FINAL APPROPRIATION %	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000
Current payments									
Compensation of employees	15 504	-	-	15 504	11 651	3 853	75.1%	-	-
Goods and services	120 000	-	(59)	119 941	49 062	70 879	40.9%	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:									
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Gifts and donations	-	-	-	-	-	-	-	-	-
Payment for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	59	59	59	-	100.0%	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	135 504	-	-	135 504	60 772	74 732	44.8%	-	-

Appropriation Statement

for the year ended 31 March 2014 (continued)

Detail per sub-programme	2013/14						2012/13		
	ADJUSTED APPROPRIATION R'000	SHIFTING OF FUNDS R'000	VIREMENT R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	EXPENDITURE AS % OF FINAL APPROPRIATION %	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000
3.1 PROVINCIAL OFFICE MANAGEMENT AND STAKEHOLDER RELATIONS									
Current payment	11 076	4 729	-	15 805	15 805	-	100.0%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	16	16	16	-	100.0%	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
3.2 SKILLS DEVELOPMENT AND EMPOWERMENT PROGRAMMES									
Current payment	33 763	(4 729)	(16)	29 018	11 548	17 470	39.8%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
3.3 HERITAGE, MEMORIALS, BURIALS AND HONOURS									
Current payment	31 619	-	-	31 619	2 427	29 192	7.7%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	76 458	-	-	76 458	29 796	46 662	39.0%	-	-



Appropriation Statement

PART E

for the year ended 31 March 2014 (continued)

	2013/14						2012/13		
	ADJUSTED APPROPRIATION R'000	SHIFTING OF FUNDS R'000	VIREMENT R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	EXPENDITURE AS % OF FINAL APPROPRIATION %	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000
Programme 3 Per Economic classification									
Current payments									
Compensation of employees	22 628	-	-	22 628	5 436	17 192	24.0%	-	-
Goods and services	53 830	-	(16)	53 814	24 344	29 470	45.2%	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:									
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Gifts and donations	-	-	-	-	-	-	-	-	-
Payment for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	16	16	16	-	100.0%	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	76 458	-	-	76 458	29 796	46 662	39.0%	-	-

Appropriation Statement

for the year ended 31 March 2014 (continued)

1. DETAIL OF TRANSFERS AND SUBSIDIES AS PER APPROPRIATION ACT (AFTER VIREMENT)

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

2. DETAIL OF SPECIFICALLY AND EXCLUSIVELY APPROPRIATED AMOUNTS VOTED (AFTER VIREMENT)

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

3. DETAIL ON PAYMENTS FOR FINANCIAL ASSETS

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

4. EXPLANATIONS OF MATERIAL VARIANCES FROM AMOUNTS VOTED (AFTER VIREMENT)

4.1 Per programme	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE R'000	VARIANCE AS A % OF FINAL APPROPRIATION
Programme 1	139 469	75 382	64 087	54%

The under-spending was mainly due to the billing not received from the Department of Public Works for infrastructure and property management services such as Healthcare & Wellness Centre Project, Head Office Accommodation rental, water & electricity, and Tomb for Unknown Soldier infrastructure project. Other main reason was due to the under-spent funds allocated for the procurement of furniture for the Head Office building which were not fully spent due to the fact that supplier appointed could not deliver full quantities and quality of furniture required and also irregularities which occurred in the tender process of contract awarded. The under-spending is also due to the fact that the Department of Public Works declined to process request of the identified property for Healthcare and Wellness Centre in Midrand which was meant to be furnished with furniture and other equipment in 2013/14 financial year. The decline to process the request by the Department of Public Works resulted in the funds allocated for furniture and equipment for the Healthcare and Wellness Centre not being spent in 2013/14 financial year. The under-spending is also mainly due to the slow filling of funded vacant posts.

	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE R'000	VARIANCE AS A % OF FINAL APPROPRIATION
Programme 2	135 504	60 772	74 732	45%

The under-spending is mainly due to the budget allocations for houses, healthcare support and other Military Veterans socio economic support benefits which could not be spent due to the fact that the Military Veterans Regulations were approved late in February 2014 giving little time to DMV for implementation. The under-spending is also mainly due to the slow filling of the funded vacant posts.



Appropriation Statement

PART E

for the year ended 31 March 2014 (continued)

	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE R'000	VARIANCE AS A % OF FINAL APPROPRIATION
Programme 3	76 458	29 796	46 662	39%

The under-spending is mainly due to the budget allocations for honouring, skills development and other Military Veterans support benefits which could not be spent due to the fact that the Military Veterans Regulations were approved late in February 2014 giving little time to DMV for implementation. The under-spending is also mainly due to the slow filling of the funded vacant posts.

4.2 Per economic classification	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	VARIANCE AS A % OF FINAL APPROPRIATION %
Current payments				
Compensation of employees	80 602	45 002	35 600	56%
Goods and services	260 754	118 033	142 721	45%
Interest and rent on land	-	-	-	-
Unauthorised expenditure approved	-	-	-	-
Transfers and subsidies				
Provinces and municipalities	-	-	-	-
Departmental agencies and accounts	-	-	-	-
Higher education institutions	-	-	-	-
Public corporations and private enterprises	-	-	-	-
Foreign governments and international organisations	-	-	-	-
Non-profit institutions	-	-	-	-
Households	-	-	-	-
Gifts and donations	-	-	-	-
Payments for capital assets				
Buildings and other fixed structures	-	-	-	-
Machinery and equipment	10 075	2 915	7 160	29%
Heritage assets	-	-	-	-
Specialised military assets	-	-	-	-
Biological assets	-	-	-	-
Land and subsoil assets	-	-	-	-
Intangible assets	-	-	-	-

Appropriation Statement

for the year ended 31 March 2014 (continued)

The under-spending is mainly due to the slow filling of the funded vacant posts under compensation of employees. The under-spending was mainly due to the billing not received from the Department of Public Works for infrastructure and property management services such as Healthcare & Wellness Centre Project, Head Office Accommodation rental, water & electricity, and Tomb for Unknown Soldier infrastructure project under goods and services.

The under-spending was also mainly due to the budget allocations for houses, healthcare support, honouring, skills development and other Military Veterans socio economic support operations and benefits which could not be spent due to the fact that the Military Veterans Regulations were approved late in February 2014 giving little time to DMV for implementation under goods and services. The under-spending was also due to the under-spent funds allocated for the procurement of furniture which were not fully spent due to the fact that supplier appointed could not deliver full quantities of furniture required and also irregularities which occurred in the tender process of contract awarded under payments for capital assets.

The under-spending is also due to the fact that the Department of Public Works declined to process request of the identified property for Healthcare and Wellness Centre in Midrand which was meant to be furnished with furniture and other equipment in 2013/14 financial year under payments for capital assets. The decline to process the request by the Department of Public Works resulted in the funds allocated for furniture and equipment for the Healthcare and Wellness Centre not being spent in 2013/14 financial year. The Department of Public Works indicated that they would like to go on open tender for the identification and purchase of Healthcare and Wellness Centre, as the Director General of the Department of Public Works declined the deviation to proceed with the purchase of the identified Healthcare and Wellness Centre in Midrand.



Statement of Financial Performance

PART E

as at 31 March 2014

	NOTE	2013/14 R'000	2012/13 R'000
REVENUE			
Annual appropriation	1	351 431	-
Statutory appropriation		-	-
Departmental revenue	2	21	-
NRF Receipts		-	-
Aid assistance		-	-
TOTAL REVENUE		351 452	-
EXPENDITURE			
Current expenditure			
Compensation of employees	3	45 002	-
Goods and services	4	118 033	-
Interest and rent on land		-	-
Aid assistance		-	-
Unauthorised expenditure approved without funding		-	-
Total current expenditure		163 035	-
Transfers and subsidies			
Transfers and subsidies		-	-
Aid assistance		-	-
Unauthorised expenditure approved without funding		-	-
Total transfers and subsidies		-	-
Expenditure for capital assets			
Tangible assets	5	2 915	-
Intangible assets		-	-
Unauthorised expenditure approved without funding		-	-
Total expenditure for capital assets		2 915	-
Payments for financial assets		-	-
TOTAL EXPENDITURE		165 950	-
SURPLUS FOR THE YEAR		185 502	-
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		185 481	-
Annual appropriation		-	-
Conditional grants		-	-
Unconditional grants		-	-
Departmental revenue and NRF Receipts	10	21	-
Aid assistance		-	-
SURPLUS/(DEFICIT) FOR THE YEAR		185 502	-

Statement of Financial Position

for the year ended 31 March 2014

	NOTE	2013/14 R'000	2012/13 R'000
Current assets		185 473	-
Unauthorised expenditure		-	-
Cash and cash equivalents	6	185 408	-
Other financial assets		-	-
Prepayments and advances	7	51	-
Receivables	8	14	-
Loans		-	-
Aid assistance prepayments		-	-
Aid assistance receivable		-	-
Non-current assets		-	-
Investments		-	-
Loans		-	-
Other financial assets		-	-
TOTAL ASSETS		185 473	
LIABILITIES			
Current liabilities		185 473	-
Voted funds to be surrendered to the Revenue Fund	9	185 481	-
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund		-	-
Bank overdraft		-	-
Payables	11	(8)	-
Aid assistance repayable		-	-
Aid assistance unutilised		-	-
Non-current liabilities			
Payables		-	-
TOTAL LIABILITIES		185 473	-
NET ASSETS		-	-
Represented by:			
Capitalisation reserve		-	-
Recoverable revenue		-	-
Retained funds		-	-
Revaluation reserves		-	-
TOTAL		-	-

Statement of Changes in Net Assets

PART E

for the year ended 31 March 2014

<i>NOTE</i>	2013/14 R'000	2012/13 R'000
Capitalisation Reserves		
Opening balance	-	-
Transfers:	-	-
Movement in Equity	-	-
Movement in Operational Funds	-	-
Other movements	-	-
Closing balance	-	-
Recoverable revenue		
Opening balance	-	-
Transfers:	-	-
Irrecoverable amounts written off	-	-
Debts revised	-	-
Debts recovered (included in departmental receipts)	-	-
Debts raised	-	-
Closing balance	-	-
Retained funds		
Opening balance	-	-
Transfer from voted funds to be surrendered	-	-
Utilised during the year	-	-
Other	-	-
Closing balance	-	-
Revaluation Reserve		
Opening balance	-	-
Revaluation adjustment (Housing departments) Transfers	-	-
Other	-	-
Closing balance	-	-
TOTAL	-	-

Cash Flow Statement

for the year ended 31 March 2014

	NOTE	2013/14 R'000	2012/13 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		351 452	-
Annual appropriated funds received	1.1	351 431	-
Statutory appropriated funds received		-	-
Departmental revenue received	2	21	-
Interest received		-	-
NRF Receipts		-	-
Aid assistance received		-	-
Net (increase)/decrease in working capital		(73)	-
Surrendered to Revenue Fund		(21)	-
Surrendered to RDP Fund/Donor		-	-
Current payments		(163 035)	-
Interest paid		-	-
Payments for financial assets		-	-
Transfers and subsidies paid		-	-
Net cash flow available from operating activities		188 323	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	5	(2 915)	-
Proceeds from sale of capital assets		-	-
(Increase)/decrease in loans		-	-
(Increase)/decrease in investments		-	-
(Increase)/decrease in other financial assets		-	-
Net cash flows from investing activities		(2 915)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution/dividend received		-	-
Increase/(decrease) in net assets		-	-
Increase/(decrease) in non-current payables		-	-
Net cash flows from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents	6	185 408	-
Cash and cash equivalents at beginning of period		-	-
Cash and cash equivalents at end of period		185 408	-



for the year ended 31 March 2014

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 .

1. PRESENTATION OF THE FINANCIAL STATEMENTS

1.1 Basis of preparation

The Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid.

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

The Department of Military Veterans (DMV) signed undertaking with the Department of Defence (DOD) to utilise policies, procedures, information communication technology systems, bank accounts and capacity of DOD during the 2012/13 financial year. All records of transactions concluded in 2012/13 were filled in the DOD filling space. DMV was falling under the Department of Defence and Military Veterans in terms of the 2012/13 Estimates of National Expenditure with the Secretary for Defence as an Accounting Officer and Military Veterans is accounted for under Programme 1: Administration of the DOD Vote 22. It should be noted that no physical amounts were transferred from DOD to DMV in the 2012/13 financial year.

In light of the above, a resolution was made in concurrence with National Treasury and the Department of Defence that the financial affairs of the Department of Military Veterans will be accounted for under the sub-Programme Military Veterans Management within the main Administration Programme under Vote 22 of the Department of Defence and Military Veterans in 2012/13 financial year. It is not possible to present prior period comparative information as it is for a very first time that the Department of Military Veterans is starting to prepare its own full set of Annual Financial Statements in 2013/14 financial year.

1.5 Comparative figures - Appropriation Statement

It is not possible to present prior period comparative information in the Appropriation Statement for the reasons stated in Paragraph 1.4 above as it is for a very first time that the Department of Military Veterans is starting to prepare its own full set of Annual Financial Statements in 2013/14 financial year.

Accounting Policies

for the year ended 31 March 2014 (continued)

2. REVENUE

Appropriated funds

Appropriated funds comprises of departmental voted allocations only.

Appropriated funds are recognised in the financial records on the date the appropriation becomes effective and transferred to the Department of Military Veterans. Adjustments made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective where applicable. Unexpended appropriated funds are surrendered to the Department of Defence.

2.1 Departmental revenue

All departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the Department of Defence, unless stated otherwise.

2.2 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 of each year).

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.

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 authorisation for payment is effected on the system (by no later than 31 March each year).

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 cost are not capitalised to the cost of a capital project when an employee spends more than 50% of his/her time in the project. These payments do not form part of expenditure for capital assets in the statement of financial performance.

for the year ended 31 March 2014 (continued)

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 each year).

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 Department of Defence 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 of each year).

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 amounts.

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

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 of each year).

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.

Accounting Policies

for the year ended 31 March 2014 (continued)

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 of approval.

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.

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.

for the year ended 31 March 2014 (continued)

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 FIFO cost formula.

4.8 Capital assets

The assets which are to be handed over from the Department of Defence will be recognised as opening balance as soon as the signed handing over certificate is signed between the two Accounting Officers of the Departments of Defence and Military Veterans. Assets with value of less than R5000 will be recognised as current asset and asset with value of R5000 or more will be recognised as capital asset as soon as the transaction is approved and effected. Minor and major assets without any value attached will be disclosed at R1.

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.

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.

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 are included in the asset register at R1.

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

Accounting Policies

for the year ended 31 March 2014 (continued)

5. LIABILITIES

5.1 Payables

Recognised payables mainly comprise of 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 possible 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.

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 an expense in the statement of financial performance and are apportioned between the capital and interest portions. The finance lease liability 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 statements.

for the year ended 31 March 2014 (continued)

5.8 Impairment and other provisions

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. 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.

7. NET ASSETS

7.1 Capitalisation reserve

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

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 Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

8. RELATED PARTY TRANSACTIONS

The Department of Military Veterans does not have the information regarding the related party related party transactions to report in the 2013/14 financial year.

9. KEY MANAGEMENT PERSONNEL

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

Notes to the Annual Financial Statements

for the year ended 31 March 2014

1. ANNUAL APPROPRIATION

1.1 Annual Appropriation

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

	2013/14			2012/13
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation received
Programme 1: Administration	139 469	139 469	-	-
Programme 2: Socio-Economic Support	135 504	135 504	-	-
Programme 3: Empowerment and Stakeholder Management	76 458	76 458	-	-
Total	351 431	351 431	-	-

2. DEPARTMENTAL REVENUE

	NOTE	2013/14 R'000	2012/13 R'000
Tax revenue		-	-
Sales of goods and services other than capital assets	10	21	-
Fines, penalties and forfeits		-	-
Interest, dividends and rent on land		-	-
Sales of capital assets		-	-
Transactions in financial assets and liabilities		-	-
Transfer received		-	-
Total revenue collected		21	-
Less: Own revenue included in appropriation		-	-
Departmental revenue collected		21	-
2.1 Sales of goods and services other than capital assets			
Sales of goods and services produced by the department			
Sales by market establishment		-	-
Administrative fees		-	-
Other sales		21	-
Sales of scrap, waste and other used current goods		-	-
Total		21	-

Notes to the Annual Financial Statements

PART E

for the year ended 31 March 2014 (continued)

3. COMPENSATION OF EMPLOYEES	NOTE	2013/14 R'000	2012/13 R'000
3.1 Salaries and Wages			
Basic salary		31 486	-
Performance award		17	-
Service Based		67	-
Compensative/circumstantial		399	-
Periodic payments		121	-
Other non-pensionable allowances		8 927	-
Total		41 017	-
3.2 Social contributions			
Employer contributions			
Pension		3 501	-
Medical		464	-
UIF		-	-
Bargaining council		20	-
Official unions and associations		-	-
Insurance		-	-
Total		3 985	-
Total compensation of employees		45 002	-
Average number of employees		135	-
4. GOODS AND SERVICES			
Administrative fees		2 301	-
Advertising		12 347	-
Minor assets	4.1	1 622	-
Bursaries (employees)		620	-
Catering		2 184	-
Communication		3 738	-
Computer services	4.2	17 077	-
Consultants, contractors and agency/outsourced services	4.3	30 098	-
Entertainment		42	-
Audit cost – external	4.4	1 695	-
Fleet services		494	-
Inventory		-	-
Consumables	4.5	2 423	-
Housing		14 546	-
Operating leases		170	-
Property payments		-	-
Rental and hiring		66	-
Transport provided as part of the departmental activities		-	-
Travel and subsistence	4.6	24 310	-
Venues and facilities		2 726	-
Training and development		866	-
Other operating expenditure	4.7	708	-
Total		118 033	-

Notes to the Annual Financial Statements

for the year ended 31 March 2014 (continued)

4. GOODS AND SERVICES (CONTINUED)	NOTE	2013/14 R'000	2012/13 R'000
4.1. Minor assets	23		
Tangible assets		1 622	-
Buildings and other fixed structures		-	-
Biological assets		-	-
Heritage assets		-	-
Machinery and equipment		1 622	-
Transport assets		-	-
Specialised military assets		-	-
Total		1 622	-
4.2 Computer services			
SITA computer services (Infrastructure and connectivity)		17 077	-
External computer service providers		-	-
Total		17 077	-
4.3 Consultants, contractors and agency/outsourced services			
Business and advisory services		16 773	-
Infrastructure and planning		-	-
Laboratory services		-	-
Legal costs		-	-
Science and technology		-	-
Contractors		1 305	-
Agency and support/outsourced services		12 020	-
Total		30 098	-
4.4 Audit cost – External			
Regularity audits		1 692	-
Performance audits		-	-
Investigations		-	-
Environmental audits		-	-
Computer audits		3	-
Total		1 695	-
4.5 Consumables			
Consumable supplies		985	-
Uniform and clothing for Military Veterans		437	-
Household supplies		107	-
Building material and supplies			
Communication accessories			
IT consumables		183	-
Other consumables		258	-
Stationery, printing and office supplies		1 438	-
Total		2 423	-

Notes to the Annual Financial Statements

PART E

for the year ended 31 March 2014 (continued)

4. GOODS AND SERVICES (CONTINUED)	NOTE	2013/14 R'000	2012/13 R'000
4.6 Travel and subsistence			
Local travels including travels for Military Veterans (main costs)		24 310	-
Foreign		-	-
Total		24 310	-
4.7 Other operating expenditure			
Professional bodies, membership and subscription fees			
Resettlement costs		441	-
Other		267	-
Total		708	-

5. EXPENDITURE FOR CAPITAL ASSETS

Tangible assets		2 915	-
Buildings and other fixed structures		-	-
Heritage assets		-	-
Machinery and equipment	21	2 915	-
Specialised military assets		-	-
Land and subsoil assets		-	-
Biological assets		-	-
Intangible assets			
Software		-	-
Mastheads and publishing titles		-	-
Patents, licences, copyright, brand names, trademarks		-	-
Recipes, formulae, prototypes, designs, models		-	-
Services and operating rights		-	-
Total		2 915	-

5.1. Analysis of funds utilised to acquire capital assets – 2013/14

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	2 915	-	2 915
Buildings and other fixed structures	-	-	-
Heritage assets	-	-	-
Machinery and equipment	2 915	-	2 915
Specialised military assets	-	-	-
Land and subsoil assets	-	-	-
Biological assets	-	-	-

Notes to the Annual Financial Statements

for the year ended 31 March 2014 (continued)

5. EXPENDITURE FOR CAPITAL ASSETS (CONTINUED)	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	-	-	2 915
Buildings and other fixed structures	-	-	-
Heritage assets	-	-	-
Machinery and equipment	2 915	-	2 915
Specialised military assets	-	-	-
Land and subsoil assets	-	-	-
Biological assets	-	-	-
Intangible assets	-	-	-
Software	-	-	-
Mastheads and publishing titles	-	-	-
Patents, licences, copyright, brand names, trademarks	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-
Services and operating rights	-	-	-
Total	2 915	-	2 915

6. CASH AND CASH EQUIVALENTS	NOTE	2013/14 R'000	2012/13 R'000
Consolidated Paymaster General Account		185 358	-
Cash receipts		-	-
Disbursements		-	-
Cash on hand		50	-
Investments (Domestic)		-	-
Investments (International)		-	-
Total		185 408	-

7. PREPAYMENTS AND ADVANCES		2013/14 R'000	2012/13 R'000
Staff advances		-	-
Travel and subsistence		-	-
Prepayments		-	-
Advances paid	12	51	-
SOCPEN advances		-	-
Total		51	-

7.1. Advances paid	Annex 2	2013/14 R'000	2012/13 R'000
National departments		5 114	-
Provincial departments		47	-
Public entities		-	-
Other institution		-	-
Total		5 161	-

Notes to the Annual Financial Statements

PART E

for the year ended 31 March 2014 (continued)

8. RECEIVABLES	NOTE	2013/14				2012/13
		Less than one year R'000	One to three years R'000	Older than three years R'000	Total R'000	Total R'000
		-	-	-	-	-
Claims recoverable		-	-	-	-	-
Trade receivables		-	-	-	-	-
Recoverable expenditure		-	-	-	-	-
Staff debt		-	-	-	-	-
Fruitless and wasteful expenditure		-	-	-	-	-
Other debtors		14	-	-	14	-
Total		14	-	-	14	-

	NOTE	2013/14 R'000	2012/13 R'000
8.1 Other debtors			
(Group major categories, but list material items)			
Zungu BC		10	-
Zungu BC, Mothei MM and Moloi L		4	-
Total		14	-

9. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND

Opening balance			
Prior period error (2012/13)		-	-
As restated		-	-
Transfer from statement of financial performance (as restated)		185 481	-
Add: Unauthorised expenditure for current year		-	-
Voted funds not requested/not received		-	-
Transferred to retained revenue to defray excess expenditure		-	-
Paid during the year		-	-
Closing balance		185 481	-

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

Opening balance			
Prior period error (2012/13)		-	-
As restated		-	-
Transfer from Statement of Financial Performance (as restated)		21	-
Own revenue included in appropriation		-	-
Transfer from aid assistance		-	-
Transfer to voted funds to defray expenditure		-	-
Paid during the year		(21)	-
Closing balance		-	-

Notes to the Annual Financial Statements

for the year ended 31 March 2014 (continued)

11. PAYABLES – CURRENT	NOTE	2013/14 R'000	2012/13 R'000
Amounts owing to other entities		-	-
Advances received		-	-
Clearing accounts		(8)	-
Other payables		-	-
Total		(8)	-
11.1 Clearing accounts			
Salaries: Income Tax		(4)	-
Salaries: Medical Aid		(3)	-
Salaries: Pension Fund		(1)	-
Total		(8)	-
12. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES			
Net surplus/(deficit) as per Statement of Financial Performance		185 502	-
Add back non cash/cash movements not deemed operating activities		2 821	-
(Increase)/decrease in receivables – current		(14)	-
(Increase)/decrease in prepayments and advances		(51)	-
(Increase)/decrease in other current assets		-	-
Increase/(decrease) in payables – current		(8)	-
Proceeds from sale of capital assets		-	-
Proceeds from sale of investments		-	-
(Increase)/decrease in other financial assets		-	-
Expenditure on capital assets		2 915	-
Surrenders to Revenue Fund		(21)	-
Surrenders to RDP Fund/Donor		-	-
Voted funds not requested/not received		-	-
Own revenue included in appropriation		-	-
Other non-cash items		-	-
Net cash flow generated by operating activities		188 323	-

Notes to the Annual Financial Statements

PART E

for the year ended 31 March 2014 (continued)

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

	NOTE	2013/14 R'000	2012/13 R'000
Consolidated Paymaster General account		185 358	-
Fund requisition account		-	-
Cash receipts		-	-
Disbursements		-	-
Cash on hand		50	-
Cash with commercial banks (Local)		-	-
Cash with commercial banks (Foreign)		-	-
Total		185 408	-

14. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

14.1. Contingent liabilities

Liable to	Nature		
Motor vehicle guarantees	Employees	-	-
Housing loan guarantees	Employees	-	-
Other guarantees		-	-
Claims against the department	Annex 1A	1 246	-
Intergovernmental payables (unconfirmed balances)		-	-
Environmental rehabilitation liability		-	-
Other		-	-
Total		1 246	-

The settlements will be paid as soon as the agreement is reached.

This matter will be determined by the legal proceedings.

15. COMMITMENTS

Current expenditure			
Approved and contracted		410	-
Approved but not yet contracted		-	-
		410	-
Capital expenditure			
Approved and contracted		-	-
Approved but not yet contracted		-	-
Total Commitments		410	-

The commitment is for the remaining three months of the 2013/14 financial year.

Notes to the Annual Financial Statements

for the year ended 31 March 2014 (continued)

16. ACCRUALS	2013/14			2012/13
	30 DAYS R'000	30+ DAYS R'000	TOTAL R'000	TOTAL R'000
Listed by economic classification				
Goods and services	4 398	260	4 658	-
Interest and rent on land	-	-	-	-
Transfers and subsidies	-	-	-	-
Capital assets	-	-	-	-
Other	-	-	-	-
Total	4 398	260	4 658	-

Listed by programme level	NOTE	2013/14	2012/13
		R'000	R'000
Programme 1: Administration		2 704	-
Programme 2: Socio Economic Support		1 326	-
Programme 3: Empowerment and Stakeholder Management		628	-
Total		4 658	-
Confirmed balances with other departments	Annex 3	82	-
Confirmed balances with other government entities		-	-
Total		82	-

17. EMPLOYEE BENEFITS

Leave entitlement	1 869	-
Service bonus (Thirteenth cheque)	1 209	-
Performance awards	17	-
Capped leave commitments	364	-
Other	-	-
Total	3 459	-

18. LEASE COMMITMENTS

18.1 Operating leases expenditure

2013/14	SPECIALISED MILITARY EQUIPMENT	LAND	BUILDINGS AND OTHER FIXED STRUCTURES	MACHINERY AND EQUIPMENT	TOTAL
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	-	-
Later than 1 year and not later than 5 years	-	-	-	385	385
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	385	385

Notes to the Annual Financial Statements

PART E

for the year ended 31 March 2014 (continued)

19. IRREGULAR EXPENDITURE	2013/14 R'000	2012/13 R'000
19.1 Reconciliation of irregular expenditure		
Opening balance		
Add: Irregular expenditure – relating to prior year	9 101	-
Add: Irregular expenditure – relating to current year	14 905	-
Less: Prior year amounts condoned	-	-
Less: Current year amounts condoned	-	-
Less: Amounts recoverable (not condoned)	-	-
Less: Amounts not recoverable (not condoned)	-	-
Irregular expenditure awaiting condonation	24 006	-

19.2 Details of irregular expenditure – current year

Disciplinary steps taken/criminal proceedings Incident	2013/14 R'000
Non Compliance with supply chain management regularity prescripts	209
Non Compliance with the tender process in terms of SCM Regularity Prescripts	10 681
Services were rendered without the involvement of SCM and splitting of services to remain within the R2000 threshold	87
Non Compliance with the tender process in terms of SCM Regularity Prescripts	1 455
Non Compliance with the tender process in terms of SCM Regularity Prescripts	99
Payment made for catering in the burials services for deceased military veteran	843
Non Compliance with the tender process in terms of SCM Regularity Prescripts	1 237
Non Compliance with supply chain management regularity prescripts	143
Non Compliance with supply chain management regularity prescripts	151
	14 905

Notes to the Annual Financial Statements

for the year ended 31 March 2014 (continued)

19. IRREGULAR EXPENDITURE (CONTINUED)

	2013/14 R'000
19.3 Details of irregular expenditure under investigation	
Incident	
Carry over balance from Department of Defence	9 101
Non-compliance with supply chain management regularity prescripts	209
Non-compliance with the tender process in terms of SCM Regularity Prescripts	10 681
Services were rendered without the involvement of SCM and splitting of services to remain within the R2 000 threshold	87
Non-compliance with the tender process in terms of SCM Regularity Prescripts	1 455
Non-compliance with the tender process in terms of SCM Regularity Prescripts	99
Payment made for catering in the burials services for Late Gen Moloji	843
Non-compliance with the tender process in terms of SCM Regularity Prescripts	1 237
Non-compliance with supply chain management regularity prescripts	143
Non-compliance with supply chain management regularity prescripts	151
	24 006

20. KEY MANAGEMENT PERSONNEL

	NO. OF INDIVIDUALS	2013/14 R'000	2012/13 R'000
Political office bearers			
Officials:			
Level 15 to 16	3	3 331	-
Level 14 (including CFO if at a lower level)	8	7 163	-
Family members of key management personnel		-	-
Total		10 494	-

21. MOVABLE TANGIBLE CAPITAL ASSETS

Movement in movable tangible capital assets per asset register for the year ended 31 March 2014

	OPENING BALANCE R'000	CURRENT YEAR ADJUSTMENTS TO PRIOR YEAR BALANCES R'000	ADDITIONS R'000	DISPOSALS R'000	CLOSING BALANCE R'000
Machinery and equipment	-	2 915	-	-	2 915
Transport assets	-	-	-	-	-
Computer equipment	-	720	-	-	720
Furniture and office equipment	-	838	-	-	838
Other machinery and equipment	-	1 357	-	-	1 357
TOTAL MOVABLE TANGIBLE	-	2 915	-	-	2 915

Notes to the Annual Financial Statements

PART E

for the year ended 31 March 2014 (continued)

22. ADDITIONS

Additions to movable tangible capital assets per asset register for the year ended 31 March 2014.

	OPENING BALANCE R'000	CURRENT YEAR ADJUSTMENTS TO PRIOR YEAR BALANCES R'000	ADDITIONS R'000	DISPOSALS R'000	CLOSING BALANCE R'000
Heritage Assets	-	-	-	-	-
Heritage assets	-	-	-	-	-
Machinery and Equipment		2 915	-	-	2 915
Transport assets	-	-	-	-	-
Computer equipment	-	720	-	-	720
Furniture and office equipment	-	838	-	-	838
Other machinery and equipment	-	1 357	-	-	1 357
Specialised Military Assets	-	-	-	-	-
Specialised military assets	-	-	-	-	-
Biological Assets	-	-	-	-	-
Biological assets	-	-	-	-	-
Total Additions to Movable Tangible Capital Assets	-	2 915	-	-	2 915

23. MINOR ASSETS

Movement in minor assets per the Asset Register for the year ended 31 March 2014

	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	-	-	-	-	-	-
Current year adjust- ments to prior year balances	-	-	-	-	-	-
Additions	-	-	-	1 622	-	1 622
Disposals	-	-	-	-	-	-
Total minor assets	-	-	-	1 622	-	1 622

Annexures to the Annual Financial Statements

for the year ended 31 March 2014

ANNEXURE 1A

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2014

Nature of Liability	OPENING BALANCE 1 APRIL 2013	LIABILITIES INCURRED DURING THE YEAR	LIABILITIES PAID/CANCEL LED/REDUCED DURING THE YEAR	LIABILITIES RECOVERABLE	CLOSING BALANCE 31 MARCH 2014
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Intension to issue summons by E moyeni the service provider who was not allowed to cater in the funeral of the Deceased Military Veteran.	-	1 246	-	-	1 246
	-	1 246	-	-	1 246

Nature of Liabilities recoverable	OPENING BALANCE 1 APRIL 2013	DETAILS OF LIABILITY AND RECOVERABILITY	MOVEMENT DURING YEAR	CLOSING BALANCE 31 MARCH 2014
	R'000	R'000	R'000	R'000
Intension to issue summons by E moyeni the service provider who was not allowed to cater in the funeral of the deceased Military Veteran.	-	-	1 246	1 246
	-	-	1 246	1 246

Annexures to the Annual Financial Statements

PART E

for the year ended 31 March 2014 (continued)

ANNEXURE 2

CLAIMS RECOVERABLE

Nature of Liability	CONFIRMED BALANCE OUTSTANDING		UNCONFIRMED BALANCE OUTSTANDING		TOTAL	
	31/03/2014 R'000	31/03/2013 R'000	31/03/2014 R'000	31/03/2013 R'000	31/03/2014 R'000	31/03/2013 R'000
Department						
Eastern Cape Department of Human Settlements	-	-	4	-	4	-
National Department of Science and Technology	-	-	68	-	68	-
National Department of Agriculture, Forestry & Fisheries	-	-	17	-	17	-
Eastern Cape Department of Provincial Planning and Treasury	-	-	37	-	37	-
Gauteng Department of Infrastructure Development	-	-	6	-	6	-
Government Communication and Information System	-	-	5 029	-	5 029	-
	-	-	5 161	-	5 161	-

Annexures to the Annual Financial Statements

for the year ended 31 March 2014 (continued)

ANNEXURE 3

INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	CONFIRMED BALANCE OUTSTANDING		UNCONFIRMED BALANCE OUTSTANDING		TOTAL	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Eastern Cape Department of Health	82	-	-	-	82	-
Subtotal	82	-	-	-	82	-
Non-current						
Subtotal	-	-	-	-	-	-
OTHER GOVERNMENT ENTITY						
Current						
Subtotal	-	-	-	-	-	-
Non-current						
Subtotal	-	-	-	-	-	-
TOTAL	82	-	-	-	82	-



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